Beyond the North-South Debate: 
The Global Significance of Sustainable Development 
Debates in South Korea

Wykracając poza opozycję Północ – Południe: 
globalna rola debat o zrównoważonym rozwoju 
prowadzonych w Korei Południowej

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Abstract
While debates on sustainable development have traditionally pitted the developing countries of the global South against the industrialized countries of the North, this essay addresses possible new elements in the so-called North-South debate, mainly by examining it from the perspective of a former developing country that has recently succeeded in becoming a developed industrial economy. Having achieved rapid economic growth that has been described as miraculous, South Korea has come to enjoy the reputation of being a country that has also shown a firm commitment to sustainable development, and in 2012, was even chosen over Germany to host the headquarters of the UN Green Climate Fund. Yet within the country the Korean government has been subject to ongoing criticism as still placing a preponderant emphasis on economic growth, while largely ignoring the ecological and social aspects of sustainable development. While not disagreeing with the critics, this essay shifts the focus away from the local causes of the alleged inconsistencies and lapses in the Korean government’s sustainable development policy, and uses the Korean case as a prism through which to view the global trends that since the early 1990s have emerged as major obstacles in making sustainable development possible in fact, not just in words. Building on Thomas Piketty’s near definitive study of the rise of income inequality and oligarchic ownership of much of the world’s wealth in the aftermath of the neoliberalist triumph of the 1980s, the essay identifies South Korea as the epitome of a country whose economy has come to be controlled to a large extent by the global financial elite, and suggests that beyond the rhetoric, its development policy has reflected the predominantly growth-oriented agenda of such elite. The implication throughout is that, should the current trends continue, the Korean case may well provide a good indication of what is further to come as today’s rapidly industrializing economies also begin to mature.

Key words: environmentalism, sustainable development, the North-South debate, Rio, Green Climate Fund, South Korea, neoliberalism, inequality, oligarchy, chaebol

Streszczenie
Debaty odnoszące się do zrównoważonego rozwoju zwykle ustawiają kraje Południa w opozycji do zindustrializowanej Północy, jednak w tej pracy ukazujemy możliwe nowe elementy w tej dyskusji. Przedstawiamy przykład kraju, określonego jeszcze niedawno jako rozwijający się, a obecnie stanowiącego przykład udanej transformacji w kierunku gospodarki przemysłowej. Po osiągnięciu szybkiego wzrostu ekonomicznego, który został określony jako cudowny, Korea Południowa pokazuje teraz również zdecydowane zaangażowanie na rzecz zrównoważonego rozwoju. W 2012 roku, kraju ten przebił nawet ofertę Niemiec i to w nim wyznaczono siedzibę prowadzonego przez ONZ Green Climate Fund. Jednocześnie, w wymiarze wewnętrznym, koreański rząd jest krytykowany za nadmierny nacisk na wzrost gospodarczy i zaniedbywanie ekologicznych i społecznych aspektów zrównoważonego
rozwój. W tej pracy jednak nie tyle prezentować będziemy przyczyny krajowych uchybień, ile zaproponujemy spojrzenie na Koreę przez przyzmat, w którym odzwierciedlą się globalne trendy widoczne od początku lat 90., stanowiące obecnie główne przeszkody we wdrożeniu rozwoju zrównoważonego.

Opierając się na badaniach Thomasa Piketty’ego, odnoszących się do wzrostu nierówności dochodów i zauważań przez oligarchię większości światowych zasobów w następstwie triumfu neoliberalizmu z lat 80., przedstawiny Koreę Południową jako przykład kraju, w którym kontrola nad gospodarką w znacznym stopniu została przejęta przez globalną elitę finansową. Pokażemy, że – poza retoryką – polityka rozwijająca jest ukierunkowana głównie na wzrost interesów tej elity. Oznacza to, że jeżeli obecne tendencje się utrzymają, przykład Korei może być wskazówką co do przyszłości innych obecnych uprzedmyłowych gospodarek, które wkraczają w kolejną fazę rozwoju.

