

Dollars and Diplomacy: Instrumentality of Foreign Aid
-Taiwan and Korea-

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Introduction

The Republic of Korea (hereafter Korea) and the Republic of China (hereafter Taiwan), as newly industrialized and democratized states, suffer from disproportionate international status. Here, Korea and Taiwan's positional status in the world is defined as small and marginal. Korea's size of economy is currently ranked number 11 in the world. Yet, its influence does not match the size of its economy. Taiwan's economy is the number 20 in the world; however, the international society has doubts for accepting Taiwan's normal participation in international activities due to the pressure from China. Korea and Taiwan as nations experience status discrepancy and are expected to try to improve their influence and reputation, which are rightly proven in their various diplomatic activities, including development aid, which is the main interest of this paper.

In this study, we argue that development aid tends to play an important role for states under transformation both in domestic society and in international relations. We argue that changes in the goals and practices of foreign aid in Korea and Taiwan are conspicuous. This transformation and an increase in the instrumentality of foreign aid are explained by improving domestic economic conditions and international strategic circumstances. We define the gap between the status of domestic socioeconomic development and the states' status in the international community by borrowing the concept of "status discrepancy." We provide evidence that the changing direction of development aid is a tool used to satisfy the needs for the states' status change in the international society. We attempt to predict whether foreign aid would remain as an important and effective instrument of the new foreign policy goals. Opportunities, constraints, and conditions under which development aid is considered as an important instrument of foreign policy are discussed.

On The Nature of Development Aid as Foreign Policy Instrument

Recent attempts to institutionalize effective development aid policies¹ obligation of aid by OECD's Development Assistance Committee (DAC) set a normative premise that development aid is a moral obligation. We may argue, however, that while individual philanthropy may be motivated by moral causes, state actors as donors are much less likely to be purely motivated by obligation or morality. It is evident from any bilateral aid agency's document that there is a dual motivation and tension between humanitarian and self-interests functions to foreign aid (Hook 2005, 347). How do the donor states achieve self-interests by foreign aid? Writing in 1962, Morgenthau observes that foreign aid is used for various purposes of the donor state, however, without any coherent policy and clear purposes, as a result, responding to various demands (1962, 302). Hook argues that all aid donors expect a certain degree of political allegiance from the partner states. Baldwin saw that the primary function of foreign aid is in statecraft; it is a "mildly coercive means by which one nation tries to get other nations to act in desired ways" (Hook 2005, 347). Hook, in discussing US foreign aid, notes that prior to the cold war, foreign aid was a mere instrument of "admonition... neither expensive nor effective" (Hook 2005, 347-348). It is only after Marshall Plan and the Cold War when foreign aid became a major

¹ The definition of development aid here adopts OECD-DAC's definition constituted of concessional loans and grants which are distributed in forms of money and human capitals.

instrument of foreign policy in the United States. In post-Cold War period, while this function of aid as an instrument of foreign policy is still alive and well, effects of the coordinating organization, OECD, and international and domestic civil society actors, in particular, faith-based organizations, play an important role influencing foreign aid distribution and implementation of government funded development projects.

Due to the positional differences of the states of our interests, foreign aid in our cases may be an instrument of admonition, neither expensive nor effective. However, the states' unusual experience of economic development and consequent aspiration for greater status in the international society make the place of foreign aid policy formulation distinct. First, the different intentions in the new donors can be explained by sociological and psychological causes both domestic and international. These new donors have experienced rapid economic growth with which much domestic economic growth and resolution to the problem of inequality are still aggrandized and philosophically yet left unresolved as to how it should be dealt with. These new donor states are also pressured from the international community to pay their due according to their economic wealth and as a result, their expected due has increased more dramatically than the predecessors. As a result, the new donor states demand psychological awards for the payment. These conditions are met with their desire to gain better status and respect in the international community. Nations which have achieved rapid economic growth and expansion experience status discrepancy—the psychological gap between the need for better respect and currently receiving respect and position (Lagos 1963; Sullivan 1976; Holsti 1995). We do not argue that foreign aid policies of these two states are specifically designed to achieve their foreign policy goal objective. We rather suggest that achieving better status and reputation (not just economic gain) in the international society is an important concern in conducting foreign aid policy. Foreign aid as an instrument of diplomacy is particularly suitable as a tool in achieving higher reputation. A state whose position in the international community is relatively minor but nevertheless acquired a high level of economic development can improve its reputation by designing an foreign aid programs. Provision of foreign aid is a diplomatic practice that is available to a few exclusively wealthy states. Being able to provide foreign aid puts a state in a privileged position.

