

THE REPUBLIC OF KOREA'S FOREIGN AID THROUGH E-ASIA AND  
KNOWLEDGE PARTNERSHIP FUND: A CASE STUDY OF  
CAPACITY BUILDING AND SCHOOL NETWORKING  
FOR EDUCATIONAL SERVICES (E-LEARNING)  
IN THAILAND

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การให้ความช่วยเหลือต่างประเทศของสาธารณรัฐเกาหลีผ่านกองทุนอี-เอเชียและหุ้นส่วนทาง  
ความรู้: กรณีศึกษาโครงการเสริมสร้างสมรรถนะเพื่อเพิ่มขีดความสามารถ  
ในการให้บริการทางการศึกษาสู่โรงเรียนเครือข่าย  
ในประเทศไทยผ่านสื่ออิเล็กทรอนิกส์

นางสาวนวล ตัญศิริสุข

วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต  
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LEARNING) IN THAILAND  
By Miss Nuan Tansirisuk  
Field of Study Korean Studies  
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การศึกษานี้มีวัตถุประสงค์เพื่อ 1) ศึกษาการให้ความช่วยเหลือเพื่อการพัฒนา (Official Development Assistance: ODA) แบบพหุภาคีของเกาหลีผ่านกองทุนเอเชียและหุ้นส่วนทางความรู้ (E-Asia and Knowledge Partnership Fund-EAKPF) และ 2) ศึกษาความเข้าใจและทัศนคติของผู้เข้าร่วม “โครงการเสริมสร้างสมรรถนะเพื่อเพิ่มขีดความสามารถในการให้บริการทางการศึกษาสู่โรงเรียนเครือข่ายในประเทศไทยผ่านสื่ออิเล็กทรอนิกส์” ที่มีต่อเกาหลีผู้เป็นเจ้าของทุน โครงการนี้ได้รับการสนับสนุนจากกองทุน EAKPF ดูแลโดยธนาคารเพื่อการพัฒนาแห่งเอเชีย (Asian Development Bank-ADB) การศึกษานี้รวบรวมข้อมูลเรื่องเศรษฐกิจของเกาหลี ความช่วยเหลือต่างประเทศเกาหลี ประกอบการสัมภาษณ์บุคลากรจากหน่วยงานที่เกี่ยวข้องในโครงการนี้ และนำมาวิเคราะห์ข้อมูลในเหตุผลของผลประโยชน์แห่งชาติ (national interest)

ผลลัพธ์จากการศึกษาแสดงให้เห็นว่า การให้ความช่วยเหลือเพื่อการพัฒนาในโครงการนี้ไม่มีผลประโยชน์ด้านเศรษฐกิจของเกาหลี การพัฒนาเศรษฐกิจและสังคมในประเทศที่กำลังพัฒนาผ่านโครงการนี้ได้แสดงให้เห็นว่าเกาหลีมีความรับผิดชอบในฐานะประเทศผู้ให้ เกาหลีได้รับผลประโยชน์ทางการทูตจากโครงการนี้แทนผลประโยชน์ทางเศรษฐกิจ ความช่วยเหลือต่างประเทศของเกาหลีในกองทุน EAKPF มุ่งเน้นพัฒนาด้านคุณภาพและปริมาณของความช่วยเหลือเพื่อการพัฒนาเพื่อส่งเสริมภาพลักษณ์ในฐานะประเทศผู้ให้ของเกาหลีมั่นคงขึ้น ทั้งนี้เกาหลีมุ่งหวังที่จะเตรียมพร้อมสถานะไปสู่การเป็นคณะกรรมการความช่วยเหลือเพื่อการพัฒนา (Development Assistance Committee-DAC) ในองค์การความร่วมมือทางเศรษฐกิจและการพัฒนา (OECD) ในปี 2553

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NUAN TANSIRISUK : THE REPUBLIC OF KOREA'S FOREIGN AID THROUGH E-ASIA AND KNOWLEDGE PARTNERSHIP FUND: A CASE STUDY OF CAPACITY BUILDING AND SCHOOL NETWORKING FOR EDUCATIONAL SERVICES (E-LEARNING) IN THAILAND. ADVISOR : ASSOC. PROF. WORAWET SUWANRADA, Ph.D., 137 pp.

This study is 1) to investigate Korean multilateral aid through the study of the e-Asia and Knowledge Partnership Fund (EAKPF) and 2) to explore the attitude of the participants of the project toward Korea, the provider of the fund in the project “Capacity Building and School Networking for Educational Services (E-Learning) in Thailand.” The project is funded by Korea’s EAKPF managed by Asian Development Bank (ADB). Due to the fact that Korean economy depends on the ICT manufacture for the international trade and investment, one of the significant hypotheses concentrates onto the economic interests which Korea might receive from the project. The study of Korean economy, Korea’s ODA (Official Development Assistance), and the in-depth interview with the project officials are the source to conclude the motivation of the aid. Analysis of the motivation is “national interest”.

The study finds that the project does not possibly benefit Korea’s economic interest. Instead, Korea gains the donor image which is the diplomatic interest. The study considers that providing the assistance to the project represents the responsibility of donor country. The study analyzes that Korea’s development assistance through EAKPF increasing Korea’s ODA quality and quantity strengthens the national image to the international arena. In accordance with the enhancement of the national image, Korea prepares itself for the accession to Development Assistance Committee-DAC in Organization for Economic Co-operation and Development (OECD) in 2010.

Field of Study : Korean Studies..... Student’s Signature .....

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# CHAPTER I

## INTRODUCTION

### 1.1 Introduction

Foreign aid does not originally happen in the world to solve the poverty. Nowadays, foreign aid is regarded as a tool to alleviate the poverty in international community. The Republic of Korea (hereafter, Korea) started to regard the significance of the foreign aid. Korea was a donor providing the Official Development Assistance (ODA) since 1990s, and became the member of Development Assistance Committee (DAC) in 2010. ODA is a form of foreign aid provided by the governmental organizations. Organisation for Economic Co-operation and Development (OECD) describes ODA as followed;

*Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries (“bilateral ODA”) and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions. Lending by export credit agencies—with the pure purpose of export promotion—is excluded. [1]*

Asian countries are the priority recipient for Korea’s ODA. As Korea and Thailand grew the diplomatic relationship historically, the two nations have a long relationship within many aspects, such as, economy, diplomacy, military, etc. At the present, Information and Communication Technology (ICT) is the new gateway of economic and social development. The influences of ICT attack economy, politics, culture and society. Therefore, the need of ICT products can be seen everywhere in the world. The growth of speed, quality and popularity of ICT products continuously

increase. [2] Foreign aid trend in recent years brings the attention to the development of ICT sector, also, and many sectors through ICT.

There are many funds for ICT for development in Asia and the Pacific. The e-Asia and Knowledge Partnership fund (EAKPF) is the fund that the Republic of Korea established. Korea supports the financial fund to disseminate the ICT among Asia and Pacific region. The administration of this fund is the responsibility of Asian Development Bank (ADB). The e-Asia and Knowledge Partnership Fund was approved and introduced by ADB on 1<sup>st</sup> June 2006. The Government of the Republic of Korea (represented by the Ministry of Finance and Economy and the Export-Import Bank of Korea) donates 20 million USD to contribute to poverty reduction and the economic and social development in ADB's Developing Member Countries (DMCs). The fund aims to reduce the digital divide, promote the full access to information, communication, and technology and share experience, information, and knowledge in the Asia and Pacific region. [3]

“Capacity Building and School Networking for Educational Services (E-Learning) in Thailand” is funded by e-Asia and Knowledge Partnership Fund of Republic of Korea with an amount of 500,000 USD in 11<sup>th</sup> February 2008 through e-Asia window in the education sector and ADB approved this project in 19<sup>th</sup> September 2008. The project “Capacity Building and School Networking for Educational Services (e-learning) in Thailand” is executed by Chulalongkorn University, meanwhile, it is implemented by Chulalongkorn University Demonstration Elementary School. This project is classified as the economic development. The objective aims to develop an internet-based learning education curriculum of 3 fundamental subjects including science, mathematics and English in the elementary school which are located in the remote areas in Thailand. This is because the e-learning is expected to be the solution of the low national test (NT) scores of students in those, and to guide the greater opportunities for the students’ higher education. [4] With regard to the form of supporting, the fund includes the technical assistance and grants.

Korean economic relies on the export-led industry. According to the capability of ICT, the export of ICT products and services from Korea grows fast. Korea is one

of the countries turning itself to the ICT main producers and exporters. [5] The remarkable performance of Korea's ICT industry in terms of IT infrastructure, semiconductors, digital TVs, TFT-LCDs and mobile phone handsets has been growing after 1998. [6]

The project "Capacity Building and School Networking for Educational Services (E-Learning) in Thailand" is related to ICT development supported by Korean government, whereas Thailand, the recipient country is related to the donor in ICT trade. Considered as the ICT trade partner, Thailand is listed in the ICT top ten importers into Korea. See *Table 1.1*

**Table 1.1 Top 10 Countries in ICT Imports into Korea**

[unit : USD 0.1 billion, %]

Rank	2007			2008			2009		
	Country	Volume	Share	Country	Volume	Share	Country	Volume	Share
1	China	194.2	27.8	China	229.8	31.3	China	198.7	32.0
2	Japan	140.3	20.1	Japan	136.1	18.5	Japan	103.3	16.7
3	USA	93.7	13.4	USA	84.1	11.4	Taiwan	68.4	11.0
4	Taiwan	70.3	10.1	Taiwan	72.0	9.8	USA	64.3	10.4
5	Singapore	52.8	7.6	Singapore	63.7	8.7	Singapore	59.1	9.5
6	Malaysia	25.7	3.7	Germany	25.6	3.5	Malaysia	22.6	3.6
7	Germany	22.7	3.3	Malaysia	24.5	3.3	Germany	19.4	3.1
8	Thailand	16.0	2.3	Philippines	14.2	1.9	Philippines	14.3	2.3
9	Philippines	13.8	2.0	Thailand	13.7	1.9	Thailand	13.0	2.1
10	Hong Kong	12.8	1.8	Hong Kong	11.0	1.5	France	7.3	1.2
Ref	China(Hong Kong)	207.0	29.7	China(Hong Kong)	240.9	32.8	China(Hong Kong)	205.8	33.2
	EU	56.3	8.1	EU	60.6	8.2	EU	45.5	7.3
<b>Total</b>		<b>697.3</b>	<b>100.0</b>	<b>Total</b>	<b>735.2</b>	<b>100.0</b>	<b>Total</b>	<b>620.2</b>	<b>100.0</b>
<b>Top 10</b>		<b>642.3</b>	<b>92.1</b>	<b>Top 10</b>	<b>674.8</b>	<b>91.8</b>	<b>Top 10</b>	<b>570.5</b>	<b>92.0</b>

Source: National IT Industry Promotion Agency

Source: National Information Society Agency (NIA) [7]

Accordingly, Korea is the potential expert of ICT production and governance. Certainly, Korea's experience is valuable and Korea can pass it to the third-world countries through the foreign aid. Since Korean economy primarily focuses on ICT and there is the investment in ICT product in the project, it leads to the question

whether Korea could possibly benefit the economy from the case study. The result of the development project does not imply other benefit that the donor expects. Also, why the Government of Korea put this fund into the management of ADB, the regional financial institution? Why does not the government manage the fund itself? The thesis is going to explore these interesting aspects and to find out justifiable answers to the questions.

### **1.2 Research Objectives**

1. To investigate Korean aid through the study of the E-Asia and Knowledge Partnership Fund.
2. To explore the attitude of the participants of the project toward Korea, the provider of the fund.

### **1.3 Research Benefits**

1. The result can be used as the formation in developing Korea's aid system for creating better effective performance.
2. To understand the relationship between Korea and Thailand in the form of ODA, this study can be used for creating more effective relationship.

### **1.4 Research Hypothesis**

The e-Asia and Knowledge Partnership Fund in the case study "Capacity Building and School Networking for Educational Services (E-Learning) in Thailand" benefits the economic interest to Korea, the provider of the fund.

### **1.5 Literature Review**

To simplify the motives of Korean foreign aid according to the hypothesis, the motives of foreign aid are divided into two categories; economic interests and non-economic interests. The authors report that Korea' aid shows the economic interests whereas Korean government endeavors to decrease economic interests and increase non-economic interests for foreign aid. Korea expects the economic benefit from the recipient's repayment or supporting Korea's export goods and service. Meanwhile,

there are several non-economic interests for Korea's foreign aid motives, for example, diplomatic relationship, and humanitarian relief.

Wichian Intasi [8] and Choi Jin-wook [9] find that the development assistance can be explained by both economic interest and non-economic interest. Wichian Intasi says that Korea provides ODA to the developing countries for the development objectives. Meanwhile, the assistance can also benefit Korea to build the political, financial and social relationship with the recipient countries. Choi Jin-Wook analyzes Korea's ODA and concludes that Korea's ODA motive initially does not aim to humanitarian and did not reach to the international standard. Korea develops ODA following the international standard by decreasing loans, increasing untied aid, multilateral aid, and humanitarian aid.

Jerve and others [10] discuss the policy and the structure of Korea's and India's development assistance. It is due to the fact that Korea and India are both the new donors, their own experiences different from the traditional way of donor countries. The overview of Korean ODA characteristic that the authors found serves the international recognition. Korean government improves the quantity and quality of ODA to reach the DAC standard, but, in practice, Korean quality and quantity of ODA conforms. Korean ODA is still allocated in Asian countries which are the neighbor countries. The initiative goals are trade, security and foreign policy interests, especially, tightening the economic relationship with Asian countries.

Chun Seung-Hun [11] reports another new motive for Korea's ODA. He says that Korea's ODA concerns three motives including 1) humanitarianism, 2) self-interest, and 3) contribution to solidarity of humankind. Firstly, Korea was once a poverty-stricken country and this is a crucial experience for a humanitarian motive of Korea's ODA. Secondly, Korea's ODA serves national survival and economic prosperity of the nation. Korea export is essential. He says Korea believes in development in term of improve the favorable trade environment and Korea can benefit it. Energy and food is the necessary imported goods for survival of Korea nation. Moreover, the main activity of Korean economy which is the export needs the imported raw materials to produce goods. Lastly, Korea received helps from the international community in the past, however, now Korea is regarded as a distinctive player who involves in many global poverty reduction activities. Eun and others'



article, “Dollars and Diplomacy: Instrumentality of Foreign Aid –Taiwan and Korea–” studied the characteristics of Taiwan and Korea’s ODA. They said the trend of the two countries’ foreign aid shows the need to level up the nation’s status in the international society. “This transformation and an increase in the instrumentality of foreign aid are explained by improving domestic economic conditions and international strategic circumstances.” [12]

David Potter [13] studies Asian donor’s foreign assistance model, purposes, and practices. He finds that Asian donor serves national goals; national security, cultivation of friendly relations with recipient countries, commercial motives, promotion and maintenance of a donor’s international status, support of a recipient’s economic development, humanitarian relief, and support of a donor’s ideological goals. Moreover, he categorizes the national goals into three motives; political and foreign policy motives (diplomatic standing, place in the international system and guarantee of national security), commercial motives, and development motives. He accepts that promotion and maintenance of a donor’s international status is for Korea who struggles to join the Development Assistance Committee (DAC) in Organisation for Economic Co-operation Development (OECD).

David Lumsdaine and other [14] study Korea’s ODA policy. This study also mentions Korea’s ODA to North Korea and NGOs and analyzes Korea’s ODA into three motives of foreign aid; 1) political motives: entering the United Nations to be the alliance of UN is to fight against North Korea, 2) status motives: entering the OECD, Korea’s ODA means “a kind of membership fee” to international society, 3) economic objectives: ODA increases trades with developing nations. They report that ODA affected economic objectives in the mid-1990s when Ministry of Foreign Affairs and Trade (MOFAT), Ministry of Strategy and Finance (MOSF) and Export-Import Bank of Korea use ODA as a tool to relate with the nation’s trade and investment with the developing country recipients. The economic objective is still shown while Korea’s Economic Development Cooperation Fund (EDCF) provides a number of concessional loans.

These related studies present both the economic interests and the non-economic interests in Korean aid. Many studies describe that Korean aid expects other

motives which are non-economic interests. Consequently, this study will analyze Korean aid in the case study to prove the related studies as well as the hypothesis.

### **1.6 Conceptual Framework**

According to Hans Morgenthau, foreign aid is defined as the “real innovations which the modern age has introduced into the practice of foreign policy” [15] Foreign aid is a tool of every country’s foreign policy, especially foreign policy of the developed countries. Motivations for giving foreign aid include economic interests and non-economic interests. Non-economic interests include with the reasons, for example, humanitarian reason, national prestige, national image. All of these motivations serve to advance the donor’s national interests.

### **1.7 Scope**

The study analyzes the project “Capacity Building and School Networking for Educational Services (e-Learning) in Thailand” by collecting data from Asian Development Bank (ADB), Chulalongkorn University Demonstration Elementary School and the participating group to investigate the motives of Korea’s foreign aid through the e-Asia and Knowledge Partnership Fund.

### **1.8 Methodology**

The study employs the documentary research and the in-depth interview. The study will use the data collecting from the articles, the books, and the affiliated organizations, also the in-depth interview to find out the result. Collecting the data by the in-depth interview is to search for the detail about the project from the personnel in ADB and Chulalongkorn University Demonstration Elementary School who involve in the project. Then, the in-depth interview will be used again with the participating group to find the attitude toward Korea, mainly.

To explore the participants’ attitude, the study interviews teachers of 50 participating schools according to the information provided by Chulalongkorn University Demonstration School, the implementing agency of the project since October 2011. Instead of doing the face-to-face interview, the phone interview is needed resulting from the diverse school locations and the small amount of budget.

There are totally 150 participants from 50 schools, whom the study needs to have an interview with, however, the study have a conversation with only 50 participants because some schools provide just one participants' contact, rather than three, to Chulalongkorn University Demonstration School. Therefore, with these reasons, the study will use the in-depth interview via phone with one representative per school.

The study uses these following question topics to interview the participants;

-The interviewees' general information:

-Name and surname

-The teaching subject in the responsibility

-The administrative position in school

-The information about attendance in the project

-How does the school get to know the project?

-How does the interviewee attend to the project?

-How many teachers sent to the project?

-How many times the interviewee attend the conference workshop?

-Is there any ICT-related project that the school is participating now?

-The project in the school

-How does the interviewee describe the success of the project applied in the school?

-Does the school successfully extend the project?

The attitude toward the project

-Is the interviewee satisfied with the project? How?

-What is the best point in the conference workshop or the project serving the interviewee's satisfaction?

-The attitude toward Korea

(The attitude toward Korea before attending the project)

-What does come up in mind when the interviewee thinks about Korea?

-Does the interviewee prefer any Korean products?

(The attitude toward Korea as a donor)

-Do you know Korea's participation in the project? when? how?

-How does the participant feel about Korea's participation?

-Apart from this project, has the interviewee ever known other Korea's development cooperation in the local area or the school?

-If there is any chances that Korea provides the development cooperation to Thailand on its own, which aspect does the interviewee need Korea to provide the assistance? How?

The study will collect the data and analyze the national interests, which Korea could gain from the project and prove the hypothesis.

## **1.9 Definition**

1.9.1 An attitude is described as "the cognition with some degree of aversion or attraction (emotional valence), that reflects the classification of objects and events."

[16]

1.9.2 Economic interest: referring to Carol Lancaster [17], the study uses commercial motives for economic interests in this study. Economic interests can be described as the goal involving the support of donor's markets. The donor's government may provide the foreign aid to export goods and service to the recipient. Economic interests are also relevant to the economic cooperation, mixing of export-import bank, aid loans.

1.9.3 Commercial interest: the study will understand that the economic interest which is controlled by donor's government benefits donor's public sector while the definition of commercial interest is used for the trading benefits serving donor's private sector.

1.9.4 Diplomatic interest: the use of aid in this study refers to the diplomatic goals, for instance, growing the relationship with the recipient in any aspects, national image, and national prestige.

## **CHAPTER II**

### **BACKGROUND OF KOREAN ECONOMY**

Owing to the geographical proximity, Asian countries associate with Korea in every aspects of relations, such as, geographical, diplomatic, political, cultural, social, economic aspects, etc. The diplomatic policy launched by the Government of Korea firmly represents the significance to Asia. Under administration of President Lee Myung-Bak, MOFAT launches “Asia Initiatives” to be the substantial policy utilizing ODA as a diplomatic tool of the international arena and Asia is the top priority to prove the performance of new diplomatic plan. [18] As with so many aspects of relations, Asia is growing the importance to Korea. Korea underpins the international trade and FDI (Foreign Direct Investment) with Asian partner countries. Asian region attracts traders and investors for some advantages, for example, low-labor cost, new market, etc. Thailand is situated in South East Asia which is the priority region for Korea’s economic strategies. The economic cooperation in terms of trade between Korea and Thailand is the most important cooperation to deepen Korea-Thailand diplomatic ties. [19] Particularly, Thailand is in the rank of top 10 countries exporting the ICT goods to Korea. Korean trade, especially ICT sector, to Thailand will have a bright prospect.

This chapter is organized as follows: 1) background of Korean economy, 2) significance of Information Communication and Technology (ICT) in Korean economy, and 3) Korea-Thailand economic relations.

#### **2.1 Background of Korean economy**

Korean economic growth increases in 2010 amounting 6.2%. The rank is in 2<sup>nd</sup> of the country group of OECD, second to Turkey, and it largely expands after the year 2009. However, the growth decelerates, it grow only 0.2% due to the attack of financial crisis in the United States and Europe. Korean economy currently focuses on the growth of export-led industry.

The early 1960s, Korean government adopted the import substitution policy and suddenly, in the mid-1960s, Korean government engaged in an export-oriented

industrialization strategy focused on light industries. Then, in 1970s, the industrial trend changed into heavy and chemical industries. Since 1980s, Korean government pushed market oriented approach to industrial policy, decrease its credit allocation. However, promoting more technology-intensive industries is a key role. As a result of many factors such as the changing global economic environment, government policies, and Korean cultural characteristics supporting ICT diffusion, ICT becomes the successful key to the national development. Korea's main export goods in the 1970s – 1980s had been light and heavy industry products such as apparel, shoes, toys, consumer electronics, machine tools, automobiles, and ships. Korea could not compete with China which produces both of the light industry and the heavy industry, so Korean Government resolved the global economic competition by emphasizing knowledge-intensive, high-tech areas [20] and Korean economy had changed into the “Knowledge Economy.” The knowledge economy is the form of economic development process. ICT supports the expansion of knowledge which is the principal of the new strategic economy, the knowledge economy. Information society, digital economy, knowledge-based economy, new economy, or e-commerce has been introduced in modern times.

Nowadays, ICT industry or “knowledge-intensive industry” continues to play the important role in Korean economy. The mining and manufacturing production including ICT, vehicle, shipment, and inventory possesses the highest rate in all industrial activities. Mining and manufacturing production index in November 2010 held the growing rate by 1.4% from the previous month and 10.4% from the same period of the previous year. The share ICT industrial production continuously grew from 2009 until 2010. See **Table 2.1**

**Table 2.1 Major Indicators of Industrial Activities in 2009-2010**

[year-on-year, %]

				'09	Q3	Nov.	'10 Q2	Q3	Sep.	Oct. <sup>P</sup>	Nov. <sup>P</sup>
Production	Mining and Manufacturing <sup>1)</sup>	• Production	From the previous month (quarter)	-	6.9	1.8	5.0	2.1	-0.3	-4.2	1.4
			From the previous year (Working day adjusted)	-0.8	4.3	18.1	19.5	11.9	4.0	13.5	10.4
		- Manufacturing (ICT)	-0.9	4.4	18.8	20.2	12.2	4.1	13.6	10.6	
		(Vehicle)	7.8	13.2	47.4	27.0	19.9	15.8	12.5	11.1	
		• Producer's Shipment	-6.8	15.8	15.4	35.7	16.5	2.8	21.8	12.3	
		- Domestic	-1.7	2.1	15.5	17.2	11.3	3.8	13.7	11.0	
		- Export	-1.8	3.4	13.9	15.4	8.3	-0.8	10.5	8.0	
		• Producer's Inventory <sup>2)</sup>	-1.7	0.4	17.5	19.7	15.4	10.1	18.0	15.0	
		-	-8.0	-14.2	-14.6	15.6	18.4	18.4	18.3	16.2	
		Manufacturing	Average Operation Ratio <sup>3)</sup>	74.6	78.8	78.2	83.0	82.6	81.5	79.7	80.9
		Production Capacity	3.1	3.2	3.9	5.8	6.5	6.5	6.3	6.3	
Service Industry		From the previous month (quarter)	-	-0.1	-0.1	0.6	-1.5	-0.5	0.5	0.8	
		From the previous year	2.0	1.9	4.2	4.0	2.1	-0.9	3.0	3.6	
Consumption	Retail Sales	From the previous month (quarter)	-	0.3	0.5	0.0	2.8	0.0	0.2	2.9	
		From the previous year	2.6	2.8	9.7	4.9	7.3	4.4	4.2	6.9	
Investment	Equipment	Equipment Investment Index	From the previous month (quarter)	-	3.4	5.6	6.0	7.0	-3.7	-9.7	-0.6
			From the previous year	-8.2	-9.9	10.1	24.5	27.6	11.6	9.7	4.5
		Value of Domestic Machinery Orders Received	-11.8	3.4	56.2	24.2	-0.7	4.5	11.4	-14.2	
	Construction	Value of Construction Completed <sup>4)</sup> (constant)	From the previous month (quarter)	-	-5.3	-0.5	-2.2	-2.9	-3.5	-9.7	2.4
			From the previous year	1.7	1.8	4.6	-3.9	-3.8	-14.7	-8.9	-10.1
	Value of Construction Orders Received(current)	3.0	7.6	78.8	-6.6	-5.0	-18.4	-59.6	-48.7		

Note 1) Including Mining, Manufacturing, and Electricity & Gas.

2) At the end of the month, quarter and year.

3) During the month, quarter and year.

4) The data for the last 4 months are preliminary.

Source: Statistics Korea [21]

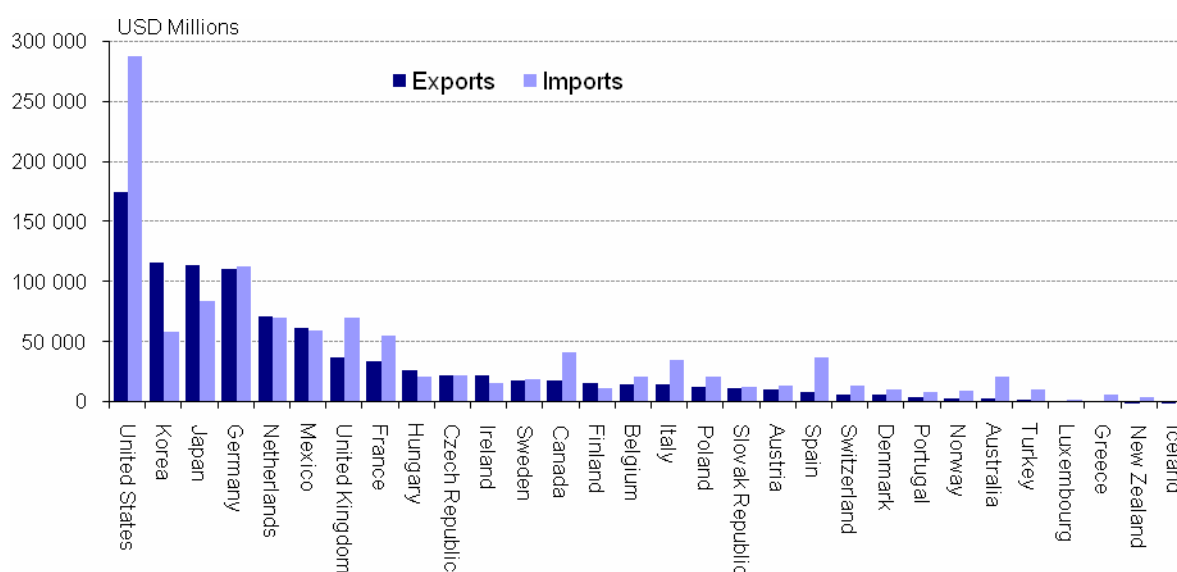
## 2.2 Significance of Information Communication and Technology (ICT) in Korean Economy

A characteristic of Korean ICT manufacturing is the high ratio of production for export. One-third of total export is ICT products. In 2008, export of ICT products contributed 26.2% of total export while import of ICT products contributes 15.2% of total goods imports. [22] The share of ICT production value continuously increased.

