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**The Prospects of Taiwan's Foreign
Aid: A Comparison with South
Korea**

**台灣對外援助的展望：以南韓為基
準分析**

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ABSTRACT

This study intended to identify the importance of foreign aid to Taiwan while South Korea served as a benchmark due to their high-level of similarity in developmental history. The focus was their donor behaviors in recent years and a literature review was conducted to understand related concepts and the two nations' aid experiences. The goal of this project was to examine the advantages and disadvantages of Taiwanese aid so as to look into its future prospects. A qualitative method was adopted through semi-structured interviews with diplomacy professors and aid practitioners. South Korea pivots to certain developing countries for their economic value, while diplomacy has been Taiwan's top priority. Developmental success and human resources are Taiwan's strengths but its overemphasis on diplomacy, deteriorating economy, and wavering ties with China cause obstacles. A review of South Korean aid along with the interviewee's response suggest several ways to improve: building a multidimensional aid system, seeking economic opportunities, forming public-private partnerships, stabilizing cross-strait ties, boosting economic recovery, and pursuing a win-win. The research findings shed light on Taiwan's aid conditions and offer valuable policy recommendations.

Keywords: foreign aid, South Korea, Taiwan

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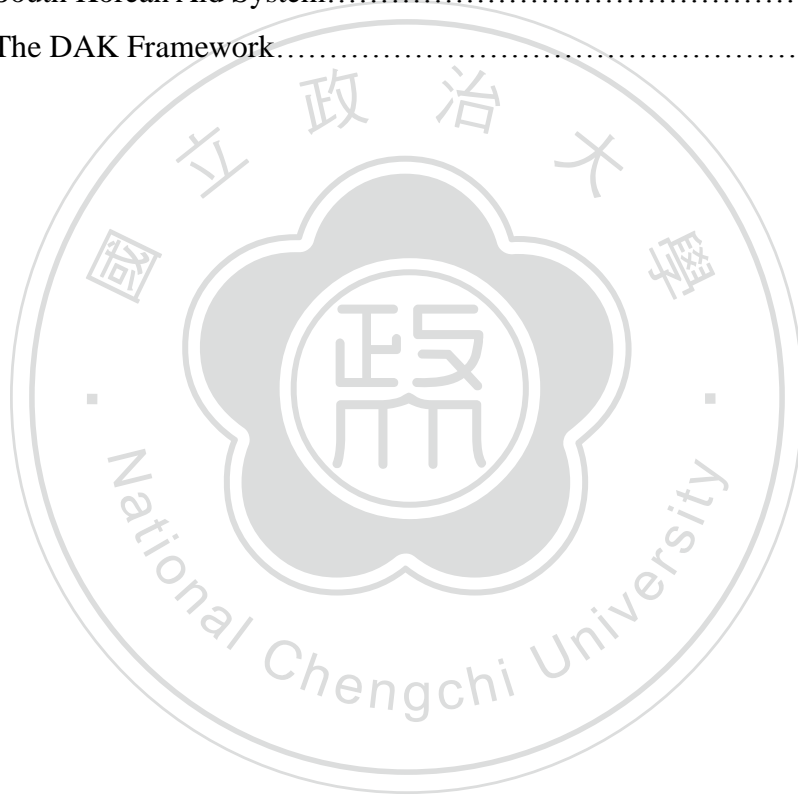
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ABBREVIATIONS

- ADB: Asian Development Bank
- AFPC: American Foreign Policy Council
- AFR: Association of Foreign Relations
- ASEAN: Association of Southeast Asian Countries
- BOFT: Bureau of Foreign Trade
- CBO: Congressional Budget Office
- CIDC: Committee for International Development Cooperation
- CSOs: Civil Society Organizations
- DAC: Development Assistance Committee
- DAK: Development Alliance Korea
- DPP: Democratic Progressive Party
- EDCF: Economic Development Cooperation Fund
- EPA: Economic Partnership Agreement
- FAO: Food and Agriculture Organization
- FDI: Foreign Direct Investment
- FTA: Free Trade Agreement
- GDP: Gross Domestic Product
- GNI: Gross National Income
- HLF4: The Fourth High Level Forum on Aid Effectiveness
- ICAO: International Civil Aviation Organization
- ICT: Information and Communication Technology
- IDA: International Development Association
- IDB: Inter-American Development Bank
- IGOs: Intergovernmental Organizations

IMF: International Monetary Fund

ICDF: International Cooperation and Development Fund

IBRD: International Bank for Reconstruction and Development

KDS: Korea Institute for Development Strategy

KEXIM: Export-Import Bank of Korea

KMT: Kuomintang

KOICA: Korea International Cooperation Agency

KSP: Knowledge Sharing Program

LDCs: Least Developed Countries

MDGs: Millennium Development Goals

MIC: Market Intelligence and Consulting Institute

MOF: Ministry of Finance

MOFA: Ministry of Foreign Affairs

MOSF: Ministry of Strategy and Finance

MOST: Ministry of Science and Technology

NGOs: Non-Governmental Organizations

NPOs: Non-Profit Organizations

ODA: Official Development Assistance

OECD: Organization for Economic Cooperation and Development

PPP: Public-private Partnership

PRC: People's Republic of China

R&D: Research and Development

RCEP: Regional Comprehensive Economic Partnership

ROC: Republic of China

SDGs: Sustainable Development Goals

SMU: Saemaul Undong

UNKRA: United Nations' Korean Reconstruction Agency

UN ESCAP: UN Economic and Social Commission for Asia and the Pacific

UNSG: Secretary-General of the United Nations

USAID: US Agency for International Development

WEF: World Economic Forum

WHA: World Health Assembly



CHAPTER I INTRODUCTION

This chapter gave an overall picture of the study by describing research background and a series of variables considered while analyzing the future prospects of Taiwan's foreign aid. Next, it stated the research objectives and questions, the central-body components of the study. Finally, delimitations were mentioned to clarify the project scope.

1.1 Research Background

The year of 1945 marked the beginning of foreign aid when President Harry Truman asserted that the U.S. would provide assistance to all democratic countries. The circumstances of WWII gave rise to the Truman Doctrine and it was a landmark announcement with three critical implications. The U.S. would get involved in world affairs to deter Communism, curb the spread of weapons, and advocate international cooperation. At that moment, Europe was a war-torn continent due to years of conflicts. Later, the Marshall Plan, known as the European Recovery Program, was introduced and it was helpful in the reconstruction of Europe. Therefore, the U.S. tried to replicate the success in various regions, including Asia, Africa, and Latin America. In 1951, Taiwan was the first country in Asia to receive U.S. aid and four years later South Korea became the second one to be assisted.

Taiwan and South Korea have many characteristics in common. They were in the spotlight in the late 20th century with regard to their rapid industrialization and amazing economic growth. Also, they had received a lot from the international society. Since the 1950s, the United States had given development assistance to the two countries and laid a foundation for their successful rise. The importance of foreign aid

cannot be overemphasized, and it can be a new source of soft power. To a great extent, commitment to ODA (official development assistance) is not only an instrument for international engagement but also a strategic tool for national interests. Foreign aid spending by the world's rich nations hit a record high in 2016 (OECD). Table 1.1 displays a sharp increase in foreign aid from the developed world to the developing world over the past-half century.

Table 1.1: Total ODA to the Developing World

Year	1960	1970	1980	1990	2000	2010	2014
Billion USD	4.254	6.836	34.513	60.767	57.651	130.736	161.075

(Source: OECD, 2016)

U.S. has continually been the largest aid donor following the World War II. Generously supporting those who are in need is the country's deeply rooted tradition. However, the impact of American aid does not match the value of the dollars spent. Most of the recipients of U.S. aid became even poorer (Cato Institute, 2003). Besides, it is ironic that those countries which received the most from the U.S. held a very unfavorable opinion of the American people (Pew Research Center, 2013). In spite of criticism to U.S. foreign aid, the evolutions of South Korea and Taiwan are the most representative success stories (Gray, 2014). Figure 1.1 exhibits such a huge sum of money of U.S. development aid in the aspects of economy and military to these two countries.

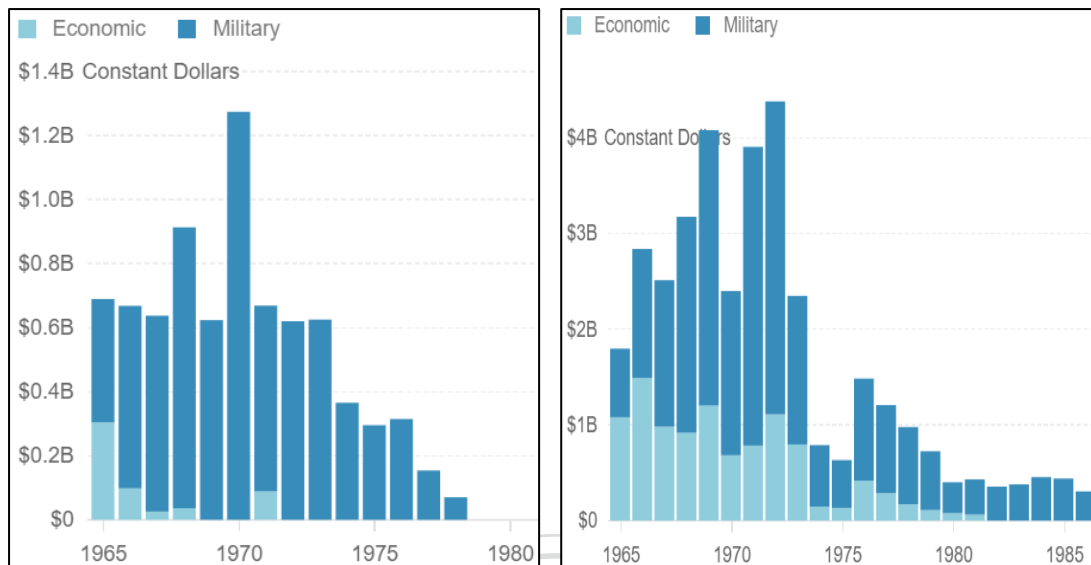


Figure 1.1: U.S. Total Aid to Taiwan (Left) and South Korea (Right)

(Source: InsideGov, 2016)

South Korea has underwent a magic transformation and escalated into the truly rich club in the world even though it was on edge of bankruptcy in the 1997 financial crisis. On the contrary, Taiwan seems to leave itself behind compared to its neighboring countries. Seeing the ever-widening gap, in 2014 the director of Taiwan's National Development Council said that the period of four Asian tigers is over because it is harder and harder for Taiwan to narrow the distance among itself and the other three Asian tigers. It was not until 2005 that South Korea overtook Taiwan in terms of GNI per capita, and in 2015 the gap was as high as five thousand US dollars (IMF, 2016). In addition, in the matter of foreign aid, Taiwan seriously falls behind in its efforts to ODA (Table 1.2 and 1.3). The two countries are in complete opposite directions as far as the ODA statistics are concerned.

Table 1.2: Taiwan's ODA Spending (2010-2014)

Million USD	2010	2011	2012	2013	2014
Bilateral ODA	326.0	331.8	241.3	231.9	224.7
Multilateral ODA	54.9	49.4	63.2	39.9	49.2
Total ODA	380.9	381.2	304.5	271.8	274.0
ODA/GNI (%)	0.10	0.09	0.06	0.05	0.05

(Source: OECD)

Table 1.3: South Korea's ODA Spending (2010-2014)

Million USD	2010	2011	2012	2013	2014
Bilateral ODA	900.6	989.6	1183.2	1309.6	1359.8
Multilateral ODA	273.2	335.0	414.3	445.8	461
Total ODA	1173.8	1324.6	1597.5	1755.4	1856.7
ODA/GNI (%)	0.12	0.12	0.14	0.13	0.13

(Source: OECD)

In response to the kindness of the global society, the two nations show their willingness to provide feedbacks. South Korea and Taiwan have their own governmental ODA agencies, which are KOICA (Korean International Cooperation Agency) and Taiwan ICDF (International Cooperation and Development Fund). However, there is a gap between the two about their scales and scopes (Table 1.4). What's more, KOICA has been quickly raising its global visibility in recent years by actively participating in foreign affairs and holding international aid forums. In 2011, South Korea was the host country for the Fourth High-Level Forum on Aid Effectiveness (HLF4).

The legal basis for South Korea's ODA is the "Framework Act on International

Development Cooperation (2010)" and Taiwan has the "International Cooperation and Development Act (2010)" as principles governing foreign aid. In general, South Korea's looks like an instruction manual, which categorizes all the articles according to their properties, while Taiwan's is overall guidelines. In the statement of ODA objectives, South Korea's law regards the "developing nations" as the key part, while Taiwan's law reveals heavy diplomatic atmosphere with terms such as "diplomatic relations," "diplomatic allies," and "countries friendly to the ROC."

The two countries have the same spirit in their focus on "global partnerships" and "sustainable development goals (SDGs)." Interestingly, the sixth article of Taiwan's act states that international cooperation and development projects shall be in ROC's national interests, while nothing associated with national interests is directly mentioned in South Korea's laws. Furthermore, both of them highlight the need to publicize aid information, but Taiwanese regulation adds the legitimacy of arranging classified budget and keeping certain information from the public.

Table 1.4: Comparison Between Taiwan ICDF and KOICA

	Taiwan ICDF	KOICA
Annual Budget (USD million)	55.4	173
Number of Overseas Offices	29	49
Number of Overseas Volunteers	682 (1996~2016)	7806 (1990~2010)
Number of Project Countries	32	54
Number of Cooperating International Organization	18	55

(Source: Taiwan ICDF and KOICA Official Websites)

It appears that most Taiwanese people have complicated feelings toward South Korea due to the geographical and historical ties. Table 1.5 is a profile of the two countries. Geographic proximity makes them close neighbors. In history, the two had been under Japanese colonial rule for five decades approximately. As early as the 1950s, they started to receive foreign assistance from the U.S., the single biggest donor country. Being dubbed as the Asian tigers, their economic structures and trade markets are similar. They are export-oriented nations and their IT industries remain the proud economic pillar. Also, both of them go from autocracy to democracy, and continue to be the U.S. allies. What is more, they happen to be stuck in a long-lasting sovereignty dispute with their neighbors. Additionally, their people are strongly influenced by the Confucian culture.

Table 1.5: Profile of Taiwan and South Korea

Country	Taiwan	South Korea
Official Name	R.O.C.	R.O.K.
Area	36,188 sq km	99,313 sq km
Population	23.3 million	48.6 million
Capital	Taipei	Seoul
Official Language	Chinese	Korean
Ethnicity	Chinese Taiwanese (84%) Mainland Chinese (14%) Indigenous people (2%)	Homogeneous (Except for about 20,000 Chinese)
Currency	New Taiwan Dollar	Won
GDP per capita	21,606 USD	25,989 USD
GDP per capita based on Purchasing Power Parity	47,811 USD	37,699 USD

(Sources: BBC and IMF)

Nevertheless, there are some distinct features between them. The driving forces in South Korea's economy are big companies, while Taiwan's economy is mostly supported by small and medium enterprises. Taiwan keeps working as a manufacturer while South Korea acts as a manufacturer and designer at the same time. In 2015, three Korean businesses were ranked as top 100 global brands. However, no Taiwanese brand was on the list (Interbrand, 2015). The South Korean government has been committed to cultural diplomacy to make South Korea's image goes global. Taiwan was reported to be the eleventh country in terms of the popularity of the South Korean wave (Kotra, 2016). Recently, South Korea continues to take part in various global events and pursue leadership on the international stage. With increasing contributions to foreign aid, now South Korea is gaining a stronger worldwide presence than ever before.

According to the latest report on global competitiveness issued by the World Economic Forum (WEF, 2016), the economy of Taiwan is the twentieth-largest in the world and the fifth-largest in Asia. Among a hundred and thirty-eight countries, Taiwan's global competitiveness power is the world number fourteen, and South Korea's is the twenty-sixth. The statistics implied that Taiwan has a huge potential to become an outstanding player in the global society. Table 1.6 is a big chart listing most of the key economic indicators of these two countries. Unfortunately, Taiwan keeps in isolation because of China's pressure, and it is difficult for Taiwan to have a chance of normal involvement in the international affairs. So far, Taiwan has yet to become a formal member of the United Nations despite persistent efforts. At the present time, only twenty nations have diplomatic relations with Taiwan.

Table 1.6: Economic Indicators of Taiwan and South Korea

Indicator	Taiwan	S. Korea	Indicator	Taiwan	S. Korea
GDP (US\$ billions)	508	1321	GDP per capita (US\$)	21606	25989
GDP (PPP) per capita	47811	37699	Inflation, consumer prices	104	111
Inflation, percent change	0.7	1.2	Trade volume (US\$ billions)	335	548
Government gross debt (% of GDP)	38.246	37.297	Unemployment rate	3.780	3.500
Gini index (income inequality)	33.6	30.2	Misery index	5.85	6.35

(Source: IMF and WTO)

In 2016, Taiwan had its first female president, and new government introduced the "Go South" policy to shift the focus to the Southeast Asian countries. In an interview by the Common Wealth Magazine (2016), the vice president of Chung-Hua Institution for Economic Research voiced his doubt to the feasibility of the scheme. He noted that for a long time Taiwan has a blind spot where foreign aid is concerned. In his view, countries such as Japan or South Korea are using foreign aid to create business opportunities for themselves, but Taiwan is squandering hundreds of millions of US dollars mainly to maintain diplomatic ties. As for South Korea, its former Prime Minister Jung Hong-won stated that the country would pursue a "win-win" ODA. The priority is to make sure South Korea's aid is beneficial to both South Korea and its partner countries with three chief focuses: "aid effectiveness," "overseas expansions of Korean firms," and "stable access to resources in specific recipient countries" (Chung-Hua Institution for Economic Research). Thus, South Korea is providing development assistance aiming to promote its global reputation, form a public-private partnership, and advance national interests.

1.2 Research Purposes

The researcher attempts to satisfy the following objectives:

1. To identify the importance of foreign aid to Taiwan.
2. To examine Taiwan's aid purposes and features.
3. To compare Taiwan's and South Korea's aid practices.
4. To provide recommendations for Taiwan's foreign aid.

1.3 Research Questions

Based on the aforementioned research objectives, this study aims to answer the following questions.

1. How significant is foreign aid to Taiwan?
2. What are Taiwan's aid purposes and features?
3. What are some common and obvious differences between Taiwan and South Korea in terms of aid behaviors?
4. What aspects should Taiwan focus on or improve by looking into South Korea's foreign aid?

1.4 Significance of the Study

The study can be a helpful supplement to the current literature considering that Taiwan's economic transformation is a popular subject in academia while little focus is given to its behavior of foreign assistance. Additionally, a comparison between South Korean's and Taiwan's foreign aid is a very new and special research topic. Taiwan is surrounded by Asian big powers, like China and Japan, and South Korea is also on the rise. Foreign aid, a new kind of power source, thus becomes a vital

instrument for Taiwan to overcome diplomatic obstacles and enhance global presence. Being recognized as the Asian tiger with South Korea and undertaking a similar development route, Taiwan may learn a lot from South Korea and then reflect on its own experience. To be brief, this study helps identify the strengths and weaknesses of Taiwanese aid and give future prospects.

1.5 Delimitations

The study is delimited to the analysis of South Korea's and Taiwan's foreign aid performance. Table 1.7 showcases the time period of their donor history. It should be noted that the central focus of this research is the two countries' aid behaviors in recent times, in particular during the last decade up to the present moment.

Table 1.7: Time Periods for Taiwan and South Korea as Aid Providers

Country	Taiwan	South Korea
Time	1959~Present	1965~Present

(Source: MOFA, ROC and MOFA, ROK)

CHAPTER II LITERATURE REVIEW

This chapter focused on concepts and ideas about foreign aid, economic development and aid effectiveness. It began with a quick review of aid development and then move on to an overall examination of the South Korean and Taiwanese experiences in foreign aid.

2.1 Foreign Aid

Development Assistance Committee, known as the DAC, is a special committee for the world's largest funders of aid, created in 1960, subordinated to the Organization for Economic Co-operation and Development (OECD). Currently it has 29 members in total. As members of DAC, countries are responsible for achieving the "DAC standard." The DAC Quality Standards for Development Evaluation is offered as recommendations for development policies. The insiders have to hand in a peer-review of their development co-operation regularly, and the DAC will serve as the program examiner. In 2010, the Brookings Institution issued an article examining a new aid model in the 21st century. It described three characteristics in a brand-new aid model for the 21st century (Brookings Institution, 2010).

First, many developing countries have experienced strong growth. In many of these countries, foreign direct investment has taken the place of foreign aid. What's more, lots of them, the Asian countries in particular, have become emerging donors and even chief donors in the world after fulfilling the dream of development. Second, there are another group of emerging donors. They are not states, but they do contribute to a large proportion of aid volumes. According to NGOfacts, a campaign offering statistics about non-governmental organizations (NGOs), the importance of today's

NGOs can never be overstated. If the all of the NGOs were seen as an independent country, it could be ranked the fifth in the world economy. Third, with the advanced information technology, aid machinery is being reshaped. The "single window" is adopted by various providers and partner countries. Communication and delivery efficiencies are upgraded and it is easy to understand what each actor is doing and how they work together effectively.

2.1.1 Definition of Foreign Aid

At the very beginning, we should know what exactly foreign aid is. At a broad level, it consists of all resources – physical goods, skills, and technical know-how, financial grants (gifts), or loans (at concessional rates) – transferred from donors to recipients (Riddell, 2008). According to the OECD (1969), foreign aid is defined as all flows to less-developed countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies, which meet the following tests:

- (a) They are administered with the promotion of the economic development and welfare of developing countries as their main objective.*
- (b) Their financial terms are intended to be concessional in character.*

Foreign aid refers to certain economic phenomena. To make it more specific, it is government-sponsored flows of resources made available on concessional terms to foreign governments (Rix, 2011). The process involves transferring resources from one country to another in the name of assistance. Most of the literature mentioned the common characteristics of foreign aid. It is the concessional funding delivered from country to country and government to government.

Additionally, there are some subtle differences among three popular terms, foreign aid, development assistance, and development cooperation (Breuning, 2000). Generally, most people are more familiar with "foreign aid" because it is widely used. Foreign aid may be assistance involving broadly from the economic to the military aspect. The major goal of foreign aid is not necessarily development. As for the term "development assistance," it implies an unequal relationship between two sides, focusing on economic development. The donor gives and meanwhile the recipient gets. Last, the term "development cooperation" highlights the objective of development achieved in a model of joint enterprise through partnerships between donors and recipients. In this sense, we can feel the interchangeable nature between the concepts of "foreign aid" and "development assistance." "Foreign aid" can be understood as an umbrella term which involves the notion of "development assistance" and "development aid."

2.1.2 Motives of Foreign Aid

Donors' allocations of aid are prompted by multiple purposes. Kaul (2003) provided seven reasons below for donor's allocation of aid: *(1) to help address emergency need, (2) to assist recipients in achieving their development (growth and poverty-reducing) goals, (3) to show solidarity, (4) to further their own national political strategic interests, (5) to help promote the donor-country's commercial interests, (6) because of historical ties, (7) to strengthen global public goods and reduce the ill effects of global evils.* Apart from the seven items, there is growing attention to human-rights records of recipient governments while donors make aid-giving decisions (Riddell, 2008).

The U.S. is undeniably the outlier in the field of foreign aid. As a whole, U.S. foreign assistance has three rationales, which are humanitarian concerns, national security, and commercial interests (Marian, 2016). First, the common ground of aid purpose is the need for emergency relief and systematic problems related to human suffering. Second, U.S. aid packages were viewed as a tool to deter the Soviet Union throughout the Cold War and after that they are used to cope with regional issues such as democratic transition, drugs and trafficking, as well as terrorism. Third, aid also serves U.S. business interests by creating new consumers for American products and benefiting U.S. companies in a better global economic environment. U.S. exports are promoted in the developing nations in transition to free market economies, and expanded new markets give rise to millions of jobs for American people (USAID director James Atwood, 1996).

2.1.3 Origin of Foreign Aid

In the wake of World War II, chief institutions were set up for development and reconstruction, including the UN and the World Bank. The trans-border cooperation is the key element for the aid packages nowadays. Besides, the development ties between the former colonial powers and their colonies can be another feature of the international assistance projects. In the post-war period, Britain and France gave continued support to their former colonies. Moreover, a series of independence movements took place in the aftermath of the Second World War, across Asia, Africa, and the Middle East. The wave of independence led to a stronger voice for aid. At that time, U.S.' "the Marshall Plan" was viewed as a milestone of foreign assistance, successfully led to the recovery of West Europe after World War II. Foreign aid was literally conducted between two groups of countries with a big development gap, but

in this case, the donor and the recipient were both developed nations, so it raised some debates about the role of development assistance (AFPC, 1992).

During the Cold War, foreign aid was exercised by the U.S. to contain the spread of communism. From then on, it has often been linked to the intended political interests of the donors. Despite its popularity, some experts cast doubts on this perception.

