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Master's Thesis

**Rethinking Korea's ODA Policies within
the Developmental State Thesis**

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Abstract

Since 2010, South Korea (hereafter Korea) has been a full-fledged member of the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) with which it has made the successful transition from an aid recipient to an aid-donor country. Measured by its volume, Korea is counted as a substantial contributor of Official Development Assistance (ODA) among OECD DAC members and has promised to make continuous efforts to improve its ODA policies so as to adhere to the OECD DAC standards. Nevertheless, although Korea's ODA in terms of quantity has been on a constant increase and Korea has made continuous efforts to improve its aid effectiveness, it has been criticized for its low quality and policy decisions have often not translated into actual implementation. Korea's ODA agenda not only suggests a strong economic interest in giving aid, but also contains elements that strongly reflect Korea's own experience as a developmental state. Based upon a historical analysis of Korea's ODA decision-making process and through the lens of the developmental state thesis, particularly with regards to the state-society relations, this research explores why Korea has continuously struggled to implement a more effective and coherent ODA policy framework vis-à-vis its ambitious claims. This research shows that Korea's developmentalist mindset, which originated during its heyday as a developmental state, is still closely embedded in Korea's ODA policy decision-making process which determines much of Korea's behaviour as a donor of foreign aid.

Keywords: Korea, ODA, developmentalism, state-society ties, OECD DAC

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List of Abbreviations and Acronyms

CIDC	Committee for International Development Cooperation
CSO	Civil Society Organisations
DAC	Development Assistance Committee
DCD	Development Cooperation Directorate
ECAP	East Asia Climate Partnership
EDCF	Economic Development Cooperation Fund
EPB	Economic Planning Board
HLF-4	Fourth High-Level Forum on Aid Effectiveness
IATI	International Aid Transparency Initiative
IMF	International Monetary Fund
KDI	Korea Development Institute
KoFID	Korea Civil Society Forum on International Development Cooperation
KOICA	Korea International Cooperation Agency
KSP	Knowledge Sharing Program
MDG	Millennium Development Goals
MOFAT	Ministry of Foreign Affairs and Trade
MOSF	Ministry of Strategy and Finance
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PIDA	People's Initiative for Development Alternatives
PMO	Prime Minister's Office
PPP	Public-Private Partnership
PSPD	People's Solidarity for Participatory Democracy
SDG	Sustainable Development Goals
UN	United Nations

I. Introduction

Today, Korea can look back at seven years of experience as an official OECD DAC member. In early 2010, Korea joined the OECD DAC and with this had successfully transformed from an ODA recipient country to an ODA donor country. Currently, Korea is the 14th largest OECD DAC aid donor by volume and has been increasing its ODA budget annually at an impressive rate. Furthermore, Korea has continuously tried to expand its international role as an official aid donor. For example, Korea not only for the first time put development issues on the agenda of the G20 Seoul Summit in 2010, which resulted in the adaption of the Seoul Development Consensus for Shared Growth as well as the Multi-year Action Plan on Development, but also took up a leadership position as a host of the Fourth High-Level Forum (HLF-4) on Aid Effectiveness in 2011. However, Korea's quantitative and participatory increase in ODA has been at odds with its qualitative performance as Korea's ODA has chronically suffered from fragmentation among planning and implementation agencies, weak or limited communication and engagement with parliament, civil society and development institutions, a relatively low ODA/GNI ratio, a comparatively high proportion of concessional loans and tied aid as well as regional allocation preference over actual need-based geographical allocation (OECD-DAC 2012; Chun et al 2010). These features have come to have direct constraints on Korea's aid effectiveness and accountability, which was already pointed out in the OECD DAC Special Review in 2008. In view of becoming an OECD DAC member, the pressure to adhere to the international norms and standards was increased and the Korean government pledged to scale up its aid by further untying aid, increasing the ODA/GNI ratio and further commit to OECD DAC standards. In 2010, the Korean

government promulgated the Framework Act on International Development Cooperation (Framework Act), which became the legal basis to establish an integrated and effective ODA policy-making and implementation system with the Committee for International Development Cooperation (CIDC) as the top policy-making and coordination body together with the ODA Policy Bureau in the Prime Minister's Office (PMO). Nevertheless, two years later the OECD DAC Peer Review 2012 reiterates the need to improve the integration, co-ordination and management of Korea's ODA system as well as the quality for better aid effectiveness and points at the gap between policy pledges and implementation of Korea's aid system (OECD-DAC 2012). In the ODA White Paper 2014 the government openly admits the lack of coordination among implementation agencies and the fragmented handling of loans and grants (PMO 2014: 37, 63, 137). Also, the Shadow Report 2015, a report on Korea's progress and performance as an OECD DAC member intended for the Mid-term Peer Review Team, lays out an overview of key findings and recommendations by comparing the OECD DAC Peer Review 2012, with the recent government implementation policies including the government's Mid-term ODA Policy for 2016-2020. This report too confirms that the recommendations of the Peer Review 2012 were only partially implemented without much progress, particularly when it comes to having a more coherent strategic policy framework and the government's fragmented aid system, which is "a serious problem that must be tackled" (ODA Watch ReDI 2015:3). To sum up, despite having recognised the lack of coordination within Korea's ODA decision-making body, having set up the legal basis for better cooperation and having admitted room for improvement in regards to aid effectiveness, Korea has continuously struggled to put these decisions and visions into effect.

The composition of Korea's current ODA strongly resembles Korea's own experience with foreign aid during its heyday of economic growth as a developmental state. For example, Korea's current foreign aid priorities show a strong focus on economic infrastructure, mass construction as well as education. Furthermore, tied aid has been an overly frequently used tool for giving aid, which binds the developing country to spend on the goods and services of the donor country, another way of securing investments for Korean businesses. Also, the rhetoric of Korea's ODA policy-makers has strongly emphasised Korea's own successful experience by referring to the "Korean ODA model", particularly in relation to Korea's achievement of rapid economic growth, effective use of foreign aid (especially loans) as well as effective investment efforts. Furthermore, Korea has openly admitted that the rationale for giving aid is partially for foreign policy interests as well as for economic interests. The buzzwords "mutual benefits" or "win-win relationship" have been used frequently in their ODA policy documents, which strongly suggest a strategic and economic motivation for giving aid. Finally, at the home-hosted HLF-4 in 2011, which resulted in the Global Partnership Initiative that integrates the private sector into ODA, Korea was taking a leading role in pushing for this agreement. The push for integrating private actors into ODA modalities meant a more structural inclusion of both businesses and civil society. However, in the case of Korea, it has more translated into the strategic use of the close-knit state-business ties upon which Korea has successfully been building its economic growth success for the past decades. In short, many features of Korea's ODA today seem to be closely linked with a developmentalist mindset that was shaped during their own economic development experience as a developmental state. Given this background, the main assumption of this thesis is that the

developmental state mentality is still visible in the internal workings and organisation of Korea's ODA decision-making process.

Based on the above problem orientation, the aim of this research is to explore why Korea has persistently struggled to implement a more coherent strategic ODA policy framework and to comply with the policy decisions, despite continuous claims of efforts for better aid effectiveness and a more coherent strategic framework for development cooperation. Through the lens of the developmental state thesis and in particular with regards to the state-business and state-civil society ties, this study will conduct a historical analysis of how Korea's developmentalism has been persistently embedded in the internal structures and decision-making procedures of Korea's ODA. The research will show that Korea's ODA is still lingering in Korea's unfinished business with its own developmentalism. Thus, revisiting Korea's ODA policies within the developmental state thesis, particularly through the lens of state-society ties, can enrich the understanding of the current workings and mechanisms of Korea's ODA policy-making and may provide a new starting point of discussion as to how to close the existing gap between what Korea's ODA state apparatus decides and its actual implementation.

1. Literature Review

Studies on Korea's international development assistance have only become subject of discussion more rigorously in the course of becoming a member to the OECD DAC. After all, it was not until 2010 that Korea set the legal basis for the establishment of an integrated ODA policy-making and implementation system with the so-called Framework Act on International Development Cooperation. Furthermore, information on foreign aid was only available to a limited extent and it was not until recently that various ministries and international cooperation agencies have launched their websites and made information more publicly available.

Korea's accession to the OECD DAC coupled with the growing interest of civil society in ODA related affairs, watchdog-literature critically reviewing and evaluating the compliance of the claims made by the Korean government emerged. Most of these reviews found that Korea's ODA implementation had only partially complied with its claims and that the characteristics of Korea's ODA are lacking both quantity and quality (OECD-DAC 2012; ODA Watch ReDI 2015).

Some scholars have critically assessed the applicability of Korea's ODA model that the Korean government is eager to promote, although without having a clear definition of what the 'Korean ODA model' represents. Kalinowski (2011) expressed a soft critique on Korea's ODA by encouraging Korea that it can play a role as to be different due to its past as a developmental state that benefitted from institutional learning and knowledge sharing, but precisely because Korea's experience was context-specific, it ultimately has not been any different. Thus, local conditions of recipient countries should be considered when delivering aid, rather than trying to impose standardised projects through knowledge sharing and institutional learning such as the Saemaul Movement project.

Kim, E.M, Kim P.H and J. Kim (2013) similarly argued that the South Korean model cannot be a one-size-fits-all model for development but can present an alternative by considering global standards as well as considering the global political economy context for developing countries as Korea's original past experience cannot be a wholesale product in the contemporary context.

In the lead up to becoming an OECD DAC member, Lee and Park (2007) examined the 20-year period between 1987 and 2007 to present an evaluation on Korea's aid effectiveness in aid recipient countries and compared it with that of advanced countries. They found that Korea's relatively small ODA volume did not have much influence on the recipient countries' GDP per capita and thus did not contribute to their economic growth. Furthermore, they found that Korea's aid modalities do not align with international standards. The year Korea entered the OECD DAC, Chun, Munyi and Lee (2010) examined the compositional key characteristics of Korea's ODA and found that the low quality primarily stems from a lack of consensus on the objective of ODA and thus suggested to reform Korea's ODA policy framework.

Other scholars have dealt with the organisational and management culture of Korea's ODA policy which pays particular attention to Korea's heavily fragmented ODA system and the resulting problems to achieve better aid effectiveness and policy coherence that is yet to be addressed. Kim S. and H. Kang's (2015) study presented a closer look into how decisions about ODA have been implemented in Korea's post-2015 process by critically engaging in Korea's organisational ODA. More concretely, they investigated Korea's fragmented aid architecture and how it affects how Korea digests the international development discourse and concluded that Korea's ODA is caught somewhere in

between its internal organisational malfunctioning, particularly its fragmented ODA system, and the international discourse it wishes to live up to.

In the literature on Korea's ODA which deals with Korea's rationale and motives for providing foreign aid, there seems to be a wide consensus that it is an "unfinished business" in the sense that it stands in between humanitarianism and its own national interests and thus, a split between policy-making and actual implementation exists. Kim E.M and J. Oh's (2012) empirical study found that Korea is following a dual-track structure of aid allocation in which donor's interests are more followed than the ones of recipient countries and as such, Korea does not live up to the "Korean ODA model" which contains the ingredient of giving aid for humanitarian reasons reflecting Korea's own blessed past as an aid recipient, as proclaimed. Kim S. (2011) presented a study on the evolution of Korea's ODA and examined Korea's ethical case for giving aid and found that Korea's historical, social and political context matters greatly on how Korea presents its case for giving aid. However, Kim S. also revealed that there is a gap between the ethical case proclaimed such as Korea's moral obligation to repay the world and to bridge between developing and developed countries, and Korea's actual implementation which is more focussed on national self-interest.

Indeed, Korea's domestic and strategic interest vis-à-vis its claims and visions have been a major subject of discussion, which has not only resulted in a theory-practice gap but also made Korea's ODA policy subject to criticism in regards to aid ineffectiveness and the low quality of aid compared to other OECD DAC donor countries. However, there has been little emphasis on explanations for why the gap between ODA policy-making and actual implementation exists and why Korea's policy framework has remained incoherent and ineffective. To address this gap in the literature, this research

tries to establish a historical link between the developmental state thesis, particularly with regards to the state-society relations, and the structures and mechanisms of Korea's ODA decision-making process.

2. Research Problem

This research tries to answer the following questions:

- Why has Korea continuously struggled to implement a more coherent strategic ODA policy framework, despite continuous claims of efforts for better aid effectiveness and a more coherent strategic framework for development cooperation?
- How can the gap between the aims and visions of Korea's ODA policy-making institutions and actual policy implementation be explained?
- How is Korea's own developmentalist experience as a developmental state related to the current ODA decision-making process? To what extent is the developmental state mentality still ingrained in the workings and practices of Korea's ODA state apparatus?

II. Analytical Framework

1. Theoretical Framework

The analysis of the decision-making process of Korea's ODA policy will be conducted through the lens of the developmental state thesis, particularly with regard to the interaction between state and society actors. The two concepts "embedded autonomy" (Evans 1995) and "developmental citizenship" (Chang 2007, 2012) constitute an important part in understanding the state-society dynamics of Korea's domestic developmental experience. These concepts therefore serve as an overarching framework for understanding the mechanisms and workings of the domestic state-society relations within which Korea's ODA policies have been framed.

