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Master's Thesis

The Governmental Politics of Joining the OECD/DAC

- A South Korean Case -

August 2015

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Abstract

This study examines South Korea’s decision making process of joining the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD). It focuses on the governmental politics between the Ministry of Strategy and Finance (MOSF) and the Ministry of Foreign Affairs (MOFA). The study starts from the observation that South Korea decided to join the DAC in 2010, although the differences among the government organizations were not fully resolved. With a government agency-centered approach, this study argues that South Korea’s DAC membership was a product of the MOFA’s maneuver in difficult governmental politics. It aptly used the external pressure in favor of its position to join the DAC, in spite of the strong opposition of the MOSF.

Allison’s decision making model and Scharpf’s independence model provide a basis for research framework. In the governmental politics model, the government action is a result of the bargaining game within the government. According to the independence model, this political game is influenced by the degree of mutual dependency of players. Based on these models, this study analyzes the decision making process of the DAC membership in South Korea.

This study argues that (1) Initially the MOFA could not mobilize domestic support, because the giant Ministry, the MOSF, opposed to the DAC membership; (2) Nevertheless, the MOFA successfully set the DAC membership issue on the table as
a main agenda of the Committee for International Development Cooperation (CIDC),
by utilizing foreign pressure; and (3) the CIDC and the National Assembly played
important role as external coordinator in this political game, and South Korea finally
decided to join the DAC in 2010 with their decision.

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Keywords: Organization for Economic Co-operation and Development (OECD),
Development Assistance Committee (DAC), Ministry of Strategy and Finance
(MOSF), Ministry of Foreign Affairs (MOFA), Governmental Politics, Inter-
Organizational Coordination.

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# TABLE OF CONTENTS

I. Introduction .........................................................................................................................................1

1. Research Objective ...............................................................................................................................1

2. Scope of Research ..................................................................................................................................4

II. Literature Review ...................................................................................................................................8

1. An Overview of the Process of South Korea’s Joining the DAC .........................................................8

   1.1. Process of South Korea’s Joining the DAC ....................................................................................8

   1.2. Fragmented ODA System of South Korea ....................................................................................10

2. Limitations of Current Studies .............................................................................................................17

   2.1. Existing Literature on South Korea’s Joining the DAC .................................................................17

   2.2. Limitation of Current Studies .........................................................................................................18

III. Research Design ....................................................................................................................................20

1. A government Agency-Centered Approach .........................................................................................20

   1.1. Theories of Governmental Politics .................................................................................................20

   1.2. Theories of Inter-Organizational Coordination ............................................................................24

2. Framework for Analysis .........................................................................................................................28

   2.1. Key Variables ..................................................................................................................................28

   2.2. A Conceptual Framework ...............................................................................................................31

3. Data Collection and Analysis Method ..................................................................................................33
IV. Result of Analysis

   1.1. Major Players and Their Goals ........................................................... 36
   1.2. Strategies, Bargaining and Coordination Process .............................. 38
   1.3. Outcomes ......................................................................................... 42

2. The First Decision Making Period (2005.11-2008.08) ............................... 43
   2.1. Major Players and Their Goals ........................................................... 43
   2.2. Strategies, Bargaining and Coordination Process .............................. 45
   2.3. Outcomes ......................................................................................... 47

3. The Second Decision Making Period (2008.08-2010.01) ........................... 48
   3.1. Major Players and Their Goals ........................................................... 48
   3.2. Strategies, Bargaining and Coordination Process .............................. 49
   3.3. Outcomes ......................................................................................... 51

4. Current ODA Policy of South Korea (until 2015.07) .................................. 52

V. Conclusion .................................................................................................. 55

1. Summary of the Findings ........................................................................ 55

2. Limitation and Policy Implication of the Study ........................................ 58

Appendix I. Process of Joining the DAC .................................................... 60

Appendix II. Five Bills on ODA ................................................................. 68

<References> ............................................................................................... 71
LISF OF FIGURES

Figure 2-1. ODA system of South Korea ........................................... 11
Figure 2-2. ODA System of DAC Member Countries .................... 14
Figure 2-3. New JICA System............................................................ 15
Figure 3-1. Types Coordination Process..........................................27
Figure 3-2. A Conceptual Framework.............................................33

LISF OF TABLES

Table 2-1. Fragmented ODA System of South Korea ...................... 17
Table 3-1. Modes of Policy Change ................................................. 23
Table 3-2. Types of Relationship..................................................... 26
Table 3-3. List of Interviewees........................................................ 35
Table 5-1. Summary of the Findings..............................................57
I. Introduction

1. Research Objective

South Korea joined the Organization for Economic Co-operation and Development (OECD) / Development Assistance Committee (DAC) in 2010. The DAC is one of the specialized committees of the OECD. Its members are the world’s main donors, and it has played an important role in international development commitment. By joining the OECD/DAC (hereafter referred to as the DAC), South Korea has become one of the former aid recipients to turn into net donor countries, which has attracted much compliment both domestically and internationally. However, the process of joining the DAC has received little attention from both academic and policy circle, even though it was hardly a smooth process.

Most of recent studies working on South Korea’s Official Development Assistance (ODA) policy focus on the impact of the DAC membership and the responsibility of it. Because of a unique position of South Korea as the first and the only case that became a DAC member from former ODA recipient, ex-post events

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1 The DAC made its decision to welcome South Korea as the 24th member in the special session on 25 November 2009. Even though South Korea has been considered as DAC member country since that time, the official date is 1 January 2010. In this study, 1 January 2010 is presented as the date of joining the DAC.

2 Some other member countries, such as Spain, Portugal, and Greece, had also received aid from the OECD and other donor countries, but these countries were not traditional developing countries and aid were given for short-term or in political context. Even though, Czech Republic, Poland, Slovak Republic, and Slovenia, which joined the DAC in 2013,
have become an interesting field of research. Furthermore, South Korea has increased the volume of ODA and it has tried to contribute to development of Least Developed Countries (LDCs) since it joined the DAC, which makes *ex-post* events more attractive to study on.

Contrary to the interests in subsequent events, however, events during and preceding the decision to join the DAC, such as decision making process, have not received much attention yet. It is partly because that ODA is conventionally considered as a divine call or responsibility of developed countries, not as a controversial issue. Especially for South Korea, which was an ODA recipient and one of the poorest countries in the world, ODA is one of the means to return a favor, different from other developed countries. The South Korean Government (Hereafter referred to as the Government) emphasized this point through mass media when it established the Korea International Cooperation Agency (KOICA) and joined the DAC. As a result, there was little doubt on the reason and the process of joining the DAC.

In contrast to the conventional belief, however, joining the DAC was a tough process and a dispute related to it is still going on. A rare event, during the first peer review session for South Korea on 11 December 2012, revealed the remaining problem of consensus on the ODA policy within the Government. Because of the lack of coordination, the MOSF and the MOFA executed similar ODA project in Myanmar

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had also been in the DAC ‘list of ODA recipients’, official aid to eastern European countries was more for transition than for development. In this sense, many studies regard South Korea as the first and the only case that became a DAC member from former ODA recipient (OECD, 2015).
respectively. The DAC, of course, pointed out this point as a problem of organization and management at the peer review session. Two delegates, each from the Ministry of Strategy and Finance (MOSF), and the Ministry of Foreign Affairs (MOFA), started to argue over it, and made an unedifying sight. The long-standing conflict between the MOSF and the MOFA finally came to the surface at the international conference. Because ODA had been conventionally considered as a consensual issue, which was planned and implemented by the Government, in South Korea, this event raised a doubt that there might be something behind.

This is the starting point of this study. Inferred from its name, ODA, which is officially processed by the central government, is a politically sensitive issue, even though it usually seems like a non-controversial issue in media. Particularly in South Korea, grant aid is under control of the MOFA and concessional loans are under control of the MOSF, which causes inter-government conflicts on ODA. So, the decision making process of joining the DAC, which was a part of ODA policy, cannot be fully explained without consideration of the governmental politics.

This study tries to answer two questions. Why did the Government decide to join the DAC, in spite of the conflict? And, how could these conflicts be compromised? To puzzle out hidden factors, this study mainly employs Allison’s decision making

3 It was the Ministry of Finance and Economics from 1997 to 2008, and it has been the Ministry of Strategy and Finance since 2008. The catch here is that the MOFE did not have budgetary right and only the MOSF has the budgetary right. This study uses the Ministry of Strategy and Finance, regardless of time, but it specifies this difference if needed to prevent confusion.

4 It was the Ministry of Foreign Affairs and Trade from 1998 to 2013, and it was downsized to the Ministry of Foreign Affairs with government reshuffling in 2013. To prevent confusion, this study only uses the Ministry of Foreign Affairs, regardless of time.
models and inter-organizational coordination theory. With the Governmental Politics Model, this study tries to find out the conflicts between the MOFA and the MOSF and power dynamics of them. By doing so, it would be helpful to figure out unknown and unexplained factors of South Korea’s DAC membership.

2. Scope of Research

This study deals with the decision making process of joining the DAC in South Korea, particularly focusing on the governmental politics. In order to examine the governmental politics between the MOSF and the MOFA, the time span of this study covers from 2004 to 2010.

The main focus of this study is turf dispute between the MOFA and the MOSF. Because of a fragmented system and enforcement of ODA in South Korea, each ministry has tried to take an initiative in ODA policy. This dispute has arisen and worsen since it became a net-donor country in late 1990s. The MOFA, of course, tried to increase the volume of grant, which the MOFA controls, while the MOSF tried the opposite way. In regard to joining the DAC, the situation was similar to it. The MOFA and the KOICA emphasized the importance of joining the DAC in 2010, but the MOSF and the Korea Eximbank contended that it was premature to join the

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5 ‘Chapter.III-1. A government Agency-Centered Approach’ discusses Allison’s decision making model: Rational Actor Model (Model I); Organizational Behavior Model (Model II); and Governmental Politics Model (Model III) (Allison and Zelicow, 1999).

6 South Korea was removed from the World Bank lending list in 1995, and the DAC list of ODA recipients in 2000, which marked that South Korea became a net donor country.
DAC in 2010.

The puzzle of this study is that this dispute seems like a David and Goliath, which means that the MOFA can hardly win the game against the MOSF which controls budget and evaluation system for the whole government. However, the MOFA won the game and brought it off to join the DAC in 2010. In consideration with the given resources of the MOFA under the system of the Government, it might be a tough process. So, this study examines the power dynamics between two ministries, which made it possible to join the DAC in 2010.

