

Korea's Regional Diplomacy and Strategic ODA Realignment



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The current recalibration of U.S. foreign strategy, anchored in an America-centric approach and the prioritization of its own economic and security interests, demands a fundamental adjustment in Korea's diplomatic posture and development cooperation policy. The strategic shift, particularly the pronounced retreat from protracted “nation-building” efforts as articulated in key policy documents like the 2025 National Security Strategy (NSS), places new burdens and opportunities on its allies. Furthermore, the anticipated paradigm change, potentially involving a redefinition of foreign aid as an instrument of national interest, or even its quantitative reduction, compels Seoul to adopt a proactive and strategically instrumentalized approach to its global engagement.

As the U.S. focuses its strategic calculus on great power competition and the reinforcement of alliances, Korea's regional diplomacy must transition from passive alliance dependency to proactive middle power diplomacy.

Firstly, it is imperative to strengthen comprehensive and multi-layered diplomacy—integrating political, security, and economic cooperation mechanisms—to maintain strategic autonomy and diplomatic flexibility. While

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the ROK-U.S. alliance remains the security anchor, Korea must expand its diplomatic scope through national interest-based initiatives to strengthen its cooperative network with ASEAN and other key middle powers. This goes beyond traditional military coordination, focusing on building a functional multilateral framework that shares common values in critical domains, including supply chain resilience, advanced technology governance, and climate change mitigation.

Secondly, the emphasis must shift to Economic Security-Centric Diversification. Amidst growing protectionist pressures from the U.S., Seoul must prioritize securing its self-sufficient supply chain resilience and incentivizing the repatriation of core industrial capacity. Simultaneously, regional economic cooperation with strategic partners must be intensified to strategically diversify and mitigate geopolitical risks inherent in the current international system. This requires a dedicated focus on transforming the country's diplomatic capacity to genuinely fulfill its vision as a global leading country.

In response to the evolving international development cooperation environment, where major advanced nations are increasingly prioritizing their own economic and security interests, Korea's Official Development Assistance (ODA) must be rigorously redefined. It must transcend purely humanitarian aid to function as a core strategic foreign policy instrument for advancing national interests.

The first imperative is the strategic ODA policy that balances national interests with international values. The geopolitical and geo-economic weight of the Global South has grown rapidly in recent years. The U.S.–China strategic competition has deepened structural divides in global governance, compelling emerging economies to assert greater agency in multilateral arenas. For Korea, this shift presents both a challenge and an opportunity. ODA must be inextricably linked with Korea's regional foreign policy strategies and economic security objectives. This involves prioritizing strategic partnership projects with developing countries that hold vital resources or critical technologies essential for key Korean industries, thereby establishing mutually beneficial relationships and contributing directly to national interests.

The second core task is to strengthen Policy Coherence for Development (PCD) and inclusive partnerships. Given the transnational impact of domestic policies on developing countries, full implementation of the Policy Coherence for Development (PCD) principle is crucial. The National Committee on Sustainable Development must be effectively operated to harmonize domestic policies with the nation's sustainable development goals. Furthermore, strategic partnerships must be built with multilateral development banks (MDBs) and other bilateral donors,

moving beyond simple project-level coordination to establish strategic dialogue channels and partnerships that maximize ODA's effectiveness and leverage.

The third challenge is to Concentrate ODA Expertise for Global Complex Crises. In the face of deepening complex global crises post-pandemic, South Korea must concentrate its ODA capacity in areas where it possesses a comparative advantage, such as public health, climate action (Green Strategy), and digital transformation. Specifically, Green Strategy-based ODA, integrated with advanced Korean technology, will be a critical tool for securing regional leadership and establishing normative influence.

In conclusion, the strategic realignment initiated by the U.S. presents both a formidable challenge and a significant opportunity for Korea to consolidate its status as a proactive middle power. By combining an active, diversified regional diplomacy with a strategic ODA framework explicitly aligned with national interests, Korea can effectively secure its prosperity and stability within the rapidly transforming international order. **KIEP**