Political interests may not be fulfilled because it is the recipient government that aid flows to (Friedman, 1958). Instead of curbing the spread of communism, aid may be exercised through the government to further cement its authority. Some even criticized the mistake the U.S. made in the after-war period. US administrations offered money to countries which claimed as anti-communist regardless of their terrible government system and notorious human rights condition. Consequently, the financial assistance allowed the bad governments to stay firmly in power and made their citizens continued to suffer (Kiely, 2001).

2.1.4 Debates of Foreign Aid

While discussing foreign aid, the commonly asked questions are "Does aid work?" and "Does aid lead to development and growth?" The former is associated to the concept of aid effectiveness, and the latter underlines the role of aid in a country's economic growth. There has long been a tug of war between "aid optimists" and "aid pessimists." Aid seems to work better under certain conditions (Svensson, 1999). It is more likely to have a positive effect in democratic countries. The government behavior of the recipient does play a big role due to two facts. First, aid has high fungibility. Second, the donors usually have limited influence on how the recipients handle the development aid. Therefore, aid can be effective and contribute to growth

when a nice political environment is involved (Kosack, 2003). Generally speaking, aid given to democracies has a better chance of improving life quality than that in autocracies. That explains why some scholars argued that aid donors should target aid to countries of democracy because autocrats are inclined to divert aid to the military sector, which may turn out to be economically unproductive (Kono and Montinola, 2012).

In general, political democratic countries have several key features, so they tend to have a higher quality of life (Frey and Stutzer, 2000). First, competitive elections can be incentives for political leaders to be accountable to the citizens. Meanwhile, diverse groups are engaged and different voices are heard in case that the decision-making process is dominated by the elites. Second, the spirit of overall political participation allows every citizen to express his or her needs. Therefore, the political leaders understand the preferences and try to distribute resources according to public wills. Third, a free press offers a platform to voice for the ordinary people and inspect those who are in power. So, officials are forced to attend to problems and seek solutions. Finally, the existence of opposition parties functions as watch-dogs of the state, in a similar way to the free press. With them, the ruling party must be under mounting pressure to meet citizens' expectations.

And for those who express the negative perceptions toward foreign aid, most of them are concerned about the issue of aid effectiveness. In a survey of foreign-aid history, Howard (2000) coined a term "aid fatigue" to show a new phenomenon highlighting the growing discontent over the aid programs in the U.S. during the mid-fifties. At that time, some people demanded there should be an equal sharing of aid burden

between the aid donor and recipient considering the fact that the benefits generated from the aid machinery did go to both of them. Between 1960 and 2015, OECD members had given poor countries more than \$146 billion in development aid. Even so, the result is a bit disappointing. For every one official success, there are at least ten failures. Billions of dollars have been spent on projects and programs that never achieved their intended objectives (Hyden, 1986). The truth is that there are indeed some requisites for the success of foreign aid.

The core of the problem of economic development assistance is the issue of whether or not indigenous economic policies will permit the development of a market economy. If the indigenous policies will do so, then economic assistance can facilitate the process of policy reform by supporting internal policy adjustment during the transition to market policies. Another key factor in determining the success or failure of an assistance program is the political institutional milieu into which assistance is introduced. (AFPC, 1992).

United Nations' Millennium Development Goals (MDGs) listed eradicating extreme poverty as the first target. Through a measure of absolute poverty in the developing world from 1981 to 2004, contrary to what was expected, Chen and Ravallion (2007) concluded that the bad situation for the poor living under \$1 each day could be hardly improved in spite of the achievement of halving the 1990 poverty rate. In comparison with trade, aid is an economic rent with negative effects, and it does damage developing countries (Hughes, 2003). It is very similar to mineral rents, resulting in careless expenditures and corruption. Moreover, he thought to suspend aid flow is a great way to help developing economies to reform. U.S. curtailment of aid to South

Korea and Taiwan allowed them to set forth on a journey of self-reform and became the "Asian dragons." And one of the most convincing reasons for failed aid is that the recipients do not use aid in accordance with its intended purpose. Foreign aid was found to be indeed fungible in many cases. Thus, it is better to assign adequate resources to crucial sectors considering that governments may often shift aid resources to other uses (Feyzioglu, Swaroop, and Zhu 1998).

2.2 Economic Growth

Economic growth is the most watched indicator when it comes to economic development. Basically, economic growth means the increased amount produced by a certain economy in comparison to its former performance. When the economy is producing more, it leads to profitable businesses and rising stock prices. Thus, companies have more capital for hiring and investment. Then, more and more job opportunities are created. Consumers in turn have extra money and tend to spend on additional goods and services. All of these work together drive the economic growth higher and higher (Kimberly, 2016). Economy is the decisive actor in a country's development, and it is so influential that every country desires positive economic growth.

The concept that real resources and external capitals are central to growth can be traced back to the 1930s when John Maynard Keynes claimed that government investment could stimulate development during the period of Great Depression. The gap theory of development later was proposed from Harrod (1939) and Domar (1946), who identified the savings gap. Next, Chenery and Strout (1966) added the exchange gap to the theory of development gap and came up with solutions for filling the gaps.

The former means a lack of savings for investment at the domestic level, which can be corrected by foreign direct investment (FDI). The latter means a shortage of foreign exchange due to an imbalance between imports and exports externally, which can be improved by foreign aid. Developing countries were found to lack enough revenues for their public investment, and foreign aid became an effective tool in funding the fiscal deficit (Bacha, 1990; Taylor, 1990).

Figure 2.1 is the outline of aid-growth channels, which portrays the link between aid and development with clarity. Aid can be categorized into two aspects, mainly economic and social. Economic aid can give rise to the establishment or advancement of economic infrastructure and finally improve the economic productivity. Meanwhile, the quality of governance in a recipient country also has a lot to do with the impact of foreign aid on economic growth. As for the aid to the social sector, it is usually expected to better human capital and ameliorate living standards. All in all, the physical and human capital along with the level of government efficiency is what exactly affects the economic growth in a recipient country. The model reveals the implied connection between economic growth and good governance.

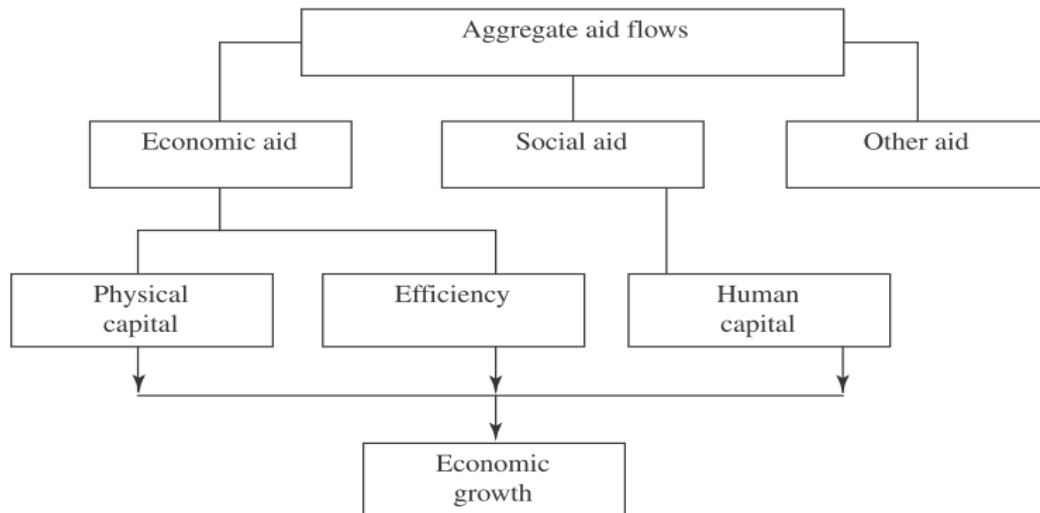


Figure 2.1: Outline of Aid-Growth Relationship

(Source: Akramov, 2012)

Foreign aid can function as an economic engine because it is capable of supplementing domestic financial sources and increasing the amount of investment and capital stock. As Morrissey (2001) wrote, aid may contribute to economic growth due to a number of reasons. Aid increases investment both in physical and human capital, and it helps to build capacity of recipients to import merchandise and technology. Moreover, development assistance is usually linked to technology transfer, and thus it empowers the recipient countries with higher productivity and technical skills. On the other hand, there are some arguments about the relationship of aid and growth. As a matter of fact, foreign aid may not have a big effect on the economic growth of the recipient countries (Roodman 2007).

The Cato Institute (a libertarian think tank for public policy research, headquartered in the Washington, D.C.) summarized five key facts about aid and development and placed an emphasis on the domestic contexts of the recipient countries: (1) There is no

clear correlation between aid and growth. (2) Aid does not work but contribute to debt if it flows into countries with poor policy environment. (3) Aid fails to elicit market reforms in developing countries. (4) Countries that have adopted market-oriented policies are not driven by aid-related factors. (5) There is a strong association between economic freedom and growth. Massive development aid transferred from the rich countries to the poor ones is not necessarily result in progress and prosperity. There are loopholes in the government to government funding The main reason is that foreign aid is frequently used to finance the recipient governments without specific standards and requirements (Cato Institute, 2009).

Put simply, aid does not directly cause investment and growth, nor give rise to any improvement in human development indicators for the recipient countries, but it indeed makes the recipient governments stronger (Boone, 1996). For this reason, government plays a big part because aid may affect the government behavior, and then the governance will have an influence on a country's economy (Kodama, 2012). Above all, the Cato Institute (2009) pointed out three valuable ideas about development. It is impossible to escape poverty in the initial phase of development for all of the nations. Absolutely, there is no exception. Moreover, the socio-economic conditions vary greatly from country to country, so donor countries can not merely replicate aid projects across the developing world. Most importantly, a country's progress heavily relies on its domestic institutions and policies instead of external factors such as foreign aid.

For a long time, global financial institutions such as the World Bank and the International Monetary Fund (IMF) has disbursed an astronomical amount of money

to stimulate economic growth throughout the developing world, but it is disappointing to find that the effect of aid on growth appears to be little based on the past experiences and consequences of aid distributions (Doucouliagos and Paldam, 2008). However, every cloud has a silver lining, so things may not be so terrible. After all, the international community has dedicated so much to the development of poor countries. It is found that the IMF involvement in assistance may not affect economic growth contemporaneously while there is going to be a positive impact on growth with a lag of up to three years. What's more, the degree of economic growth goes positively with the length of the lag (Fidrmuc and Kostagianni, 2015). So, foreign aid is still a useful means to economic development when its long-term effects are concerned.

It is very often that people make a direct association between the size of foreign aid and economic growth. However, a rapid increase in the amount of aid can be a potential crisis. One of the most prominent features of today's foreign aid, which is different from that in the 1970s, is the proliferation of donors and projects. In the last few decades, aid programs have been done haphazardly without careful consideration and the situation results in many negative side effects (Morss, 1984). Due to this, aid coordination has been hotly discussed in the global aid community. Coordinated aid may help reduce transaction costs and bring about economic growth, but in some cases growth may not be prompted through aid coordination because sometimes the issues of proliferation are caused by the existence of free-riders among donors (Kimura, 2012). Hence, it is necessary to have a careful analysis on the efforts of every individual donor in the future.

2.3 Aid Effectiveness

One of the key points associated with aid effectiveness is "aid harmonization." When donors do not arrange and coordinate their efforts as well as resources, it will cause fragmented aid and high transaction costs. Aid harmonization is of vital importance since it can not only lower transaction costs but also enhance the efficiency of aid delivery channels for both donors and recipients. In the process, the partner governments also realize how to improve the management quality of their own policies, budget planning, and operating procedures. Then, they will have more chances to enjoy economic growth (Balogun, 2005). Over a long time the wide varieties of donor requirements and operations have produced unproductive outcomes. Also, partner countries convey their concerns that donors' practices sometimes do not cater for them. In this background, OECD announced the Rome Declaration on Harmonization in 2003. The main purpose was to call attention to aid alignment and development effectiveness.

The world's pivot to aid effectiveness has much do with the "Paris Declaration on Aid Effectiveness" (OECD, 2015), which opened a new page in the foreign aid history. It provided guidelines for making aid more effective with a series of implementation measures based on five core values: ownership, alignment, harmonization, results, and mutual accountability. Figure 2.2 illustrates the bilateral relationship between donors and recipients in line with the five principles declared by the Paris Declaration. Developing countries should be able to take ownership on their own development policies and strategies. Donor countries have to align their efforts while giving support to partner countries, and they need to share information and coordinate with each other for aid harmonization and transparency. It is important to follow up the aid quality and the impact on development, so a monitoring system of assessment must be

established. Last, donors and recipients have to acknowledge that both of them are accountable for the development outcomes.

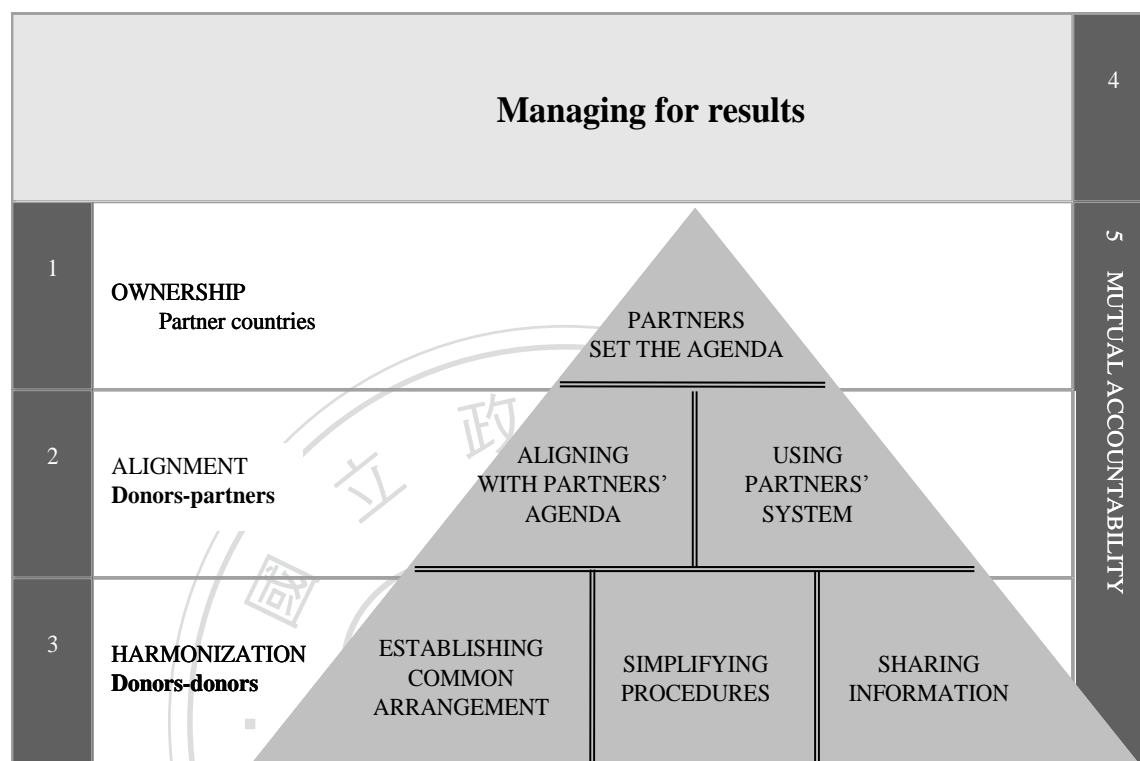


Figure 2.2: Five Principles of the Paris Declaration

(Source: OECD, 2005)

After examining the database produced by World Bank on foreign aid, Burnside and Dollar in their 2000 publication concluded that aid has a positive impact on growth in developing countries with good fiscal, monetary, and trade policies but has little effect in the presence of poor policies. That is, good policies are of crucial importance for growth. Riddell (2008) was on the same page while talking about the significance of governance.

The assertion that policies matter is not only uncontroversial but fairly self-evident. Indeed, it sounds almost tautological. Aid is bound to work better when provided in contexts where it is likely to be more effective, and to work

less well in more difficult or inhospitable environment (Riddell, 2008).

In spite of the fact that the U.S. is the pioneer of foreign aid, foreign aid still does not gain its popularity compared to other government programs. Selle (1995), who studied the politics of foreign aid, analyzed the role of foreign aid in the U.S. From his perspective, aid projects can be one of the most ineffective government expenditures. Despite decades of development assistance across nations in different continents, ranging from Latin America, Asia, the Middle East, to Africa, many of the states are in a worse economic status than they were 20 years ago. He provided a possible reason for why foreign aid keeps a low profile all the way. Most voters do not have an interest in foreign aid, because it seems to be something far away from their daily lives so that for most citizens, foreign aid will not be a decisive subject. As a result, the members of Congress have a greater leeway while handling issues of foreign aid.

There are still some other factors affecting aid efficiency, for instance, the consistency problem. It is recognized that donor governments pursue a number of competing interests through their foreign policies; this can lead to examples of double standards (Crawford, 2001). Similarly, it is not unusual to see political drama featuring foreign aid issues in Taiwan (Tubilewicz, 2015). Different political parties inevitably show different attitudes as they move in and out of power. As a consequence, foreign aid policies may be reduced to an instrumental tool for domestic political purposes and this explains why it is a hard task for a country to have a uniform use of foreign aid.

Moreover, the role of government and policy choices really matter in the development process due to three prevalent challenges across states (Breuning, 2000). First, donors are inclined to pay much more attention to the quantity rather than the quality of foreign aid since they are keen to win the reputation of being generous. It turns out that donors fail to spend money wisely. Second, recipient states may simply pretend to comply with donors' conditional requirements before they ensure the funds are already transferred to their hands. Third, recipient governments are very likely to play the two-level game. On the one hand, they should attract as many potential donors as they can; on the other hand, they must satisfy their domestic audiences to keep their support at home. For the reasons above, sometimes foreign aid may end up being time and money consuming.

2.4 Taiwan's Foreign Aid

Foreign aid is a useful diplomatic tool for small states like Taiwan and South Korea to improve their positions in the global arena by building friendship with less privileged states which desire to climb the economic ladder as what the two countries did before (Liao and Soh, 2009). Following a wide range of discussion about foreign aid, the next part talked about the aid traits of Taiwan and South Korea respectively. Taiwan's Ministry of Foreign Affairs (MOFA) attributed "Taiwan miracle" partly to foreign aid (Figure 2.3).

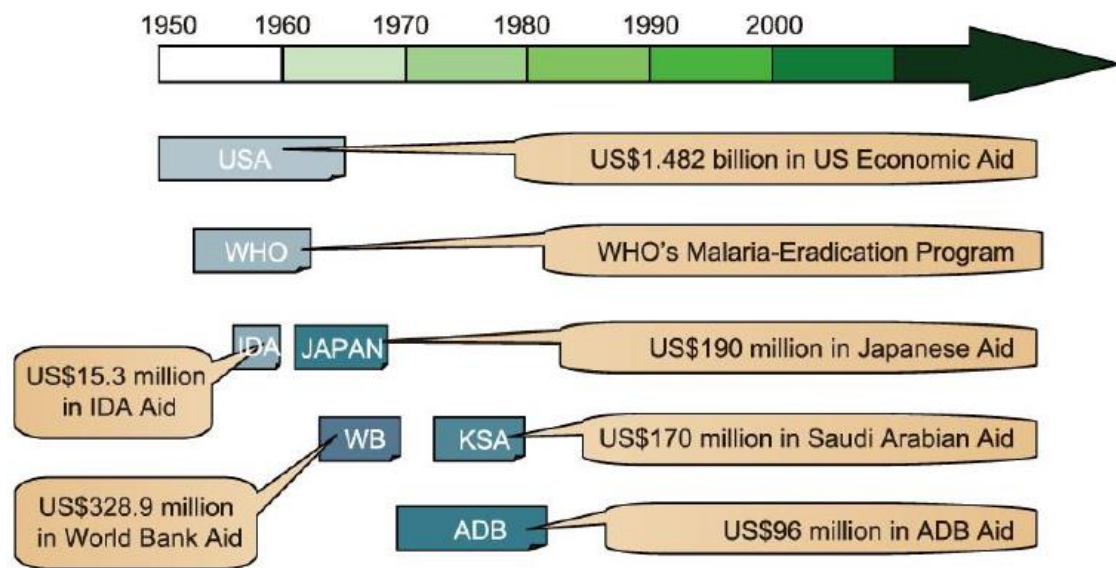


Figure 2.3: Amounts of Foreign Aid to Taiwan (USD Million)

(Source: Lee, 2016)

When it comes to foreign aid, most Taiwanese come up with the phrase "agricultural technical mission." As early as 1959, Taiwan started giving a helping hand to other countries. The first time Taiwan sent a technical group to Vietnam and Liberia with an attempt to practice agricultural diplomacy. In the post-war era, the atmosphere of anti-colonialism and anti-communism spread quickly, and a large group of newly independent countries were born. With a view to gaining support from these newly emerging nations, mostly located in Africa, in 1961 Taiwan's government proposed a foreign aid project, called "Operation Vanguard". Focusing on Africa, Taiwan dispatched agricultural technical teams, which were systematically-organized. The mission was effective, which allowed Taiwan to keep good relations with those countries in the 1970s despite the fact that it faced a series of diplomatic challenges. Former ROC ambassador to Malawi, Chen Hsi-tsan, commended Taiwan's agricultural technical missions. In his view, Taiwan's efforts in foreign aid had delayed China's accession to UN for at least ten years.

Previously, Taiwan's economic boom enabled itself to accumulate a huge sum of foreign reserves. In 1996, Taiwan International Cooperation and Development Fund (Taiwan ICDF) was created in order to promote socio-economic development in partner countries. Agriculture is the most prominent sector in Taiwan's foreign aid. In the past, the technical mission aimed to educate the local people about the plantation skills and techniques. Taking into account the challenges and weaknesses in the partner countries, Taiwan started to think about a new way to further assist their agricultural development by integrating Taiwan's advantages and strengths, such as agricultural mechanization, agricultural transportation and distribution system, recreational agriculture, and innovative agricultural technology. This way, the partner countries are more likely to enjoy a long-term agricultural development and process.

Taiwan used foreign aid to provide incentives to other countries in return for their support on Taiwan's legal status in the international community since 1970 when Republic of China (ROC) was replaced by People's Republic of China (PRC) and Taiwan lost its seat in the UN. Taiwan gave development assistance in order to fit its own diplomatic needs, and the so-called "dollar diplomacy" worked well until the late 1980s due to China's global rise (Tubilewicz, 2011). The double-digit economic growth enables China to gain absolute advantages in the competition of money diplomacy with Taiwan. Consequently, many of aid recipient countries swing between China and Taiwan so as to get the best deal from this triangle relationship. Looking back on the history of Taiwan's development assistance, the core objectives are to restore a lawful seat in the UN and cement diplomatic ties. Along the way, seeking statehood, which means to widen the international survival place of Taiwan, is

certainly the priority of the country (Kim and Potter, 2012).

In 2000, it was the first time Taiwan had a president who was from the DPP (Democratic Progressive Party) camp. More than half a century the country was governed by KMT (Kuomintang) party. However, from 2000 to 2008, under the presidency of Chen Shui-bian, nine countries announced breaking of diplomatic relations with Taiwan in just eight years. Chen was harshly attacked by his money diplomacy, which was to squander money and national resources in the face of international isolation. Even so, it did not stop the allies from defection. The improvement of relation with China would be accompanied by enormous political and economic opportunities. For this reason, many of the Taiwan's allies demanded an increase in aid budget though Taiwan was already one of their biggest donors. President Chen intended to ride out the diplomatic quagmire by labelling Taiwan as a democratic country and differentiated itself from China. He hoped that other nations could identify themselves with Taiwan as partners who valued democracy. Still, the shared political beliefs did not function as effectively as foreign aid. Actually, the abstract nature of democratic values at most could be just a complement to Taiwan's foreign aid (Lo, Chih-cheng, 2009).

In 2008, KMT returned to power, and President Ma decided to move forward to China given Taiwan's political and economic hard times. Despite critiques and suspicions from the opposition party, he chose to take a pro-China approach and reach a diplomatic truce with its aggressive neighbor and deepen bilateral economic ties. Ma's "flexible diplomacy" successfully maintained all of the diplomatic allies with just one loss in his two presidential terms. In sum, the top threat to Taiwan's survival is China

and a better cross-strait relation is worth it (Tubilewicz and Guilloux, 2011). Taiwan is not only able to keep the aid budget modest but also become less isolated in the global community. In 2016, Taiwan had the first female president, Tsai Ing-wen. She claimed that she would pursue “steadfast diplomacy” at her inauguration. President Tsai wants Taiwan to be more practical in aid strategies by creating a mutually beneficial and supportive diplomatic model with the allies. On the literal level, steadfast diplomacy has two meanings. First, Taiwan will be unwavering and resolute in efforts to raise its visibility and expand its global space. Second, Taiwan will stick to the universal values of democracy as well as freedom, and make contribution to the world society. The key is to give up on the previous one-direction aid model, and create a win-win situation for Taiwan and its partner countries.