The first period (2004-2005.11) is agenda setting period. During this period, the conflicts between the MOSF and the MOFA were not significant, even though it existed. According to the recommendation by the Presidential Commission on Sustainable Development (PCSD), the Government started to discuss the DAC membership in 2004. Even though there were unofficial discussions about the DAC membership within the MOFA and the KOICA as early as from 2000, the MOFA could hardly publicized it by itself. In this period, the MOFA insisted that the DAC membership would be beneficial to South Korea, but the MOSF opposed it for several reasons related to domestic economy. This opinion gap prevented the DAC membership from becoming a national agenda. With foreign pressure, however, the MOFA could raise its voice over the MOSF and succeeded in setting this agenda on the table.

The second period (2005.11-2008.08) is the first decision making period. The first decision making process began in November 2005 with adopting the Comprehensive Plan to Improve Foreign Aid (hereafter referred to as the Comprehensive Plan). The inter-government conflicts on the DAC membership came
to the surface by starting to coordinate this conflict at the Committee for International Development Cooperation (CIDC). The MOSF was adamant that it was premature to join the DAC in 2010, while the MOFA tried to decide to join the DAC by 2010 at the CIDC. According to the coordination and the decision by the CIDC, the Government decided its DAC membership at fourth meeting of the CIDC.

The third period (2008.08-2010.01) is the second decision making period. The conflicts between two ministries continued even after the determination to join the DAC by adjusting details. The Strategy and Finance Committee (SFC) \(^7\) and the Foreign Affairs, Trade and Unification Committee (FATUC) \(^8\) of the National Assembly also opposed to each over the framework bill on ODA. In this period, the CIDC and the National Assembly played critical role as external coordinators. As a result, the *Framework Act on International Development Cooperation* (hereafter referred to as the Framework Act) was postulated in 2010, and this Framework Act stipulated ‘promoting economic cooperation with developing countries’ as one of the five basic principles of the Korea’s international development cooperation.

The structure of the study is as follows. Chapter II introduces a process of South Korea’s joining the DAC and a fragmented ODA system of South Korea. Then it examines existing literatures on South Korea’s DAC membership and limitation of current studies. Chapter III contains a government agency-centered approach, a

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\(^7\) It has been the SFC since 2 March 1995.

\(^8\) It has been the FAUC (Foreign Affairs and Unification Committee) since 23 March 2013. It was the FATUC from 26 August 2008 to 22 March 2013 and the UFATC (Unification, Foreign Affairs and Trade Committee) before 26 August 2008. Because it was the FATUC during the time span of the second decision making period, this study the FATUC only.
conceptual framework, and methodology for this study. Result of analysis and conclusion are presented in Chapter IV and Chapter V, respectively.
II. Literature Review

1. An Overview of the Process of South Korea’s Joining the DAC

1.1. Process of South Korea’s Joining the DAC

The Government opened an official discussion on joining the DAC in 2005. By adopting the Comprehensive Plan at the Cabinet Council on 15 November 2005, the Government set to work on advancement of ODA policy and ODA system. It was the first time that the Government considered a DAC membership as a national agenda since Public Procurement Service (PPS) declared that South Korea would not join the DAC in tandem with the OECD when it joined the OECD in 1996 (PPS, 1996).

Before the Comprehensive Plan was established, the discussion on the DAC membership within the Government started with the recommendation of the PCSD in 2004. The PCSD suggested that it would be remarkable if South Korea joined the DAC in 2006, which marked 10th anniversary of its OECD membership (PCSD, 2004; CIDC, 2007:1). After this recommendation, the Government set a working level meeting to discuss it, and it was publicized with the Comprehensive Plan in 2005.

This change toward the DAC membership accorded with new movement of the DAC policy. The DAC has tried to cooperate with non-DAC donor countries since 2005. The DAC and the UNDP invited non-OECD governments and institutions with DAC member countries to a Forum on Partnerships for More Effective Development.
for the first time in 2005. It aimed to establish a dialogue channel and to facilitate better coordination among donor countries (OECD, 2005a). After this forum, the DAC made its position to closely cooperate with non-DAC donor countries, and the DAC declared that “Now a new phase begins: co-operation with non-DAC donors (OECD, 2005b).” The DAC named non-DAC donor countries, including South Korea, as “OECD member DAC observers” and has invited OECD member DAC observers to the DAC conferences since 2006 (KOICA, 2006:72).

The Government was quickly responsive to this international needs. First of all, The Government adopted the Comprehensive Plan. In accordance with it, the CIDC was set up under chairmanship of the Prime Minister in 2006, which aimed to coordinate fragmented ODA policy and to establish a roadmap to join the DAC (CIDC, 2007).

After the Comprehensive Plan was established, a government-wide task force team also push ahead with ‘reorganization of the MOFA to enhance the diplomatic capability of the entire government’ from 2005. As a part of this, the Development Cooperation Bureau, which is exclusively responsible for ODA policy, was created under the deputy minister for Multilateral and Global Affairs of the MOFA on 3 July 2007 (ODA watch, 2007a). This reshuffling aimed to handle the task related to grant efficiently and effectively. It also aimed to prepare the DAC membership, to increase the volume of ODA, to enact fundamental law, to establish an evaluation system for ODA, and to strengthen cooperation with multilateral organizations, which was under control of Global Economic Affairs Bureau (MOFA, 2007; ODA watch, 2007b).

With these steps, the CIDC officially determined to join the DAC and established a roadmap to join the DAC at its second meeting (CIDC, 2007:18). The
OECD recognized and announced South Korea’s intention to join the DAC on Development Co-operation Report 2007 (OECD, 2008b:102). Then, a DAC Peer Review Team conducted a special review on South Korea’s international development co-operation in March 2008 (OECD, 2008b).

Even though the MOSF indicated a dissent from this plan to join the OECD in 2010, the roadmap was approved at the forth meeting of the CIDC (CIDC, 2008). The rest of the procedures went through the regular sequence of new DAC membership. Firstly, the Minister of the MOFA wrote a request letter to join the DAC to the OECD in January 2009. Then the Government wrote a memorandum for the DAC and sent it to the OECD in May 2009 (EXIM, 2009:2). After the DAC Accession Review Team visited and investigated related major agencies in June 2009 (EXIM, 2009:2), the DAC decided to welcome South Korea as its member in a special session on 25 November 2009. On the same day, The National Assembly of South Korea presented the Framework Act. Finally, South Korea became an official member of the DAC on 1 January 2010. The detailed process of joining the DAC attached in Appendix. I.

1.2. Fragmented ODA System of South Korea

South Korea has a fragmented ODA System as seen in <Figure 2-1. ODA system of South Korea>. On the one hand, the concessional loans and multilateral aid to Multilateral Development Banks (MDBs) are under the supervision of the MOSF and the Korea Eximbank is an executing agency in charge of concessional loan to developing countries by employing the Economic Development Cooperation Fund (EDCF). On the other hand, the MOFA supervises grant aid and multilateral aid to
the non-financial international organizations and the KOICA is an executing agency for enforcement of grant and technical cooperation. The CIDC and the working committee exist as coordination mechanism, and the CIDC, whose chair is the Prime Minister, decides major ODA policies of South Korea.

**Figure 2-1. ODA system of South Korea**

Source: CIDC web page

(Available at: http://www.odakorea.go.kr/eng.structure.Overview.do)
The Framework Act stipulates this division of controls. Even though the Framework Act is promulgated, this stipulates fragmented ODA system and individual act of each agency exist concurrently, which causes repetitious work among ministries and agencies.

South Korea is the only case that has separate laws by the agency and the type of aid, which causes a fragmented ODA system and enforcement (Lim, 2015). According to the *EDCF Act*, EDCF was established to support industrial development and economic stability in developing countries and to promote economic cooperation with them (EDCF Act). On the other hand, the *KOICA Act* is for friendly and cooperative relations with developing countries and their social-economic development (KOICA Act). Because two agencies are different from the purpose of establishment, unbridgeable policy gap is inevitable result (Lim, 2015).

The fragmented ODA system is quite unique among DAC member countries. OECD (2009) divides the ODA system of DAC member countries into four groups as seen in *Figure 2.2 ODA system of DAC member countries*. In Model 1, 2, 3, the Ministry of Foreign Affairs is mainly responsible for development co-operation policy. Only three countries in Model 4, Australia, Canada, and United Kingdom, 

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9 The *Framework Act (Article 9)* designates that concessional loans is supervised by MOSF, and grant aid by MOFA in regard to bilateral development cooperation. These two supervising agencies (i) prepare drafts to formulate the *Mid-term ODA Policy and Annual Implementation Plans*; (ii) examine the execution of *Annual Implementation Plans*; (iii) promote the Mid-term ODA Policy and Annual Implementation Plans under its jurisdiction; and (iv) other roles and functions that the CIDC deems necessary to assign, according to the *Framework Act (Article 10)* (CIDC, 2015).

10 Before this Framework Act was promulgated, there had been only four individual Act of each agency; 1) the *KOICA Act* (enacted in 1991), 2) the *EDCF Act* (enacted in 1987); 3) the Act on the Measures for the Admission to International Financial Institutions (enacted in 1963); and 4) the *Overseas Emergency Relief Act* (enacted in 2007).
have independent ministry or agency, apart from the Ministry of foreign affairs.

Spain in Model 3, has a similarity with South Korea that the Ministry of Economy and Finance and other organizations play important roles in foreign assistance system. Even though the Ministry of Foreign Affairs and its agency are key players, the development assistant loans are under control of the Ministry of Industry, Tourism and Trade, aid through financial institutions are under control of the Ministry of Economy and Finance, and 17 other regional governments have their own aid agencies (OECD, 2009b:33; 61; 165). With new Country Partnership Frameworks, however, Spain established country based coordination system within Spanish co-operation actors (OECD, 2012: 11-22, 90). The legal framework of the new Law 28/2006 allowed the AECI (Spanish International Co-operation Agency) a great autonomy to plan and to allocate resources in Spain (OECD 2009b: 165). This series of changes show the effort to integrate the ODA system.
Figure 2-2. ODA System of DAC Member Countries

Model 1

Integrated within
Ministry of Foreign Affairs

Africa Department
Foreign Policy
Others
Development Co-operation

Asia Department
Foreign Policy
Others
Development Co-operation

L. America Department
Foreign Policy
Others
Development Co-operation

Model 2

Development Co-operation Department/
Agency within Ministry of Foreign Affairs

Ministry of Foreign Affairs

Trade
Foreign Affairs
Development

Model 3

Policy Ministry with separate
Implementing Agency

Ministry of Foreign Affairs

Implementing Agency(ies)

Model 4

Ministry/Agency Responsible
for Policy and Implementation

Ministry/Agency for
Development Co-operation

Source: OECD (2009b)
Japan also used to have fragmented ODA system, similar with South Korea. However, Japan started to reform its ODA system with amendment *ODA Charter* in 2003 (KIEP 2008:1). They tried to improve the consistency and the effectiveness of ODA, so the Japanese International Cooperation agency (JICA) became an organization which had a control over both grant, concessional loans, and technical cooperation, as seen in *Figure 2-2. New JICA system*.