In conjunction, the states' achievement of rapid economic development shape their identities as they themselves as well as others perceive and identify them in developing new relations with aid recipient countries. Such label as Newly Industrialized Countries (NICs) may continue to influence the nature of donor-recipient relations and shape development projects. On the other hand, for the old practices of foreign aid have failed to improve conditions of many developing states in general, these states in special status in terms of economic development can offer especially attractive know-how on economic development that the West is unable to offer. Taiwan and Korea promote their country brand through designing development projects based on the past development experience, though different conditions may not allow the know-hows to be successfully transferred and yield equivalent results. In summary, for small states like Taiwan and Korea, foreign aid is a diplomatic tool for improving its position in the international society by promoting the upward mobility and building friendly relations with less privileged states which aspire to climb up the ladder.

Korea and Taiwan: Changing Domestic Society and Responses to Regional and International Environment

In 2009 Diplomatic White Paper, it is evident that Korea faces two dichotomous international circumstances. The state is faced with insurmountable challenges of having to maintain peace and stability in the existence of nuclear North Korea in the region. Internationally, Korea's diplomatic community faces equally challenging but more optimistic tasks of having to transform its diplomacy. The rapidly changing socioeconomic conditions have correspondently changed how the state as an aggregate actor perceives its position in the international society. The cognitive needs of having to secure a better position in the international community has pressed the foreign ministry to set up new goals of diplomacy, such as "strengthening diplomatic capabilities" and establishing "global network diplomacy" as primary concerns (MOFAT 2009, 18). Paralleling the immediately needed endeavors is the need to "enhance our role and prestige in the international community" (MOFAT 2009, 18). The combination of internal and external factors: socioeconomic forces that demand a greater satisfaction of the state in its outwardly position and regional constraints provide incentives for the states to engage in globalism.

Korea's existence and identity in the international community have remained determined by its alliance relations with the United States. Although this still to a large extent determines its identity in the international society, the state has made significant efforts to diversify its relations as a autonomous entity. A good example is the President's personal networking with leaders of marginal states. Despite Korea's identity as an important ally of the U.S., its position as a small state does not hold back its president from traveling to countries with poor human rights records and personally connecting with the heads of the states. For the regimes, pressured by the West to improve human rights and democratic standards and often provided with aids conditioned with such standards, Korea's grants and concessionary loans are most welcomed (MOFAT 2009, 100). Ideological hegemony, which requires consensus from other powerful states, does not seem to constrain diplomatic relation of a relatively small and marginal state like Korea.² Since the late 1990s, the Korean government has expressed its desire to improve its status and more prestigious role in the international community. Ban Ki-moon's election to the Secretary General was also a result of active international campaigning strategically sought by the Ministry for many years in preparation. Another evidence of increasing contribution to international activities is the country has dramatically increased its participation in the UN peacekeeping operations (see Table 2).

The case of Taiwan is more controversial. Taiwan is currently the 20th largest economy in the world. Taiwan's GDP in 2008 is 391,278 million (US dollars); the national income per capita is 15,153 US dollars. World Economic Forum ranks Taiwan's global competitive power as number 17 in the world in 2008 (WEF 2009). Those shining economic performances make other states hard to ignore the existence of 23 million people in Taiwan. However, only 23 countries have established formal diplomatic relations with Taiwan. Taiwan is not a member of the United Nations and its affiliations. Taiwanese people do not have formal channels to get information about global diseases. The lack of general recognition from the international society inhibits Taiwan from achieving an international status comparing with its economic capability. This status discrepancy has been a serious and vital problem of Taiwan. Mainland China has

² On ideological hegemony in international relations, see Gilpin 1987.

effectively blocked Taiwan from establishing diplomatic relations with other states and from participating inter-governmental organizations.

