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Degree of Master of International Studies  
(International Area Studies)

Korea ODA and Saemaul Undong  
the Perspective of Ethiopia

August, 2019

Graduate School of International Studies  
Seoul National University

Yigrem Tariku Tsegaye
Korea ODA and Saemaul Undong
the Perspective of Ethiopia

By
Yigrem Tariku Tsegaye

A dissertation submitted in partial fulfillment of the requirements for the degree
of Master of International Area Studies

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Seoul, Korea
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Summiting a master's thesis of Area Studies
August 2019

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August 2019

Chair: Kim, Chong-Sup (Seal)
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Examiner: Moon, Woo-Sik (Seal)
Abstract

Ethiopia and South Korea have historical socio-economic and political relations since the two Koreas War (1950 - 53). Ethiopia is one of the priority country in Africa in receiving South Korea’s ODA and main partner country of South Korea. Ethiopian government utilizes Official Development Assistance of South Korea for economic and social infrastructure sectors that include such as rural development, Energy, transport, water management and health sectors. The main focus of this study is to examine the similarities and differences of indigenous traditional associations of Ethiopia and South Korea as well as to assess the role of Ethiopia’s indigenous traditional associations for the implementation of the idea of South Korea’s Saemaul Undong movement in Ethiopia.

The findings of the study indicates that both Ethiopia and South Korea have many indigenous traditional associations and cultural cooperation that have common features as well as those traditional cooperation of both countries have their own different characteristics in each country. In connection with the study suggested that indigenous traditional associations of Ethiopia could play an important role for the implementation of the concept of Saemaul Undong movement in Ethiopia as those cooperation had their own contributions during the implementation of Saemaul Undong Movement in South Korea.

Keywords: New villages, Korea, Ethiopia, Korea ODA, Foreign aid, Saemaul Undong,

ID Number: 2017-26305
### Abbreviation

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>WW II</td>
<td>World War II</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>OECD</td>
<td>Organization of Economic Cooperation Development</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>US</td>
<td>United State</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>KOICA</td>
<td>Korea International Cooperation Agency</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<tr>
<td>EDCF</td>
<td>Economic Development Cooperation Fund</td>
</tr>
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<td>DAC</td>
<td>Development Assistance committee</td>
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<td>GNI</td>
<td>Gross National Income</td>
</tr>
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<td>UN</td>
<td>United Nation</td>
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<td>Information Communication Technology</td>
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<td>UNECA</td>
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<td>GTP</td>
<td>Gross and Transformation Plan</td>
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<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>KSP</td>
<td>Knowledge Sharing Program</td>
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<td>SMU</td>
<td>Saemaul Undong movement</td>
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<td>CSP</td>
<td>Country strategy partnership</td>
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Chapter One

Introduction

Both South Korea and Ethiopia have historical relations since the Koreans War (1950 - 53). South Korea has been playing an important role in supporting Ethiopia’s struggle to eradicate its poverty, sustain its economic growth and development through providing ODA on various economic and social infrastructures. According to its Country Partnership Strategy program (CPS) to Ethiopia (2016 - 2020) Korea identified four priority areas to Ethiopia that includes agriculture and rural development, education, health and sanitation, and infrastructure development. Ethiopia is agrarian country with the higher share of Agriculture for its economy. It has been taken many programs¹ that improve the productivity of agriculture, it’s the critical important for Ethiopia because agriculture is the main source of the economy. It contributes 43% of GDP, 90% of export and more than 80% of the employment.

The government of Ethiopia has been adopted Agriculture Development Led Industrialization (ADLI) as its development strategy in 1994. The main goal of this strategy is to attain fast and broad-based development within the agricultural sector and to make this sector's development to power broad economic growth. ADLI had been further rationalized as the basis of the poverty reduction program subsequently adopted by the government in 2002 (MoFED, 2002)

Ethiopia has been ruled by three major political regimes for the last 70 years. ²The importance of agriculture has been recognized by each government in their period. However, the policy and strategy, they have been implementing in different period have reflected different result in agriculture and rural development. For example, Derg regime (1975-1991), was a socialist government and all economic sectors including agriculture were nationalized. It launched the agriculture reform program by declaring that all rural land a property of government including other sectors.

While the current ruling party, Ethiopia People’s Republic Development Front (EPRDF) that came to power after the down throw of Derg regime. In this period, significant change happened in overall economic reforms. One of the critical discussions by this government is Agricultural development led industrialization (ADLI) policy. The reform focuses on small scale farmers and labor intensive industrialization. Due to Agriculture is the main sector of the overall economy.

¹ Ethiopia’s agricultural sector policy and investment framework (PIF) 2010-2020

Furthermore, its fact that relatively high numbers of population are poor in rural area than urban in terms of education, income and health.

Recent trend of agriculture policy and strategies showed that select the more productive policy to the agriculture and non-agriculture sector in rural area continuously decreasing the portion of agriculture to the economy. The other important rural development policy and strategies of agriculture is that center of growth are many dimension benefit for economic growth. To reduce extreme poverty, and develop market oriented economy. In the main time the government support small scale farmer in all dimensions, to improve the overall agriculture productivity. For example, the governments provide fertilizer, seed, and pesticide to farmers and construct small scale irrigation and reducing harvesting cost. Agriculture sector faced challenge in Ethiopia which include low levels of income and savings and productivity in the agricultural sector, limited implementation capacity, unemployment and a narrow modern industrial sector.

The Korea government based on the Ethiopia GTP and its own experience, one of the priority areas of Korea to implementing rural development. Ethiopia has been implementing the gross and transformation plan since 2010. The first GTP I from 2010/11-2014/15 and it was achieved much socio-economic development of the country. During this period the country registered broad-based and double-digit average growth rate (10.8) per annum. According to the National planning commission of Ethiopia GTP I summary report, the growth was accompanied by investment expansion and employment generation. As such, the living standard of citizens has improved. This is reflected in the increase in per capita income from USD 377 in 2009/10 to USD 691 by the end of 2014/15. Provision of essential public services has also expanded as a result. Absolute poverty has declined from 26.9% in 2010/11 to an estimated 23.4% by 2014/15. Although promising improvements have been registered in poverty reduction, still many people live below the poverty line.

Thus, to eradicate to poverty the rapid and broad-based growth must be sustained mainly through accelerating growth of agriculture and manufacturing sectors. Despite these achievements on GTP I there were remained challenges that give attention in GTP II plan. The structural transformation of the economy has not given appropriate attention. At the end of GTP I, the share of agriculture, industry and service sectors stood 38.5%, 15%, and 46.3% respectively. During GTP I, the agriculture sector was expanding and encouraging the development of private commercial farming. However, there were capacity limitations specifically, in supporting of enough land and a shortage of necessary logistical inputs.

In the education sector, a focus was on ensuring accessibility and attaining the MDGs. During the MDGs, positive results have been registered on the health sector, specifically in ensuring universal access to primary education. However, the achievements fell short of the planned target, primary owning to the failure to effectively and comprehensively execute the educational quality

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3 National Planning Commission of Ethiopia May, (2016), Growth and Transformation Plan II.
improvement package at all levels. The health sector in GTP I period were focused on expansion and improvement of quality and accessibility of health service to achieve MDGs.