In 2001, the ICT market valued 103 billion USD and governed the highest adding value of all sectors in Korean economy. ICT accounted for 50% of the growth in overall GDP in 2000. [23] ICT equipment shared the highest market segment which accounts 74 % of ICT production. 41 % of all ICT equipment production is exported. [24]

ICT industrial products introduce the role of Korea as the main ICT instrument producer of the world. **Figure 2.1** shows trade in ICT goods in 2008. The United States was in the first rank in trade. Yet its volume of ICT import was more predominant than the volume of ICT export, the volume of export increased far from any other countries'. Korea and Japan were the second and third, respectively. Although the volume of Korean ICT export goods insignificantly increased, the small amount of ICT import goods was remarkable.

**Figure 2.1 Trade in ICT goods in 2008 (million USD)**



Source: OECD [25]

### 2.2.1 Top partner countries in ICT Exports and Imports

See **Table 2.2** Top 10 countries that Korea exports ICT goods in 2009 were China, US, Hong Kong, Japan, Mexico, Singapore, Taiwan, Poland, Germany and Slovakia. Their share jumped from 75.9% in 2008 to 78.7% in 2009. See **Table 2.3** Korea mainly exports the ICT goods in terms of core ICT equipment, for example,



electronic components, PCs and peripherals, communication and broadcasting equipment, image and sound equipment, magnetic optical equipment, etc., approximately 110,000 million USD, while Korea exported the amount of broad ICT equipment approximately 11,000 million USD.

**Table 2.2 Top 10 Countries in ICT Exports from Korea**

(unit : USD 0.1 billion, %)									
Rank	2007			2008			2009		
	Country	Volume	Share	Country	Volume	Share	Country	Volume	Share
1	China	358.8	27.6	China	382.2	29.1	China	393.4	32.5
2	USA	153.7	11.8	USA	169.6	12.9	USA	159.7	13.2
3	Hong Kong	107.5	8.3	Hong Kong	106.3	8.1	Hong Kong	108.0	8.9
4	Japan	93.7	7.2	Japan	79.8	6.1	Japan	66.2	5.5
5	Taiwan	69.3	5.3	Mexico	60.4	4.6	Mexico	49.0	4.0
6	Singapore	52.7	4.1	Taiwan	53.0	4.0	Singapore	46.9	3.9
7	Mexico	51.6	4.0	Singapore	47.7	3.6	Taiwan	44.1	3.6
8	Germany	51.0	3.9	Germany	37.0	2.8	Poland	33.3	2.8
9	Malaysia	32.1	2.5	Malaysia	29.9	2.3	Germany	29.1	2.4
10	UK	29.6	2.3	Poland	29.3	2.2	Slovakia	22.4	1.9
Ref	China(Hong Kong)	466.3	35.8	China(Hong Kong)	488.5	37.2	China(Hong Kong)	501.5	41.5
	EU	223.5	17.2	EU	218.0	16.6	EU	170.4	14.1
<b>Total</b>		<b>1,301.0</b>	<b>100.0</b>	<b>Total</b>	<b>1,311.6</b>	<b>100.0</b>	<b>Total</b>	<b>1209.5</b>	<b>100.1</b>
<b>Top 10</b>		<b>1,000.0</b>	<b>76.9</b>	<b>Top 10</b>	<b>995.1</b>	<b>75.9</b>	<b>Top 10</b>	<b>952.2</b>	<b>78.7</b>

Source: National IT Industry Promotion Agency

Source: NIA White Paper 2010 [26]

**Table 2.3 ICT Equipment Exports 2006-2009 (100 million USD)**

Year		2006	2007	2008	2009
Core ICT Equip- ment	Electronic Components	578	655	637	627
	PCs and Peripherals	119	129	98	70
	Communication and Broadcasting Equipment	271	307	360	310
	Image and Sound Equipment	103	94	90	80
	Magnetic Optical Equipment	9	10	10	11
	<b>Subtotal</b>	<b>1,079</b>	<b>1,194</b>	<b>1,195</b>	<b>1,098</b>
Broad ICT Equip- ment	Medical Precision and Optical Instruments	19	23	27	26
	Domestic Appliances	44	43	40	37
	Office Appliances and Machinery	4	5	5	4
	Electronic Machinery	46	35	44	45
	<b>Subtotal</b>	<b>112</b>	<b>107</b>	<b>116</b>	<b>111</b>
<b>Total</b>	<b>1,191</b>	<b>1,301</b>	<b>1,312</b>	<b>1,209</b>	

Source: NIA White Paper 2010 [6]

Korea imports the ICT goods in the form of core ICT equipment (nearly 55,000 million USD) rather than broad ICT equipment (approximately 10,000 million USD). Thailand was listed in the top 10 countries Korea imported during 2007-2009. However, Thailand absorbed approximately 2% of Korea's total imported ICT goods. Compared with other South East Asia countries, Thailand is the ICT importer into Korea in the minimal portions. See *Table 2.4 and 2.5*

**Table 2.4 Top 10 Countries in ICT Imports into Korea**

(unit : USD 0.1 billion, %)

Rank	2007			2008			2009		
	Country	Volume	Share	Country	Volume	Share	Country	Volume	Share
1	China	194.2	27.8	China	229.8	31.3	China	198.7	32.0
2	Japan	140.3	20.1	Japan	136.1	18.5	Japan	103.3	16.7
3	USA	93.7	13.4	USA	84.1	11.4	Taiwan	68.4	11.0
4	Taiwan	70.3	10.1	Taiwan	72.0	9.8	USA	64.3	10.4
5	Singapore	52.8	7.6	Singapore	63.7	8.7	Singapore	59.1	9.5
6	Malaysia	25.7	3.7	Germany	25.6	3.5	Malaysia	22.6	3.6
7	Germany	22.7	3.3	Malaysia	24.5	3.3	Germany	19.4	3.1
8	Thailand	16.0	2.3	Philippines	14.2	1.9	Philippines	14.3	2.3
9	Philippines	13.8	2.0	Thailand	13.7	1.9	Thailand	13.0	2.1
10	Hong Kong	12.8	1.8	Hong Kong	11.0	1.5	France	7.3	1.2
Ref	China(Hong Kong)	207.0	29.7	China(Hong Kong)	240.9	32.8	China(Hong Kong)	205.8	33.2
	EU	56.3	8.1	EU	60.6	8.2	EU	45.5	7.3
<b>Total</b>		<b>697.3</b>	<b>100.0</b>	<b>Total</b>	<b>735.2</b>	<b>100.0</b>	<b>Total</b>	<b>620.2</b>	<b>100.0</b>
<b>Top 10</b>		<b>642.3</b>	<b>92.1</b>	<b>Top 10</b>	<b>674.8</b>	<b>91.8</b>	<b>Top 10</b>	<b>570.5</b>	<b>92.0</b>

Source: National IT Industry Promotion Agency

Source: NIA White Paper 2010 [6]

**Table 2.5 ICT Equipment Imports 2006-2009 (100 million USD)**

Year		2006	2007	2008	2009
Core ICT Equip- ment	Electronic Components	367	415	435	373
	PCs and Peripherals	80	86	85	72
	Communication and Broadcasting Equipment	51	56	66	55
	Image and Sound Equipment	27	29	32	26
	Magnetic Optical Equipment	12	14	14	10
	<b>Subtotal</b>	<b>536</b>	<b>601</b>	<b>632</b>	<b>536</b>
Broad ICT Equip- ment	Medical Precision and Optical Instruments	56	64	69	54
	Domestic Appliances	8	9	9	8
	Office Appliances and Machinery	4	3	2	2
	Electronic Machinery	43	21	23	21
	<b>Subtotal</b>	<b>111</b>	<b>96</b>	<b>103</b>	<b>84</b>
<b>Total</b>		<b>647</b>	<b>697</b>	<b>735</b>	<b>620</b>

Source: NIA White Paper 2010 [6]

## **2.3 Korea-Thailand Economic Relations**

### **2.3.1 Bilateral Relations**

The Republic of Korea and the Kingdom of Thailand have had the bilateral diplomatic relations since October 1, 1958. Since the military cooperation in Korean War, Thailand dispatched 11,786 soldiers to join with other 15 countries to fight alongside the Republic of Korea against North Korea. The bond of friendship between Korea and Thailand continuously develops in the mutual interest in the various areas; political, economic, and socio-cultural areas. [26]

In June 2010, Korea and Thailand discussed bilateral issues such as the 1<sup>st</sup> Policy Consultation. Mr. Panich Vikitsreth, Vice Minister for Foreign Affairs praised “this Policy Consultation would be a mechanism to strengthen cooperation between two countries. Both sides will also have an opportunity to discuss and review the progress of their cooperation.” [27]

Korea and Thailand stay close in partnership and work together for peace and prosperity in Asia and the global community. Korea and Thailand participate in the ASEAN +3 (member countries include: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam. +3 means China, Japan and Korea.), ASEM and APEC for regional cooperation. As a member of ASEAN+3, Korea can get benefit from trade and investment, and negotiation. ASEAN can benefit the members including;

- goods and service can comfortably mobilize within the member countries,
- the resembling enforcement of law can be promulgated, and
- the citizen can mobilize within intra-region favorably. [28]

The specific bilateral relations between Korea and Thailand are the economic and tourism relations between two countries which are growing fast. Trade, industrial and capital areas of Korea in Thailand strengthens the relationship. More than 200 Korean firms established for business and production in Thailand. The tourism relations also are remarkable. In recent years, Thailand becomes the second largest target of all countries around the world for Korean tourists. Korean tourists increasingly decided to go for Thailand. More than 1 million Koreans visited to Thailand in 2008. [29]

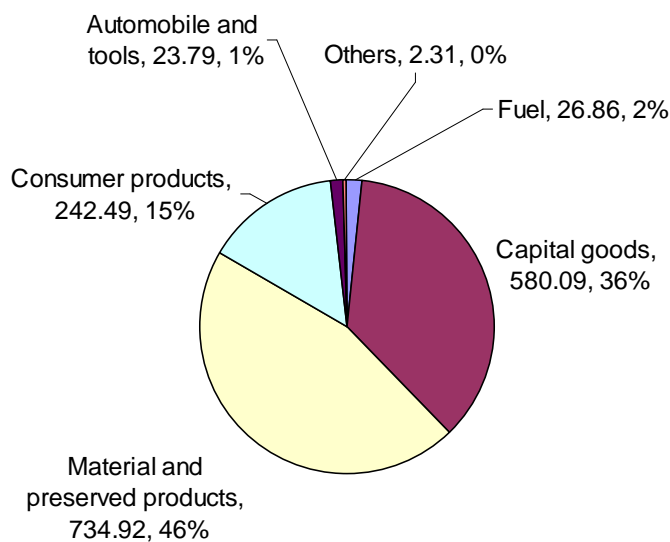
### 2.3.2 Trade between Korea and Thailand

The trade value between Korea and Thailand estimated within the ratio of 1.0% of Korean international trade in 2009. Thailand was in the 20<sup>th</sup> list of the major trade partners of Korea. [30] Korea's export goods to Thailand amounted to 1,151 million USD, import goods from Thailand 863 million USD in 2009. Korea imports the goods from Thailand approximately 66 % which is industrial goods, and 20% of the agricultural and fishery goods. Korean main export goods to Thailand is raw material goods, semi-finished material goods and capital goods which cost approximately 83 % of total Korean export goods to Thailand while the remaining share of Korean export goods amounted to 12% is the consumer products. [31]

In 2011, the main trading partners of Thailand included Japan (14.8%), China (11.8%), the United States (7.8%), Malaysia (5.3%), Hong Kong (4.6%), Indonesia (4.4%), Singapore (4.3%), Australia (4.0%), the United Arab Emirates (3.3%), and Korea (2.9%), respectively. Korea is listed in top ten of Thailand's major trade partner within 10 years (2001-2011). [32] In 2009, Korea was the 14<sup>th</sup> biggest market for Thailand's export and ranks 7<sup>th</sup> among the sources for Thailand's import. The volume of export goods from Thailand to Korea amounted to 844.08 million USD which decreases 21.35%. Thailand has a balance of trade deficit to Korea accounting for 568 million USD during 2010. [33]

To Korea, Thailand mainly imports material and preserved products accounting for 734.92 million USD (45.63% of total import goods from Korea), capital goods accounting 580.09 million USD (36.02% of total import goods from Korea), and consumer products accounting 242.49 million USD (15.06% of total import goods from Korea). *See Figure 2.2* The major export goods from Korea is in terms of the manufacturing sector, such as 1) electrical machinery and equipment and parts, 2) iron and steel, 3) nuclear reactors, boilers, machinery and mechanical appliances, 4) plastics and articles, and 5) organic chemicals, etc. [33]

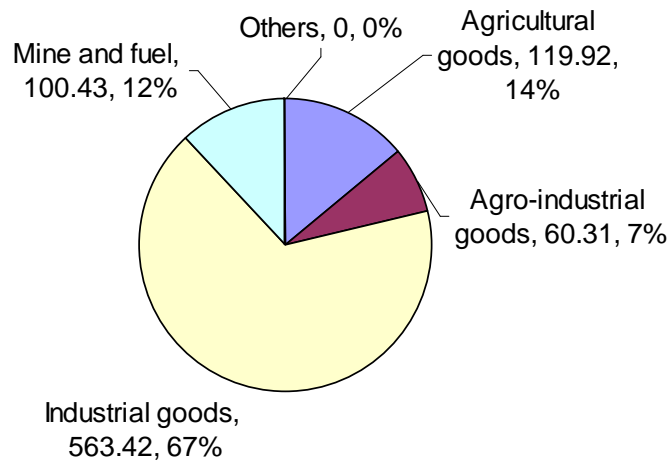
**Figure 2.2 Structure of Imported Goods from Korea to Thailand in 2009**  
(million USD)



Source: *depthai.go.th* [34]

There are five main export goods from Thailand to Korea; 1) electronic circuit, 2) crude oil, 3) computer, 4) rubber, 5) mechanical machine and parts, respectively. [34] **Figure 2.3** shows the structure of export goods from Thailand to Korea. The subdivision of all significant export goods is related to mostly manufacturing sector. The important export goods is industrial goods, agricultural goods, mine and fuel, and agro-industrial goods, respectively. The agricultural goods decreased 44.28% from 2008 to 2009, while the industrial goods accounting for 17.1% of Thailand's total export goods to Korea decreases relatively low from 66.75% of Thailand's total export goods to Korea. The new-coming trend of agro-industrial goods in Thailand's export goods to Korea is growing to 11.87%.

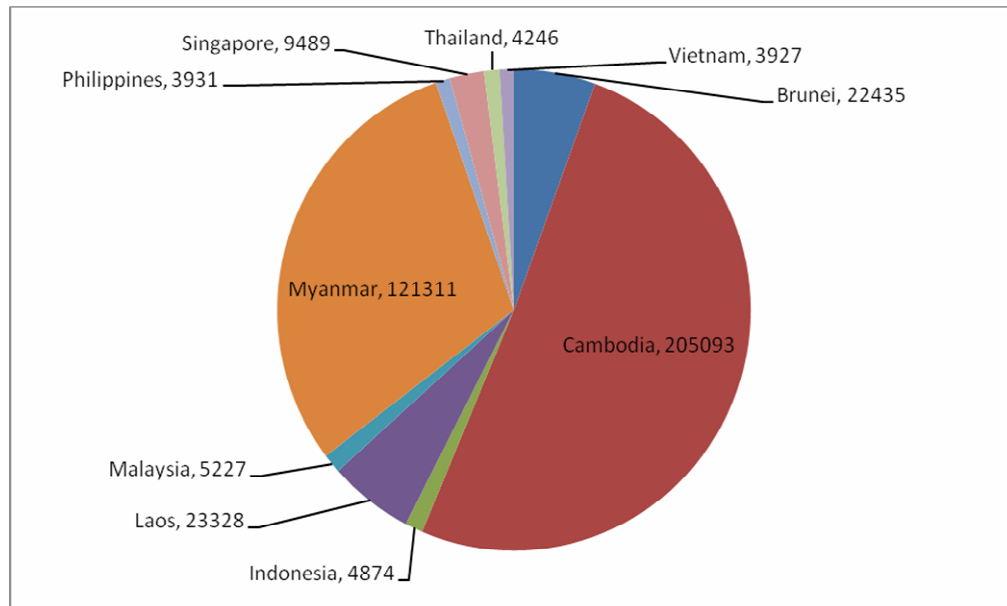
**Figure 2.3 Structure of Export Goods from Thailand to Korea in 2009  
(million USD)**



Source: *depthai.go.th* [35]

Thailand, as well as Cambodia, Indonesia, Malaysia, Philippines exports the goods to the United States, Korea, and Japan as the three main countries, respectively. Although Korea exports the goods to all ASEAN member countries, Korea imports the goods and service from the selective ASEAN countries. Also, the United States, Korea, and Japan, respectively, are listed as the main import country for ASEAN countries including Thailand. The value of Thailand's import goods from the United States, Korea, and Japan is in the highest rate, respectively. [36] **Figure 2.4** shows the value of export goods from ASEAN countries to Korea in 2006. In value terms, however, compared with neighboring countries, the share of Korea's export value to Thailand shows the small rate.

**Figure 2.4 Value of Total Korean Export Goods to ASEAN Countries in 2006  
(million USD)**



Source: ASEAN-Korea Centre [36]

### 2.3.3 Korean Foreign Direct Investment (FDI) to Thailand

Yoon, Deok-Ryong studies about Korea's investment and he states that Korean enterprises invest in the diversifying field, but most fields are in terms of the manufacturing sector. Korea expects China to be the manufacturing center and main market. Therefore, Korea's outward FDI to China is increasing. Then, since the regional trend in Asia increases Korean FDI, Korea expands the investment destination from China to other Asian countries. Korea invests to ASEAN countries to secure the access to natural resources, especially, in communication and infrastructure building. [37]

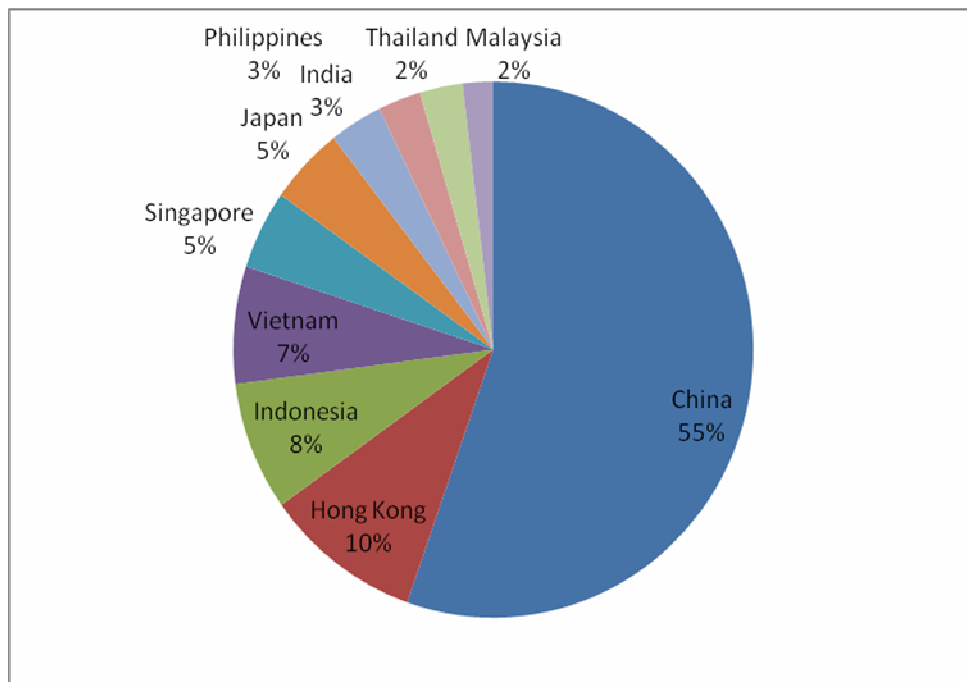
Not include with the natural resources for investment, the purchasing characteristics on South East Asian people is significant. The trend of consumer has changed and the purchasing power in the middle class increases. The market growth in Vietnam, Philippines, Thailand, and Indonesia that have the population 83% of ASEAN is increasing. Since 1990, the market of consumer product expanded in Indonesia's 3 times, Vietnam's 5 times, Philippines' 3 times, and Thailand's 3 times. Due to the middle class that the purchasing power is emerging, the economic trend of



these four countries changes from “lower price” into “the quality of product” tactics. In Thailand, now Thai consumer’s trend is seeking for convenience. The increasing apartment is the example for Thai people’s growing new demand (increased 90% in 2007). For this reason, Korea has begun to use the new strategies on the market segmentation in South East Asia. [38]

**Figure 2.5** shows the list of Asian countries according to Korea’s FDI amount. The outstanding amount of Korea’s FDI in China reaching 16.98 billion USD at the end of 2006 was in the first position in total amount and projects, as the ratio 55% of Korea’s total amount of Asian major destination. Hong Kong came after China with the amount of 2.99 billion USD. Indonesia, Vietnam and Singapore are in the third, fourth, and fifth rank, respectively. Korea’s traditional FDI destinations, Singapore and Japan, ranked in the 7<sup>th</sup> and 6<sup>th</sup> places. Other important FDI destinations of Korea which received over 1 billion USD are India, Philippines, Thailand and Malaysia, respectively.

**Figure 2.5 Percentage of Asian Major Destination of Korean FDI in 2006**

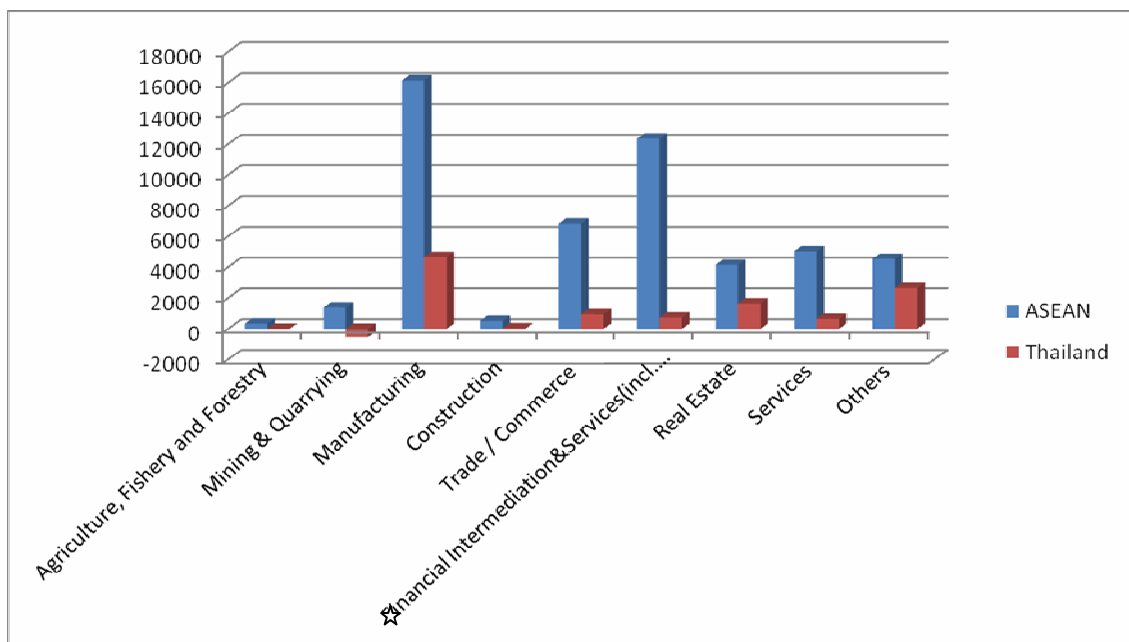


Source: Yoon, Deok-Ryong [37]

Although Korean investment to Thailand also is significant, the volume of Korean investment to Thailand come after other ASEAN countries, for example, Vietnam, Indonesia, and Singapore. Korea invested a total amount of 577 million Baht in total 18 projects approved by BOI in January-June, 2010. Korea invested the electric and electronic products sector 14 projects out of 18 projects in 2010. [39] Board of Investment of Thailand (BOI) reported Korea was the 4<sup>th</sup> country investing to Thailand within totally 18 projects for the first half of the year 2010 (Japan, Singapore, and the United States, are the top investors to Thailand, respectively), but Korean investment value, amounted to 557 million Baht, was 17<sup>th</sup> in the rank of total investment value to Thailand. [40]

However, Korean investment to Thailand reached to 20.6% of Korea's FDI to ASEAN and mostly invested in manufacturing sector which is the main sector of Korea's outward FDI in ASEAN. See *Figure 2.6* Furthermore, Thailand is the second important location for Korea's FDI in manufacturing sector in 2006. See *Figure 2.7*

**Figure 2.6 FDI Flow in ASEAN by Industry in 2006 Compared with FDI to Thailand**



\*Financial Intermediation & Services (including Insurance)

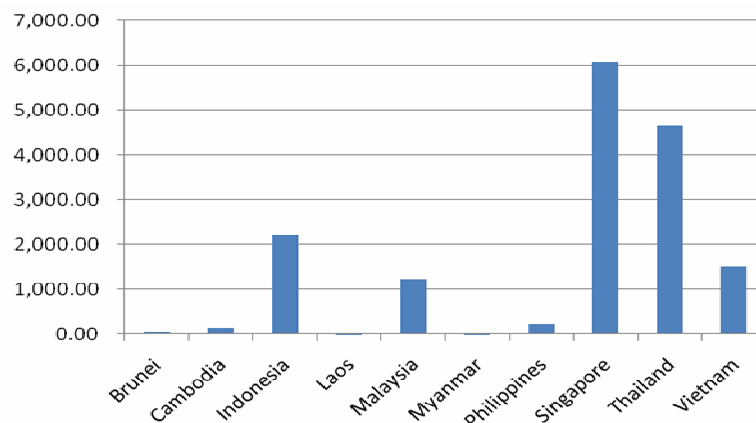
(Balance of payment basis unless otherwise indicated, the figures include equity and inter-company loans)

Figures for Brunei, Cambodia, Malaysia, Myanmar and Vietnam include reinvested earnings

- 1.Cambodia: Estimated figures
- 2.Myanmar: Figures are in fiscal year which ends in March of the following calendar year.
- 3.Philippines: Classification by economic sectors for reinvested earnings cannot be provided yet
- 4.Singapore: Preliminary figures
- 5.Thailand: Figures include capital fund of the banking sector.
- 6.Vietnam's figures for 2006 only cover the data on 1st half 2006.)