Słowka kluczowe: environmetalizm, zrównoważony rozwój, opozycja Północ – Południe, Rio, Green Climate Fund, Korea Południowa, neoliberalizm, nierówność, oligarchia, monopol

Introduction

Rio+20 celebrated in 2012 was in many ways nothing like the original event it was supposed to commemorate: the Earth Summit held twenty years earlier, in Rio de Janeiro, Brazil. Taking place five years after the publication of Our Common Future – the 1987 UN report that coined the term sustainable development and helped launch it as a new development paradigm – the Rio summit of 1992 secured its place in history by becoming the meeting ground where the government representatives of over 170 countries and thousands of NGO representatives congregated to hammer out concrete policy agenda that could help make sustainable development a reality. In contrast to the buoyant optimism that characterized Rio and its participants, Rio+20 of 2012 was a somber event indeed. It went barely noticed by the world community, and some of its participants likely felt relieved by the lack of publicity and attention, since there had been very little encouraging to report since Rio. If Our Common Future defined sustainable development generally as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987, p. 125), Rio and the discussions that followed helped further clarify the concept – at least on a theoretical level – more specifically as a balanced development where economic growth is accompanied by minimal to no environmental degradation and improvements in the social sector. Yet in 2012 news did not seem encouraging on any front, whether economic, ecological, or social. Since 2008 the global economy had been trying to cope with one of the most devastating financial crises in recent history, with many fearing the onset of another Great Depression. The Kyoto Protocol appeared to be in shambles, and the worldwide cooperation needed to tackle what some consider the most serious environmental problem of our time – carbon-emissions-induced climate change – seemed increasingly hopeless. Nor had the economic growth of the late twentieth and the early twenty-first century been particularly conducive to equity – considered to be among the most important indicators for the social pillar of sustainable development – with a disproportionate share of the world’s wealth increasingly in the hands of an elite minority.

Still, 2012 did not turn out to be a year of burial for sustainable development as a development paradigm. There were also events that provided some grounds for hope. Among them was the long-awaited launching of the UN Green Climate Fund, and not the least encouraging thing about its launching was that South Korea, a former developing country that had recently joined the ranks of the world’s developed economies, was chosen over Germany to host its headquarters. Since the 1970s, influential voices of the North went so far as to propose severely limiting economic growth globally, if not halting it altogether, to protect the environment, only to be answered by the voices of reminder from the South that much of the world population still suffered from a lack of tolerable living conditions, for which more economic growth and development, not less, might be the only logical solution (Pak, 2014). As the name of the UN commission that produced Our Common Future reflected – World Commission on Environment and Development – the need to find a middle ground between such opposed viewpoints became one of the immediate contexts for introducing the concept of sustainable development: continued economic growth as demanded by the South, but one that is ecologically sustainable and hence acceptable to the North. The compromise was further worked out at Rio in the form of a set of principles, which the Green Climate Fund would attempt to embody. Its belated launch in 2012 meant the developed countries were finally given the opportunity to make good on their promise to contribute more than just words to an ecologically sustainable global development, by providing the developing countries with the funding necessary to implement green technologies and bypass less expensive but more carbon-intensive ones...
(GCF, 2015a). In South Korea’s being chosen to host the Fund, votes from the developing countries, plus the last-minute support from the United States, were reportedly decisive (Limb, 2012). While perhaps not equal to Germany in the actual implementation of sustainable development policy, South Korea seemed to have the advantages of momentum and location. Having achieved an economic growth that has been described as nothing short of miraculous, it joined the OECD in 1996, from which point on it has zealously sought to achieve visibility as a country dedicated to adopting sustainable development as its main development paradigm. Moreover, as a country geographically located between China and Japan, it is literally situated between the developing and the developed world, as well as straddling the two worlds temporarily by virtue of its recent development history – in short, an ideally situated mediator.

In 1996 Norman Eder already identified South Korea as such an interesting case study because it seemed to represent an experiment in progress for those concerned with the implications of the North-South debate for the successful adoption of sustainable development as a new global development paradigm (Eder, 1996, p. 168). The massive and swift industrialization South Korea experienced in the late twentieth century is reminiscent of the developments under way in other Asian countries like China and India today, and the question that framed Eder’s study twenty years ago continues to be pertinent: at what stage of development does a developing country truly begin to embrace the protection of the environment as a priority as urgent as economic growth? While the denouement of South Korea’s story may seem to offer grounds for resounding optimism, much about the country remains unknown to scholars of sustainable development elsewhere, except through the possibly distorting medium of official reports. The fact that the so-called sustainable development policy implemented by the Korean government has been subject to ongoing criticism within the country suggests that a great deal indeed might remain untold.