**Figure 2-3. New JICA System**

![Diagram of New JICA System]

Source: KIEP (2008)
After Japan established the new JICA with integrated ODA system, opinion to integrate its ODA system in South Korea was also raised. The MOSF and the Korean Eximbank, of course, dissented from this idea, and the fragmented ODA system remains and it is specified even in the Framework Act.

Not only supervising ministries and their executing agencies, but also other systems are separated by the type of aid, as seen in <Table 2-1. Fragmented ODA System of South Korea>. First of all, two agencies run their own webpage dealing with ODA. Each webpage provides information on both grant and concessional loan, such as present condition and history. They also publish journal separately, and tone of an argument of each journal is contrary to each other, from time to time.

Lack of inter-organizational coordination in ODA system has been officially criticized by the reports of the CIDC, the Board of Audit and Inspection (BAI) and the National Assembly. The DAC peer review also indicated this problem, but this still remains as a big problem, and there is hardly a room to solve it.

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11 For example, Song, Minsoon, a former Minister of the MOFA, laid a framework bill on international development and cooperation and this contained an article stipulating the consolidated ODA system under jurisdiction of the MOFA.

12 An article in the journal, published by the Korea Eximbank, shows this dissent clearly. EXIM (2008) dealt with the ODA system of DAC member countries based on Development Co-operation Report 2007 (OECD, 2007), but it only focused on 7 countries which had Development Minister, rather than many other countries where the Ministry of Foreign Affairs supervise the ODA system and emphasized that integration of agencies was not necessary.
Table 2-1. Fragmented ODA System of South Korea

<table>
<thead>
<tr>
<th>Ministries</th>
<th>Ministry of Strategy and Finance</th>
<th>Ministry of Foreign Affairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agencies</td>
<td>Korean Eximbank</td>
<td>KOICA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ODA library (<a href="http://lib.koica.go.kr/">http://lib.koica.go.kr/</a>)</td>
</tr>
<tr>
<td>Journals</td>
<td>EDCF Annul Report (in English)</td>
<td>International Development Cooperation (in Korean)</td>
</tr>
<tr>
<td></td>
<td>International ODA Trend (in Korean)</td>
<td>Development and Issues (in Korean)</td>
</tr>
</tbody>
</table>

2. Limitations of Current Studies

2.1. Existing Literature on South Korea’s Joining the DAC

By joining the DAC, South Korea has become an advanced donor country, and this has attracted much compliment both domestically and internationally. This event has also received attention from academic circle, because it was the first time to join the DAC after Greece became a member in 1999. Especially, the impact and comparison analysis became an interesting research area before and after joining the DAC.

Most of the studies, published before joining the DAC, focuses on the necessity of the DAC membership and compares South Korea’s ODA policies with that of DAC member countries (Chang, 1999; Lee, 2011). Chang (2000) and Kim (2010) suggest
that joining the DAC would be beneficial to South Korea by analyzing effects of it, in comparison with DAC member countries. In particular, *International Development Cooperation*, a journal has published by the KOICA since 2005, contained many articles on the necessity of joining the DAC.

After joining the DAC, studies on the role of South Korea and the need to improve its ODA policy as a new donor country, as well as comparative analysis, caught popularity. Many studies compare ODA system of South Korea with that of DAC member countries (Yoo, 2011; Jeong, 2012; Lee, 2012), and suggest the role and improvement direction for South Korea (Chu and Lee, 2010; Park, 2011; Kwon and Jeong, 2012; Lee, 2013; Lim, 2014).

2.2. Limitation of Current Studies

The above studies have great implications in ODA policy and the role of South Korea after joining the DAC. By comparing South Korea with other DAC member countries, these studies show the differences and improvement directions which are expected and needed. The basic premise of these studies is that joining the DAC was a rational decision by the central government. Most of current studies analyze benefit, policy and the role of South Korea as a single actor. This approach can explain the decision itself and the effect of it, but it can hardly investigate the power dynamics during the decision making process and the policy gap which still remains between the MOFA and the MOSF. This premise also misses the important facts that the differences in goals and interests created a conflict between the MOSF and the MOFA, and this conflict made the South Korea’s DAC membership impeded.
To bridge this gap, this study focuses more on the governmental politics and the inter-organizational coordination, rather than the rational decision making theory. The differences in goals and interests between the MOSF and the MOFA caused governmental politics on ODA policy including the DAC membership. In this political game, inter-organizational coordination was a key factor that played an important role, because of the asymmetric power relations between two organizations.

The MOSF has authority to plan, execute and manage budget, develop and administer policies in regard to taxes and government accounting, and evaluate governmental organizations. Because of this authority, the MOFA depends heavily on the MOSF, which makes it hard to determine its policies arbitrarily. ODA policy, especially, is one of the most controversial issues between the MOSF and the MOFA, because of a fragmented ODA system of South Korea. In this sense, joining the DAC was also a controversial issue and it depended more on the decision of the MOSF than that of the MOFA.

This is the starting point of this study. According to the documents published by the Korea Eximbank, the CIDC, and the BAI, the MOSF and the Korea Eximbank opposed to joining the DAC in 2010, and suggested to postpone it (CIDC, 2008). Even though the DAC membership was a part of foreign policies, the MOFA could hardly proceed with it in this situation. However, South Korea officially joined the DAC in 2010, which means that the MOFA won the political game with the MOSF.

To figure out this puzzle and power dynamics between the MOSF and the MOFA during decision making period, this study reviews theories of governmental politics and inter-organizational coordination in Chapter III.
III. Research Design

1. A government Agency-Centered Approach

1.1. Theories of Governmental Politics

Conflicts among different organizations are pervasive and somewhat inevitable part of policy making in modern government. Because the organizations that form the government not only pursue an objective of the government as a whole, but also try to maximize their own interests, conflicts among organizations cannot help but exist in modern government system.

Scholars in organizational theory suggest that conflicts occur with many reasons including contradiction of goals, acquisition of limited resources, implementation of jobs, miss communication, status incongruence, organizational change, and problems caused by participants (Oh and Kim, 2006). Among these reasons, goal conflicts are inherent problems in modern bureaucratic politics, because different organizations have different goals based on their own mission, role and interest (Halperin, 2006; Meier and Kruase, 2003).

The important thing about conflicts between organizations is that these conflicts are not dissipation of time and energy. Because policies are “the product of controversy, negotiation, and bargaining among different groups with different interests and perspectives (Huntington, 1960: 289)”, conflicts have their own role in decision making and policy change in the government system.
Theories of governmental politics focus on conflict among organizations during decision making process. Allison (1971) and Allison and Zelicow (1999) divide decision making process into three models, and suggest governmental politics model as one of them. Campbell and Campbell (2014) suggests the conflict between organizations as one of the reason for policy change, which is affected by relative power and policy idea.

Allison and Zelikow (1999) suggests three decision making models to overcome the limitation of rational actor hypothesis: 1) Rational Actor Model; 2) Organizational Behavior Model; and 3) the Governmental Politics Model.

The Rational Actor Model (Model I) is similar with the conventional assumption of rationality in economics. In this Model, policy is a fruit of rational thinking. A state or a government, as a unitary rational actor, chooses the option that would have the best consequences, among alternatives based on its goals and objectives.

Although usefulness of the Rational Actor Model has been proved for many purpose, the need for supplementation also exist (Allison and Zelikow, 1999:5). Because this model considers a state or a government as a unitary decision maker, it cannot explain the dynamics within and between organizations and political actors. In this regard, Allison and Zelikow (1999) introduces the Organizational Behavior Model (Model II) and the Governmental Politics Model (Model III) as two alternative conceptual models for better explanation and predictions.

The Organizational Behavior Model (Model II) also sees a government as a unitary decision maker. But the difference from the Rational Actor Model is that it considers a government as not an individual but an allied organizations which cannot do everything rationally. A government consists of several organizations and agencies
which have their own context, culture, function, standard operational procedure and pressures. The governmental affairs are various and complex, so these are divided and conducted separately by the related organization. Each organization has its own work area and it is guaranteed as “quasi-independent” area. Because of this “loosely allied relationship”, the process is hardly controlled centrally and rationally. As a result, each organization handles its task by standardized procedure which produces “output” rather than “deliberate choices”.

In the Governmental Politics Model (Model III), the government action is a result of bargaining game, rather than a rational choice or an organizational output. The government is not a unitary decision maker in this model, but many actors, who share power, take part in decision making process as players in political game. From political leaders, in the center, to many related players including officials, NGOs, and press, form a political arena. Each player does not follow standard procedure, but it reacts to its interest and result of games. The result of game is affected by players’ stance, influence and action, which can change the government action.

Campbell and Campbell (2014) suggests the governmental politics as one of the reasons that make policy change. There are four modes of the reasons as seen in <Table 3-1. Modes of Policy Change>.
In the situation that idea plays an important role and power is not needed to change the policy, it would be a cognitive change as a problem solving. Because decision making process is only up to the intellectual logic in this mode, this is similar to the rational model which is suggested in many other decision making theories.

When the relative power plays an important role to change the policy and the power is linked to the policy idea, the aspect of the decision making process turns on the politics between organizations. The policy depends on the outcome of the political game, which is similar with Allison’s Model III. In the political policy change, participants, and their strategies are important, and the issue and the relative power are key factors that shape the outcome.

In contrast to the political policy change, the capacity of participants is little important in the artifactual change and the inertial change. The policy is changed in the artifactual situation, when the policy window opens coincidently. And inertial change describes the situation that policy is changed with new happening from outside or within the decision making system without a real decision.
As seen above, the governmental politics is not the only way to explain a decision making process and policy changes. However, it can explain powerfully the situation of decision making with goal incongruence rather than other theory such as rational decision making theory. In this regards, many empirical studies employ the governmental politics theory to explain the decision making process (Jeong, 2003; Park, 2005; Park and Park, 2008).

1.2. Theories of Inter-Organizational Coordination

The governmental politics is resource dependent game. As seen in <Table 3-1. Modes of Policy Change>, relative power is important to change the policy in political situation. The source of power exists both in and out of the organization. Leadership, professionalism, position, organizational culture and structure are internal factors of organizational power, and pressure or support from outside, congress, superior authority, counterpart are external factors of organizational power (Rourke, 1984). Addition to it, particularly in governmental politics, power consists of “bargaining advantages, skill and will in using bargaining advantages and other players’ perceptions of the first two ingredients (Allison and Zelicow, 1999:300).”