Source: ASEAN-Korea Centre [41]

**Figure 2.7 Korea's FDI in Manufacturing Sector in ASEAN Countries in 2006**



Source: ASEAN-Korea Centre [41]

During 2006-2007, Korea continuously increased the investment to Thailand by applying for the investment to the Board of Investment of Thailand (BOI) expanding from 2,332 million Baht in 2005 to 5,230 million Baht in 2006, and 11,568 million Baht in 2007. (On December 18, 2006, Thailand Central Bank implemented unremunerated requirement policy on short-term capital inflows, so OFDI growth to Thailand decreased in the period 2006-2007.) Korean investors applied for the investment in many sectors, such as chemicals and paper, electric and electronic products, metal products and machinery and light industries/textiles, etc. However, Korean investors started to diversify the various sector to invest, while the investment still focuses on manufacturing sector, especially electrical/electronic appliances, steel, and machinery in 2007. Two increasing main sectors are mineral and ceramic, and services which had never been Korea's underlining sector before. Especially, the increasing investment in services sector tends to thrive in the future. The most value of the investment project that Korea proposed in the year 2007 is mineral and

ceramics (44.8%). The second place is services (23.2%), followed by electrical and electronics appliances (14.9%), steel and machinery (13.2%), and paper (3.7%), respectively. [42] See **Table 2.6** Korea's investment to Thailand has been from secondary production to tertiary production. While electric and electronic products sector is the top list of Korea's investment to Thailand, the proportion of investment in service sector increases.

**Table 2.6 Korean Investment Projects Applying for Promotions Classified by Sector**

Unit: Million Baht

Sector	2005		2006		2007		2008		2009		2010	
	No. of Project	Investment	No. of Project	Investment	No. of Project	Investment	No. of Project	Investment	No. of Project	Investment	No. of Project	Investment
<i>Agricultural Products</i>	1	18.6	-	-	-	-	1	21.8	3	532.9	3	63.6
<i>Minerals and Ceramics</i>	1	95.0	-	-	4	5,185.8	2	944.6	-	-	-	-
<i>Light Industries/Textiles</i>	3	102.9	1	30.0	-	-	3	114.4	3	288.7	4	98.6
<i>Metal Products and Machinery</i>	9	794.2	8	748.3	13	1,530.3	9	314.5	3	146.0	10	461.7
<i>Electric and Electronic Products</i>	11	1,015.6	17	2,918.0	20	1,731.7	14	1,156.4	16	4,475.0	29	1,743.8
<i>Chemicals and Paper</i>	12	304.5	3	83.2	10	428.5	11	844.4	5	294.1	4	116.3
<i>Services</i>	1	1.4	4	1,450.8	5	2,691.4	9	911.5	6	2,520.8	9	2,623.8
Total	38	2,332.2	33	5,230.3	52	11,567.7	49	4,307.6	36	8,257.5	59	5,107.8

Note: 1) Korean investment projects refer to projects with Korean capital of at least 10%.

Source: [www.boi.go.th](http://www.boi.go.th) [43]

### **CHAPTER III**

## **BACKGROUND OF KOREAN OFFICIAL DEVELOPMENT ASSISTANCE (ODA)**

After World War II, not only Europe, but the Asian countries such as Korea and Taiwan also received the development assistance at the first stage of national economic development. [44] Between 1945 and the early 1990s, Korea received the foreign aid from the international community totally 12.69 million USD and effectively utilized it to recover the national economy. [45] Korean economic development led by the Government successfully is very progressive. Due to the rapid growth in the economic development, Korea becomes the symbol of the recipient-turn-donor country. Korea takes more responsibility to the world, when Korea plays a key role in the Dynamics of East Asia and in the world. [46] Firstly, since Korea obtains the useful experience of economic development, it is priceless to promulgate and inspire the developing countries which the development is in need. The international community acknowledges the uniqueness of Korea's development and persuades Korea to bridge the developing and developed countries together. The international community requests Korea to play the appropriate role as 'the bridge' or 'the middle power' between the developed countries and the developing countries. [47] Secondly, Korea reaches to the biggest 13<sup>th</sup> economic rank of the world and became the Development Assistance Committee (DAC) member in 2010, so the global community asks Korea for the international responsibility to the world. In addition, Korea indebted to the international compensation, it is the last acceptable reason for Korea's ODA tasks. For these reasons, Korea's Official Development Assistance (ODA) is in the process of improvement followed by international standard. Korea plans to evolve the effective development assistance and meet the international development objectives. [48]

While Korea is holding the international responsibility as the principle and objectives of ODA, Korea is clinging to 'national interest;' the national survival and economic prosperity which rely on the international trade. Since the international engagement for free trade, economic stability, and prosperity of all over the world is

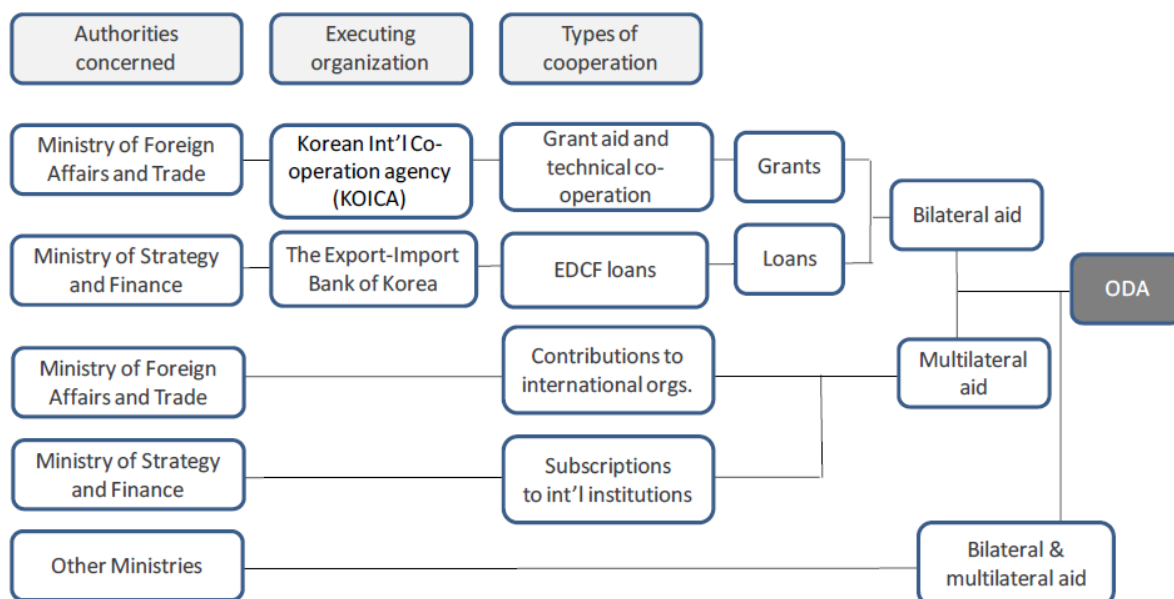
similar to national interest of Korea, Korea adequately provides the contribution to the international community. [11]

### **3.1 Definition of Bilateral and Multilateral (and Multi-Bi) Aid**

The ODA is divided into two categories; bilateral aid and multilateral aid. The contribution is in the form of financial flow, service or goods. Bilateral aid means the assistance which one donor directly provides to one recipient and multilateral aid means the aid that one donor provides the aid through the international institution. The bilateral aid has two types that are grants and loans. The bilateral aid is the aid that the donor country provides the foreign assistance directly to the recipient countries. The grant is in the form of material assistance, financial assistance, projects and technical cooperation (research, invitation of trainees, dispatch of experts and voluntary assistants). The grant is the assistance which the donor provides directly to the recipient without any conditions. The loan is the type of aid that the recipient accepts the assistance within the commitment. The commitment that the donor offers can be the rate of the interest or the purchase of the donor's goods and services.

*Figure 3.1* shows Korea's ODA system classified by bilateral aid and multilateral aid. Bilateral aid can be grant and loan. The bilateral aid includes the grant, technical cooperation and loans. Multilateral aid can be contribution and subscription to international institutions.

**Figure 3.1 Korea's ODA system**



Source: OECD [49]

Since the Korean aid, the e-Asia and Knowledge Partnership Fund (EAKPF) that the study will investigate is defined as multi-bi ODA. The definition of multi-bi aid is strictly described.

The multilateral institutions accept either core multilateral aid or non-core multilateral aid. Non-core multilateral aid or 'multi-bi' aid is determined as bilateral aid through multilateral institutions. OECD defines the regular contribution financed from multilateral institutions and is executed by multilateral institution is multilateral flows. If projects is executed by multilateral organizations on behalf of donor countries are classified as bilateral flows, [50] because the bilateral donor can control the use of funds. [51] The voluntary contributions from bilateral donors is routed through multilateral agency [52] and the donor earmarks at any level for specific theme/sector/program/country/region and it is supplementary to core membership contributions means 'earmarked' 'non-core' or 'multi-bi' aid. [53] This is shown in *Figure 3.2*

### Figure 3.2 Definitions of Multilateral ODA and Non-Core or Multi-Bi ODA

<p>1. Multilateral ODA is a contribution made to a recipient institution that:</p> <ul style="list-style-type: none"> <li>• conducts all or part of its activities in favour of development;</li> <li>• is an international agency, institution, or organisation whose members are governments, or a fund managed autonomously by such an agency;</li> <li>• pools contributions so that they lose their identity and become an integral part of its financial assets.</li> </ul> <p>Multilateral ODA includes <u>both</u> assessed and voluntary un-earmarked contributions.</p> <p>2. If a donor channels ODA earmarked for a sector, theme, country, or region through a multilateral institution, such ODA is reported as bilateral ODA. It is also referred to as non-core multilateral ODA or multi-bi ODA.</p>
---

*Source:* DAC Reporting Directives and DAC Secretariat.

*Source:* OECD [54]

### 3.2 Characteristics of Korean ODA

The CGD (Center for Global Development) report [55] matches with the statement of Lee Hee-Jin and other's in their study [56] that indicates the special characteristics of Korea's ODA:

- 1) relatively low ODA/GNI (Gross National Income) ratio
- 2) high percentage of concessional loans,
- 3) high proportion of tied aid,
- 4) regional bias in ODA, and
- 5) a large number of recipients

#### 3.2.1 Relatively Low ODA/GNI Ratio

Korea promises to increase the volume of ODA, but Korea's ODA/GNI ratio is the lowest in OECD members. Portugal which had the same level of GNI per capita (18,950 USD) provided approximately 0.27% of its GNI to ODA, a ratio three times greater than Korea's 0.09% of GNI in 2008. The volume of Korea's ODA increased from 2004 to 2005, but the ratio of GNI stayed low compared to other developed countries and the UN (United Nations) recommended rate of 0.7%. Korea's ODA in 2005 summed up to 743.64 million dollars which increased from 423.32 million dollars in 2004. The overall ODA volume was increasing, but the volume of grant aid was still low. The ratio of Korea's ODA is the 18<sup>th</sup> largest compared to DAC members of OECD (Organisation for Economic Co-operation Development) and the



GNI ratio is low. Korea's bilateral grant aid is less than 70 percent while the donor countries in DAC provided the bilateral grant assistance almost 99 percent.

### **3.2.2 High Percentage of Concessional Loans**

Loans are transfers for which the recipient needs to repay. Loans are more productive fiscal prudence than grants. A quarter of Korean ODA is untied in 2007. The volume of tied aid in Korean ODA system is still large. [57] Although Korean ODA from 2005 to 2006 shows the lower tied aid, it is still higher than the average of DAC members' tied aid.

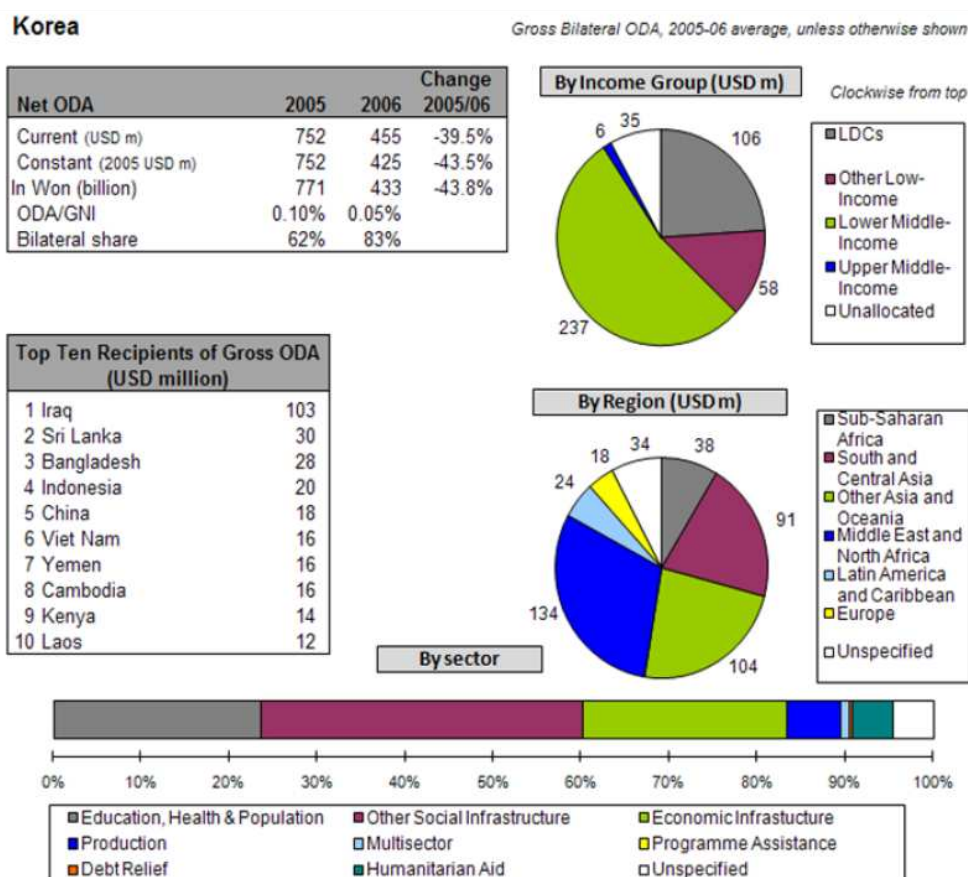
### **3.2.3 High Proportion of Tied Aid**

In 2006, the percentage of Korean bilateral untied aid was just 1.9% while total DAC members' reached 89.0%. A high proportion of tied aid will decrease the aid effectiveness. In the future, Korean government will continuously resolve the ODA system by increasing the grant aid and adjusting the tied aid system which restrains the aid supply to domestic companies/economy.

### **3.2.4 Regional Bias in ODA**

Region level, Asia and Africa are the focused regional recipients. Asian countries received Korea's ODA 41.4% in 2006. The Middle East (19.1%), Africa (12.7%) and Europe (8.3%) placing behind Asia, received the bilateral ODA from Korea, respectively. The three key partner countries are Vietnam, Mongolia and Indonesia which are Asian countries. Korea selected the seven Asian countries as top ten recipients in the year 2005 and 2006. Income group level, lower middle income countries is the most important recipient group. Sector level, Korea's ODA prefers social infrastructure, economic infrastructure and education, health & population sectors. *See Figure 3.3*

Figure 3.3 Korea's ODA at a Glance



Source: OECD [49]

See **Table 3.1** Korea's ODA reaches to Asian countries in the high volume. Although Korea continuously increases the aid contribution to Africa, the allocation of bilateral and multilateral aid to Asia is averagely high. From the level in 2008 Korean government is maintaining the selection on ASEAN countries by triple the nation's grants by 2015 that is in the Korea-ASEAN Development Cooperation Policy Statement, written during the ASEAN-Republic of Korea Commemorative Summit in June 2009.

**Table 3.1 Partner Regions in 2006 and 2007**

Region	2006		2007	
Country	Amount (USD in million)	Proportion (%)	Amount (USD in million)	Proportion (%)
Asia	71.950	37.2	88.380	32.7
Africa	23.430	12.1	42.368	15.7
Latin America	13.957	7.2	35.639	13.2
Middle East	54.714	28.3	58.475	21.6
Eastern Europe and the CIS	6.971	3.6	7.523	2.8
International Organizations	1.220	0.6	11.041	4.1
Other	21.247	11.0	26.791	9.9
Total	193.489	100.0	270.217	100.0

Source: KOICA Annual report 2008 [58]

### 3.2.5 Large Number of Recipients

The large number of recipients deteriorates the effectiveness of Korea's ODA. Korea provided the ODA to 126 recipient countries, so the disbursement for each recipient was relatively low. It leads to the average Korea's ODA volume per recipient just reached 3.7 million USD, lower than the DAC and even when compared with non-DAC countries in 2007. See *Table 3.2*

**Table 3.2 Average ODA Volume per Recipient by Donor in 2007**

Countries		net bilateral ODA (mn USD)	No. of Recipients*	Avg ODA volume per recipient* (mn USD)	% of recipients below ODA volume of 1mn USD* (%)
DAC	United States	18,901	137	68.1	13.1
	Germany	7,950	129	43.9	17.1
	France	6,258	140	47.3	15.7
	United Kingdom	5,602	128	37.7	35.9
	Japan	5,778	144	56.3	11.8
	Netherlands	4,644	98	25.4	32.7
	Spain	3,339	112	22.3	22.3
	Sweden	2,932	111	13.7	27.0
	Canada	3,152	146	13.9	21.9
	Italy	1,270	108	13.3	38.9
	Norway	2,883	108	16.2	25.9
	Australia	2,268	83	21.3	43.4
	Denmark	1,651	93	14.6	36.6
	Belgium	1,240	105	8.1	42.9
	Austria	1,324	117	10.3	61.5
	Switzerland	1,269	119	6.0	29.4
	Ireland	824	93	6.6	40.9
	Finland	584	103	3.6	59.2
	Greece	249	124	1.4	82.3
	Portugal	270	57	4.1	77.2
Luxembourg	253	88	2.4	60.2	
New Zealand	247	84	2.0	65.5	
<b>DAC Average</b>	<b>3,313</b>	<b>110</b>	<b>19.9</b>	<b>39.2</b>	
Non-DAC	Turkey	545	103	5.1	68.0
	<b>Korea</b>	<b>493</b>	<b>126</b>	<b>3.7</b>	<b>56.3</b>

Note: \* Using gross ODA data excluding regional and non-classified recipients

Source: Author's calculation based on OECD DAC Statistics

Source: Lee, Hee-Jin and others [56]

“Small sum aid for numerous countries” is the strategy of Korea’s system. Korea provides a small amount of assistance to many countries. To increase the aid efficiency, Korea limits the target recipient countries to less than 60 countries. The government will provide the grants to 56 cooperation partner countries, including 19 priority partner countries and 37 partner countries according to the principle of “selection and concentration.” The top ten partner countries are Iraq, Cambodia, Sri Lanka, Indonesia, Philippines, Vietnam, Laos, Angola, Mongolia, and Peru. There are five South East Asian countries included; Cambodia, Indonesia, Philippines, Vietnam, and Laos. See *Table 3.3*

**Table 3.3 Korea's Top 10 Partner Countries in ODA in 2007**

Country	net ODA (mn USD)	% of Total Bilateral Aid	GNI per Capita Atlas (US \$)	UN Country Classification
Iraq	53.6	10.9	N/A	Lower middle income
Cambodia	35.3	7.2	540	LDC
Sri Lanka	33.3	6.7	1,540	Lower middle income
Indonesia	28.8	5.8	1,650	Lower middle income
Philippines	28.2	5.7	1,620	Lower middle income
Vietnam	24.7	5.0	790	Low income
Laos	17.9	3.6	630	LDC
Angola	17.4	3.5	2,540	Lower middle income
Mongolia	12.9	2.6	1,290	Lower middle income
Peru	10.2	2.1	3,410	Lower middle income
Top 10	262.2	53.1		
Other 117 Countries	168.9	34.2		
Non classified	62.4	12.6		
TOTAL	493.5	100.0		

Source: Korea Exim bank, World Bank

Source: Lee, Hee-Jin and others [56]

### 3.3 Korean ODA Operational System (See also in Appendix A)

The operational system of Korea's ODA is a dual system classified by two types of aid; bilateral aid and multilateral aid. The grant including the grant assistance and the technical assistance is under the supervision of the Korea International Cooperation Agency (KOICA). Ministry of Foreign Affairs and Trade (MOFAT) is the ministry programming the KOICA. The concessional loans are managed by the Economic Development Cooperation Fund (EDCF) which is controlled by the Export-Import bank of Korea (Korea EXIM bank). Korea EXIM bank is supervised by Ministry of Strategy and Finance (MOSF). Multilateral aid is the aid that one nation provides the aid through the regional/international development organizations. MOFAT is the authority concerned with the contributions to international organizations (i.e. UN and UN related agencies). MOSF is the ministry supervised the bank of Korea to conduct the subscriptions to international financial organizations. See *Table 3.4*

**Table 3.4 ODA Implementation System by Types of Aid**

Types of Aid		Agency	Managing Ministry
Bilateral	Grants	KOICA	MOFAT
	Loans		
Multilateral	Contributions : UN system and other multilateral institutions	MOFAT	MOFAT
	Subscriptions: International financial institutions	Bank of Korea	MOSF

Source: ODA Korea [59]

### 3.4 Korean ODA to Thailand

Referred to KOICA website, ODA from Korea to Thailand is the grant aid in the amount of 14,650,000 USD since 1991. The main projects to Thailand from 1991 to 2006 are six projects in the various fields; education, agriculture, infrastructure. The grants to Thailand which are in the form of technical cooperation in the following;

- 1) Invitation of trainees: 891 people (3,592,300 USD)
- 2) Experts dispatched: 12 people (294,600 USD)
- 3) Taekwondo trainers: 3 people (77,700 USD)
- 4) Overseas volunteers: 224 people (7,293,700 USD)
- 5) In-kind assistance: 2 cases (21,500 USD)
- 6) Emergency relief: 5 cases (1,074,800 USD)

- 7) NGO support: 1 case (64,000 USD)
- 8) Projects: 9 cases (1,261,000 USD)
- 9) Development Research: 2 cases (970,800 USD) [60]

Korea does not provide the loans to Thailand. Thailand receives only the small amount of grants while the neighboring countries received a large amount of Korean ODA, especially, in terms of loans. Foreign aid improving the economic cooperation and business environment is in the form of loan which is provided more than grant. Vietnam, Indonesia, Philippines, and Cambodia are listed as the primary South-East Asian countries of Korean general ODA and foreign aid from EDCF in 2009. *See Table 3.5* The table shows that Korea's ODA providing to South East Asia mostly is in the form of loan which the repayment is needed. Apparently, Korea does not provide foreign aid to these for humanitarian objectives toward grants. Korea significantly pinpoints the grant aid to Thailand which is different from neighboring countries.

**Table 3.5 Primary Aid Recipients of Korean ODA and EDCF in Asia in 2009**

Region	ODA (10 countries)	EDCF (9 countries)
South East Asia	Vietnam, Indonesia, Laos, the Philippines, Cambodia	Vietnam, Indonesia, the Philippines, Cambodia
North East Asia	Mongolia	Mongolia
Central Asia	Kazakhstan, Uzbekistan	Bangladesh, Sri Lanka, Pakistan

*Source: Cheong, Jae-Wan [61]*

Korea trades and invests in Thailand, the less important recipient in South East Asia for Korea's ODA. Although Thailand is listed in Korea's top ten ICT importers, Thailand is not regarded as the major destination for Korea's investment. *See Table 3.6* It is implied that the Korean ODA to Thailand does not relate to Korea's private investment in Thailand. While Korea's trade value to Thailand accounting for 10,060,759 USD reached high, the volume of Korea's ODA and FDI to Thailand is lower. Unlike Thailand, Korean ODA to Cambodia, the major recipient, is to improve

the country's business environment. From 2001 to 2009, Korea offered grants amounting to 39.5 million USD and a concessional loan of 220 million USD to Cambodia. Moreover, Korea provided 265 million USD in aid and loans for 40 projects in Cambodia from 2001 to 2009. [62]

The amount of Korea's ODA in terms of grant given to Thailand is not regarded as "a source of capital" to Thailand's economy. As **Table 3.6** shown, it is noticed that the volume of the ODA goes with the volume of the FDI. The trade value of Korea's to Thailand shows the promising aspects between two countries. On the other hand, Thailand is not an important country for Korea's ODA and FDI.

**Table 3.6 Korea's South East Asian Priority Countries (million USD)**

NO.	Korea's ODA in 2008	Korea's trade value (export&import) in 2008	Total invested amount of Korea's FDI in 2008
1.	Vietnam (58.6)	Singapore (659,192)	Vietnam (1,362.6)
2.	Cambodia (34.7)	Indonesia (266,323)	Singapore (553.5)
3.	Philippines (26.2)	Malaysia (356,441)	Indonesia (529.2)
4.	Indonesia (23.0)	<b>Thailand (351,760)</b>	Cambodia (525.3)
5.	Laos (11.6)	Vietnam (143,399)	Malaysia (329.9)
6.	Myanmar (0)	Philippines (109,580)	Philippines (202.7)
7.	<b>Thailand (1.9)</b>	Myanmar (13,603)	<b>Thailand (88.3)</b>
8.	Malaysia (1.2)	Brunei (12,880)	Laos (43.8)
9.	Singapore (0)	Cambodia (12,464)	Myanmar (36.0)
10.	Brunei (0)	Laos (4,434)	Brunei (0)

*Source: Extracted from ASEAN-Korea Centre [63]*

### 3.5 E-Asia and Knowledge Partnership Fund (EAKPF)

#### 3.5.1 Overview



E-Asia and Knowledge Partnership Fund (EAKPF) is the ICT trust fund hosted by Asian Development Bank (ADB). Trust fund is a type of cofinancing. It is the channel grant from external resources to finance technical assistance and components of investment projects. Within ADB strategy 2020, ADB initiates the trust fund which focuses on the specific sector and increasingly expanded to thematic multi-donor trust funds. The thematic issues include with many sectors such as; water, clean energy, regional cooperation and integration, and urban sector financing. Korea also attends the special channel financing in single-donor bilateral trust fund called the e-Asia and Knowledge Partnership Fund.

The Government of Korea (represented by the Ministry of Strategy and Finance (MOSF) (Ministry of Finance and Economy, formerly) and by the Export-Import Bank of Korea) initially funds the amount of 20 million USD for the establishment to solve the poverty and support the social and economic development in ADB's DMCs (Developing member Countries). The "e-Asia and Knowledge Partnership Fund" was officially established in 1<sup>st</sup> June 2006 in the administration of ADB. In addition, the Government of Korea provided 6.37 million USD for the additional contribution of the fund on 1<sup>st</sup> December 2010. [64] ESCAP reports e-Asia and Knowledge Partnership Fund is one of the successful financing mechanisms for ICT development in the Asia and Pacific region. [65]

Goh Kun, in the statement on ADB Jeju Meeting, 2004, May 15 initially introduced the fund called "e-Asia Fund" for the partnership of ADB to narrow the digital divide in all DMCs.