1.1. "Embedded Autonomy" (Evans 1995)

The recent developmental success of East Asian economies, first of Japan followed by Korea and Taiwan, has come to be attributed to the so-called interventionist developmental state. Peter Evans (1995) with his book *Embedded Autonomy* placed particular attention to the role, architecture and organisation of the interventionist developmental state with an emphasis on the *kind* of state interventionism. 'Embedded autonomy' is the kind of state involvement in which a meritocratic and internally coherently organised state apparatus enjoys some autonomy, while simultaneously maintaining close ties to society (embeddedness) in a way that it "provides institutionalized channels for the continual negotiation and renegotiation of goals and policies", particularly for achieving industrial transformation (Evans 1995:12). This

particular way of governance with state-society ties has come to be explained with various expressions, such as for example “Governing the Market” (Wade 1990) or “Mixed Governance” (Ringen et al. 2011).

Early explanations on the state’s embeddedness in society did not refer to the entire community, but to the close ties with private industrial capital which produced a specific developmental impact (Evans 1995:17, 45, 234). In the case of Korea, it was the big conglomerates or family-businesses (chaebol) that have colluded with the state and that were used as a “strategic partner or tool” (Chang 2010:12, 108) to induce industrial development. Although the state-business relationship was a “top-down” approach (Amsden 1989:84; Evans 1995:53) it had to be founded on a mutually beneficial relationship and not on a mere state dominance over businesses. What the embedded autonomy of the Korean state basically meant was the state protecting and helping businesses to create a favourable economic environment for a few chosen industrial sectors by breeding private entrepreneurs and industries through using interventionist and protective economic policies, while using them strategically to achieve the state’s development objectives. Amsden (1989) argued that the extensive use of subsidies has made the Korean interventionist state an “entrepreneur” who plans and invests in a specific type and amount of production by applying performance standards on private firms in direct exchange for subsidies.

What was problematic about the state’s strategic collusion with big businesses was that the relationship went beyond the mere achievement of national development but often involved a personal stake expecting financial gains and thus necessitated corrupt politicians and dirty business. While in fact President Park Chung Hee (1961-1979), the key figure in Korea’s developmental success, himself criticised the powerful and corrupt

business elites, his dilemma was that the state needed to mobilise these criminal business elites to pursue its economic policies and thus had no choice but to engage in a development pact between state and business for rapid economic development. As such, the developmental state and the way it was embedded in society was on the one hand “good” as it strictly pushed for economic change, but also “bad” as it involved structural corruption based on these state-society ties (Woo-Cumings 1999:19).

Evan’s ‘embedded autonomy’ is an important concept that helps to understand the role of the developmental state and the fashion in which the Korean state exert its control over industrial and economic policies by selectively mobilizing and integrating private businesses. It brings together elements of state power, internal organisation of the state, state interests and ownership of production to understand why some states have managed to be particularly “developmental” for promoting economic growth. Nevertheless, in this thesis, the state-society relationship shall not be limited to close ties with private industrial capital of large businesses as originally formulated, but should be understood in a broader sense of embeddedness that includes ties with other social groups such as workers, civil society and individuals.

1.2. “Developmental citizenship” (Chang 2007, 2012)

Another overarching concept which explains the manner of state-society interactions of late-developing nations governed by developmentalist states is the so-called ‘developmental citizenship’ proposed by Chang (2007, 2012). Developmental citizenship must be understood as a feature of developmentalist regimes in which democratic institutions were installed at once without undergoing a political democratisation process

like in Western democracies, which resulted in social rights of citizens to be only limitedly incorporated. This has left both state officials and citizens in a mode in which their first and foremost concern is centred on achieving economic development and material endowments, known as ‘developmental politics’ (Chang 2012). In this mode, therefore, “the practically observable rights and duties of citizens in regards to their state have predominantly revolved around national economic development and individualized material livelihood” (developmental citizenship) while the state “is expected to concentrate on economic development so that its citizens can benefit as private economic players in the market system” (Chang 2012:183; Chang 2012b:30). Developmental citizenship therefore stands in contrast with Marshall’s (1964) “social citizenship” of European democracies that ensure social security benefits (Chang 2007:67).

As for Korea’s case more specifically, it is well known that the root of such social policy neglect can be found under Park Chung Hee’s repressive military rule (1961-1979) during which – apart from a strong focus on universal education – social and political citizenship rights were completely neglected and civil society did not have a legal right to demand for better welfare. Even the democratisation process advancing after 1987 did not bring about a welfare focus in national politics, but national politics had remained within the focus of developmental politics (Chang 2012:184). Chang identified three main reasons for why social citizenship has never made it on the top priority list of Korean national politics. First, as American modern political institutions were instantly installed it did not allow for time as well as a sense of responsibility to produce social welfare policy reforms. Second, the inability of civil society to go against the authoritarian and repressive state to demand social welfare, and third, besides the deeply rooted political ideology of mercantilist developmentalism in Korea, both business

owners and workers have constantly been in pursuit of material wealth within Korea's developmental politics so that state-business collusions together with abundant labour supply formed a relationship all in search for economic development more so than anything else (Chang 2012:186-189). As Chang summarises:

The pursuit of individual material interests through national economic development became a de facto political contract between citizenry and the state. The assurance of what may be called developmental citizenship became the main basis for the political legitimacy of the authoritarian military regime. And the astonishingly rapid and sustained growth of the national economy made it possible to firmly ingrain the politics of developmental citizenship in South Korean society (Chang 2012:188)

The domestic dynamic of such state-society relationship therefore “has resulted in the assimilation of all administrations into a pseudo-Park Chung-Hee regime” with “developmental bureaucrats” who have not developed autonomous ideologies and a sense of social citizenship but have kept developmental politics as their main mode of governance (Chang 2012:190). In essence, Korea has experienced a “democratic succession of developmental politics” (Chang 2012:194). Not even the financial crisis in 1997 threatened this form of governance as ‘saving the economy’ at all cost remained the primary goal of the state. The ‘neoliberalised developmental policy’ or ‘developmental liberalism in social policy’ went as far as that even developmental citizenship was denied in a sense that regular employment was no longer guaranteed as non-regular employment became the norm and as citizen could be hired and fired to a company’s liking (Chang 2007, 2012, 2012c). Thus, the state has come to govern its people in terms of

developmental arrangements with little regard to social rights and social welfare protection. The problematic is that and the majority of the population has been supportive of this mode of politics by electing presidents in favour of such policies (Chang 2012b:30) and thus Korean citizen's wish for "developmental revivalism" is not a nostalgic memory of the Park Chung Hee era itself, but "a 'path dependent' mentality to a citizenry for whom progressive political alternatives such as comprehensive social citizenship have never been historically experienced with serious theories, ideologies, or substances" (Chang 2012b:30).

Understanding this path-dependent mentality of developmental politics and developmental citizenship originated during the developmental state era is important in understanding Korea's domestic economic, social and political setting within which Korea's ODA policies have been framed.

2. Methodology

The thesis analysed why Korea has continuously struggled to implement a more effective and coherent ODA policy framework despite repeated claims of efforts for a more integrated system of ODA planning and implementation and better aid effectiveness. This research problem required a closer historical analysis of the characteristics, workings and mechanisms of Korea's ODA policy-making apparatus, which is why a single case study using a qualitative analysis was adopted. A qualitative method here offered an effective way of looking at multiple contexts for exploring and understanding the workings and decisions of the ODA state apparatus.

To historically track down how Korea's developmentalism is embedded in the mentality, practices and mechanisms of the ODA state apparatus, this research looked at the various discourse elements and pledges of the Korean government by examining official government documents such as policy and evaluation reports and strategic plans as well as secondary literature such as academic articles and books, critical reviews by CSOs and news articles that deal with Korea's ODA history and the institutional ways in which decisions about ODA have been made. Rather than simply revisiting the history of Korea's developmental state, this research focussed on aspects that are directly related to Korea's ODA policy-making and its relevance today. Three dimensions (i, ii, iii) were used as a means to get a fuller picture of the mechanisms and practices of Korea's ODA policy-making body, which were analysed within four major time periods (I, II, III, IV) that have been lumped together according to some critical junctures in the history of Korea's ODA (see <Table 1>).

<Table 1> Methodological framework for the analysis of Korea's ODA policy-making process

	Dimension	i	ii	iii
Stage		Foreign aid as a discourse: how ODA visions are presented, politicised and imposed	Structure of state apparatus: Institutional ways in which decisions about ODA were made	Composition of ODA: what ODA consists of
I	Foreign aid-grown development: Korea as an ODA recipient 1960-1980s			
II	In between receiving and giving foreign aid 1987-2004			
III	Transition towards becoming an official OECD DAC donor 2005-2009			
IV	Korea as an OECD DAC member 2010+			

III. Making the developmental success story: Identity formation through state-society ties-based growth (1960-1980s)

South Korea's "economic miracle" or the "Miracle on the Han River" refers to the experience and years of rapid economic growth and industrialization after the devastating Korean War (1950-1953). What came to explain this rapid economic growth and industrialization process was the so-called 'developmental state' under Park Chung Hee (1961-1979) which strategically promoted industries and pushed for export-led growth through state intervention. The term 'developmental state' was first coined by Chalmers Johnson in *MITI and the Japanese Miracle* (1982) in which he describes the Japanese state as one using interventionist industrial policies for the purpose of achieving economic growth and development. Johnson's Japanese developmental state is a strong, bureaucratic and autonomous state with a clear vision on macroeconomic planning and which combines state guidance with private ownership of production. Similar practices were then followed by Korea and Taiwan, and the developmental state soon became a "theory" to explain the unique experience of East Asian industrialization (Woo-Cumings 1999). Korea too has come to be described as a successful model of the developmental state that has managed to rapidly and successfully transform itself into an industrialised and modernised country. To understand the developmental path upon which the Korean economy succeeded, this section will provide a brief overview of the features and characteristics of what came to be Korea's successful developmental state.

Without large foreign capital injections, Korea's success story of economic growth could have been another one. The foreign assistance Korea was given during nearly half a century after the Second World War amounted to about \$13 billion including financial

and non-financial assistance (Lee 2004:74 in Kim J. & P.H. Kim 2015:48). One distinct feature of foreign aid to Korea was that it was largely given through bilateral agreements rather than on a multilateral basis. During early years after the war, most of the funds were mainly allocated in form of grants by the US and some by the UN for the purpose of post-war restructuring. During the years of 1945-1960s the grants provided by the US made up for more than 80% of the total ODA given to South Korea (Kim J. 2011:267). However, just about when President Park Chung Hee came into power through a military coup in 1961, Korea graduated from being a recipient of grant aid and received large amounts of foreign capital assistance in forms of concessional loans primarily from the US and during later years of its economic development increasingly from Japan. Korea's relatively unattractive economic environment for FDI and the government's need for financial control did not speak for much interest in FDI for both recipient and donor. Instead, foreign loan capital was a more interesting option as the US could push its containment policies to prevent the spread of communism by strengthening Korea through American funds. On the other hand, Korea welcomed loan-based aid as it could more freely exert its power over foreign capital compared to the donor-controlled FDI funds (Kim E. 1997:109; Kim & Kim 2015:174).

More importantly, however, it was the very mix of receiving foreign capital and the effective handling of financial resources through strong government ownership which was decisive for Korea's miraculous economic transformation and made the Korean experience somewhat different and unique compared to other aid recipients (Kim J. 2011:283). To acquire and distribute large sums of foreign capital loans, a fine-working financial management apparatus had to be in place. While the war-torn Lee Syngman administration (1948-1960) lacked the institutional capacity and commitment for

handling foreign funds, the Park Chung Hee administration was more determined in effectively managing foreign assistance. Thus, President Park reorganised the state bureaucracy with the primary objective of economic development (Kim E. 1997; Evans 1995) by introducing several five-year economic development plans and by nationalising Korea's banks. To effectively coordinate and allocate foreign funds, President Park centralised and strengthened the procedural and policy framework and established the Economic Planning Board (EPB) and its Bureau of Economic Cooperation. This replaced the previously existing Combined Economic Board, which was established in 1952 with the help of the UN for the coordination of aid funds, and together with the enfeebled position of the US in Korea's aid coordinating affairs, the Korean government gained strong ownership over its foreign funds (Kim J. 2011:281). The establishment of the EPB along with the previously existing Ministry of Finance and the Ministry of Trade and Industry then produced a three-pillar responsibility over orchestrating Korea's capital and development policies. Nevertheless, strongly backed up by President Park, the EPB remained the most powerful and privileged ministry in handling and controlling Korea's development policies while the other two ministries formed the "back horses" in support of the EPB (Kim E. 1997:111), which would occasionally result in rivalry and disputes over industrial policies (Evans 1995). Also, important here to understand Park's government restructuring is that the traditional way of selecting state officials was through the civil service examination system. Only who passed the highly competitive civil service examination system would make it into the ranks of government positions, which guaranteed a coherent, efficient and elitist managerial administration that could execute its power over budgetary processes. The EPB's leadership was consolidated through the merger of various government departments including the Bureau of Supply,

which allowed for more power in handling the financial resources, and the appointment of an assistant minister post of the EPB, who soon was promoted to the deputy prime minister (Kim E. 1997:103). Furthermore, as Evans (1995) pointed out, EPB managers were given leadership positions in other planning ministries, which ensured a widespread and publicly accepted power over budgetary processes on economic policies. In short, only the combination of the bureaucratic tradition and some cohesive power among elitist state officials made the EPB an effective powerhouse over financial resources.