Because internal factors are fixed in short term, the capability to mobilize external factors, such as support from others and superior authority by network power, can change the relative power dynamics. This capability is up to the strategies of the organizations and inter-organizational coordination mechanism. Especially in the case of the asymmetric power relations, inter-organizational coordination becomes an important factor to change the power dynamics, because coordination is “a deliberate
intervention that makes participants recognize their mutual dependencies and institutes arrangements to concert their decision (Tuite 1972, cited from Alexander 1993:330).”

Among other coordination methods, mediation by the superior organization or superior power can be a powerful way to coordinate the governmental politics (Campbell 1984:105). However, not all governmental organizations have superior organization to coordinate governmental politics and it is hard to coordinate all political disputes by superior power, even though organizations have it.

In these cases, inter-organizational cooperation as a process or a structure becomes important. Theories of inter-organizational cooperation are based on exchange theory, resource dependence approach, contingency theory and organizational ecology (Alexander, 1993). The aspects of inter-organizational coordination depend on network power and inter dependency between organizations.

Especially, Scharpf (1978) and Scharpf (1997) focus on policy formation between two organizations and exchange mechanism between them. According to inter dependency between two organizations, there are three types of relationship between two organizations as seen in <Table 3-2. Types of Relationship> (Scharpf, 1997).
Table 3-2. Types of Relationship

<table>
<thead>
<tr>
<th>B’s level of dependence on A</th>
<th>A’s level of dependence on B</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Mutual dependence</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Unilateral dependence</td>
</tr>
<tr>
<td></td>
<td>Unilateral dependence</td>
</tr>
<tr>
<td></td>
<td>Mutual independence</td>
</tr>
</tbody>
</table>

Source: Scharpf (1997)

In mutual dependence situation, the coordination between two organizations is important process. Because policy of one organization can influence on the other, policy coordination is highly demanded. In mutual independence situation, in contrast, relative autonomy is high. So, policy coordination is not needed and it can hardly affect policy change. In unilateral dependent situation, which is important in this study, it is very difficult for inferior organization to materialize its policy plan, because of the asymmetric power relations. In this situation, coordination is powerful but it is always favorable to the superior or less dependent organization.

Scharpf (1997) also suggests two types of coordination process among three organizations as seen in <Figure 3-1. Types coordination process>. The difference between two processes is the start point of the influence. The organization C has an influence both on A and B in external coordination, while the organization A has an influence on B through C in indirect coordination.
In unilateral dependence situation, policy coordination by the third actor is essential to inferior organization to materialize its policy with a dissent from the other organization. As mentioned above, policy is determined by the intention of the superior organization in the asymmetric dependence situation. An external coordinator or an indirect coordinator can ameliorate this asymmetric dependence by influencing on both organization or on superior organization. If the inferior organization aptly utilizes this coordination mechanism, it can overcome the asymmetric power relations in favorable way to it. In this sense, coordination by the third player is an important process to inferior organization.
2. Framework for Analysis

2.1. Key Variables

In a government agency-centered approach, this study analyzes the governmental politics with two important variables, relative power and policy coordination. This chapter also examines foreign pressure as one of coordinator, because foreign pressure can be an important factor in decision making process of foreign policy.

**Relative power.** According to Campbell and Campbell (2014) and Allison and Zelicow (1999), participants and their relative power are key factors to determine the results in the governmental politics. So, what compose power and the way it can be affected need to be examined to figure out the decision making process in the governmental politics.

As mentioned above, the source of power exists both in and out of the organization. Because internal factors, including leadership, professionalism, position, organizational culture and structure, are relatively fixed in short term, capability to mobilize external factors can change the relative power dynamics. This capability turns on the strategies of the organizations and this need to be flexible and responsive to the condition.

Network power is one of the important factors in political games in which power matters to overcome the given asymmetric power relations. Especially, resource and mobilization of network power are major determinants of decision making process in
the governmental politics, because “power within the network is linked to resource dependency but that it can be modified by links to the network’s environment (Provan, et al. 1980 cited from Alexander, 1993:331).”

**Policy coordination.** Policy coordination can be defined as “a deliberate activity undertaken by an organization or an inter-organizational system to concert the decisions and actions of their subunits or constituent organizations. Such coordination is manifested both in process and structure (Alexander, 1993:331).” According to this definition, this study manly focuses on policy coordination as ‘activities’ by organizations.

The significance, process and results of coordination are different by the situation, because the relative power and relationship among organizations are not always equal. As seen in <Table 3-2. Types of Relationship>, there are three types of relationship between two organizations: mutual dependence; unilateral dependence; and mutual independence. The aspect of the governmental politics and policy coordination depends on the type of relationship.

If the policy conflict is hard to be solved by the coordination between two organizations which are directly related to the policy, the coordination can be conducted by the third actor. Especially in South Korea, policy coordination between two organizations remains perfunctory and this is affected by the power relationship between two organizations because of sectionalism (Jeong, 2003: 264-277). In this regards, coordination process by the third organization was an important factor in unilateral dependence situation.
Foreign Pressure. Foreign pressure can be an important indirect coordinator or external coordinator in decision making process even in domestic level. Especially, the foreign policy is one of the most sensitive policy area which is affected by foreign pressure.

The role and the influence of foreign pressure depend on the standpoint and the background. According to realism, the influence of foreign pressure is proportional to the power position and the intensity of it. So, intensive pressure from a superpower is a key factor in decision making process in small countries (Hirschman, 1945). However, this kind of approach has a limitation because it does not consider domestic policy process.

To overcome this limitation, interest group theory focuses on the process that foreign pressure influences on domestic policy. In this approach, interest groups, such as government organizations, industries, and consumers, utilize international pressure strategically into a favorable way (Witold and Bennet, 2005). This theory considers foreign pressure as one of input factors to policy process.

Theories of political capacity suggest integrated model which is more concerned with the dynamic interaction between foreign influence and domestic policy process than just one of them (Putnam, 1988; Keohane & Milner, 1996). In this theory, policy is an output of dynamic interaction which is controlled by political capacity, depending on policy preferences or idea of foreign pressure, political coalition, and policy institutions.

This study focuses on the dynamic interaction and tactical utilization of foreign pressure in decision making process. Especially, this study assumes that the MOFA introduced foreign pressure into the political game to take advantage of it. In this case,
foreign pressure is not a given input factor, but an important output of the
governmental politics. If possible, this study tries to find out how foreign pressure
was introduced into the political game and played its role in it.

2.2. A Conceptual Framework

With above two variables, this study tries to analyze the governmental politics
of joining the DAC. Given assumption in this analysis is that the power of the MOSF
was stronger than that of the MOFA. Because of the budgetary right and evaluation
authority of the MOSF, the MOFA depended heavily on the MOSF. With this
assumption and theoretical basis, four propositions can be suggested as follows.\textsuperscript{13}

P\textsubscript{1}. In mutual dependent situation, policy coordination is necessary and important
to change the policy.

P\textsubscript{2}. In unilateral dependent situation, policy coordination is powerful, but it is more
favorable to less dependent or more powerful organization.

P\textsubscript{2-1}. External coordination by the third actor can ameliorate the asymmetric
balance of power in unilateral dependence situation.

P\textsubscript{2-2}. Indirect coordination by the more dependent organization and the third
actor can ameliorate the asymmetric balance of power in unilateral
dependence situation.

\textsuperscript{13} Because coordination between mutually independent organizations is insignificant and it
can hardly influence on policy change, mutually independent situation is excluded in this
analysis.
On the basis of given information, this study assumes that the MOFA and the MOSF was in unilateral dependent situation. The MOSF has had authority to plan, execute and manage budget, develop and administer policies in regard to taxes and government accounting, and evaluate governmental organizations, as mentioned above. Because of these authorities, the MOFA could not help but depend heavily on the MOSF while the MOSF hardly depended on the MOFA.

Initially, the MOFA could not mobilize domestic support, because the MOSF opposed to the DAC membership. Nevertheless, the MOFA successfully set the DAC membership issue on the table as a main agenda of the CIDC. This is the starting point of this study and the process of decision making is a key subject of analysis. To work out a puzzle, this study assumes that the MOFA utilized external coordinator and indirect coordinator to overcome the dissent from the MOSF. Then, focusing on foreign pressure, the CIDC, and the National Assembly, this study tries to find out the coordination mechanism in each period. A conceptual framework for this analysis is as shown in <Figure 3-2. A Conceptual Framework>.
3. Data Collection and Analysis Method

This study aims to examine the governmental politics in the decision making process of joining the DAC in South Korea. Since the governmental politics and bureaucrats, the main actors of the governmental politics, can be hardly analyzed quantitatively, this study employs in-depth case study. It is based on process tracing by elite interview and archival research with policy reports and white papers published by the governments.

Although many studies employ quantitative study methodology, which shows causal relationship clearly, quantitative methodology including case study still have
some advantage. Most of all, case study is an intensive way to investigate a single phenomenon in its historical context (Gerring, 2004). It is also useful in descriptive approach or a narrative story to explain the way of process (Gerring, 2004; Tellis, 1997; Abbott, 2005). So, it is much proper to use qualitative study than to use quantitative study, when it comes to the study focusing on description to explain a single phenomenon.

This study particularly employs archival research as a main method for a single case study of the decision making process of joining the DAC. Policy reports and white papers, published by the governments, show the process of policy formation and conflicts. Especially transcript of ‘Inspection of the Government Offices’ or ‘Committee Meetings’ describes the scene with details, which reveals conflict as it was. Addition to relevant documents, this study also examines press release and interviews of participants to bridge the missing link.

However, case study requires huge amount of time, experience, skill and energy, because of the theoretical limitation (O’Sullivan & Gary 1999, White 1999). It is hard to generalize with single case because case study is vulnerable to research bias. Moreover, it is difficult to show causal relationship with single case study itself.

To overcome these weaknesses, this study employs process tracing method as a part of this case study. Process tracing is “a within-case analysis to evaluate causal processes” (Falleti, 2006:1) and with “analytic narrative” this aims to uncover the decision making process (Falleti, 2006). Process tracing also make it possible to find causal process by examining evidences or events, and exploring causal relationship from the features of individual cases (Tansey, 2007). An elite interview is important in process tracing, because elite actors are often critical source of information to
uncover causal relationship, and find omitted variables (Tansey, 2007). With elite interview, researcher can obtain account from first-hand participants to the actual events.

Five interviews were carried in this study. Five interviewees are experts in ODA policy and participated in decision making process of joining the DAC directly or indirectly. <Table 3-3 List of Interviewees> shows the list of interviewees.