*The Korean Government has been contemplating ways to return the valued favors we received through ADB to fellow member countries in need of assistance. In this context, we will establish "e-Asia Fund," to be used to improve the level of information in the Asia and Pacific region aimed at supporting ADB's commended effort to reduce the digital divide. [66]*

Chairman of the Board of Governors, Hun-Jai Lee, Republic of Korea's Deputy Prime Minister and Minister of Finance and Economy, also proposed the

establishment of a Knowledge Partnership Fund, a trust fund financed by the Korean Government to serve as an effective channel to transfer its experience and knowledge.

*With the 2015 deadline of the MDGs approaching we have come to a point where we must set directions beyond 2015. Now, let me speak briefly as the Governor for Korea. As always, the Republic of Korea strongly supports ADB's continuous reform efforts to attain the MDGs.*

*As an important step in this direction, let me propose the establishment of a Knowledge Partnership Fund, a trust fund financed by the Korean Government. This fund will serve an effective channel to transfer the Republic of Korea's experience and knowledge. [66]*

The fund is to help DMCs in ADB through two windows; the e-Asia program and Knowledge Partnership program. The e-Asia program aims to strengthen the capacity of DMCs to follow the targets of the World Summit on the Information Society (WSIS) Plan of Action organized by United Nations (UN) and “provide the technical assistance (TA) to promote information and communication technology (ICT) and bridging the digital divide, through national and regional e-strategies.” [67] The Knowledge Partnership program is to strengthen the capacity of DMCs to achieve the Millennium Development Goals (MDGs) and create and share the experience, information, and knowledge in the Asia and Pacific region.

Country eligibility of EAKPF is not specific. All DMCs of ADB can receive the support from this fund. EAKPF will support the individual grant 500,000 USD for stand-alone projects and probably the components of loan projects agreed upon the Government of the Republic of Korea (represented by the Ministry of Finance and Economy and Korea Export-Import Bank) and ADB. The fund will support in the projects excluded from the ADB's overall resource planning (ORP) limit and the fund will not support the following expenses; civil works, procurement of large scale equipment (no more than 30% of the total grant for a project may be used for the

purchase of ICT equipment only for e-Asia Program), permanent staffing costs, or the hiring of staff consultants.

Basic Principles follow these approaches;

- discussions with key country stakeholders take place as early in the project life cycle as possible;
- to the extent possible, expertise from the Asia and Pacific region is used (The Government will make accessible to ADB information on expertise available in Korea and assist in identifying suitable consultants, consulting firms or suppliers of consulting services);
- contributions, either in kind or in cash, from DMCs benefiting from activities financed from the Fund are encouraged;
- collaboration with the United Nations Economic and Social Commission for Asia and the Pacific, the United Nations Development Programme, the International Telecommunications Union, and/or the Asia Pacific Telecommunity is encouraged;
- projects are implemented in the most cost-effective way; and
- in cases when the Fund is used for preparing investment projects, cofinancing opportunities with the Republic of Korea, private sector and other funding agencies, are explored. [68]

### **3.5.2 E-Asia Program**

Following the objectives of the World Summit on the Information Society (WSIS) Plan of Action, the e-Asia program targets to strengthen the capacity of DMCs and promote the Information and Communication Technology (ICT) and solving the digital divide by technical assistance (TA) within national and regional e-strategies. The e-Asia program supports the financing ICT-related activities, including TA; studies, research, and analytical work; capacity building and developing human resources through education and training; disseminating, networking, and cross-learning (e.g., policy consultations, seminars and workshops, conferences, publications, and websites); and piloting innovative approaches to promote ICT.

The results from the project funded by the e-Asia Program is to narrow digital divide, strengthen capacity for poverty reduction, build up an unbiased information society and region and ICT infrastructure, and improve regional cooperation and innovation.

1. Projects under the e-Asia program should aim to achieve at least one of the following objectives:

- bridge the digital divide and strengthen capacity for poverty reduction;
- support the construction of a fair information society/region and ICT infrastructure;
- enhance regional cooperation and innovation with respect to ICT; or
- pilot innovative approaches to promote ICT.

2. Projects should support the following activities:

- studies, research, and analytical work;
- capacity building and developing human resources through education and training; and
- disseminating, networking, and cross-learning (e.g., policy consultations, seminars and workshops, conferences, publications, and websites). [69]

### **3.5.3 Knowledge Partnership Program**

The objectives of the Knowledge Partnership program aims to strengthen the capacity of DMCs to achieve the Millennium Development Goals (MDGs), and share the experience, information, and knowledge in the Asia and Pacific region.

The knowledge partnership program will support the activities including;

- policy advice/dialogue and TA involving the use of experts on economic development and capacity building;
- capacity building and institutional development in DMCs, including training workshops, vocational training, and long and short training and learning courses;

- publications that will disseminate successful development knowledge to developing countries in the region;
- studies, research, and analytical work;
- projects on reforming government, improving governance in the business and financial sectors, and privatizing state-owned enterprises; and
- disseminating, networking, and cross-learning (e.g., policy consultations, seminars and workshops, conferences).

The results for providing fund of the knowledge partnership program will be

- strengthened institutional and human capacity through information sharing for poverty reduction,
- facilitation of knowledge sharing in order to increase the efficiency and productivity of DMCs' development, and
- enhanced regional cooperation and innovation through the establishment of benchmarks in poverty reduction and social development.” [69]

#### **3.5.4 The Approved Projects for Funding under e-Asia and Knowledge Partnership Fund**

As of 15<sup>th</sup> April 2011, EAKPF accepted the projects from DMCs totally 39 projects amounted to 19,050,000 USD. Korean government mostly endorsed the development projects in 1) finance, 2) transport, and 3) public sector management within many projects. There are two projects in education sector supported by the fund;

1) “Capacity Building and School Networking for Educational Services (e-learning) in Thailand,” approved in 2008

2) “Computer Access Mentorship Program--a Public-Private Partnership for Enhancing Education Quality” in Philippines endorsed in 2009.

Fifteen projects supported by the fund aims to use for the regional development. At present, Cambodia, Mongolia, and Thailand obtain the financing from EAKPF for many projects. These countries individually receive the financing for three projects. Cambodia requests the grant financing for three projects in multi-

sector, agriculture and natural resources, and finance sector. The project in Cambodia in finance sector is supported by piggy back loan. EAKPF endorsement to Mongolia includes four projects (two projects in transport & ICT sector, one project in industry & trade sector and one project in climate change sector). The project in industry and trade sector is the loan and grant project. Three projects in Thailand; one project in education sector and two projects in multi-sector receive the financial support from EAKPF. All three projects in Thailand provided by the fund are in the form of grant aid. [70] The provided projects in Cambodia and Mongolia are related to finance sector and transport sector which Korea mostly provides in EAKPF, but the projects in Thailand is not included in the favorable sectors. Although the fund endorses the development projects in DMCs by providing the loan and the grant including TA, as well as Korea's general aid to Thailand, the projects in Thailand receive the grant aid.

## **CHAPTER IV**

### **THE PROJECT “CAPACITY BUILDING AND SCHOOL NETWORKING FOR EDUCATIONAL SERVICES (E-LEARNING) IN THAILAND”**

The project “Capacity Building and School Networking for Educational Services (e-learning) in Thailand” is considered as “matching fund”. The aid consists of in-cash contribution, the aid in form of money, from Korea’s e-Asia and Knowledge Partnership Fund (EAKPF) and in-kind contribution, the aid in form of goods, supported by the Government of Thailand. Upon the request of the Government of Thailand, this project received the financing in amount of 500,000 USD as a grant (including TA) from EAKPF, administered by ADB and the Government of Thailand financing through Chulalongkorn University amounted to 250,000 USD. [70] The Government of Korea endorsed this project on 11<sup>th</sup> February 2008 through e-Asia window in the education sector and ADB approved on 19<sup>th</sup> September 2008.

EAKPF has accepted three projects implemented in Thailand:

1) “Capacity Building and School Networking for Educational Services (e-learning) in Thailand,”

2) “mainstreaming public-private (formerly, mainstreaming PPP in Thailand)” which is counted as multi-sector and endorsed through Knowledge Partnership fund window total of 500,000 USD on April, 7, 2010, and

3) “Comparative Infrastructure Development of Thailand and Republic of Korea” in multi-sector is endorsed by Government of Korea on November, 22, 2010 through Knowledge Partnership fund window accounting for 400,000 USD and ADB approved on December, 1, 2010. [70]

The project “Capacity Building and School Networking for Educational Services (e-learning) in Thailand” is regarded as the first project in Thailand that Korea endorsed since the e-Asia and Knowledge Partnership fund has established.

This chapter will describe the details in the project as follows; the beginning point of the project, the process of funding, the project team, the contribution, the process of the project, the procurement, the participating schools, the outcomes, the main activity of the project: conference workshop, and the directions in the future.

#### **4.1 The Beginning Point of the Project**

Chulalongkorn University Demonstration Elementary School communicates with many schools to reform the curricula for elementary schools in 2004 and finds a large number of schools in remote areas lacked of teachers. One teacher must teach the students in many subjects, so the students cannot get the qualitative education. Assoc.Prof. Ladda Phukiet (hereafter Ms. Ladda Phukiet), the school director for that period is inspired and realizes that since being the demonstration school, the mission is to be the pattern for others, firstly. Secondly, it is proud to be the efficient school in Thailand. It is the responsibility to assist the schools in need.

Referred to the TA project document, the Government of Thailand (represented by Ministry of Finance and Economy) requested the grant financing from ADB to develop the e-learning curriculum and a school networking program at the elementary school level. According to the 10<sup>th</sup> National Economic and Social Development Plan of Thailand highlighted on the significance of developing human capital through educational development to develop the economic growth and social development. However, the national budget to the education sector stayed at the average of 3.9% of gross domestic product, or 23% of the national budget, it stayed constant during 1997-2007. The budget is insufficient to develop the e-learning in schools in all countries. “It is not enough to help improve the quality of teaching and learning for over 30,000 public primary schools throughout the country.” [71] The plan targets to increase the average test scores at every level of education to be higher than 55%. This is the starting problem. A small number of teachers in remote areas cannot teach the student efficiently, so the students in remote area tend to have the lower score in National Test (NT). Moreover, the school from remote areas which are the most areas in Thailand, unlike the privileged schools which is a small amount can be successful in education and full of enthusiasm to learn. Therefore, the national test scores from the remote areas is rather low than the privileged schools. The lack of



teachers of some subjects and shortages of learning materials in the underfunded schools are understood as the reason of the low national test scores. To solve these problems, e-learning is the suitable tool for resolution. ICT is used as a delivering tool when the great curricula content developed by privileged schools from Bangkok to the schools in remote areas, so that the teachers can access the same curricula contents. Chulalongkorn University Demonstration Elementary School, therefore, volunteers to implement the project to solve the problem.

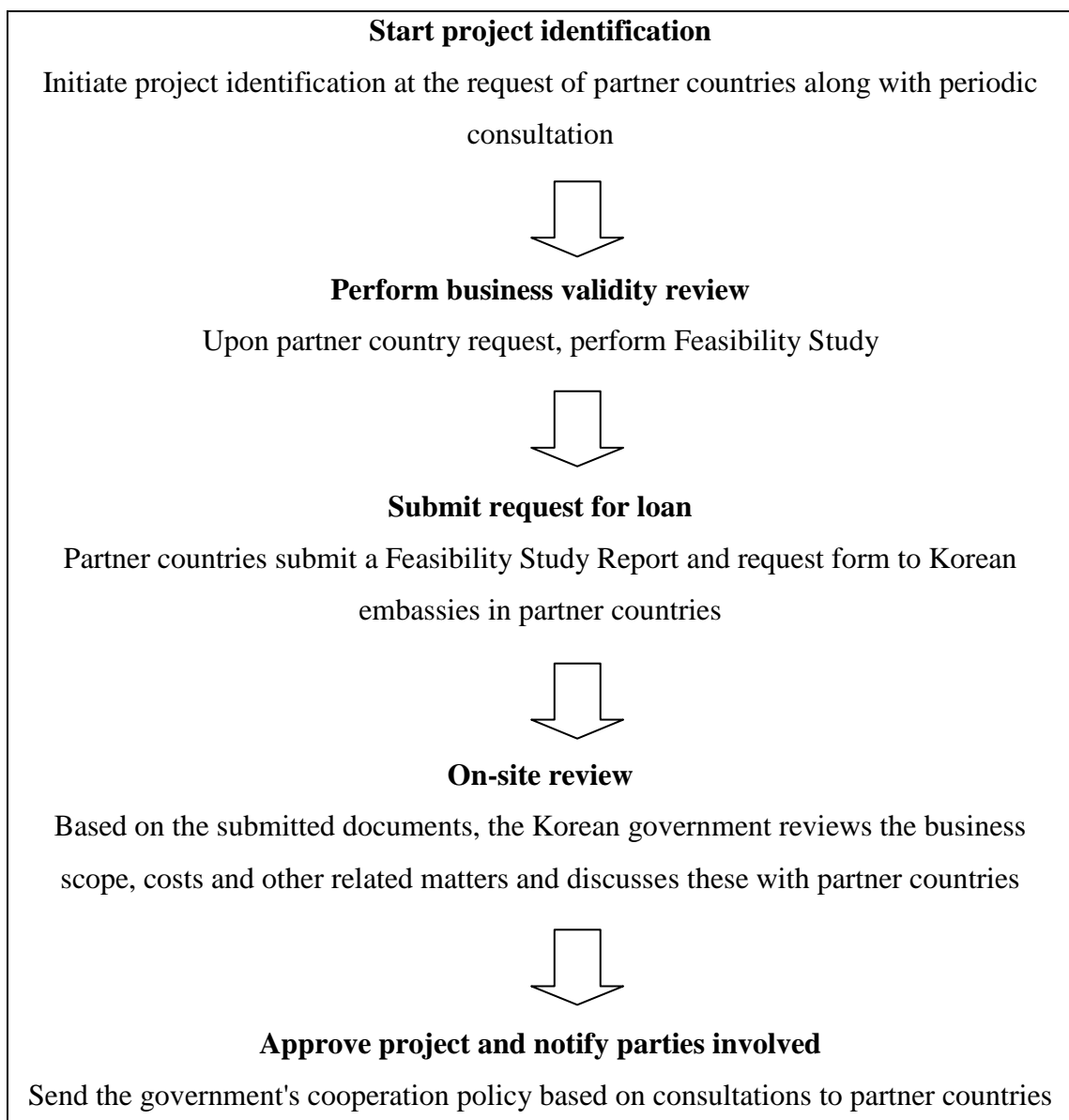
The school plans to help the schools in remote areas all regions in Thailand. As for this, the school needs to find the financial support from other organizations. Before the school decided to contact with ADB, the school initially requests the grant financing from Software Industry Promotion Agency (SIPA) which is administered by Ministry of Information and Communication Technology of Thailand. [72] Nevertheless, the political situation leads to the unstable situation, the process to propose the project was difficult. The school holds back the project for that period. Then, the school notifies the idea about the project to the parents meeting. The director-general of Public Debt Management Office who is a parent of student volunteers to introduce the EAKPF and brings the school to ADB. The school and ADB discuss about the project and work together for the funding proposal. The duration from the process of funding proposal until the approval pending during two years. Finally, the school received the financing support amounted to 500,000 USD or 15 million Baht in 2008.

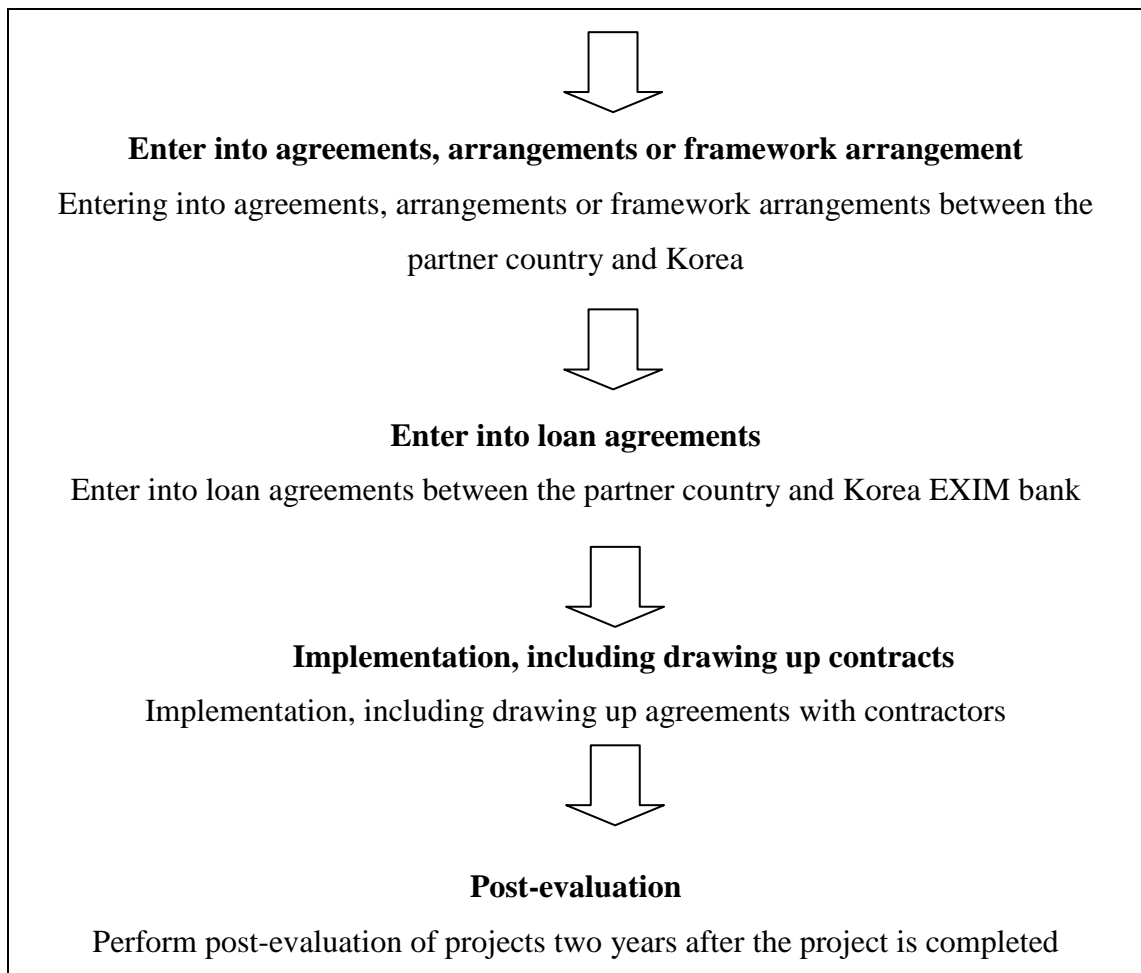
#### **4.2 The Process of Funding**

The school and ADB closely discuss about the funding proposal and all procedures until the project completed. Dr. Luxmon Uttapitch, the project manager and the representative of ADB who coordinated the fund's owner and the recipient, says that after ADB sent to the fund request form to Korean Government, the decision is authorized by Korean Government only. ADB does not acknowledge the process for decision within the authorization of Korean government. The study finds that EAKPF allows the funding proposal from recipient countries just two times per year. Recently, EAKPF has extended the period for the registration of funding proposal for three times per year.

Referred to the Korea's ODA system, Ministry of Strategy and Finance (MOSF) takes the responsibility to determine the subscriptions to the international institutions including the fund in ADB. MOSF authorizes the concessional loan policy to control Korea EXIM Bank through the Economic Development Cooperation Fund (EDCF). In other word, the funding proposal of EAKPF is probably implemented by the EDCF procedure. The study assumes that the proposal project was deliberately considered by the regular EDCF procedure as below. *See Table 4.1*

**Table 4.1 Processes of Korea's Loan ODA Project for Recipient Countries**





*Source: KERIS [73]*

### **4.3 The Project Team**

The project is executed by Chulalongkorn University, implemented by Chulalongkorn University Demonstration Elementary School. After the grant aid is approved, Chulalongkorn University Demonstration Elementary School working as the implementing agency sets the project team to manage the project. The administrative officials in the project team include with the project leader (Assoc. Prof. Ladda Phukiet, (the former school director), Professor Hemawan Khunmanee (vice-president of project at the present), Dr.Chawapol Chariyawiroj (infrastructure consultant), and Dr.Pornpisut Monkolwanich (content consultant). At present, Dr.Chawapol Chariyawiroj is the director of VMware, Inc in Thailand. Dr.Pornpisut Monkolwanich is the Vice-President of Siam Technological College. Two consultants are hired by the fund within the guideline. ADB informs that the fund also hires an

international specialist and two technical staffs. The international expert in e-learning for basic education worked as a resource person and speaker in the Networking Conference Network (in the group of the project team only) for 5 days. The international experience from the international expert works for the e-learning policy direction and planning within the project team. He does not lecture the e-learning system to the participating schools.

There are two persons which are Dr.Chawapol Chariyawiroj and Dr.Pornpisut Monkolwanich in the administrative officials in the project team come from other organizations. Dr.Chawapol and Dr.Pornpisut are invited to be consultant by the project leader, because they are the former students of her. The project leader knows they are the ICT professional. Excluded from the responsibility of the position in the project team, Dr. Pornpisut Monkolwanich personally supports the project for other support. Dr. Pornpisut Monkolwanich, the director-general of Siam Technology College, the content consultant allows the first conference workshop placed on Siam Technology College, because the Electronics Learning and Information Network Center is in construction for that time. Besides, Dr.Pornpisut knows a Korean e-learning specialist in person and suggests him to be the international expert. The Korean professor is the people who introduced the project team to KERIS.

The project team agrees with the idea to visit study tour in Korea. The administrative officials in the project team go to study tour in Korea before the fund supported the project. They need to spend the expenditure for themselves. The administrative officials in the project team are invited to visit KERIS and two e-learning schools before starting the project. They spend 2 days for study tour in Korea. The KERIS officials welcome the project team. The project team takes a tour in KERIS Korea's e-learning system in KERIS at the first day and went to visit two e-learning schools at the next day. Although the fund includes with the financing to study tour in Korea, the school did not use the amount for the study tour. Technical Assistance Completion Report stated that the school and KERIS jointly funded the trip.

#### 4.4 The Contribution

See **Table 4.2** The in-cash contribution from the fund amounted to 500,000 USD supports the fee of consultants, equipments, training, seminars, conferences, survey and study tours, etc. The in-kind contribution from the Government of Thailand supports the office accommodation and transport for the teachers from the participating school who attended the e-learning training workshop, remuneration and per diem of counter staff as well as a network server, computer equipments, and network center space.

Together with the office of ICT network department, the office of Capacity Building and School Networking for Educational services, operational room, meeting room 10 seats, and storeroom for ICT tool, etc., the e-learning center where is housed as the network center space is situated at the school. The e-learning center is full of the facilities including 137 PCs including 15 tables and 137 chairs, 6 Access points, 2 IBM X3650 Servers. [74]

150,000 USD is utilized for procuring 125 PCs (50 for the distribution to 50 participating schools and 75 at the e-learning center for training and workshops) and 50 LCD projectors (all LCD projectors are distributed to 50 participating schools). The participating schools receive ACER PC and LCD projectors. The guarantee after selling is in the condition of products. The EAKPF is not responsible for the additional fees.

**Table 4.2 Cost Estimates and Financing Plan (thousand USD)**

Item		Total Cost
<b>A.</b>	<b>Asian Development Bank Financing</b> (Financed by the Republic of Korea e-Asia and Knowledge Partnership Fund and administered by the Asian Development Bank.)	
	1.Consultants a.Remuneration and Per Diem i.International Consultant ii.National Consultants b.International and Local Travel	   30.0 50.0 10.0

	c.Reports and Communications	10.0
	2.Equipment (150,000 USD is allocated for procuring personal computers and liquid crystal display projectors. The equipment procured under the technical assistance will be handed over at no cost to the Implementing Agency and participating schools.)	150.0
	3.Training, Seminars, and Conferences	
	a.Facilitators	30.0
	b.Training Program	80.0
	4.Surveys and Study Tours (includes 35,000 USD for a study tour to visit Korea Education and Research Information Services (KERIS) and schools in Korea.)	55.0
	5.Miscellaneous Administration and Support Costs	35.0
	6.Cintingencies	50.0
	<b>Subtotals (A)</b>	<b>500.0</b>
<b>B.</b>	<b>Government Financing</b>	
	1.Office Accommodation and Transport	30.0
	2.Remuneration and Per Diem of Counter Staff	70.0
	3.Others	150.0
	<b>Subtotal (B)</b>	<b>250.0</b>
	<b>Total</b>	<b>750.0</b>

Source: ADB Technical Assistance Report [71]

#### 4.5 The Process of the Project

The project is to develop e-learning courses into 3 curricula amounted to 30 courses and collects them in the server in Electronics Learning and Information Network Center placed in the school for students in 50 network schools accessing the

knowledge. (Now the Electronics Learning and Information Network Center in the school is managed by the academic, curriculum, and teaching department.) [77] The objectives of this project aim to support the development of e-learning curricula and a school networking program for education services at the elementary school level within three major processes in the following:

- 1) processing the project “Capacity Building and School Networking for Educational Services (e-learning) in Thailand”;
- 2) instructing the teachers and educational personnel from participating schools into a workshop; and
- 3) supporting the teachers from participating schools to produce the e-learning content. [71]

When the school processes the activities, the school informs the expenditure to ADB to approve the budget for each activity. ADB may advise against the proposal disbursement before provided the appropriate contribution as soon as possible. **Table 4.3** shows the activities and milestones following the above outcomes.

**Table 4.3 Activities with Milestone**

<p><b>1. e-learning course content (Mathematics, Science, and English)</b></p> <p>1.1 Confirm participation by schools in remote areas in the e-learning program (month 1)</p> <p>1.2 Conduct a survey to gather information and needs from participating schools (month 1)</p> <p>1.3 Gather all new and approved educational innovations to be installed in the system (month 1-3)</p> <p>1.4 Design web pages for each module (month 2-3)</p>
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## **2. an e-learning system network with a training module**

- 2.1 Survey and analyze the network, data center and project requirements (month 2)
- 2.2 Design the system structure and overall e-learning architecture (month 3)
- 2.3 Install system and required computer equipment (month 3 and 4)
- 2.4 Conduct the test run of the system and adjust content pages to fit the system (month 4 and 5)
- 2.5 Conduct test-run workshops for the system operator, related personnel, and teachers from 50 participating schools (month 4 or 5)
- 2.6 Prepare a training handbook (month 5 or 6)
- 2.7 Conduct an e-learning training workshop for the system operator, related personnel, and teachers from 50 participating schools (Month 7)

## **3. a demonstration school network conference**

- 3.1 Organize a networking conference on e-learning and publish conference proceedings (month 10)

*Source: Technical Assistance Report [71]*

The process of project works in Thai context only. Korean professor or the international expert does not create the e-learning content and does not train the e-learning system to the participating schools.

## **4.6 The Procurement**

Chulalongkorn University Demonstration Elementary School confirms that it manages the activities by itself and asks the financial support from ADB who supervise the expenditure for all processes. The school also controls the procurement of computers and LCD projectors. Hemawan Khunmanee said that the project leader has a contact with other organizations in public and private sectors very well. The study finds that the vision of the school is to provide the academic knowledge to the society, so it theoretically requires the school to have a contact with other organizations. There are many ICT-related companies that the project leader knows. Thus, the procurement easily occurs. Metro System Company, the company can procure the facilities for the project, provided the ACER computers and LCD



projectors in the reasonable price following the acceptance of the project team and the fund. Then, ADB provides the computers and the LCD projectors to the school and the participating schools.