However, this particular external political environment makes Taiwan's involvement in the international community more important. Taiwan has tried to promote its status actively to let the world notice its existence and to decrease the status discrepancy. Since traditional diplomatic tools are mostly blocked, Taiwan has used other tools such as assisting formulation of economic policies and spreading Taiwan's culture abroad. The minister of Foreign Affairs states, "Diplomacy's primary objective is to seek to maximize a nation's interests, and ensure its survival and development. Providing aid to foreign countries forms an important part of this" (MOFA 2009, 3). Taiwan's economic power is an important chip which Taiwan can use to enhance Taiwan's international status.

In addition, the "Taiwan miracle" of peaceful democratization and rapid economic growth is not an achievement of its own only. Taiwan had received foreign aid from the United States from 1951-1968. A total of US\$ 1.482 billion of project and non-project assistance to Taiwan over 15 years had boosted many important infrastructure and industrial equipments in Taiwan, which made the foundation of Taiwan economic miracle (MOFA 2009, 19-20). Without those foreign aids from the U.S., Japan and Saudi Arabia, Taiwan could not have become a developed country. Hence, as gratitude for those donations and the responsibility of international community, Taiwan has a duty to help other poor states to become a "next Taiwan miracle." The ROC Constitution explicitly claims that Taiwan should "fulfill global responsibilities, repay the international community and honor the humanitarian spirit."

Disperse Implementation Mechanisms and A Need for Coordination

Korea's Foreign Aid Policy: Fork in the Road

Korea's development aid practice started in the late 1960s by participating in USAID's technical cooperation program. While this function of "burden sharing" with the United States still remains to be an important element of the country's aid policy as reflected in the portion of Official Development Aid (ODA) that goes to Iraq and Afghanistan, the scope and the nature of ODA have changed as the goal of ODA has changed (see Table 1). As evident in documents produced by MOFAT in self-assessment, it is clearly stated that Korea is keen on enhancing its position as a donor (OECD 2008, 6). It has tried to meet the global standards set under OECD Development Assistance Committee (DAC) in efforts to join this club of the privileged. Expectations and norms of the aid community push the new donor state to 1. select core partner countries and concentrate on sectors with the donor state's comparative advantage, 2. coordinate domestic agencies in spending the state's aid money and harmonize with other donor states, and 3. increase grants over loans. Numerous statements and reports published by domestic institutions that deal with foreign aid recognize adoption of these goals as an essential need of the existing Korean foreign aid programs. However, it is evident that the scope and the nature of ODA have changed slower in comparison to the changing goals of the ODA. We argue that it is domestic societal and institutional barriers that have driven the changes but they are also slowing the changes in the overall characteristics and scope of the practice. The government has strategically involved civil society actors, whose role in foreign policy is unprecedented in Korea,

in effort to overcome the domestic barriers. Therefore, as a result, designing the overall scope of ODA requires societal mobilization. Effectiveness of foreign aid as an important and effective tool of foreign policy also depends on the government's yield to the society. Korea's foreign aid practices in comparison to OECD standards lack the following three elements: a coherent strategy, a unified implementation agency which can execute the coherent strategy, and an increase in unconditional grants.