**Table 3-3. List of Interviewees**

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Positions (or former position)</th>
<th>Affiliations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chang, Hyunsik</td>
<td>Former Vice President</td>
<td>The Korea International Cooperation Agency</td>
</tr>
<tr>
<td>Cho, Kwang Geol</td>
<td>Research Fellow</td>
<td>The Audit and Inspection Research Institute</td>
</tr>
<tr>
<td></td>
<td>Research Fellow</td>
<td>The Korea International Cooperation Agency</td>
</tr>
<tr>
<td></td>
<td>The First South Korean Delegate to the DAC (2008-2011)</td>
<td></td>
</tr>
<tr>
<td>Kim, Yongwon</td>
<td>Former Ambassador of South Korea</td>
<td>The Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Lim, Sojin</td>
<td>Senior Research Fellow</td>
<td>The Korea Eximbank</td>
</tr>
</tbody>
</table>

*In alphabetical order*
IV. Result of Analysis


1.1. Major Players and Their Goals

Two major players in the agenda setting period were the MOFA and the MOSF. As mentioned in chapter II, the MOSF has been a supervising ministry of the concessional loans and multilateral aid to MDBs. The Korea Eximbank has been an executing agency in charge of concessional loan to developing countries by employing the EDCF\textsuperscript{14}. The MOFA has supervised grant aid and multilateral aid to the non-financial international organizations and the KOICA has been an executing agency responsible for enforcement of grant and technical cooperation.

The story of South Korea’s DAC membership traces back to around 2004. The Government had tried to extend its influence in international society since it had recovered from East Asian financial crisis starting in 1997. This accorded with international trend to include emerging countries in international regime to promote international stability, such as establishing G-20 in 1999. Especially the Government

\textsuperscript{14} Even though the Korea Eximbank is an agency entrusted with the operation of concessional loan and the EDCF is a special fund for it, this study uses the word EDCF rather than the Korea Eximbank, when it mentions an agency responsible for concessional loan. Because Korea Eximbank is entrusted with many other tasks apart from concessional loan to developing countries, it is better to use the EDCF rather than the Korea Eximbank to limit the meaning of it.
had a desire to show its changed stature to international society as a leading emerging country from one of the least developed countries. As a part of this, the Government started to consider joining the DAC around 2004 after the PCSD published the *Improvement Plan for ODA Policy* (hereafter referred to as the Improvement Plan) in 2004. This plan contained the recommendation on joining the DAC in 2006 which marked 10th anniversary of the OECD membership (PCSD, 2004). The volume of net ODA by DAC member countries took more than 95% in total aid in 1990s (OECD 2011:10), and the DAC was considered as a committee of advanced countries. In this regards, the DAC membership accorded with the will of the Government to show its growing in stature.

The MOFA, of course, was the first mover. Because the DAC membership could be a symbol of national prestige in international community and directly related to diplomatic capacity, the ‘development policy division’ of the MOFA had set to work on preparation as early as in 2004. On the other hand, the MOSF worried about its impact on domestic economy because of the DAC guideline. It proposed increase in the volume of ODA, especially grant to least developed countries, and decrease in tied ODA. The MOSF considered it could have negative influence on national economic growth.\(^\text{15}\) So the MOSF tried to override this agenda setting.

\(^{15}\) There are three main agenda of working group meeting for DAC membership in this period: 1) Application of the DAC guideline; 2) Status in other regime; and 3) Budgetary problems related to ODA. 1) Application of the DAC guideline included the question of to what extent the government accepts the standard, because South Korea’s ODA system was far from the guideline. 2) The MOSF also brought out a problem of status in other regime, such as Kyoto Protocol, because the South Korea was not in Annex I group, which was regarded as a group of developed countries. 3) Increase, distribution, and implementation of ODA budget were also big problems because of fragmented ODA system. All of these agenda related to domestic economy and national interest, which was hard to be
In addition to the two major players, foreign pressure was introduced by the MOFA into this political game. Foreign pressure played an important role as an indirect coordinator at the end of this period. Foreign pressure consisted of the OECD, the DAC, and the UN also. After the Millennium Development Goals (MDGs) was set in 2000, the UN and the OECD set up a goal to establish an international network for international development and cooperation. The DAC also tried to cooperate with non-DAC member countries and to induce non-DAC member countries to join the DAC (EXIM, 2008a). These movement exerted a pressure to the Government and the MOFA aptly utilized it.

1.2. Strategies, Bargaining and Coordination Process

Unofficial discussion about the DAC membership within the MOFA and the KOICA started as early as in 2000. The KOICA issued its first report on the significance of the DAC membership and proposed detailed implementation plan for the membership in 2000 (Chang, 2000). Since then, the KOICA has published many report and articles on the DAC membership through International Development Cooperation, a journal of the KOICA. For examples, one report suggested the DAC membership as one of ways to coordinate ODA system domestically and internationally (Chang, 2005), and another report analyzes South Korea’s ODA system in preparation for its DAC membership (Jeong, 2005). However, these opinions could not become a national agenda until end of 2005.
Contrary to the MOFA and the KOICA, the MOSF or the EDCF had not publicized its opinion on the DAC membership until May 2008. There was no article or report about DAC membership in *International ODA Trend*, a journal published by the Korea Eximbank. Many articles in *International ODA Trend* argue the effectiveness and the need of increase in concessional loans, in comparison with grant. It was partly because the MOSF and the EDCF did not consider the DAC membership yet, and partly because the DAC membership did not accord with their main objectives of ODA.

This reveals the gap in opinion on the DAC membership between the MOFA and the MOSF. The DAC membership meant that South Korea would follow the DAC guideline with ODA implementation. This guideline included recommendation on ODA policy such as increase in grant and decrease in tied ODA. However, the MOSF has supervised concessional loans and one of the objectives of the EDCF was economic cooperation with developing countries, including economic growth of South Korea also. This made the MOSF prefer tied ODA to untied ODA and grant (EXIM, 2006). So the MOSF and the EDCF emphasized the effectiveness and the necessity of increase in concessional loans, while kept the issue of the DAC membership unpublicized.

16 Because the PPS declared that South Korea would not join the DAC in tandem with OECD (PPS, 1996), the government did not consider DAC membership as an important issue until the PCSD suggested it in 2004.

17 The DAC peer review contains six items: 1) Strategic orientations; 2) Policy coherence for development; 3) ODA volume, channels and allocations; 4) Organization and management; 5) Aid effectiveness and results; and 6) Humanitarians assistance. In item number 3) ODA volume, channels and allocations, the DAC recommends increasing grant and decreasing tied ODA. (OECD, 2012)
Furthermore, it was a turf dispute. Because the ODA budget of each ministry was proportional to the volume of grant and concessional loans, respectively, it was natural that two organizations became more sensitive to the DAC membership which was related to the volume and the ratio of ODA.

The MOFA made the best use of its position. As a ministry responsible for national prestige and right of negotiation, it introduced the DAC membership as a way to promote international cooperation, not a standard or a regime to follow. The MOFA stated its voice through the PCSD, because it was hard to raise its voice by itself. According to the Improvement Plan, which mentioned the DAC membership for the first time, the DAC membership was a way to enhance South Korea’s position as a developed country (PCSD, 2004:61-62). The PCSD suggested that it would be possible by playing its role as advanced donor countries and participating in international cooperation (PCSD, 2004:61-62).

After the Improvement Plan was published in 2004, the Government started to consider the DAC membership as a national agenda, and set on preparation. It started with working level meeting of relative Ministries.

The important thing is that the MOSF was bigger and stronger than the MOFA.

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18 The MOFA could easily reflect its opinion to the Implementation Plan, because the Deputy Director-General of Global Economic Affairs Bureau of the MOFA took part in a sub-committee for International Cooperation of the PCSD in 2004, and government officials of the MOSF did not take part in it. (PCSD, 2004).

Even though the MOSF did not have a budgetary right and evaluation authority at that time, it supervised and coordinated domestic and international economic policy. ODA policy was an issue of international economic affairs, and the MOSF controlled the issue related to the OECD. These factors caused asymmetric power relations between the MOFA and the MOSF. Relative power, depending on the responsibility of each ministry, prevented the DAC membership from becoming a national agenda for a long time. Even though there were unofficial discussions about the DAC membership within the MOFA and the KOICA, as mentioned above, it was in 2004 that the Government started to discuss the DAC membership officially. These power relations continued even at the working level meeting.

The situation was changed with the coming of foreign pressure. To invite more countries to the DAC, the DAC amended *Aide Memoire on the Admission of New Members* in 2004, and took an active action to non-DAC donor countries (OECD, 2004). As mentioned above, the DAC and the UNDP hosted a forum on “donorship” with non-DAC donor countries on 1st February 2005 (OECD, 2005a). Then the DAC began to co-operate with non-DAC donor countries in May 2005, to invite non-DAC donor countries to international network for international development and cooperation (OECD, 2005b).

The MOFA aptly utilized this international movement as an indirect coordinator to ameliorate the asymmetric balance of power with the MOSF. For example, the Director of Global Economic Affairs Bureau participated in the first DAC meeting with non-DAC donor countries, and explained the plan for the DAC membership of South Korea and suggested light peer review for it on 28-29 September 2005 (MOFA,
The officer of the MOFA also took part in the DAC meetings as an observer, and this was regarded as that South Korea would join the DAC soon.

Crucially, Jang-bum Shin, a former president of the KOICA, officially mentioned that he would lay the foundation for the DAC membership at his inauguration ceremony on October 4th 2005 for the first time. Even though it was after the PCSD recommended the DAC membership, it was before the CIDC was established, which meant that the DAC membership was not a national agenda yet. This statement could not be publicized without international movement to invite emerging donor.

1.3. Outcomes

The MOFA could hardly set the DAC membership on the table as a national agenda by itself. The MOFA had not expressed its position on the DAC membership before the Implementation Plan. Even after this plan, the situation was not changed much, because the coordination through the working-level meeting could not help but reflect power relations between two ministries, especially in South Korea (Jeong, 2003:5). So, the MOFA could not defeat the dissent of the MOSF before foreign pressure was introduced into this political game in 2005. This result is right in the second hypothetical proposition P: In unilateral dependent situation, policy

20 The whole statement is available at: http://www.koica.go.kr/join/notice/1195558_1576.html
coordination is powerful, but it is more favorable to less dependent or more powerful organization.

However, the MOFA succeeded in setting the DAC membership as one of the main agenda of the CIDC, by adopting the Comprehensive Plan on 15th November 2005. This was possible because of the apt utilization and indirect coordination of foreign pressure by the MOFA. South Korea joined the DAC in 2010, for the first time in eleven years after Greece became a member in 1999. And there was no new membership until 2013, which showed South Korea’s membership was not accomplished merely by the foreign pressure itself. The MOFA utilized foreign pressure to raise its voice over the MOSF. This result accords with the fourth proposition of this study P2-2: Indirect coordination by the more dependent organization and the third actor can ameliorate the asymmetric balance of power in unilateral dependence situation.