#### **4.7 The Participating Schools**

The 50 participating schools are selected from every geographical region. The selection criteria indicated that these schools will need to have stable internet access (broadband access), teachers with basic IT skills, and a clear commitment to participate and maintain the e-learning program. “These selection criteria will also help to mitigate the potential risks of a sustainable e-learning program, including slow data transfer through the internet, teachers with insufficient IT skills, and inadequate budgets for maintaining the schools’ computers.” [71]

Participating schools consist of 50 primary schools under many departments in Thailand, 150 teachers, and 3 observatory schools;

- 28 schools under the administration of the Office of the Basic Education Commission; 3 schools in Bangkok, 6 schools from central region, 2 schools from Northern region, 13 schools from North-Eastern region, and 2 schools from Southern region, 1 schools from Eastern region, and 1 schools from Western region.

- 2 schools under the administration of the Office of the Private Education Commission; 2 schools from Southern region.

- 13 schools under the administration of Thai Local Government Organization Administration; 3 schools in Bangkok, 2 schools from central region, 2 schools from Northern region, 3 schools from Southern region, and 1 schools from Western region.

- 4 schools under the administration of the Office of the higher Education Commission; 1 school in Bangkok, 1 schools from central region, 1 schools from North-Eastern region, and 2 schools from Southern region.

- 6 schools of Border Patrol Police; 5 schools from Southern region and 1 school from Western region. [74]

50 participating school came from the networking schools of IA and the remote schools that registered and were selected to participate with this project. The participating school was expected to send 3 teachers who teach Science, Mathematics, and English in elementary level. (See also in Appendix B.)

#### 4.8 The Outcomes

The outcomes were undertaken within three activities:

1) e-learning course content (Mathematics, Science, and English): after a survey workshop, the issues and problems in the course content of three major subjects can be identified. The school developed the insufficient course content for each subject. *See Table 4.4* Each developed module was uploaded onto the system network.

**Table 4.4 The E-Learning Course Contents**

<b>Title contents for Mathematics subject</b>	<b>Title contents for English subject</b>	<b>Title contents for Science subject</b>
1. Equation	1. Weather and seasons	1. Gene
2. Fraction	2. At the zoo	2. Interspecific interaction
3. Decimal	3. School subjects	3. Animal
4. Squares	4. Occupation and place of work	4. Chemicals
5. Volume	5. Outdoor activities and equipments	5. Material
6. Area	6. Appearance	6. Air
7. Circle	7. Farm activities and animals	7. Rock and transformation
8. Directions and ratio	8. Shopping for gift	8. Power
9. Applied lesson	9. My wonderful house	9. Electricity
10. Statistics and chart	10. My picnic basket	10. Lunar's phases

*Source: the document in the seminar "Past, Present and Future of the Educational services (e-Learning) Chulalongkorn University of Demonstration Elementary school" [74]*

2) an e-learning system network with a training module: the consultant team recommended IBM Workplace Collaborative Learning (WCL) was appropriate for system requirement of this project. "Recommended by the consultant team, specification of PCs was endorsed by OIST and the equipments were procured under

the TA.” The facilities, such as software, server, and other hardware were in the form of Government’s in-kind contribution procured by the IA.

As of end-June 2009, 150 teachers from 50 participating schools participated in survey workshop to develop a concept for the course content of 30 e-learning modules. Later, in the second training workshop, the e-learning content page and system was conducted and the teachers familiarized with the workshop.

3) a demonstration school network conference: the presentations at the end of the project at “Exhibition of Demonstration School” organized with teachers from 59 demonstration schools in Thailand at Kasetsart University Demonstration School on May, 1, 2010 by the project team, an international expert, and representatives from other demonstration schools. [75]

#### **4.9 The Main Activity of the Project: Conference Workshop**

The conference workshop is the main activities. The first conference workshop is for lecture and grouping the schools at Siam Technology College. [76] The second conference workshop placed in the e-learning center at Chulalongkorn University Demonstration Elementary School. The instructor from IBM provided the knowledge and taught how to make the e-learning program and other basic programs supporting the e-learning content, such as Photoshop program, etc. The third conference workshop is called to be the run-test program activity in the-learning center as well as the opening ceremony day. [77] The process and management is in Thai context. ADB reported that the positive feedback from participating teachers is considered from the school, the instructor IBM, Siam Technology College which operates and closely takes care in person.

At the end of project, the TA activities successfully finish the outcomes. The e-learning system network uploading all 30 e-learning course modules for 3 subjects can run. Furthermore, the center “Electronic Learning and Information Network Center” as the network server and training center for this project is officially opened and the awarding ceremony for the key stakeholders (excluded from Chalongkorn University, Chulalongkorn University of Demonstration Elementary School Parents and Teachers Association, other supporters are IBM Thailand Company. Ltd., Asian Development Bank, and Metro Systems Corporation Public Company Limited) [74] is

held on 9<sup>th</sup> October 2009. The Prime Minister of Thailand, H.E. Mr. Abhisit Vejjajiva awards the ADB Thailand Resident Mission, through its country director, as one of the supporters of the “Electronics Learning and Information Network Center” project. The Prime Minister is invited to lead the unveiling of the Center’s nameplate and take an exhibition visit as a guest of honor. [78] Also, the representative of Korea consular agent is invited to be the guest of honor.

#### **4.10 The Directions in the Future**

The study finds that the project is judged as the pilot project. As Luxmon Attapich states, she comments the financial contribution supported by EAKPF is a small amount of funding which suits for the pilot project. Moreover, ADB knows that all pilot projects can not successfully have the best results. However, the school will extend the better result of the project after the conference workshop which is the main activity of the project is completed.

Because of the problem in the main server, many participating schools could not access to the content. Hence, the school sent the CD containing the content to all participating schools. The new project team set for the administration within the group of the school only. Since the problems with the main server and the direction of the project are not answered, the project team needs to resolve and discuss to the future of the project.

Although the project judged as the pilot project does not reach the successful result within the group of the participating schools, the school still desires to improve and continue the project. Therefore, after the conference workshop which is the main activity in the project completed, the school asks for the participation from the teachers in school who volunteer to manage the project and form the project team called the board of e-learning center. The board of e-learning center, led by the president of project (Ms. Siriluk Srikamon), vice-president of project (Ms. Hemawan Kunmanee), advisory commission, committee, and secretariat, totally 17 people take the responsibility to manage the project after Ms. Ladda Phukiet, the project leader has retired.

In the future, the project team will plan two different directions to continuously develop the project. The first idea presented by Ms. Ladda Phukiet insisted the traditional way for the educational project. The project should be selected as the qualitative project admitted by the Government and then propose the financial support from the original affiliation. However, one comment presented a different idea. The project can be developed into the commercial grade and then Chalalongkorn University Demonstration Elementary School can systemically sustain the further development of project in the future.

# **CHAPTER V**

## **RESULTS AND ANALYSIS OF RESEARCH**

This chapter will describe the detail of analysis. The objectives of the study are as followings:

1) To investigate Korean multilateral aid through the study of “e-Asia and Knowledge Partnership Fund” and

2) To explore the attitude of the participants of the project toward Korea as the provider of the fund in the project “Capacity Building and School Networking for Educational Services (E-Learning) in Thailand.”

The researcher applies the in-depth interview and the documentary research to analyze the national interests that Korea obtains from this project. The study finds that Korean Official Development Assistance (ODA) has developed through the e-Asia and Knowledge Partnership Fund (EAKPF), established in June 2006. The key aims of EAKPF are the development of ICT infrastructure as well as the technical assistance. In this research, one of the EAKPF projects, Capacity Building and School Networking for Educational Services (E-Learning) in Thailand, is chosen as the case study. The project shows the national interest; the diplomatic one. Moreover, the analytical results from the recipient and the participants with regard to diplomatic perspectives will be presented later on in this chapter.

Before the analysis will be demonstrated, the details about EAKPF and the project “Capacity Building and School Networking for Educational Services (E-Learning) in Thailand.” will be pinpointed once again in this chapter in order to support and add on the analysis part of the research.

### **5.1 About E-Asia and Knowledge Partnership Fund (EAKPF)**

E-Asia and Knowledge Partnership Fund (EAKPF), established in June 2006 by Korean government and hosted by Asian Development Bank (ADB), provides the contribution as well as the technical assistance (TA) to support information and communication technology (ICT) in Asia-Pacific region. The government of Korea

initially funded the amount of USD 20 million for the establishment of EAKPF which has two programs; e-Asia program and Knowledge Partnership. In addition, the government provided USD 6.37 million for the additional contribution of the fund on 1<sup>st</sup> December 2010, plus another USD 6 million in October 2011. [79]

To start with, the e-Asia program mainly targets to strengthen the capacity of developing member countries and to achieve the targets of the World Summit on the Information Society (WSIS) Plan of Action. The World Summit on the Information Society (WSIS), sponsored by United Nations, in 2003 in Geneva, and, in 2005 in Tunis, was the two conferences discussing about information, communication, and the information society. The main point of the conference was to bridge the digital divide, which separates the developed countries and the developing countries by providing the internet access to the world. A Plan of Action in the first phase of WSIS at Geneva in 2003 was designated to bring the world's citizen online by 2015 and to use the ICT to achieve the internationally agreed development goals and objectives including the Millennium Development Goals. [80]

Furthermore, the Knowledge Partnership, another program of EAKPF, primarily aims to achieve the Millennium Development Goals (MDGs). Millennium Development Goals (MDGs), is developed from Millennium Declaration for accelerating democratization and securing peace, scaling up development and poverty reduction, ensuring environmental sustainability, and promoting global partnerships the UN Millennium Summit in September 2000. MDGs is eight international development measurable goals of shared responsibility between advanced economies and developing countries, civil society organizations, the United Nations and other international development organizations have agreed for combating poverty, hunger, illiteracy, disease, discrimination against women and environmental degradation by the year 2015. [81]

Korea's EAKPF approves the grant financing amounting for USD 500,000 to support overall funding USD 750,000 in the project "Capacity Building and School Networking for Educational Services (e-learning) in Thailand" through the e-Asia program on 9th September 2008. The source of funding USD 500,000 is allocated for

the expenditure, such as, equipment, training, seminars, conferences, the employment of consultants, surveys and study tours, miscellaneous administration and support costs, and contingencies. Out of USD 500,000, 30% or the amount of USD 150,000 is spent on procuring 125 computers and 50 liquid crystal display (LCD) projectors. The LCD projectors are handed out to 50 participating schools. 125 computers of which 75 computers are allocated to the e-learning center and 50 computers are distributed to 50 participating schools. The government of Thailand, as a co-provider, working through Chulalongkorn University provides the remaining USD 250,000 in the form of in-kind contribution through a network server, computer equipment, e-learning space, counterpart staff, and other supports. [71]

## **5.2 The Establishment of EAKPF**

David Potter reports that “promotion and maintenance of a donor’s international status” is a motivation of foreign aid. [13] The Government of Korea expects to enhance the national image through EAKPF. The study considers the EAKPF could enhance the national image in 1) the regional level, and 2) the international arena. The Government of Korea expects to upgrade Korea’s donor image in the regional level and to prepare its status for Development Assistance Committee (DAC) membership.

### **5.2.1 Enhancing the National Image in Regional Level**

It is assumed that the Government of Korea established the EAKPF to enhance the national image in Asian member countries by providing the multilateral aid through Asian Development Bank (ADB), the regional financial institute.

Considering as a characteristic of ADB, EAKPF is established in ADB which is an Asian financial institution highlighting on the assistance provides for only Asian member countries. Although the kind of EAKPF is in the multilateral system which actually does not serve a donor’s short-term national interests, Korea still focuses on Korea’s main recipient country which is Asian countries. Korea attempts to promote the donor role in form of patronage rather than trade partner as ever before within Asian countries group. The study considers that Korea is eager to decrease the role of “trade partner” into Asian member countries while Korea increases the role of donor



by supporting the development cooperation in the regional level through EAKPF. Korean Government establishes EAKPF in ADB which provides the economic cooperation to member countries which mainly come from Asian countries. The Government of Korea might focus on Asian member countries to upgrade the national image instead of showing only the role “trade partner” to Asian countries.

Moreover, at present, Korea’s ODA plans to strengthen relationship with multilateral assistance organization. The establishment of EAKPF is supposed to pursue the international standard with strengthening the cooperation with the multilateral assistance organizations. EAKPF shows Korea’s multilateral assistance system pursues the international standard to fulfill the donor status by cooperating with the multilateral organizations. To start with the development cooperation with the multilateral organization in the regional level, Korea empowers ADB to manage the EAKPF. Therefore, it shows that Korea trusts in the management in ADB which is the regional financial institution experiences in providing the assistance to Asian developing countries for a long time.

### **5.2.2 Enhancing the National Image in the International Arena**

The EAKPF established in ADB signifies that Korean foreign aid focuses on the enhancement of national image in the regional level. Also, the objectives of EAKPF which aims to fulfill the international agreement; Millennium Development Goals (MDGs) and the digital divide, indicates that Korea confirms the world’s citizen responsibility, especially, the Development Assistance Committee (DAC) membership which Korea has entered in the year 2010.

The EAKPF objectives are to fulfill the international development standard; MDGs and the digital divide. The important aspect of taking Korean donor’s responsibility for the international arena through the fund is to attend MDGs initiated by United Nations (UN) and reducing digital divide from World Summit on the Information Society (WSIS) organized by UN. In the 37<sup>th</sup> ADB annual meeting of the Board of Governors in May, 2004, Goh Kun, Prime Minister of Republic of Korea stated that Korean Government will establish the “e-Asia fund” to support ADB’s effort to reduce the Digital divide, while Hun-Jai Lee, Deputy Prime Minister and Minister of Finance and Economy, and Chair of ADB’s Board of Governors,

proposed the establishment of Knowledge Partnership Fund in ADB to mainly attain the MDGs. Hun-Jai Lee statement proceeded as following;

*... Currently, under the objective of the Millennium Development Goals (MDGs), ADB is furthering its reform efforts to pursue results-based management. Recent steps in this direction include the adoption of performance-based allocation of resources and the reform of the organization, business processes, and governance. ... In this regard, I welcome the success just a few days ago of the negotiations of the Asian Development Fund IX replenishment, which will provide valuable technical assistance grant in particular. I would appreciate the views of delegates concerning reform of ADB and future direction. With the 2015 deadline of the MDGs approaching, we have come to a point where we must set directions beyond 2015. Now, let me speak briefly as the Governor for Korea. As always, the Republic of Korea strongly supports ADB's continuous reform efforts to attain the MDGs. As an important step in this direction, let me propose the establishment of a **Knowledge Partnership Fund**, a trust fund financed by the Korean Government. This Fund will serve as an effective channel to transfer the Republic of Korea's experience and knowledge. We additionally propose to establish the **e-Asia Fund** within ADB, also financed by the Korean Government. When established, the Fund will be used to promote e-government, e-learning, e-trade, e-commerce, and e-procurement in the region. ... [82]*

The EAKPF which is administered and operated by ADB, supports the MDGs and the digital divide, through two windows of fund – the e-Asia program and the Knowledge Partnership program. The fund contributes to the economic development and the social development in ADB's developing member countries by aiming to; (1) reduce the digital divide, (2) promote full access to ICT, and (3) share experience, information and knowledge in the Asia and Pacific region. The e-Asia program aims to bridge digital divide especially through national and regional e-strategies such as e-

government, e-health, e-learning, e-trade, e-commerce, e-finance, e-procurement, and e-environment. The activities in e-Asia program include:

- (1) financing ICT-related activities, including technical assistance (TA);
- (2) studies, research, and analytical work;
- (3) capacity building and developing human resources through education and training;
- (4) disseminating, networking, and cross-learning (e.g., policy consultations, seminars and workshops, conferences, publications, and websites); and
- (5) piloting innovative approaches to promote ICT

The key outcomes of the e-Asia program will be:

- (1) a smaller digital divide and stronger capacity for poverty reduction;
- (2) a fair information society and region and ICT infrastructure; and
- (3) the enhanced regional cooperation and innovation.

The Knowledge Partnership program is to support the capacity of developing member countries, for example, providing knowledge and sharing information and experiences for poverty reduction and social development through workshops, training, research work, and publications. The activities in knowledge partnership program include:

- (1) policy advice/dialogue and TA involving the use of experts on economic development and capacity building;
- (2) capacity building and institutional development in the developing member countries, including training workshops, vocational training, and long and short training and learning courses;
- (3) publications that will disseminate successful development knowledge to developing countries in the region;
- (4) studies, research, and analytical work;
- (5) projects on reforming government, improving governance in the business and financial sectors, and privatizing state-owned enterprises; and
- (6) disseminating, networking, and cross-learning (e.g., policy consultations, seminars and workshops, conferences).

The key outcomes of the knowledge partnership program will be:

- (1) strengthened institutional and human capacity through information sharing for poverty reduction,
- (2) facilitation of knowledge sharing in order to increase the efficiency and productivity of member countries' development, and
- (3) enhanced regional cooperation and innovation through the establishment of benchmarks in poverty reduction and social development. [64]

The e-Asia program mainly strengthens the capacity of developing member countries to achieve reducing the “digital divide”. Reducing the digital divide, which means a vision to bridge the digital divide will reduce the gap between the developed countries and the developing countries, is the target of World Summit on the Information Society (WSIS), a pair of UN-sponsored conferences which address the ICT issues in the broadest possible terms, especially, the information society. WSIS was held in two phases, in Geneva in 2003, and in Tunis in 2005. The most important outline in this summit is the aim to help narrow the digital divide between developing and developed countries by increasing access to modern ICT services. [83] The International Telecommunication Union (ITU), other UN agencies, governments, civil society and the private sector emphasize on a multi-stakeholder approach and provided the contributions to establish the effective cooperation mechanisms at the regional and international levels to the WSIS vision of collaborative action to reduce the digital divide. The WSIS targets to bridge the digital divide agreed to achieve by the year 2015, in collaboration with Millennium Development Goals (MDGs). Reducing digital divide can accelerate the achievement of MDGs because ICT becomes the tool for the socio-economic development. [84]

The Knowledge Partnership program primarily aims to achieve the Millennium Development Goals (MDGs). Millennium Development Goals (MDGs), developed from Millennium Declaration for accelerating democratization and securing peace, scaling up development and poverty reduction, ensuring environmental sustainability, and promoting global partnerships the September 2000 UN Millennium Summit, is eight international development measurable goals of shared responsibility between advanced economies and developing countries, civil society organizations, the United Nations and other international development organizations have agreed for combating poverty, hunger, illiteracy, disease,

discrimination against women and environmental degradation by the year 2015.

MDGs aim to eradicate the poverty in the world as followed:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development. [85]

As the policy directions for Korean multilateral assistance, the Government of Korea aims to complete the MDGs and the sustainable growth by cooperating with international development organizations. [86] The establishment of EAKPF represents Korea's ODA plan in accordance with international standard including MDGs and the digital divide. The e-Asia program aims to achieve the objectives of World Summit on the Information Society (WSIS) Plan of Action while the Knowledge Partnership program aims to achieve the objectives of the MDGs. [89] The EAKPF objectives are to support the development of ICT initiatives in various sectors and/or apply ICT with many sectors to develop. To reduce the digital divide, EAKPF would reflect Korea's attention to world's development in international level and to actively engage in the international community at present. Korea wants to participate with the international community to solve the world's problems by accepting MDGs and the digital divide by applying the international two commitments into the objectives of EAKPF.

It is supposed to mean that Korea places the EAKPF in ADB for the preparation of the DAC membership. Korea decided to establish the EAKPF in 2004 and Korea formally established the fund in June, 2006. Meanwhile, Korea's decision to be the DAC membership was proclaimed after the establishment of EAKPF. Korean Government agreed to join the DAC group, a group of advanced donor countries by 2010 at the fourth meeting of the Committee for International Development Cooperation in August, 2008. The DAC submits a report on Korea's readiness for DAC accession. Accepted by all DAC member states, Korea officially

became the 24<sup>th</sup> member of DAC on January 1, 2010. When Korea was admitted to gain membership of the DAC, Ministry of Foreign Affairs and Trade (MOFAT) pledged to improve the quality of ODA for the sake of the DAC standards by increasing Korea's ODA from 0.09% of its GDP in 2008 to 0.25% by 2015. [87]

Korea's prominent objective to improve ODA volume and effectiveness is to represent the membership of DAC. Accomplishing the goal of joining the DAC group clearly reflects the objective to preserve Korea's self image in the international arena through the development cooperation.

Lumsdaine and other agree about the status motive for Korean ODA. To meet the international expectations of Korea, the government strives to use ODA to represent Korea's greater role in the international arena. Korea concerns about the status motive for providing foreign aid. Lumsdaine and other say that entering the Organization for Economic Co-operation and Development (OECD), Korea's ODA means "a kind of membership fee" to international society. [14]

Development Assistance Committee (DAC) is a committee under the OECD in which the development assistance providing states discuss development assistance policy adjustment and methods to increase the efficiency of the assistance. Entering to DAC group is important to Korea, since DAC means the group of wealthy countries to have proficiency and as well as are the example to OECD countries, too. The membership of DAC holds a special meaning, because Korea's membership in the Committee has helped the nation to enhance its role and prestige in the international arena commensurate with its current international standing. Furthermore, the DAC membership will also help Korea play a leading role in establishing the rules and norms of international development cooperation and further enhance Korea's ODA system. Therefore, Korea needs to follow the international standard to reflect the attention to the international community's responsibility as other DAC member expected since Korea attempts to enter into the DAC group. Korea keeps the prestige DAC role by filling the international standards into EAKPF that Korean Government establishes.

By the establishment of the EAKPF within ADB, Korea promotes its status in the regional arena, and enhances its image as a member of DAC.

Apart from EAKPF, there are other parties associating with this project. Two main of them are Chulalongkorn University Demonstration Elementary School, the recipient of the fund, and the other Thai schools, the participants in the “Capacity Building and School Networking for Educational Services (E-Learning) in Thailand” program from various areas in the country. In addition, the following detail will inform how Chulalongkorn University Demonstration Elementary School starts to be involved in this project. In other words, it will illustrate the beginning of the “Capacity Building and School Networking for Educational Services (E-Learning) in Thailand” program for the first time in Thailand.

### **5.3 The Recipient: Chulalongkorn University Demonstration Elementary School**

To be replaced for Mattayom Horwang School of Chulalongkorn University, Chulalongkorn University Demonstration Elementary School, established on 20<sup>th</sup> June 1958, is the school for the practice of teachers in secondary level teachers of Chulalongkorn University. [88] Chulalongkorn University Demonstration Elementary School aims to achieve the following policies;

1. Personnel development: the school supports the personnel to work in the excellent level.
2. Academic development: the school supports the teachers to research the educational studies.
3. Student’s intellectual and moral development: the school supports the student activities by observation, planning, managing the seminar and finding the scholarship program for students to develop students’ intellectual and morality.
4. Information system development for management: the school manages the information system for the comfortable operation in school.
5. Management in Finance, Administration, Building, and Environment: the school strengthens the financial security and develops the finance, the administration and the archive including maintaining the building and the environment surrounding the school.
6. Coordination with Faculty of Education, public organizations, and private organizations: by cooperating with those parties, the school plays a role in the source

of research, academic work in the fundamental education and the educational administration.

7. Social service for social, community, and parents: the school aims to help support the academic service to teaching profession, academic institutes, academics, educators, organizations, communities including students, and parents. [89]

Chulalongkorn University Demonstration Elementary School is known as one of the best-practice schools. [90] After doing a survey to improve the quality of education, the school finds that there is the lack of teachers in some fields of studies, also there is the shortage of learning materials. [91] Therefore, the school volunteers to act as the implementing agency of the project. The school aims to establish the e-learning system building in many schools in Thailand. It is due to the fact that this project is a pilot project covering many regions in Thailand, Chulalongkorn University Demonstration Elementary School needs to look for the funding contribution from the organizations. Prior to EAKPF, the school finds out the supporting fund from Software Industry Promotion Agency (SIPA). [90] However, the political situation in Thailand is unstable at that time, the fund request from this public organization is failed. After that, the school asks for the contribution supporting the project from EAKPF in ADB.