Lack of a coherent strategy and a unified implementation agency. The need for a coherent strategy and selection of a few core partner states and concentration on sectors is a lesson learned from Marshall Plan. Samuel Huntington argued that the Marshall Plan was successful because of: 1. directed by specific and well-defined goals, 2. limited to a geographic area of vital concern to the U.S., and designed for a limited period of time (Cook 2005, 348 fn6). Currently, the total ODA money is distributed through numerous agencies³ conducting technical cooperation. Also too little money is spent on too many states without adequate consideration on the quality of the assistance programs. In terms of grants, Korean ODA is given to total 139 countries, 89 countries receive less than 200,000 dollars (Cho 2005, 30). In comparison to the small amount of total aid money, Korea has too many number of partner states, equivalent to those of OECD-DAC states (Lee 2009, 108). Korean ODA is distributed through two pillars- Korea Eximbank's Economic Development and Co-operation Fund (EDCF) and KOICA under MOFAT are the two main agencies which distribute ODA; the two agencies are independent in decision-making on distribution of aid, and there is no coordinating mechanism (OECD 2008,10). In addition, 30 other ministries, agencies, and municipalities are involved in providing small amount of aid. The main form of implementation of aid is technical cooperation across all the participating agencies without much coordination. Operations are essentially fragmented. Technical cooperation as a dominant type of foreign aid implementation has prevented Korea from cooperating with and supporting regional organizations and local NGOs which have comparative advantage in developing projects that are more suitable to local needs (Lee 2009, 108).

A large proportion of concessional loans in comparison to unconditional grants (see Figure 1). Concessional loans consist of 31% of total ODA of Korea (OECD 2008, 14). As similar to Japanese use of foreign aid, Korea uses foreign aid as an instrument in promoting domestic firms' trading relations. Exim Bank, which provides loans for Korean enterprises in export-import sectors, also distribute concessional loans abroad. This feature is justified by the Korean development experience; concessional loans are believed to be an important instrument that imposes fiscal discipline on the recipient country (OECD 2008, 7). This however is in conflict with the global efforts to reduce debt in Less Developed Countries (LDCs). As a result, Korea's aid portfolio is below the conditions recommended by DAC Recommendations on Terms and Conditions of Aid (OECD 2008, 7). Another characteristic is a large proportion of bilateral aid in comparison to multilateral aid. In 2006, 83% of ODA were spent as bilateral aid while 17% to multilateral organizations (OECD 2008, 14).

In summary, Korea's development aid policy is in the midst of transition. It is evident that the goals and the existing programs are not consistent. Goals are set in accordance with

³ Ministries distributing development aid other than KOICA and EDCF are: Ministry of Science and Technology, Ministry of Information, Korean Development Institute, Ministry of Construction and Transportation, ministry of Environment, and Ministry of Agriculture (KOICA).

expectations and norms of the aid community; increasing grants over loans, selecting core partner countries and concentrating on sectors with the donor state's comparative advantage, coordination of domestic agencies using the aid money and harmonization with other donors. Practices have remained stagnant introducing more changes according to the set goals.

Towards Participatory Aid Policy In response to the institutional and societal barriers, the Korean government found two strategies in scaling up development aid. It is clear from the statements of EDCF and KOICA and as acknowledged in OECD self-assessment paper that in Korean thinking, mutual benefit to both the donor and to the recipient is an important concern that influences policy choices such as the heavy use of loans and tied aid (OECD 2008, 9). This concern is in contrast with the global standards, which is also an important concern for the state which seeks to enhance its global reputation. The two forces contradict, and moving from one mindset to another requires social mobilization. It is clear that KOICA recognizes its institutional task of redirecting the country's development aid policy. Both the quantitative and qualitative changes come from mobilizing the society and yielding to societal actors participation to shaping and implementing development aid. The government continues to strengthen the role of KOICA, Korea's ODA implementation agency. KOICA not only implement aid money abroad but also implement various programs for public awareness, in particular, collaborating with universities and global-minded NGOs. A close examination of foreign aid discourse in media reveals KOICA's various attempts to shape the general public expectation on spending more development aid abroad. This process of mobilization of society for development aid is promoting cultural change of the Korean society.