Another feature of the Korean developmental state is the political and strategic marriage between the state and a few chosen family-owned large businesses (chaebols). As the Korean government was desperate to achieve economic growth through promoting export-led industrialisation and consolidate its power and political leadership, it needed to engage in a developmental pact with private businesses, particularly heavy and chemical industries. Only if the state was in complete control over the financial resources would the businesses be willing to collude with the state. As Woo-Cumings (1999) put it, finance was the “nerves of the developmental state” as it becomes “the tie that binds the state to industrialists” (11). The state tried to lure the businesses as to tie them to the state by offering preferential policies and programs, which gave them exclusive rights to control the market and let them establish a monopoly. In turn, chaebols acted as strategic instruments of the EPB’s industrial development policies. Amsden’s book *Asia’s Next Giant* (1989) provides empirical evidence on how the government kept the upper hand in making decisions over industrial and economic transformation. What was decisive in the making of this triangular relationship between state, chaebols and finance was a win-win and mutually dependent relationship. The government did not just blindly subsidise the big businesses through giveaways, but

tightly controlled the performance of the businesses in return for subsidies such as tariff protection and financial incentives, preferential loans, export subsidies etc. for which Amsden used the catchphrase “set relative prices deliberately wrong” (Amsden 1989:13). By nationalising the banks, the government could ensure a “carrot-and-stick” relationship with the businesses and could withdraw its subsidies in case of non-adherence to the policies endorsed. Like this, the government would take up a variety of roles with the single purpose of economic development: It became the watchdog of business performances, an economic planner and an investor. What it eventually created was state led-growth through powerful control over a few state-financed businesses, which allowed them to rapidly grow and gain a monopoly position while restricting competition for other businesses. Political marriage with the chaebols, the ‘state-society relations’ or ‘embedded autonomy’ (Evans 1995) thus must be understood as the state’s strategic use of industrial capital for economic transformation that was not just based on a selfish enrichment of the state but on a politically and economically mutually dependent relationship with businesses. Therefore, a characteristic of Korea’s state apparatus is not only the centralisation of economic power in the hands of a few, but equally also that of political power.

Park Chung Hee’s government was an authoritarian government which tightly controlled and repressed labour groups, students and intellectuals, and labour relations were mainly brought under the Korea Central Intelligence Agency or handled by police force (Amsden 1989:324). Since Korea’s natural resources were few and the domestic economy weak, Korea’s comparative advantage was only its abundant and cheap labour. To cultivate Korea’s comparative advantage most successfully, the government had strong interest in tightly controlling and repressing the work force and disabling them

form revolting or turning against the state (Park 2011). On the other hand, even though civil society was forcefully controlled, the state had laid strong emphasis on investments in education. According to Amsden (1989), late-industrialisers like Korea carry the feature of a well-educated labour force and thus formal education and the acquiring of technical skills were important components to Korea's ambitious industrial expansion plans. As such, education policy was closely integrated into Korea's development plan and "made human resources a development engine" (Cho Tae-yul 2012:114). Nevertheless, there has been some ambivalence around Korea's focus on education investments. Seth (2014) pointed out that the military governments under Rhee Syngman and Park Chung Hee and those that followed until the early 90s have made use of providing education for the Korean people in return for legitimacy of the authoritarian state and the ruling regime. Furthermore, given the material dealt in school, ordinary schooling was often used as a means for political socialization rather than as a preparatory process for industrialization (Amsden 1989:219).

Lastly, with increasing urbanisation due to Park Chung Hee's push for industrial development, the clash between rural and urban areas deepened. To balance against the rural-urban gap, Park had initiated the ideology and investment-based Saemaul Undong (New Village Movement). The Saemaul Undong was to mobilise farmers and worker to achieve better living standards, but through their own endeavour based on the principles of self-help and voluntary action. The government would provide material goods, in particular cement, to local communities as an incentive for villagers to get together in the spirit of development. While Saemaul Undong is usually labelled as a successful rural development project which raised the living standards of rural people, it is not an undisputed one among Koreans, particularly when it comes to the decision over whether

the movement was a bottom-up or top-down approach and whether it was related to earning political power for the authoritarian regime (Douglass 2014:146). The critical thinkers have emphasised that the project could not reach all the poor and that it did not leave a chance for local and rural companies to emerge, as conglomerates would just extend their wings to the rural areas, which became “export units” of Korea’s chaebols (ibid: 157). Admirers have argued otherwise and pointed at the importance of raising living standards above everything else. Regardless, what is important in understanding the Saemaul spirit and ideology is that it was not an isolated event emerging in rural areas of Korea, but a government-initiated push with the provision of the necessary incentive and materials, embedded in an already politically and economically specific setting and included in growth policies of a well-planned developmental government that had powerful links to private businesses.

In essence, the years 1960-1980 marked the birth of the Korean developmental state which emphasised a strong, committed and highly capable centralised government that took responsibility for its own economic transformation with the primary goal to achieve economic growth. “Growth first, distribution later” became the main policy within which the entire Korean society functioned: State-business collusion ensured the necessary state-market symbiosis for industrial transformation and cheap labour supplied the economy with what it needed in pursuit of economic growth. The rights and activities of citizen therefore were centred on achieving economic growth, which left little space for social and political citizenship rights. At the same time, the developmental state era also produced material for a success story, a unique experience, a vision, an identity, a model and a spirit from which others can learn. Korea’s actual developmental effect as a recipient of foreign aid as well as its successful transformation from a poor country that

was able to catch up with industrialised nations through rapid economic growth has made Korea the perfect representative of a successful developmental entity so that the world, Koreans as well as academics came to admire Korea's foreign aid-induced economic transformation in the years that followed.

IV. Securing the story: ODA as a replication of domestic developmental politics (1987-2004)

The political setting of the late 1970s and early 80s was a turbulent one with growing protests of industrial workers against the military rule of the state. The year 1987 will always be remembered in Korea's history as it marked the defeat of the military rule and repression of civil society and the beginning of democratisation with a democratically elected president and improving conditions for the Korean proletariat. It is beyond the scope of this thesis to engage in the political struggle for democracy during this period, but what is relevant to understanding the changing economic and political setting is that it marked the beginning of civil society having a role in Korean local politics.

The social and political developments by civil society posed a threat to the capitalist chaebols (Chang 2014:2), as ordinary people not only started to claim fair elections as part of democracy, but also justice for every citizen and class and particularly for better working conditions, which had been completely undermined under Park Chung Hee's developmental state. However, while the government under Roh Tae-woo (1988-1993) reacted by pledging to introduce some welfare policies, it did not push for any change in the mutually reinforcing and beneficial state-business relationship and the state's pro-business attitude (Chang 2010:107). On the contrary, the state turned social policies into deregulatory neoliberal policies for nurturing chaebols' economic interests and regained power over the labour market by introducing labour market flexibility that allowed to hire and fire workers to the company's desire (Chang 2010:108; Chang 2014:3). This meant not only that the gap between the elites, and civil society and labourers persisted, but also that the interests of the chaebols, elites and politicians never left the political and economic scene, and remained an integral part of Korea's developmental politics. This is

insofar important to Korea's ODA policy in that Korea's state leaders have not let go of developmental state-originated close-knit state-business ties. Instead, decisions about Korea's economy have continued to be made within the interests of Korean businesses and democracy had brought little changes to this relationship. Although political-economic ties are not a Korea-specific feature, Korea's case nevertheless is special as the relationship between them was based on a strong mutual dependence for benefits: the industries on the state's bank loans and the politicians on unlawful charity for enriching themselves (Chang 1999:37). By the same token, democratisation had not brought any alteration to the state-citizen relationship as governments have failed to push for the advancement of social rights (Chang 2012:194).

A second critical juncture in Korea's own domestic development came with the onset of the 1997 Asian Financial Crisis – in Korea also known as the “IMF crisis”. With the shift towards neoliberal policies and the acceptance of IMF structural reforms and bailout packages, the theory and model of the developmental state came under scrutiny. The interventionist East Asian developmental state that had skilfully implemented growth policies which brought about Korea's rapid economic growth suddenly seemed to be posing some limits and threatened to fall apart (Woo-Cumings 1999). Various scholars started to question the theory of the developmental state and its relevance to the twenty-first century and some scholars predicted the end of the Korean developmental state (Pirie 2008). Furthermore, it posed questions on the applicability of the textbook one-size-fits-all model of the Korean developmental state and produced space for literature on the variations of the developmental state in contemporary global context. For example, White (1998) introduced the idea of a *democratic* developmental state. Evans (2008) expands his original idea on the characteristics of embeddedness towards an

embeddedness of the state with not only private capital but also with the civil society. Others have tried to disprove that the Korean developmental state is dead by showing how Korea's government had continuously been using developmental state-like interventionism in their industrial and economic policies for the promotion and protection of their domestic businesses (Park Y.S. 2011: 602).

Indeed, it is the taking of this thesis that the 1997 crisis did not bring an end to the developmental state when seen from the perspective of the state-business relations and the government's firm will for continuous economic growth, which is also reflected in Korea's ODA policy-making process. With the onset of economic liberalisation under President Kim Young Sam (1993-1998), the powerful chaebols were increasingly pushing the government to open up its markets overseas. Under the banner of 'the new economy', President Kim pledged Park Chung Hee-reminiscent fearless targets for economic growth and carelessly deregulated financial flows which let chaebol-affiliated enterprises recklessly borrow and invest, and so ultimately drove Korea into a financial crisis (Chang 2014:38). The IMF-bailout package meant that already competitive chaebols were to be sold to foreign investors and thus became powerful transnational businesses, which quickly helped the Korean economy to recover and return to economic growth. However, the IMF-sponsored financial restructuring also meant the deregulation of the labour market, which allowed for massive immediate discharges of workers. The more serious problem was, that once the economic crisis was over, these workers were not ordinarily reintegrated into Korea's labour force but hired on the basis of so-called *bijeonggyujik* (non-regular employment) which included contract workers, part-time and hourly workers, dispatched as well as home-based workers (Chang 2014:38). While the Park Chung Hee regime and subsequent governments had taken up peoples' entitlement

to work as a major responsibility of their developmentalist policies, the post-financial crisis period could no longer guarantee such entitlement and instead, the government took the responsibility to achieve economic growth which was equivalent to rescuing businesses through introducing a flexible labour market (Chang 2007). Not only had the state-business alliance with a “growth first, distribution later” ideology allowed for a “welfare-suppressive development strategy”, but also went as far as it created a “growth first, safety later mentality” among state officials, in which safety regulations in companies were not guaranteed and consequently caused numerous accidents and deaths (Chang 1998:216-217)

The 1997 financial crisis is particularly crucial in understanding Korea’s continuation with the developmental state because pre-existing business-state relations which characterised the developmental state era were reinforced. As Chang (2010) points out, “the irony of the post-crisis era is that the strong presence of foreign financial capital, in terms of owning nearly half of major corporations’ stock shares, has necessitated South Korea’s continuing reliance on chaebol’s unique management control” (108). As such, states and businesses have kept their ties, although with a different power dynamics, but still within a state-market synergy in which the state’s role had become to ensure their economic competitiveness for economic growth while big businesses delivered their returns for Korea’s economy. While this reality does not automatically translate into ODA policies having the same decision-making dynamic, it nevertheless hints an important political and economic reality of public-private ties between state and businesses that has come to dominate Korea’s economy for decades. It is in this turbulent political, economic and social context that the following paragraphs in this chapter will discuss Korea’s ODA policies from the years 1987-2005.

Given the domestic social context discussed above, it is quite natural that Korea's ODA lacked both quantity and quality and has remained entirely a state business reflective of its domestic strategic purpose. According to the official textbook version of Korea's history as an ODA donor, Korea started to give aid in the 1960s by educating officials from developing countries as part of a USAID triangular cooperation program (PMO 2014:27). However, Kim S. (2016) argued that the roots of today's Korean ODA system can actually be found in Korea's South-South Cooperation during the Park Chung Hee era and especially the Chun Doo-Hwan administration (1980-1988), during which Korea used South-South Cooperation not only as a "tool for the Cold War statecraft to compete against North Korea in an effort to secure official diplomatic ties" but also performed – due to a difficult political and economic international environment – "aid-like" activities to secure political and economic interests for themselves such as for example securing export markets for Korea's businesses (92, 100). Nevertheless, it was not until 1987 that the Ministry of Finance established the Economic Development Cooperation Fund (EDCF) for the handling of concessional loans and entrusted the fund to the Export-Import Bank of Korea (Eximbank Korea), which laid the first legal basis for Korea's ODA apparatus today. The government funnelled KRW 30 billion to the public policy fund mainly for the purpose of assisting industrialisation and economic development of developing countries (PMO 2014:29; Chun et al. 2010:791). According to the Ministry of Foreign Affairs and Trade (MOFAT) (2007a), at the time around the Asian Games in 1986 and Seoul Olympics in 1988 Korea experienced a balance of international payments surplus and a simultaneous decrease in foreign loan, which put Korea in a position that required matching its economic strength and international standing with its responsibility for others.

In 1991, MOFAT established the Korea International Cooperation Agency (KOICA), a government agency in charge of handling technical cooperation and grant aid. In 1994, the former EPB merged with the Ministry of Finance. With this, the roles of handling Korea's foreign aid budget were reshuffled from the triple group– Economic Planning Board, Ministry of Trade and Industry and Ministry of Finance – to two major ministries, the Ministry of Foreign Affairs and the Ministry of Finance (today's MOSF). At the same time, the establishment of the two ministries and its agencies, the EDCF and KOICA, not only laid the foundations for Korea's ODA apparatus, but through the merger of the EPB with the Ministry of Finance, it also strengthened the Ministry of Finance in handling foreign budget-related affairs and thus further fragmented the aid budget coordination between ministries, which has come to be criticised until today.