Similar to many developed countries around the world, Taiwan has attached great importance to its foreign aid policy due to several reasons. It is in an urgent need to carry out specialized aid programs because of its awkward diplomatic stance. Also, it has to keep with world trends when lots of developed nations become more and more generous. Most importantly, it received much from international organizations and wealthy states such as the U.S. and Japan before, which contributed to a lot of significant economic infrastructures. And it is time for the country to show gratitude and give back to the global community by providing aid and sharing experience (MOFA, 2009). Today, with regard to its comparative advantages, Taiwan is targeting the SDGs with the worldwide trend of sustainable development. The blueprint of its development goals are: eradicating extreme poverty and hunger; achieving universal primary education, combating HIV/AIDS, malaria and other diseases; ensuring environmental sustainability; and developing a global partnership for development

(MOFA, 2015).

Among Taiwan's twenty diplomatic allies, there is only one developed country - Vatican. Almost all of them are still on the way of development. Taiwan continues providing them with development aid and hopes that they can speak for Taiwan in international institutions. Association of Foreign Relations (AFR), Taiwan's premier non-profit global outreach organization, released a survey (random digit dialing) in August 2016. It was reported that 76.9 % of Taiwanese felt Taiwan had few diplomatic partners, and 56.2 % said it was not worth spending as much as three hundred million USD yearly on foreign aid. The Secretary-General of the association, Mr. Huang, told the press that the public has contradictory views toward foreign aid. People think Taiwan needs more allies; however, they are reluctant to pay for that, particularly when Taiwan's economy has been hit hard for many years.

In fact, Taiwan's devotion to ODA seriously lags behind other donor countries. In 2013, the average figure of ODA/GNI ratio of DAC countries was 0.3%. It was worth noting that two Asian states had a strong presence because of their outstanding efforts, which were Japan and South Korea. Japan raised its ODA volume by 36%, with an ODA/GNI ratio of 0.23%. Similarly, South Korea increased its ODA volume by 4% with an ODA/GNI ratio of 0.13%. (OECD, 2016) Though Taiwan began to be viewed as one of the emerging donors due to its successful transformation to an aid giver not so long ago, the particularly low numbers of aid statistics indicate that Taiwan still has a long way to go before being recognized a qualified and generous donor in the international community.

Table 2.1: ODA Disbursements of Taiwan and S. Korea (USD million)

(USD million)	Taiwan		South Korea	
	Total ODA	ODA/GNI (%)	Total ODA	ODA/GNI (%)
2005	495.1	0.14	127.2	0.10
2006	513.0	0.14	97.4	0.05
2007	514.0	0.13	121.9	0.07
2008	435.2	0.11	168.1	0.09
2009	411.4	0.13	209.2	0.10
2010	380.9	0.10	380.6	0.12
2011	381.2	0.09	373.5	0.12
2012	304.5	0.06	452.3	0.14
2013	271.8	0.05	538.7	0.13
2014	274.0	0.05	542.0	0.13

(Source: OECD, 2015)

2.5 Korea's Foreign Aid

After the Korean War (1950-1953), aid was given to war-torn South Korea for humanitarian relief. In the 1960s, South Korea received ODA with an attempt to reconstruct and transform its economic structure. During 1970s and 1980s, development assistance for South Korea was focused on heavy and chemical industries. As of the early 1990s, South Korea had gotten approximately 12 billion USD from the global society (OECD, 2012). It is impressive that total ODA South Korea had received from the U.S. outnumbered that of the whole African continent (Moyo, 2009). In 1995, South Korea stopped receiving ODA from the World Bank and joined OECD in the following year. Unfortunately, South Korea's economy became a disaster in 1997's Asian financial crisis, so it was forced to accept emergency aid from IMF and IBRD (the International Bank for Reconstruction and Development). Out of everyone's expectation, the country managed to conquer the crisis and graduate from the DAC list of recipient countries in only three years.

Table 2.2: Major Donors to South Korea Throughout History

1945-1952	1953-1961	1962-1975	1976-1996	1997-2000
U.S.	U.S., UN	U.S., Japan	Japan, Germany	IMF, IBRD

(Source: KOICA, 2017)

The South Korean government implemented the First-Year Economic Development Plan from 1962 to 1966. At that time, South Korea was belonged to the group of the world's Least Developed Countries (LDSs) according to the UN, and now South Korea is the only OECD/DAC member that has the firsthand experience in economic transformation. South Korea made good use of ODA from global actors to fulfill different development objectives at different stages. From 1945 to 1953, postwar rehabilitation was the priority, and from 1953 to 1960, postwar reconstruction became the focus. During this period, there were some big driving forces for the aid projects. UNKRA (the United Nations' Korean Reconstruction Agency) was set up in 1951 to promote growth in South Korea. The U.S. and the FAO (the Food and Agriculture Organization) provided food aid. In 1961, South Korea started to work toward the goal of economic independence. Seeing South Korea's amazing growth, the International Development Association (IDA) removed South Korea from the aid recipient list in 1975. Eventually, South Korea terminated its history as an ODA recipient and became totally independent in 1995 when it ceased receiving any loans from the World Bank.

South Korea's ODA history as a donor dated back to the 1960s when the South Korean government used funds from USAID (the US Agency for International

Development) to invite people from the developing nations to South Korea and conduct training programs for them. In 1965, instead of receiving USAID funds, South Korean government began paying the project on its own. Since that time, South Korea was devoted to technical cooperation programs by offering training programs and sending staff to the recipient countries. In the 1970s, South Korea ODA policies were affected by the mindset to win the political competition with North Korea and gain a superior position in the global community. During the 1980s, South Korea strategically used ODA to stimulate economy and pave the way for overseas expansions of its domestic companies. In 1990s, South Korea formed partnerships with top international organizations, including the World Bank, the Asian Development Bank (ADB), and Inter-American Development Bank (IDB), attempting to empower its multilateral aid channels (KOICA, 2011). In view of the growing number of development projects, KOICA (Korea International Cooperation Agency) was founded in 1991. KOICA's efforts to the development assistance were largely strengthened as South Korea's global status rose. KOICA's budget had skyrocketed over the time span of 2000-2007, with an incredible growth of 393% (KOICA, 2011).

The South Korean government has made great strides in enhancing the global image of South Korea via foreign aid and development cooperation, and people in South Korea mostly hold a supportive attitude toward foreign aid. Nine out of ten South Koreans firmly believed the importance of foreign assistance when they were asked to express opinions about matters of development aid in a public survey (Kwon and Park, 2012). Unlike Taiwan, where foreign aid has a bad press (Tubilewicz and Guilloux, 2011), 45% of South Koreans thought the amount of government spending on development aid was appropriate, and even 21% of people suggested their

government spend more on aid to developing countries (Minato, 2015). As a relatively new donor in the field of development assistance, South Korea tries to distinguish itself from the traditional donor states and present itself in a different way by emphasizing its own development experience. Knowledge Sharing Program (KSP) is the vital component of South Korea's assistance mechanism. It was launched in 2004 and was planned to build capacity of recipient countries based on South Korea's industrial and democratic success. Rather than unilaterally transfer the national experience, KSP takes diverse social milieu into consideration in order to meet the needs of a wide range of developing countries.

In addition, Saemaul Undong (SMU) (literally meaning the “New Village Movement”, South Korea's rural development scheme in the 1970s) has been applauded for its effectiveness. The slogans of the plan is “diligence” (Early birds collect more food), “self-help” (Heaven helps those who help themselves), and “cooperation” (The whole is greater than the sum of its parts) (ADB, 2012). Administrative, financial, material, and technical assistance were provided by the authority, and in the meantime, the rural communities knew that they themselves should take responsibility for their own development. Because of the project, the countryside went from poverty to prosperity. So, the administration later incorporated the Saemaul concepts into part of its ODA strategies. Other nations may also learn from this model while pursuing sustainable development, because the Saemaul package does share the spirits of SDGs (UNSG, Ban Ki-moon). SMU is South Korea's representative development model and a good role model for ending poverty in poor countries as well (UN ESCAP, 2000). Now, South Korea is showing its ambition to export the Saemaul model as South Korea's national brand in the aspect of foreign aid around the world.

South Korea's development program sets a precedent that a low-income country has the potential to develop and grow. With huge support from the international community and visionary policies, South Korea eradicated its extreme poverty and emerged as a donor country. The success of SMU can be attributed to five factors. First, the government gave the right support at the right time. Second, residents were encouraged to voluntarily take part in the project and make decisions without governmental intervention. Third, strong leadership was cultivated through Saemaul training. Fourth, given the idea that competition makes people better, the government adopted the principle of supporting the predominate villages first. Finally, there was usually a stronger sense of community consciousness and public interests in the context of traditional towns (Korea Saemaulundong Center, 2016). South Korea's "Miracle on the Han River" under SMU has attracted immense attention from the world society. On the whole, SMU imbued the society with a "can-do" spirit no matter what kind of adversity encountered on the way (Goh, former director of the office of Saemaul Undong Movement, 2010).

KOICA is also having a strategic use of SMU. In accordance with the SDGs, KOICA focuses on three principles: First, to promote the sustainable agricultural production and increase the value chain. Second, to apply the Saemaul project but meanwhile customize for local conditions. Third, to conserve natural resources in order to cope with climate change (Lee, KOICA's agricultural specialist, 2016). Besides traditional bilateral and multilateral aid channels, KOICA is handling various development projects with diverse ODA actors through the public private partnership (PPP). In conjunction with Civil Society Organizations (CSOs) and private sectors, KOICA

wants to reach a higher level of efficiency by referring to their unique operating and management systems. In addition, KOICA does a good job in recruiting and training volunteers. The "World Friends KOICA Volunteers" program was designed to motivate South Korean citizens to volunteer in the partner countries and work for local socio-economic development by sharing their knowledge and experience. The overseas volunteers program helps to raise awareness of foreign assistance and boost South Korea's public engagement (KOICA's official website).

The year of 2009 was extremely meaningful to South Korea. It became an official member of DAC, a club of world's chief donors. The accession to the DAC marked the nation's vital success regarding its advancement from a recipient country to a donor country. The experience, the first of its kind, makes South Korea an impressive donor. The event is also a watershed in South Korea's foreign aid history. While reviewing the aid data, it can be noticed that South Korea had a big leap in its share of GNI spent on ODA for the past few years. As shown in Table 2.1, South Korea made a big step forward in its ODA numbers from 2009 to 2010, with a nearly 31% increase. Thus, the former UN secretary general, Ban Ki-moon, praised South Korea as the lighthouse for the developing nations because it could share its experience of democratization and economic development.

In spite of great accomplishments, Korea Institute for Development Strategy (KDS), Yonsei University's International Studies Department, and an American historian, Potter (2012) all voiced similar concerns about some major problems in South Korea's foreign aid. First, even if South Korea has improved a lot in its ODA volume, its ODA/GNI ratio remains to be one of the lowest, ranking 25 among 29 DAC members.

Hence, it has a lot of room for improvement before achieving the 0.7 target.

Nevertheless, South Korea is far beyond Taiwan in its aid spending. South Korea has been surpassing the 0.1 % threshold since 2009, and the figure keeps climbing up. In contrast, Taiwan's ODA/GNI ratio has dropped to all-time low though it was even a bit higher than South Korea's about ten years ago. In 2014, Taiwan's ODA/GNI ratio was 0.051, less than half of South Korea's 0.13. Figure 2.4 showcases a vivid picture of the ever-increasing gap of net ODA between the two nations.

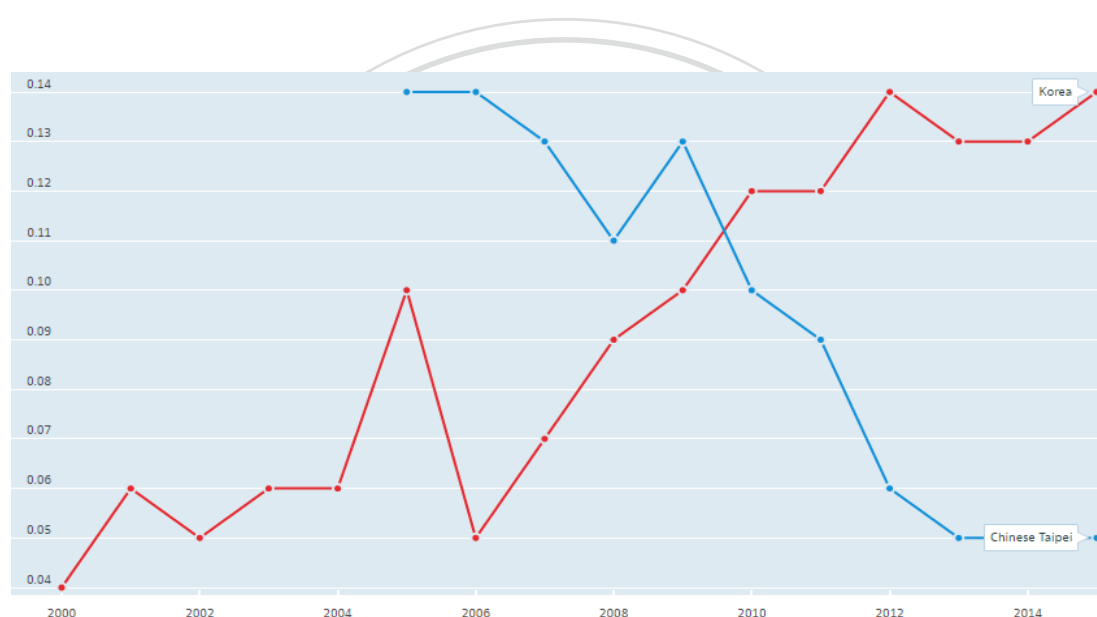


Figure 2.4: ODA/GNI Ratio of Taiwan and South Korea

(Source: OECD, 2016)

Take a look at the recipient countries, it can be found that South Korea and Taiwan have distinct targets though both of them keep a close eye on the Asia-Pacific region. For South Korea, its top ten ODA recipients are Vietnam, Afghanistan, Mongolia, Bangladesh, Indonesia, Cambodia, Philippines, Laos, and Angola. Except Angola, all of the partner countries are located in Asia (OECD, 2015). For Taiwan, its partner countries in Asia are Kiribati, Republic of the Marshall Islands, Nauru, Republic of

Palau, Solomon Islands, and Tuvalu. These are Taiwan's official allies, relatively small and disadvantaged countries in comparison to other Asian nations. To Taiwan, the main determinant of aid distribution is highly associated to its diplomatic condition. Unlike Taiwan, diplomacy is not the top consideration to South Korea.

By further studying South Korea's aid behavior, some characteristics are identified in recent literature. South Korea was found to have a high proportion of loans along with tied aid. In South Korea's history as a donor, grant-type aid did not have a bigger share in the total volume of bilateral aid until 2002. Up to now, the grants and loans proportion has changed a lot. In 2002, the grants to loans ratio was 32.3% to 67.7%, and in the next decade the figure was in a complete reversal. In 2012, the grants to loans ratio became 60.4% to 39.6%. However, compared to other DAC donors, the ratio is still not good enough. The average grants to loans ratio of DAC countries in 2012 was 97.29% to 2.71%. In line with the DAC recommendation on untying ODA, South Korea still has lots to be improved. Its untied aid accounted for 55.06% in 2012, which was far behind compared to the DAC countries' average number 90.9%. Accordingly, South Korea falls short of its obligation to adjust its aid structure.

According to South Korea's 2014 Official Development Assistance White Paper, the nation allocated 57.5% and 22.1% to Asia and Africa respectively in 2012. What's more, the largest recipients, such as Vietnam, Philippines, and Indonesia, happen to be the countries that highly matter to South Korea regarding political and economic interests. They are developing nations, but they are much richer and more promising than all the other developing economies in Asia. Moreover, the only non-Asian country among South Korea's list of top ten aid recipients is Angola, a country that

just took the place of Nigeria as Africa's largest oil producer in 2016. South Korea's bias in ODA disbursement at the country level shows its intention to seek business opportunities and economic benefits simultaneously while planning aid. To be brief, diplomacy is not the single most important factor to South Korea. That is pretty different from Taiwan. South Korea is dealing with foreign aid in wider horizons.



CHAPTER III METHODOLOGY

This chapter underlined the approach applied to carrying out the study. At the beginning, the theoretical framework was introduced and then a clear picture of the research procedure was displayed. Next, there were explanations about the research approach and design.

3.1 Research framework

The purpose of this study was to understand the significance of foreign aid to Taiwan by reviewing its role as an aid donor over the past decades. In the meantime, South Korea was included in the process of examination because of their developmental similarities. Both of them had experience evolving from aid recipients to providers. It was interesting to find that foreign aid could work wonders from the developmental cases of the two countries. Based on the research objectives mentioned, the research framework was created by the researcher.

As shown in Figure 3.1, the research focus was Taiwan, and South Korea was regarded as the benchmark. The two Asian countries have so many things in common, ranging from political, economic, even to cultural aspects. Because of this, it can be a wise choice to analyze Taiwan's foreign aid condition and at the same time look into South Korea's case as a valuable source for reflection. When it comes to foreign aid, the major two types are economic aid and social aid, so the researcher investigated how South Korea and Taiwan make use of these two kinds of aid tools. Then, the researcher went on to looking over their aid motives and conditions. Eventually, their aid systems and practices would be also inspected so that their strengths, weaknesses, threats, and opportunities could altogether be identified. The research findings were

expected to be highly valuable to not only the academia but also the government.

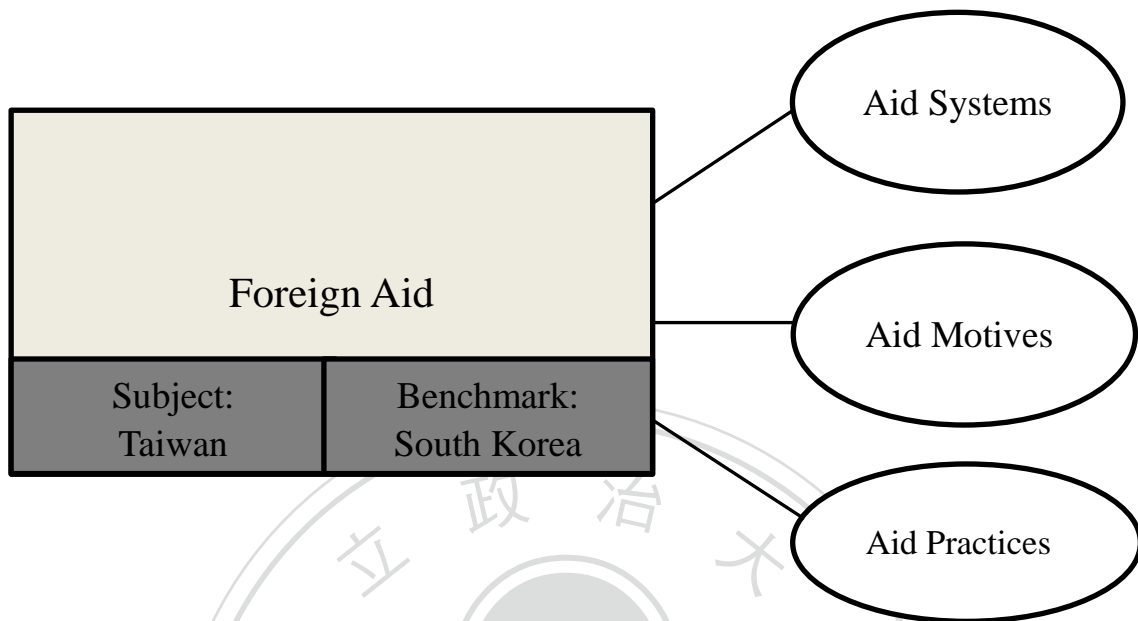


Figure 3.1: Research Framework

3.2 Research procedure

Figure 3.2 is a snapshot of the research procedure. It showcases how the study was formulated step by step. The starting point of this study was the author’s research interest in the common features of South Korea and Taiwan. The two countries bear a striking resemblance with regard to foreign aid history and national development. After reviewing related literature, the researcher decided on the research topic, which was “The Future Prospects of Taiwan’s Foreign Aid: A Comparison with South Korea.”

Multiple theories and arguments were collected by reviewing a wide variety of books, journals, and official documents. With these valuable sources, the research aims and research questions were developed. Later on, the significance of this study and its potential contribution to the existing literature were evaluated. The next step was to

select the research method, and think about how to conduct the study and make data analysis. Next, the research questions were answered based on the literature review and the interview data. Finally, the last step was to draw a conclusion about the research findings and generate policy recommendations.



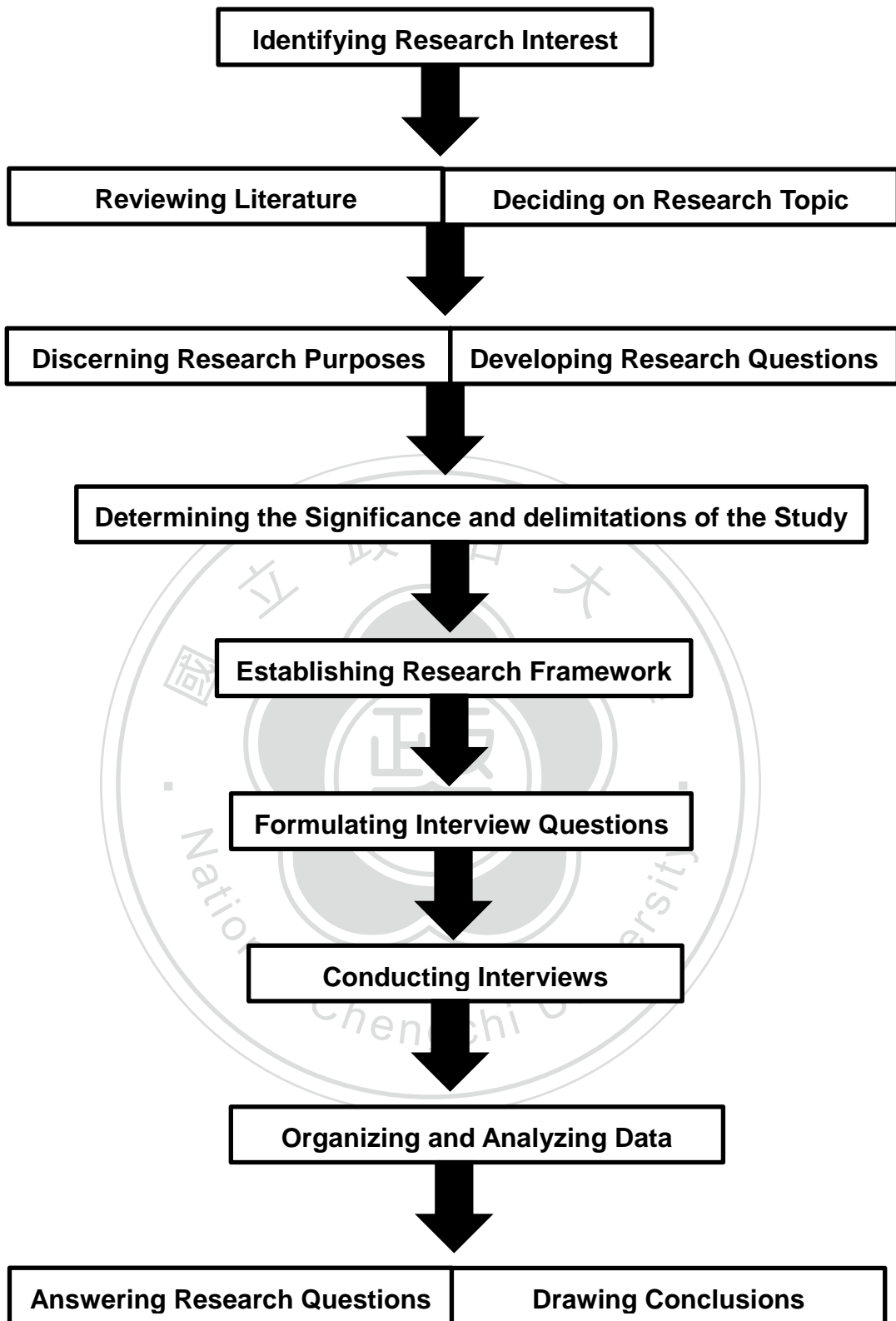


Figure 3.2: Research Procedure

3.3.1 Research Method

The nature of this study is qualitative. The researcher gathered relevant materials from academic publications in order to have a deep understanding of foreign aid and related matters. Interviews were conducted in an explanatory manner by examining different participants' individual perspectives toward foreign assistance. A series of interview questions were produced according to the topic area that the researcher intended to cover. The interviews were semi-structured, face-to-face so the interviewees were given the opportunities to provide in-depth responses about particular themes. This way, the accuracy of data interpretation and the convenience of data collection can be ensured.

3.3.2 Sample Population

The study involved six interviewees. Various participants were invited in order to avoid bias and one-sided perception. Basically, the research participants can be categorized into two groups. Some are school professors in the academic field, and the others are practitioners who are actually directly engaged in foreign assistance. To protect the identity of all the research participants, pseudonyms were picked to name different interviewees, with P and S respectively stand for practitioners and scholars.

Criteria for Selection of Participants

The interviewees were chosen based on the following criteria:

Practitioners.