Taiwan's Foreign Aid Policy: from an Ideal Realist to a Realistic Idealist

The foreign aid policy of Taiwan has been under rational consideration; namely, Taiwan has sought for the maximization of its national interests, survival and development. From 1960⁴ Taiwan has dispatched agricultural missions to assist African states with improving their agriculture and living standards. The ROC-Africa Technical Cooperation Committee was created to manage the technological assistance. As a result, the number of African states supporting ROC's UN representation increased. According to *the White Paper on Foreign Aid Policy*, there were only nine states supporting the representation of ROC in 1961; however, there were seventeen countries in 1962 (MOFA 2009).

After Taiwan lost the seat of the UN representation in 1971, Taiwan used foreign aid as a tool of paying off other states in return for their support on Taiwan legal status in the international community. More specifically, Taiwan distributed the amount and ways of foreign aids according to the diplomatic needs, not the recipients' need or humanitarian consideration. In the 1970s the dollar diplomacy worked. However, the situation turns to be dire as China started to reform and open its market. After 1980s, China's economic growth triggers the competition of the dollar diplomacy between Taiwan and China. The third states swing between Taiwan and China in order to get the best deal. In order to get more formal diplomatic relations, the dollar diplomacy becomes the blank-check diplomacy despite that the diplomatic tie is very

⁴ In the *White Paper on Foreign Aid Policy* (MOFA 2009), Taiwan's first foreign aid policy does not provide money to other states but sends an agricultural technical mission to Vietnam with the financial backing of the United States.

volatile. Taiwan ideally hopes that the money strategy can increase its international spaces despite the size of its competitor.

Does the dollar diplomacy or the blank-check diplomacy work? Due to the sensitivity of diplomacy and since Taiwan does not belong to the OECD, we do not have the figure of how much grants and loans Taiwan provides to each allied states. There is no measurement of the effectiveness of this policy. Hence, we cannot precisely evaluate this policy; however, we can speculate that it has not been successful since the number of states with official diplomatic relationship with Taiwan has decreased. Table 3 lists the numbers of supports for Taiwan in the UN and Taiwan's ODA in recent seven years. From 1991, Taiwan has asked its allied states to initiate a bill which requests the General Assembly to resume Taiwan's representation or to consider the basic rights of 23 million people in Taiwan. Furthermore, not all allied states support this bill. The signature on the bill turns to be the evidence of loyalty toward Taiwan, which is the price of dollar diplomacy. It is a useful index to evaluate the dollar diplomacy.

However, the judgment may be imprecise without the amount of grants. In Table 3, the amount of Taiwan's ODA is the sum-up of "international development and cooperation" and "humanitarian aid" from the *Budget of Ministry of Foreign Affairs, ROC (Taiwan)*. MOFA of Taiwan does not publish the amount of Taiwan's foreign aid until this year. Only "international development and cooperation" and "humanitarian aid" are listed in the MOFA's budget. From 1995 the International Development and Cooperation Fund (ICDF) is created to integrate the projects of development assistances in the third states. ICDF is in charge of allocating development aids to the recipients. We recognize that the figure of "international development and cooperation" includes the business fees for this foundation. It is still reliable due to every year's business fee should be similar. The problem of the figure we provide is that we do not have data of grants or other development projects from other ministries of Taiwan. ICDF does not publish the amount of its oversea developmental projects. Hence, the figure which we collect may be much lower than the real number of foreign aid but the rate of fluctuation should not deviate much from the trend of the total amount of foreign aids, which means it still is referable. Despite those issues of measurement, Figure 2 shows there is no obvious correlation between ODA and the supports in the UN. Some scholars even argue that foreign aids in 1991-2002 have a bad impact on Taiwan's participation in the international society (Tsai and Ye 2005). A negative correlation between the amount of humanitarian aid and the numbers of participation in international conferences is statistically significant. According to the result, Tsai and Ye suggest that Taiwan government should spend money on more efficient ways if the increase of humanitarian aid decreases the ability of Taiwan to participate other international activities.