Despite the institutional set-up, during the 1980s and the 1990s Korea's aid volume remained relatively low and was far from reaching the levels of OECD members in both quality and quantity. Lumsdaine and Schopf (2007) questioned why this has been the case and came to the conclusion that during these years it was the combination of Korea's weak emphasis on humanitarian motives as a rationale for giving aid together with the underdevelopment of its own civil society that had not yet developed the values for giving due to their own oppressive past. This combination caused incentives for aid to be solely a government affair with concrete strategic interests. According to their study, first, Korean aid was to some extent developed to gain political support for entering the United Nations and to distinguish itself in contrast to North Korea's accession which was why the EDCF and KOICA increased their grants and loans remarkably (Lumsadaine and Schopf 2007:232). Second, giving aid became an international status issue whereby Korea wanted to ensure to be a responsible member adhering to international standards

and norms in view of joining the OECD in 1996. According to their research, government officials indicated that there was a relation between preparing to join OECD and the upgrade of ODA financing (ibid: 232). The third motive for giving ODA was an economic one as a way to establish better trade relations with developing countries, which became noticeable in the way concessional loans were distributed: by non-ODA specialists of the Eximbank with less favourable loan terms than OECD DAC members and by funnelling them towards social overhead capital (SOC) projects mainly to Korea's trading partners and East Asia to spur Korea's exports (ibid: 233). Lee and Park's study (2007) on an Evaluation of Korea's 20-Year ODA also confirms the focus on Asia in regards to bilateral grants. According to their findings, the share of bilateral grants to Asian countries experienced an increase from 36% to 60.6% during the period of 1991-2002 while the share for African countries, Latin America and the Caribbean as well as Oceania all fell, which sharply contrasted with the OECD DAC member countries' focus of bilateral aid allocation to Sub-Saharan Africa. This strongly suggests that Korea's interest was to establish strategic economic and political relationships with potential trading partners, which ultimately translates into securing investments and export opportunities – for Korea's businesses and for the sake of its own economic growth. To be said, however, Korea had remained an ODA recipient until as late as the year 2000 when it was removed from the OECD DAC list of ODA recipients, and earlier in 1995 was removed from the World Bank lending list (PMO 2014:26).

For the years that followed the turn of the new millennium, another driving force for Korea to give ODA was in return for US security by providing bilateral aid to Afghanistan and Iraq (Lumsdaine and Schopf 2007:244; Lee and Park 2007; Kim S. 2011). In an analysis of the ethical case of Korea's ODA, Kim S. (2011) also pointed out

that with a country that is strictly speaking still at war and that is highly reliant upon the US security umbrella, Korea has little choice but to adhere to US expectations, which explains the increasing ODA flows to these countries after the turn of the millennium (805-806). The conclusion of Lumsdaine and Schopf's (2007) research is that the combination of the above mentioned factors therefore accounted for much of Korea's ineffective and weak development assistance during the 1990s and it was not until 2005, that a major shift of thinking occurred among Korean civil society in favour of increasing Korea's ODA assistance as a result of more humanitarian and progressive domestic and foreign policies under the Kim Dae-jung (1998-2003) and Roh Moo-hyun (2003-2008) administration (242). Kim E.M. and J.H. Kim's (2012) data showed similar results which saw the turning point for the quality improvement of Korea's ODA in 2003 under the more progressive Roh administration. For example, while Kim Dae-jung advocated a 32:68 grant-loan ratio in 2002, under Roh's administration in 2005 the ratio shifted to 59:41 and reached a 73:26 grant-loan ratio in 2007 (Kim & Kim 2012:82).¹ Similarly, as the first Korean ODA White Paper 2014 shows, the untied aid ratio from 2001-2006 never went above 5% ,while in 2007 it jumped up to 24.7% and has been increasing ever since.²

In sum, since the set-up of the EDCF, the first institution to disperse foreign aid in 1987, Korea's political, social and economic setting blew hot and cold and the Korean government was preoccupied with handling its economy to secure stable growth. Korea's historically 'condensed' modernity process with democratisation kicking in comparatively late and sudden, as well as the economic crisis reinforcing the power of

¹ Since grants are cash, goods or service transfers that do not require repayment, the use of grants (vs. loans) is usually considered as a more philanthropic reason for giving aid.

² Untied aid (vs. tied aid) is another indicator of more effective way of delivering aid for recipient countries as it gives the recipient country freedom to use the procure obtain goods and services from the country of their own choice.

chaebols and directly and negatively influencing the everyday lives of Korea's citizens therefore produced a state and a civil society who were preoccupied with thinking about the maintenance of Korea's own economic development above all. This left little space for Korean citizen to advocate philanthropic donations for others and develop a systematic notion of ODA as a global social assistance and thus meant that the popular support for ODA, of both state officials and civil society, was not there. As such, during the post-Park era Korea's ODA remained a state-only affair as a means to bring forward political and economic national interests, for both state and businesses. Therefore, during this stage, Korea's role as a donor must be understood as an extension of Korea's domestic developmental politics which had little to do with effective aid allocation to address the needs of developing countries.

V. Making the story marketable: new benchmark-driven ODA (2005-2009)

The years following 2005 provided new momentum for Korea's ODA. Near the midpoint of Roh Moo-hyun's presidency (2003-2008) the hope and plans of becoming a member of the OECD DAC started to develop and ODA was made an important foreign policy goal. One factor that contributed to Korea's new emphasis on the importance of ODA was Ban Ki-moon, Korea's former foreign minister, running for UN Secretary-General in 2007, which also triggered a shift in expressions used about ODA that came to have a MDG-oriented focus (Kalinowski & Cho 2012:249). Another factor was the recognition of the qualitative and quantitative shortcomings of Korea's ODA among civil society, which resulted in the establishment of the Korean NGOs' Network Against Global Poverty in June 2005, a network consisting of several development NGOs and advocacy organisations which came to pressure the government to improve its ODA policies (Kim 2006). Following this, in November 2005, the government pushed for a Comprehensive Plan for Improving Korea's ODA, which laid out major policy directions and strategies for Korea's ODA and suggested the establishment of an ODA Framework Act as well as a coherent and integrated ODA system and in which the option of becoming an official ODA donor was reviewed (PMO 2014:50). Based on this Comprehensive Plan, in January 2006 the government established the CIDC under the Prime Minister's Office (PMO) with the Prime Minister as its chair and on the second CIDC meeting the 2-year mid-term ODA Policy (2008-2010) was approved. The main purpose of establishing the Committee was to overcome the fragmented ODA state apparatus by making CIDC the overarching decision-making body, but due to a shortage of staff and limited financial resources CIDC did not come to live up to its initial purpose (Kim, Kim & Lee 2015:72).

Furthermore, in 2006 President Roh pushed for ‘Korea’s Initiative for Africa’s Development’ with the idea to diversify the geographical concentration of aid towards African countries and pledged to increase Korea’s ODA to Africa by three times to \$100 million by 2008 (Jung 2006). While the Korean government expressed its ambitious plans for increasing ODA to Africa, arguably the perceived logic behind was ODA as a means to tap Africa’s natural resources under the emerging “resource diplomacy” strategy (Chung 2010; Lee 2010 in Kalinowski & Cho 2012:250). Putting Roh’s Africa ambitions in the context of a world that was suffering from rising oil prices and Korea’s latecomer position in competing for natural resources amidst an emerging China, it was high time for Korea to look for alternative places to pursue its resource diplomacy, a diplomatic strategy which was even more aggressively pursued under Lee Myung-bak’s presidency (Kalinowski & Cho 2012:247).

Nevertheless, despite some geographical reorientation and Korea’s explicit wish to join the OECD DAC in the coming years, Korea’s ODA strongly deviated from OECD DAC norms and standards. Considering Korea’s high rank among the largest economies in the world, its ODA contribution only amounted to 0.074% (2007) of its GNI which was the lowest among OECD DAC member countries (Yoon 2008). While President Roh set Korea’s target to reach 0.25% ODA/GNI by 2015, the OECD DAC Special Review called it a “huge challenge” (OECD-DAC 2008:12). Furthermore, the low-quality characteristics of Korea’s aid had remained unchanged: largely bilateral, heavily tied and a high share of its ODA consisted of concessional loans for mass construction and economic infrastructure as well as a strong geographical priority for Asia (Chun et al 2010; Kalinowski & Cho 2012:249). Various Korean ODA experts raised concerns over

Korea's stingy and negative image as a donor that is primarily concerned with its own national interests (Yoon 2008).

OECD DAC officials too expressed mixed views on Korea's ODA composition in view of Korea's membership to the DAC. At the Conference in Commemoration of the 10th Anniversary of Korea's Accession to the OECD in September 2006, Michael Roeskau, the Director of the Development Cooperation Directorate (DCD-DAC), on the one hand praised Korea as a great success story for its rapid economic growth and development cooperation, whereby Korea represents a model on which the positive impact of ODA can be demonstrated. On the other hand, while speaking highly of Korea's progress in making efforts towards becoming a OECD DAC member by 2010, he also expressed his concern about Korea's unchanged two-pillar structure in handling grants and loans by stating that it resembled that of France, Germany and Japan, but with the crucial difference that most DAC members favour grants over loans. In pointing out Korea's task as to boost up Korea's role as a donor as well as its aid effectiveness, Roeskau took note of Korea's pledged five-point strategy that contains the benchmarking of ODA until 2015, the creation of a "Korean ODA model" and the vision to improve Korea's aid management system with a more strategic focus on partner country selection beyond Asia-focussed ODA and a stronger focus on aid to LDCs. He labelled these visions as an "impressive agenda by any standard" that will take time but is "decidedly feasible" and at the same time emphasised the need for capacity enhancement in the ministries (Roeskau 2006). His speech on the one hand shows that the international community was hopeful of Korea to become a more relevant player in the international community and was expecting its near future accession to the DAC, but on the other hand reminds that Korea was still an emerging donor that faces some limitations such as

a large loan-grant ratio, too many project-based aid programmes and a large portion of tied aid.

While the international community welcomed Korea's accession by 2010, this confidence may not have been shared among the officials from MOSF and MOFAT and its agencies as revealed through personal interviews with them. Instead, they saw Korea's accession to the DAC as "rushed" (Kim S. 2011:815). In a footnote, Kim S. (ibid) discloses the following:

The rushed entry also reveals the old power struggle within Korea's fragmented aid system – especially the ministerial turf war to reflect vested interests of various actors. For example, MOSF and its overseeing agency EDCF were opposing DAC entry as Korea cannot afford to comply with the DAC norms – especially the untying ratio. Two EDCF officials told me the Korean business sectors fury over the untying (Interviews with EDCF, 2009).

While discussions on Korea's DAC accession produced disagreement in regards to the willingness to join the DAC among government officials, another peculiarity about Korea's ODA in view of its DAC accession was the government's conflicting positioning between pledging to firmly commit to the standards and recommendations of the international community such as the MDGs and the OECD DAC, while promoting a distinctive and unique 'Korean model' based on Korea's comparative advantage and different with that of OECD DAC donor countries. In an official publication on MOFAT's website under the title of 'Korea's Development Experience-Sharing Program' it was stated that "we are currently working on creating a uniquely Korean model for aid by focusing on sectors in which we have comparative advantages to differentiate

ourselves from other donor countries such the OECD-Development Assistance Committee” (MOFAT 2007b). In the same breath MOFAT stated its commitment to eradicate poverty by the following rationale: 1. Humanitarian responsibility and moral duty, 2. Rising global issues and increased interdependence, 3. Responsibility as a past recipient of development assistance, and 4. Korea’s development model serving as inspiration for developing countries (MOFAT 2007c). This sandwich positioning between wanting to be a future OECD DAC norm-taker as well as a norm-maker coupled with openly laying out an ethical rationale for Korea’s ODA that simultaneously serves Korean interests predestined Korea’s future ODA path as a DAC member to be a more calculated one. As Kim S. (2011) found, the DAC membership fulfils the purpose of supplying Korea with an ethical case, that is the moral justification for adhering to DAC norms, while simultaneously serving Korea in putting forward Korea’s strategic rationale to achieve comparative advantage and become a norm-maker by ‘universalising back’ its development experience (816). As such, the decision to join the OECD DAC produced both a stressful situation for setting Korea’s ODA policies right as well as an opportunity to make a marketable, unique product of Korea’s own development experience which it can share with the developing world.