According to health coverage has reached 94% which near conform to the MDGs target. Further improving primary health care and hospital service are needed. GTP II was designed to extend the high broad-based economic growth rate. It is the extension of GTP I, and more focused on improving the limitation that showed during the implementation of GTP I. In addition, GTP II put its own objective and target. In GTP II the government of Ethiopia planned to be becoming the lower middle country by 2025. It also built on sectorial policies, strategies, and program, lessons drawn from the implementation of GTP I and the post-2015 sustainable development goals (SDGs). It has also considered the regional and global economic situations.

South Korea’s Saemaul Undong Movement initiative helped boost economic expansion throughout the country’s rural villages and towns in the 1970s. It has played an important role in raising income and improves the living standards of rural communities. It was successfully implementing achieved its initial plan. There were many factors that contributed the success of Saemaul Undong movement in Republic of Korea in 1970s. The one of them was homogenous communities and strong tradition of cooperation. They had different traditional cooperation system among the society. Similar to Republic of Korea, Ethiopia has a long history of indigenous traditional shared values, cooperation cultures and religious ties among the societies and still all are actively working.

The general objective of papers is to examine the similarity and difference of Korea and Ethiopia indigenous traditional associations. Specifically, this paper will look the factor that contributed the success of Saemaul Undong movement with the perspective of Ethiopia’s indigenous traditional associations. And to look the link between the Korea’s ODA and the transfer of the new village movement. The significance of this study is to identify the factor that contributed to the success of Saemaul Undong or new village’s project in Republic of Korea, particularly, the traditional association perspective. And are the Ethiopia similar traditional cultures associations with Korea can contribute the implementation of Saemaul Undong project in Ethiopia.

This paper is a qualitative study and used a variety of literature review from available sources of as its primary sources. And for Korea foreign aid, used the Implementation agencies (e.g. KOICA, EDCF), and the government reports and documents (e.g. White Paper from various Ministries, mid and long-term implementation plan of ODA Policy from the Korea government) will be used. Moreover, others reference materials such as previous studies, Journals, news and articles are used.
Chapter Two: Korea Foreign Aid

Historical development of Korea foreign aid

Korea was one of the few countries that were able to change its status from aid beneficiaries to aid-donating countries. Korea’s ODA programs started in the 1960s when the government began training programs. Even if Korea was a recipient of foreign aid and did not have money to support activity but, it gave the first training program for developing countries trainees by the financial assistance of the USAID.

In the 1970s Korea’s ODA was primarily influenced by the political competition between South and North Korea. During the Cold War era, aid was strategically given to form political alliances to ensure South Korea’s dominant position over North Korea. But, it was changed to the economic motive through time. In the 1980s, the direction of ODA projects changed on economic development. Korea was planning for overseas expansion of its domestic companies and creating a foundation for future exports. Many projects were launched to strength this goal in 1982; different institutions were implementing those projects for example, the Korea Development Institution (KDI) undertook an education project to share Korea’s experience in economic development, the Ministry of Construction initiated grant aid projects on construction techniques, and the Ministry of Labor initiated projects to establish and manage job training centers.

In the 1980s, Korea ODA programs were conducted by individual Ministry. Due to the increasing number of projects, consolidation was necessary to coordinate projects and make aid more effective. In 1987, the Economic Development Cooperation Fund (EDCF) was established to support concessionary loans to developing countries through Korea’s Export-Import Bank. In 1991, KOICA was established to take charge of all grant ODA projects, thereby organizing today’s ODA implementation system.

After becoming a member of the OECD in the 1990s, Korea’s ODA efforts increased as the international status of the country rose. KOICA integrated many projects which had previously been scattered throughout different government agencies. Furthermore, KOICA organized its administrative system by working with private aid organizations and the newly established International Cooperation Center (ICC). Also, during the 1990s, Korea forged partnerships with the World Bank and the Asia development bank (ADB) and became a member of the Inter-American Development Bank to set up multilateral assistance. Since 2007, the Korean

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4 Jong-jung-choi (2017), comparative analysis on the path-dependence of the two-pillar ODA implementation system: cause study on Korea and Japan
government started preparation for entering the OECD/DAC. In 2010, Korea began its activity as an official member state of OECD/DAC.

**Korea foreign aid in Africa**

Korea foreign aid to Africa or other regions is unique from others donor. It used the same system of another donor. Due to the North Korea issue, the initial objective of Korea ODA to Africa was a political motive to diplomacy factors to gain an advantage over North Korea. In the 1980s Korea wanted economic interest with Africa rather than political competition with North Korea. In 1982 for the first time, the Korea president Chun Doo-hwan visited Africa after the Korea war. President Chun Doo-hwan advanced Park’s policy by promoting South-South diplomacy and it was the time that Korea company’s expansion overseas.

Korea recognizing Africa's has great potential for development; it has been strengthening development cooperation with the continent, focusing on enhancing the economic independence of Africa. Korea has gradually increased humanitarian assistance to Africa to contribute to the international efforts in achieving the MDGs. Furthermore, it has expanded its bilateral ODA to help African countries to build a self-reliant economy and lay the foundations of economic growth (2014, diplomatic white papers). Africa is important for Seoul both in terms of natural resource and growing export market for the growing market. The other important point is that Korea interest in Africa to share its experience, how counties use foreign aid to development effectively.

According to the OECD, the net ODA of Korea since 2005 increased in real terms by 25%. Moreover, 2009-2010 Korea ODA’s experienced one of the largest increases in the real term of ODA among DAC donor countries, representing 25.7% increased the total ODA disbursed. Although Korean’s ODA volume remains lower, the Korean government is fully committed to fulfilling the pledge to increase its ODA volume under the mid-term policy. Korea is attempting to improve the quality of development assistance by undertaking fundamental reforms in the ODA system. Korea wants to development cooperation went to effect and make the real change to developing countries by playing a bridging role between developing and developed countries. (MoFA)

KOICA has greatly expressed its assistance to Africa where most of the least developed countries as well. Out of the Korea bilateral assistance, bilateral aid to Asia region over 50% and more than 20% is offered to Africa. In 2010, the government decided to provide 58% of its bilateral grants to the 26 priority partner countries and 37% to the least developed countries.
Korea ODA in Ethiopia

The Ethio-Korea relations could be traced back to the 1950s particularly at the event of the participation of the Ethiopia armed forces in the Korea peninsula war to support the Republic as the member of the United Nation’s troops. Afterward, the two countries established diplomatic relations on December 23, 1965. The relations between the two countries displayed setbacks during the Military Regime (1974-1991) in Ethiopia. In aftermath of the fall of the Military Regime in Ethiopia, the rapprochement led to the opening of the Ethiopian Embassy in Seoul in June 1992 and then higher officials visit took place after the 1990s.