2. The First Decision Making Period (2005.11-2008.08)

2.1. Major Players and Their Goals

The CIDC came into this political game from the first decision making period and the goal of the CIDC was a coordination of ODA policy. The CIDC has coordinated ODA policy including the issue of the DAC membership, since it was established in 2006.

Even though the MOFA successfully set the DAC membership as one of main agenda of the CIDC, making a decision to join the DAC was completely another
matter. Foreign pressure still existed and pushed it stronger than before,21 but the MOSF maintained its position not to agree with joining the DAC by 2010.

In this situation, the CIDC played a decisive role in decision making process as an external coordinator. This was possible with Lee Myung-bak administration (2008-2012). The Lee administration took office in 2008 when global financial crisis hit the world. This global financial crisis spread from the United States of America, which raised a doubt on the current global financial order. In this situation, the Lee administration tried to expand its power to international society as a leading emerging country. As a part of this, South Korea held a ‘G-20 Seoul Summit’ in 2010 and ‘Busan High Level Forum on Aid Effectiveness’ in 2011, during his incumbency. The DAC membership was also one of main consideration, in this context. So the CIDC and was empowered especially with this issue.

The important point in this period is that the MOSF became a giant ministry. The MOSF was established by integrating the MPB (Ministry of Planning and Budget) and the MOFE (Ministry of Finance and Economy) in 2008. The MOSF has had authority to plan, execute and manage budget, develop and administer policies in regard to taxes and government accounting, and evaluate governmental organizations since the Lee administration. Because of this authority, the MOFA depended heavily on the MOSF, which made the asymmetric power relations more severe.

21 The MOFA suggested foreign pressure as one of the main reason to join the DAC by 2010. The MOFA worried about that the South Korean Government would lose its dignity, if it withdrew the plan to join the DAC by 2010, because it already declared it and has taken part in DAC meeting as observer, which would join it soon (CIDC, 2008).
2.2. Strategies, Bargaining and Coordination Process

The CIDC was established to determine important ODA policy with coordination mechanism. The discussion on joining the DAC was expected to begin in earnest after the CIDC established, but the reality was different. There were several reasons for it. First of all, it took more than one year to have a second meeting after the first meeting held in March 2006, because of huge gap in opinion of two ministries. Secondly, all participants, such as ministers of relevant ministries and agency chiefs, sat on the committee with equal status, which caused maintenance of fragmented ODA policy, rather than a coordination (ODA watch, 2007b). Lastly, the chair of the CIDC was the Prime Minister and the assistant administrator was the Office for Government Policy Coordination. Because the Office for Government Policy Coordination did not have working-level staff, the CIDC could hardly work on practical coordination (ODA watch, 2007b). With perfunctory coordination process by the CIDC, the discussion on the DAC membership went round in circles. As a result, the second and the third meeting ended fruitless.

In this period, even a process to adopt a framework bill on ODA ended in stalemate, which showed an unbridgeable opinion gap between two ministries. As a part of the Improvement Plan, the PCSD suggested to adopt a framework Act on ODA in 2004 (PCSD, 2004). So the framework bill on international development aid was proposed on 19 December 2006, after the CIDC was established. However this

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22 The representative proposer was Bookyum Kim and total 21 members of the National Assembly made this proposal together. It suggested that the Minister of the MOSF had jurisdiction over concessional loan, the Minister of the MOFA over grant, and the Minister the MOGAHA (Ministry of Government Administration and Home Affairs) over ODA by
bill was discarded, because dispute over jurisdiction of ODA policy was not compromised and distribution of authority related to ODA policy needed more time to be discussed (FATUC, 2008). There was another reason for not adopting this bill. According to a review of a framework bill on international development aid, the government did not share a consensus on ODA policy (FATUC, 2008). Because The MOSF considered it as an economic policy, while the MOFA considered it as a foreign policy, the opinion gap could hardly be compromised (FATUC, 2008).

The conflict on the DAC membership was not settled until early 2008, and the Lee administration took office in 2008. This had both positive and negative impact on coordination process. The latter was that the MOSF became a giant ministry by integrating the MPB. With budgetary right and evaluation authority, it could exert its influence to other ministries, including the MOFA, which worsened the asymmetric power relations between the MOFA and the MOSF. The former was that the Lee administration had high interest in national prestige. This led the Lee administration to set the DAC membership as an important national agenda.23

In this context, the CIDC played a decisive role. Most of all, the roadmap to join the DAC by 2010 (hereafter referred to as the Roadmap) was finally approved at the forth meeting of the CIDC in August 2008 (CIDC, 2008). Because this was the first meeting for the integrated MOSF which had budgetary right and evaluation authority

local governments. Also, this bill included an article stipulating that the Minister of the MOFA took a seat of the assistant administrator, which meant the MOFA took a control over ODA policy (framework bill on international development aid).

23 According to a majority of interviewee, the Lee administration was interested in DAC membership much more than other administrations. So this administration pushes it ahead with initiative and drive.
in the Lee administration, the MOSF tried to block the approval of the roadmap with its power. The MOFA and the MOSF intensely disputed over DAC membership, and a written opinion submitted by each ministry revealed unbridgeable policy gap. However, the CIDC overrode this adamant dissent of the MOSF, and approved the Roadmap.

2.3. Outcomes

The Roadmap was dramatically approved in the fourth meeting of the CIDC. The DAC membership was in stalemate until 2008, because the CIDC could not play its role as a coordinator in the initial stages and the turf dispute over jurisdiction could not be compromised even in the National Assembly. Moreover, the MOSF became a giant ministry by integrating the MPB, which worsened the asymmetric power relations between the MOSF and the MOFA.

However, the CIDC decided to join the DAC in 2010 by approving the Roadmap, in spite of the adamant dissent of the MOSF. This was possible because the CIDC was an official external coordinator and it was a superior organization to the MOSF and the MOFA. This result accords with the third proposition of this study P2.1:

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24 The stance of the MOSF to block the plan to join the DAC by 2010 was revealed in the report of the forth meeting of the CIDC. This report was published by the MOFA and the MOSF respectively, rather than by the CIDC. It was the first and the only case that the CIDC meeting report was not published by the CIDC. The MOFA argued that the South Korean Government should join the DAC by 2010 with several reasons including foreign pressure. On the other hand, the MOSF contended that the South Korean Government should postpone the plan to join the DAC because of domestic economic concern (CIDC, 2008).
External coordination by the third actor can ameliorate the asymmetric balance of power in unilateral dependence situation.

3. The Second Decision Making Period (2008.08-2010.01)

3.1. Major Players and Their Goals

According to the Roadmap, the Government started to prepare for joining the DAC. The Minister of the MOFA wrote a request letter to join the DAC to the OECD in January 2009. Then, the Government wrote a memorandum for the DAC and sent to the OECD in May 2009, and the DAC accession review team visited South Korea in June 2009.

Everything was going smoothly in accordance with the Roadmap, and adopting a framework act was the only thing left. The judgment process of a framework bill on ODA in the National Assembly started around 2009. In this process, the SFC, the FATUC and the National Assembly were involved. The SFC of the National Assembly tried to include ‘reciprocal economic cooperation’ as one of basic principles of the Korea’s international development cooperation, while the FATUC opposed it. Because the phrase ‘reciprocal economic cooperation’ could influence on the objectives of South Korea’s ODA policy, the volume of ODA, and the ratio of grant to concessional loans and untied ODA to tied ODA, it was an important part in setting the direction of the ODA policy. In this situation, the National Assembly was an important player as an external coordinator.
The aspect of this conflict was analogous with that of the MOSF and the MOFA. Because the SFC was closely connected with the MOSF and they shared many things including concerns about jurisdiction, the SFC reflected the position of the MOSF. The situation of the FATUC and the MOFA was same. So, the conflict between the MOFA and the MOSF continued even after decision making to join the DAC in the National Assembly.25

3.2. Strategies, Bargaining and Coordination Process

The National Assembly played an important role in the second decision making period. Similar to the conflict between the MOSF and the MOFA, the SFC and the FATUC conflicted over the jurisdiction of the Framework Act (ODA watch, 2007b). Many members of each committee laid their own bill, and as a result, five bills on ODA were brought in as seen in Appendix 2.

Song, Minsoon, a former Minister of the MOFA, was the first mover in this political game. He was a representative proposer of the Framework Bill on Official Development Assistance and also a member of the FATUC. He held an open forum for improvement of ODA of South Korea on 2 October 2008 (Song 2008) after proposal. Furthermore, as seen in Appendix 2, the Framework Bill on Official Development Assistance stipulated that the ODA aims to humanitarianism and peace by contributing to poverty reduction and sustainable development (SFC, 2009). This

25 There was a concern about that the conflicts between two ministries could evolve into the conflicts between standing committee of the National Assembly, such as the SFC and the FATUC, from 2007 (ODA watch, 2007).
bill also suggested that the MOFA would be a supervising Ministry, and the KOICA be an executing agency for ODA (SFC, 2009). All of these things were favorable to the MOFA.

The opinion gap between the FATUC and the SFC was revealed in their bill. For example, the *Framework Bill on Official Development Assistance* and the *Framework Bill on International Aid* set the objective of the ODA as promoting humanitarianism and international peace by contributing to poverty reduction and sustainable development. On the other hand, the *Legislative Bill on Overseas Development Cooperation* emphasized the reciprocal economic cooperation with poverty reduction, economic development and economic stability (SFC, 2009).

The different opinion on jurisdiction of ODA also caused conflicts. First of all, the *Framework Bill on Official Development Assistance* suggested single supervision by the MOFA. The *Framework Bill on International Aid* and the *Legislative Bill on Overseas Development Cooperation* held a position to maintain current fragmented system. Lastly, the *Bill on International Development Cooperation* and the *Framework Bill on International Development Cooperation* proposed another fragmented system which introduces the MOGAHA as another supervision ministry for ODA by local governments.

The National Assembly tried to coordinate these conflicts between the FATUC and the SFC, along with the MOSF and the MOFA, by holding more than ten times of meetings. Even though the FATUC became a jurisdiction committee, two committees could not reach an agreement easily. The main points of dispute were basic principles and supervising ministries. The SFC and the MOSF suggested including ‘reciprocal economic cooperation’ as one of basic principles of the Korea’s
international development cooperation. The FATUC and the MOFA, of course, opposed to it at first time, which made it hard to be compromised.\textsuperscript{26} However, this was not the only bill they had to pass, and the FATUC and the SFC were strongly dependent on each other in the National Assembly. So, the FATUC could not help but accept this suggestion to pass the bill.