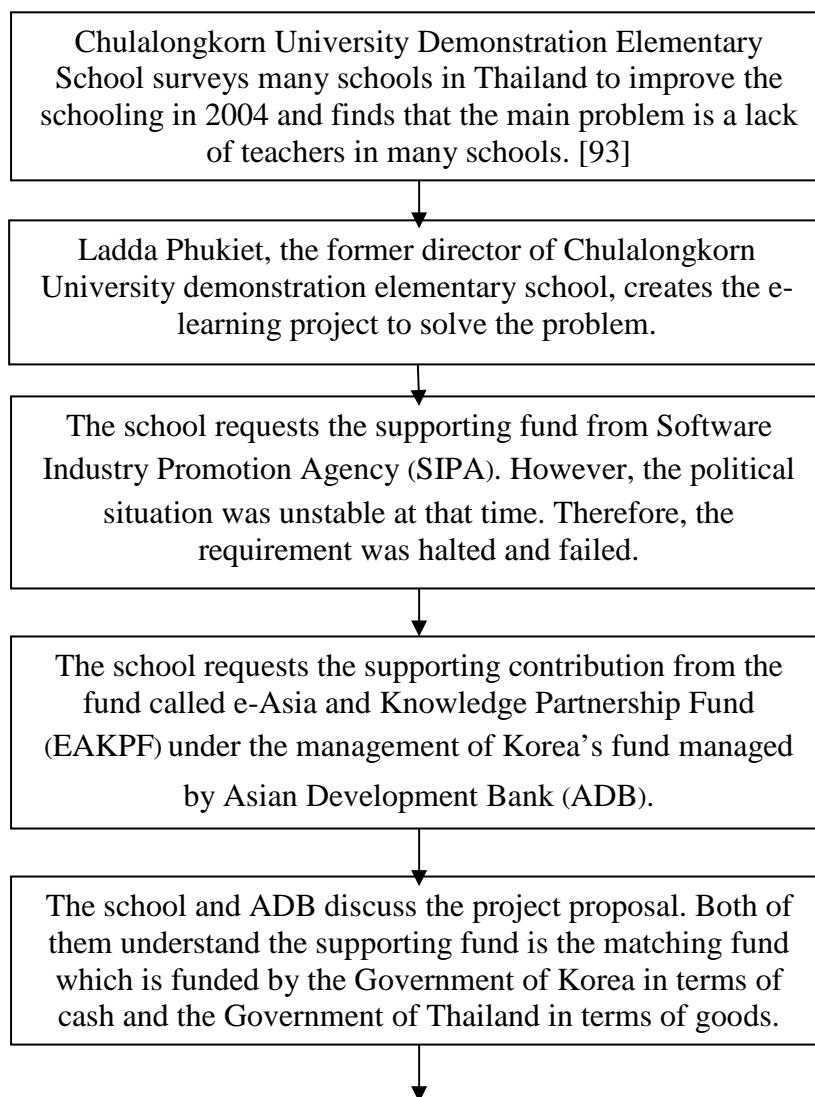
*See Figure 5.1* When the school accepts the condition of the fund explained by ADB, ADB consults the Embassy of Korea about the feasibility of the project approval. After that, the school discusses and writes the fund proposal to ADB. ADB sends the fund proposal to Korean government to approve for the support. While the determination from the Government of Korea is processing, Chulalongkorn University Demonstration Elementary School goes to the study tour in Korea. The technical assistance plan covers the expenditure in study tour. However, the completion technical assistance report states that Korea Education and Research Information Service (KERIS) and the school jointly funded the trip. [92] When Korean government approves the project under the fund, the school receives the total amount of USD 500,000 for the project. However, the school will receive the expenditure for each activity under the administration of ADB. When ADB considers

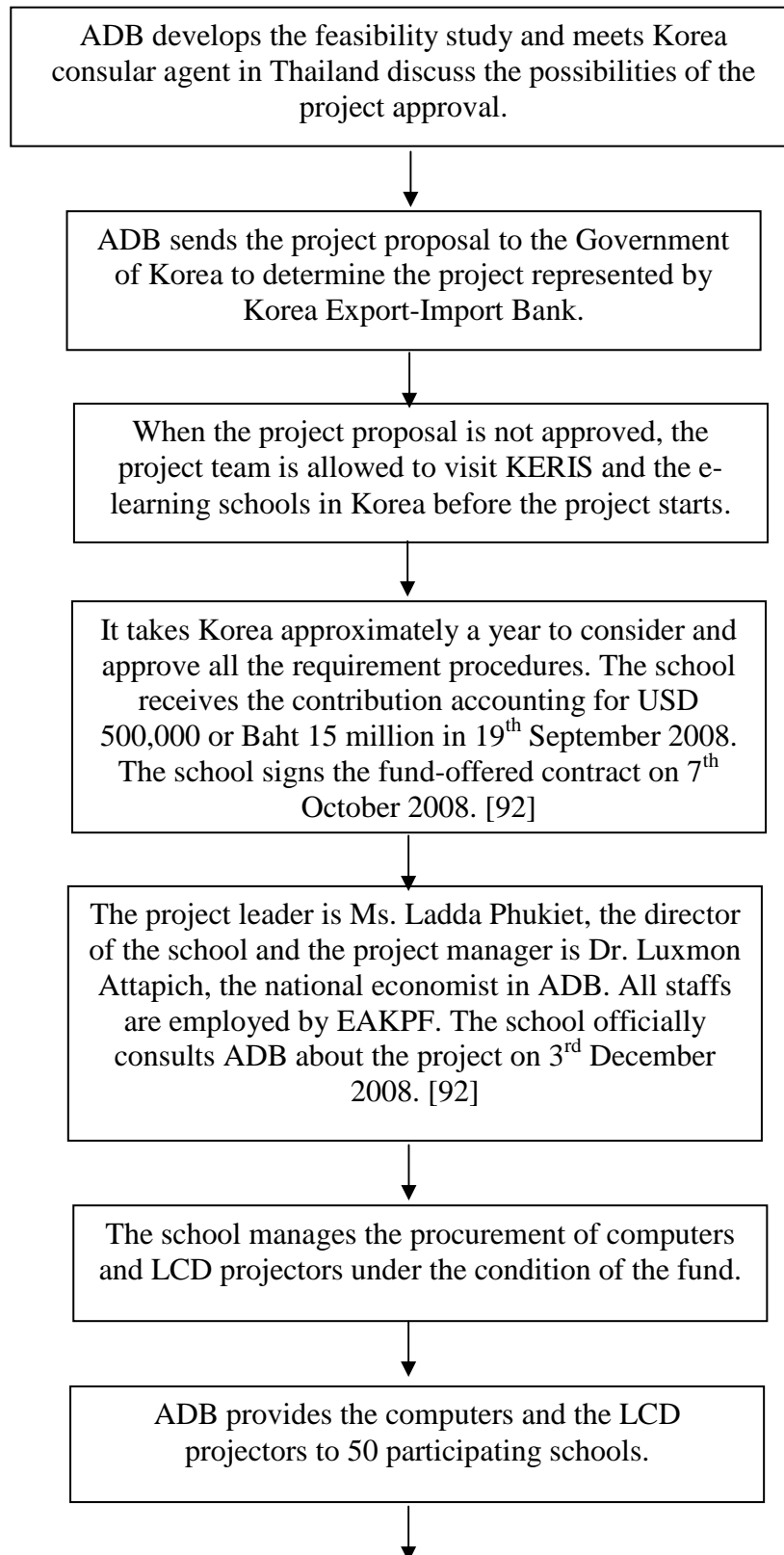


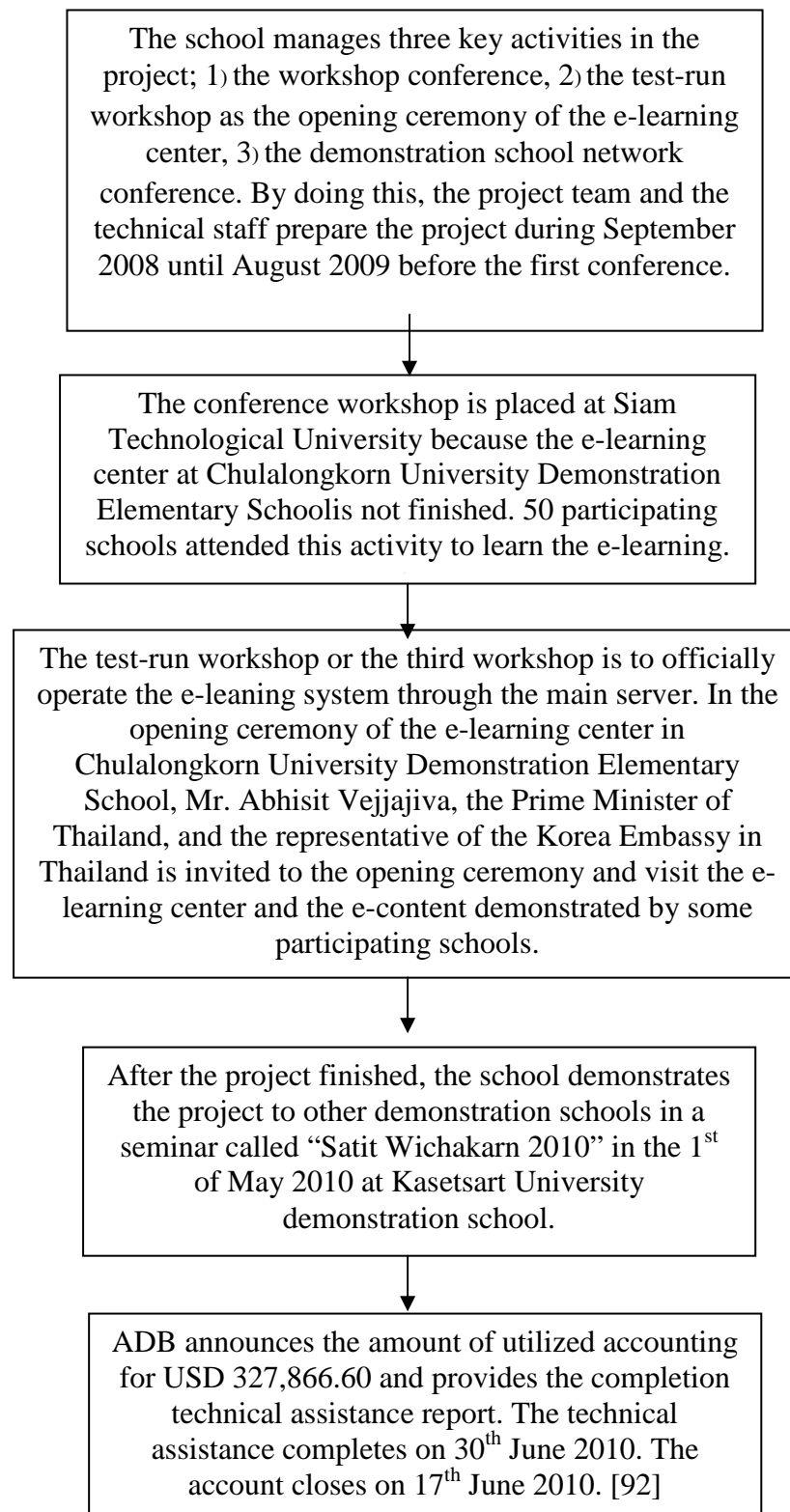
the reasonable disbursement for each requirement sending from the school, the school receives the agreed financial amount to manage the planned activity.

After receiving the supporting contribution from EAKPF, the school mainly manages the main three activities of the project; 1) conference workshop with the participating schools, 2) the test-run workshop as well as the opening ceremony of the e-learning center, and 3) the conference with other demonstration schools to publicize the e-learning project.

**Figure 5.1 The Process of the Project Implemented by Chulalongkorn University Demonstration Elementary School and Asian Development Bank (ADB)**







*Source: Adapted from the interview and the documents*

#### **5.4 The Participants: the Participating Schools**

Chulalongkorn University Demonstration Elementary School informs the participating schools (hereafter “participants”) only the fact that Korea’s EAKPF in ADB provide the financial support to this project, however the other details, such as, study tour and the visited Korean teachers have not been told to the participants. The attitude in participants’ viewpoint toward Korea, the donor is limited only the consideration from the financial support amounted to USD 500,000 through EAKPF.

Proclaiming the contribution from Korea in this project is one way to help Korea receive the reliance and the positive attitude from the participants of the project. Korea could yearn for showing the good role of “donor” by providing the contribution.

##### **5.4.1 Selection of the Participating Schools**

The project “Capacity Building and School Networking for Educational Services (e-Learning) in Thailand” covers many provinces in all regions in Thailand. Referred to the selection criteria, the qualification of the participating schools concentrates on the geographical criteria and various communities. [94] Chulalongkorn University Demonstration Elementary School also agrees with the geographical criteria, because Chulalongkorn University Demonstration Elementary School does not want to help just the needed schools in the rural area which lack of technology and the teachers who have ICT skill only. Hemawan Khunmanee, secretariat of the project team, says that this kind of schools has a burden for itself. Because of the insufficient number of the teachers in rural school, the attendance of the teachers cause them cannot take care of the students. Therefore, Chulalongkorn University Demonstration Elementary School decides to select the schools from various communities by using the geographical criteria in Thailand.




Korean Government realizes that the recipient (Chulalongkorn University Demonstration Elementary School) manages the selection of the participating schools after the government approves the project through the fund. ADB reports that the recipient manages to select 50 participating schools and sends the progressive report to ADB when the selection of participating schools has been finished. After receiving the financial support from EAKPF, Korea does not consider the selection in detail because the EAKPF aims to provide the rule-based project managed by ADB only.

Moreover, the recipient did not report the list of participating schools to Korea again after the selection is finished. ADB reports only the proposal project prepared for Korea, the provider of the fund, about the specification of the selection criteria to Korea. ADB firmly assures that the selection criteria is clearly indicated the specification of participating schools, particularly, the project criteria emphasized “geographical criteria.” The selection criteria primarily specified the participating schools from every geographical region and various communities; city, rural area, and border area in Thailand. Dr. Luxmon Attapich, project manager says that the size of each school in all areas does not matter to the results of project. Geographical criteria contributed in important ways to the selection. The schools from four regions in various areas have a significant impact on the aims of the project providing the development in education sector in Thailand.

The implementation arrangement is mainly managed by Chulalongkorn Demonstration Elementary School over the period of 12 months, from approximately September 2008 to August 2009. *See Figure 5.2*





schools													
10. Prepare a training handbook													
11. Conduct an e-learning training workshop for the system operator, related personnel, and teachers from 50 participating schools													
12. Organize a networking conference on e-learning and publish conference proceedings													

Source: Adapted from the Technical Report [71]



With regard to the responsibility of Chulalongkorn University Demonstration Elementary School, it is clear that the school plays a major role managing the project. Thanks to the reputation of the school, many elementary schools in Thailand willingly attend this project. There are 50 participating schools joining in this project. However, only 32 schools had an interview with this study. The study finds that the reasons why many schools attended the project come from three different groups;

1) The first group is the networking school of Chulalongkorn University Demonstration Elementary School. They participated with all former activities organized by Chulalongkorn University Demonstration Elementary School; therefore, they tend to be familiar with Chulalongkorn University Demonstration Elementary School for the first place. It is not too difficult to convince them to join this project.

2) The second group is those who once used to attend the research “Sattasila” provided by Ms. Ladda Phukiet (project leader), the former director of Demonstration School. Ms. Ladda Phukiet and other educators in Faculty of Education, Chulalongkorn University, received a grant from Nation Research Council of Thailand in 2005 and did a research called Sattasila for education transformation. [95] The interviewees say that their schools attend to this research. The research “Sattasila” introduced the schools to Chulalongkorn University Demonstration Elementary School. Ms. Ladda Phukiet invited the school for the project “Capacity Building and School Networking for Educational Services (e-Learning) in Thailand” when she managed Sattasila research.

3) The third group registers for the project by themselves. They received the official letter from the original affiliation. Many schools’ headmasters are interested in the project and registered to Chulalongkorn University Demonstration Elementary School, when they have heard about the project “Capacity Building and School Networking for Educational Services (E-Learning) in Thailand.”

Korea is not responsible for selection of participating schools; however, Korea relies on the reputation of Chulalongkorn University Demonstration Elementary School for selecting the participating schools to improve the participants’ attitude toward Korea.

The study finds that most of the participating schools have a contact with Chulalongkorn University Demonstration Elementary School before the project; the first and the second group, in particular. The participating schools comes from three sources; 1) the network schools, 2) the school participating a project with Chulalongkorn University Demonstration Elementary School and wants to continue participating with other project managed by Chulalongkorn University Demonstration Elementary School, and 3) the school never have a contact with Chulalongkorn University Demonstration Elementary School, but the headmaster of these schools are interested in the usefulness of this project. As a result, they registered to attend the project by themselves.

To sum, Chulalongkorn University Demonstration Elementary School mainly influences in the group of participating schools of this project. The school is appreciated by many participating schools. Therefore, the study assumes that Korea expects Chulalongkorn University Demonstration Elementary School could extend the positive attitude toward Korea after study tour to the participating schools. The participating schools appraised the implementing agency for the academic excellence. Korea might expect the implementing agency talked about the study tour and send the positive attitude toward Korea. The participating schools would probably easily accept the positive attitude toward Korea.

Unfortunately, Chulalongkorn University Demonstration Elementary School does not talk about the study tour to the participating schools. Accordingly, the objective regarding Korean diplomatic interest may not be attained. However, the study predicts that the positive attitude toward Korea may be communicated to other Thai educational institutes for the e-learning development in the future.

### **5.5 Korean National Interests Gained from the Project**

The next part will discuss the diplomatic interest and the economic one in details, as well as the result and analysis from the interview with the recipient and the participants toward the achievement of Korea's national and economic interest will be presented and evaluated.

### **5.5.1 Economic interest**

Chun (1998) reports one of the motives of Korean ODA is to serve national survival and economic prosperity of the nation. Korea needs energy, food, and raw materials to the survival of Korean citizens and its economy. [11] It is due to the fact that Korean economic prosperity is supported by export-oriented strategies, government-led policies, and the favorable international economic environment; therefore, the possibility is that Korean government which provides the foreign aid in this project through e-Asia and Knowledge Partnership Fund (EAKPF) will benefit the economic interest in terms of creating the favorable trade environment and the production base.

ICT manufacturing which is the technology-related procedure needs higher technologically-educated personnel to control and improve the production. The ICT manufacturer mainly recruits the educated and well-trained labor. Therefore, to supply the skilled labor, the human development in education sector is vital. The study assumes that improving the Human Resource (HR) development will support the ICT-related manufacturing which is relevant to Korean economy.

The impact of the project is to increase the National Test (NT) of the students in participating schools. [78] When the students in Thailand can pass the National Test (NT) in the high level, they tend to learn in the upper level. The project possibly develops the labor by the e-learning system.

However, the education development in primary level is too fundamental for Korea to receive the economic interest. The development in the primary education by supporting the e-learning system in many schools in Thailand does not indicate that the students would be developed to be the skilled labor. Even though the students in the participating schools may become the skilled labor in the future, the participating schools are located in diverse areas of the country. This means that Korea cannot expect that those skilled labors would work for the Korea's ICT-related factory, which is located in only some specific areas in Thailand. The study finds that it is impossible to analyze the successful result of the project.

From the interview with the group of the participating teachers, some interviewees reveal that there are certain Korean companies in the same area of the

schools. The interviewees acknowledge that those Korean companies need people who know Korean language. Unfortunately, the project does not support Korean language. The project developing three fundamental courses; Science, Mathematics, and English in the primary educational field does not directly build the opportunity to work for Korean companies in the area. Apparently, the provided project is indirect to serve Korea's economic interest, especially the ICT-related manufacture. The economic interest cannot be expected to be the main motivation of the aid in the project.

### **5.5.2 Commercial Interest**

After studying the management of EAKPF, the commercial interest hardly serves Korea during the project. It does not appear Korean firms establish business contacts with the participating agencies before and after the project. Furthermore, considering the management of EAKPF, the final decision is the only one task of Korean government within the EAKPF management.

The study finds that Korean government and Chulalongkorn University Demonstration Elementary School do not directly contact to each other because ADB is responsible for the coordination between the donor and the recipient. Therefore, the donor and the recipient do not have a chance to discuss the trade negotiation. The recipient acknowledges EAKPF and requests the endorsement in form of funding through Asian Development Bank (ADB) acting as the representative of the country recipient. According to the preparation arrangement, ADB is responsible for the feasibility study report and the implementation plan as well as the request plan.

Due to the fact that the implementation plan of the fund is authorized by ADB, Korean government does not offer the special procurement and the deeper relations to the recipient. Korean government does not publicize information regarding EAKPF's funds to Chulalongkorn University Demonstration Elementary School; instead, the school itself was searching for this project on its own. ADB allows the recipient to take care of the procurement of goods itself; however, the recipient needs to prepare the budget proposal sending to ADB so as to have a budget approval or the adjustment of the appropriate spending for each time according to the needs of the recipient. The recipient pays the disbursement, manages the financial contribution to

procure and buys the goods, and spends money on the preparation of the conference workshop.

The company that can procure in this project comes from the general procurement. However, Korean companies cannot take advantage of the country-to-country relationship after the project has been finished. This is because those companies do not have a chance to introduce themselves to the recipient and participating schools, and sell their products both before and after the project.

While the recipient manages the project, ADB supervises the project implementation including consultancy bidding, employment agreement, procurement bidding, procurement agreement, and the implementation of the contract. The employment of five specialists, two national consultants, two program architectures, and one international expert in the project, is managed by ADB. Furthermore, the positive attitude of the participating teachers toward Korea after the project does not influence the increasing consumption of Korean products.

Even though Korean firms could use the deeper relations to offer the procurement or sale in the next project, the trade negotiation did not appear in the project. The study proves that EAKPF cannot persuade the private sector to cooperate with the project. Hence, Korean development cooperation in the project hardly serves Korea's commercial interest.

### **5.5.3 Diplomatic Interest**

Foreign aid enables nations and people to feel respect to the donor. Donor can show national power in terms of economic strength to lessen recipient's feelings of humiliation and powerlessness. Donor's economic strength has power to exercise its positive influence. Charles Kindleberger [96] informs that donor uses foreign aid for political policy. Although the foreign aid aims to improve the economic development, the economic development is also the instrument for political purposes to control other nations. Charles Kindleberger applies Hans Morgenthau's theory, "struggle for power" to explain the idea.

*Whenever economic, financial , territorial, or military policies are under discussion in international affairs, it is necessary to distinguish between, say, economic policies that are undertaken for their own sake and economic*

*policies that are instrument of a political policy – a policy, that is, whose economic purpose is but the means to the end of controlling the policies of another nation. [97]*

The donor will use “national power” to control another nation by providing the foreign assistance to recipients. The foreign aid is the capacity to transform goods and services from the domestic consumption to other purpose called national power. [98] Also, Charles Kindleberger accepts the distinction of the aid and the trade which Hans Morgenthau that “trade is business; aid is designed to win friends and influence people.” [97] The distribution of foreign aid will show how the donor uses national income to grasp the national power.

Korea has been trying to utilize ODA as national power to grasp the diplomatic benefit from Thailand. Korean government spends foreign aid to Thailand amounting for USD 13.491 million, 2.96% of total Korea ODA accounting for USD 455.3 million (net disbursements) in 2007. [99] Korean foreign aid in 2007 equals to 0.05% of GNI (Gross National Income). [100] Likewise, Korean embassy now supports the bilateral ODA in Thailand to enhance the cooperation in education field by dispatching Korean volunteer teachers to teach Korean language in many schools and universities. Currently, Ministry of Education, Science and Technology (MEST) of Korea dispatches 53 Korean language teachers to teach Thai students on 23 September 2011. [101] Korean government highlights on the development cooperation to Thailand in the form of sending the Korean language volunteer teachers.

Korea’s diplomatic interest in terms of “DAC membership” drives Korea to enhance the donor image through the recipient country’s view. The Development Assistance Committee (DAC) of Organisation for Economic Co-operation and Development (OECD) is an international forum of 24 largest country donors who are providing the foreign aid to development co-operation. The DAC countries which have the high economic standing are committed to increase the effectiveness of financed international efforts for the economic and social development. [102] To upgrade Korea’s DAC membership, Korea may expect the reputation from helping

recipient countries and participating in the international community to show the world citizen's responsibility.

Seeing the role of development cooperation as supporting the basis of diplomacy, EAKPF also promotes the diplomatic interests. Even though EAKPF is processed by multilateral system, ADB allows Korean government decides the regulation to provide the assistance. Korean government also attempts to get the diplomatic benefit through making the recipient's and participants' positive attitude.

### **5.5.3.1 The Economic Development in the Developing Country**

Studying the objective of the project which aims to build the human capital, in the case study, Korea prefers to strengthen the development cooperation by developing the economy in Thailand to represent as a donor role.

The development in national education system is vital, because it is related with the development of labors, one of the key factors in the economic system. To illustrate, the project created the electronic contents (e-contents) for the elementary school to teach the students in rural areas of the country.

The education is important to the development of labor because the education and the relevant skills are a necessary condition for good labor. [103] The project "Capacity Building and School Networking for Educational Services (E-Learning) in Thailand" is to develop the quality of education in primary level in Thailand; therefore, the foreign aid in the education sector which leads to Human Resource (HR) development will reaffirm further improvement of the human capital in the recipient country, which is Thailand in this case.

Wichitwong Na Pompetch (2005) states that factors of production refer to the resources required for generating products and services. Factors of Production are classified into four main groups; land, labor (including human capital), capital, and enterprise. He describes the labor force depends many factors including the level of education. The advanced technology, the education, and training do not only increase the size of HR, but they also increase the quality of other factors in production process. [104] The quality of education is the key factor improving the labor because the upper level of education implies to the increased quality of labors. [105] Less

qualitative labor resulted from the poor or lack of standard education will hinder the economic development.

On the other hand, the higher educated and skilled workforces can bring crucial advantages to economy. Singer (1964) agrees that the educated and well-trained labor force will bring about the preparation of new advances in techniques and organization of production.

*The education basis is an absolute precondition for the fruitful application of research and development to the process of production. It is only where the working force at all levels is sufficiently literate, educated, trained, and mobile to take advantage of new advances in techniques and organization of production that the creation of a built-in industry of progress becomes possible. ... [106]*

As a recipient country requesting the financing contribution from the fund, the project can develop the educational system to the country. In performing the aid, Korea takes the responsibility of donor role with the promotion of the economic development in the developing country.

## **5.6 The Recipient's Attitude toward the Project**

The project is recognized as a pilot project. Nevertheless, the project team thinks this project is so useful and it can be developed further in the foreseeable future. Although the activities in the project are finished, the implementing agency continues to solve the technological problem in the main server and find the new changes for the project. The project team will find the way to develop the project, such as, receiving more contributions from educational organizations, developing the e-learning in commerce. The project team wants to find more contributions for supporting the project. Some staff recommends the new technological system into this e-learning system project. Furthermore, there is another way; commercial e-learning to sustain the project itself. However, the project team has not decided yet.

### **5.6.1 The Recipient's Attitude from Study Tour in Korea**



Since Korean government considers the qualification of the recipient, Chulalongkorn University Demonstration Elementary School in terms of the reputation of Chulalongkorn University. Ms. Ladda Phukiet, the project leader talks about the task of Chulalongkorn University Demonstration Elementary School as one of the best-practice schools in Thailand that can be seen in the following statement; “Firstly, we, Chulalongkorn University Demonstration Elementary School realize that the demonstration school should perform the role model of the best practice in education field, and, secondly, our school is the number one of country. Our task is supposed to help people in our country.” [90] Because of presenting itself as the best-practice school, Korea hopes to get diplomatic interests in the positive attitude from supporting the study tour to the school. Korea anticipates that the school has the prospect to communicate the positive attitude toward Korea to the other educational sector, such as other schools or other projects in Thailand.

In September 2008, the study tour is happened before the technical assistance will be implemented. The project manager, the secretariat, and the staff come from Chulalongkorn University Demonstration Elementary School, while the software consultant and the infrastructure consultant are the dean of Siam Technology University and the executive director of IBM, respectively. The project team consisting of the project manager, the secretariat, the infrastructure consultant, the software consultant and a member of staff were invited by Korea Education and Research Information Service (KERIS) to have a study tour in both KERIS and two e-learning schools in Korea.

Korea Educational and Research Information Service (KERIS) is Korea’s organization which is famous for development human resources through e-learning. [95] KERIS operates ICT use for the national education and research competitiveness leading to a knowledge and information-based society. Another major task of KERIS is to enhance the international exchange and cooperation of e-learning through international consulting on ICT in education. [107]

The project team visited in Korea for two days. The project team visits and attends a lecture at KERIS on the first day and visits two e-learning schools to observe the e-learning activities on another day. The KERIS staff takes care of the project team’s visiting the trip. However, the school does not contact KERIS after the

study tour. The project team reports the study tour to the Faculty of Education, Chulalongkorn University and sends the progressive report to ADB. The project team accepts that the e-learning system of Korea is excellent, but the team does not eventually want to duplicate Korea's e-learning system into the project because the team has its own idea about e-learning system development.

Members of the project team consider Korea's e-learning system excellent after the study tour. Moreover, what the project team receiving from this educational sight-seeing ensures its own idea about developing the e-learning system itself before the participation in the project happened. This is because the e-learning system of Korea appears similar to its concept; even better, the team can apply certain ideas gained from the study tour to its own initiative project of the e-learning system development. Similarly with the project team's thinking, Korea's e-learning system pays attention to the role of teacher in production of the e-learning in classroom. Likewise Korea's e-learning concept, the project team anticipates Thai teachers to be able to produce the e-learning contents, also encourage the lecturers to include the e-learning system in every aspect of their teaching. Hemawan Khunmanee states that;

*At the first place, we don't hope the excellent performance from the teachers; at least, they learn how to deal with the system. Furthermore, the main aim of this study tour does not focus on the Korea technology but the importance of teachers to develop the e-learning system. [93]*

Chawapol Jariyawiroj, the infrastructure consultant, comments on Korea's study tour that this study tour broadens his views. He agrees with three points supporting e-learning in Korea; 1) infrastructure, 2) e-content, and 3) supportive budget from government. To begin with, Korean government supports 22 schools to be the e-learning platform (which two schools were visited by project team) and provides internet access in many areas. Secondly, Chawapol sees teachers and students communicate to each other using e-learning system through e-book which is full of multimedia. He feels satisfied and impressed with the developed e-content, and hopes that Thai teachers will teach in e-learning environment like Korea's. Lastly, he

expects Thai government will seriously support the budget for ICT infrastructure. [108] Overall, he holds the positive attitude from Korea's study tour.