The relationship between Ethiopia and Korea is historical and intimate. Korea has been assisting Ethiopia's development endeavors in various aspects, and Korea International Cooperation Agency (KOICA) Korea's government agency dedicated to providing grant aid program of the Korean government is working to combat poverty and support sustainable socioeconomic growth in Ethiopia by focusing on education, health, rural development, and infrastructure. And, KOICA is providing targeted short and long-term training programs to Ethiopia to nurture capable manpower.

Republic of Korea ODA Program to Ethiopia will be through Grant and Loan schemes. These ODA Programs are implemented by KOICA, Ministry of Strategy and Finance of Korea and Korea Exim bank (EDCF). A total amount of ODA in terms of commitment to Ethiopia the year 2005-2011 amounted to USD 113.9 million comprised of ODA grants, totaling USD 34.79 million, and ODA loans, which totaled USD 78.4 million.

According to EDCF, Ethiopia is a diplomatic center and participated in Korea war, forming blood tie with Korea. It also has the 2nd largest population, considering such political and diplomatic importance as well as its potential future economic cooperation. During the 7th world water forum, the president of Ethiopia expressed that bilateral cooperation would further be stepped up. He mentioned that Ethiopia took Korea’s development know-how and experience would bring about mutually beneficial gain. The agreement stipulates that the parties shall make efforts to develop economic and technical cooperation through the provision of materials and equipment, training opportunities and the dispatch of Korea Overseas Volunteers and Experts.

In 2015 KOICA provided around 563 million dollars for 885 projects across 126 countries. Among the KOICA top five partner’s countries, Ethiopia is one of them. In 2011, the Suluta Gebre Guracha power transmission project was first financed by EDCF and with the signing of USD 500 million financing agreement and opened Addis Ababa office of Korean Exim Bank of Korea in 2016. EDCF activities in Ethiopia have become most active in Sub-Saharan Africa countries. EDCF policy on Ethiopia, key partner country and concentrate on transport, Energy, ICT, and rural development. And project of Saemaul Undong is being carried out would continue and make the cooperation strong (2016, diplomacy white paper).
Figure 4 distribution of Korea’s foreign assistance by sector 2005-2016

Source: OECD

Most of Korea’s foreign assistance was used for transport and communication followed by energy and education, which accounted for 19 percent and 12 percent of the sectors, respectively.
Korea’s Priority areas

Ethiopia is the priority partner country for Korea, the priority countries are selected based on their political situation, income level, diplomatic relationship with Korea and economic potential. The objectives of the Korea’s country partnership strategy (2016-2020) for Ethiopia focused on strengthening the health sector, improving access to and quality of drinking water and sanitation, promoting rural development, building transport and energy infrastructure and enhancing education opportunities, by considering the gross and transformation plan of Ethiopia, Korea development direction. Former country partnership strategy, sustainable development goals, Ethiopia report and KOICA experience. Such selected priority areas showed Ethiopia development needs and Korea’s strengths in development cooperation taking into accounts its own development experiences. Korea’s plan to allocate 70% of its bilateral ODA for Ethiopia on the above priority areas selected sector during the 2nd CSP (2016-2020) period.

Health and Sanitation

Korea clearly identified the need assessment of health and sanitation areas in Ethiopia. The government of Ethiopia achieved MDGs, child mortality 2 years before the target year. However, more efforts are needed to further reduce the rate. The mortality rate 353 per 100,000 (2015), is seen to reach the under-5 mortality target rate (350 per 100,000). However, preventable but pervasive causes of maternal mortality, such as obstructed labor, ruptured uterus, hemorrhage, complications of abortion and sepsis, remain as challenges to the efforts to further reduce the rate. Moreover, the maternal and child mortality rates in rural and pastoral areas are still disproportionately high. Other reproductive health and communicable disease also need to address through expand access to health service to the community. The proportions of the population using improved drinking water source and sanitation facility stand at 57.3% and 28.0% respectively in 2015. Despite, the significant improved in the area during the MDGs period, expanding drinking water and sanitation coverage remain the challenge.

According to KOICA-Ethiopia office, Korea has been supporting the health sector of Ethiopia the project in title, promoting knowledge, attitude and behavior change in population and reproductive health, improvement of Water Supply & Sanitation in Gurage Zone, Ethiopia, Integrated Family Health Program in Ethiopia, Maternal, Neonatal & Child Health Promotion in Arsi zone, Ethiopia, and Korea Aid.

Korea considering GTP II health sector development plan, health sector transformation plan (HSTP), and phase 2 one wash national program (OWNP) with a focus on women and children, potable water and sanitation, and health workforce for the country partnership strategy (2016-2020).

6 http://www.koica.go.kr/
Based on the CPS (2016-2020) Korea has been doing on maternal and child care, combining it with family planning and reproductive health program. Especially, attention is given for girls as they are more affected by poor health and sanitation condition and girls are an important implication for the health of the next generation. Korea identified Ethiopian as a good partner to implement a better life for girls, Korea’s SDGs initiative for girl’s health, education, and professional development. Another important focus of CPS is capacity building for preventing, identification of communicable diseases and responses to breakouts. Implementing “safe life for all” is another Korea’s SDGs initiative for compacting communicable diseases. And accesses to and quality of drinking water, sanitation and hygiene are another priority area for CPS of Korea for Ethiopia 2016-2020.

Rural Development

Ethiopia is highly dependent on agriculture which accounts for around 42% of its GDP, and 81% of its population live in farming areas. Most of the Ethiopian population lives in rural areas as smallholder farmers, so rural development is directly linked with poverty reduction. It has been also supporting basic rural infrastructure development, community organization, and training, targeting smallholder farmers and women in rural areas.

**Rural infrastructure development:** the Korea government based on Ethiopia GTP and its own experience, one of the priority area of Korea, Country program strategies to Ethiopia from 2016-2020 is agriculture and rural development, emphasis on small scale agriculture and irrigation that would more return to the local communities and made self-reliance. Moreover, support farmer to use fertilizer and new seed, sustainable water management and reducing venerability from climate change. It’s belief that rural development programs the spirit of self-help, cooperation and diligence that have potential to reduce poverty. Korea has indigenous experience on rural development.

**Community organization:** Korea prioritizes to strength small-scale agriculture and infrastructure development. It is one of the Korea Saemual Undong movements and it was achieved high performance during 1970s for the Republic of Korea economic growth. According to their experience, Korea planned to organized small scale farmer in the local areas of Ethiopia and trains them, to encourage, ownership and management to their surrounding areas by sharing their experience and training. Based on the local community organizations, the Korea government is providing project level aid for Ethiopia to increase income and voluntary participation among community members.
Transport and Energy

Road transport is a predominant means of transportation which accounts for the 95% of the movement in personnel and freight mobilized for economic and industrial activities. Korea’s support strategy will be based on Ethiopia’s Road Sector Development Program (RSDP), Universal Rural Road Access Program (URRA), and the GTP II energy infrastructure plan. Also, Korea’s experience in national transportation network development.