The lack of transparency of dollar diplomacy causes high degree of dissatisfaction of the society in Taiwan, which is another disadvantage of this policy. Foreign aid policy equals to stupid and wasteful policy in the perspective of Taiwan's civil society since Taiwan's international status does not improve much. The volatile diplomatic relationships with some states disgust Taiwan people. Some people argue that the number of states' formal recognition does not matter but the economic capability of Taiwan does in the terms of Taiwan's international status. The depressed economy of Taiwan worsens the acceptance of the dollar diplomacy of Taiwan's civil society. The lack of monitor system also produces many corruptions in Taiwan and the recipients. Last year Taiwan's former minister of MOFA admitted that thirty

millions US dollars disappeared, which was supposed to “buy” a formal relationship with Papua New Guinea. Taiwan government accused the broker of taking all the money away; the broker refuted that and accused both the officials of Papua New Guinea and Taiwan governments divvied the money. Until now the truth is still unclear but this event deepens the dirty image of the dollar diplomacy in the mind of Taiwan’s civil society.

Considering all those disadvantages and the illusion of being able to compete with China in terms of money, Taiwan President, Ying-Jeou Ma, veers the direction of foreign aid policy toward the flexible diplomacy. He stresses that Taiwan should be a realistic idealist. Giving foreign aid depends on “appropriate motives, due diligence and effective practices.” It is a people-based value instead of interest-based one. Hence, this policy stresses what recipient really needs and how to teach them what they need. Its goal is “partnerships for progress and sustainable development” between Taiwan and recipients. Under this goal, technological assistance is more important than grants. Moreover, 22 of the 23 countries with the official relations with Taiwan are recognized by the OECD as recipient states, except for the Holy See. That is, they all need development assistances and they are the goals which the OECD tries to foster. Helping those countries can not only maintain the diplomatic relationship but also can correspond to the international trend. Hence, it is multiple winning situations for Taiwan to help them to develop their socioeconomic conditions.

However, changing the direction is not enough to overthrow the dirty image of dollar diplomacy in the perspective of Taiwan’s civil society. We agree that the goal of partnership for progress and sustainable development is a better way to allocate foreign aids. Strengthening functions of ICDF can effectively match the supply and demand of development projects. However, this foundation cannot become an excuse for MOFA to escape from the monitor of the Legislative Yuan of Taiwan.⁵ The monitoring mechanism should be established. How the money is allocated and how the projects are executed should be published explicitly. More importantly, the information of grants and loans should be transparent as well. The first step to get support from the civil society of Taiwan is to let people know what their money are used for. People’s point of views will not change if the figure of foreign aids keeps secret. Furthermore, the more open the government’s attitude toward foreign aids is, the more positive people consider the policy and the more they support the policy. In such a case, individuals, businesses and enterprises may be more willing to donate their money and time to the program of development aids and humanitarian aids. The goal of partnership within Taiwan and across states is more possible to be achieved.

Last, if Taiwan hopes that the world can pay attention to Taiwan’s contribution of the development of the third world, the figure of ODA should be discovered and be promoted. Implementation of foreign aid policy is important but its propaganda may be more important for small states with status discrepancy. With economic capability and with actions to contribute the world, small states need more propaganda to demonstrate its efforts.

Conclusion

⁵ The former ambassador, I-cheng Lu, proposes that Taiwan should have a mechanism of “appropriation bill” which asks Taiwan government to seek for the agreement of the Legislative Yuan before using huge budget (Lu 2005).

In this essay, we argue that development aid is an important instrument for the two states whose economic development led to seek improvement of reputation in the international community. We further add that for the state to effectively use development aid as a tool in enhancing reputation, domestic social mobilization that brings a change in domestic constituents' mind and ability to participate is the key—the nature of instrumentality and expectation of development aid has to qualitatively change.

Korea's and Taiwan's foreign aid policy have three common defects so that the foreign aid policy does not have obvious effects on the improvement of their international status. First, both states fail to transform foreign aid policy in making it a more effective tool of influence on partner states. Korea continues to use a large proportion of foreign aid in promoting trade relations. Taiwan meets China's competition in formal recognitions so that the third states can blackmail both sides for money. Foreign aid can breed short term relationship. Hence, both Korea and Taiwan lose the ability to exert influence when Korea and Taiwan need international supports. For example, Taiwan's support in the UN does not have a significant correlation with its amount of ODA. Unless both states can create a "strong community of interest between the aid-giving and aid-receiving countries," aid is a useless tool in promoting international status (Mason 1964; Baldwin 1985).