KERIS warmly welcomes the project team. The project team feels pleased with the great welcome and the great experience from KERIS. If there is any chance that KERIS invites to the next time study tour, the project team will willingly visit to KERIS again. Represented as the project team, Hemawan Khunmanee prefers with Korea's ICT use in education rather than the technology. Before the study tour, she recognizes Korea as one of the leading countries in the continual improvement in the education. [93] The project team recognizes Korea representing itself as the leader in education field. Moreover, the study tour in KERIS is not directly recommended by EAKPF and ADB.

It shows that the recipient trusts in the technical assistance from Korea, the donor. The project team's positive attitudes toward Korea increase when the project team altogether appreciates Korea's e-learning system. The study tour really helps enhance the recipient's positive attitudes toward Korea, even though the team does not obtain any further e-learning knowledge from the tour. The project team thinks that the study tour in Korea is just for exchanging the knowledge about e-learning with Korea's agency because the team has already created its own e-learning system before the study tour. Also, the knowledge from study tour in Korea does not directly apply to its own project.

Korea may expect the recipient would comment about the study tour in Korea to the participant so as to increase the positive attitude toward Korea, but the recipient does not publicize its thinking and feeling toward Korea to the participants. Hopefully, it can be expected from the study that the attitude toward Korea from the personnel in project team would be promoted in other e-learning projects and the educational sectors in Thailand in the future.

Korea, therefore, expects the diplomatic benefit from the project team by sending them to the study tour in Korea. Additionally, thanks to the academic excellence of the recipient in Thailand, Korea has confidence that the recipient will mention the positive attitude toward Korea or the knowledge regarding e-learning after the study tour in Korea to other education fields. Korean government trusts in the reputation of Chulalongkorn University Demonstration Elementary School to

spread the positive attitude toward Korea after study tour, because Chulalongkorn University Demonstration Elementary School is widely known as the excellent academic institutes.

### **5.7 The Participants' Attitude toward the Project**

In order to gain the great donor image in the recipient country, Korea intends to provide the contribution for supporting the project "Capacity Building and School Networking for Educational Services (e-Learning) in Thailand", which aims to develop the quality of education through e-learning in Thailand. This kind of foreign aid which supports the project represents the donor image, the new role of Korea in Thailand apart from the "trade partner." By approaching to Thai people's attitude toward Korea, Korean foreign aid will reflect the friendship contributing the diplomatic relationship between Korea and Thailand.

As mentioned in the above topic "selecton of the participating schools", the participating schools are divided into three groups. Most of the participating schools are known as the network schools of Chulalongkorn University Demonstration Elementary School. 50 participating schools sent one to three representative teachers to learn the e-learning system in the conference workshops of this project in Bangkok. The participating teachers are Mathematics, Science, and English teachers in primary school level. Some schools send the vice-headmasters, headmasters or the teachers in secondary level instead of the primary one. The study finds that the participants' attitude toward Korea does not affect on the purchase of the ICT products in schools because the participating teachers' position in school is not responsible for the administrative position. Their attendance in the project is for the responsibility assigned by headmaster.

Chulalongkorn University Demonstration Elementary School informs the participants only the fact that Korea's EAKPF in ADB provide the financial support to this project, however the other details, such as, study tour and the visited Korean teachers have not been told to the participants. The attitude in recipients' viewpoint toward donor limited only the consideration from the financial support amounted to USD 500,000 through EAKPF.

### **5.7.1 Participants' Feedback about the Project**

The study interviews 32 participating teachers out of 50 participating schools. The interviewees are mostly satisfied with the content. 28 people feel impressed by the project, while the others feel unsatisfied with the project. 28 people feel satisfied with the concept of e-learning from the project, the reputation of the implementing agency (Chulalongkorn University Demonstration School), and the service during the conference workshop.

The first impression is the useful knowledge from the project. Although the teachers or the schools find the problems, they still feel satisfied with the concept of the project. What brings they still cannot apply the knowledge to their schools are the problem with the main server and the unqualified teachers. The ICT gateway which is the main server is inefficient to provide the internet access. Furthermore, there is the lack of the computer literacy among other teachers in school to produce the e-content. Few teachers can develop the knowledge to e-learning system in their schools, and they can use the e-learning knowledge to improve the performance of students' scores in Mathematics, Science, and English.

The second impression is for Chulalongkorn University Demonstration School. The participating schools are likely to feel impressed by the academic excellence of Chulalongkorn University Demonstration Elementary School. Although their schools are not able to exploit the e-learning system after the conference workshop, they still feel proud to having attended this project implemented by Chulalongkorn University Demonstration Elementary School.

Additionally, the next impression is the attitude toward the service during conference workshop; for example, the polite manners of staff and the catering service. The staffs in the conference workshop including the expert from IBM, the teachers from Siam Technological University and the teachers from Chulalongkorn University Demonstration School please many participating teachers a lot. The expert from IBM teaches the e-learning system to the participating schools. Since the e-learning center is not finished, Siam Technological University provides the place to operate the first conference workshop. Therefore, the teachers from Siam Technological University facilitate the operation of the conference workshop. The travel and the accommodation in Bangkok are in charge of Chulalongkorn University

Demonstration Elementary School teachers and they do it by themselves, not the driver. The teachers from Chulalongkorn University Demonstration Elementary School take care of traveling and accommodation of the participating teachers themselves; such as giving them a ride.

On the contrary, there are some negative comments on the project; such as, the unqualified participants, the too fundamental of the subject content, the implementing agency, and the concept of workshop. To begin with, the computer literacy of participating teachers is inadequate. The qualified teachers should be those who teach the main three subjects; Mathematics, Science, English, as well as have proficiency in using computer. However, some elderly teachers cannot catch up with the lecture in workshop. For example, an interviewee is the teacher for Mathematics which is fully qualified by the project, but she is quite confused during workshop. The e-learning program in workshop is easy to understand, but she is too old to learn the new computer skill. The second comment comes from an interviewee talking that the subject content in the e-learning form is sometimes too fundamental for certain group of her students to learn. The interviewee expects to teach the subject by the e-content to all students, but she finds that the e-content is too fundamental for the high-score students. The third comment is derived from a participating demonstration school. A lecturer considers this project is an activity demonstrated by Chulalongkorn University Demonstration Elementary School. The study assumes that each demonstration schools have its own strategy of education development, therefore; this participant feels neutral with this project. The last comment is resulted from the concept of the conference workshop, particularly sharing the e-contents among participants. To share the contents, the teachers are supposed to submit the e-content in network system after attending the conference workshop which is a concept of pooling information resources. One of the interviewees does not like the project because she thinks sharing the contents with other teachers is some kind of free-riding activity. She is afraid of the participants who will exploit other people's contents. Therefore, she denies attending the project. The activity puts a burden to her daily life apart from teaching students. Also, she further complains about the location of the conference which is in Bangkok. She thinks the participants who come from other provinces may find uncomfortable feeling to travel to Bangkok.

To sum, there are some negative comments about the project regarding to the too fundamental of contents, the participant's unqualified ICT skill, the implementing agency, the concept of the conference workshop.

### **5.7.2 The Participant's Attitude toward Korea Prior to the Project**

The interviewees comment on the topics as follow;

Firstly, a large number of interviewees recognize that Korea has the competency in high-technology, but they do not personally feel appreciated in any Korean brands or Korean ICT products. The interviewees perceive the advanced technology of Korea from electronic products and mobile phone brands imported to Thai market including Korean electronic product they are using. There is a participant being not confident with Korean technology quality; that is, he prefers Japanese brand than Korea's one. The study finds that the interviewees notice a large number of electronic products imported from Korea to Thai local market recognizing as Korea's high-technology. However, the interviewees do not reveal that they have brand loyalty to Korean products.

Another group of the interviewees mentions to the well-developed education system in Korea. They believe that Korea's education is related to national development; therefore, the participants pay much attention to Korea's education field.

Furthermore, the interviewees talk about Korean dramas because they usually watch them from broadcasting television. Surprisingly, Korean Wave does not mainly stand for the image of Korea. Korean Wave or Hallyu is the term named by Chinese columnist during 1990s. It means the cultural stream of Korea's popularity spreading over East Asia and South East Asia. Korean Wave comes from Korean pop culture, such as; dramas, songs, and stars and singers. Korean government supports Korean Wave to drive the economy and the society and it leads to the cultural industry. [109] The interviewees do not notice Korean drama which they always watch from the free broadcasting television is related to Korea's identity. Together with the consumption of Korean electronic products, all interviewees recognize Korean dramas as the normal product in their daily lives. It can be said Korean products spread all over Thai market resulted that the interviewees do not feel surprised when they are asked about their opinions regarding Korean products.

Other comments are Korean culture and Korean people's characteristics. The interviewees absorbed Korean culture; such as, health food, medicine and health. One of the interviewees used to have a chance to see Korean people having a study tour in a local area he lives and feel appreciated with the "Saemaul Undong" project. Saemaul Undong is a movement seeking community development and modernization to decrease the poverty. It is the Government-initiated activity since 1970. [110] He really likes the eagerness to learn the new knowledge of Korean people which brings about the national development.

According to the interview, it can be seen that many interviewees recognize Korean identification within the terms of "developed country." They consider Korea standing for the developed country in terms of technology and education. The interviewees think Korea is the country which is full of rapid growth in economy. Some of fourth group commented about Korean characteristic, the diligence and impatience are the keys to successful national development. However, there are a few interviewees comparing the development of Korea to Thailand's. They say Thailand and Korea are on the development in the same level in the past. These interviewees rarely look up on Korea's national development. Some interviewees like to compare Korea with Thailand in terms of economic development, and they think that Thailand developed its economy better than Korea in the past. They consider Korea as a newly developed country, yet Korea is not powerful enough to affect to Thailand much.

### **5.7.3 The Participant's Attitude toward Korea about Providing the Assistance to the Project**

Not only the national image the interviewees perceive before the project, the comments about Korea's assistance to the project are also shared. They say that the participation of Korea in this project is not the factor for their schools to participate in the project. The headmasters of the participating schools deciding the attendance are not informed of Korea's funding and contributions. The participating schools just learn about Korea's financial assistance when they attend the first conference workshop. They just know the school contact with ADB to request the assistance from Korea's fund. When the researcher asked the participants about the attitude toward Korea sends to the interviewees, many interviewees became reluctant to answer. They do not know about Korea's involvement in the project. Hence, the interviewees



cannot express their attitude toward Korea about its participation. The participating teachers know about the procedure to establish the project in a small number of information. They feel indifferent to Korea's aid in this project because they think Korea does not obviously cooperate with the project. Therefore, the participants do not have a favourable feeling for Korea's EAKPF in this project. The financial contribution from Korea does not impress the participating teachers' attitude enough. The interviewees feel superficially appreciated about the financial contribution through Korea's EAKPF. Hence, it can be said that the participants' positive attitude toward Korea's aid are not unlikely to increase after the project. Moreover, Korea, as much as the study expected, can not involve in the implementation of the project and Korea does not dispatch the technical assistance to the participants.

The participants are asked how they feel about Korea's participation in the project. Their attitude toward Korea becomes indifferent. Regarding the donor image, the financial contribution is not enough to show the national image of Korea.

#### **5.7.4 Comments on Other Korean Development Cooperation**

A few interviewees mention other Korean development cooperation before the project starts. For example, one of the interviewees say that her school used to received the computers from a Korean youth association coming to reconstruct the church in the local area. Another interviewee refers to other schools receiving the computers from Korean government through Rotary International Foundation. Other cooperation between Korea and Thailand appear in the education development. One of the interviewees says that the school is registering the educational project in the association with Thai government and Korean government in the project called TME: Thailand Mathematics Evaluation to upgrade Thai students' educational capability. Supported by the Institute for the Promotion of Teaching Science and Technology (IPST), Government Savings Bank, Korea Education Reports and Evaluation Institute (KEREI), and Edupark company, TME is a project to evaluate Mathematics for the students in primary level and junior high school. [111] A participating school will send some students to participate the examination evaluated by Korean government. He believes that the project will let the school know other countries' educational standard, and develop the educational system in Thailand in the future.

The interviewees accepted Korean development cooperation and trust in the helping profession Korea provided. Nevertheless, in case of the development project managed by Korea, they say the language barrier will be the important problem. They worry about their English proficiency, which is not enough to communicate with Korean people. Therefore, the interviewees are afraid of working with Korean people. They prefer the grant aid in the form of financial contribution as Korea provided through EAKPF and the technical assistance in management system and education field which are implemented in Thai. Their comments reflect the recipients' needs as well as their trust in Korea's professional aid in the required field. They believe Korea's ability can potentially provides grant aid including the financial contribution and the technical assistance, but they evaluate the EAKPF support in term of financial contribution is suitable enough for Korea's development cooperation.

## **5.8 Conclusion**

The study analyzes the main motive; diplomatic interest, driving Korean government to provide the assistance to the project called "Capacity Building and School Networking for Educational Services (E-Learning) in Thailand" through the e-Asia and Knowledge Partnership Fund (EAKPF).

Since Thailand is still the important base for Korea's main ICT-related production, Korea may have the economic interest from the project by developing human resources related to the production base in Thailand. However, the study cannot assume that the project developing the primary education would increase the skilled labor. Although the development in the educational sector will increase the improvement of the quality among the labors in Thailand, there are no specific factors indicating that the students in the participating schools would graduate in the higher educational level and would do their works for the ICT business. The development in primary education is too hard to predict the economic benefit Korea could receive.

Considering the attitude toward Korea through EAKPF, the participating teachers feel indifferent. In other words, EAKPF providing the assistance to the project does not help Korea to increase the participants' positive attitude. The participant group and Korea do not have a contact. The implementing agency does not publicize that Korea's fund supports the study tour. It may lead to more positive

attitude toward Korea's participation in the project. Moreover, the participants consider that the financial assistance is not enough to represent Korea's active participation in the project. The assistance in the form of the financial contribution does not make them feel grateful for Korea. Therefore, the fund does not enhance Korea's national image in the participants' perspective.

Instead, the study suggests the diplomatic interest is the main motivation. Firstly, the aim to develop the economic development in Thailand by providing the assistance to the project clearly shows Korea's donor role to the international arena. Secondly, the establishment of EAKPF can enhance the national image through providing the assistance in the regional level and the international community. Thirdly, Korea intends to establish EAKPF with the aims to complete MDGs and the digital divide, which are the international development agreements. The objectives of the EAKPF substantially present Korea's attempts to show the international responsibility. Above of all, the study finds that Korea desires to enhance the national image to prepare for its DAC membership in the international arena.

# **CHAPTER VI**

## **CONCLUSION AND RECOMMENDATION**

The study evaluates and collects the data about Korean economy, Korea's Official Development Assistance (ODA), the project "Capacity Building and School Networking for Educational Services (e-Learning) in Thailand," and the in-depth interview with the related persons in the project to conclude the motivation of the aid. This chapter will provide the conclusion, the suggestions, and the limitations and the suggestions for further studies as follows;

### **6.1 Conclusion**

There are two objectives for this study. The first is to investigate the Korean multilateral aid through the study of the E-Asia and Knowledge Partnership Fund. The second is to explore the participants' attitude toward Korea as the provider of the fund. The Korean foreign aid through EAKPF in the case study "Capacity Building and School Networking for Educational Services (e-Learning) in Thailand" shows the different national interests from other general Korea's foreign aids.

The result of the study apparently does not find the economic interest appearing in the project. Instead of the economic interest which is the main hypothesis in the introduction of the study, the diplomatic interest is unexpected result. Referred to the result in Chapter 4, the study suggests the diplomatic interest is the motivation of the aid. In other words, Korea's foreign aid activities through EAKPF in this project serve the diplomatic interest for Korea's national interest in terms of national prestige.

Even though the project tends to support the economic development by developing the e-learning in primary schools in Thailand, the result cannot prove that the students which are in the participating schools will become the skilled labor and will turn to be the significant resources in ICT industry for the near future. The project cannot immediately improve the human resource serving to the ICT business which is related to Korea's trade and investment in Thailand. The commercial interest, another

interesting question whether Korea could benefit from selling Korea's ICT infrastructure to the recipient or not. However, what has been found in this case study cannot indicate such interest both before and after the project is finished.

The analysis goes to other national interest which is the diplomatic interest. The donor cannot participate with the working-level, so the final recipient which is the group of the participating teachers is not impressed by with the Korea's participation in terms of the financial contribution. Although they consider Korea as a developed country and the financial contribution from the Government of Korea shows a donorship, they do not feel appreciated Korea. Instead of Korea, the interviewees perceive the positive attitude toward the implementing agency, Chulalongkorn University Demonstration Elementary School. This is, because the school initially establishes the project and the participating schools feel close to the agency during the conference workshop. The study concludes that Korea does not receive the participants' positive attitude.

The study finds that the relationship with donor and recipient group is not likely to be seen. Korea trusts the experienced ADB operation is effective, but the implementation of the fund decreases the relationship between donor and recipient. Therefore, the study finds that the EAKPF seriously tends to follow the multilateralism embraced by the international arena.

As part of improving Korea's national image, the Korean foreign aid through EAKPF provides the effective mechanism in multilateral aid system addressing the effective manner and the interest in the operation of multilateral development organizations in order to play the role in the international arena. By studying the characteristic of the fund, there are three points identifying the EAKPF reinforces the focus on the effectiveness in ODA system in the case study. Firstly, to support the economic development of the developing country starting with Thailand in this project, Korea represents the good image of donor. Secondly, Korea trusts in the experienced management of ADB and actively coordinates with ADB by establishing the EAKPF. Joining international efforts in establishing more predictable and consistent financing mechanism for the development represents the pursuit of expanding diplomatic area to international community. Thirdly, the aims of EAKPF to complete the objectives of Millennium Development Goals (MDGs) and to reduce

the digital divide initiated by United Nations (UN) represents Korea's endeavor to join the international development cooperation standard. The study infers that Korea's aid in the case study enhances the national image. The result serves the national interest in terms of the "national prestige," one of the "national interest" principles. In the case study, Korea attempts to utilize the ODA for preparing the national image before attending Development Assistance Committee (DAC).

## **6.2 Suggestions**

After the conclusion, the study introduces the suggestions in two points as follows; the participating teachers' attitude toward Korea, and the suggestions for Korea's aid in Thailand

Korea's participation by providing the financial contribution and technical assistance does not support the relationship within the recipient group in the working level. The attitude toward Korea's aid in the project becomes neutral because Korea rarely represents itself in the group of the participating teachers. If Korea desires to cultivate the recipients' more positive attitude, Korea should operate the project cooperated with the implementing agency to get accustomed to the recipients in the working level.

Secondly, as the participants are the teachers, the attitude toward Korea is in the education sector. A number of participating teachers acknowledge Korea's national education development. Korea should continually provide the assistance in educational field to Thailand, so Korea will constantly improve the donor image who gives priority to the education development.

## **6.3 Limitations and Suggestions for Further Studies**

There are the limitations as followings; the new study, the interviewee group, the phone interview, the selection of the interviewee, and the late timing of study.

Firstly, as the multi-bi aid in the case study is different from Korea's general aid, the study finds the difficulties to obtain data. This study is limited by the small amount of information.

Secondly, the interviewees come from the participating schools located in many areas in Thailand. The study needs the considerable amount of budget to explore all interviewees' comment by the face-to-face interview. Moreover, this limitation leads to another one which is the phone interview.

Thirdly, it is unavoidable to use the phone interview instead of the face-to-face interview. Unfortunately, the communication via phone could possibly distort the information.

Later, the study can interview with 32 of 50 participants. The phone interview might not actively approach to the interviewees when some participants would not be convenient to interview via phone.

Lastly, there is a long late timing to interview about the conference workshop held in the year 2009. However, the interview asked the participating teachers since October, 2011. Some interviewees could forget about some detailed information or even the attitude about the project.

For the further studies may consider these suggestions.

In the case study, it shows the understanding in Korea's multi-bi aid. Further research can be developed into the comparative study by specifying the country or comparing with Korea's bilateral aid to Thailand within specific sector.

The study uses the qualitative approach and the research analysis finds that the diplomatic interest is the only main motivation of the aid in the case study. If the further studies continue to do the research about Korea's ODA to Thailand based on the same hypothesis, the quantitative research should be employed in the hope of differences in results.

At the present, Korean Government focuses on the dispatch of Korean language teachers to schools and universities in Thailand. [112] The further studies should extend the research such an area which is worthy of attention.

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## **APPENDICES**

**APPENDIX A**

### ODA Operational System of Korea

The operational system of Korea's ODA is a dual system classified by two types; bilateral aid and multilateral aid. The grant including the grant assistance and the technical assistance is under the supervision of the Korea International Cooperation Agency (KOICA). Ministry of Foreign Affairs and Trade (MOFAT) is the ministry programming the KOICA. The concessional loans are managed by the Economic Development Cooperation Fund (EDCF) which is controlled by the Export-Import bank of Korea (Korea EXIM bank). Korea EXIM bank is supervised by Ministry of Strategy and Finance (MOSF). Multilateral aid is the aid that one nation provides the aid through the regional/international development organizations. MOFAT is the authority concerned with the contributions to international organizations (i.e. UN and UN related agencies). MOSF is the ministry supervised the bank of Korea to conduct the subscriptions to international financial organizations. \* See *Table 6.1*

**Table 6.1** ODA Implementation System by Types of Aid

Types of Aid		Agency	Managing Ministry	
Bilateral	Grants	material assistance	KOICA	MOFAT
		financial assistance		
		projects		
		technical cooperation (research, invitation of trainees, dispatch of experts and voluntary assistants)		

\* ODA Korea. Outline. [Online]. Available from:  
<http://www.odakorea.go.kr/eng/introduction/outline.php> [2011, February 8]

Types of Aid		Agency	Managing Ministry
	Loans	development assistance loan (Economic Development Cooperation Fund: EDCF)	EXIM MOSF
Multilateral	Contributions : UN system and other multilateral institutions		MOFAT MOFAT
	Subscriptions: International financial institutions		Bank of Korea MOSF

*Source: ODA Korea*

In **Figure 6.1**, Committee for International Development Cooperation (CIDC) chaired Prime Minister is the head of ODA implementation system. CIDC is responsible to mandate the ODA policies and plans and review main policies on development cooperation, midterm and annual ODA plans, and ODA performance assessments. Ministry of Finance and Strategy (MOSF) and Ministry of Foreign Affairs and Trade (MOFAT) are the main agencies responsible for Korea's ODA. MOSF is responsible for bilateral loans, contribution and subscription for multilateral financial institutions, such as the World Bank Group, the IMF, and the ADB. MOFAT is responsible for bilateral grant and multilateral grant to the international institutions, such as the UN and related agencies.



**Figure 6.1** ODA Operational System of Korea

Source: EDCF

### Committee for International Development Cooperation (CIDC)

The four main agencies of ODA are MOFAT, KOICA, MOSF and EDCF. Korea International Cooperation Agency (KOICA) and Economic Development Cooperation Fund (EDCF) are the ODA agencies in the practical level. Ministry of Foreign Affairs and Trade (MOFAT) and Ministry of Strategy and Finance (MOSF) are the managing ministries. Above of all, the Government considers and mandates the ODA policies and plans to sustain the ODA system through the Committee for International Development Cooperation (CIDC) and the Working Committee. CIDC and the Working Committee was established since it is recommended by the Comprehensive ODA Improvement Plan (hereafter it refers to “the plan”) announced in November 2005. The Chairman is the Prime Minister. The government established the Committee for International Development Cooperation (CIDC) and the Working

Committee in January 2006 to balance the decentralized assistance system of Korea and to hold the discussions among the related ministries. Even though the ODA council between MOFAT and MOSF seems to suit for the responsibility of the plan, the Government didn't allow the ODA council to establish the ODA policies and plans. In addition, many ministries take the participation in the international development assistance system. Therefore, a committee managing the cooperation is needed. The CIDC is responsible for deliberating the major ODA policies and plans, mid-term and annual ODA plans, ODA performance evaluation, overseas emergency disaster relief program and NGO support programs in the following:

- Issues on policies and institutional amelioration on international development cooperation to support the accomplishment with the developing countries

- Scheming annual and medium-and long-term international development cooperation strategies

- Setting down the policies to promote international development cooperation

- Performance evaluation of international development cooperation

- Other issues on international development cooperation upon the consideration of the chairman of the committee

The CIDC composes of 25 members (not to exceed to 25 members including the chairman). The Prime Minister is the chairman. The Minister of the Office for Government Policy Coordination is the Secretary-general. Members are fifteen related ministers of the ministries and offices, the President of the Korea International Cooperation Agency (KOICA), the Chairman of Korea EXIM bank and 6 non-governmental representatives. Each term lasts three years.

The Working Committee for International Development Cooperation (Working Committee) takes charge of supporting the movement of CIDC and administering the practical activities. The Working Committee consists of 22 members; the Vice Minister of the Planning Office in the Office of Government policy coordination (OPC) as the Chair, 16 directors of relevant ministries and offices,

the Vice-president of the KOICA, the Chief-director of the Export-Import Bank of Korea and 3 non-governmental representatives. †

### **Ministry of Strategy and Finance (MOSF)**

Ministry of Strategy and Finance (MOSF) supervises the bilateral loans, capital subscriptions and concessional lending to multilateral financial institution including the World Bank group, the IMF and the ADB. ‡ MOSF is responsible for the management and supervision of the Korea Export-Import bank (Korea EXIM bank). EDCF executes loan agreements, monitors and evaluates the projects and provides the advisory services following to the guidelines of the Government and Korea EXIM bank (the executing agency) oversees all these activities.