Education

The Ethiopia government priority on Education Sector Development Plan 2016-2020 (ESDP V) focuses on the quality, equity and relevance on general education, technical and vocational education and training (TVET), and higher education. Korea’s support the strategy based on the Ethiopia government targets of the GTP II and ESDP V and its experience in developing human resources through education and technical training for industrialization and economic development.

Korea has been involving the construction of the school and provided an opportunity for human resource to give scholarship and focus on science, technology, and innovation. At the project level the following projects that have been implementing by Korea’s government such as vocational capacity building for Korean veteran’s ($9 million), capacity building of ICT education in Adama Science and Technology University ($5mil), primary school improvement through radio education program in Oromia Region, Ethiopia ($6.7 mil), technical vocational education training college in Tigray region, Ethiopia ($6.4 mil) and construction of secondary school in Adwa Tigray Region, Ethiopia ($4.2 mil).

Knowledge sharing program (KSP)

This programme was Launched in 2004 and coordinated by Ministry of Strategy and Finance of the Republic of Korea, is a development assistance planned to address the Growing demand from developing countries for policy directions, alternatives, through policy consultation and the increasing importance of knowledge and experience in development.

High level visit

From Korea to Ethiopia

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7 www.odakorea.go.kr.

Korea and Ethiopia have long relations and exchanged many high-level visits. According to the Ministry of Foreign Affairs of the Republic of Korea, the following are some of the high-level visits from Korea to Ethiopia: President Park Geun-Hye in May 2016, President Lee Myung Bak in July 2001, Vice Minister of Foreign Affairs Lee Shi-young (as a Special Envoy of the President) in May 1995, Deputy Prime Minister and Minister of Education Hwang Woo-yea in February 2015, Minister of Foreign Affairs Kim Sung Hwan in September 2012, Minister of Government Administration and Home Affairs Chong Jong Sup in March 2015, and Deputy Minister of Political Affairs in January 2011.


**From Ethiopia to Korea**


Others, visits including Governor of Tigray Abay Woldu in June 2012, Speaker of the House Abadula in June 2013, Governor for Amhara Gedu in June 2014, Minister of Defence Siraji Fegessa in July 2013, Vice Minister of Information and Communication Technology Getachew in December 2014, and Minister of Industry Ahmed in February 2015.9

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9 Ministry of Foreign Affairs of Republic of Korean

11 서울대학교

SEOUL NATIONAL UNIVERSITY
Table 4: Korean ODA to Ethiopia Net disbursement (USD Million)

<table>
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<tr>
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<th>% Share of Korean ODA in Africa</th>
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</tr>
<tr>
<td>2008</td>
<td>4.87</td>
<td>0.81</td>
<td>4.22</td>
</tr>
<tr>
<td>2009</td>
<td>5.11</td>
<td>0.72</td>
<td>4.38</td>
</tr>
<tr>
<td>2010</td>
<td>11.02</td>
<td>1.13</td>
<td>7.29</td>
</tr>
<tr>
<td>2011</td>
<td>11.84</td>
<td>1.17</td>
<td>6.51</td>
</tr>
<tr>
<td>2012</td>
<td>20.97</td>
<td>1.73</td>
<td>7.83</td>
</tr>
<tr>
<td>2013</td>
<td>27.04</td>
<td>2.09</td>
<td>10.06</td>
</tr>
<tr>
<td>2014</td>
<td>40.59</td>
<td>3.07</td>
<td>12.90</td>
</tr>
<tr>
<td>2015</td>
<td>45.67</td>
<td>3.13</td>
<td>12.83</td>
</tr>
<tr>
<td>2016</td>
<td>61.59</td>
<td>3.98</td>
<td>14.82</td>
</tr>
</tbody>
</table>

Source: OECD (2018)

The reason why I chose the year 1989 due to Korea started giving aid to Ethiopia in that year.

The table above that the period 1989-2016, ODA flow from Korea to Ethiopia has been increasing in general. Among the overall periods, Ethiopia received the highest amounts of ODA from Korea in 2016, and the volume was $61.59 and the lowest amount in 1989, $0.03 million.

The percentage share of Korean foreign aid to Ethiopia regarding the total Korea foreign aid also indicates increasing regardless of small variations with years. In the African level, the percentage share indicates a similar way of increasing trend. The maximum amount of the share recorded in
2002 and the share was 14.99%. The lowest share in recorded in 1990 of 0.31% except for the small change in different years, the overall trend of show increasing.

Figure 2: Korea Net ODA loans, grants disbursed and technical cooperation grants to Ethiopia in USD million.

Source: OECD (2018)

Korea was started providing ODA to Ethiopia is since 1989. But the amount was tiny. Since 2003 the ODA grants and technical cooperation began to increase up. In 2012 ODA net loan started and shift straight line upward.it was above both ODA grant and technical cooperation grant. Since, 2012 the Korea was giving more ODA loans.
Bilateral Trade

Table 2: Korea imports and exports to Ethiopia in (USD Million)

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount in US $ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exports</td>
</tr>
<tr>
<td>2005</td>
<td>35.7</td>
</tr>
<tr>
<td>2006</td>
<td>63.01</td>
</tr>
<tr>
<td>2007</td>
<td>73.3</td>
</tr>
<tr>
<td>2008</td>
<td>93.9</td>
</tr>
<tr>
<td>2009</td>
<td>79.8</td>
</tr>
<tr>
<td>2010</td>
<td>50.5</td>
</tr>
<tr>
<td>2011</td>
<td>106.9</td>
</tr>
<tr>
<td>2012</td>
<td>107.9</td>
</tr>
<tr>
<td>2013</td>
<td>93.8</td>
</tr>
<tr>
<td>2014</td>
<td>154.7</td>
</tr>
<tr>
<td>2015</td>
<td>113.4</td>
</tr>
<tr>
<td>2016</td>
<td>96.9</td>
</tr>
<tr>
<td>2017</td>
<td>113.9</td>
</tr>
</tbody>
</table>

Source: UN Comtrade (2005-2017)

Korea- Ethiopia trade has increased since 2005 in general. This shows a similar trend with ODA flows. The export of Korea to Ethiopia has been increasing upward. Import from Ethiopia also increasing but not like exports. However, the balance of trade favor to Korea. The main exports of Korea to Ethiopia: electronic equipment, vehicles, and machinery and it mainly import coffee, oilseeds, and other agriculture product. The Korea export to Ethiopia was $113.9 million in 2017.
To sum up, Korea has a long-standing relationship with Ethiopia. Priority areas of Korea in Ethiopia focus on agriculture and rural development, education, development of infrastructure and health and sanitation.

Ethiopia is the top recipient of Korean ODA. For example, in (2015-16 average), Ethiopia ranked the 6th on the list with 54 million USD. Korea ODA to Ethiopia by type, initially majority of its aid allocated on grants but, after the year 2012 the loans type of ODA for Ethiopia took the highest share which was more than 35 million USD in 2016, the grant type ODA was 25 million USD, and 6.8 million of USD was for technical cooperation grants. In 2016 Exim Bank of Korea office was opened in Addis Ababa as the east Africa branch. The reason was to provide loans for Korea companies who are investing in Ethiopia. More than 70 firms are investing in Ethiopia in various areas.