Secondly, both states face difficulties in integrating domestic resources to enhance aid policy. Korea set up Exim Bank and KOICA to allocate the foreign aids (including loans and projects of development assistance). Exim Bank controls allocation of concessionary loans. KOICA is responsible for the development projects. Although KOICA has been empowered with its autonomous ability to draw resources from the public and private enterprises, KOICA's autonomy is still questioned for it continues to remain under MOFAT. Taiwan does not have an agency which can integrate different resources though ICDF has similar functions. ICDF is under the direction of MOFA of Taiwan to conduct oversea development projects and is not actively involved with planning how to distribute the money and human capital to the recipients. Moreover, it only has governmental economic resources from the budget of MOFA and inherited budget from former agencies,⁶ which enables limited function of loans. The limited authority lets ICDF just be the helper of MOFA of Taiwan and constrains ICDF from functioning a pivot of multiple resources.

Last, both states lack the support of their civil society respectively. It is evident from the recent experience that in order for foreign aid to remain as an important foreign policy tool, civil society participation in designing and implementing foreign aid policies will be a key determinant in making foreign aid an effective tool for improving reputation. Mobilization and integration of civil society actors as key actors of development aid are not only instrumental but

⁶ In 1962 "ROC-Africa Technical Cooperation Committee" was established; in 1972 "Overseas Technical Cooperation Committee" replaced it. In 1989 the Ministry of Economic of Taiwan created "International Economic Cooperation Development Fund" to allocate economic assistances to partner states. In order to integrate the resources better, the establishment of ICDF is agreed by the Legislative Yuan in 1995 and takes the place of "Overseas Technical Cooperation" and "International Economic Cooperation Development Fund." At the beginning, the total fund of ICDF was 3.6 billion US dollars which inherited from the two former agencies. After that, its budget mainly comes from the MOFA of Taiwan.

also necessary for developing national strategy of foreign aid, given the characteristics of the states undergoing transformation in diplomacy.

One policy suggestion paper produced by KOICA asserts the need of qualitative change in foreign aid policy (Lee 2009, 108):

the development aid should move away from buying raw materials in exchange for loans, to increasing our overall ability to conduct and execute it and contributing to multilateral organizations in areas where we do not have comparative advantage.

The two new donor states seek to adopt the international standards set by the exclusive donor states, for identifying with the group of donor states improves the state's reputation in the international community. The desire to enhance global reputation comes from domestic societal desire resulted from economic development and regional circumstances that constrain changes. However, institutional and societal constraints continue to constrain the government from shifting aid standards in accordance with the international standard. As a result, adaptation of the new goals requires mobilization of the domestic society. In order to mobilize the society, the disclosure of information of foreign aids from governments is necessary for establishing the trust between civil society and governments. Furthermore, a well-functioning agency which can integrate resources and plan and implement the projects development assistance in long terms is needed for both states.

[Table 1] Korea's ODA: 1991-2008 (Million USD)

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
ODA	57.4	76.8	111.6	140.2	116.0	159.2	185.6	182.7	317.5	212.1	264.7
Year	2002	2003	2004	2005	2006	2007	2008				
ODA	278.8	365.9	423.3	752.3	455.3	699.1	803.8				