3.3. Outcomes

The Government promulgated the Framework Act with item 1 of Article 3, which identifies “promoting economic cooperation with developing countries” as one of the five basic principles of the Korea’s international development cooperation on 25 January 2010 (Framework Act). A series of meeting to revise the Framework Act showed how important the coordination with mutual dependent organizations was. This result accorded with the first proposition P\textsubscript{1}: in mutual dependence situation, policy coordination is necessary and important to change the policy.

Different from strong but smooth coordination between the FATUC and the SFC, the coordination between the MOFA and the MOSF returned to that of unilateral dependent situation by the Framework Act. Without new foreign pressure or support from the CIDC and the National Assembly, the MOFA could hardly defeat the MOSF.

As a result, the adapting process after decision to join the DAC returned to one-sided coordination. Because the Framework Act postulated that the working-level

\[\text{26} \quad \text{According to Chang and Jeong, who took part in the meeting of sub-committee for evaluation of the bill, each side held its own ground and did not recede even an inch at early stage.}\]
meeting coordinates the details of medium and long term plan for the ODA policy, which meant the asymmetric balance of power would be reflected in the plan. Even though the CIDC exits, it could not resist the influence from the giant ministry, the MOSF, without support from the Administration as seen above.

4. Current ODA Policy of South Korea (until 2015. 07)

As seen in Chapter II-1, South Korea has a fragmented ODA System. The CIDC and the working committee exist as coordination mechanism on the top of the system, and these committees decide major ODA policies of South Korea. The MOSF and the MOFA compose two main pillar of this system. On the one hand, the MOSF supervises the concessional loans and multilateral aid to MDBs, and the Korea Eximbank is an executing agency of the MOFA by employing the EDCF. On the other hand, the MOFA controls grant and multilateral aid to the non-financial international organizations, and the KOICA is an executing agency for enforcement of grant aid and technical cooperation.

The CIDC and the National Assembly has tried to integrate this fragmented system or strengthen cooperation mechanism of the MOSF and the MOFA for more than 10 years from 2005. However, the fragmented system is hardly changed in comparison with that of the early 2000s, and it becomes more fragmented in some way.

In this situation, the Government adopted the medium and long term plan for the
ODA policy in 2010. According to the Framework Act, the working-level meeting coordinated the details of the medium and long term plan for the ODA policy, which was in favorable way to the MOSF. This plan was slightly different from the DAC guideline (CIDC, 2010). This result clearly shows the unilateral coordination by the MOSF.

Unbridgeable policy gap between these two ministries and the agencies was revealed in many situations. An event, at the conference held by the DAC on 11 December 2012, was significant. It was the first peer review session of South Korea that the MOFA and the MOSF made an unedifying sight. Because of the lack of coordination, the MOSF and the MOFA set on the similar ODA project in Myanmar respectively. The DAC, of course, pointed out this point as a problem of organization and management, then two organizations argue over it at the conference (BAI, 2015). This event showed that the MOSF and the MOFA or the EDCF and the KOICA did not discuss or coordinate their ODA projects.

Even though the report of the CIDC, the DAC, and the BAI indicated this problem many times, a fragmented ODA system remains as a chronic and serious

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27 In this plan, the CIDC decided to maintain the ratio of grant to concessional loans as 60:40, which was not changed compared with the plan before joining the DAC, and reduce tied concessional loans only to 50%, which was far below the average of that of DAC member countries.
problem. Of course, the integrated ODA system is not the only solution for this problem, but it is clear that some problems are caused by the fragmented system.

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28 For example, Lim, who worked at the KOICA and now working at the Korea Eximbank, pointed out that the fragmented ODA system could not be integrated in nature. Because the attributes of each organization, such as objectives and process, differ in many ways, it would be a tough process and can turn out amiss. Lim also emphasized the point that the ‘New JICA’ went through integration process in 2008 as seen in <Figure 2-3 New Jica System> and the following problems have surfaced nowadays.

29 Cho, a research fellow of the KOICA and the Audit and Inspection Research Institute, suggested a new point of view. According to Cho, it is possible that the MOSF and the MOFA is in strategic symbiosis. Because of the fragmented ODA system, they can avoid their responsibilities by shifting responsibilities to each other. Cho emphasized that the important thing in South Korea’s ODA system is to keep its own standard, not to follow the international standard without consensus, which can cause an inconsistent policy. In this point of view, the DAC membership is not an important issue, but the existence of conflicts between two organizations is important and needs to be solved.
V. Conclusion

1. Summary of the Findings

This study tries to analyze the process of the DAC membership of South Korea, with focusing on the governmental politics. According to the results, joining the DAC was hardly a smooth process, and it was a product of the MOFA’s maneuver in difficult governmental politics.

The DAC membership was a part of turf disputes between the MOFA and the MOSF. The DAC guideline recommended increasing the ratio of grant to concessional loans and decreasing tied ODA. The MOSF considered that these recommendations would be unfavorable to it, because the MOSF supervised concessional loans and industrial policy. As a result, the MOSF was adamant not to make the DAC membership as a government agenda and implement it by 2010.

Without the external factors, the MOFA could not defeat the opposition of the MOSF, as seen in chapter IV-1. The MOSF unilaterally coordinated the ODA policy, and the MOFA could hardly resist it. So the MOFA utilized external factors to break through this confrontation. The MOFA brought foreign pressure, which tried to invite non-DAC donor countries into international network for international development and cooperation, into this political game. With this indirect coordination, the MOFA could set the DAC membership on the table of the CIDC.

Then the CIDC and the National Assembly coordinated this turf dispute. The MOFA could raise its voice over the MOSF with these external coordination and finally led the Government to join the DAC in 2010. After decision in 2008, however,
the relationship between the MOFA and the MOSF returned to unilateral dependent situation. This resulted in the medium and long term plan for the ODA policy, which was unsatisfying, compared with the DAC guideline, but favorable to the MOSF. This is shown in the <Table 5-1. Summary of the Findings>.

The results of analysis verify that four hypothetical propositions accord with the process of joining the DAC: P₁. In mutual dependent situation, policy coordination is necessary and important to change the policy; P₂. In unilateral dependent situation, policy coordination is powerful, but it is more favorable to less dependent or more powerful organization; P₂₁. External coordination by the third actor can ameliorate the asymmetric balance of power in unilateral dependence situation; and P₂₂. Indirect coordination by the more dependent organization and the third actor can ameliorate the asymmetric balance of power in unilateral dependence situation.
### Table 5-1. Summary of the Findings

<table>
<thead>
<tr>
<th></th>
<th>Agenda setting period</th>
<th>The first decision making period</th>
<th>The second decision making period</th>
<th>Current situation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Players</strong></td>
<td>MOSF, MOFA, Foreign Pressure</td>
<td>MOSF, MOFA, CIDC</td>
<td>MOSF, MOFA, SFC, FATUC, National Assembly</td>
<td>MOSF, MOFA</td>
</tr>
<tr>
<td><strong>Coordination Mechanism</strong></td>
<td>Indirect coordination</td>
<td>External coordination</td>
<td>External coordination</td>
<td>Coordination in unilateral dependent situation</td>
</tr>
<tr>
<td></td>
<td>Foreign Pressure</td>
<td>CIDC</td>
<td>National Assembly</td>
<td>MOSF ← MOFA</td>
</tr>
<tr>
<td></td>
<td>MOSF ← MOFA</td>
<td>MOSF ← MOFA</td>
<td>SFC ← FATUC ← MOFA</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>The MOFA successfully set the DAC membership on the table as a national agenda.</td>
<td>The CIDC decided to join the DAC in 2010.</td>
<td>The Framework Act was promulgated with “promoting economic cooperation with developing countries” as one of the five basic principles.</td>
<td>A fragmented ODA system remains and ODA policy depends more on the intention of the MOSF than that of the MOFA.</td>
</tr>
</tbody>
</table>
2. Limitation and Policy Implication of the Study

This study has several limitations. First of all, this study employed a government agency-centered approach. As a part of this, this study introduced ‘Decision Making Process Model’ and ‘Inter-Organizational Coordination’. Then, it particularly focused only on the ‘Governmental Politics Model’ and the ‘Independency Theory’. However, the three model of Allison’s decision making process model are not mutually exclusive, and independency theory is just one of the many other theories of inter-organizational coordination. In this sense, this study would have been much extensive if it had integrated and compared the other models of Allison’s three models and other theories of inter-organizational coordination, such as inter-organizational field and network theory, and strategic model.

Furthermore, there are several prominent theories illustrating decision making or policy change process, such as ‘Policy Windows Theory’, ‘Advocacy Coalition Framework’, ‘Cybernetics Theory’, and ‘Exchange Theory’. If this study could have taken these approaches and compared them, the study would have been much substantial.

Lastly, the analysis depended largely on the literature, policy reports and news materials and supplemented it with interview. Even though interviewees were experts and participants in this decision making process, more people from other fields could have different perspective on it and hidden events might exist. Especially, this study could not include an interview from an official of the MOSF. Even though this study conducted an interview with a research fellow of the Korea Eximbank, the result of the study can be biased toward the opinion of the MOFA and the KOICA.
Still, this study has significance in that it elaborated on the Governmental Politics Model and Inter-Organizational Coordination, and applied them to the real world. With the modified conceptual framework, this study ascertained that joining the DAC was a tough process and ODA policy was a turf dispute between the MOSF and the MOFA. This study also found out that the DAC membership was not given for nothing. The DAC membership was a result of the governmental politics, and it could not be possible without inter-organizational coordination.

