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IZA World of Labor Evidence-based policy making

Engaging the diaspora in an era of transnationalism South Korea's engagement with its diaspora can support the country's development

Keywords: South Korea, diaspora, development, diaspora engagement policy, extraterritorial nation

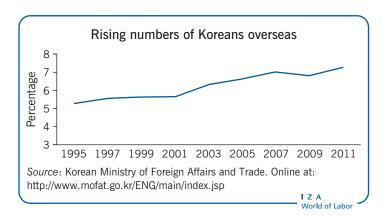
ELEVATOR PITCH

Since the 1990s, South Korea's population has been aging and its fertility rate has fallen. At the same time, the number of Koreans living abroad has risen considerably. These trends threaten to diminish South Korea's international and economic stature. To mitigate the negative effects of these new challenges, South Korea has begun to engage the seven million Koreans living abroad, transforming the diaspora into a positive force for long-term development.

KEY FINDINGS

Pros

- The Korean diaspora continues to grow and now exceeds 7.2 million (11% of the population in 2011).
- South Korea is strengthening its ties with Koreans overseas.
- In the 1990s, South Korea began to view its diaspora as a valuable asset for the nation's future.
- There is now substantial economic cooperation between businesses in South Korea and those operated by Koreans outside the country.
- Brain drain was a concern in the 1960s and 1970s, but South Korea and China are now experiencing the return migration of scientists and engineers.



Cons

- Some people oppose engaging the diaspora because Koreans abroad do not fulfill certain civic duties (such as paying taxes and completing military service).
- Recognition of dual citizenship has encountered resistance because of South Korea's strong nationalist tradition.
- South Korea's diaspora engagement policy might be seen as fundamentally ethno-nationalistic.
- China, with two million Koreans in its territory, is concerned about South Korea's policy.

AUTHOR'S MAIN MESSAGE

Responding to transnationalism and a shrinking population, South Korea has pursued a policy of engaging its seven-millionstrong diaspora by giving Koreans living abroad virtual extraterritorial citizenship. The policy is yielding economic benefits, as well as the political and cultural benefits that stem from building loyalty to the ethnic homeland. The government's Overseas Koreans Foundation is fostering a Korean identity among the diaspora, enhancing and expanding economic and political cooperation with them, and building networks linking them to one another and to Koreans in South Korea.