1. They have been in the service of foreign aid for more than ten years.
2. They are currently working in Taiwan ICDF, Taiwanese government agency for foreign aid.

3. They are directly involved in the formulation or implementation of aid projects.

Scholars.

1. They have been in academia for more than ten years.
2. They have expertise in foreign affairs.
3. Their research areas involve East Asia, especially South Korea.

3.3.3 Analytical Approach

Interview consent letters (see Appendix 1) were sent to the candidates of research participants, and timings as well as locations were chosen at their convenience.

Appendix 2 and 3 are the lists of interview questions for practitioners and scholars respectively. Part I is the common questions for understanding the background of interviewees, and Part II is the main interview questions. Considering the potential differences between the industrial sector and academia, the researcher designed two sets of interview questions. Questions for scholars are more like interpretive questions in order to gain better insights about foreign aid, and questions for practitioners are more like probing questions in order to realize how they handle foreign aid back and forth.

The flow of this study was guided through the conceptual framework displayed in Figure 3.1. The focal point of this research was to identify Taiwan's foreign aid performances, and analyze some of the associated notions such as aid systems, aid motives, and aid practices. All of them play a big part in a country's development assistance. While exploring Taiwanese ODA, South Korea's aid condition was referred to at the same time in order to determine their similarities and differences in

foreign assistance features. In this way, the researcher could figure out the advantages and disadvantages of Taiwanese ODA and get some inspirations from South Korea's ODA strategies. In the end, prospects of Taiwan's foreign aid were shown with some possible recommendations.

3.3.4 Research Data Analysis

After conducting interviews, word for word transcripts were made as soon as possible in order to keep the memory sharp. These important data were collected and organized for further analysis. The answers from all the interviewees were scrutinized and key concepts were identified. By doing so, the researcher was able to make a convincing response to the research questions, and provide a stepping stone to the conclusion part.

CHAPTER IV RESULTS AND DISCUSSION

In this chapter, research findings were offered in order to answer the original research questions in the first chapter. The results were generated from the literature review as well as the interviewees' responses. Foreign aid is significant to both developed and developing countries. There are some common issues facing developing nations, poverty, high birth and death rate, poor water and sanitation, lack of access to education, etc. They find themselves are in a disadvantageous position, so in general they are eager to get foreign aid in order to become a normal country (S3, interviewee). Recipient countries view the donor countries as a development model, and foreign aid allows the developing countries to develop in a similar way as the developed countries do. All in all, the developing world is able to deal with socioeconomic challenges and build confidence. Also, foreign aid can serve as a symbolic gesture of support to the political power, and help to stabilize and enforce the social order (S1, interviewee).

Foreign aid can be presented in many ways, grants, materials, techniques, foreign direct investment, and so forth. All these give the developing nations an opportunity to prepare themselves for further development and improvement. Unlike most of today's humanitarian assistance organizations, what ODA values is a wider sphere of influence (S3, interviewee) . A picture of a starving little boy may touch viewers' hearts and arouse people's emotions, so the contributions of NPOs can be observed easily and quickly. Nonetheless, individual cases have limited influence and the boy's misery is just a tip of the iceberg. Instead of saving single person or family one by one, from an ODA perspective, the best thing to do is establish or improve healthcare system with the use of funding and resources. The goal of ODA is a systematic

change. Unfortunately, it is commonly neglected due to its invisible efforts and delayed effects (P1, interviewee).

In the cases of Taiwan and South Korea, foreign aid partly contributed to their amazing success stories. Many elder people in Taiwan remember the period when they received the aid packages written “China-US Cooperation.” In this era of globalization, there is a sense of common security that no one can shut the door and remain unaffected in chaos (S1, interview). The basic reason why the developed countries provide aid is to help the developing world in social and economic development due to a moral obligation, but this is not absolutely the top goal (P2, interview). Some Northern European countries like Denmark and Sweden are outstanding performers in foreign assistance with the highest ODA/GNI ratio, and they are mostly motivated by morality. However, the majority of donor countries give aid with specific purposes since the property of ODA is a public funds and it should be essentially beneficial to a nation (P3, interviewee).

4.1 Aid Systems

The MOFA is the chief commander of Taiwan’s foreign aid with Taiwan ICDF as a governmental agency for supporting ODA. It is the foreign minister that is always the chairman of Taiwan ICDF, so the diplomatic atmosphere can be felt (P1, interviewee).

The three officials from Taiwan ICDF were all on the same page when being asked about the aid purposes of Taiwan ICDF. They responded the same way: Stabilizing diplomatic relations have been the primary priority, which never changes. Taiwan is boosting foreign relations through foreign assistance. Whenever there is any change on the list of partner countries in Taiwan ICDF’s aid programs, permissions from the

MOFA is a must (P2, interviewee). The practices of Taiwan ICDF should be in accordance with the MOFA's diplomatic thoughts (P1, interviewee). The MOFA assigns a list of recipient countries to Taiwan ICDF, and sometimes Taiwan ICDF is notified when the MOFA plans to further improve bilateral relations with a specific nation (P3, interviewee).

The main focus of Taiwan ICDF is development aid, which usually has a long duration from three to ten years. Foreign aid is composed of three key parts, funding, techniques, and human resources. Among these, human resources, namely capacity building, is particularly important. In fact, Taiwan ICDF accounts for about only 15% of Taiwanese ODA, in other words, the rest is contributed by MOFA itself (P2, interviewee). Taiwan ICDF is helpful to Taiwan's foreign aid, but MOFA is the single biggest player (P3, interviewee). As a government-funded organization, Taiwan ICDF functions more like the public sector, with a certain level of bureaucracy. In contrast, domestic NPOs are more flexible but less organized, and this is the reason why Taiwan ICDF seldom works with domestic NPOs (P3, interviewee). Thus, Taiwan ICDF mainly acts upon the requests of MOFA with little connection to the private sector.

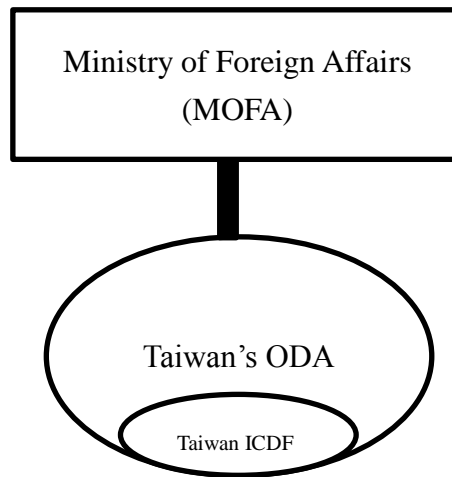


Figure 4.1: Taiwanese Aid System

Instead, Taiwan ICDF is more often to cooperate with INGOs, and in this way it can get connected to the UN's aid channels. In the cooperation process, Taiwan's foreign aid practitioners can learn something valuable by watching how those INGOs operate. Since establishment, Taiwan ICDF has been served as an aid platform for the government. It is well connected to many of the medical centers and educational institutions, domestically and globally, and it partners with some major INGOs (P2, interviewee). However, Taiwan ICDF does not make a concrete contact with those global institutions such as the UN or WHO (P3, interviewee). As a participant in an international aid program, Taiwan is usually restrained from presenting its name on official documents or forming partnerships with intergovernmental organizations (IGOs).

At a country level, South Korea has an integrative implementation system. South Korean ODA is chiefly handled by the Ministry of Strategy and Finance (MOSF) (53%) and the Ministry of Foreign Affairs (MOFA) (35%), and the rest 12% is spread across other twenty-five government agencies. Under the supervision of MOSA,

Korea Eximbank (KEXIM) was established in 1976 and its primary responsibility is to boost South Korea's economy by providing loans and facilitating economic partnerships with other countries. The bank manages the Economic Development Cooperation Fund (EDCF), which was founded in 1987 and has become South Korea's representative agency for aid funds appraisals, disbursements, and executions. Simultaneously, MOFA is mainly in charge of grants, and KOICA is the most distinct acting agent among this channel. It plays a pivotal role in South Korean ODA. Grants and technical cooperation are its top two functions.

South Korean and Taiwan have a fundamental difference in the way how they administer foreign aid. Taiwan has a single-window system, in which MOFA appears to be the single entity that has a high authority. By contrast, South Korea has a dual ODA system (Figure 4.2). Under the guidance of different governmental departments, specific agencies are set up to conduct different aid projects. A significant difference between Taiwan and South Korea is that South Korea has no diplomatic problems. Another difference is the budget size. Taiwan ICDF and KOICA are both the iconic actors of their countries' ODA, but the two are fundamentally different. Taiwan ICDF is a government-subsidized foundation, while KOICA is an official agency, belonging to the public sector. Moreover, Taiwan ICDF is basically an aid operator under the command of the MOFA, while KOICA has a bigger role since it not only operates but also outsources and subsidizes aid projects (P3, interviewee).

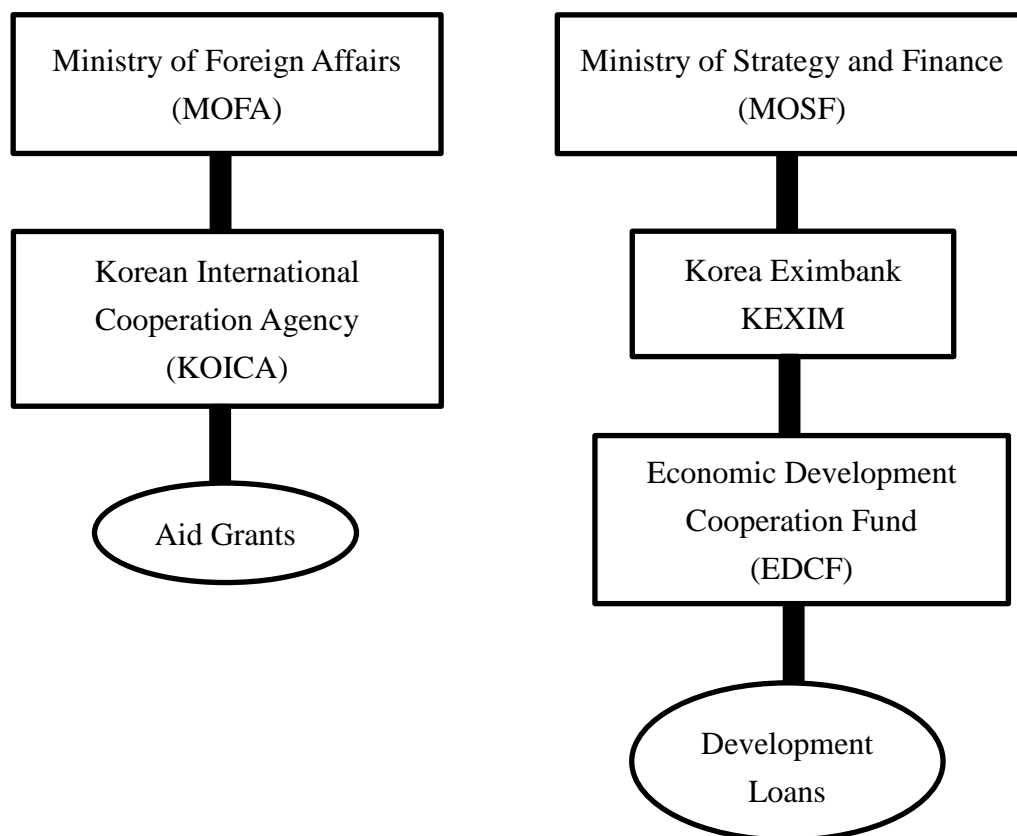


Figure 4.2: South Korean Aid System

Taiwan ICDF is under MOFA's supervision, and it is facing the political constraints, too. Compared to other ODA agencies, it has a serious lack of opportunities for international exchanges, which is a major disadvantage to Taiwan's foreign aid development according to Interviewee P3, who suggested the country make a breakthrough and get rid of the political mindset. Despite slim hopes of international engagement, Taiwan can still create opportunities for itself in several practical ways: seeking help from diplomatic allies, hosting annual aid conferences and actively sending invitations to most of the world's aid organizations (S3, interviewee).

Further recruitment of top quality professionals is necessary as well, added by interviewee S2. Foreign aid is of great importance, but the total number of officials

working in the Department of International Cooperation and Economic Affairs is less than twenty, excluding the director general and the deputy director general.

Additionally, an absence in the regional network of economic cooperation and integration is a great loss to Taiwan. ASEAN (Association of Southeast Asian Countries) and RCEP (Regional Comprehensive Economic Partnership) are Asia's two huge trade blocs, but Taiwan joins neither of them. Thus, Taiwanese products inevitably suffer from high tariffs and become less competitive. Consequently, declining exports make Taiwanese firms less profitable, and the economy becomes worse and worse.

As for the aid channels, Taiwan needs to get more access to the multilateral institutions and make good use of multilateral channels. The average percentage of Taiwan's multilateral aid is about ten percent lower than South Korea's (Table 4.1). At the Busan HLF4, the use of existing aid channels was promoted. It was recommended that donors think twice before creating separate new ones that may cause fragmentation. Multilateral channels enable individual donors to work all together to develop global approaches to country problems, which can be the key to joint decisions and strengthening coherence. With umbrella facilities that engage numerous agencies and funds, stronger multilateral organizations and reduced proliferation can be ensured as well (OECD, 2013).

Table 4.1: Aid Channels Comparison between Taiwan and S. Korea

USD million	Taiwan		S. Korea	
	Bilateral ODA	Multilateral ODA	Bilateral ODA	Multilateral ODA
2010	326.0	54.8	900.6	273.2
2011	331.8	49.4	986.6	335.0
2012	241.3	63.1	1183.2	414.3
2013	231.9	39.8	1309.6	445.8
2014	224.7	49.2	1359.8	461.0

(Source: OECD, 2016)

Taiwan should get out of the single-window aid system. People in various fields should be involved in designing and managing ODA programs. Besides the MOFA, more official agencies need to be consulted, the Ministry of Finance (MOF), the Bureau of Foreign Trade (BOFT), the Ministry of Science and Technology (MOST), and so on (S2, interviewee). Different expertise leads to different perspectives and produce new and comprehensive plans. Besides that, the government can engage more outsiders, including overseas Taiwanese firms and overseas Taiwanese because they have developed a certain understanding and connection with the local society. With a public-private partnership, foreign aid can become Taiwan's powerful pool. Also, contexts vary wildly from country to country, so a customized project is useful

to every partner country. Furthermore, more efforts are needed to improve diplomatic and negotiating skills so as to assure recipient countries that Taiwan is a good development partner (S3, interviewee).

4.2 Aid Purposes

Taiwan became what it is today in part thanks to the kindness and generosity of the international community, so it hopes to repay its debt to the world for the enduring sense of benevolence. Also, Taiwan is a small island country, densely populated, and has few natural resources and raw materials. Therefore, it needs to develop relations with those countries whose roles are energy producers or transportation hubs (S1, interviewee). A number of oil producing countries were once its partner countries, Saudi Arabia, Kuwait, and Jordan included. Oil is Taiwan's economic propeller, and giving foreign aid to them is out of concern about security. All along, Taiwan is willing to offer spiritual supports or disaster-relief aid to developing countries despite the lack of diplomatic ties. In general, the country's aid motivations are as follows: moral and security considerations, desires to develop foreign relations and increase its global visibility.

Each of Taiwan's few remaining ally matters, and foreign aid has been playing a huge role in Taiwan's foreign policies, so it is apparent that Taiwan is highly motivated in ODA (S2, interviewee). The most important criterion in deciding recipient countries is the level of friendliness (P1, interviewee). Foreign aid will not be given to a country that is very unfriendly to Taiwan no matter how poor it is because politics and diplomacy are the top considerations to Taiwan. Interviewee P1 mentioned that Pakistan is not included in Taiwan ICDF's international scholarship program due to

the country's apparent offensiveness to Taiwan. ODA is nation-to-nation with a high-level of interaction, and national identity should be beyond everything (P1, interviewee). If any of the recipients suppresses Taiwan, the government will be unaccountable to the citizens.

For a long time, Taiwan seems to overvalue diplomacy without paying enough attention to other dimensions like economy or trade. National interests have diversity, and diplomacy is only one of them, so it is unwise to devote most resources to this single purpose (P3, interviewee). The success of foreign aid should be a win-win, through which a satisfactory outcome is achieved and both the donor and the recipient benefit from. Speaking of benefits, the first thought is often economic opportunities. Take a closer look at Taiwan's trade condition, and it is found to have little in common with the country's overall diplomatic layout (P3, interviewee). Northeast and Southeast Asian nations are Taiwan's important trade partners, while its diplomatic allies are mainly in Central America and Africa. Electronic products are a big trade item for Taiwan, while these are not a necessity to Taiwan's partner countries in which agriculture and healthcare are given a higher priority than tablets (P1, interviewee).

Taiwanese ODA is given in the context of diplomatic competition with China, while South Korean ODA has varying goals, concerns, tools, and practical projects (Chien, 2010). It is time for Taiwan to step out diplomatic shadow and pursue win-win foreign aid. South Korea's foreign aid appears to provide potential economic benefits. The country's aid sectors happen to correspond to its economic focus areas (P3, interviewee). ICT is South Korea's key economic engine and the country has the

world's highest ICT trade surplus. KOICA spent 23.6% of its total budget on ICT cooperation (KOICA, 2014). What's more, South Korea finds great economic significance and business opportunities in its recipient countries (Table 4.2). ASEAN is South Korea's largest ODA destination. The heavy concentration is closely related to high regional trade interdependence and volume (Kondoh, 2011). These nations are the newly emerging economies, and they have become FDI magnets.

Table 4.2: Economic Significance of South Korean ODA Recipients

Top Ten Recipients of S. Korean ODA	Significance to South Korea
1. Vietnam	<ul style="list-style-type: none"> * S. Korea's 4th trade partner * S. Korea as the biggest investor * The 4th largest destination for S. Korean FDI * Korea-Vietnam FTA took effect in 2016.
2. Afghanistan	<ul style="list-style-type: none"> * The silk road gateway * A pipeline route for S. Korea's big energy investment in Central Asia * S. Korea joins US-led coalition in Afghanistan
3. Mongolia	<ul style="list-style-type: none"> * S. Korea as the 2nd biggest investor * Upcoming Korea-Mongolia EPA * Mongolia's abundant natural resources.
4. Bangladesh	<ul style="list-style-type: none"> * S. Korea as the 3rd biggest investor.

5. Sri Lanka	* S. Korea was the biggest investor in the 1980s, and it is trying to reclaim its top position in FDI.
6. Indonesia	* S. Korea's 15 th trade partner * S. Korea as the 5 th biggest investor * Korea-Indonesia FTA under negotiation.
7. Cambodia	* S. Korea as the 2 nd biggest investor * Korea-Cambodia FTA took effect in 2008.
8. Philippines	* S. Korea's 13 th trade partner * S. Korea as the 6 th largest investor.
9. Laos	* S. Korea as the 4 th biggest investor.
10. Angola	* Angola as top oil producer in Africa * The 2 nd largest destination for S. Korean FDI in Africa.

(Source: OECD and WTO, the table was created by the researcher)

Interviewee P1 gave two specific examples about South Korea's strong presence. More and more foreign students decline Taiwanese scholarship offer in recent years, mostly because they are admitted to South Korean universities on full government scholarships. South Korea's increasing popularity makes it more attractive to foreigners. And, in a satisfaction survey asking foreign students for feedback about learning experiences in Taiwan, each year at least ten percent of students respond in this way: I recommend Taiwan..., and Taiwan will be as great as the US, Japan, and South Korea. The answers are a signal that South Korea has been categorized into the same group along with the US and Japan. Free from geographical, historical, and

cultural issues, the foreign students are an objective third party. Hence, it could be a warning sign to Taiwan that it needs to push itself harder to climb ranks. With the highest level of growth in aid budget in the last decade, South Korea outshines all the other countries in Asia, even Japan, partly due to Japan's stagnant economy and South Korea's relatively shiny economy.

4.3 Aid Conditions

Taiwan's foreign aid is disproportionately focusing on diplomatic allies and friendly countries. The spirit of humanity and benevolence of Taiwan's foreign aid is inevitably to be questioned due to its overemphasis on diplomatic allies. Taiwan is hard to justify its aid allocations because of the political flavor. ODA can be a political act to almost all the countries, but their intentions are not quite obviously revealed. Taiwan is so passionate to stabilize diplomatic relations that it may become disadvantaged in aid negotiations (P2, interviewee). From time to time, what the leaders of the partner countries care is their political power rather than people's welfare, and Taiwan has no choice but to make a lot of compromises in hopes of satisfying the local governments and maintaining bilateral relationships. Accordingly, Taiwanese ODA has been responsible for some negative externalities such as less attention to promoting local empowerment, good governance, and accountability (S2, interviewee).

Taiwan has to prevent its foreign aid trigger political instability or bad governance; otherwise, it will look like a trouble maker in the eye of other countries, and its efforts will be seriously undermined. More often than not, those who benefit from Taiwan's ODA are the partner countries' top officials, and this causes two concerns. Taiwan's

aid may be criticized as the cause of corruption or other related problems. And sometimes Taiwan finds its efforts are in vain due to a power transfer. Aid success requires smart thinking and mutually beneficial relations. Taiwan has to show its sincerity to the partner countries and avoid acting like an ignorant and selfish donor who only wants to take the recipients' advantage (S3, interviewee).

There are some common problems Taiwan is encountering while handling ODA, ineffective operation and frequent changes of local officials (P1, interviewee). In developing countries, things are often delayed for the reason of numerous stakeholders and related interests. Usually, things are forced to go back to the very beginning with the alternation of governing parties. A lack of civil service system causes high turnover rates and hurdles to coherence and coordination of aid projects. To deal with the challenges of personnel changes, interviewee P3 suggested possible solutions: expanding the staff base and engaging partner countries' local NGOs.

Besides, all the interviewees pointed out two primary weaknesses of Taiwanese aid. One is the ever-shrinking budget, and the other is Taiwan's unsettled international status. Steep budget cuts make aid projects difficult to be done as expected. In addition, supervisions over organizations become increasingly tighten, which allows Taiwan ICDF to work with little flexibility (P1, interviewee). Interviewee P2 used a metaphor to illustrate Taiwan ICDF's embarrassing stance. Aid spending is like Maserati, a luxury car, and Taiwan ICDF is like a well-dressed man sitting in the car. Everyone believes that the man is absolutely a millionaire, but no one knows the truth that he is the driver rather than the owner. Actually, 85% of Taiwan's foreign aid is handled by the MOFA, and Taiwan ICDF plays just a small part in the MOFA's aid

framework (P3, interviewee).

The six interviewees all expressed their concerns about Taiwan's weak international connection. Taiwan's officials and practitioners have very few chances to share and exchange ideas with other countries. Long-term isolation from the mainstream society makes Taiwan progress slowly in aid competence and expertise (S3, interviewee). The country is excluded from the World Bank, the most prominent actors in foreign aid. Though its official agencies try to build international ties through INGOs or INPOs, many of them admit this is not so effective (P1, interviewee). Even so, Taiwan attempts to follow the world trends by echoing its aid behaviors with some global concerns, such as the SDGs (P3, interviewee).

Being overly focused on diplomatic allies is both good and bad for Taiwan. Taiwan can deliver foreign aid without interference because China basically does not interact with nations that have formal diplomatic relations with Taiwan (S3, interviewee). However, this advantage is existent only with peaceful China-Taiwan relations. In a recent speech, the Taiwanese President Tsai Ing-wen said Taiwan would never give into any unacceptable demands from its diplomatic allies. From the perspective of the interviewee S2, this statement made little sense and showed a lack of careful thoughts of cross-strait ties.

The diplomatic truce seemed to have come to an end after President Tsai took office. That triggered several diplomatic incidents. For instance, Sao Tome and Principe cut ties with Taiwan and Nigeria ordered Taipei's trade office to move out from its capital. It is rumored that now China is taking an aggressive approach to woo away Taiwan's

diplomatic allies, and Taiwan is threatened with loss of other crucial allies. These assumptions may not be one hundred percent true, but they are not ungrounded. The diplomatic episodes not only signal trouble for Taiwan but also reveal a message that switching allegiance from Taipei is only one of China's many tools to squeeze Taiwan's global presence. So, Tsai's government had better be more cautious and contemplate all possible consequences of saying a firm no to diplomatic allies since a domino effect could occur (S2, interviewee). In short, the ups and downs of cross-strait ties will continuously bring changes to Taiwan's foreign relations.

Similar to cross-strait issues, there is an enduring dispute on the Korean Peninsula. China is placing tremendous stress on Taiwan, while North Korea nearly poses no threat to South Korea despite reckless provocations. Interviewee P2 thought it is very difficult to compare Taiwan with South Korea in foreign aid because there is a huge gap in the number of diplomatic allies between the two countries. South Korea has formal diplomatic relations with 190 countries, while Taiwan has just 20 diplomatic allies in total, and not all of them welcome Taiwanese aid. And now China exerts a greater degree of suppression to suffocate Taiwan in the international arena.