With President Lee Myung Bak (2008-2013) taking office amidst the 2007-2008 financial crisis, the general tone for domestic and foreign policies turned more conservative. President Lee’s vision was to achieve national growth through corporate expansion hoping for a trickle-down effect and thus was known for his pro-business stance that would allow high-income earners (especially chaebols) beneficial tax rates. President Lee’s economic-growth revitalization project through strategic interventionist policies in demand management projects such as the Four River Project and his Green

Growth Strategy, however, resulted not only in the bipolarisation of the economy such as labour market liberalisation vis-a-vis a worsening welfare system, but also in a power increase of the already super-wealthy chaebols for what his presidential term has come to be described as a “new right-wing developmental state” (Suh & Kwon 2014). Nevertheless, what seemed to contrast President Lee’s general conservative tone was his pledge that Korea was to take part in the global movement for peace and development by more actively participating in UN peacekeeping operation and by increasing its ODA to developing countries (Lee Myung-bak 2008). Indeed, under his presidency, the government pushed for a few developments in Korea’s status as an ODA donor. For example, Korea’s foreign aid was also mentioned as part of Lee Myung-bak’s “Global Korea” project, which he described as “a nation that aims to contribute to global peace and development under a broader vision and a more proactive approach to interacting with the international community” with the core values of peace and justice, common prosperity, globalism and creative pragmatism (Office of the President 2009:5). Furthermore, Korea promised to cooperatively work towards the achievement of the MDGs and to dispatch more volunteers as to diversify its aid (ibid: 30). However, while the emphasis was laid on increasing and upgrading Korea’s foreign aid, it should do so “with our [Korea’s] growing economic capabilities” and “strengthen economic cooperation with developing countries in a way that augments opportunities for Korean companies and for accessing energy and natural resources” (ibid: 30). This veritably goes in line with Lee’s domestic and foreign policy as “resource diplomacy”, “creative pragmatism” and his pro-business attitude that rested on ideas of benefit maximization on the invested costs. But what it also does is openly and explicitly laying out the modality for giving ODA as being one of a mutually beneficial and opportunistic

business. The first OECD-DAC Special Review presented in 2008 upon request of the Roh administration, states that this “is important in understanding Korea’s thinking, and to some extent drives policy choices such as the heavy use of loans and tied aid” (OECD-DAC 2008:9).

The Diplomatic White Paper 2009 by the Ministry of Foreign Affairs, which devotes a section to Korea’s role in the international community, not only confirms the pledges already made in Lee’s inauguration speech but also promises – just like President Roh did - to enlarge Korea’s ODA to 0.25% of its GNI by 2015 to support poverty eradication and achieve the MDGs (MOFAT 2009:211). Kim E.M and J.H Kim (2012:88) remark in a footnote that the Ministry of Finance and Economy (today’s MOSF), which under Lee Myung-bak was strengthened by giving it the additional role of budgeting through the merger between the Ministry of Planning and Budget and the Ministry of Finance and Economy, resisted to the pledge of increasing Korea’s ODA to 0.25%/GNI. This power increase by MOSF is important to understand as it meant that any budgetary decisions on aid would require consultations with MOSF and would make it increasingly difficult for MOFAT to negotiate on equal terms. In addition, it toughened the already existing fragmentation on Korea’s aid policies between MOFAT and MOSF (Kim, Kim & Lee 2015:71). This is not only problematic because it has been hindering the institutionalization of a more integrated and effective aid system, but also keeps developmental politics at the centre of Korea’s ODA as MOSF can keep its powerful position stipulating commercial interests for ODA.

Nevertheless, the continuation of developmental politics through ODA became balanced with civil society getting more interested and involved in Korea’s ODA policies in the latter half of the 2000s. Besides an increasing number of Korean volunteers in

response to President Lee's overseas volunteering mobilization project 'World Friends Korea' to help people around the world, independent civil society groups and development networks started to emerge. Among these is the People's Solidarity for Participatory Democracy (PSPD), an NGO originally founded in the mid-'90s as a voice for participatory democracy with the aim to "promote[ing] people's participation in government decision-making processes and socio-economic reforms, by closely monitoring the abuse of power of the state and corporations to enhance transparency and accountability" (PSPD website). In early 2008, PSPD posted a position paper of Korean NGOs in Korea's ODA policy, which was written by various representatives of Korean NGOs. The paper demanded several changes for better integration of civil society in ODA decision-making and implementation processes and later on, the paper was presented to the OECD DAC Special Review (PSPD 2008). Moreover, a particularly important advocacy CSO is the People's Initiative for Development Alternatives (PIDA), established in 2009 under the name of ODA Watch, which closely monitors Korea's ODA policies and practices and suggests alternative approaches to Korea's foreign aid policy. PIDA has continuously pushed for more accountable and effective ODA decision-making processes and has become *the* watchdog organisation on Korea's ODA.

By the end of 2009 before Korea's official accession to the OECD DAC, Korea's ODA policy has come to be characterised as an important foreign affair to be taken care of and the benchmark for ODA was set high. With President Roh's initial push to join the OECD DAC and his promise to increase Korea's ODA, at least rhetorically, the foundations were laid for Korea to take a more institutionalised and OECD DAC-coherent path as an official donor. However, while President Lee's policies had pushed for more progress in regards to the legal and policy framework combined with an even

stronger rhetoric to enhance Korea's status in the world by trying to adapt to international norms and rules, Lee simultaneously admits the self-interested motivation for giving ODA and mobilises civil society and businesses for achieving these visions. Nevertheless, Korea's ODA policy at the same time was anything close to the OECD DAC standards and the basic logic behind giving aid as an extension of domestic strategic interests has not deviated from former intentions. This infant ODA policy framework, the contradicting mind-set on Korea's motivation for ODA and even the disagreement over its accession to the DAC within the government and OECD DAC far-off characterization of Korea's aid modality was the status with which Korea brought the bill for the Framework Act on International Development Cooperation to the National Assembly in December 2009 and eventually started the new year of 2010 as an official OECD DAC member. Nonetheless, what presented a slow but firm shift was the general public starting to take interest in how the increased amount of ODA – eventually their taxes – was spent. The involvement of domestic NGOs and CSOs therefore began to counterbalance Korea's hitherto state-only orchestrated ODA policies.

VI. Institutionalising and selling the story back: quasi-modern ODA cut across selective state-society relations (2010+)

Korea's accession to OECD DAC in January 2010 presents a critical juncture in Korea's ODA as it not only set the legal basis for Korea's commitment to conform to the norms of the organisation, but also made Korea's ODA become a bigger spotlight of attention, both inside and outside Korea. Since Korea's DAC membership, ODA policy documents and publications have increased in a condensed manner. In July 2010, the Framework Act on International Development Cooperation (Framework Act) and the Presidential Decree on International Development Cooperation were promulgated. This set the legal basis for the organisational architecture of Korea's ODA decision-making body including the formation of the ODA Policy Bureau in the Prime Minister's Office and the role, function and responsibility of CIDC and the various ODA supervising ministries. The Framework Act also lays out five basic principles for Korea's international development cooperation, which are along the lines of poverty reduction; respecting human rights and gender equality; recognizing sustainable development and humanitarianism; the promotion of economic ties with developing countries as well as pursuing peace and security (PMO 2017a; OECD-DAC 2012:12,25).

The Framework Act is accompanied by a series of strategic plans and policies. Among the more important ones, CIDC approved the Strategic Plan for International Development Cooperation (Strategic Plan) at the 7th CIDC meeting in October 2010. The Strategic Plan is prepared by the ODA Policy Bureau in close collaboration with MOSF, MOFAT and other ministries with the aim to present the core strategies and visions to advance Korea's aid effectiveness (OECD-DAC 2012:64). Technically speaking, its

basic framework is centred around three major points: recognizing the responsibility as a DAC member, assuring an increase in ODA volume as well as making efforts for a more integrated ODA system. The three major strategies and visions of the plan include the cultivation of Korean ODA contents by making use of Korea's development experiences; the improvement of Korea's organisational ODA as well as enhancing Korea's global and inclusive partnership strategies (PMO 2017b). Furthermore, in December 2010 CIDC agreed on the Mid-Term ODA Policy for 2011-2015, which contained both MOSF (together with MDBs) and MOFAT's (together with UN and other international organisations) practical strategies and policy directions to achieve the Strategic Plan. More specifically, the grant-funded programs under KOICA focus on enlarging policy consulting projects and project aid as well as increasing the budget for emergency relief and the amount of untied aid, while concessional loan strategies under EDCF more focus on binding them to the green growth strategies, the establishment of Public-Private Partnerships (PPP) merged with the Knowledge Sharing Program (KSP) and program-based concessional loans and the untying of aid (PMO 2014:55).

The basic focuses and visions presented, which have come to be the overarching domain within which ODA has been concretised, have been formulated to match as close as possible the OECD DAC standards as well as the global development paradigms. Therefore, it is now important to understand in which political context these basic visions were framed and how they have been translated into concrete ODA policy-making and implementation. As will be revealed, underneath these ODA practices lay important economic reasons, institutions and beliefs based upon Korea's unfinished business with its own developmentalism, yet with a slowly changing dynamic thanks to the more influential and balancing role of civil society organisations.

1. State power and structure remains

1.1. Top-down decision-making process with selective civil society engagement

Historically, civil society has had a hard time to voice their opinions in government's decision-making processes, on the one hand because of a top-down, nondemocratic and repressive government of the past, and on the other hand because the political space for civil society in a domestic structure that favours state-business ties is limited (Kalinowski & Cho 2012:255). Nevertheless, as mentioned previously, in the late 2000s NGOs and other CSOs related to development assistance started to emerge. Following Korea's OECD DAC membership, the Korea Civil Society Forum on International Development Cooperation (KoFID) was established with the aim to provide a platform for CSOs to promote more effective and accountable development cooperation. KoFID's governing body consists of – inter alia – the PSPD and PIDA mentioned earlier. The golden age of CSOs associated with issues on development cooperation, however, was as late as the 2010s, particularly in relation to the HLF-4 in 2011 which offered a new momentum for CSOs to make their voices heard. It presented a milestone for civil society and the private sector to get permission to take part in the HLF-4 as it fostered more intensive communication on development issues between CSOs and the Korean government (Reed 2011). Furthermore, the resulting Busan Partnership document officially recognises the important role of CSOs in international development and promises to enable CSOs as actors in their own right (OECD 2011). As a logical outgrowth of this trend, official government documents such as the Mid-term ODA Policy 2011-2015 and the ODA White Paper 2014 clearly state that the Korean government recognises civil society as

partners on equal terms (OECD-DAC 2012:31), that it “actively cooperates with private sectors, including civil society and private enterprises” (104) and that it holds “regular policy meetings with civil society as a means to increase communication with the public” (142). Furthermore, with the shift from the MDGs to the SDGs in 2015, which in itself presented a shift from a top-down way of agenda setting to a bottom-up one, the new 2030 Agenda for Sustainable Development strongly emphasises the importance of enhancing multi-stakeholder partnerships for effective and sustainable development including civil society and other private actors.

Despite the legal documents in place and the Korean government’s formal recognition of civil society groups, Korea’s ODA has been criticised for not sufficiently integrating and engaging civil society organisations at both ends of ODA: Neither in the policy and decision-making process nor in the delivery of their programmes (OECD-DAC 2012:13, 31). In fact, the Special Review in 2008 had already pointed at the lack of an overarching vision and clearly set targets and objectives of Korea’s ODA and that a ‘whole of government agreed public awareness strategy’ that includes key messages and the integrated views and visions of civil society would be a preferable path for improving Korea’s ODA policies (OECD-DAC 2008:12). Nevertheless, in 2010, as little as 2% of Korea’s ODA was channelled through CSOs and the private sector (OECD-DAC 2012:16). Since 2010, although ODA channelled through and to CSOs has increased in terms of volume, in terms of share of bilateral ODA it has remained the same (2.3%) and strongly differs with that of the OECD DAC average (17.4%) (OECD 2016). Another problematic of CSOs working with the government is that government subsidies will be made available annually, which means that CSOs must plan a one-year project and finalise it by the end of the year. This set-up poses not only a continuity and

sustainability problem to Korea's aid projects, but also makes NGOs pro-government advocates as they are competing for funds. Moreover, even Korea established the Framework Act which set out the legal basis for Korea's ODA, CSOs and NGOs complain that there is a gap between the objectives laid out in the Framework Act and the actual consultations with the government, particularly when it comes to integrating them in policy discussions (OECD-DAC 2012:13, 33). Lastly, the setting out of the general plan of Korea's ODA policies has remained within the public authority in which purpose-specific and selective consultation with civil society is the norm (ibid: 33). Thus, despite some positive changes towards integrating CSOs into ODA policy and decision-making processes, advocacy and development NGOs have yet to struggle for better integration into Korea's ODA policy-making and implementation processes, which is still far from being an approach based on truly inclusive multi-stakeholder partnerships.

1.2. Keeping the budgeting power in the hands of powerful MOSF, the former privileged EPB

The historical analysis has shown that Korea's ineffective two-pillar aid system which divides the management of loans and grants to the MOSF and MOFAT respectively has long been a subject of concern. Since Korea's determination to join the OECD DAC it has claimed continuous efforts to increase the management and coordination within the ODA decision-making body. As previously mentioned, already at the Conference in Commemoration of the 10th Anniversary of Korea's Accession in 2006 as well as in the Special Review 2008, Korea's fragmented aid structure was pointed out and ever since has not been removed from the tick list. Rather, it has become more and more an issue of discussion among scholars, civil society and even within the government. Despite the

establishment of CIDC in 2006 as the major decision-making body which oversees Korea's policy coordination between grants and loans, CIDC not able to take up this role as expected due to a lack of human resources and budgetary problems.

The Framework Act in 2010 was primarily established as an attempt to a more coherent coordination mechanism with CIDC as the top decision-making body for planning and budgeting. However, because the ministries could not come to terms with a single-entity ODA system and instead re-agreed on a bifurcated managerial system in which MOSF is in charge of concessional loans and MOFAT in charge of grants, it presented only a "second-best compromise" (Kim, Kim & Lee 2015:77). Indeed, with the establishment of the legal basis for ODA that divides the handling of loans and grants to different ministries, coordination for ODA policies is doomed to be more complex.