The remainder of this essay is devoted to exploring issues the Korean case raises for general debates on sustainable development and their broader implications. Since 2008, I have had the privilege of being invited to serve as an international faculty member at the Korea Advanced Institute of Science and Technology (KAIST). Through my own research and that of my graduate students, I have been able to collect data that may eventuate in a new book-length study to replace Eder’s now outdated study twenty years ago. In this essay I argue that many of what the Korean critics identify as their government’s shortcomings in its approach to sustainable development are actually reflective of the global trends we have been witnessing since Rio, and that their ultimate causes go well beyond local circumstances which are specific to South Korea. The advantage of looking at such global trends through the prism of the Korean case is that it enables us to identify and explore a host of issues that have not received proper attention in the more general discussions of sustainable development, and ultimately provides us with a richer, more nuanced understanding of the looming obstacles we have begun to encounter on the way from Rio to Rio+20 and beyond.

**Debates on Development and Environment in South Korea**

As late as the beginning of the 1960s, South Korea remained one of the poorest countries in the world, with a primarily agrarian economy, and still suffering from the devastations of the Korean War. The turning point arrived in 1961, when a military coup was staged by General Chung-hee Park. Under his dictatorship, the country began to transform itself into a successful industrial economy, eventually maintaining an average annual growth rate of 8 percent for over thirty years (Moon, 2006). With its economy maturing, South Korea has been recently ranked as having the 10th to 14th largest GDP in the world – the ranking has varied from year to year – and is classified by the World Bank as a High Income OECD country (World Bank, 2015a). Perhaps the clearest and most dramatic indicator of its transition from a developing to the developed country has been that, once a recipient of development aid, it is now a major donor, whose expenditure on foreign aid measured as a percentage of per capita income is approaching a level on par with Japan and the United States (Marx, Soares, 2013, paragraph 14). As Marx and Soares note (paragraph 63), the transition from a recipient to a donor of aid on such a scale has been unique to South Korea thus far.

How the Korean miracle was achieved and what lessons it can offer for the rest of the world have become today a subject well beyond the technical discourse of development economics. The divided opinion on this subject is in fact indicative of the ideological battle now taking place over the proper economic paradigm to lead the world. To a right-leaning economic historian and champion of the neoliberal order like Niall Ferguson, South Korea represents a clear case of the triumph of the principles that have made the West superior to the Rest (Ferguson, 2011). To economists critical of neoliberalism like Ha-joon Chang, however, South Korea provides a case in point demonstrating why developing countries might benefit from protectionism and state planning and much of what goes on today under the name of free trade and globalization is misguided and not supported by facts of economic history (Chang, 2007). So far as the country’s efforts to address environmental problems are concerned, the Korean case more or less seems to fit the paradigm suggested by economist Simon Kuznets, who famously argued in the 1950s that while it is normal for would-be indus-
trialized countries to pass through a stage of serious environmental degradation in the beginning, once a certain level of development is reached, they begin to address environmental issues in earnest, as their citizens begin to demand not just a higher income but a better, more liveable lifestyle (Kuznets, 1955; Stern, 2004). For South Korea, the cusp of transition in this sense came in the 1990s. Though environmental legislations began to be adopted as early as the 1970s, it was not until the 90s, when its economic development was well under way, that the country began to pay a serious attention to environmental issues. In fact, when Eder published his study on development and environment in South Korea in 1996, he made a point of titling it Poisoned Prosperity to sum up his overall view that what the country had done by way of environmental protection up to that point had been still very inadequate, and he felt justified in making the generalization that though green attitudes are being infused into world concerns under the banner of sustainable-development movement, (...) for many developing countries, environmentalism is perceived as a threat to further industrialization (Eder, 1996, p. 169).