Taiwan has been excluded from some big world events, for example, the annual WHA (World Health Assembly) and the ICAO (International Civil Aviation Organization). Taiwan's fundamental concern is the cross-strait ties, but ironically the government sees the China-Taiwan relations worsening at an alarming rate with no effective solutions to restore this bond (S1, interviewee). Right now, the cross-strait relations are in deep freeze, so there is possibility that the allies might put the bite on Taiwan. To sum up, a diplomatic truce may not be the perfect decision but it can be the right

choice because it gives Taiwan a chance to normalize diplomatic ties (S2, interviewee).

The amount of South Korea's ODA far exceeds Taiwan's now, but it was not until a decade ago did South Korea spend more on foreign aid than Taiwan, perhaps due to the timing when South Korea was hit hard by the financial crisis while Taiwan did not suffer so much. Following the economic disaster, South Korea underwent radical changes in all aspects including its foreign aid system. The basic forms of foreign aid are money and resources, and the size of resources is usually proportional to the amount of money. For a long period, the Taiwanese government fails to improve economy or adopts good policies. What's worse, Taiwan is losing out on FDI due to unfriendly business environment and political uncertainty. Besides, China-Taiwan relations are deteriorating. All these discourage foreign investors. A decrease in foreign capital inflows may cause the manufacturing industries to stagger, which will lead to lower productivity and weaken Taiwan's competitiveness in global trade.

At the present time, worsening conditions face Taiwan and the island is obsessed with the "22K curse." The starting salary of a university graduate remains the same as it was 35 years ago, leaving everyone shocked. During the past 16 years, Taiwan continues to have weak GDP growth and it is facing a bleak prospect. Meanwhile, Malaysia and Indonesia, these Southeast Asian nations have rapid economic growth. As a result, Taiwan has to reconsider how much foreign aid it can afford within its capacity, or it may seem to just puff itself up, and what is more important is that Taiwanese government has to stimulate economic recovery, or it may definitely lose its shine and have no position to provide aid because of economic stagnation (S1,

interviewee).

No discussion of South Korea's development could be complete without mention the country's chaebols. "Chaebol" is frequently used to describe large family-controlled business groups, literally meaning "rich" and "clan" in South Korean. The top ten conglomerates alone generate almost eighty percent of the country's GDP. Their dominate influence is a long-simmering dispute, but everyone in South Korea is well aware of the significance of those huge companies. The South Korean government has been supporting its massive firms, and of course there are pros and cons. There are some deep-rooted problems: unstable politics, corrupt officials, and unhealthy relations between politicians and businessmen. However, the whole country is going to have a nightmare no matter which giant firm fails. As a result, the government is very friendly to big corporations due to the fact that their success will bring prosperity to the country. Furthermore, the government is highly supportive when the South Korean companies are expanding into foreign markets. Aggressive promotion of domestic firms shows the government's strong determination to increase publicity around South Korean brands.

South Korean companies invest so much in research and development, and a few key South Korean brands have been established. Samsung is a major player in South Korea's economy, and the phrase "from chips to ships" was coined to describe its incredible productivity. Speak simply, the South Korean government sets the stage for the success of business giants, and they perform so well that they are very competitive in the global market. Unfortunately, Taiwanese enterprises do not have such strong backings from the government and remain manufacturers due to limited spending on

R&D. This is why Taiwan does not have a representative national brand so far (S1, interviewee). "The international community is putting emphasis on partnership with the private sector as a means of procuring financial sources for the development of needy countries," the President of KOICA (Kim In-sik) stated. In 2012, South Korea launched a public private partnership program, "Development Alliance Korea (DAK)." The core value of DAK is presented in Figure 4.3. Various actors participate in the formation of this alliance, including the government, private organizations, civil society organizations, and the academia. And KOICA works as the executive office.

One of South Korea's biggest strengths is the effective ODA partnerships with business (OECD, 2016c). In the coming years, the public-private partnership (PPP) is still the country's central focus, according to South Korea's mid-term ODA policy for 2016-20. To the South Korean government, the Chabol business is generally seen as a potential area for ODA resources and an insurance of a "too big to fail" (Watson, 2013). South Korea's ODA agencies are capable of creating development packages that ensure the profits of private investors. An example of a win-win situation is the cooperation between KOICA and South Korea's largest automaker, Hyundai. Training facilities and schools are created in partner countries for human development in automotive technology. Last year, the fourth "Hyundai-KOICA Dream Center" in Vietnam was opened. This is a vocational school for training mechanics, which already has a presence in Ghana, Indonesia, and Cambodia. This way, it does come with some extra benefits for the private sector. South Korean companies gain additional workforce and increase their market base. Instilling business value to surrounding communities can be a business strategy, which contributes to improved social conditions and bring profits back to the company in turn (Hyundai E&C).

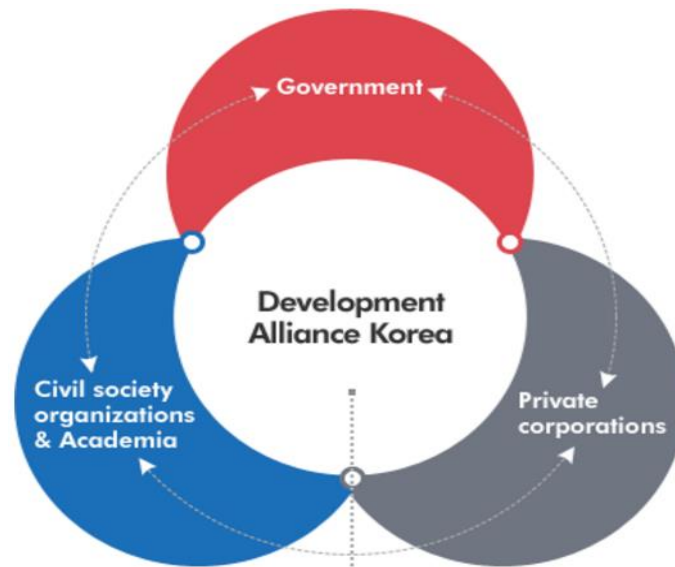


Figure 4.3 : The DAK Framework

(Source: DAK, 2017)

4.4 Aid Styles

South Korea is about the size of China's Gansu province, but it does show great energy and power. Today, it is acknowledged as one of the first-tier countries, so its officials have more confidence and higher horizons. Its stellar achievement is even more impressive than some well-known, middle-power nations like Australia and Canada. Most middle powers tend not to take the lead in world events, but South Korea adopts a positive attitude and exhibits aggressive actions (S1, interviewee). The whole of South Korea works in a united way and always tries to make big breakthrough. Nowadays, South Korea has become a global economic superpower and it is active in international affairs. It has held many global sporting and political events, for example, Olympics and G20 summits. What's more, Ban Ki-moon, a South Korean diplomat, had served two terms as the UN Secretary General for ten

years. Mr. Ban was the one who took control of the UN budget and this further enhanced South Korea's global status.

In 2004, a special project was kicked off by the South Korean government in an attempt to strengthen South Korea's soft power and international image. Up till the present time, South Korean products continue to grow in popularity, and they have earned a reputation despite not being the best. This South Korean spirit is strategically wrapped into South Korea's aid packages, so the recipient countries are more willing to accept South Korean ODA. To a great degree, South Korea's national branding success is really helpful to its foreign aid. The country works to represent hope for recipient countries, and national pride for its own people (CIDC, Korea, 2014). Taiwan can indeed learn something from the above mentioned South Korean characteristics. First, Taiwanese must stand together. Too many internal disagreements and conflicts only complicate things. Second, the government has to make aid programs attractive to the private sector by seeking opportunities to sit down with business groups and reach a common ground on aid objectives and mutual interests (S3, interviewee). In a win-win situation, each actor will do its best and both effectiveness and efficiency can be maximized.

Taiwan ICDF specializes in five sectors, agriculture, public health, information and communication technology (ICT), environmental protection, and education (P1-3, interviewee). Taiwan has comparative advantages in these aspects. Most of Taiwan's allies are located near the Equator, where there is an urgent need for agriculture development regarding food security (P1, interviewee). Agriculture is credited with driving Taiwan's economic growth. Taiwan ICDF is employing several strategies to

improve the recipient countries' agriculture, for instance, agricultural mechanization, agricultural technology innovation, promotion of the agricultural sector, financing aid for farmers and microbusiness, prevention of plant diseases (Taiwan ICDF, 2017). Also, Taiwan has good educational and human resources. Taiwanese are hard-working, and most of them have a sense of benevolence and friendliness. The country enjoys immense soft power, particularly the expertise and managerial techniques in economic development. In spite of the limits of natural environment, it started from almost zero and managed to become an advanced country.

Moreover, Taiwan is great at public health and ICT industries. A 2012 documentary by the National Geographic Channel pressed Taiwan's medical miracle. This island country is renowned for its medical technology, ranked the world's third best and Asia's number one (the Economist, 2012). Taiwan ICDF is trying to build a cooperation channel with domestic hospitals, for example, Far eastern Memorial Hospital, Taipei Veterans General Hospital. While designing medical programs, there are several targets, maternal health care, medical information management system, prevention of neglected chronic diseases and infectious diseases. Recently, Taiwan has carried out medical programs in a different way guided by the principle of "training the trainers." Taiwan helps to build medical capacities of its partner countries by providing training opportunities to their medical workers, who later become the seeds of hope for their homelands. Through capacity building, the recipient countries have ability to take care of their own people. This brings about long-term effects compared to the traditional ones in which Taiwanese doctors handle everything. Additionally, Taiwan can also be called a high-tech island because 89% of notebooks and 46% of desktop computers are produced by Taiwanese firms (MIC,

Taiwan's Market Intelligence and Consulting Institute).

Taiwan remains among the most competitive in science and technology in the world (WEF, 2016). As for education, Taiwan ICDF is cooperating with twenty-one Taiwanese universities in thirty-five undergraduate and graduate programs. A wide variety of academic programs are offered by different universities depending on their specialized fields of study, for example National Yang Ming University in public health, National Central University in environmental protection, National Cheng Chi University in commerce. Taiwan ICDF's chief educational mechanisms are scholarship and workshop programs. The scholarship program is specially designed. Aside from monthly allowances, foreign students have no direct access to the scholarship money. This ensures that the money can be made good use of. There are also in-campus managers to assist foreign students and know more about their school lives. In the future, those international attendees may be beneficial to Taiwan more or less, and maybe the MOFA can even deliver or obtain information through their social connections (P1, interviewee).

Taiwan is good at agricultural and medical aid, but this implies another thing: The country has a narrow focus on specific sectors without devoting attention to develop other strengths (S2, interviewee). Over the past decades, China has learned Taiwan's model of agricultural technical missions, and it is doing even better now (P1, interviewee). Recipients tend to get self-control instead of relying on donors once they successfully learn the models, so skills transfer has its limitation. It can be a good choice for Taiwan to help the developing nations smooth the path toward industrialization since some of them now prepare for further development (P3,

interviewee). With ample experiences and technological strengths, Taiwan has the ability to help establish infrastructure and tech facilities, airports, highways, export processing zones, industrial parks, etc. In the near future, climbing up the industrial ladders is surely a must for all recipient countries, so now it may be a good time for Taiwan to start thinking about how to strategically transfer skills in development, transportation, and management (S2, interviewee).

In 2011, South Korea introduced its own ODA brand identity. The united and solid image intends to enhance public awareness and support for South Korean ODA nationally and internationally with a catchphrase "beautiful sharing, wonderful growing." With a strong ambition and commitment, South Korea has devoted much more into foreign aid than Taiwan. Currently, the country is rising astonishingly fast and the number of South Korean overseas volunteers is overwhelming (P1, interviewee). In 2009, the nation's representative brand of overseas volunteer programs was produced and entitled "World Friend Korea." The government coordinated all the volunteer efforts within official agencies, private firms, and domestic NGOs. As of 2014, over twenty thousand South Korean volunteers had been deployed to the developing countries (KOICA). Therefore, another thing for Taiwanese government to do is illustrate the meaning and importance of foreign aid to its people since ODA is not well-justified in Taiwan.

Taiwan ICDF is in a high profile in its partner countries, and its contributions are internationally acknowledged, but Taiwanese public is not familiar with it (P2, interviewee). Some people in Taiwan believe that giving a lot of money to diplomatic allies is like putting the cart before the horse when a donor country suffers economic

deterioration and its citizens struggle to make ends meet. Not knowing enough about the international society, the public is prone to negative thoughts about development aid. By elaborating foreign aid policies and offering sufficient information, the government can raise public awareness on foreign assistance (S3, interviewee). In fact, most Taiwanese do not feel too much in the context of severing ties with Gambia and Sao Tome, because some of them even have no idea where these countries are. However, Taiwan's morale would certainly go to an all-time low if the country lost a key ally such as Vatican or Panama (S2, interviewee).

Also, Taiwan's foreign aid needs deepened cooperation between the public and private sectors. The main reason why Taiwanese companies are not interested in their country's ODA projects is that they see nearly no future profit potential and the geographic distance discourages them as well. To take the medical aid programs for example, it is very often that government agencies have to visit medical centers one by one to plead with them to join programs (S3, interviewee). Conversely, South Korea shows an interest in developing the human resources of its recipient countries, and this investment goes a long way toward expanding overseas presence of South Korea's business. With improved local human resources to facilitate communication between South Korean firms and local communities, South Korea's domestic enterprises can easily overcome the language and cultural barriers.

Taiwan's government must be more open-minded and far-sighted, and it could take into account the positions and mindsets of industry leaders (S3, interviewee). Then, the private sector would be more likely to step out efforts on foreign aid. Ideally, ODA has to be seen in a good light all together by the government, industry, and civil

society. Interviewee P1, who is working in Taiwan ICDF's department of international education, said that it can be a good idea that cooperate universities in the scholarship program to seek out large enterprises for sponsorship considering that the government is now promoting a pivot to Southeast Asia. Student fees are funded by the enterprises and after graduation those foreign students will be directly employed. The foreign students are helpful in overseas expansion and marketing, so domestic corporations will be motivated to take part in.

As previously mentioned, years of slow economic growth causes decreasing budget and Taiwan can hardly compete in aid spending competition. Strictly speaking, money is a big concern. However, Taiwan can never satisfy a recipient country that views money as a single measurement of bilateral relations, and it is sure that sooner or later it will demand more or seek relations with China. In fact, the quantity of money can be a narrow criterion and it does not necessarily determine the effects (S3, interviewee). Despite a financial disadvantage, there are other ways for getting things better. Taiwan has difficulty surpassing China or South Korea regarding the scope and scale, but it can build emotional appeal for deeper friendships that provide true companionship. With an enhanced understanding of needs and priorities of partner countries, Taiwan can make them feel it sincerely wants to offer help. Managing foreign aid in this manner guarantees mutual satisfaction and enduring relationships (S3, interviewee).

Overthinking one's own profits causes a potentially high liability risk because this dependency may be used as a bargaining chip by other countries (S2, interviewee). Taiwan has to play down the importance of diplomacy and show willingness to foster

foreign relations with complete sincerity rather than pure diplomatic intentions. It is necessary for Taiwan to lighten the political burden and do more with less (P3, interviewee). Intergovernmental relations are just like conjugal relations in which money matters but not the most important (S3, interviewee). There are indeed poor couples loving each other wholeheartedly and living happily. Feelings matter most and sincerity leads to unwavering loyalty. Bilateral ties developed in this way would be long-lasting and immune to possible China factors. In conclusion, in Taiwan's case, a healthy economy and friendly China ties are two prerequisites to a better foreign aid practices (S1, interviewee).

4.5 Discussion

Foreign aid can be used as leverage. To a certain degree, each country links foreign aid with their national interests. U.S. tries to reach political and security goals. Japan and South Korea are furthering their economic interests with a strategic target on Southeast Asian countries. They are boosting their economic and cultural influences. Japan expands its economic presence by contracting with partner countries and requiring them to use Japanese products or give the domestic market access to Japanese firms. Many EU countries target African countries that were once affected by European colonialism. In reality, ODA is inextricably connected to the political economy. A government always goes through important considerations for this aspect before offering aid since cost effectiveness is a common concern.

Along the way, foreign aid is an indispensable part in Taiwan's foreign policy, especially given the fact that for years Taiwan's status has remained unsettled. It is worth thinking about the outcome if Taiwan unfortunately lost all of its allies.

Undoubtedly, Taiwan would end up losing its legal status. Global recognition is necessary for a sovereign country. Around the world, there are twenty out of almost two hundred nations acknowledge the existence of Taiwan as an independent country. Namely, nearly twenty percent of the world's nations recognize Taiwan as a separate political and diplomatic entity. Hence, foreign aid is very significant to Taiwan because it is the country's major instrument of foreign policy.

Taiwan and South Korea are similar in foreign aid development but pretty different in aid motivation, which widens their performance gap. Taiwan's condition is unique because most of its allies are LDCs excluding Vatican, and they are directly seen as recipient countries. This explains why there is a big overlap between Taiwan's diplomatic allies and aid recipient countries. Politics is a strong consideration because Taiwan is eager to cement and foster diplomatic relations. In much the same way, both South Korea and Taiwan have aid tools like technical mission teams and financial aid such as loans and grants. Also, they focus their energy on sectors like agriculture, health, education, and ICT.

However, South Korea's aid practices, often supported by its business or cultural industries, frequently bring added economic interests, but Taiwanese ODA behavior is mostly in accordance with its foreign policy with little to do with other intentions. In addition, Taiwan has a weak connection to the world community due to its awkward diplomatic position. Cross-strait relation is truly the harsh reality to Taiwan, a series of bad consequences are accompanied by the frozen ties with China. Precisely speaking, South Korea is not bothered by external threats. South Korea is a rich, developed country while North Korea is poor and underdeveloped. Thus, South Korea

can fully concentrate on national development while Taiwan is still stuck in a diplomatic quagmire.

Moreover, South Korea has powerful business sectors. Chaebols are the main driver of South Korea's economic growth, and the ties between the South Korean government and the mighty conglomerates are as close as lips and teeth. On the whole, South Korea's government and business groups have more consistent positions and shared interests, so the official agencies are able to gain more resources and support from the civil society. South Korea's another strength is its dynamic civil society. The source of ODA comes from tax, so public support is an important factor. For this reason, the South Korean government strategically increases the budget for the public promotion to boost public awareness and government's communication with the public.

Currently, Taiwan is far behind in its aid spending while South Korea is developing very fast. More money means more resources, which makes things easier and brings about larger achievement. A concrete example can be the Korea Foundation, whose size and scale is greater than any one of Taiwan's government-funded organizations. ODA spending can be increased when both the government and citizens become richer. So, the very first thing Taiwan should do is to empower itself. Taiwan needs to improve its economy and make it shine again.

Taiwan has an urgent need to not only ameliorate recessions but also stabilize relations with China. It is worth mentioning that a diplomatic truce under former President Ma Ying-jeou gave Taiwan more breathing space. There seemed to be a

silent consensus that both sides kept the status-quo. China stopped grabbing Taiwan's allies and this lessened diplomatic tensions. Taiwan was no longer anxious that its allies would turn to Beijing for a better deal because China showed no interests in luring away Taiwan's allies. Warming ties with China allowed Taiwan to raise voice and speak louder with no fear of loss of ally.

Diplomacy indeed matters to Taiwan, but other dimensions should be paid enough attention as well. ODA, by its very nature, is government aid. It can be another story when it talks about the funding sources of non-profit organizations. Because government spending comes from a nation's taxpayers, ODA to a large degree should be purpose-based. With the "pivot South" move, ASEAN countries are expected to be the strong candidates of Taiwan's ODA recipients. Taiwan may try to refresh its foreign aid by involving more Southeast Asian countries, many of whom have close business connections with Taiwanese firms.

CHAPTER V CONCLUSIONS AND RECOMMENDATIONS

The purpose of this research was to identify the significance of foreign aid to Taiwan and the prospects for Taiwanese ODA. In this paper, the researcher analyzed three aspects which include aid systems, motives, and practices. Given South Korea's high level of developmental similarity with Taiwan, South Korean ODA performance was regarded as a point of reference for evaluating Taiwan's aid behavior. Comparing the two countries' aid styles is a good way to examine Taiwan's aid features. Also, the researcher had one-on-one interviews with six interviewees, three aid practitioners and three diplomacy professors. With their valuable feedbacks, the researcher could better understand Taiwan's aid condition and come up with possible recommendations for the country's foreign assistance. In the conclusion paragraphs, core ideas of this paper were stated clearly and briefly. Next, research contributions were addressed to show the value of this thesis. In the end, the study's limitations were pointed out after the author's subjective examination of whole research project and they could also be directions for further research.

5.1 Conclusions

Foreign aid is of prime importance to Taiwan. There is a world consensus that ODA is a moral duty for each member of the global society. And it is well understood that ODA can be a strategic tool to pursue national interests. Foreign aid actually has a deeper meaning to Taiwan due to the country's vague diplomatic status. Taiwan needs to make more efforts to contribute to international development assistance. It can be a good chance for Taiwan to show the world that it is qualified to get its global membership. Diplomacy remains an unsolved problem, and foreign aid becomes increasingly important to support the country's diplomacy. If Taiwan can put its funds

and resources to good use, its ODA may even bring a range of positive outcomes including diplomatic and economic benefits.

The most distinct characteristic of Taiwan's aid is its political orientation. Foreign aid has been a diplomatic mechanism for a long time. Its diplomatic allies and recipient countries are nearly the same. The over-focus on allies comes from the country's concerns about foreign relations. An apparent intention to maintain ties with allies leads to doubts and criticism. Internally, the MOFA is the top actor in the country's foreign aid with Taiwan ICDF providing assistance. However, the organization serves only a small cog in a big machine, handling no more than one sixth of Taiwanese ODA. The country has its strengths in certain aspects, such as agriculture, health, and education. Agriculture development and public health are exactly what Taiwan's recipients need considering their geography and current development. The competitive advantages are good sources for overseas assistance. Nonetheless, there are some issues surrounding Taiwan's foreign aid. The dwindling budget and low global visibility are two chief concerns, and a lack of administrative systems and slow operation in the developing nations add another layer of uncertainty.

Taiwan and South Korea share similar realities from the colonial history to the economic development, and the role as emerging donor. Their rags-to-riches stories have something to do with foreign aid. As developed countries, both of them feel gratitude and a desire to repay the kindness given to them decades ago. Agriculture, health, education, and ICT are the common sectors that they pay the most attention to. Despite many similarities, the two countries manage and conduct foreign aid very differently. In Taiwan, the MOFA takes major responsibility, while in South Korea a

number of official departments and agencies work together with clear division of duties. South Korea is longing for a favorable image abroad, and ODA is one of its approaches to national branding. This explains the country's rise in its foreign aid size and scale.

The South Korean government has been sparing no efforts to make South Korea thrive on the world stage both economically and diplomatically. Taking an active part in world affairs, South Korea is now a premier destination for world events and meetings. The global popularity of South Korea brings itself an abundance of soft power, and the South Korean government takes full advantage of such phenomenon while giving foreign aid. South Korea's national brand is the best promotion for South Korean ODA, and vice versa. Also, South Korea has some mighty conglomerates which greatly give rise to the country's incredible success. Being an indispensable backbone of South Korea's economy, they are strongly supported by the government. Well-positioned on the global market, these enormous companies have a big role in shaping the nation's brand.

Due to similar stances and common interests, South Korea's ODA projects are able to generate strong interest from the private sector and its government has massive firms as robust partners. What's more, a vibrant and dynamic civil society also plays a part. The concept of foreign assistance is well promoted domestically, and simultaneously South Korea is expanding its unique ODA brand globally by its fund size, project scope, and volunteer numbers. In addition, South Korean aid is administered by a dual system covering a wide range of official agencies and the country's key player KOICA is more powerful than its Taiwanese counterpart Taiwan ICDF. Best of all, to

South Korea, foreign aid is closely intertwined with its economy. Strong economic incentives do really exist as the country has significant trade and investment ties with almost all of its main partner countries.

5.2 Recommendations

Diplomacy has been Taiwan's central focus because of the country's ambiguous status, and the role of foreign aid can never be overemphasized since Taiwan is using ODA as a diplomatic tool. Thus, it is critical that Taiwan devote more money and effort to overseas assistance. With regard to the foreign aid system, some changes are necessary. First, official departments responsible for international cooperation have to be expanded. Second, the government needs cross-departmental collaboration and further consults outsiders. Third, aid sector should be expanded apart from the current focus areas. Fourth, the importance of foreign aid should be addressed because the main source of ODA comes from the public. Last, Taiwanese government has to develop a communication platform for itself at an international level since it has limited interaction with other nations and global institutions and its development in foreign assistance may be delayed.

Moreover, the country should be aware of the fact that cross-strait relationship is a decisive factor in its ODA and seek measures to boost bilateral ties. Warmer relations with China give Taiwan a chance for normalization of diplomatic ties. A diplomatic truce in the past allowed Taiwan to keep its allies and expand its international space. The country could also have a firmer attitude toward its partner countries without worry of losing allies. In fact, cold relations with China do more harm than good in many aspects and diplomatic challenges are the most obvious negative consequence.

Taiwan may continue to lose diplomatic allies to China, perhaps in an extreme condition of having near-zero allies. That would have a serious impact on Taiwan's international position. Besides, its partner countries may have a bigger say over intergovernmental negotiations due to Taiwan's higher dependence on diplomatic ties.