The Peer Review 2012 reiterates that the challenge to have a more integrated and coordinated management system still persists. The review therefore suggests that to achieve more coordinated and effective aid delivery and a more integrated system between loans and grants, CIDC should be empowered as to become a stronger control tower over planning and budgeting, human resources should be strengthened by "retaining quality people with the right kind of development experience" and the evaluation system should be improved (OECD-DAC 2012:17, 61). In an exploration of Korea's uneven domestic post-2015 process by way of inspecting Seoul's aid architecture, Kim and Kang (2015) engage in an in-depth discussion of Korea's fragmented aid system. They explain that Seoul's ODA system does not only suffer from this loan-grant division of labour by the two ministries, referred to as 'vertical fragmentation', but also from an interlinked complex 'horizontal fragmentation' which is characterised by the lack of coordination and communication among decision-making

bodies, ministries and governmental and non-governmental organisations, which aggravates the competition among agencies over financial resources and over power to leverage ODA budget. What accounts for this fragmented system is primarily the lack of guidance and expertise of the PMO and CIDC resulting in them not being able to live up to their responsibilities as the highest instance, which thus shifts the power to the two most influential ministries, MOFAT and MOSF. Particularly, MOSF whose staff are primarily financial experts is known for its powerful position in budgeting, which was further strengthened by the previously mentioned assigned role of budgeting under President Lee. More concretely, MOSF in fact enjoys a “super-ministry status” to the extent that the PMO is also required to ask for approval of the management budget (Kim, Kim & Lee 2015:75). MOSF super-power goes as far as that the MOSF-integrated Budget Office has veto power on both grants and loans if they do not match with MOSF’s criteria for the project, which directly impairs the CIDC’s power as some ministries do not even make the effort to get their project approved by the inter-agency grant committees but directly address MOSF for budget requests (OECD-DAC 2012:48). Lastly, as Kim T. (2017a) points out, having a fragmented system in which MOSF enjoys oversight power is also insofar problematic when seen from the state-CSOs relationship as MOSF shifted KOICA’s budgetary support for NGOs from endowments to government subsidies. This not only means that NGOs remain footholds of what the central government decides, but also creates some unique dynamic in regards to project funding and implementation on the ground as government funds are distributed indirectly, which requires NGO workers to pay by credit card and ask for refund by provision of a receipt, a procedure that is often difficult in a local context, which is not fully understood by government officials and policy makers (ibid: 119).

MOSF's super power status and the resulting power competition between the two ministries only reminds of its forerunner ministry during the Park Chung Hee era, the EPB and its privileged position with the two "backhorses" that would occasionally have rival competitions. As this historical discussion has shown, the Ministry of Finance actually institutionalised this fragmented aid system in 1987 with the establishment of the EDCF but with the merging of the EPB to the Ministry of Finance and Economy (today's MOSF) a few years later and with President Lee giving the additional role of budgeting to the Ministry of Finance, the power of today's MOSF has consistently been consolidated. Given this outstanding position of the EPB that back in the day skilfully allocated concessional loans to industrial infrastructure and heavy industry development for its own rapid economic development and with the view of becoming a self-reliant economy, that very same ministry today executes the same job for foreign aid by dealing with concessional loans used for industrial development and economic infrastructure. It is therefore difficult not to conclude that Korea's own historical and positive developmental experience with concessional loans as a useful tool for economic development is still deeply embedded in MOSF's ideology. The Peer Review 2012 confirms that some political and aid managers strongly believe that the positive effect of loans is the necessary fiscal discipline it exerts on the developing country (OECD-DAC 2012:16; Chun et al 2010; Kim S. 2011). Problematic, however, is that Korea's loan-grant ratio for Korea's bilateral aid has persistently been high, which is not commonly practiced among DAC members. And the trend is not a downward one, but rather the opposite as in 2017, Korea had surpassed Japan's long-lasting leading position in having the highest concessional loan rate among OECD DAC members (Kim T. 2017b), which eventually is another manifestation of the MOSF steady powerful position. In addition to

this, Korea's share of loans to highly indebted countries and least developed countries is high while a large share of grants was provided to middle income countries, which also goes against the DAC norms as it would increase the risk for debt distress in developing countries (OECD-DAC 2012:16; Kim S. 2011:809). Thus, the privileged and powerful MOSF with its firm view on loans for infrastructure development to achieve economic growth is a direct legacy originating from the developmental state era. Understanding this link can explain much of the fragmented aid system as well as the OECD DAC far-off characterization of Korea's aid modality today.

1.3. Selling Korea's development knowledge: Knowledge Sharing Program (KSP)

While the possibility of Korea's developmental model for emulation by developing countries has long been the subject of discussion among scholars, the idea of 'sharing Korea's development experience' as a strategic policy model from which other countries can learn is a more recent subject (Kim & Kang 2015; Kim S. 2011). Particularly in the wake of becoming an OECD DAC member, Korea singled itself out as the first former aid recipient which made the successful transition to an OECD DAC donor country and who can now share its first-hand developmental lessons. In 2004, MOSF in collaboration with the Korea Development Institute (KDI), a think tank originally made for the EPB under President Park Chung Hee, established the so-called Knowledge Sharing Program (KSP), a program aimed at delivering Korea's development experience and knowledge through policy consultations and capacity-building in forms of trainings, workshops and seminars "tailored to the needs of partner countries and Korea's development experience" (PMO 2014:59).

The advocacy of this knowledge transfer therefore features a distinctive way of Korea's ODA policy that goes beyond providing financial assistance for delivering aid. Instead, the focus has come to be one "based on development cooperation based on knowledge sharing and institutional learning" (Kalinowski 2011:187). Bae and Yong (2017) argued that the KSP was "designed to brand the distinctive Korean style of ODA policy in a world of competing ODA paradigms" (3) and through which the Korean government came to construct a new unique identity as an "aid-recipient-turned-donor" (28). Indeed, the major KSP website titles the KSP characteristics as a "Development Cooperation Paradigm Shift" which more focuses on demand-driven, policy-oriented, participation-oriented and an integrated program. This knowledge transfer paradigm was cemented in 2009 with the presidential decision of Lee Myung-bak to boost Korea's global image and nation branding. An action plan was presented which included increasing Korea's ODA as well as the sharing of Korea's development experience with the developing world by making the KSP one of the ten promotion targets (Bae 2017:31; Kim, Kim & Lee 2015:74). Figures confirm the Korean government's interest in the KSP as under President Lee the KSP budget amounted to Won 75 billion by 2010 compared to the Won 15 billion in 2007 (Cho 2010). Further, in 2010, the KSP was integrated as an official policy goal in the Mid-term ODA Policy 2011-2015 with the vision to build capacity and sustainability of developing countries (MOSF/MOFAT 2010:4).

Since its original establishment in 2004, the Korean government has made efforts to "upgrade" the KSP. MOSF and KDI have been modularizing its development experience by documenting policies, implementation practices and their outcomes, processes of institution building as well as public projects, which reflected and contributed to Korea's own economic development particularly in the fields of economic policy,

administration/ICT, agriculture, health and medicine, industrial energy, human resources, land development and environment (KSP Website 2017; PMO 2014:59). The result of such modularization is a policy document with standardised content that can be used as case studies for knowledge-based development cooperation. Furthermore, apart from the existing bilateral policy consultations with developing countries, MOSF launched multilateral joint-consultations among donors and international organisations (mainly development banks), which are executed by Korea Eximbank since 2011. The bilateral and multilateral policy consultations have increased in number and frequency. However, what comes in relatively odd is that under these new consultations, Korea's experiences are shared not only with aid recipients and developing countries listed in the OECD DAC, but with any international player and donor country that is interested in the KSP, such as for example Saudi Arabia. The open selling of Korea's development experience to non-developing countries coupled with the fact that KSP is a grant-based programme under the auspices of MOSF (which is ordinarily responsible for loans), strongly suggests strategic foreign policy interests beyond development aid and a commercialised nature of the programme. Furthermore, while Korea's ODA White Paper lauds the plan to link the KSP with concessional loans as an effort to integrate grants and loans for better aid effectiveness (PMO 2014:58), Kalinowski and Cho (2012) see this attempt to link the KSP to concessional loans a bit more problematic as it means that policy consulting would be combined with an actual loan project and sold as a "package service", in which policy consulting is expected to produce actual results within that project as it falls under a loan-based project for which the government is in charge (250). Given this coupled with the fact that the main organisers of the KSP are MOSF-appointed old-time economic policymakers and investors with former high power (Cho 2010; Lim 2014:95;

Lee and Bae 2017:30) it is not surprising that the grant-based KSP has come to be criticised for having a too heavy focus on economic aspects of Korea's development experience, missing out the social aspects of development and that it would not always adequately respond to recipients' needs (OECD-DAC 2012:30).

Although the KSP has grown to be an all-compassing full-blown way of selling and promoting the Korean development experience by mainly focusing on lessons of its own economic development, a controversial question, however, becomes whether it is justifiable to sell and promote an economic growth success story modelled upon Korea's own experience. Kalinowski (2011) reminds us that in the case of selling knowledge based upon Korea's experience it is not only important to understand the specific historical context in which Korea developed as to know what lessons can be drawn, but also developing countries must take into consideration the "naturally selective and biased interpretation" which policy-makers and CSOs provide (188). For example, besides the previously mentioned KOICA-led Saemaul project, the Saemaul Movement was also made an important item under the KSP. However, Doucette and Müller (2016) criticised that "the KSP's spiritual, voluntary, and value-oriented Saemaul narrative has been used to help 'render technical' Korea's development experience" by reducing it to the idea of a successful cultivation of its spirit for both Korea and developing countries (31). Furthermore, besides making the Saemaul can-do spirit a sellable product for KSP, the modularization process empowers MOSF to politicise Korea's past and selectively choose and dismiss certain content of Korea's economic development (ibid: 31). This is particularly problematic given the historical controversies around the Saemaul Project mentioned earlier. Consequently, the KSP represents another government-only-driven way of providing ODA, which enjoys the legacy of the developmental state-originated

fragmented financial body that put MOSF in a powerful position to seek strategic political and commercial interests in the name of grants.

1.4. The salient developmental ghost: Korean Saemaul Undong (New Village Movement)

Under President Park Geun-hye (2013-2017), the national policy paradigm shifted from Lee's former "resource diplomacy" and "green growth" to Park's "creative economy" and "disciplined market economy" with the national goal to create jobs and inclusive growth (MOFAT 2014:200). The Diplomatic White Paper 2014 stressed Korea's "successful model of democracy and (economic) development in Asia" with which it would like to strengthen the international community for democratisation (MOFAT 2014:257; MOFAT 2015:309). Furthermore, Korea is to make efforts in becoming a leader in the international development arena and will strengthen its global status as a middle power (MOFAT 2014, 2015, 2016). In short, President Park's conservative tone and the underlying focus on developmental politics have not differed much from President Lee's policies and thus another of Chang's "pseudo-Park regime" followed.

What had differed under President Park was the new presidential vision for ODA, the revitalization of the Saemaul Movement Strategy. However, in reality the new focus on the Saemaul Strategy did not present anything new but the renaming of the already previously existing KOICA-led rural community development project into that of Saemaul Movement for further popularizing Park's agenda (H.J. Kang et al in Kim & Kang 2015). The decision to reincarnate the Saemaul Movement as the new ODA paradigm was not arbitrary if placed in a personal context with President Park, as the campaign called to mind nostalgic memories of Park's late father, President Park Chung

Hee who launched the rural-based modernisation project during Korea's own developmentalist experience. Furthermore, the revitalization of the Saemaul was further supported by the fact that the KOICA president under the Park administration, Kim Young-mok, was a former assistant and supporter of President Park. The Saemaul Movement was to become not only an international and universal brand of Korea's ODA, but a model to be transferred to developing countries and the flagship program of "Korean ODA" (KOICA 2014). Just like Lee's Green Growth Strategy, Park's Saemaul Movement Initiative has become the new viral paradigm that took forms of Public-Private Partnerships and the Knowledge Sharing Program, was institutionalised in the 2011 Saemaul ODA Basic Plan and the 2014 Global Saemaul Comprehensive Plan, and was selected as a new agricultural development paradigm by the OECD in 2015 (Ser 2016). Furthermore, under Korean Secretary-General Ban Ki-moon, the UN welcomed the new paradigm and emphasised that Saemaul contents and principles would complement the ideas towards achieving the SDGs targets.

While the Korean government is eager to sell Saemaul as a model from which other development countries can learn, the model's marketable content focusses on Saemaul philosophy and value of diligence, self-help and collective action which drove the development project back in the days (KOICA 2014). Indeed, developing countries from Asia, Latin America as well as Africa have been very enthusiastic about localising the Saemaul project. However, as in many other Korean development experiences, the lessons learned and the marketization of a Korean model become more ambiguous when putting Korea's experience into historical context (Kalinowski 2011; Douglass 2014) and the project has been criticised for presenting mystified ideas about its actual experience and thus remains largely a 'buzzword' without having a clear positioning on the Saemaul

project in Korea's ODA (Kim & Kang 2015). More concretely, while Park Chung Hee had initiated the Saemaul under the motivational rhetoric of 'self-help, diligence and cooperation', his intention was to enlarge state power into rural areas "through aggressive application of green revolution technologies, strict performance monitoring, and farm mechanization" (Doucette & Müller 2016:30). However, the Saemaul experience, as mentioned in the first part of this study, has left split opinions about the deed it did. While some have come to hail the Saemaul experience and gains from it, others have experienced it as a top-down and oppressive act by the government with strategic and economic interests. Regardless of whether the developmental legacy of the Saemaul ghost is that Korea is trying to sell its past and justify its past by laundering the previous mobilization campaign or not, the modernised Global Saemaul Movement exemplifies one of Korea's essential developmentalism: Besides the selling of Korea's own direct developmental experience, the state had remained at the centre of policy planning as with every new presidential decision it is possible to redirect the focus of Korea's ODA policy.