Yet as Eder also noted, by the 1990s there were signs that changes were stirring in South Korea. In retrospect, the public outrage in 1991 over the toxic chemical spill into the country’s longest river – Nakdong – is generally regarded as the tipping point for the environmental movement in South Korea (Eder, 1996, p. 108-109; Kang, 2012, p. 14-21). The timing of the incident could not have been more fortunate. The Rio summit took place the following year, which the representatives of the Korean government attended, and which attracted a great deal of publicity and interest within the country. With the joining of the OECD in 1996, the country seemed to have reached a point of no return. Serious soul-searching took place, as it were, in the form of lively legislative and public debates: if the country was truly to make a point of titling it Poisoned Prosperity to sum up his overall view that what the country had done by way of environmental protection up to that point had been still very inadequate, and he felt justified in making the generalization that though green attitudes are being infused into world concerns under the banner of sustainable-development movement, (...) for many developing countries, environmentalism is perceived as a threat to further industrialization (Eder, 1996, p. 169).

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Beyond such highly indicative episodes, numeric indicators further supply evidence in support of the critics. For example, from 1990 to 2014, along with the country’s per capita income, its per capita CO2 emissions also grew, almost doubling from 6 metric tons per year to 11.5, to be on par with the High Income OECD average (World Bank, 2015b, 2015a). The same period also witnessed a steady rise in income inequality, to the point where even the OECD has recently issued a warning that growing inequality remains one of the most urgent issues the country needs to address (OECD, 2014).

As Kevin Murphy has noted, the social pillar has been the least adequately explored pillar of sustainable development (Murphy, 2012). While Murphy has identified equity to be thus far the foremost social issue addressed in sustainable development discourse, the next in importance have been awareness...
for sustainability and participation. Some of the research I have directed at KAIST has been devoted to investigating how the awareness and participation issues have fared in the Korean context, and the conclusions have not been encouraging. Two researchers, for example, examined how the term sustainable development itself has been generally used and understood in South Korea (Back, 2013; Ko, 2013). Their research – analysis of government reports, parliamentary debates, and major newspapers – revealed a hitherto unsuspected factor that has contributed in no small way to the economic pillar of sustainable development receiving preponderant emphasis in South Korea, at the expense of the ecological and social. And this factor turned out to be linguistic. Even in English, the word sustainable can mean being able to continue, as well as being able to support. In the standard translation for the term that came to be adopted in South Korea, sustainable development means essentially development that can be continued, which is understood by the majority of the public simply to mean continuous economic growth. Another researcher focused on the newspaper coverage of President Lee’s infamous Four Great Rivers Project during its entire duration from 2008 to 2013 (Kim, 2012). In keeping with the findings of the other researchers, he discovered that the ecological consequences of the project received very little coverage in South Korea’s major newspapers: the public debate reflected in the newspaper coverage was overwhelmingly about the economic logic behind the project, with its potential contributions to job creation and economic growth as the overriding concern. The issue of social justice received some coverage and attention in this case, since a substantial portion of the public was worried that, while financed with public funds, the project was largely a scheme to make construction companies richer, which were suspected of being headed by President Lee’s former business associates.

Issues and Implications

According to many Korean critics, the main cause of what they consider to be inconsistencies and even lapses in their government’s implementation of sustainable development policy is the lingering legacy of the authoritarian regime that used to rule the country until 1992. This type of argument has been actually fairly typical in the developing countries of Asia. As studies have shown, numerous environmental movements in Asian countries originated in the 1970s primarily as anti-government movements, while strategically disguising themselves, as it were, as movements to protect the environment or related agrarian traditions or both in order not to seem directly confrontational toward their governments (Hsiao, 1999). Many early environmental activists in Korea in fact took up their causes primarily as a way of fighting against the authoritarian military regime. Though a civilian government has been restored since 1993 and Korea is no longer a developing country, the brunt of environmentalist criticism continues to be directed against the government (Moon, 2006; Cho, 2009; Lee, 2009). Though it is no longer controlled by the military or overtly authoritarian, the government is not, the critics charge, accountable to the people as it should be, and grassroots movements in general, environmental and otherwise, lack the proper mechanism to influence government policy in Korea (Kim, 2007; Yun, 2009).