South Korea development assistance in terms of sector, majority of it allocated for economic development followed by social development such as transportation and communication 55% (232.87 million, USD), energy 19% (82.32 mil, USD), education 12% (52,85 mil, USD), and agriculture, forestry and fishing 7% (30.22 mil, USD) a total between 2005-2016.

Moreover, the high-level official visit from both Korea to Ethiopia and the other way around showed that the relation is high level, and the implication is that the counties are important each other’s. For example, Korea has made 26 visits at two State level and others Ministerial and senior officials’ level to Ethiopia between 1994 and 2016. Ethiopia in turn, 37 visit including the Prime Minister and president level and others Ministerial and Senior officials to Korea between 1992 and 2015.

And the growing economy of Ethiopia attracting South Korea’s investors, since 2010, many South Korea companies have been investing in Ethiopia in various sectors. In 2016, President Park Geun-hye visited Ethiopia and signed many memorandums of understanding with Ethiopia government and discussed to strength cooperation further. More than 250 investors were discussed with the two leader and showed interest to invest in Ethiopia.
Chapter Three: Saemaul Undong and Ethiopia indigenous Associations

History of Saemaul Undong

Traditionally, the communities’ movements in Republic of Korea have a long period. For example, Kye is one of the oldest traditional communities based cooperation. Likewise, the ture is century long labour cooperation especially in rural area of the country. Another traditional cooperation is Pumasi, which is mainly practiced in small villages of rural communities and conducted sometimes by women and both women and men together. Pumasi has been using for any type of activities but, Korea’s mainly used for the cultivating of rice and other agriculture activities. Pumasi and Dure are the Korea traditional communities’ cooperation. Dure was mainly concentrated on adult blood men, and the participation was mandatory particularly in rice planting time while Pumasi was in small villages and small in numbers as compared to Dure and there is no specification of working age like Dure. It could be conducted any time as the organizers needed. However, due to the modernization of Korea, the demand of labors decreased and substituted by other modern mechanical machines. Therefore, there is no more Dure in recently time but, Pumasi can still found in custom of helping each other like weeding and funeral in Korea’s communities. President Park Chung Hee found that traditional community cooperation have great potential to the implementation of Saemaul Undong. He understood that to be effective in the new village movement, spiritual or traditional foundations have mass appeal.

After the Korea war (1950-1953), the Korea’s government applied variety of community development programs. In early 1950s the government was using community development to implementing the United Nation commission recommendation for the rehabilitation of Korea. In 1958, the Korea government launched a large-scale rural development program that composed with variety of activities in many part of the villages. The source of finance was from United Nation pool fund. This program was extended until 1965. Then after the established of rural development Agency, the rural development program extended for 6 years from 1966-1971. There were three majors’ objectives of the 6 years extended plan. These including establishing democratic leadership in rural communities, increasing household income by applying modernization on agriculture and mobilization of rural resource, and the last was encourage self-help effort by the residual of rural communities. Due to ambitions plan, not all the projects got financial support from the government. For a total of 640,556 projects of which 233,553 received financial help from the movement.

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In the meantime, the Korea government launched five-year economic development plan (1962-1966), which was successful in terms of raising the urban communities’ income levels. However, it was created huge income gap between rural and urban communities. Due to that large numbers of rural urban migration happened, the President park administration gave equal attention to rural development program with urban industrialization.

In the implementation of the new village’s movement, President Park took account two important experience. The first was the government subsides to the rural household leads to increased debt when the rural communities couldn't be diligence; self-help and cooperation. Second, the stances of local government authority have to take the responsibility of failure and success of the projects. During President Park historical speech in the city of Pusan, on 22 April 1970, for the provisional government leaders about rural poverty problems, He mentioned that for the first time took about the “New village remodeling movement”. He said that “there is no hope in the village where villages’ yearning (for butter life) is not evident”. He also mentioned that rural poverty should not be viewed as a pre-destined outcome, but rather confronted with a spirit of self-help and self-support.

Following the first stage of new village moment result in 1973, the government planed a long-term plan\(^{11}\). The aim of the plan in the first stage was engaged an average of 36.16 million participants in building and upgrading of basic rural infrastructure annually. The second stage was increasing the income of the rural house hold by standardize agricultural production infrastructure, developing agribusinesses, and developing both “self-help villages and medium grade villages in terms of the Saemaul spirit. On the third stage, the long-term planned focused on expanding the numbers of self-reliant village’s though increasing rural household income by introduced animal husbandry and other related activities to the communities.

The President Park administration of new village movement the same as the 1970s administration of the new village movement. The administration was hierarchical levels; comprised of Ministers of central government until village level or ri(lowest level of government administration in traditional Republic of Korea). On the top level, the ministry of Home Affairs controlled the local administration agency of new village movement. In 1971, the new director position was opened under the director general of the local administrative bureau of the Minister of Home Affairs for the Saemaul Undong. The position of new village movement allowed to fully controlled and responsible the whole level of Saemaul Undong movement. For the position of the new village movement, the government officials were assigned from elite crops of civil servants. Following this the local level new village’s movement administrations adjust accordingly.

The high responsibility of implementing the new village movement projects were given to the local communities, the responsible of central government was focus on financial support, administrative guide, technical assistance and monitoring. The lowest village level committee (ri or dong), which was lowest level of administration of a new village movement and implement Saemaul Undong projects under the leadership of the village chief.

The new village movement of promotional council was established in 1972. The main target of the established council was to coordinate and planning the growing numbers of new village’s projects. Moreover, they were doing as bridge between government and civilians. Promotional council of Saemaul Undong was the highest level of committee and comprised with the minister of home affairs, cabinet levels ministers including the deputy Prime Minister of the economic planning board as well as others related ministers were members.

Unlike, local authority, the new village movement leaders were elected democratically by the local residents meeting, and then it was institutionalized arrangement under the Saemaul Undong movement. In the new village movement all projects were planned, discussed and monitored by the local committee members.

The new village’s movement had promoted three characters of Saemaul sprits (diligence, self-help, and Cooperation), to encourage the societies new way of thinking consistence with modernization based on traditional working ethics. Diligence, self-help and cooperation were core to the implementation of the Saemaul Undong movement to promote the communities. In general, new village’s movement sprit inspired the communities over all with “can-do” altitude towards any challenge that faced on the way to going to achieve your goals. This was helped to solve many problems in the rural society. Moreover, new village’s movement contributed to the behavior change of the communities from hopeless-ness, self-defeat and selfishness to diligence, self-help and cooperation.

Factors the success of New Villages Movement

There were many factors that contributed to the achievements of new village’s movement for the Republic of Korea. The first was homogenous communities and strong tradition of cooperation. Rural communities of Republic of Korea settlements had usually mainly by their kinship, economic activities sharing traditional customs and autonomous norms. Homogeneity of ethnicity was also one of factor to easily cooperation.