2. Persistence of state-market symbiosis for strategic interests

2.1. Opening the back door for private firms: Public Private Partnership (PPP)

The locally-hosted HLF-4 in 2011 not only presented an opportunity to showcase Korea's growing international influence in development cooperation to the international community but also offered a chance to sell Korea's model for developing countries by sharing selected elements of Korea's own development success story and recalling the "spirit" that drove Korea's ODA vision. In Lee Myung-bak's HLF-4 address in 2011, for example, the emphasis was on Korea's economic development and democratisation success, which was achieved by the "sweat and tears of ordinary people" and "without any hesitation...the power of education". President Lee also speaks of a new paradigm, the "Global Development Partnership", in which the world shares a vision of "shared growth with the global community" (Lee Myung-bak 2011). To achieve such a vision, countries can work together in a complementary relationship whereby partner countries take ownership in their development process and by inclusion of various stakeholders such as civil society organisations, academia and the private sector for both donor and partner country, which came to be known as Inclusive Development Partnership. During the HLF-4 forum, participants agreed on a consensus of these principles which came to be called the Busan Partnership for Effective Development Co-operation. The document concretised the engagement of the private sector for delivering aid and thus generated a completely new mode and understanding of official development assistance in which development and business outcomes should be mutually reinforcing each other (OECD 2011:10). This development of including the private sector and other civil actors did not

come unexpectedly but rather served as a compensating factor in an increasingly crisis-ridden global setting with reduced funding for development assistance.

As a direct result of the Busan Partnership document, the Global Partnership for Effective Development Cooperation was established which aims at safeguarding the agreements made at the political level. Korea's Vice Minister of Foreign Affairs and Trade, Kim Sung-han, acknowledges this success and states that "the Global Partnership shifted the paradigm from aid to development effectiveness by recognizing the role of aid as a catalyst for development and emphasizing the results that make development happen on the ground" with which Korea has become an "agenda-setter of international development cooperation" (Kim Sung-han 2012). The notion that Korea is now an "agenda-setter" not only confirms Korea's growing influence in international development cooperation, but also changes the power dynamics in Korea's ODA decision-making from one of an ordinary DAC donor to one that sets new benchmarks for the international community.

As mentioned earlier, in the Korean context the new global partnership paradigm allowed CSOs and other private actors to have a bigger say in development cooperation. Given the pre-existing close-knit state-business ties, the new global partnership has unsurprisingly been viewed as an opportunity for the involvement of private businesses through investments into infrastructure projects in developing countries. These global partnership strategies have taken different forms, again, with split visions between MOSF and KOICA. KOICA has been fostering relations with private businesses under the name of Global Corporate Social Responsibility Partnership (CSR) program, launched in 2010. Under this program, the Korean government co-finances aid projects to developing countries initiated by private Korean businesses and as of 2013, KRW 10.8

billion had been distributed (PMO 2014:100). More recently, KOICA has expanded its collaborative work with Korea's private businesses and plans to further do so (Yonhap 2017). A recent project running under the PPP program is the "KOICA-CJ Saemaul Movement Creating Shared Value Program", a KOICA-led program in cooperation with CJ Group, a Korean entertainment and food service conglomerate, to help boosting up the agricultural sector in Vietnam's Ninh Thuan Province with a 2.29 billion won budget (Yonhap 2017).

On the other hand, the Eximbank EDCF fund incorporates the private sector under the name of PPP by providing loans to promote private investment in developing countries. The Korean government clearly states that the purpose of these partnerships is to "promote mutually beneficial cooperation by facilitating expansion in developing countries and also by creating opportunities for Korean companies to play a leading role in project design, finance, construction and operation" (PMO 2014:102). In 2014, the three current mega-PPP-projects for large-scale infrastructure support in Myanmar, Bangladesh and Egypt amounted to over USD 100 million each. PPP-led infrastructure projects have been increasing and the EDCF ensures a growing trend. By 2013, the Korean government invested USD 150 billion into PPP-led infrastructure projects compared to the 68.6 billion in 2003 (EDCF 2014:38). These PPPs based on mutual benefits have come to be dubbed as "Win-Win ODA", which the Korean government has referenced and emphasised frequently (PMO 2014:3, 48, 55). However, the win-win rhetoric with which Korea has openly traded may be questioned. Kim S. (2011) finds that Korea has made efforts to appear as a donor creating equally sharing mutual benefits for both partners, but does so through "achieving its comparative advantage at a relatively smaller expense" (815).

The new inclusive partnership paradigm since 2011 had opened up the development discourse to a more inclusive one. Development has become the business of a wider public with CSOs and academia involved, but also of a wider “private” as it left enough space for governments to attempt to promote interests of large-scale conglomerates and other Korean businesses. Since Korea is more and more pressured to adhere to the OECD DAC standards by untying aid, the PPP seems to have offered a back door for private firms to sustain their involvement. At the same time, the inclusive partnership paradigm entertains and legitimises Korea’s win-win rhetoric, as private businesses’ involvement in development cannot possibly be about non-profitable voluntary and generous act only. While benefits out of PPPs are not exclusively a Korean matter, it nevertheless reaffirms Korea’s developmentalist legacy of a market-state symbiosis that has never left the scene.

2.2. Keeping private firms happy: Tied aid and project-aid

OECD DAC members have made substantial progress in untying aid. However, Korea’s high amount of tied aid compared to other OECD DAC peers is negatively noticeable. Generally, the problem with tied aid is the strategic utilisation of donor countries to realise economic aims as the funds provided through tying restrict the procurement to the businesses and companies of donors and thus restricts recipient countries from spending their money freely on goods and services, which again gives the donor country more control over funds. In the long term, tied aid can be used as political leverage for donor governments and in the short term, political consideration and commercial considerations have been reasons for tying aid.

Korea too has made continuous efforts to untie aid and has continuously proclaimed further commitments for untying. Korea not only became signatory to the Paris Declaration of Aid Effectiveness in 2005 as well as the Accra Agenda for Action (2008) which maintains the commitments to the Paris Declaration, but also hosted the HLF-4 on Aid Effectiveness with the resulting Busan Partnership document, of which all commitments highlight the importance and continuous efforts of DAC members in untying aid. Nevertheless, Korea had fallen short of meeting the pledged benchmark (75% by 2015) of untying ratio to LDCs and HIPCs in 2014 (58%) with an even lower ratio in 2015 (49%) and is far from meeting the DAC average (83.5%) of untying aid (OECD 2017). Nevertheless, Korea reiterates its commitments to untie aid in the new Mid-term ODA Strategy 2016-2020 by pledging to increase its share of untied aid to 55% in concessional loans and 95% in grant by 2020 (MOSF/MOFAT 2015), which is, however, a scaled down commitment compared to that of the previous mid-term strategy. If anything, for Korea untying aid has persistently proved to be difficult which has continuously been pointed out in the OECD DAC peer reviews as well as reports and statements of CSOs (OECD-DAC 2008; OECD-DAC 2012; ODA Watch ReDI 2015).

In this context it is important to recall the historically influential chaebols whose power and interlinked nature with the state has persisted until today. At the same time, it is important to remember Kim S.'s previously mentioned footnote on Korea's rushed entry to the DAC, which disclosed the disintegrated aid system and the rivalry interests between MOSF and MOFAT as well as MOSF reluctance for joining the OECD DAC due to Korea's businesses being upset with untying. Korea's ancient and consistent high ratio of tied aid therefore shows the powerful position of businesses in Korea's society

and the business-centric attitude within the government, which ultimately illustrates the retention of a state-market symbiosis for strategic interests.

By the same token, Korea's aid effectiveness received some critique due to "an over-reliance on project aid" (OECD-DAC 2012:52). Project-based aid programmes are not only problematic for being "stand alone" projects that are mainly implemented in an isolate way without integrating the recipient's own institutions, but also for its purpose-specific nature such as seeking specific industries or sectors for creating export opportunities. Furthermore, the problem with loan-based project aid is that developing countries borrow money with low interest rates while donors have high profits by using ODA and are criticised for having high power in industry work. The 2012 Peer Review therefore recommends improving Korea's aid effectiveness targets by untying aid, more programme-based aid as well as the use of country system-based aid (OECD-DAC 2012:83).

2.3. Tapping Asia and resource-rich countries: Geographical priorities

As previously discussed, Kim S. (2016) traces the origins of Korea's ODA back to the period of the Chun Doo-Hwan administration (1980-1988), during which Korea performed "aid-like" activities to secure political and business interests for. Korea had particularly done so to gain support from its Asian peers to win diplomatic ties against the North, more so in view of becoming a UN member and thus had chosen aid as a tool for its own developmentalist purpose (92, 99). Until today, Asia has remained a priority region for Korea's foreign aid allocation, partially due to its geographical proximity and shared cultural ties. However, Chun et al (2010) pointed at the "regional bias" to Asia

with supporting data since 2001 until its accession to the DAC, and found that always more than half of Korea's percentage of total net ODA flow went to Asia due to economic opportunities arising there (794). In an attempt to unify grants and loans in one strategy, Korea created a list of so-called 'priority partner countries' and currently 24 countries are listed. The selection criteria of these priority countries are stated in quantitative terms as that of "mutual relationship" (50%), "aid needs" (30%) and "governance" (20%) and in qualitative terms as a combination of performance evaluation and cooperation potential, upon which a tailor-made country partnership strategy will be established for a win-win cooperation.³ However, the details of these selection criteria are not known to the public and the actual composition shows that there is a clear focus on Asia (11 countries) while other priority countries were from Africa (7 countries), Latin America (4 countries) and the Commonwealth and Independent States countries (2 countries) (PMO 2017b). While the unclear and hidden criteria have casted light on transparency problems (Yun & Lee 2012), the Peer Review 2012 criticised the choice stating that more than half of the 26 priority countries⁴ were countries in the middle-income section and were doing well in achieving the MDGs and that the large amount of partner countries would present a challenge (OECD-DAC 2012:28). The focus on Asia and middle-income countries as well as the choice of a large number of countries as opposed to a few only show that Korea's decision-making criteria for dispersing aid have an economic and political agenda. Korea's strategic interest is also visible in the composition of aid towards Southeast Asia which is largely tied and with a strong focus

³ Development Cooperation Policy Bureau at the 31st International Development Policy Seminar, SNU, GSIS, Seoul, March 28, 2017

⁴ The Peer Review was conducted in 2012 and the composition of the priority partner countries slightly differed with a list of 26 countries. However, in 2017, the list was revised by removing DR Congo, Nigeria, Cameroon, East-Timor and the Solomon Islands due to their poor performance and governance and adding Tanzania, Myanmar and Senegal, which amounts to 24 Priority Partner Countries as of 2017.

on industrial development and economic infrastructure (aid for trade) and in which most of the aid interventions are in the form of large project-types (Kwak undated). Considering the previous discussion about tied and project-type aid, the state's strategic interest with Korea's businesses become evident.

To this, very generally one of Korea's domestic economic interests lies in accessing resource-rich countries to reach out for investment opportunities in energy and natural resources and for the pursuit of resource diplomacy, while its political interest lies in pressing for soft power expansion (Hwang 2017:51). Korea is hopeful of Kazakhstan, Uzbekistan and Azerbaijan to become important new energy suppliers in alternative of the Middle East (Miyamoto 2009:56). Looking at Korea's choice for priority countries, we find that Uzbekistan (lower middle income) and Azerbaijan (upper middle income)⁵ have been chosen as the two Commonwealth of Independent States (CIS) priority partner countries. Given Korea's total reliance on energy imports, this selection therefore can be understood in terms of its current energy-diplomacy in the region. Since Korea has no comparative advantage in regards to investments in the region if compared to China and Japan, Korea must ensure that it remains at least one of the players in the game and one way of doing so can be by tapping regions alternative to the Middle East and through the soft-policy tool of ODA.

Although there have been transparency issues with regards to the choice of the priority partner countries and Korea occupies a low rank in aid transparency measures (PSPD Issue Report 2011), thanks to civil society pushes, the Korean government has recently made efforts for better aid transparency. In particular, PIDA and PSPD have closely watched Korea's progress in aid transparency and through continued pressure

⁵ WB Data 2017: <http://data.worldbank.org/country/azerbaijan>, <http://data.worldbank.org/country/uzbekistan>

have urged Korea to a membership with the International Aid Transparency Initiative (IATI) in 2015, an initiative which aims at better aid transparency through information exchange among donor, recipients, CSOs and other development experts for making decisions over where funds are most needed.