Furthermore, the government has to get its economy back on track because foreign aid is highly associated with a country's affordability. In difficult budget situations, foreign aid is hard to be well managed and conducted with fewer resources.

Self-empowerment is Taiwan's top priority since an economic recovery can mean an increase in aid spending. Given that both the South Korean government and corporations are able to reap the advantages of public-private partnerships, it is time for Taiwan to broaden its horizons and try something new. Foreign aid can be a powerful instrument for advancing national interests in various parts. Diplomacy should no longer be the major criterion, and Taiwan has to pay more attention to those developing countries with whom it has closer ties. Additionally, if the government could come up with projects appealing to business groups, the private sector would be very motivated to get involved. With common goals and interests, strong public-private partnerships can be forged, and it will increase the chance of foreign aid success. Most importantly, Taiwan has to show its sincerity and commitment to offering help to the partner countries. Being less obsessed by diplomacy, the country will be more likely to think smartly and design strategic plans of foreign aid; then a bright prospect can be anticipated.

5.3 Research Contributions

Among literature about foreign aid, it seems that most of them are presented through

quantitative data. Many of the research subjects are big donor countries such as the US or Japan. There are few academic works looking into the aid behaviors of small and medium sized countries, not to mention Taiwan whose worldwide visibility is particularly low. When it comes to South Korea and Taiwan, many papers focus on their economic achievements with only several papers exploring their foreign aid history. Therefore, this study was finished so as to add valuable insights to the existing literature. The researcher adopted a special method to examine Taiwanese ODA by interviewing experts in a qualitative style and eventually made specific policy recommendations based on the research findings.

5.4 Limitations

There are some potential factors limiting the scope of the research. Foreign aid is sometimes related to a country's intention in serving its national interests, so it can be a sensitive subject due to concerns of confidentiality. Especially in the case of Taiwan, because of political and diplomatic disputes, its foreign aid statistics is hard to be found and collected. For one thing, the Taiwanese government is reserved for releasing details about its foreign assistance. For another thing, the country is almost completely isolated from the world community and has very little access to international institutions. Therefore, Taiwan is usually absent in official documents and reports published by world organizations.

As Taiwanese government does not reveal relevant information about ODA quantities and disbursements to individual partner countries and aid sectors, the researcher was unable to have a deeper exploration on aid properties and make a more precise comparison between Taiwan and South Korea in their aid characteristics. Aside from

these limitations, actually the number of interviewees is fewer than expected.

Originally, the author planned to involve eight to ten interviewees. However, among those who specialize in foreign affairs, only a small number have a full understanding of Taiwan's foreign aid condition, let alone those who are familiar with both Taiwan's and South Korea's ODA features.

5.5 Further Research Suggestions

Like previously mentioned, the present study still has room for advancement, and the followings are the researcher's suggestions for future research. First, the type of this research project can be transferred into a comparative study on foreign aid between Taiwan and South Korea. With an equal focus on the two countries' aid practices, the topic can be observed in a more objective manner. Second, the officials in the MOFA can also be invited to interviews regarding MOFA's central role in Taiwanese ODA. And it is even better to interview South Korean professors and diplomats, along with the KOICA staff. With professional insights from the two sides, more in-depth ideas will be generated and validity of the results can be enhanced. Finally, the scope of this study can be expanded to include analysis and assessment of foreign policy due to its high relevance to foreign aid.

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Appendix A: Interview Consent Letter

My name is Cheng, Yu-cing (程宇清). I am a graduate student at Chengchi University (政治大學), studying in the International Master's Program in International Studies. I am working on my thesis project with the help of my advisor, Professor Pai-Po Lee (李栢淳). The research title is "The Prospects of Taiwan's Foreign Aid: A Comparison with South Korea." I would like to cordially invite you to be my interview participant. Your involvement in this study will be highly valuable and all the interview contents will be used only for academic purposes.

If you are willing to participate in my research, I will conduct a 40-minute interview with you. The interview will be recorded and a transcript will be produced. All the information provided during the interview will be kept confidential, and individual names as well as other personally identifiable information will not be revealed. This consent form is to ensure that you agree to the conditions of your participation. You are more than welcome to contact the researcher via email (yucing0411@gmail.com) or cell phone (0989-075-586) if you have any further questions.

Sincerely yours,

Cheng, Yu-ching (程宇清)

Signed: _____

Date: _____

Researcher's Name

Please sign and date below if you agree to be interviewed.

Signed: _____

Date: _____

Participant's Name

Appendix B: Interview Questions for Practitioners

Part I. Personal Profile

1. What is your major for college, master, and PhD?
2. What is your field of specialization?
3. How long have you been in this institution?
4. What are your position and duties in your institution?

Part II. Interview Questions

1. What is the role of foreign aid to developing countries and developed countries?
2. What are the foreign aid objectives pursued by your institution?
3. How have your institution's aid purposes and practices changed over time?
4. How does your institution cooperate with the government, the private sector, and NGOs?
5. What are the criteria of your institution when choosing recipient countries and planning aid projects?
6. How does your institution measure the success of aid projects?
7. What measures and solutions are taken when the results are below expectations?
8. Please describe an ongoing aid project handled by your institution and note its background, purposes, processes, and expected results.
9. What are the strengths and weaknesses of your institution's aid practices?
10. What specific areas can your institution improve in terms of aid effectiveness and efficiency?
11. As a foreign aid practitioner, what do you think of Korea's foreign aid?
12. What can Taiwan learn from Korea's foreign aid?

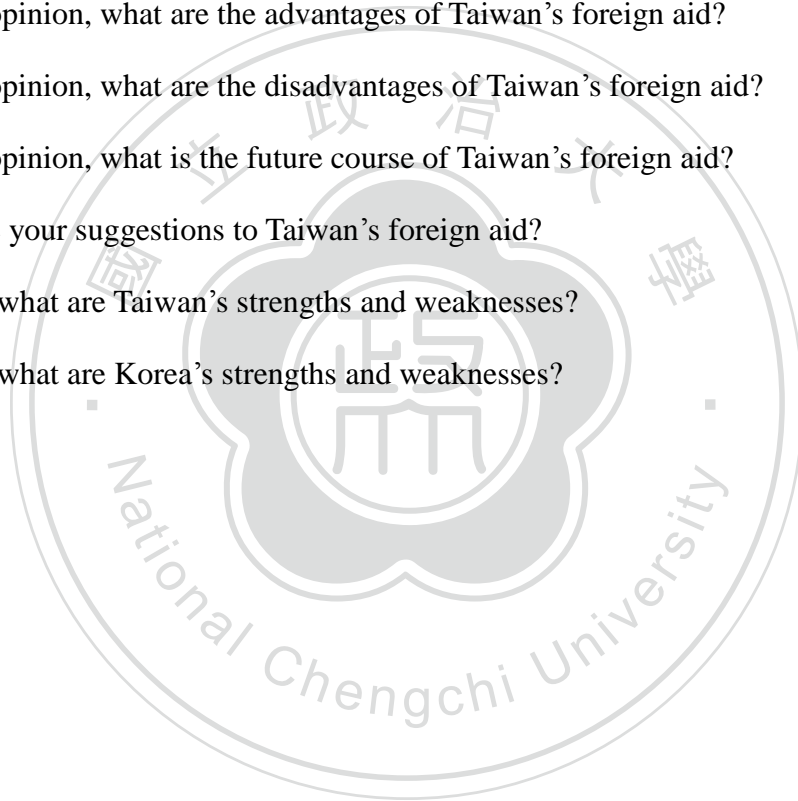
Appendix C: Interview Questions for Scholars

Part I. Personal Profile

1. What is your major for college, master, and PhD?
2. What is your field of specialization?

Part II. Interview Questions

1. How significant is foreign aid to developing and developed countries?
2. In your opinion, what are the features of Taiwan's foreign aid?
3. In your opinion, what are the advantages of Taiwan's foreign aid?
4. In your opinion, what are the disadvantages of Taiwan's foreign aid?
5. In your opinion, what is the future course of Taiwan's foreign aid?
6. What are your suggestions to Taiwan's foreign aid?
7. Overall, what are Taiwan's strengths and weaknesses?
8. Overall, what are Korea's strengths and weaknesses?



APPENDIX D INTERVIEW TRANSCRIPT

P1

What did you major in at college and graduate school?

I majored in textile industry in college. As for graduate school, I majored in business management and computer education.

What is your field of specialization?

International development cooperation, international humanitarian assistance, and non-profit organization management

How long have you been engaged in foreign assistance?

I started my career involving foreign aid as early as 1995. Since then, I have been working on this field. In Taiwan ICDF, my duties are about international education and training. Actually, I have been working in various departments. At first, I took charge of technical cooperation, something like agricultural technical missions. For the past decades, I also worked for different departments, including planning, auditing, human resources.

What are your current position and duties?

We can see from its literal meaning, my department has two major goals, which are education and training, aiming at foreigners. As a matter of fact, Taiwan ICDF is an outside-oriented organization, so we all focus on overseas countries and foreigners. This is long-term education, and they can earn a diploma. Most of them are our diplomatic allies. We provide scholarships to foreign students, and provide training courses for foreigners, mostly from developing countries. Most of them are the officials from countries that are diplomatically friendly to Taiwan, and some NPO managers are also included. This is short-term training. No diploma is provided, and usually is a two-week course.

What is the role of foreign aid to developing and developed countries?

Generally, foreign aid is going from developed countries to developing countries. The top goal of foreign assistance is to help developing countries in their social and economic development. Just like the time when Taiwan received US aid. What Taiwan ICDF handles is the so-called ODA, with little focus on humanitarian assistance. ODA is government-to-government. Of course Taiwan ICDF does do humanitarian assistance, but it is usually government assigned projects. As for developed countries, the question can be restated in “Why should developed countries provide foreign aid?” Without a doubt, they have different purposes. In Taiwan’s case,

we can notice nearly all of the recipient countries are our diplomatic allies, or friendly-to-Taiwan developing countries. This seems to be our criteria. Why? We have a lot of political considerations. We want to cement diplomatic ties with allies, boost relationships with those friendly countries, and even form new diplomatic ties with some countries one day via foreign aid.

Although it is improper to directly state the real intentions, most developed countries have strong purposes except several Northern European countries. In Japan's case, it puts a focus on creating opportunities for economic cooperation. In the case of the U.S., it tried to extend political power at the beginning. After 9/11, it takes homeland security into account. As for Northern European countries, they are sort of different. They appear to be more humanitarian while providing aid. Therefore, every country stands in different position. That is just the truth because ODA is an official fund so it should be beneficial to a nation. The common slogans are development, progress, or care for the need, but there are indeed unstated intentions. By observing a country's aid practices and its key field, we can find out its national interests regarding foreign aid. For example, Japan gives a large sum of ODA to South America, because it is the place where the Japanese government plans to promote Japanese immigration. Japan is a small but densely populated country, so it needs expansion. Moving to the US or Canada is not easy, and Europe is too far, so South America can be a good choice. Thus, in South America, there are many people who have Japanese heritage. Japan's foreign aid practice has something to do with its overseas citizens.

What are the foreign aid objectives pursued by your organization?

In fact, the objectives of Taiwan ICDF are pretty similar to those of our foreign ministry. For Taiwan, foreign assistance is a tool for diplomacy. Taiwan ICDF is overseen by a board of directors. Since the foundation of Taiwan ICDF, the chairman has always been the foreign minister. Accordingly, we can feel the diplomatic intentions. So, the top objectives of this organization are diplomacy and politics. Foreign aid, to put it simply, has three key elements: funds, techniques, and human resources. Human resources are the center of our department. Our goal is to help our allies to build the capacity of their human resources. The term is "capacity building." Honestly, "education" and "training" is only a tool. We offer scholarships to foreign students and hold workshops for foreign officials.

How does your organization prioritize aid objectives?

Taiwan ICDF has limited resources, so our priority is diplomatic allies. They account for almost 80% of Taiwan's foreign aid. Next are friendly developing countries. We

provide aid along different lines, technical assistance, funds, and human resources training involved. Besides, we also provide aid when there's emergency.

Taiwan ICDF focuses on five sectors. First, agriculture, this is what Taiwan is good at. Additionally, most of our allies lie on or near the Equator, which are more disadvantaged. Agriculture is what they mostly need. Food security is their focus. Second, public health, people can live without iPad but we definitely need doctors when sick, especially in African countries. Third, Taiwan's another advantage, information and communication technology (ICT). Fourth, environmental protection. Fifth, education. As far as my department is concerned, besides education, we also work for the field of business management. It's about international trade, to help those small and medium-sized enterprises.

How have your organization's aid purposes and practices changed over time?

Actually, I think that aid purposes have been the same since the establishment of Taiwan ICDF. Like I just mentioned is to stabilize diplomatic relations. This is like the mandate of Taiwan ICDF. Except the Lending and Investment department, all of the departments in Taiwan ICDF are dealing with grants. Aid tools are similar, mainly two kinds. One is loans or investments, and the other is grants. One is gratuitous, and the other is non-gratuitous. The difference is the aid sectors. In the past, we paid efforts into vocational training and small medium business empowerment. But for the past years, we shifted our focus into environment, ICT. Agriculture, public health, these are the continuing focuses. There's another difference, the methodology, but no big changes. The steps of reviewing aid projects may be a little different, but we mostly follow the standardized systems.

What are the criteria for choosing recipient countries and planning aid programs?

We focus on diplomatic allies. Taiwan's case is unique because all of our allies are not developed countries except Vatican. And most of them are listed as LDCs. So we can view all our allies as recipient countries. After all, ODA is designed to be given to the developing countries. While deciding recipients, we also refer to some of the statistics from the UN, such as per capita income. If the number of a country is below the standard, we may involve it in our aid programs, but it should be premised on friendly relationship. It is necessarily right to aid our diplomatic allies. It's okay to aid non-diplomatic allies, but at least they should be friendly to us. Even though a country is very poor, but we will not help them if it is unfriendly to us because our number one consideration is politics and diplomacy. From a humanitarian perspective, it is absolutely right to help it, but actually it is impossible to spend our citizens' money on

it. We cannot satisfy our people if an ODA recipient is suppressing Taiwan. It is high-level interaction, nation to nation. We have to preserve our national dignity. In fact, the department of humanitarian assistance has the most flexibility because its cause is humanitarianism. They are willing to provide help to countries in need as long as they are not too offensive to Taiwan.

My department is about international education and training, which is more flexible. We have a program regarding scholarships for foreign students. There is a list displaying the orders of countries allowed to apply for Taiwan ICDF's scholarships. Recently, there are some Pakistani students asking whether they can apply this via email. Pakistan is not included in the international scholarships program, because the country is obviously unfriendly to Taiwan. Besides, we also have an international workshop program. There is also a list for the countries allowed to take part in. Only countries included in the list can participate in the workshop. If we want to make any changes in the list, we should inform the Foreign Ministry for permission, because what we do should be in accordance with diplomatic consideration. When the Foreign Ministry wants to develop relations with a certain country, then we can give them places in the list. Invitation to workshop is the least expensive way, but we can build connection through this. On the contrary, when we feel a country becomes less friendly or developed enough to support itself, we will remove it from the list.

I can share an interesting event with you. Few years ago, a Polish ambassador came to Taiwan to see its official who was taking part in Taiwan ICDF's workshop. When he came back, he recommended his official should no longer attend the meeting. Why? He felt that Poland is much more developed than our diplomatic allies. It seems to be a dishonor for his country to sit with those disadvantaged countries. Sometimes, we face this kind of problem. We are willing to offer help, but the recipient rejects our kindness. The situation varies from country to country, so we have our own criteria, such as diplomatic consideration or evaluation for the need of foreign assistance, and self-examination for our capability.

In my department, the main charge is the scholarship. Currently, we are cooperating with twenty-one universities in our country in thirty-five bachelor's, master's, PhD programs. There are two PhD programs, one is the Department of Tropical Agriculture and International Cooperation in National Pingtung University of Science and Technology, and the other is the International Health Program in National Yang Ming University. We give the scholarships to students but students can not directly handle the money, which is very different from typical scholarships. MOFA's

scholarship is delivered to students directly, but not ours. We worry that students may not make good use of the money. We contract will universities and distribute money to the school according to the number of registered students all at once. It is the schools that deal with the money. They will pay tuition fees for the international students, and give them monthly allowances. The monthly allowance is the only money in students' hand. Moreover, Taiwan ICDF has in-campus managers for foreign students. All of these are useful to ensure that students won't abuse the money. If we give students half a million all at the same time, maybe they go to buy a car which costs forty hundred thousand. Then, they are very likely to drop during the semester. Running out of money, they may just go to work instead of registering for school, and end up being illegal residents with their visas expired. In some cases, they are even arrested by the police and the MOFA has to pay for the repatriation. To prevent that, we design our scholarships in this way.

With National Ping Tung University of Science and Technology, we have a tropical agriculture program. With National Yang Ming University, we have a public health program. With National Central University, we have an environmental sustainability program. With National Sun Yat-sen University, we have an engineering program. With National Ming Chuan University, we have an international business program. Of course these cooperating schools and departments may change as time moves on, but mostly the changes may be closely related to our diplomatic policies or the needs of our diplomatic allies. So far, all are about scholarships. We also have workshops. Every year, we hold sixteen to nineteen workshops. The time length is two-week. The participants are officials of friendly nations. We arrange lectures, seminars, and tours for them. The purpose is to help those officials to build up their capacities in their specialized field, and create opportunities for multilateral exchanges. Every year we do a survey to know our allies' needs, and we decide our topic of the workshop based on the results. Then, we assign specific quotas for individual country. Scholarships and workshops has long been the focus of our department, with no big changes.

How does your department measure the success of an aid program?

For the scholarships and workshops, we conduct satisfaction survey annually. When an international student is going to graduate, we ask it to provide feedback. Free airplane ticket is given once the student answers the survey questionnaire. In terms of the scholarship program, we have two partners. One is the school, and the other is the students, our clients. The survey questions are designed in order to figure out how our clients (foreign students) feel about the studying experience. A year after the students back to their countries, presumably they are already employed. We have a set of

questions for them. Some are common questions, and the others are designed to know whether the studying experience in Taiwan is helpful and relevant for their jobs. In short, whether they can succeed in applying what they have learned is the key performance indicator, and we continue to conduct annual survey for each international scholarship student. As for our universities, they are our corporate partners. Taiwan ICDF offers the funds, and the schools offer know-how skills and diplomas. Each year, we do assessment of every studying program in every school. We have a standardized form for the school department to do self-evaluation first, and later Taiwan ICDF will do the final evaluation of each one. In the end, we will convene a meeting to announce the assessment outcomes. Now, the number of Taiwan ICDF's foreign students is more than five hundred, so we hire at least an in-campus program manager for each studying program. These PMs are hired by the schools, but Taiwan ICDF will cover all the personnel costs. I think the scholarship mechanism is unique around the world. We are well informed of every student's situation because we have the in-campus managers. This is a good system, with limited budget, but great effectiveness. Students can turn to PMs for help whenever they face problems. And the managers keep tracking all the foreign alumni for their job positions and living conditions. Then, there are data for Taiwan ICDF to judge the effectiveness of scholarship programs. I think this is our advantage. We have detailed statistics and we are in full control of each student's condition.

For workshops, Taiwan ICDF is the only host. We look for teachers by ourselves, and we design all the courses as well. We currently cooperate with a conference service company. It will distribute representatives to accompany the workshop members 24/7. They work like local tours. They deal with nearly everything in the foreigners' daily lives. During the two-week course, all of the workshop participants are required to do lecture evaluation right after each single class. Each class is addressed by different teacher, so we need to know clearly what they think of each class. At the end of the workshop, we ask participants to provide general comments about the two-week experience. They should evaluate every single aspect ranging from food, transportation, accommodation, to itinerary design. Workshops are planned for capacity building and we hope that attendee can get improved in their KSA, which stands for knowledge, skills, and attitudes. Honestly, the time length is pretty short, just two weeks. Sometimes it's more about ideas inspirations and exchanges. Three months after the attendees back to their countries, we will send questionnaires to all the participants and their supervisors or co-workers. We want the workshop attendees to self-evaluate how they have changed due to the workshop experience in Taiwan and provide feedbacks to the workshops. Their supervisors and co-workers can

provide objective feedback about whether the workshop attendees have improved in their knowledge, skills, and attitudes. And we will collect all the information and that is our evaluation mechanism.

What measures are taken when the program results below expectation?

Of course, and I think the biggest challenges face the department of technical cooperation. It is not unusual that a contract cannot be signed as expected. In developing countries, there are many stakeholders and concerned interests. In addition, their operating system is not effective. So, things are often delayed. Moreover, party alternation is another factor. The follower may be unwilling to do as what the predecessors plan. Sometimes, things have to be start over again when a new government is formed. There is a lack of civil service system in the developing world. Officials change as the government changes, and the uncertainty poses challenges for us. In our country, there's no great change when there's a new president. Nearly all of the civil servants stay in their positions, and they are the ones who are familiar with their works due to their long experiences. However, things in developing countries may get into a mess because of the high turnover rate.

There are several issues that our department encounters. Most foreigners are more than happy to join in the workshop. It is just two-week long, and it's free. Everything is arranged very well. They are also given allowances. The schedule consists of various lectures and tours, which sounds interesting. In order to stay connected with those workshop members, we create a FB page for everyone to interact with each other. This is a good platform for multicultural exchanges. ICDF members keep in touch with them with the help of social media. Further, maybe the MOFA can make good use of this kind of "connection." We have set up a "Taiwan ICDF Alumni Society" so as to build connections among Taiwan and foreigners who had participated in the scholarship program or professional workshop before. Most of them come to Taiwan with the recommendation of the embassies. So, when they go back to their countries, the embassies may be able to benefit from their social connections. For example, the embassies will invite them to take part in our national day party, or sometimes the MOFA can gain or pass information through them. Think about that, a foreign student who had been offered scholarships four years or two years in a row to study in Taiwan, of course he will be pleasant to do you a favor.

Actually, I think there are few failed programs. Maybe the only problem is about the scholarship program. For instance, in some cases the foreign students who have been awarded two-year or four-year scholarships, but finally give up in the middle of the

term because of bad academic performances or personal issues. To us, this is indeed an unwanted result. There is a cooperation link among ICDF, the embassies, and the schools. We really want them to finish their schoolwork in time and graduate successfully. Disappointment comes to us if they fail to do so because their graduation rate is a crucial performance indicator.

What do you think of ICDF's aid influence on the developing countries?

As far as my department involved, we want to help train those foreigners from the developing countries in hopes that they can contribute to their countries later. If he learns some agricultural techniques, then maybe he can work in his country's agriculture department. ICDF has a tendency to train the young officials from the developing world. They may come here to study in a master or PhD program. They are able to exercise greater influence over their countries because they will serve in governmental agencies when they are back. And one day they may help to make some big changes in their countries' systems. Their influences can be extended to the whole countries. If we can empower a young official in the agriculture department, he may later come up with good agricultural policies, and then benefit his country and all citizens. We value a wider sphere of influence, and this is exactly what ODA values.

When it comes to a country's development, what matters most is the policy, not individual cases. Individual cases have limited influence. There are so many humanitarian assistance organizations nowadays. They may give a hand to a poor little boy. And the picture of the boy touches people's hearts absolutely. Then, donations flood in to help the impoverished boy, and the boy gets relieved. However, the boy's case is just a tip of the iceberg. There are countless poor children remain unnoticed yet. How can we save all of them? Think from another perspective. If we can choose an alternative way to deal with the resources, things may be different. We can use the funds and resources to establish or improve the public health system, and undoubtedly we can help much more people. We should expand our horizons, keeping a close eye on the entire population rather than a single person or family. System change should be the focal point. They are usually ignored because they are invisible and their delayed effect. Sometimes it takes more than two decades before the effect of the system change can be seen. But for NPOs, the contributions of their hard work can be observed by the public soon. This is right the key difference between ODA and most NPOs. Aid programs may have an effect on various aspects. It depends on in which field the developing countries are receiving help.

Please describe an ongoing aid project handled by your department.

Simply speaking, there are just two kinds of projects in our department. One is about the scholarships, and the other is about the workshops. Besides, now we also send Mandarin teachers to the developing countries, but this is the side dish, not our main course. The teachers are distributed to assist the accomplishment of different programs. I'm gonna talk about the scholarship program, which began in 1998. ICDF was established in 1996. From 1996 to 1998, we only had professional workshop program, which had a long history, even before the foundation of ICDF. At that time, our first secretary general felt that we should develop a long-term human capacity building program, different from the short-term workshop program. Members of the workshop were the working people. And we tried to go further to focus on foreign students who may want advanced diploma. We could offer them opportunities to stay for a long time in Taiwan and earn degree. Therefore, the scholarship program was created. However, ICDF could not award diploma, and we did not have the educational environment and resources. So, we decided to cooperate with several universities in Taiwan. At first, we contacted National Taiwan University and we failed to reach an agreement. Plus, at that time, schools had not faced the pressure of low birth rate as well as globalization. Taking into account the geography and living context of our allies, we started with the agricultural sector. Additionally, tropical agriculture was Taiwan's strength. Rejected by NTU, we next consulted with National Ping Tung University of Science and Technology. We even promoted our ideas to the Education Ministry. Most people did not expect it to be a success. An English-taught studying program was considered non-mainstream. Delivering all-English class could be a challenge and also a burden for local professors. Moreover, they had to learn to interact with international students. And there were no incentives for schools to do so. Fortunately, some schools were far-sighted enough to join in the scholarship program. This is a snapshot of the program background. Our goal is to help our allies to cultivate high talents. Though in developing countries, there are not so many college students. But we foresee that in the near future the number of college students in the developing world will be much higher. Thus, what they need may be an access to advanced study. That explains why we mainly focus on graduates at the beginning. Each university has their unique courses. National Cheng Chi University for business management, National Ping Tung University for Agriculture, National Yang Ming University for Public Health, National Central University for environment, National Tsing Hua for ICT, and so forth...