The long time traditional habit of the traditional cooperation among the societies in korea and each village have also its own autonomous ruled and customs for cooperation. These are called doorae, gyae and hyang-yak. Doorae is a more than 500-year-old tradition of cooperation to do

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13 Sooyoung Park. 2009. analysis of saemaul undong: a korean rural development programme in the 1970s,
the difficult work that could not be done by one household. Gyae is a small savings scheme especially popular among housewives. The age-old tradition called hyang-yak is an autonomous customary norm promoting cooperation and good deeds among villagers, based on its Confucian tradition. This rich social capital in rural villages made rural people feel less hostile towards new villages movement since collaboration for the common good was not a foreign idea.

The 2nd factors was land reform, it has been long time inequality among the society with property and land that could many challenge for cooperation. Large numbers of resources were controlled by small elites. Since 1948, continuously land reform had been done and the government enacted a law on land formation in1950, which allowed farmers to got three hectares per person. The reform had many advantages including reduced rural- urban migrations and the farmers could actively participant the self-reliance activities. Moreover, the reform created equal opportunity for rural farmers to participate in the socio-economic activities of the country.

Another factor was continues economic growth. Like many developing countries, to sustain the economic growth budget constraint was the concern at the bringing. However, the Republic of Korea government sustains the economic growth through learning from the failures of the previous rural development program. In addition, the government utilized the available resource for the economic growth and to support Saemaul Undong movement. Sustainable economic growth was contributed to raise tax revenue of the government and got a chance to support the new village’s movement, in the meantime, the market of agriculture product increased due to industrial workers income raised.

Another factor for the success of Saemaul Undong was political commitment. The government officials of Korea were highly committed for the new village movement. They hosted the villagers in their cabinet meeting and allowed to present about their progress and challenges. Moreover, they had regular and unexpected filed visit to rural area by the high level officials including the president. A strong commitment from the higher government officials enabled effective coordination top to down. The government was used both horizontal and vertical approach to address the multidimensional rural communities problems and effectively implement the new villages movement programs. The main role of the central government was overall guidance, monitory and gives general direction. The local authorities were serving as pipeline between local communities and central government and more works were done by the villages with the close support from local authority.

Another factor for the success of Saemaul Undong in Korea was Incentive system. During the evaluation of the project, the government identified who did better and who didn’t well, based on that the government supports the one who performed well in the next year which could create active competition among the villages to get assistance. And also the government selected the high performance villagers as a role model and provided opportunities to share their experience
for the school, other local villagers and authority. The main success of new village movement was that the government message to the local communities, the government said that Saemaul Undong was the national priority project and everybody take their responsibly.

Another factor like Public relation that all local mass media were widely and continuously transmitted information to the communities’ every day. The massive public relation and broadcasting helped the society to get new information and encouraged them from the broadcaster. Communities’ participation was also the key factors for new village movement. Communities were active participating and owned the project.

**Saemaul Undong development**

Korea’s Saemaul Undong movement widely recognized as being at the center of the development of the rural sector as well as overall economic development of the country since the early 1970s. Especially, it was very successful in the transformation of rural area of Korea in a relatively a short period of time. It has played an important role in raising income and improves the living standards of rural communities. The numbers of developing countries have been increasing to share the Saemaul Undong development style. Recently, KOICA received more than fifty countries that want to share the Korea development experience. Now the Republic of Korea use new village’s movement as official ODA model to implement its strategies.

According to 2016 Korea priority area development cooperation policy, government of Korea announced four priority area for the international society at the end of 2015. These were Korea rural development strategies; new village’s movement, better life for all, safe live for all ,and science, technology, and innovation for all. On the same year the Korea government ODA budget was 2.4 trillion of Korea won, among the total 48 billion won was allocated for rural development projects for developing countries by the administration of KOICA.

The Korea government has been conducting rural development projects in Ethiopia. For example, the project in tittle called integrated rural development and building model village in Arsi zone of Oromia region in Ethiopia from 2010 to 2012 with a total budget of two million USD, the same zone from 2013 to 2018 another capacity building on irrigation and rural development with the budget of $ 5 million has been implementing, and SUM consulting and model village’s in Amhara region of Ethiopia from 2017- 2018 has been conducting with the budget of four million USD.

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14 Ifans focus .2016 Korea development cooperation.
Ethiopia Indigenous cultural associations

Informal associations are commonly shared by group of people that have same cultural and background identity. Cooperation has long history as human beings work together to solve the challenges their day to day works. Ethiopia has long existed indigenous traditional association to solve social and economic problem. It has several different kinds of traditional cultural associations such as, Debo/Wonfel, Iddirs, and Iqqub. In rural area of Ethiopia informal cultural association brings people together for cooperation and to help each other during the time of difficulty. Informal institutions are respect more by the communities than formal institution. These institutions are more flexible and comfortable for the community as the voluntary association and the manager of it works freely. They are different kind of cultural association found in rural as well as in city part of the country. Ethiopia has strong shared values, religious ties, and cooperative cultures and grass roots community organizations. Indigenous traditional institutions such as Iddirs are one of a range of indigenous voluntary associations involved in self-help and other social activities (A.Pankhurst, D.Haile Mariam, 2002). It is the social association of human being, aims to support and help each other in difficulty time. Everybody can be the members of any Iddirs however; usually men are the considered as a member. Iddirs members beside the funeral ceremony, they help the deceased family members to sustain their life by ploughing their land during cropping season. It also providing loans for the members without interest during health problem happened. Originally most of Iddirs was established based on religion, ethnicity and kinship. Still now many of the rural areas of Iddirs are organizing by religions and ethnicity based.

According to Mauri (1987) defined of Iddirs as “an association made up by a group of persons mainly made by closeness and relatives such as by families, friends, neighbors, and coworkers working the same organization that have similar objective to support each other”. Iddirs formations of developed gradually; earlier it was Lefafi (judge) who are blow a horn to alert members to funeral. Now days, Genzeb yazh, keeper of money, and Thehafi, secretary are the members of Iddirs administration. The numbers of administration are depending on the size of Iddirs, which will be increased or decreased. The committee members have the duty to collect monthly member’s contribution, keeping minutes of the meeting and developing rule and regulations of Iddirs.

15 A.pankhurst,D.Haile Mariam,2002
16 Thomas Léonard, Ethiopian Iddirs mechanisms.Case study in pastoral communities.
Iddirs started free from the political involvement by laws during the imperial regime. By the socialist Derg regime (1975-1991) the government established revolutionist structure known as kebele (urban dwellers association), and Iddirs were viewed by the government as reactions forces. During Derg regime, there were some opposition to ethnicity based Iddirs from the government side. In Ethiopia people Revolutionary Democratic Front regime since 1991, the data showed that ethnicity based Iddirs formal and got recognition form the government and also new Iddirs are being established.

Generally, the primary goal of Iddirs is mutual cooperation in the time of funeral. One of the functions of Iddirs is decent burial come first and foremost\(^\text{17}\), then they support material, financial and emotionally during deaths of the family members. Now days, many academia’s arguing that Iddirs have begun to involving in many development activities. Such as, depending of their economic capacity, they are involving on sanitation development, sharing responsibility in working small infrastructure like feed roads and sewerage system and construct school.