As Miranda Schreurs has argued in her path-breaking comparative study, while powerful grassroots movement leading to fundamental changes in government policy accurately describes the growth pattern of environmentalism in the United States, such a pattern has not been necessarily typical (Schreurs, 2003). The growth of environmentalism in Germany has followed a somewhat different pattern, and in Japan a very different one. In fact, as the Japanese case in particular serves to show, strong grassroots participation in the government’s decision-making process is not always a necessity in the making of a government regime committed to the protection of the environment. Indeed, history even provides examples of highly authoritarian regimes adopting very enlightened environmental policies for their time period, with Germany of the nineteenth century as a case in point, which, according to some, was the early birthplace of the concept of sustainable development, if not the term (Radkau, 2008). That my intention here is not to defend the Korean government against its critics should be clear. My intention here is to make a general historical observation: that to what extent a country is committed to sustainable development policy accurately describes the growth pattern and how faithful it is in carrying out the policy has not been simply a function of the type of government regime it happens to have. The question thus remains: how to account for the seeming inconsistencies or perhaps even lapses in the implementation of sustainable development policy in South Korea? As we have seen, some contributing causes have been clearly local. But to return to the main argument of the essay, the developments in South Korea have to be placed in the context of what has been taking place globally since the 1990s, and seen thus, the greater contributing causes appear to have been global. Put differently, the inconsistencies or lapses in South Korea’s sustainable development policy are a clear reflection of the time period in which the country became a developed economy, and are in fact reminiscent of what has been going on in many other countries in the developed world. And this is the reason why South Korea as a case study should be of interest even for those who are not particularly interested in learning about the country: it shows how the global trends can affect a country undergoing the transition from a developing to a developed country, and gives an indication of how the current global trends, should they continue, might
likewise affect today’s rapidly industrializing countries. The United States, Germany, and Japan—the three countries Schieurs focused on in her study—had this much in common: they were already developed countries when the current wave of modern environmentalism started—there had been a previous wave in the nineteenth century—and their environmental policy was profoundly shaped by the powerful trends of the 1960s and 70s that clearly favored a strong commitment in favor of environmental protection and social justice. As I have shown elsewhere, these were the decades where the public remained highly receptive—at least in the developed countries—to the persuasion of Arcadian environmentalists in particular, who questioned the very basis of modern industrial civilization and argued for the adoption of a viewpoint that is less anthropocentric, less technological, and less profit-oriented (Pak, 2011). It was against the backdrop of such an era that the advocates of limits to growth could present their case with the expectation of being taken seriously (Meadows et al., 1972), and they were. The United States, Germany, and Japan in the 1960s and 70s were all swept along by the trends of their time and similarly became countries highly committed to the protection of the environment—for the time being, at any rate—despite the differences in their governmental structures and the strength of their respective civil society.

By the time South Korea joined the OECD in 1996, the world had become, as it were, a much different place. The deregulation and privatization boom that began in the 1980s set new trends in motion. The onerous regulatory mechanisms and outdated apparatuses of state planning that used to cripple the economy in many countries came to be removed—but what also disappeared in the process were mechanisms and apparatuses to prevent and check corporate irresponsibility, the profligacy of the global financial elite, and increasingly debt-financed consumerism.

In the early 1990s, the consequences of such a paradigm shift were just beginning to be seen. One of the sources of the unbound optimism still shown at the Rio summit of 1992 was its timing. Taking place in the immediate aftermath of the fall of the Soviet Union and other communist regimes in Eastern and Central Europe, Rio reflected, among other things, the then prevailing view that humankind was about to enter a new era of unprecedented peace, prosperity, and social order based on enlightened and humane principles. Yet those looking at the developments in Eastern Europe with a skeptical eye sounded more ominous notes. Sir Brian Fall, the British ambassador to the Soviet Union, reportedly said, how much easier it would have been for the Russians if the Soviet Union had collapsed in the 1960s or 1970s (…) because that was when government intervention loomed large in the West and national planning and state ownership were the methods of the day. With such an economic paradigm still prevailing in the West, it would have been much more acceptable for Russia to hold on to its huge state-owned companies longer, and with a more gradual transition, its move to a market economy would not have been so severe and traumatic (Yergin, 2002, p. 10).