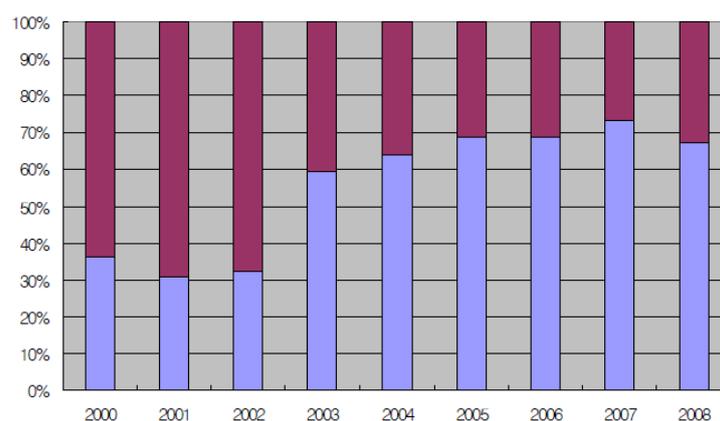
Source: *Korea's Development Cooperation (2009)*; *Korea's Yearly ODA (2007)*. Available at www.koica.go.kr.

[Table 2] Korea's Contribution to UN Peacekeeping Operations

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Personnel	2834	420	420	374	5260	5673	5665	3284	497	522	467	2637	4853

Source: Data is available at: <http://www.globalpolicy.org/security-council/tables-and-charts-on-the-security-council-0-82/peacekeeping-0-89.html>

[Figure 1] Loans-Grants Ratio of Total ODA (Korea)



Source: Data available from: http://www.koreaexim.go.kr/kr2/02_edcf/05_data/03.jsp

[Table 3] Numbers of Supports in the UN and Taiwan's ODA

Year	2002	2003	2004	2005	2006	2007	2008
Numbers of supports	15	16	15	13	18	17	17
ODA(NT\$ billion)	91	101	94	100	101	105	130

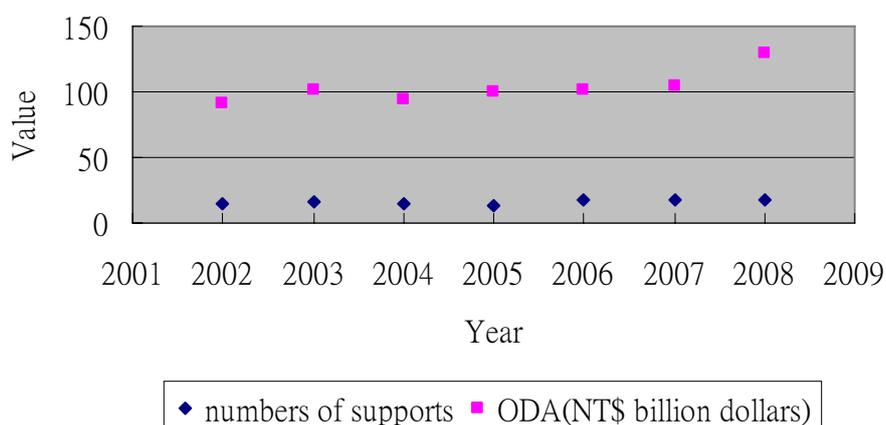
Source: The number of supports is from the UNBISNET. The ODA figures are from *The Budget of Ministry of Foreign Affairs, ROC (Taiwan)* in the official website of Ministry of Foreign Affairs, ROC (Taiwan).

[Table 4]Taiwan’s Supports in the UN

year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
supports	NA ⁷	NA	13	15+2 ⁸	15	16+1+1+1	14+1+1	15+1+1+1	13	14
year	2001	2002	2002	2003	2004	2005	2006	2007	2008	2009
supports	16+1+1	15+1+1	15+1+1	16+1+1	15+14+1	13+13+4	18+16	17	17	0

Source: the UN Database [UNBISNET].

[Figure 2]Taiwan’s ODA and Support from Table 1



⁷ Although Taiwan government claims the request for re-participation in the UN is from 1991, we cannot find UN documents about the requests in 1991 and 1992.

⁸ The former number means the number of supports for the request for resuming ROC’s representation in the U.N. The later number means other similar proposal or memorandum about expressing concern for Taiwan’s international status. For example, in 1994, there were fifteen countries signing at the proposal of A/49/144 about request for resuming Taiwan’s representation. In addition, there was one proposal from concerning Taiwan’s right in participating international organizations from Nicaragua and Solomon Islands.

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