To conclude, this study analysed the governmental politics with inter-organizational coordination, as well as resource-dependence approach. This case clearly shows that a government organization can utilize external pressure to advocate its position. Because little academic attention has been paid to the decision making process of joining the DAC yet, this study can have significance in policy and political circle.
### Appendix I. Process of Joining the DAC

<table>
<thead>
<tr>
<th>Dates</th>
<th>Events</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996.12.12</td>
<td>South Korea joined the OECD.</td>
<td>· PPS (Public Procurement Service) declared that South Korea would not join the DAC in tandem with OECD (PPS, 1996).</td>
</tr>
<tr>
<td>2004.05.26</td>
<td>The DAC revised the <em>Aide Memoire on the Admission of New Members</em> (OECD 2004; EXIM 2008a).</td>
<td>· This revision aimed to ease the quantitative requirement for joining the DAC, and strengthen the obligation of membership</td>
</tr>
<tr>
<td>2004.12</td>
<td>The PCSD (Presidential Commission on Sustainable Development) recommended that South Korea join the DAC in 2006, which marked 10th anniversary of the OECD membership (PCSD 2004; CIDC 2007:1).</td>
<td>· The PCSD published the <em>Improvement Plan for ODA Policy</em>, and the DAC membership was one of main recommendations.</td>
</tr>
<tr>
<td>2005.02.01</td>
<td>The DAC and UNDP hosted a forum which brought the DAC member countries,</td>
<td>· The DAC and UNDP hosted the <em>Forum on Partnerships for More Effective Development Co-operation</em></td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
<td>Details</td>
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<td>2005.06</td>
<td>OECD DAC began to co-operate with non-DAC donor countries for better aid and the DAC itself (OECD, 2005b).</td>
<td>· “The basic reason for reaching out beyond the DAC border is to do everything possible to make aid work better, and to be a key forum for development cooperation (OECD, 2005b).”</td>
</tr>
<tr>
<td>2005.09.28-09.29</td>
<td>The South Korean Government participated in the first DAC meeting with non DAC donor countries.</td>
<td>· The Director of Global Economic Affairs Bureau participated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>· The Director explained the plan for the DAC membership of South Korea and suggested light peer review for it (MOFA, 2005).</td>
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<tr>
<td>Date</td>
<td>Event</td>
<td>Details</td>
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<tr>
<td>2005.11.15</td>
<td>The South Korean Government adopted the Comprehensive Plan to Improve Foreign Aid at Cabinet Council (CIDC, 2007:1).</td>
<td>The main objectives of the Comprehensive Plan were as follows. 1. Developing the Korean ODA model 2. Enhancing the current ODA system 3. Improving efficiency of ODA 4. Establishing the CIDC (Committee for International Development Cooperation) in 2006</td>
</tr>
<tr>
<td>2006.01</td>
<td>The CIDC was set up under chairmanship of the Prime Minister.</td>
<td>The CIDC consisted of 25 members including the Prime Minister, Ministers of the MOFA and MOSF, head of KOICA and EXIM, and civilian experts</td>
</tr>
<tr>
<td>2006.05.24</td>
<td>The Chair of the DAC visited South Korea to discuss the cooperation between South Korea and the DAC (MOFA, 2006).</td>
<td>The Chair visited major agencies, such as the Korea Eximbank and the KOICA, and relative organizations.</td>
</tr>
<tr>
<td>2006.06.28</td>
<td>The DAC named non-DAC donor countries, including South Korea, as ‘OECD’</td>
<td>The DAC invited non-DAC donor countries for following reasons</td>
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<tr>
<td>Date</td>
<td>Event</td>
<td>Details</td>
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<tr>
<td>2006.09.21</td>
<td>The Prime Minister declared an intention to carry out a plan to join the DAC as soon as possible, at Conference in Commemoration of the 10th anniversary of Korea's Access to the OECD (CIDC, 2007:1).</td>
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<tr>
<td>2006.10.12</td>
<td>The DAC brought DAC member countries and “OECD member DAC observers” together to a policy dialogue (KOICA, 2006:72; MOFE·EXIM 2007:33).</td>
<td>· Preparation for the DAC membership, aid efficiency, and aid statistics were discussed in this policy dialogue (KOICA, 2006:72; MOFE·EXIM 2007:33).</td>
</tr>
<tr>
<td>2007.07.03</td>
<td>The MOFA created ODA bureau under Deputy</td>
<td>· A government-wide task force team</td>
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</table>
Minister for Multilateral and Global Affairs (MOFA 2007). had pushed ahead with ‘reorganization of the MOFA to enhance the diplomatic capability of the entire government’ since November 2005. Creation of ODA bureau was a part of the result of this reshuffling.

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
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<tbody>
<tr>
<td>2007.07.20</td>
<td>The CIDC drafted a roadmap to join the DAC (CIDC, 2007:18).</td>
<td>· This roadmap planned to apply for a membership in 2009, and to join the DAC in 2010.</td>
</tr>
<tr>
<td>2008.02.04</td>
<td>The OECD recognized and announced South Korea’s intention to join the DAC on Development Co-operation Report 2007 (OECD, 2008:102).</td>
<td>· “Korea is preparing to seek full membership of the DAC by 2010 (OECD, 2008a:102).”</td>
</tr>
<tr>
<td>2008.03</td>
<td>A DAC Peer Review Team conducted a special review on South Korea’s international development co-operation (OECD, 2008b).</td>
<td></td>
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<tr>
<td>2008.08.14</td>
<td>The CIDC approved the</td>
<td>· The report of this meeting was</td>
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</table>
roadmap to join the DAC, even though the MOSF disagreed on it at first (CIDC, 2008). published by the MOFA and the MOSF respectively, rather than by the CIDC. The MOFA argued that the South Korean Government should join the DAC in 2010 with several reasons including foreign pressure. The MOSF contended that the South Korean Government should postpone the plan because of domestic economic concern.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>2009.01</td>
<td>The Minister of the MOFA wrote a request letter to join the DAC to the OECD</td>
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<tr>
<td></td>
<td>(EXIM, 2009:2).</td>
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<tr>
<td>2009.05</td>
<td>The South Korean Government wrote a memorandum for the DAC and sent it to the OECD</td>
</tr>
<tr>
<td></td>
<td>(EXIM, 2009:2).</td>
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<tr>
<td>2009.06</td>
<td>The DAC Accession Review Team visited and investigated related major agencies</td>
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<td>(EXIM, 2009:2).</td>
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<td>Date</td>
<td>Event</td>
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<tr>
<td>2009.11.25</td>
<td>The DAC decided to welcome South Korea as its member in a special session (OECD, 2009a).</td>
</tr>
<tr>
<td>2009.11.25</td>
<td>The Korean National Assembly presented a <em>Framework Act on International Development Cooperation.</em></td>
</tr>
<tr>
<td>2010.01.01</td>
<td>South Korea became an official member of the DAC.</td>
</tr>
<tr>
<td>2010.01.25</td>
<td>The South Korean Government promulgated the <em>Framework Act on</em></td>
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‘reciprocal economic cooperation’ as one of basic principles of the Korea’s international development cooperation.
### Appendix II. Five Bills on ODA

<table>
<thead>
<tr>
<th>Proposal Date</th>
<th>Bills</th>
<th>Details</th>
</tr>
</thead>
</table>
| 2008.07.04    | Bill no. 1800148  
*Framework Bill on Official Development Assistance*  
Representative proposer: Song, Minsoon  
*The ODA aims to humanitarianism and peace by contributing to poverty reduction and sustainable development*  
*The MOFA is a Supervising Ministry, and the KOICA is an executing agency for ODA.* |
| 2008.07.10    | Bill no.1800203  
*Framework Bill on International Aid*  
Representative proposer: Chin, Young  
*The ODA aims to humanitarianism and peace by contributing to poverty reduction and sustainable development*  
*The MOFA is a Supervising Ministry for grant aid and the MOSF is a Supervising Ministry of concessional loans.* |
| 2008.10.31    | Bill no, 1801676  
*Legislative Bill on Overseas Development Cooperation*  
*Overseas development cooperation aims at reciprocal economic cooperation between South Korea and developing countries by* |
| Date      | Bill no.     | Bill Title                                      | Representative proposer:                      | Supporting their poverty reduction and economic development. To contribute to stability of international economy and prosperity, the basic principles are reciprocal economic cooperation, respect of economic policy of developing countries and share of knowledge and development experience.
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<tr>
<td>2008.11.03</td>
<td>1801698</td>
<td><em>Bill on International Development Cooperation</em></td>
<td>Bae, Young Sik</td>
<td>· The MOSF controls concessional loans and multilateral aid to MDBs, and the MOFA controls grant and multilateral aid to non-financial international organization</td>
</tr>
<tr>
<td>2009.03.20</td>
<td>1806219</td>
<td></td>
<td>Kim, Bookyum</td>
<td>· The Minister of the MOSF has jurisdiction over concessional loan, the Minister of the MOFA over grant, and the Minister the MOGAHA (Ministry of Government Administration and Home Affairs) over ODA by local governments.</td>
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<table>
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<tr>
<th>Framework Bill on International Development Cooperation</th>
<th>jurisdiction over concessional loan, the Minister of the MOFA over grant, and the Minister the MOGAHA (Ministry of Government Administration and Home Affairs) over ODA by local governments.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representative proposer: Lee, Mikyung</td>
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개발원조위원회(DAC) 가입 과정의 정부 간 정치 분석
- 한국 사례를 중심으로 -

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본 연구는 정부 간 정치를 중심으로, 한국의 경제개발협력기구(OECD; Organization for Economic Co-operation and Development), 개발원조위원회(DAC; Development Assistance Committee) 가입 결정 과정을 분석한다. 한국은 양허성 차관(유상 원조)과 무상 원조의 주무부처가 기획재정부와 외교부로 나뉜 분절화된 원조 체계를 가지고 있다. 국무총리실 산하의 국제개발협력위원회를 조정 기제로 갖추고는 있으나, 실무 협업 과정에서는 예산권과 성과 관리 권한을 가지고 있는 기획재정부의 영향력이 외교 부보다 클 수 밖에 없는 비대칭적인 구조이다. 본 연구는, 막강한 힘을 가지고 있는 기획재정부가 개발원조위원회의 가입을 미루고자 했음에도 불구하고, 외교부의 의견대로 2010년에 가입을 하게 되었다는 역사적 사건으로부터 출발한다.

두 부처의 정치 과정을 살펴보기 위해, 본 연구는 Allison의 정책 결정 모형과 Scharpf의 상호 의존 모델을 재구성하여 보다 체계적인 분석 틀을 제시한다. Allison의 정부 간 정치 모형에서 정부의 행위는 정치 게
임의의 산물이다. Scharpf는 이러한 정치 게임이 참가자의 상호 의존도와 힘의 균형에 따라 다른 양상을 띠 수 있음을 제시하였다. 이 두 이론에 기반하여, 본 연구는 외교부와 기획재정부의 힘의 균형과 정치 게임의 동태적 양상을 분석한다.

분석 결과는 다음과 같다. 첫째, 외부 요인이 없는 상황에서 외교부는, 기획재정부가 반대하는 개발원조위원회 가입을 추진할 수 없었다. 둘째, 선호 공여국을 국제 규범 아래 편입시키고자 하는 국제적인 움직임을 활용하여, 외교부는 개발원조위원회 가입을 국가 정책 과제로 삼을 수 있었다. 셋째, 개발원조위원회 가입을 결정하고, 세부 사항을 조정하는 과정에서 국제개발협력위원회와 국회가 외부 조정자로서 중요한 역할을 했다. 이러한 과정은 일반적인 인식과는 달리, 한국의 개발원조위원회 가입이 매우 힘든 과정이었다는 사실과, 이것이 정부 간 정치의 산물이었음을 명백하게 보여준다.

주요어: 경제개발협력기구(OECD; Organization for Economic Co-operation and Development), 개발원조위원회(DAC; Development Assistance Committee), 외교부, 기획재정부, 정부 간 정치, 정책 조정

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