According to Kasech studied the relation between\(^\text{18}\) social capital and economic development. There were many socio-economic infrastructure were done by the local Iddirs members in Addis Ababa capital city of Ethiopia. Among the works done by the Iddirs members on the surrounding area were small bridges, feeder road, construct school, water service and grain mill in slum and Fortier area of the city by their own motivation. In addition to this, participated to support and care to have better HIV/AIDS status by awareness creation among the society and support children whose family died because of the diseases.

Iddirs has great potential to mobilize the community for certain development activities. Due to, it has strong traditions and acceptability from the societies, the person who haven’t a member of any Iddirs are considered as disgrace to his or her family. During the past regime, there were utilized it for political and development activities.

According to Pankhurst and Eshete 1958 studied noted that three different type of Iddirs were found in Ethiopia. Such as community Iddirs which has different names but the main area of organization is based on neighborhood, tribal Iddirs (Yegosa), mainly on ethnicity based, and institutional Iddirs, is based on work place or working the same organizations. In addition, recently in 1993 two more categories were added \(^\text{19}\)Friends’ Iddirs which also has many names referring to former schoolmates or close friends who grew up or went to school together and family Iddirs (yebeteseb, yebetezemed), involving blood relatives, kinship, or very close friends. There are different kinds of Iddirs all over the country depending on the locations

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\(^{17}\) Solomon Dereje, exploring Iddirs

\(^{18}\) Kasech Abegaz, 2014.

\(^{19}\) Solomon Dereje, exploring Iddirs
and cultures and languages but, the main targets of all are mutual cooperation. Each Iddirs members have its own monthly contributions.

In rural area of Ethiopia majority of Iddirs members meet once a month. They collect monthly contribution and discussed on the issue raised by the Iddirs committee members. It has been sometimes religious ties. For example, the followers of the Ethiopia Orthodox church, they meet once in a month of the day particular Saint Day. The members of Iddirs may help others members if they needed support from the members. Such condition created opportunities, for the members to share their experience among the group members. Iddirs also participated in the activities of prevent security issue in the surrounding area in collaboration with respective authority in the region.

Initially there was no legal basis for the Ethiopia government and indigenous traditional association. The 1955 Ethiopia constitution gave the legal right to form association. However, until 1960 the given rights were less effective in practice. (A.Pankhurst, D.Haile Mariam, 2002). Since 1960 many rules and proclamation were developed to support the association. For example, in 1970s the city municipality joined the Iddirs association into the crime protections in the surrounding area. During the current, Ethiopia people Revolutionary Democratic Front (EPRDF) government, there has been some improvement introduced Iddirs as potential vehicles of for development on the government side or non-government organizations. From the government perspective, Iddirs considered as development partners understanding that civil societies played huge role for development. Moreover, Iddirs associations also support to eradicate transmission disease by awareness creating within members.

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20 Doktor der Agrarwissenschaften (Dr. agr.)
Another indigenous traditional association is Iqqub, which is an informal financial institution mainly established to collect defined amount of money with fixed day of the month for specific goals. The amount of money and the day which the money collect determined by the members. Majority of Iqqub members are known each other’s and close relation by work or other social integration. Normally, Iqqub is traditional association the members usually comes together to collect money or kind for the purpose of saving for their own future plans activities. The most known process is the members contribute at a regular time in month and use a lottery system to identify the winner of the member, who takes the money on the due date. The process continues until the last person received his/her share. It is practicing in urban as well as rural areas.

There are few studies about the importance of Iqqub for the Ethiopia society. According to Mauri (1987) finding the annual contribution of Iqqub in total amount 139 million Ethiopia Birr, which is 15.2% of household saving deposited in the commercial bank of Ethiopia in 1986. And by others related studies in the three major regional states, the amount of saving run by Iqqub in the rural society near to 396.5 million Birr per year, which is the saving run by rural Iqqub members is 30% of outstanding loans to the agriculture sector by the formal banking system annually.

The people prefer Iqqub more than formal saving intuitions because it’s strength the relationship, solidarity and cooperation among themselves. Majority of Iqqub members are homogenous communities, friends, the same ethnicity, religion and working together in the same institution. Moreover, it is forcing the communities to save because of peer pressure of his/her friends. It has no administration cost and more flexible with needs of the members.

Another indigenous traditional cooperation is Debo, which is cooperation of working together mainly it’s working in the agriculture communities. Farmer cooperative each other activities like house construction, harvesting crop, threshing and ploughing are the majors and who seek the cooperation provide food for the laborers as kind of payment. It has different name with place to place because of language and language but the concept are more or less the same. For example, at Horro they called Dobbo, and at Menz called Wenfel in two different places of Ethiopia. Debo/Wenfel/labour sharing are an arrangement of agriculture works in groups mainly in rural Ethiopia. Groups of people are doing cultivation large piece of land, harvesting crops, building house, reforestation and similar other tasks continues in the futures.

21 Temesgen Teshome, 2008, the role and potential of Iqqub in Ethiopia
23 Kiros Habtamu, 2012, classifying informal institutions in Ethiopia
According to the Ministry of Agriculture of Ethiopia, Debo is a mutual cooperation between farmers; the one who need support due to the works cannot do by him/her. The farmers who seek assistance asked others neighboring farmers, relatives and friends with the specific day. On that day mostly majority of called farmers came and assist his/her with the assumption of a 'Nege-beine' (i.e. "Tomorrow could be my turn"), As usual the farmer who called Debo prepared food and drinks as the payment for their assistant.

Wonfel is kind of mutual cooperation but, it is a little bit difference from Debo, it has equal chance for both organizer and participants. In other words it is rotational of group work depending on their agreement whose works do first.

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24 Daniel Danano Dale, 2010, Sustainable Land Management Technologies and Approaches in Ethiopia
Similarities of Traditional Cultural Associations

Samaul Undong was the successful project in Republic of Korea. There were many factors for the success of the project. One of them was Korea have long traditional social ties of among the society. And also the homogenous of the society, contributed to mobilize villages for the implementation of new villages movement. The contribution of homogeneity towards cohesive cooperation is also a key factor in advancing mutual understanding and reducing disputes and conflicts (Park, 2009). In cause of Ethiopia heterogeneous in national level but, at local/villages levels are homogenous. Similar to Republic of Korea, Ethiopia has been a long indigenous traditional shared values, cooperation cultures and religious ties among the society and still actively working. Iddirs is one of the Ethiopia indigenous traditional associations. It is social association of peoples, aims to mutual cooperation during difficult time. One person might have more than one Iddirs. Initially, Iddirs was focused on mainly to the funeral ceremony of its members and it was the main objectives of most Iddirs. But, now a day many academies’ arguing that Iddirs have been involving in many development activities such as sanitation development, small infrastructure like feed road, construct school and sewerages system. Iddirs is available in both rural and urban area of the country. It has great Potential for mobilize communities for development activities because, the society have strong tradition to cooperation. Furthermore, Iddirs provides loans for its members without interest when they faced health problems. It has different names with place to place due to languages and cultures of the regions.