How do you operate the program?

We sign contracts with universities, a contract for a program. The contract is renewed annually because the number of students varies from year to year. We offer funds to

schools after the deal. Schools will handle the money for students with the help of in-campus program managers. Schools are our corporate partner and students are our clients. Now more and more universities show their interests in this kind of scholarship program, mainly because of shrinking number of students. They are eager to be more international. International students can offset lower enrollment, and help build an international atmosphere. What's more, ICDF provides funds for schools to hire extra staffs, which are in-campus managers. The number of foreign students is also a key indicator to evaluate how globalized a school is. When we decide a corporate partner, we will see whether their proposals fit the needs of our allies. Meanwhile, we will visit the schools to investigate their learning environment and equipment, and whether they have an international campus, such as English signs, English menus in the student restaurant. Later, we will interview the professors to assess their teaching styles through the help of some industrial experts. We arrange meeting for each program per year. Besides, in 2003, ICDF created TICA (Taiwan International Cooperation Alliance) to manage all the programs of all the corporate universities. It comprises twenty-one local universities. There is a decision-making meeting each year. The attendees include ICDF's general and deputy secretaries, and the principals of our partner universities. Also, all the corporate schools take turns hosting annual conference, where all the program directors and in-campus program managers sit together to have a discussion to review the student performances, provide teaching reflections. In addition, we hold sports day for our international students each year when they can get to know each other. ICDF also hosts a paper competition for foreign students in the TICA system to make academic exchanges. All of these make ICDF's scholarship programs different from the typical ones. I would like to say that our in-campus managers take great care of each foreign student once upon they land in Taiwan.

In your opinion, what are the strengths of ICDF?

We have many professionals and experts in the five sectors I mentioned, especially agriculture, public health, and ICT. We have abundant human resources for those developing nations. Through technical cooperation, loans, or human resources development, we do a good job. But...there are some weaknesses. Aid resources available are shrinking. The budget is declining. Without enough money, we cannot work as expected. Today, supervision over organizations is becoming more and more tightening, so it is more and more to handle budget with flexibility. We have technical know-how and skills, which are our advantages. Another problem is related to our diplomatic restriction, so our staffs have fewer chances to communicate with other foreign aid practitioners around the world. When it comes to foreign aid, the World

Bank is known as the biggest operator. We are not allowed to take part in all of its activities. We can only attend in some bilateral or multilateral talks, or some regional organizations. Compared with China or Japan, we have a weaker international connection, but it is a problem of this country, not ICDF. So, sometimes, we try to overcome the difficulties by dealing with other INGOs or NPOs. This way, we want to expand our network. Nevertheless, I feel it is not so helpful.

In your view, what specific aspects can your department improve in terms of aid effectiveness and efficiency?

International education and training does not require so much money like loans. Frankly speaking, I do not feel our department is so “foreign aid oriented.” As much as 80% of its financial effects flow into the domestic base. Take the scholarship program for instance, when a foreign student comes, the tuition goes to the school. And his or her living expenses are peripheral economic benefits to Taiwanese from all walks of life. Thus, this is not a sheer foreign aid project, it is multilateral. We can say this program is cost-effective. The government doesn’t have to spend a large sum of money, and we can help diplomatic allies to build their youngsters’ capacity. In the meantime, it is beneficial to local universities. It can be a small relief for universities struck by lower enrollment. What’s more, in reality, most of the budget is spent domestically. We offer the scholarship program to international students with the money from our taxpayers, and it turns out that most of the money goes back to the hand of Taiwanese. Accordingly, I think this program is very different from other aid projects. Except flight tickets, nearly all the profits of their consumptions go back to our land. Though we provide them free tickets, they are required to only choose either China Airlines or Eva Air.

Now we are trying to make some changes in our scholarship program. Things are ongoing, but we are not definitely sure it can be done as expected. Now, our goal is to increase the number of foreign students involved in the program. With limited resources, it is hard to accomplish the goal if we do not reduce the unit price. Therefore, we are considering two things. First, we recommend cooperate universities seek out big corporations for sponsorships. In accord with the newly introduced “Go South” policy, it can be a good opportunity. In fact, our domestic enterprises are not interested in the government’s foreign projects for the reason that the majority of our diplomatic allies are located in South America. To local firms, those countries are too far and there are language and cultural barriers. Taiwanese business has strong ties with Southeastern countries. We hope that we can incentivize our local corporations by building ties among schools, foreign students, and Taiwanese enterprises. Most of

the students are excellent. They are native speakers of their national languages such as Spanish or English, and they can also speak Mandarin. Some of them even stay in Taiwan after graduation. We believe local business will show greater interests when we catch the trend of “Go South” policy. Right now, the school professors of an engineering problem are negotiating with Taiwan’s tech giant, ASUS. They guarantee that their students will work as interns for ASUS during summer vacations and they will work for ASUS’ overseas branches once they complete courses. Or let’s say that there is a Taiwanese company that wants to train five Vietnamese to become their future staffs in middle management in the Vietnam branch. Under a cooperation network, the company sponsors the school and informs the number of foreign students and expectations regarding course design. In short, the company is the funder while the school is the operator. The company can even select its ideal students as long as the candidates are academically qualified. The company can directly let ICDF know how many foreign students it is going to sponsor, and which department it prefers them to major in. The case is very similar to a student who earns a degree by government sponsorship and has the obligation to work for the government. If we can engage local business in the scholarship program, we can have more international students. We look forward to its positive effect under the context of Go South Policy. After all, Southeastern countries are much more attracting to Taiwanese business in comparison with South American countries. On a broader level, we are thinking about promoting special programs for specific enterprises.

ICDF provides “full” scholarships for all international students from either diplomatic allies or friendly countries. So on the other hand, we are thinking about offering “partial” instead of “full” scholarships to students who are not from diplomatic allies. In addition, ICDF gives every student monthly allowance, NT\$12,000 for undergraduate, NT\$15,000 for Master’s student, and NT\$18,000 for PhD’s student. We also plan to decrease the amount of monthly allowance for students not from our diplomatic allies. By doing so, we have more budget to include more foreign students. Another reason is that those friendly countries are richer than our diplomatic allies. We want to improve aid effectiveness by the two plans I talked about.

As a practitioner of foreign aid, what do you think of Korea’s foreign aid?

To my knowledge, there are some features. First, Korea has strong ambition. And they devote much more resources than we. I do not quite understand its internal operating situation. As early as 1996, ICDF started to send overseas volunteers to developing countries. At that time, Korea did not have any overseas volunteers. What they had was KOV. It was Korean Overseas Volunteers. I have ever visited “Taipei Mission in

Korea,” which functioned as Taiwanese embassy in Korea. At that moment, KOICA had fewer foreign aid practitioners than ICDF. KOICA, situated in Seoul, is Korea’s foreign aid agency. When I was there, I planned to pay a visit to KOICA, but its staffs insisted that they were not welcome our visit with several excuses. But meanwhile, we also contacted “Japan-Taiwan Exchange Association.” Different from Korea, they were very enthusiastic and showed a positive attitude. They handled everything well for us after we provided required information and filled in the required form. The differences between the countries impressed me a lot. Compared to Korea, Japan is friendly to us. But I think KOICA seemed to view Taiwan as a competitor, so the people were reluctant to reveal any information to us. Nowadays, Korea has an overwhelming number of overseas volunteers than Taiwan, though they were behind us twenty years ago. For the past few years, Korea has an astonishing rise. Recently, we find that more and more foreign students decline admission to our scholarship program because they get Korean scholarship. Korea is competing with us to attract international students. To be honest, we have limited information about how Korea operates its scholarship program due to their reserved attitude. Japan is willing to share information with us, but Korea isn’t. Maybe now they do not even keep an eye in Taiwan because they feel they have become much better than us. From the satisfaction survey of our program graduates, we find something interesting. We collect about 150 question sheets every year, and I always read all of them clearly one by one, word by word. The last section includes two open-ended questions. The first one is “What is Taiwan’s strength in your opinion?” Most of them say friendliness, ICT, public health. The second one is “How can Taiwan become better in your opinion?” Their answers really impress me especially for the last two years. Nearly ten students per year write like this “I recommend Taiwan....then it will be able to be as good as the US, Japan, or Korea.” From their answers, we know that in their minds, Korea is categorized into the same group with the US and Japan, the world’s most extraordinary foreign aid donors. It is necessary for Taiwan to climb the ranks. I think this gives a significant hint to Taiwan. These foreign students are not from our neighboring countries. They are not affected by geographical, historical, or cultural ties, so their perspectives can be highly objective. Maybe they have never been to Korea, but they get familiar with Korea through social media, Korean friends, or friends with Korean experiences. There’s no need for them to praise Korea or devalue Taiwan. Their third-party opinions can be a warning sign for Taiwan. Their aid budget increases even more quickly than Japan’s in last decade. Korea’s economy is booming while Japan’s continues to be staggering. Maybe the Korean people have suffered a lot for today’s success, but Korea’s rise is there for everyone to see.

P2

What did you major in at college and graduate school?

I majored in the department of foreign languages at college, and I got a master's degree in American studies. It's about social science.

What is your field of specialization?

My master's thesis topic is regarding President Bush's foreign policies. I think international relations can be my field of specialization.

How long have you been engaged in foreign assistance?

I have been working in ICDF since 1999, so I have been engaged in foreign aid for about 16 years. I'm now working for the department of humanitarian assistance. This is a comparatively new department in ICDF. We have two sub departments, public health and assistance development. When it comes to humanitarian assistance, in fact, globally, it's more about assistance after a disaster or war, not what the common people broadly think of. Our public health mission is development oriented, and our humanitarian assistance is disaster relief. In regard to global humanitarian assistance, it includes emergency aid, post-disaster reconstruction, and development aid. ICDF specializes in development aid, which requires a long length of time. It usually lasts three to five years. The major focuses of our department are post-disaster rehabilitation and public health development.

What is the role of foreign aid to developing and developed countries?

Look at Taiwan's case, it once received aid from the US and the World Bank. Aid recipients can get funds for their economic development. Foreign aid allows them to make themselves developed similarly in the same way like how the developed countries advance their social economic environment and public health system. This is the significance of foreign aid for developing countries. As for developed countries, they want to help the developing world in their social economic environment, which is the generally stated noble goal. Every country has their national definitions and interests toward foreign aid. Some are for economic interests, for instance, Japan's target at Southeast Asia. As for Taiwan, diplomatic allies matter to us. Thus, to developed nations, foreign aid usually fits national interest. However, for the European Union countries, they will pay extra attention to those once colonized African countries. As the most developed regional bloc, the EU considers foreign assistance its responsibility. So they provide aid through the channels of global organizations. As a whole, there are two kinds of mindsets for developed nations concerning foreign assistance. First, it's about national interest. Second, it's moral

obligation to care for and help the disadvantaged.

What are the foreign aid objectives pursued by your organization?

We want to assist our diplomatic projects with Taiwan's advantages. If there were no ICDF, would our diplomatic ties be affected? To be frank, I don't think so. What we do is different from the government. Everything we do is for everyone to see, and we do play a part in diplomacy. Actually, ICDF accounts for only 15% of Taiwan's foreign aid budget, and MOFA itself handles the rest of the 85%. In other words, ICDF is helpful to Taiwan's diplomacy, but it is MOFA that controls most of Taiwan's foreign aid direction.

How have your organization's aid purposes and practices changed over time?

Purpose? I think the purpose to support diplomacy is never to be changed. This is core value of ICDF. However, aid situations may change with time periods, global trends, and ICDF's internal reforms. Take our department for instance, in the past we had the mobile medical mission team. It was short-term, about two-week. But for now, we stick to our organization property, long-term orientation. It lasts at least three years. At earlier times, we sent permanent medical mission teams. The projects ran almost five to ten years. Truth be told, not all of the doctors had Schweitzer's holy spirits. Doctors can enjoy high status and decent salary, so it is hard to recruit members for the medical projects. Therefore, we convert it to be a mobile service program. Medical care is Taiwan's prominent strength. Mobile medical mission team is small-scale but high-cost. For permanent medical mission team, we send just one or two doctor to the location. They stay there for several years. For mobile medical mission team, we need a dozen doctors at one time. They stay there less than a month. With more staffs and shorter duration, it is quite cost-ineffective. In the short term, we can increase Taiwan's visibility in the local place. But...think about it, when a local person undergoes a surgery by the mobile medical doctor, we wonder who can help him with the after-surgery care considering the fact that the doctor is only there for two weeks. There are other problems. Will the local people accept the Taiwanese doctors? And nearly all of our medicine is generic drug, presented in Chinese characters. Taiwanese may be used to Aspirin, but people there may not. They have their drug preference. As a result, things often go back to zero once our mobile medical mission done. To deal with the challenge, we turn to focus on a specific topic in the public health system. The way how we provide aid changes with time, but we cannot say which is better or worse because all of them make sense in different periods of time. For many years, we have been trying to make some adjustment based on the aid results. Before, it was ICDF that covered all the expenses. But now, we are cooperating with hospitals. Some

hospitals can even offer as much as 40% budget of our medical project. The corporate hospitals cover all the living expenses of their own staffs, which leads to sharply reduced administrative fees and extended mission duration. We cooperate with Far Eastern Memorial Hospital for a medical program in Belize. That is a three-year long program. In Belize, there is no any nephrologist. We invite their medical workers into Taiwan and get them trained for three months. They conduct the medical practice and our doctors oversee the whole process. They are the seeds of hope for their country once they finish the training course and get back into their homeland. This is different from the formal medical projects in which it is our doctors that take in charge of everything.

How does your organization cooperate with the government, the private sector, or other NGOs?

MOFA is our supervising agency. When our overseas stations have any special requirements, MOFA will pass the cases to ICDF and for further assessment. Besides, MOFA usually directly require information from us. So there is a very close tie between MOFA and ICDF. As for the private sector, take my department for instance, our major partners are hospitals, such as Far Eastern Memorial Hospital and Cathay General Hospital. We carry out research in specific medical subjects through a co-funding network. The well-organized system is the great advantage of our corporate hospitals, while they are unable to arrange their workforce for long-term overseas medical contribution. ICDF's advantage is that we can expatriate our staff. We can distribute someone who has the public health or medicine background to stay right at the place for the duration of a medical program. Now, we have extended our cooperation channel to public hospitals, Taipei Veterans General Hospital for example. In addition, we also join forces with international non-governmental organizations. Some people may say "why don't you work together with Taiwan's nonprofit organizations?" ICDF is a government-subsidized foundation, and it is more like the public sector, so it has the embedded bureaucracy. In contrast, domestic NGOs are acting in a more flexible way. They have higher flexibility but lower organizational quality. I think the differences come from the fact of being in or out of the official system. Those INGOs ICDF work with are actors of humanitarian assistance in the UN system. By working with them, we can join in some of UN's aid channels. ICDF's title can be found in UN's OHCA (Office for Coordination of Humanitarian Affairs). This is why we choose INGOs. In the cooperation process, we not only provide funds but also send our people there. This way, our foreign aid practitioners have the chance to understand and learn the operating systems of those INGOs. One of the top goals of ICDF is to cultivate Taiwan's professionals in international affairs. We try to stay

connected with international non-governmental organization by offering financial and human resources.

What are the criteria for choosing recipient countries and planning aid programs?

Our partner countries are mainly diplomatic allies. We are acting “upon request.” Our diplomatic allies tell us what kinds of assistance they need, and we evaluate feasibility. Then, we start to make plans. Last time, we went to Belize with some staff from Far Eastern Memorial Hospital. The trip was arranged because Belize hoped that Taiwan can help to improve their public health condition. Their people showed around the whole country in about five days, and the government of Belize asked us to provide a medical project for its country. We told them what they needed was ICU (intensive care unit) and trauma surgery given that car accident was a serious problem in their country. Responding with kindness, they said that our ideas perfectly fitted their needs and they had gotten how much financial aid from organization A and how much from organization B. They told ICDF that they wanted us to make a medical program for them to deal with kidney diseases considering that Taiwan had a large population of dialysis patients. In fact, it may have a lot to do with our medical insurance system, but Belize just felt it was what we specialized in. When we are making public health programs, we target at four concerns, maternal health care, medical information management system, neglected chronic diseases, and infectious diseases prevention. As for the criteria of program planning, we try to find the common ground between our strengths, capacities and their requirements, needs. In some cases we cannot offer the foreign aid as our diplomatic allies hope to get after evaluating the possibility. Few years ago, one of our allies requested for HPV vaccine. Though Taiwan is good at HPV treatment, we declined the proposal due to the high price of HPV vaccine. The feasibility of an aid program is of crucial importance.

How does your department measure the success of an aid program?

We have several criteria, sustainability, effectiveness, efficiency, and consistency. The last one “consistency” is considered in order to know whether the result is right what we expect at the very start of the program. “Efficiency” is considered to know whether we and our partner countries carry out the program as the expected schedule. “Effectiveness” is considered to know whether we have achieved the expected goals. “Sustainability” is also considered to make sure whether the program can move on once finished.

What measures are taken when the results are below expectation?

First, we will discuss to see how we can make some changes to our planned activities.

We try to make some revisions for the expected outcomes. Second, we may offer our suggestions to MOFA directly if the problem is caused by politics. Sometimes, political intervention is what we are unable to handle. Different solutions are taken depends on the properties of problems. If the problem is arisen from the plan itself, we will have a discussion or negotiation through meetings. If it is a political problem, we will consult with MOFA because it is the political administration.

Please describe an ongoing aid project handled by your department.

I can email you a video that shows all the details of a project for the prevention and control of chronic renal failure in Belize. ICDF, Far Eastern Memorial Hospital, and the government of Belize cooperated together. There are two major goals. One is to advocate the screening for kidney diseases, which can contribute to a statistical database in the medical system. The other is to establish a tracking and management system for this type of diseases. I can briefly tell you the content of this video. You can see two doctors and two nurses trained in Taiwan for two months. When they come back to Belize, they become the medical seeds. “Capacity building” is what we emphasize. Our project goal is “training the trainers.” We also send Taiwan’s medical professionals to the local place to supervise the medical processes. We want to delay the bad consequences of kidney failure of their people. Then, we can help this country to lower the medical cost and spare the money for other developmental programs.

In your opinion, what are the strengths of ICDF?

“Foreign aid” is ICDF’s core value. Our staffs always stay in the local place until the last minute even if a partner country suddenly breaks its diplomatic ties with Taiwan. To us, this is our responsibility. We are “broadly defined diplomats.” When we believe a foreign aid program is doable, we spare no efforts. Some organizations also undertake projects from MOFA, but they tend to view themselves as the “cooperate companies.” However, ICDF does not act like this. While undertaking a project, we think about the question, “How can we bring practical diplomatic benefits to Taiwan?” Moreover, ICDF’s staff is passionate and determined. I think human resources are the most valuable assets of ICDF. ICDF’s staff, overseas volunteers, and substitute military servicemen, all of them have an international perspective. This is really our advantage. I’m proud of them. Besides, all of my colleagues have professional backgrounds. In my department, humanitarian assistance, we have been focusing on food security for the past few years. We have people with gardening backgrounds to teach the local people gardening skills. Additionally, ICDF is a “young” organization. The average age of our employees is about 38. Our people are young, so we are more energetic and ambitious. Another advantage is that ICDF serves as a platform of

foreign aid. It has a connection to many of the domestic medical centers and educational institutions. So we can collect and organize all the resources.

In your view, what specific aspects can your department improve in terms of aid effectiveness and efficiency?

ICDF is just 20 years old, and our employees are relatively young. So, we have to consider how the valuable experiences of our senior staff can be passed on to the junior staff. This is what we are working on now. As for aid effectiveness and efficiency, it is hard to say. Like I just mentioned, Foreign aid is mostly handled by MOFA, while it is only 15% of aid budget that ICDF deals with. Besides, we can strengthen the monitoring channel for aid projects overseas. Also, we should learn from some of the failed programs. Every program, no matter it is a success or failure, it indicates something meaningful.

As a practitioner of foreign aid, what do you think of Korea's foreign aid?

To be honest, it is very difficult to compare Taiwan with Korea. Why? Korea has too many diplomatic allies. Every year ICDF send about 30 to 60 volunteers abroad. Some people say "Why does your organization send very few volunteers?" However, what people ignore is the total number of our diplomatic allies. We have only 22 allies, and not all of them are willing to accept our volunteers. What I want to say is we are not on the same base with Korea. They have no diplomatic problems. Thus, I would say it is hard to compare an apple and a tangerine. Let's go back to the basic indicator, budget. ICDF is a government-subsidized foundation, playing only a small part in MOFA's foreign aid. But KOICA is a governmental agency. It belongs to the public sector. This is a big different between ICDF and KOICA. Our employees are not public servants. ICDF and KOICA are completely different. ICDF is an operating agency, responsible for conducting foreign aid programs. On the contrary, KOICA is not just an operating agency, and sometimes it can also outsource or subsidize aid projects. In Taiwan's case, MOFA is main actor of Taiwan's foreign aid. ICDF does handle only 15% of aid budget. MOFA may hand over aid programs to ICDF, or other NGOs. Sometimes it is the local embassies that directly manage foreign aid project, which usually cost an extremely large sum of money. It is the embassies that are often in charge of aid projects of astronomical cost. 85% of Taiwan's aid projects are conducted by MOFA in its own way. What ICDF focuses is long-term, developmental foreign assistance. But embassies have their own considerations and their own ways of conducting foreign assistance. Actually, there are different actors in Taiwan's foreign aid. When it comes to foreign aid, most people instantly associate it with ICDF. This is good but we also need to explain ICDF's real role to people. I think that

is because all of our projects are shown on our website. We are noticed because every detail of our aid practices is presented to the public in a clear way. Our secretary general had a speech few months ago. After the end of speech, he was asked this question, “What is the greatest challenge of being ICDF’s secretary general?” I think his answer is perfectly right to the point. He created an interesting metaphor to illustrate ICDF’s embarrassing condition. Foreign aid can be seen as Maserati, a luxury car. A well-dressed driver sits in it. The driver then is robbed. Everyone thinks that the man is a billionaire who has the expensive car, and no one knows he is actually the driver rather than the owner. All of our information is accessible, so common people are subject to feel that everything related to foreign aid is controlled by ICDF. However, that is not the truth. We are just a small part in MOFA’s big foreign aid channel. As you can see, we do not have very big-budget projects. Despite this, I can say ICDF is in a high profile in our diplomatic allies. ICDF is renowned for its international contributions to a lot of countries and their people. We are a “foreign aid” organization, and we devote all our efforts and resources to foreign countries, so we are not well known domestically.

P3

What did you major in at college and graduate school?

I majored in international politics and relations.

What is your field of specialization?

My field of specialization is international relations and international cooperation. In regard to foreign aid, I specialize in technical cooperation program planning and management.

How long have you been engaged in foreign assistance?

I have been working in ICDF for ten years. Before going to ICDF, I had worked in the public sector and other foundations. I have about ten-year experience in international cooperation and foreign assistance.

What are your current position and duties?

I am working in the research, development, and evaluation office, which is responsible for planning and evaluating ICDF’s aid projects. We have a close look at the global foreign aid trend, and we try to figure out how other countries conduct foreign aid in order to see how we can apply their techniques into our organization. This office is for ICDF’s internal horizontal linkage. ICDF has four major departments, technical cooperation, humanitarian assistance, lending and investment,

and international education and training. We are the communication platform between these departments. Besides, we do evaluations of aid projects two to five years later once they are finished. We want to understand the project sustainability and their side effects. The assessments are for experience accumulation and future projects revision.

Is it your office that decides whether or not to take on an aid project for each department?

We have a standard project cycle. At the beginning, we will define the program genres for each department. Then, we will organize a work team. They will inspect every program one by one in meetings. A program can be moved on to the next phrase once approved. Then it can be listed on our working schedule if it is passed. This is the project cycle. In addition, we conduct department performance appraisal. We have our own key performance indicators. Every department and its jobs are reviewed in a three-year term. Our office carries out these processes and announces the results.

What is the role of foreign aid to developing and developed countries?