How much easier it would have been for South Korea, if it had become a developed country in the 1960s or 70s. There would have been no question then that it would be required to make a strong commitment in favor of environmental protection and social justice. But the 1990s—and the 2000s—were a time when many talked about sustainable development, but few followed it up with adequate action. It was indeed the case with most countries, not just South Korea, that action came to be nowhere equal to the rhetoric, and economic growth—for the benefit largely of the elite at that—became the overriding priority at the expense of everything else. The inconsistencies and lapses became especially glaring in the case of the United States, the country where the current wave of modern environmentalism originated, and which once showed arguably the strongest commitment to environmental protection. In the 1970s, economy-sized Japanese automobiles became enormously popular in the United States because consumers cared about conserving gas; by the 1990s, despite the growing warnings against the effects of carbon emissions on the climate, the car of the choice became the gas-guzzling SUV. Though Al Gore as vice-president in the Clinton administration was a major force behind the launching of the Kyoto Protocol, the United States pulled out after his botched bid for the presidency in 2000, and has remained a non-signatory nation. The inability of the developed countries to set the right example and exercise proper leadership in the global efforts toward sustainable development is further reflected in the Green Climate Fund’s slow progress since its launching in 2012. Though the original plan was to be able to raise $100 billion each year by 2020, as of November 2014 the total funding pledges since 2012 had yet to reach $10 billion, with the GCF’s own website at the time of this writing reporting $2.3 billion (GCF, 2015b).

In his much acclaimed study of growing income inequality as a global phenomenon, Thomas Piketty observes that since the 1980s the forces of convergence and divergence have been simultaneously transforming the world. While the diffusion of knowledge has made it possible for more and more countries to catch up and converge toward advanced economies, such developments have also provided a context where those earning returns on investment capital have increasingly become considerably richer than those who simply work to earn a living. The two trends combined even make an extreme form of oligarchic type of divergence likely in the
future, in which all countries, including China and the petroleum exporters, would be owned more and more by the planet’s billionaires and multimillionaires (Piketty, 2014, p. 463). As a country that has recently joined the ranks of developed economies, South Korea has been the epitome of a country shaped by such forces. As Ezra Vogel has observed in his study of the four little dragons of East Asia, one of the key contributing factors to South Korea’s economic miracle has been the educational zeal of its citizens, which has led so many of them to study abroad and bring back the latest advances in knowledge (Vogel, 1993). In short, it is a country that has been particularly adept at profiting from the diffusion of knowledge. Yet it is also a country where an oligarchic type of divergence has been very much and increasingly in evidence. The combined revenues of the country’s top ten family-controlled conglomerates known as chaebol have been reported to be equal to as high as 84% of GDP as of 2012 (Bloomberg, 2014). As the names like Samsung, LG, and Hyundai that top of the list indicate, the chaebol’s reach is not limited to Korea but global in the most extensive sense. The country is further exposed to the global trends in real-time, as it were, by the activities of foreign speculators who account for a significant portion of the transactions in its financial markets (daily stock summaries in Korea always report the activities of foreign speculators as a category to itself). With its economy and financial markets fully integrated into the international system, the national government of South Korea, like its counterparts elsewhere, has had increasingly diminished options at its disposal for resisting the broader global trends, should it choose to do so. If the economic pillar of sustainable development has been greatly emphasized at the expense of the ecological and social in South Korea, it is to a large extent because of the predominantly growth-oriented agenda of the global financial elite – in the form of the home-grown chaebol, as well as foreign speculators – that controls much of the country’s economy, and also in part because the public has had reasons to be concerned about financial security despite the country’s apparently growing wealth. In 2014, while the country’s GDP grew by 3.3 percent (KOSTAT, 2015) and the top ten chaebol’s surplus cash reserve reportedly by 8.1 percent (Hankyoreh, 2015), the average Korean family saw their debt increase by 2.8 percent, with the total household debt now equaling 81 percent of GDP (WSJ, 2015).

Conclusion

Since the North-South debate of the 1970s, the world order has been shifting toward one where the very distinction between the industrialized North and the global South is likely becoming less and less meaningful for sustainable development debates. What the emergence of an oligarchic type of divergence essentially implies is that the greater obstacle to globally sustainable development since the early 1990s has been, not the developing countries per se, but the agenda of the elite that controls an ever-increasing segment of the world economy. Barring the disappearance of such global oligarchy – for there is no natural, spontaneous process to prevent destabilizing, inegalitarian forces from prevailing permanently (Piketty, 2014, p. 21) – how to make the elite accountable to the requirements of sustainable development may now be a central question facing humanity.

References

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