Another indigenous traditional association is Iqqub, which is informal finical institution usually formed voluntary to save money or kind for their future small scale investment or consumption. Majority of Iqqub members are known each other and close relationship by other social interaction. The most known process of Iqqub is the members contribute regular time within a month and drawing a lottery system to identify the winner who takes the money on the due date. This one of Ethiopia Indigenous traditional association (Iqqub) is similar to Korea Gyae (small saving scheme especially popular among housewife)

Moreover, labor sharing program in the traditional Ethiopia society cooperation which is called Debo or Wonfel. Debo is a mutual cooperation of work together mainly on agriculture activities the works cannot do by alone. These works including mainly harvesting crops, building houses and reforestation, which is also similar with Korea traditional cooperation association called Doorae/Dure (cooperation to do difficult works that cannot do by one individual house hold). While, Wonfel is kind of mutual cooperation but, it is a little bit difference from Debo and Wonfel has equal chance for both side or it is rotational group works.
Difference of traditional cooperation

Community empowerment is key difference between the two countries. For any rural development program to be successful, active participation and ownership by village communities is crucial. With Saemaul Undong, the tradition of cooperation evolved into a calculated participation with the experience of consensus building, and collective decision-making and implementation in managing village projects (Park, 2009; Kim and Jemal, 2012). In the case of Ethiopia, community ownership and participation is largely lacking due to the mainly top-down approach followed by the government. Even the leaders in the recent village level networks comprising developmental groups (DGs) lack the trust of the group members. In fact this can be easily resolved through empowerment and awareness creation activities. Another difference relates to incentive mechanism. During the implementation of the Saemaul Undong, the principle of “more assistance to more successful villages” acted as an effective stimulator, increasing healthy competition among villages and promoting more participation for better achievement (Kim, 2009). Although recently Ethiopia has started implementing incentive mechanisms for successful and model farmers with good performance, it is only applicable to individual farmers and doesn’t have much in the way of promoting cooperation and collective action at community level.
Chapter four

Summary

Both South Korea and Ethiopia have historical relations since the Koreans War (1950 - 53). South Korea has been playing an important role in supporting Ethiopia’s struggle to eradicate its poverty, sustain its economic growth and development through providing ODA on various economic and social infrastructures. According to its Country Partnership Strategy program (CPS) to Ethiopia (2016 - 2020) Korea identified four priority areas to Ethiopia that includes agriculture and rural development, education, health and sanitization, and infrastructure development.

Ethiopia is agrarian country with the higher share of Agriculture for its economy as well as Agriculture shares about 80 percent employment opportunity to the country and about 40 percent of its share for GDP. The production system is mostly substance and small-scale farming using low fertilizer and highly dependent on rainfall. Absolute poverty is relatively high in rural area than urban area even though it has reduced during the last two decades from 46 percent to 23 percent. However, the number of people with higher poverty is still high in the country. Korea’s Economy like Ethiopia was primarily dependent on agrarian economy with the highest role of the government in managing the country’s economy. Korea started from the devastation of the Korean War in 1953 that left the country in ruins and its people in starvation and destitution. In 1965, about 63.9% of the rural population was in absolute poverty (Park, 2009).

Saemaul Undong Movement is unique and successful model of rural development of South Korea. Many factors such as continuous land reform since 1948 and expansion of education had contributed to the achievement of such a model. Other related factors for the success of Saemaul Undong Movement (the new village movement) model in Korea include socially tied among villagers, majority of Korea’s rural communities had high traditional social relation by kinship, economic activities and having similar cultures and religion. Moreover, South Korea had traditional cultural cooperation such as doorae (cooperation to do the difficult work that could not be done by one household) and gyae (small saving scheme especially by the popular housewives) that have played a key role for the effectiveness of the new village movement through mobilization of the community.

Similar to Republic of Korea, Ethiopia has a long history of indigenous traditional shared values, cooperation cultures and religious ties among the societies and still all are actively working. Traditional institutions like Iqqub, which is an informal financial institution usually formed
voluntary to save money or kind for their future small scale investment or consumption, similar with the cause of Korea “Kyae” (small saving scheme especially by the popular housewives). The other indigenous cultural cooperation in Ethiopia is called Debo (or Wonfel). Debo is a mutual cooperation of work together mainly on agriculture activities the works cannot do by alone. Such type of cooperation among communities in Ethiopia is similar to Doorae/Dure (cooperation to do difficult works that cannot do by one individual household) in the case of Korean communities.

Other important factor for the effectiveness of Saemaul Undong Movement initiative in South Korea includes, higher government priority given for the implementation of the movement. In connection with, like Korean government did, the government of Ethiopia gave high priority to the development of agriculture sector of the country; as well as it is committed and eager to rural development. Ethiopian government has been implementing a different rural development package to improve the lives and productivity of the farmers. Recently, the government launched agriculture development lead industrialization policy. It indicates that there is strong motivation from the government side to support this sector.

The government of Korea has been carrying out various policies and strategies in order to transfer the experiences of Saemaul Undong Movement Initiative to developing countries including in Ethiopia through provision of official development assistance (ODA). The numbers of developing countries have been increasing to share the Saemaul Undong development style. Recently, KOICA received more than fifty countries that want to share the experience. New village movement played an important role in the Korea rural development in 1970s. The Korea government has been conducting rural development projects in Ethiopia. For instance, the project called “Integrated rural development and building model village in Arsi zone of Oromia region, in Ethiopia that implemented between the period 2010 and 2012 with a total budget of Two million USD. In the same region, the Korean government has been offering capacity building for the community of the region on irrigation and rural development with allocating the budget of $ 5 million from 2013 to 2018. Moreover, the Korea government consulting the implementation of Saemaul Undong movement and has been conducting a pilot model village project in Amhara region of Ethiopia from 2017-2018 with the budget of Four million USD.

As the conclusion, one of the challenges for the implementation of Ethiopia’s rural development programs is lack of experimentation on the area and unable to sustain it. Most of the government policies and strategies are quite attractive and sound on paper. However, there are challenges in the implementation of those government policies and strategies for the implementation of rural development targets in the country. That is probably due to lack of identifying the right model that fit with country context as well as lack of implementing capacity at grass roots level. Hence, the grass-root social structures of Korea and Ethiopia have common features and this can be capitalized on paving the way for the adaptation and implementation of rural community
development movement model in Ethiopia. In connection with, the main focus of Saemaul Undong Movement initiative of Korea is developing mindset to the local community. With this perspective of Saemaul Undong, the mindset program is very important for rural communities of Ethiopia to develop their indigenous social capital with the new model of Saemaul Undong. The government of Ethiopia should play its role to mobilize such indigenous traditional cooperation as well as traditional associations in collaboration with the Korean government for the implementation of Saemaul Undong Initiative in Ethiopia. So that the initiative of Saemaul Undong Movement could plays its significant role for the improvement of welfare of the rural community as well as for eradicating poverty in the country.
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