2.4. The growth-centric playground for energy firms: Green Growth and Green ODA

One vision that came to be lingering between Korea's national and international development strategy under the presidency of Lee Myung-bak is that of *Green Growth*. In his inauguration speech, Lee does not miss out on calling for a more eco-friendly paradigm to achieve low carbon emissions in Korea's state policies and expresses Korea's goal to take a leading role in environment-friendly international cooperation. However, the concept of green growth itself is an ambiguous one and many have questioned the compatibility of the two terms. Indeed, the two terms seem to be biting each other like an oxymoron since so far the understanding has been that economic growth would hardly lead to an environmental upgrading. Regardless, a common understanding of the definition of green growth is that while economic growth is pursued it should be coupled with the achievement of environmental protection beyond the 'business as usual' (Jacobs 2012). Nevertheless, President Lee's care about the environment is not without something to gain from and thus gets the ambiguity around green growth back in the spotlight. He makes clear that "preservation of the environment improves quality of life, while the environment industry creates new engines of growth" (Lee Myung-bak 2008).

Korea was one of the first countries to incorporate green growth into their national strategies (Dollesin 2012). In 2010, Korea promulgated the Framework Act on Low Carbon Green Growth, which is the legal framework for launching national strategies such as for example the Five Year Plan for Green Growth (2009-2013) and the National Strategy for Green Growth (2009-2050). Furthermore, the Korean government with its “green triangle” policy, pursues to share its green growth strategy with Asia and other developing countries, which includes the combination of strategic, financial and technological elements for green growth coordinated through its respective institutions, the Global Green Growth Institute (GGGI), the Green Technology Center (GTC) and the Green Climate Fund (GCF) (Global Green Growth Institute 2015:335).

While making efforts to internalise green growth, Korea has also strongly pushed to globalise green growth through international development cooperation. During the home-chaired OECD Ministerial Council Meeting 2009, Korea was taking the leadership for adapting the Declaration on Green Growth, which recognises that “green” and “growth” should be complementary and that OECD member should work together and encourages the OECD to develop a Green Growth Strategy to achieve sustainable social and environmental development and for the recovery of the currently constrained economy (OECD 2009). Furthermore, in the Group of Eight Summit talk in Japan as well as in the G20 meeting in Seoul, Korea expresses its willingness to play a bridger-role between industrialised and developing countries to spread the values of green growth (Kim 2010; Kim 2013). During the G20 summit in Seoul, the group adopted green growth as one of the key elements for sustainable development and growth. Green growth did not only become a matter of policy norms and international negotiations, but also made its way to Korea’s ODA as a new development model for developing countries in which Korea will

play a bridging role and can share its experience. In an interview to The Korea Times, the chairman of the Presidential Committee on Green Growth ensures that Korea “would like to help those developing countries harmonise their growth aspirations with the environmental ones by sharing its green growth tool kits and experiences” for which Korea is willing to take a leading role and thus will make green growth partnership an important ingredient of its ODA commitments (Kim J. 2010). For this, Korea set the goal to expand its green component of its ODA from 11% to 30% by 2020 and pledged to increase its “Green ODAs” for the promotion of green growth by funnelling USD 200 million in form of grants to Asian developing countries, labelled the East Asia Climate Partnership (EACP) (MOFAT 2011).

However, green growth has more been an upgraded way of reemphasizing growth for its own big industries, and its “greenness” has yet to be unravelled. An assessment on Korea’s green growth experience by the Global Green Growth Institute 2015 sums it up well:

In testing the merits of green growth as a development paradigm, the ROK’s greatest contribution lies in its boldness and optimism to pursue green growth at a national scale with concrete targets and action plans. Its efforts are not futile given its achievements to date but its green growth model is not without limitations. Its degree of “greenness” remains debatable due to its alleged preference for market-driven growth that prioritizes the economy over the environment and social equity. The progress to date has been criticized for its vague substance and weak results due to the lack of appropriate metrics and indicators. Due to its highly top-down approach, bottom-up communication has

not been sufficient, thus failing to induce active stakeholder participation
(Global Green Growth Institute 2015:4).

As Professor Choe Won-gi from the Institute of Foreign Affairs and National Security conveys, development cooperation projects carried out through the EACP offer “great opportunities for Korean environmental enterprises to advance into overseas markets” (Choe 2011). Similarly, Watson (2014) points at the critical voices of domestic Koreans who see a mismatch of international credibility of green growth and real practices at home. More specifically, small businesses have found themselves in a disadvantaged market competition because of selective state support for conglomerates who already enjoy market monopoly in the technology sector and the state-chaebol ties for construction has remained crucial for achieving continued economic growth. As such, “green growth is a continuity of the old developmentalist state” (Watson 2014:200).

Indeed, bringing together the two major challenges of humankind – environment (green) and economy (growth) – are not challenges that can be lumped together as one and remedied by a well-designed policy paper, all the more by rhetorically greening ODA. What the green growth narrative of President Lee and his international efforts during his presidential term had offered to Korea was a chance to make Korea’s mark as a global leader, but also a jackpot industry for Korea’s energy firms. Nevertheless, its leadership in green growth was short-lived. Although Korea tried to integrate the green growth paradigm in the new SDG agenda, it had to accept that it failed and with the change of presidency in 2013, green growth was replaced by the new paradigm of creative growth under President Park Geun-hye and none of the Diplomatic White Paper makes any further mention of the green growth paradigm. As such, the mindset for green growth-steered development had remained within the existing framework of its own

growth-centric development, and within the narrative of the state setting the agenda to its liking, subject to change every time a new president is elected. Conclusively, understanding Korea's green growth policies for international development under the theoretical framework of state-society ties, "green ODA" had offered the Korean government to come rhetorically a step closer to global development paradigms by domestically retaining developmentalist politics through mobilization of Korean businesses.

To sum up, since 1987 domestic developmental politics has consistently been replicated in Korea's ODA policy-making which can be seen from the specific composition of Korea's ODA policies as well as the selective and strategic targeting of aid recipient countries. However, Korea's accession to the OECD DAC in 2010 presented a critical juncture which has brought about a change in consistency. Korea's membership to the DAC not only urged Korea to adapt its ODA policies to international norms and rules and international development agendas, but also brought about a greater awareness and role of domestic civil CSOs in ODA policy-making. Thus, while Korea is trying to live up to their expectation by integrating international norms and rules and by engaging with civil society, domestically Korea continues to pursue ODA policy-making under the shadow of developmental politics. This left Korea's ODA in a sandwich position between its own developmentalism whilst trying to be a more liberal state. This unfinished business with its own developmentalism has been reflected in the continued mobilization and integration of Korean businesses and new commercialised business ideas into ODA policies. As such, the ODA transformation process has been slowed down as ODA policies have been emulating the developmentalist state-business mentality which has been an essential part of Korea's developmentalist policies since the

early days. On the other hand, expectations from the international community as well as improved state-civil society ties have come to counterbalance the continued developmental (ODA) politics which has brought about some changes for more transparent and effective ODA policies. As such, the current state of Korea's development assistance since the critical juncture in 2010 can be classified as quasi-modern ODA cut across selective state-society relations.

VII. Conclusion: Breaking the story or continue growing on it?

While previous research on Korea's ODA policies had mainly pointed out the shortcomings of Korea's organisational ODA, the resulting aid ineffectiveness as well as the gaps between policy decision-making and actual implementation, this thesis tried to find explanations for why these shortcomings and gaps have existed by revisiting South Korea's ODA policy-making process through the lens of the developmental state thesis. It did so by re-examining the policy-making process of Korea's ODA during the four stages of Korea's foreign aid history with regard to the state-society (business and civil) relations outlined by Evans' "embedded autonomy" (1995) and Chang's "developmental citizenship" (2007, 2012) and considering the characteristics and interactions of this process at each stage.

Korea's own historical experience as a developmental state has created a specific identity, mentality and story of both civil society and policy-makers centred on achieving economic development which was greatly influenced by close-knit state-business ties. This research has shown that since the establishment of the EDCF in 1987, the first official institution to provide development assistance to developing countries, Korea's ODA policies have largely been a replication of Korea's domestic developmental politics, which was visible in the institutional ways in which decisions about ODA were made such as the strategic inclusion of businesses as well as the actual compositional characteristics of Korea's ODA. Regardless under which political regime, newly created paradigm or vision ODA was packaged, the state has remained at the centre of Korea's ODA policy-making process and the mechanisms on how decisions about foreign aid were made have remained within the state-business synergy, in a top-down fashion with

a marginal involvement of civil society as well as a strategic benefit-ridden mindset of enhancing Korea's own economic growth. In short, the developmental state has persisted as a key policy framework of Korea's ODA. Thus, having made ODA policies an emulation of its domestic politics, it is not surprising that Korea's ODA has remained low in both quantity and quality. However, the late 2000s and particularly the onset of Korea's accession to the OECD DAC in 2010 have brought about a challenge to the government's continuation with the business-as-usual. Not only did the international community expect Korea to join the OECD DAC and comply with the organisation's norms and standards, but also had domestic development NGOs and advocacy CSOs started to emerge and pressure Korea's ODA policy towards more transparent and effective aid allocation. As a result, Korea's ODA policies and legal frameworks were immediately installed and the ODA pledges had to be rapidly adjusted to international paradigms and OECD DAC standards. This new foreign affair responsibility, however, occurred in a domestic context in which Korea's policy-makers have retained a developmentalist mindset and in which citizenship rights still largely remained centred around achieving domestic economic growth. As such, Korea's decision-making practices on ODA have been caught in between thinking of development as a quality of being modern and its desire to develop and modernise itself. In an effort to live up to this split position between trying to be a liberal state and Korea's unfinished business with its own developmentalism, Korea's ODA policy-makers have strategically mobilised and integrated businesses and new business ideas as well as civil society actors.

As this research has shown, the fragmented ODA system and the continued mobilization and integration of Korean businesses and new commercialised business ideas into ODA policy-making presented a slow-down to Korea's ODA transformation

process. Contrary to this, the more open, yet still limited inclusion of civil society actors has come to counterbalance the hitherto developmentalist ODA policies towards more effective and transparent ODA. This places Korea's ODA at a critical point as it indicates a slow but positive development in Korea's ODA policy-making process and allows for a reconsideration of its current status. While it is self-evident that any government acts within thinking about how to keep its own economy healthy, strategically choosing ODA policies as a contribution to achieve this goal may be less self-evident. Undoubtedly, the support of both civil society and private sector actors is at the heart of effective and accountable development, but achieving Korea's ODA objectives need not be by acting primarily through state-business ties. New and more inclusive forms of embeddedness with civil society at both ends – decision-making and delivery – of ODA would continue to bring about positive developments.

Korea's history as an official ODA donor is short and the future path it is taking will depend on how Korea's visions about ODA are shaped. Historically, Korea has been juggling between the three major reasons for why it provided foreign aid: For its own security due to its colonial and war-driven past, as a humanitarian obligation to pay back the world due to its own merciful past and for its own strategic interests in the zeal for modernity and economic growth (Kim 2011). Having analysed Korea's ODA policies as a legacy of both unintentional and intentional developmentalism, the path Korea can be taking in future must not be accidental but could be based on a more intentional one that sets out an integrated overarching vision for development concerning both Korea's own as well as recipient countries' needs and interests, and not one that is predominantly based on a narrowly calculated and domestic business profit-oriented one. Like this, pledges would no longer remain pledges, the gap between policy-making and actual

implementation would reduce and Korea's accession to the OECD DAC would regain its purpose. Furthermore, recognizing Korea's ODA policies as an unfinished business with its own developmentalism can be a new starting point for addressing Korea's incoherent and fragmented ODA policy framework and pushing it towards a more integrated one. Given Korea's very short history as an OECD DAC donor and given the central role of the government and the executive branch in decision-making processes, the future ODA-path Korea wishes to take is fortunately not fixed and can break with its previous habits.

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Abstract in Korean (국문초록)

발전국가론에서 본 한국 공적개발원조정책의 재조명

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수혜국이었던 대한민국은 2010 년 경제협력개발기구 개발원조위원회 (OECD DAC)에 가입해 회원국이 되면서 어엿한 지원국으로 자리매김하였다. 원조 규모로 볼 때, 다른 OECD DAC 회원국들 중에서도 한국은 상당한 양의 공적개발원조를 하고 있고 또한 OECD DAC 의 기준에 맞출 수 있도록 한국의 ODA 정책을 계속해서 개선하겠다는 굳은 의지를 보인다. 하지만, 한국은 ODA 의 규모를 양적으로는 꾸준히 늘리고 있고 또 그에 따른 효과를 높이겠다는 노력에도 불구하고 질적으로는 낮은 수준이어서 비난의 대상이 되어왔고 또 정책의 결정이 종종 현장에 실질적으로 반영되지 않는다. 한편, 한국의 ODA agenda 는 원조를 통해서 경제적 이익을 취하는 것이 주된 목적일 뿐 아니라 발전주의 국가로써 한국 고유의 개발 경험을 반영하는 많은 요소들을 포함하고 있다. 한국의 ODA 정책의 의사결정과정 에 대한 역사적인 분석을 토대로 하고 국가와 사회 관계를 중심으로 본 발전주의 국가 논지 관점을 통해서, 이 논문은

한국의 야심찬 ODA 지원책이 왜 더 효과적이고 일관적인 ODA 정책을 시행하는데 꾸준히 어려움을 겪는지 그 이유를 찾아본다. 본 연구는 한국의 발전주의 국가로써 전성기 때 새겨진 발전주의적 사고방식이 오늘날의 ODA 정책 의사결정 과정에도 여전히 밀접한 영향을 미치고 있으며 이는 원조 공여국으로써 한국의 태도를 결정지었다는 점에 대해서 논의할 것이다.

주요어: 한국, 공적개발원조, 발전주의, 국가-사회 연계, 경제협력개발기구 개발원조위원회

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