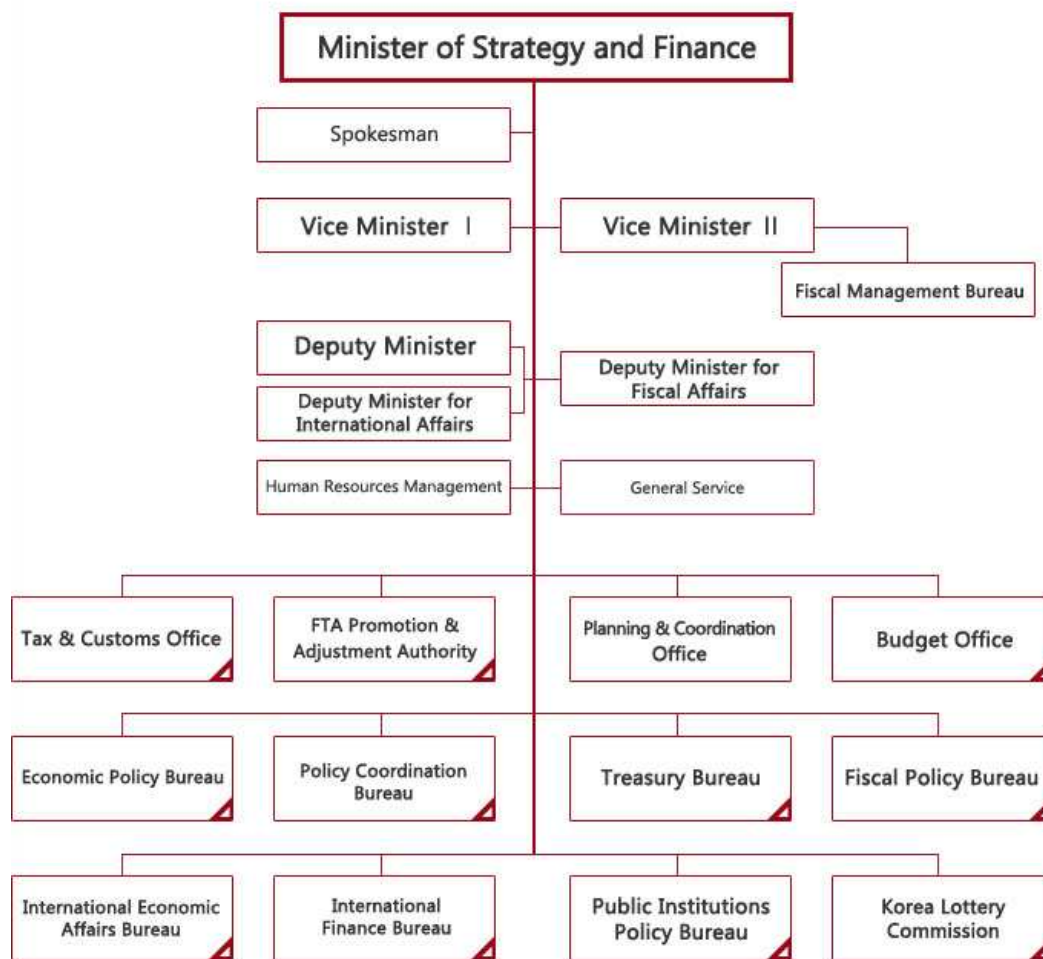
International Economic Affairs Bureau in MOSF has seven separate divisions: International Economic Policy Division, International Economic Cooperation Division, Trade Policy Coordination Division, Trade Policy Division, Development Cooperation Division, Inter-Korean Economic Relations Division and Inter-Korean Economic Cooperation Division. *See Figure 6.2* The division which is responsible for the ODA is the Development Cooperation Division. The Development Cooperation Division regulates the policies for concessional loan and oversees the Korea EXIM bank which is the executing agency of EDCF. §

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† ODA Korea. “Committee for International Development Cooperation (CIDC)” [Online]. Available from: <http://www.odakorea.go.kr/eng/introduction/commission.php> Retrieved 16, Feb, 2011.

‡ EDCF. *EDCF: Your Development Partner 1987-2007, history book*. [Online]. Available from: <http://www.edcfkorea.go.kr> [2011, April6]

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**Figure 6.2** Organization Chart of Ministry of Strategy and Finance (MOSF)

### Government Agencies under MOSF

- National Tax Service
- Korea Customs Service
- Public Procurement Service
- Statistics Service

Source: MOSF

### Economic Development Cooperation Fund (EDCF)

(Figure 6.3) The operational system of EDCF is related to 5 components: the Fund Management Council, MOSF, MOFAT, Korea EXIM bank and other relevant ministries.

According to the EDCF law, the Fund Management Council is a top administrative organization of EDCF. Members consists of 12 delegates; the Chairman as the Minister of Strategy and Finance; Minister of Foreign Affairs and Trade; Minister of Food, Agriculture, Forestry and Fisheries, Minister of Knowledge and Economy, Minister of Health, Welfare and Family Affairs, Minister of Land, Transport and Maritime Affairs, Minister of Education, Science and Technology, Chief Economic Secretary of the Office of the President, Deputy Director of the National Intelligence Service, Minister of the Prime Minister's Office, Chairman and President of the Korea EXIM bank, and President of the Korea International Cooperation Agency (KOICA). \*\*

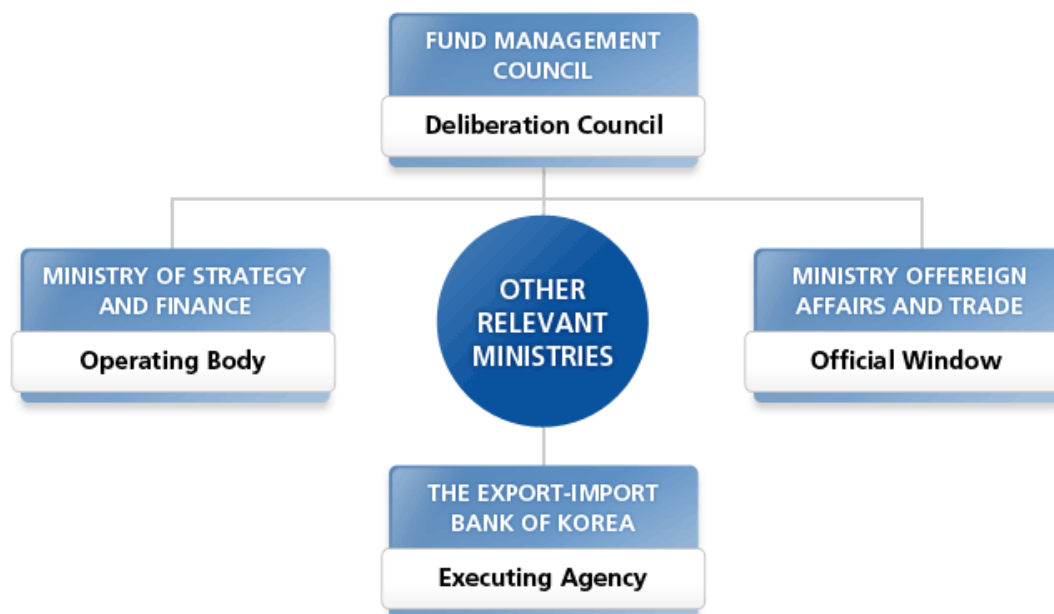
Fund Management Council (deliberation council) is responsible for deliberation on key policies and EDCF operational programs and review of financial statements. MOSF (operating body of fund management) is responsible for overall operation; drafting EDCF operational programs and financial statements, preparing principal policies concerning operation and management. Korea EXIM bank (executing agency) is the administrative agency. The responsibility of Korea EXIM bank is EDCF operation and management, preparation of appraisal reports, loan negotiations, execution of loan agreements, loan disbursement, and completion monitoring & ex-post evaluation. MOFAT (official window) is responsible for acceptance of loan requests and execution of inter-governmental agreements. †† See

***Figure 6.4***

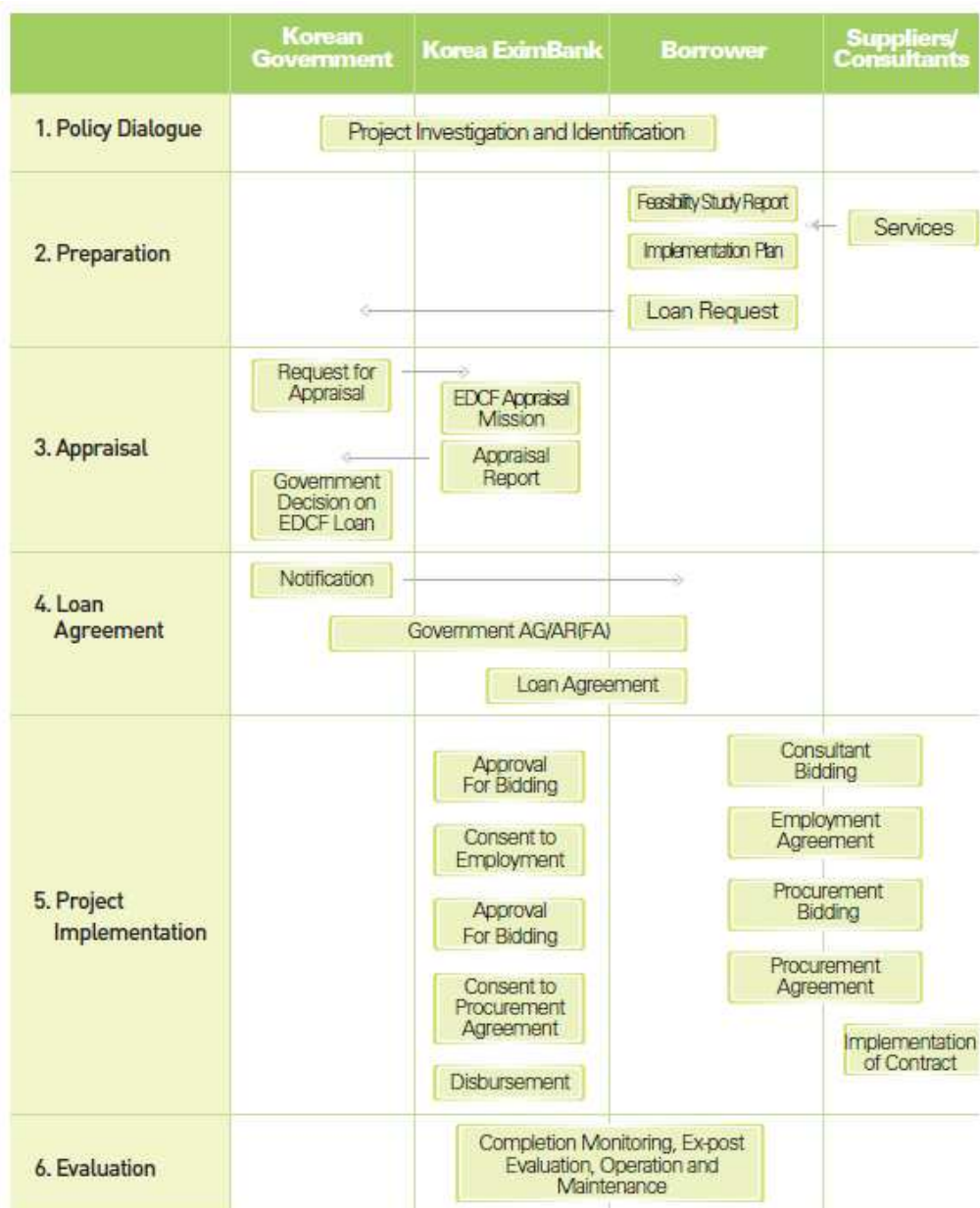
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\*\* EDCF. *EDCF: Your Development Partner 1987-2007, history book*. [Online]. Available from: <http://www.edcfkorea.go.kr> [2011, April 6]

†† Export-Import Bank of Korea. *A Brief Guide to KEXIM & Its Business*. [Online]. Available from: <http://www.koafec.org/admin/en/documents/file.jsp?filename=KS3.pdf> [2011, April 6]

**Figure 6.3** Cooperation System of EDCF

*Source: EDCF*

**Figure 6.4** EDCF Loan Procedure Chart

Source: EDCF

**Table 6.2** shows the performance of EDCF between 2004 and 2008. The commitments provided more than the disbursements every year. Asia is the priority region received the commitments and disbursement. Asia received 61.08% of

commitments and 68.77% of disbursements between 2003 and 2007. <sup>‡‡</sup> The commitments emphasized on transport & storage (29.3%), water supply & sanitation (23.3%), and health (11.2%) sector, while EDCF strikingly provided the disbursements to transport & storage (31.6%), government & society (13.9%), and water supply & sanitation (12.7%). <sup>§§</sup> Iraq is the country received the largest grant aid, followed by Cambodia Sri Lanka, Indonesia, and Philippines. 159.2 USD grants and 103.0 USD of loans were offered to top ten countries. See **Table 6.3**

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<sup>‡‡</sup> EDCF. *EDCF Annual Report 2007*. [Online]. Available from: [http://www.edcfkorea.go.kr/common/inc\\_eng/download.jsp?gubn=/etc/&fileName=2007EDCF.pdf](http://www.edcfkorea.go.kr/common/inc_eng/download.jsp?gubn=/etc/&fileName=2007EDCF.pdf) [2011, July 26]

<sup>§§</sup> EDCF. *EDCF Annual Report 2008*. [Online]. Available from: [http://www.edcfkorea.go.kr/common/inc\\_eng/download.jsp?gubn=/etc/&fileName=2008EDCF.pdf](http://www.edcfkorea.go.kr/common/inc_eng/download.jsp?gubn=/etc/&fileName=2008EDCF.pdf) [2011, April 6]



**Table 6.2 EDCF at a Glance**

	(KRW Billion)				
	2004	2005	2006	2007	2008
<b>For the Year</b>					
Commitments	249.6	347.5	409.5	738.2	<b>1,237.3</b>
Disbursements	155.5	164.3	136.1	155.3	<b>237.1</b>
Net Income	35.4	28.5	35.5	43.4	<b>49.5</b>
<b>Accumulated Total at Year-end</b>					
Commitments	2,029.2	2,376.7	2,786.2	3,524.4	<b>4,761.7</b>
Disbursements	1,317.5	1,481.8	1,617.9	1,773.2	<b>2,010.3</b>
Fund Reserves	1,650.5	1,758.6	1,923.8	2,116.9	<b>2,306.0</b>
<b>EDCF as Share of Bilateral ODA</b>					
EDCF	155.5	164.3	136.1	155.3	<b>237.1</b>
Bilateral ODA	330.8	463.3	376.1	493.5	522.7 <sup>e</sup>
Share (%)	47.0	35.5	36.2	31.5	45.4 <sup>e</sup>
Total ODA	423.3	752.3	455.3	699.1	800.2 <sup>e</sup>
Share (%)	36.7	21.8	29.9	22.2	29.6 <sup>e</sup>
<b>Terms of EDCF Commitments</b>					
Grant Element (%)	68.8	73.3	72.9	75.7	<b>73.6</b>
Average Maturity (years)	30.0	28.8	29.1	30.5	<b>32.0</b>
Average Grace Period (years)	10.0	9.3	9.3	9.8	<b>10.3</b>
Average Interest Rate (%)	1.7	1.1	1.1	0.9	<b>0.8</b>

Source: EDCF Annual Report 2008

**Table 6.3** Top 10 Recipients of Bilateral ODA in 2007 (Net Disbursements)

	(USD Million)			
	Grant	Loan	Total	Share (%)
Iraq	53.6	-	53.6	10.9
Cambodia	10.6	24.6	35.3	7.2
Sri Lanka	13.8	19.5	33.3	6.7
Indonesia	16.5	12.3	28.8	5.8
Philippines	9.3	18.9	28.2	5.7
<b>Top 5 recipients</b>	<b>103.9</b>	<b>75.2</b>	<b>179.1</b>	<b>36.3</b>
Viet Nam	26.4	-1.7	24.7	5.0
Laos	8.7	9.2	17.9	3.6
Angola	0.2	17.2	17.4	3.5
Mongolia	9.8	3.1	12.9	2.6
Peru	10.2	-	10.2	2.1
<b>Top 10 recipients</b>	<b>159.2</b>	<b>103.0</b>	<b>262.2</b>	<b>53.1</b>

*Source: EDCF Annual Report 2007*

EDCF goals are three issues; 1) self-reliance of partner countries 2) mutual economic cooperation with partner countries 3) participation in development efforts of the international community. EDCF supports industrial and social development of partner countries and enhance potential for sustainable development to confirm partner countries can develop by self-reliance in the future. To success the second goal, EDCF promote mutual understanding by sharing Korea's development assistance and build stable, long-term cooperative relationship. To participate with the development efforts of the international community, EDCF align Korea's ODA policies with international development cooperation agendas, such as the Millennium Development Goals (MDGs) and promote global partnership with development institutions such as Multilateral Development Banks (MDBs).

## **Ministry of Foreign Affairs and Trade (MOFAT)**

MOFAT is responsible for KOICA which administers the bilateral aid activities. MOFAT outlines short-term and long-term bilateral grant aid. Moreover, MOFAT is the key agency to deal with the OECD/DAC. MOFAT established The Bureau for Development Cooperation in August 2007. The Bureau for Development Cooperation includes three divisions: the Development Policy Division, the Development Co-operation Division and the Humanitarian Assistance Division. The Bureau for Development Cooperation mainly formulates the diplomatic policies and activities for international development. \*\*\* The Development Policy Division sets up, implements, coordinates and arbitrates overall ODA policies and manages the most recent international development issues. To prepare the membership of OECD-DAC, the bureau is also responsible for. The Development Cooperation Division in the Bureau for Development Cooperation oversees the formulation and administration bilateral grant aid policies and the supervision the Korea International Cooperation Agency (KOICA). The Humanitarian Assistance Division takes charge of the multilateral development cooperation, for example, the coordination of contributions to international organizations and the financing of projects through multilateral mechanisms, delivering bilateral and multilateral humanitarian aid including emergency relief. †††

## **Korea International Cooperation Agency (KOICA)**

Korea International Cooperation Agency (KOICA) was established on 1, April, 1991. ††† KOICA is responsible for the grant assistance. MOFAT is the authorized ministry of KOICA. According to the KOICA Act, KOICA was established to implement grant aid programs including 1) invitation of trainees; 2) dispatch of experts and volunteers; 3) research for development studies; 4) emergency

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\*\*\* MOFAT. Organizational Chart. [Online]. Available from: <http://www.mofat.go.kr/english/ministry/organization/organization/index.jsp> [2011, April 17]

††† ODA Korea. Grants. [Online]. Available from: <http://www.odakorea.go.kr/eng/introduction/grants.php> [2011, April 18]

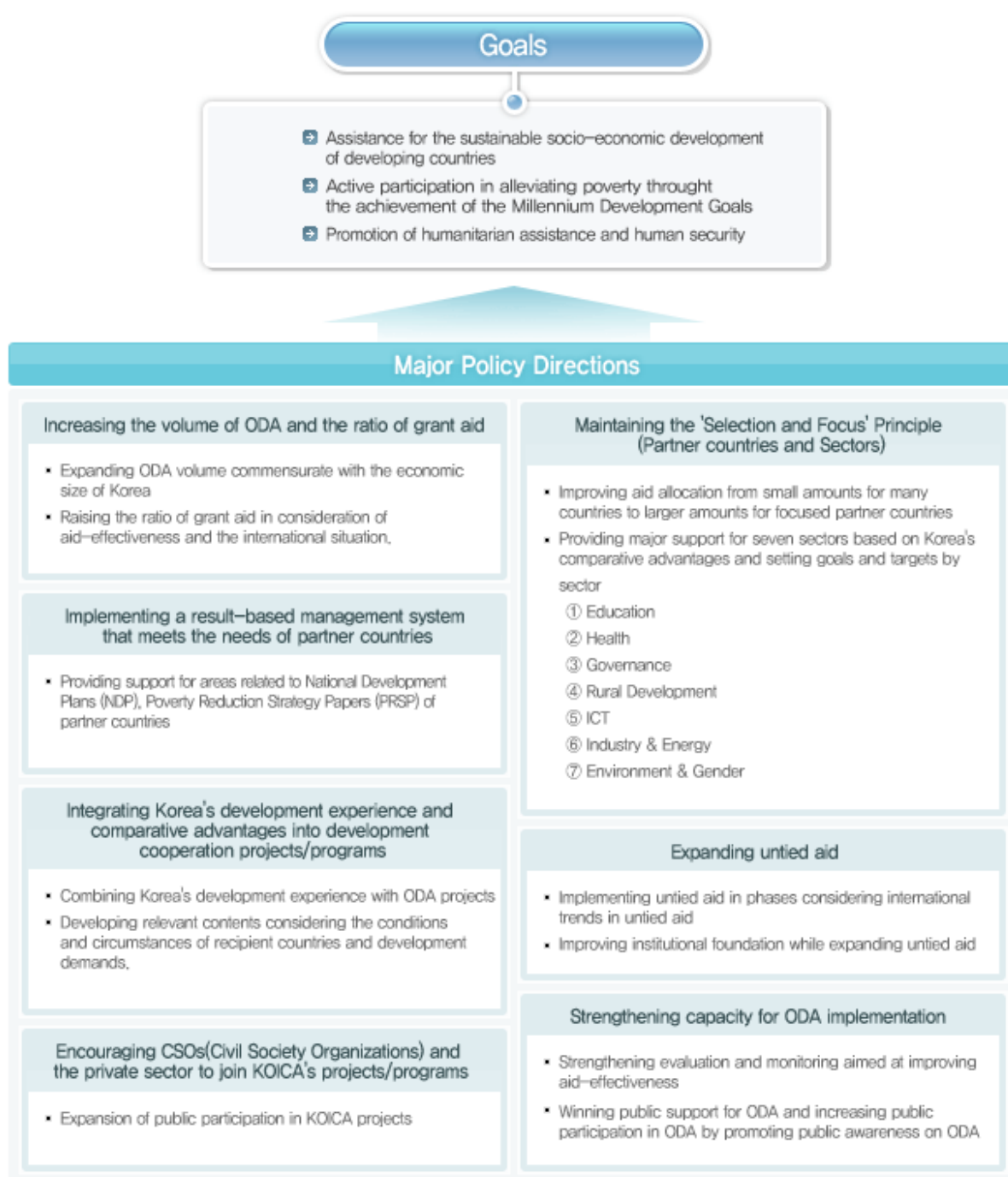
††† KOICA. Our Mission. [Online]. Available from: <http://www.koica.go.kr/english/koica/mission/index.html> [2011, April 16]

and distress relief activities; and 5) provision of commodities, capital, and facilities.<sup>§§§</sup>

The principal goals of KOICA are to support the sustainable socio-economic development of developing countries, participation in poverty reduction for MDGs, and promotion of humanitarian assistance and human security. *See Figure 6.5*

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<sup>§§§</sup> KOICA. Delivery Channel. [Online]. Available from:  
<http://www.koica.go.kr/english/koica/oda/delivery/index.html> [2011, April 16]

**Figure 6.5** Policies and Strategies of KOICA

Source: KOICA

The portion of bilateral grant aid (95.9%) is more than multilateral aid (4.1%) in 2007. KOICA mostly provided the grants to lower middle-income countries (LMICs) and focused on Asian region as the priority. Looking at the country, the partner countries which usually took place in top five countries between 2001 and 2009 are Sri Lanka, Mongolia, Vietnam, Indonesia, Cambodia, the Philippines, and Lao PDR. The governance, environment & gender, health, education, ICT, industry & energy, are the priority sector. See **Table 6.4** and **6.5** Korea mostly provided to Asian countries in education, health, and governance.

**Table 6.4** Assistance by Income Level in 2007

Country	Amount (USD in million)	Proportion (%)
Total (A+B)	270.217	100.0
- Bilateral Aid (A)	259.176	95.9
LDCs	55.358	20.5
LICs	31.966	11.8
LMICs	135.512	50.1
UMICs	9.425	3.5
Unallocated	26.791	9.9
- Multilateral Aid (B)	11.041	4.1

**Table 6.5** Partner Regions in 2006 and 2007

Region	2006		2007	
Country	Amount (USD in million)	Proportion (%)	Amount (USD in million)	Proportion (%)
Asia	71.950	37.2	88.380	32.7
Africa	23.430	12.1	42.368	15.7
Latin America	13.957	7.2	35.639	13.2
Middle East	54.714	28.3	58.475	21.6
Eastern Europe and the CIS	6.971	3.6	7.523	2.8
International Organizations	1.220	0.6	11.041	4.1
Other	21.247	11.0	26.791	9.9
Total	193.489	100.0	270.217	100.0

*Source: KOICA Annual report 2008*

## **APPENDIX B**



**List of Schools Attending the Project “Capacity Building and School Networking for Educational Services”**

<b>No.</b>	<b>School</b>	<b>Province</b>	<b>Educational Sector</b>
1	Wat Chai Chana Songkram	Bangkok	Office of the Basic Education Commission
2	Chumchon Wat Rat Bamrung	Samut Prakan	Office of the Basic Education Commission
3	Wat Bang Yabraeg	Samut Prakan	Office of the Basic Education Commission
4	Wat Bang Gudee Thong	Pathum Thani	Office of the Basic Education Commission
5	Wat Dai Yai	Lopburi	Office of the Basic Education Commission
6	Ban Wang Sarn	Pitsanulok	Office of the Basic Education Commission
7	Anuban Nakhon Sawan	Nakhon Sawan	Office of the Basic Education Commission
8	Anuban Khun Yuam	Mae Hongson	Office of the Basic Education Commission
9	Ban Tha Toom Dong Sa Pang	Udon Thani	Office of the Basic Education Commission
10	Chumchon Ban Gang Khraw Nong Phai	Chaipum	Office of the Basic Education Commission
11	Ban Nong Din Dum	Ubon Rajthani	Office of the Basic Education Commission
12	Chumchon Ban Na Aw	Leoy	Office of the Basic Education Commission
13	Ban Nong Hee Nong Khaen	Ubon Rajthani	Office of the Basic Education Commission
14	Ban Gun Truad	Srisaket	Office of the Basic Education Commission
15	Ban Sanam Samukkee	Srisaket	Office of the Basic Education Commission
16	Ban Daeng	Srisaket	Office of the Basic Education Commission
17	Prha Song Samukkee Wittaya	Nakon Panom	Office of the Basic Education Commission
18	Suntorn Wattana	Chaipum	Office of the Basic Education Commission
19	Anuban Songkhla	Songkhla	Office of the Basic Education Commission
20	Wat Khuan Wiset	Trang	Office of the Basic Education Commission

21	Ban Phrom Nimit	Sakaew	Office of the Basic Education Commission
22	Ban Nong Bua	Prajuab Kirikhun	Office of the Basic Education Commission
23	Worapat	Songkla	Office of the Private Education Commission
24	Sri Nakarin Wittayanukraw	Songkla	Office of the Private Education Commission
25	Surau Bang Makheu	Bangkok	Local Administration
26	Wat Pathum Wanaram	Bangkok	Local Administration
27	Patumwan	Bangkok	Local Administration
28	Meung Pathum Thani Municipal School	Pathum Thani	Local Administration
29	Municipal School 1 (Ban Nai Meung)	Petchaboon	Local Administration
30	Municipal School 3 (Buntawong Anukul)	Lumpang	Local Administration
31	Municipal School 1 (Ban Saen Meung Moon)	Lumpang	Local Administration
32	Sawang Wittaya Municipal School 1	Nong Khai	Local Administration
33	Isanathee Municipal School 2	Burirum	Local Administration
34	Ban Khao Niwet Municipal School	Ranong	Local Administration
35	Meung Phuget Municipal School	Phuket	Local Administration
36	Wat Ban Pong Municipal School 2	Rajburi	Local Administration
37	Rajphat Suan Suansununta University Demonstration Elementary School	Bangkok	Office of the Higher Education Commission
38	Rajphat Pibun Songkram University Demonstration School	Pitsanulok	Office of the Higher Education Commission
39	Rajphat Maha Sarakham University Demonstration Elementary School	Maha Sarakham	Office of the Higher Education Commission
40	Rajphat Songkhla University Demonstration School	Songkhla	Office of the Higher Education Commission
41	Ban Khao Wang Border Patrol Police School	Nakon Sritammaraj	Border Patrol Police
42	Ban Prakob Awk Border Patrol Police School	Songkhla	Border Patrol Police
43	Ban Teu Ngaw Border Patrol	Narathaiwas	Border Patrol Police

	Police School		
44	Ban Tum Hin Border Patrol Police School	Rajburi	Border Patrol Police
45	Peerayanukhraw Border Patrol Police School 4	Pattani	Border Patrol Police
46	Rong Ngan Yasuub Border Patrol Police School 2	Yala	Border Patrol Police
47	Ban Lalom	Srisaket	Office of the Basic Education Commission
48	Ban Nong Waeng	Srisaket	Office of the Basic Education Commission
49	Tadob Wittaya	Srisaket	Office of the Basic Education Commission
50	Ton Bag Rad Bumrung	Trang	Office of the Basic Education Commission

**BIOGRAPHY**

<b>NAME</b>	MISS NUAN TANSIRISUK
<b>DATE OF BIRTH</b>	1 <sup>st</sup> OCTOBER 1986
<b>PLACE OF BIRTH</b>	BANGKOK, THAILAND
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