For developed countries, foreign aid may be to different motives, strategic, economic, or humanitarian. They exercise foreign aid in different ways due to different reasons. Driven by strategic interests, strategic geographic location is considered. In Japan's case, its foreign aid has a lot to do with its overseas layout in economy. Korea is the same, which integrates economic interests in its foreign aid. I think Taiwan's foreign aid is driven by diplomatic and humanitarian purposes. Of course we also want to boost the development of our national industries via foreign assistance if there is an opportunity. But if we need to prioritize all the purposes, we all know Taiwan focuses more on diplomacy and humanitarianism. On the other hand, foreign aid is an important opportunity to developing countries. Both Korea and Taiwan were recipients before they became emerging donors. In Taiwan's experience, it has had a big advance in its capital, technology, and human resources. So, foreign aid can lead to a country's development and progress. Partner countries can also learn a lot from donor countries, which are seen as development models.

What are the foreign aid objectives pursued by your organization?

ICDF is supervised by MOFA. As far as ODA is concerned, "foreign relations" is ICDF's number one goal. We boost Taiwan's foreign relations by foreign assistance. In our own perspective, we have some key strategic goals. We want to follow global trends, collaborate with the private sector to form a partnership in foreign aid, and bring Taiwan's comparative advantage into effective action. Through all of these, we hope we can also build a connection with other foreign aid agencies in the world.

Some foreign aid organizations may have their own focuses, for example, women or children. As for ICDF, we focus on our comparative advantages, agriculture, public health, ICT, education, and environment. These are the key elements of our aid projects. Additionally, we try to echo our actions with global issues. For instance, while planning an agricultural program, we think about how to link it with one of the sustainable development goals, poverty elimination.

How have your organization's aid purposes and practices changed over time?

I feel there have been great changes in how we planning, conducted, and managed aid projects. We follow the World Bank project cycle. That is what I just mentioned. In 2009, our government issued the white paper on foreign aid policy, so we made some changes according to the policies. We act in accordance with the “International Cooperation and Development Act” as well. Over the past five decades, Taiwan had kept sending technical mission teams to the partner countries. The technical people stayed there continuously for maybe ten years even though there was no ongoing aid program. However, in 2010, we began to promote the “plan-based managers system”. The technical staff will stay in the local place just for the program duration. They will leave once the project finished. This leads to better organization and management. Moreover, money and resources can be further allocated to ensure success. Two to five years after the completion of a program, we will go to the local place to examine the real consequences. These are valuable feedbacks for our further programs. Now, “sustainable development goals” are the global trends. In 2014, we spent efforts reviewing the SDGs in order to figure out in which specific aspect that ICDF could further focus on. ICDF was born in 1996. At that moment, we had only agricultural technical mission teams. In 1997, we started to send some professionals from small and medium sized enterprises. In 1999, we dispatched an investment and trade technical team to Guatemala. In 2001, we began to send substitute military servicemen. ICDF was entrusted with the job by MOFA to devote excellent youth in international cooperation. In 2004, it was the first time we dispatched a medical team. We cooperated with domestic hospitals and had a short-term stay in the local place. We offered medical services depended on the needs of partner countries, particularly for Pacific island countries. In 2009, we integrated the geographic information system in aid projects. In 2012, we had a regional project of HLB (Huanglongbing), known as the citrus greening disease in Central America. For this project, our partner is ORISA, an inter-governmental organization of agriculture and animal in Latin America. We mainly had bilateral projects before, but for this one, it is multilateral. In 2013, the concept of “public health system” began to be integrated into our aid projects. The fund sources go from both ICDF and its corporate hospitals, which is

different from the former projects for which MOFA and ICDF are the only funders.

How does your organization cooperate with the government, the private sector, or other NGOs?

MOFA has a higher authority over ICDF, so ICDF chiefly takes over aid projects from MOFA as demanded. We also have experiences collaborating with other governmental agencies. I remember few years ago the Environmental Protection Administration required us to assist in an environmental project in a partner country. But mostly we act according to the instructions of our government. The private sector...if it is cooperation, then both parties will pay for the project. Currently we have partnerships with some local hospitals, and they do offer a certain part of financial sources. Or in some cases we conduct foreign aid with a private company which wins the contract in a public tender. Furthermore, we exchange ideas with international organizations about how to allocate aid resources and sign contracts with them to work jointly in foreign aid.

How is ICDF's connection with global organizations now?

I feel the relation is nice. For example, Mercy Corps, and World Vision is our big partners in humanitarian assistance, and CARE is our recently new partner. Of course there are still other world's major organizations. We may work together with them in certain projects, but we do not have a direct contact with them. So, it's indirect cooperation. Both of us devote money or human resources into the project, but we do not have a contractual relationship. If it's an INGO, we have clear labor division. While if it's that kind of global organizations such as UN or WHO, they do not directly cooperate with us even though we may all work as a part in the same project. For example, ICDF attends in some global foreign aid meetings, and involve in the process of discussion and negotiation, but its name does not appear in the official documents.

What are the criteria for choosing recipient countries and planning aid programs?

In terms of partner countries, our chief focus is diplomatic allies. We do have so many allies, and MOFA, the government is our major funding source. MOFA has its own plan for aid budget. That is, our recipient countries are mainly assigned by MOFA. If MOFA wants to further offer aid to countries with no diplomatic relations with Taiwan, we will be notified of the intentions and then we will take the responsibility. In fact, we do not have any specific criteria for choosing partner countries. The government chooses the partner countries, and ICDF runs the projects. As for aid programs, they are mainly designed in accordance with the requirements of our

partner countries. The local government informs Taiwan embassy of its needs. In most cases, the embassy passes the information to MOFA. With the MOFA's consent, then ICDF may be assigned to take the task. Or sometimes the embassy directly contacts ICDF, and ICDF later inform MOFA after we preview the aid project. Or sometimes MOFA tells us the details about the requirements from partner countries, and we are asked to do evaluations. For the evaluation process, our major considerations are the budget and our capacity. We have to think carefully about whether we are able to get the project done.

How does your department measure the success of an aid program?

Generally speaking, we first look at the outcome to see whether it meets our expectation. Our office has a common standard evaluation form for ICDF's every department. This performance evaluation sheet comprises four chief sectors, relevance, effectiveness, efficiency, and sustainability. Each department does self-evaluation. After two to five years, our office will choose some projects to do evaluation again. If the result is still good like it was few years ago, we will explore the project to find out its key points to success. It can provide great insights to our further programs.

What measures are taken when the results are below expectation?

Basically, we don't say a program is a success or failure. We just talk about whether it has fulfilled our expectations or whether it is suitable to our partner countries. Sometimes, we and the partner countries think differently, and have different definitions for the success of an aid project. Honestly, we have learned a lot so far. We try not to make the same mistakes. Though we have made clear goals and operating principals, things are often subject to change due to external factors, for example, personnel replacement in the partner country. Thus, we are forced to adjust the program, and that may lead to failure in the end. We encounter this kind of problem many times, so we have come up with some measures to avoid the negative consequence. Now, we have some strict principals and guidelines for program adjustment. The high turnover rate in the governments of our partner countries poses risks to our programs. This is a common problem for developing countries. It is impossible for us to make their people unchanged, but we can do something to lessen the impact of official personnel changes. We will expand the staff base of the partner countries while preparing for an aid project. We may involve more than twenty local officials in a project that requires only ten. When some people are gone due to irresistible reasons, there may be still others to continue the project. Aside from officials, we also engage in local people or local NGOs. We try to prevent putting all eggs in one basket.

Please describe an ongoing aid project handled by your department.

Our office does not conduct any project. Our job is to do evaluation. But I can tell you what we are planning to do now. A result-based monitoring and evaluation program of Pacific island countries. Since last year, we started to act different in outcome evaluation. We do not inspect each project exclusively. For projects with the same property and conducted in the same region, we look into them all together despite the fact that they are carried out in different nations. We view them as a cluster. We can understand how some similar projects may contribute to different outcomes in different countries. OECD defines Pacific island countries as valuable states, so it is hard to make foreign aid projects sustainable in these countries considering their natural deficits. There are common problems facing their people, malnutrition, for example. The lands are infertile so they are unable to survive on themselves and they are more likely to suffer from chronic diseases. ICDF has carried out many projects regarding fruit and vegetables in this region. But in the past we did not state clearly we were fighting against malnutrition. At that time, we did not have an organized aid framework. We did not list our objectives for each project. And we did not clearly measure the potential influences of our efforts.

In your opinion, what are the strengths of ICDF?

Taiwan has been engaged in foreign assistance for about five decades. Our first action was in Vietnam. ICDF was converted from a government agency of international technical cooperation. Compared to other official agencies, we have more organized staff and documents due to our history. And we have been familiar with foreign assistance from the beginning. We follow the guidelines of the international cooperation and development act. We do have expertise and experience in foreign aid. Besides, we have good human resources, staffs, expatriates, overseas volunteers, substitute military servicemen, all included. All of these are important assets to ICDF. We communicate with a lot of countries, so we can expect what may happen.

In your view, what specific aspects can your department improve in terms of aid effectiveness and efficiency?

Compared to other ODA organizations, we are in a lack of opportunities. We have a much smaller window for international cooperation or communication with other world's ODA organizations. The main reason is Taiwan's diplomatic condition. We are under MOFA's supervision, so we are restricted to some degree. You just asked me how we choose partner countries. Actually, we do not make any choices because all of them are allies, and all of this is comes from our diplomatic purposes. In my opinion,

it can be a good thing if we break the boundary. Like President Tsai said, or the world trends, “mutual benefits” are what commonly pursued. Foreign aid can be something that is beneficial to both donors and recipients. It should be a win-win situation, not just a single-win situation. When we talk about benefits, they are more likely to be related to economic opportunities. When we refer to Taiwan’s trade conditions, we can find that our important trade partners are mainly in Southeast and Northeast Asia. And electronic products play a big role in Taiwan’s foreign trade. On the other hand, when it comes to foreign aid, our major partner countries are mostly in Africa and Central America, which has a lot to do with our diplomatic relationships. Therefore, we notice that there is a big mismatch between our trade partners and aid partners. They are located far away from each other. In addition, there is inconsistency between our trade products and aid products. What our partner countries need are agricultural supplies or processed foods. As for Taiwan, our top import and export items are industrial or electronic products. As a result, I think this is a huge limitation for us if we want make a foreign aid project go well with the government policies. Of course some of our partner countries are not diplomatic allies. But if we can make a breakthrough out of the diplomatic circle, we are able to broaden our horizons and include those countries that fit our economic interests in to our foreign aid programs even if they are not in diplomatic relations with us. We can reconsider how to allocate our aid resources. There should be a match between what we want to do and what we can really do.

As a practitioner of foreign aid, what do you think of Korea’s foreign aid?

The biggest difference between Taiwan and Korea in terms of ODA is that Taiwan has been mostly affected by diplomacy and humanitarianism. We don’t think too much for ourselves, and of course it is not bad. However, ODA, by its very nature, is an official aid. If the aid is from a charity or non-profit organization, it may be another story. To be more precise, ODA should be purpose based. So far, Taiwan still puts diplomacy in the first place over its national interests and economic and trade interests. Of course diplomacy is also national interest, but we totally tilt toward diplomacy. We devote all our limited resources to diplomacy. If our government wants to adjust foreign aid policy, I think the first priority is to alter the overly diplomatic mindset. Korea and Taiwan have a lot in common in the development of foreign assistance. Both of them went from recipients to donors, and they got the US aid at the very start. The two countries act similarly in foreign aid, too. Their aid tools are technical mission teams, financial aid, loans, and so on. I think Korea’s aid project matches its national economic interests. Simultaneously, their aid projects are strongly supported by its big enterprises and cultural industries, while Taiwan’s are designed to match foreign

policies, having little to do with business interests. When we compare Taiwan with Korea, we find they are similar in foreign aid development, but different in aid purpose. This leads to the aid performance gap between them. For example, there is a huge gap of aid budget between Taiwan and Korea. About ten years ago, Taiwan still spent more money on foreign assistance than Korea, but I think it was because of the time background, when Korea was hit hard by the economic crisis, while Taiwan did not suffer so much. Later, Korea went through the whole adjustment process in its national system, and its foreign aid system is also altered. Korea's foreign aid paves the way for its economic opportunities and the big enterprises work as a joint force in the meantime. Its aid sector is very similar to that of its national economic focus. Furthermore, KOICA is the main operator of Korea's foreign aid, but in Taiwan's case, MOFA is the key actor. Actually, ICDF carries out only a small part of Taiwan's foreign assistance, only about ten to thirteen percent. ICDF in fact serves as a small cog in a big machine. ICDF's foreign aid projects and outcomes are completely transparent, so everyone can know how and where we use the money. But MOFA may not reveal all the information as directly as ICDF. MOFA's budget mainly aims at maintaining diplomatic relations, not for other dimensions of national interests.

S1

What did you major in at college and graduate school?

I majored in Oriental language in college. I have a master's degree in East Asian studies and a PhD in foreign affairs.

What is the role of foreign aid to developing and developed countries?

Developing countries lack money and technology and face other problems such as unstable internal politics. Pre-modern countries have common problems, including high birth and death rate, poor sanitation and environment, etc. They may have natural resources but they are unable to make good use of them due to a lack of knowledge and technology. All of these put developing countries in a disadvantageous position, so they are eager to get foreign assistance in order to become a normal country. In the era of globalization, developing countries are forced to face various challenges from different countries, and they can no longer close their doors. They get a sense of crisis and try not to become failed states. Sometimes foreign aid causes developing countries to become even poorer and get into financial crisis when they are unable to repay loans. On the whole, foreign aid is beneficial to the developing world. It helps developing countries to deal with economic and social problems and build their confidence. Foreign aid can also be a symbolic support to the political power and help to stabilize social order. Foreign aid involves different dimensions. It can be presented in money,

materials, techniques, or foreign direct investment. All of these bring hopes to the developing countries. They realize that the developed countries are paying attention to them and it makes them to be more confident in this global society. International organizations also play a part. They encourage the developed countries to give the developing countries a hand. Developed countries will be affected when the developing world is in chaos. This is the “common security” concept. In other words, a country cannot be really secure unless every corner of the world is safe. The global community has inseparable security.

To developed countries, foreign aid is related to moral responsibility. Developed countries have gone through the developmental processes. Most of them feel thankful for having the chance to become advanced countries, and they think they have the duty to help other developing countries. This is the moral consideration. Some of the northern European countries such as Denmark, Sweden, and Netherlands, they are OECD countries and their ODA as a percentage of GNI is high. Denmark’s ODA/GNI ratio is above 7 close to 8. This amazing figure cannot be seen in many big powerful nations. Those northern European countries are well aware that they are an indispensable part in today’s world society. They feel they have a close tie to developing countries in spite of the fact that they are already developed countries. They believe they are responsible to help the developing world. This mindset is driven by a moral purpose. Other developed countries also aid developing countries for many reasons. They may want to tighten diplomatic ties, or they are under pressure from international or domestic organizations which call for foreign assistance. They may want to further empower themselves or broaden their economic and cultural influences. In Japan’s case, it contracts with a wide range of developing countries to provide aid, and in most cases Japan requires its ODA recipients to buy or use Japanese products. It is a way for Japan to strengthen and expand its trade network. This economy-oriented property is obvious in Japan’s ODA practices. Japan provides loans to its partner countries but places additional requirements on them. Japan often asks recipient countries to buy Japanese machines or semi-finished products, and give Japanese firms an access to their domestic markets. This is the mutually beneficial cooperation. In fact, foreign aid is inextricably linked to economy and politics. A donor country must go through political and economic considerations before offering aid. For example, we do not give foreign aid to Mongolia because we have little interaction, and we do not offer aid to some African countries such as Egypt or Ethiopia because we have little diplomatic ties and they do not hold a friendly attitude toward Taiwan. We must consider cost effectiveness because we cannot throw our money away.

In your view, what are the features of Taiwan's foreign aid?

We had been received from the US until 1965. I had gone through the period of US aid. American government offered aid supplies, flour, corns, soybeans, etc. I remember the aid bags were written in these words "China-US Cooperation, Net Weight 30 Kilograms." At that time, Taiwanese people used the flour bags to make underwears or children's diapers. The U.S. did help us a lot throughout the history. Taiwan's foreign aid has several features. First, we want to contribute to the world society, because the echoes of kindness will go on and on. We received a lot from others before and now we are willing to give a hand to others. Taiwan is a small country with big population. We have little natural resources and raw materials, so we need to develop relationships with countries able to produce or transport resources and materials. Taiwan was once in a good relation with Saudi Arabia, because its oil was important to us. Saudi Arabia did not lack money, so what we provided them with technical know-how, human resources, and investment offers. We sent people to assist Saudi Arabia in infrastructure building. Besides, we sent agricultural technical mission team, and we also helped the country train police and royal guards. All of these are foreign assistance. Oil served as the economic propeller for Taiwan, so it even provided foreign aid to Kuwait and Jordan long time ago. This is more about the security concern. When we were in a diplomatic relationship with the US, the US hoped that we could do foreign assistance considering Taiwan's economic take-off. We had developed a lot in the economy, so the US did not have to conduct foreign aid all by itself. We started to give foreign aid to some African countries. In President Chen's term, we spent a large sum of money in ODA, and our foreign aid was jokingly called "dollar diplomacy." Before that, we not only provided money but also sent a lot of agricultural mission teams to African countries. Some of the mission teams even stayed there for a period of time after the end of diplomatic relations. China then copied our model of the agricultural mission team, and it sent agriculture technicians to those countries soon after they cut diplomatic ties with Taiwan. Regarding foreign aid, we do not have abundant material resources and what we can provide is the know-how and human resources. We also give developing countries spiritual supports and disaster relief aid. Our humanitarian aid after a disaster went far away to India, Haiti, and other developing countries no matter whether they had a diplomatic relations with us. In conclusion, Taiwan's foreign aid is motivated by the following four thoughts, moral principles, security concerns, the need to develop friendship with other countries, and the desire to increase Taiwan's visibility.

What do you think of Taiwan's strengths in terms of foreign aid?

Taiwan's strength is the managerial techniques, which is the know-how, in economic development, and we have the so-called soft power. Taiwan is an amazing case of starting nearly from zero. We successfully convert from a third world country into today's developed country, and we have unique developmental experiences to share with other developing countries. Despite natural environment limits, we can still make our country become developed and advanced. Our people are hard-working, and our government has the policies. We have good education and great human resources. Moreover, we have a sense of benevolence. All of these are our advantages, which is Taiwan's soft power.

What do you think of Taiwan's weaknesses in terms of foreign aid?

We have less hard power in comparison to soft power. The number of our diplomatic allies is low. Developing countries are not necessarily welcome Taiwan's foreign aid. Some reject us due to a lack of formal relations, and some may not appreciate our help even though they receive a lot from us. Besides, Taiwan appears to be excluded from the international society mostly due to Beijing's continued suppression. Some developing countries do not dare to accept foreign assistance from Taiwan though we are very willing to help them. These are our disadvantages. Now, our condition becomes worse and worse. People are obsessed with the "22K curse." It is shocking that the starting salary of a university graduate remained the same as it was 35 years ago. There has been no obvious GDP growth over the last 16 years. Some of the Southeast Asian countries such as Malaysia and Indonesia have been undergoing rapid economic growth. It pushes us to think about the following questions. How many resources do we have now and how much foreign aid can we afford within our capacity? Considering the fact that Taiwan is facing bleak prospects, we seem to puff ourselves up to look strong when it comes to foreign aid. Some of our neighbor countries continue to have good economic performance. Taiwan will definitely lose its shine if it is stuck with continuous stagnation. Finally, we may be in no position to provide aid and end up as a recipient country with an urgent need to foreign assistance.

Please provide suggestions to Taiwan's foreign aid.

The very first thing is to empower ourselves. We should try to recover our economy to make it shine again. When Taiwanese become rich and the government will be richer, too. Then, we can have more resources for foreign assistance. Taiwan's economy has been in recession for many years, and we have low expectations for our GDP growth. We are satisfied and feel it is enough when the annual growth is over 1%. But China is working hard to keep the figure as high as 7% to 8%. The U.S. still has about 2% or 3% GDP growth rate each year. Our government has been incapable of developing

economy or introducing good policies. Taiwan keeps losing foreign investment due to its unfriendly attitude and tight regulations toward foreign capital. Taiwan seems to close its doors and live in isolation. Our political condition is another reason that discourages foreign investment. The domestic political infighting is serious in Taiwan, and policies are so prone to change, almost in every four or eight years. For example, in 2009, former President Ma claimed Taiwan must sign ECFA, an economic agreement with China, but up to this time ECFA is still pending. Besides, cross-Straits relations are worsening, and foreign investors are worried about the possibility of military conflicts between China and Taiwan, which deters them from investing in Taiwan. When the foreign capital does not flow into Taiwan, our manufacturing and tech industries are stagnant, leading to a lower productivity. As a result, it is difficult for Taiwan to compete with its neighboring countries. What's worse, we are excluded from nearly all regional economic cooperation agreements. ASEAN plus three, includes ten ASEAN countries plus China, Japan, and Korea. RCEP involves ASEAN countries, China, Japan, Korea, India, Australia, and New Zealand. Taiwan is not in these two big economic integration organizations. Taiwan is not a member of the Asian economic bloc. For the same commodities, Taiwanese products will be taxed as much as 6% to 13%. Taiwan is forced to suffer from high tariffs because it is not in the regional trading blocs. Then, who will buy our products? We fail to join the economic cooperation network, and we have a decline in foreign trade. Taiwanese firms make less profits no matter they are in manufacturing or export-oriented industries. All of these give rise to the nation's 22K problem. The government has no clear policy and China-Taiwan relations fall to an all-time-low at the present time. We have no access to the regional economic integration framework, which has a lot to do with the terrible cross-strait relationship. More and more countries and international organizations boycott Taiwan under China's pressure. Taiwan is facing a series of challenges. Taiwan's sinking economy makes its people suffer a lot, and the government revenues decline. Given that, in Taiwan's case, there are some prerequisites for a better foreign aid performance. It is of crucial importance to boost our economy, improve our industrial standards, and stabilize cross-strait relationships. Once we ameliorate the conditions of our own country, we can enhance our capability with more money and resources in hand, and then we can move on to the discussion about foreign aid policy and strategy.

On the whole, what do you think of Korea's advantages and disadvantages?

Taiwan has cross-strait issues, but Korea does not have this kind of problem. Taiwan is facing a big China, which poses a big threat. Likewise, there has been a dispute between North and South Korea. Nevertheless, South Korea is much stronger than

North Korea. South Korea is now a well-known country, and it has diplomatic ties with nearly most of the world's countries. South Korea is three times as large as Taiwan and it has only 50 million people, but it has become a global economic superpower. It is very active in international affairs. It held the 1988 Olympics, and it has hosted G20 summits twice. Many first-tier global sporting events have taken place in South Korea. What's more, Ban Ki-moon, a Korean diplomat, had served two terms as UN Secretary-General for ten years. This means a lot to Korea. In his term, Mr. Ban controlled the U.N. budget and further enhanced Korea's status globally. In addition, Korea has full considerations to economic development, and its government has been supporting large corporate groups. Korea's ten largest enterprises contribute to as much as 60% of GDP. The Korean government pays full attention to the mighty conglomerates because a huge part of GDP can be ensured as long as these big firms perform well. Korea's economy and politics are intertwined. Korean government provides extra benefits, such as low-interest loans, and introduces policies beneficial to large companies. The success of these business giants can assure Korean people of a prosperous economy. When the Korean firms are expanding into overseas markets, its government plays an absolutely supportive role. For example, Korean government makes efforts to promote their domestic firms and arrange foreign press conferences to increase publicity around Korean brands. The phrase "from chips to ships" is used to describe Samsung's incredible productivity. Samsung devotes into numerous fields, smartphone, TV, hospitals, insurance, and so on. In general, the Korean government helps big companies flourish, and the Korean big businesses do a great job. They are highly competitive in the global market. So how can Taiwanese medium sized companies compete with them? Unlike Korea, we do not have good diplomatic ties with local countries as our strong backing. Korea's technology advances rapidly, and its big businesses devote a huge amount of money into research and development. One of Taiwan's major problem is that we do not invest much in R&D. Until now, we remain to be a manufacturer. Korea has built a lot of powerful national brands, and how many global brands have Taiwan created? Overall, the followings are Korea's core strengths, good global status and great foreign relations. Despite not having a large territory or sizable population, Korea has a stellar achievement and exerts a growing influence worldwide. Korea is about the size of China's Gansu province with a population of 50 million, but it shows overwhelming energy and power. It is even more impressive than some famous middle sized countries, for example, Australia and Canada. Canada has vast territories but a relatively few population, 22 million residents. Canada views itself as a world middle power, so it tends not to take in charge of any significant world events. This is a common sense that how much power you have decides how big things you do. Nonetheless, Korea is very aggressive. This

country is always trying to break through current situations and pursue bigger goals. As for Korea's disadvantages, it has fewer than Taiwan. Korea is politically unstable, and corruption has long been a problem among its officials. Korea's business conglomerates get the country into the "Chaebol" trouble. Corruption scandals have been surrounding Korean presidents all along. Mrs. Park, South Korea's first female President, was just removed from office due to corruption. There is an unhealthy relationship between politicians and businessmen. Family-run business groups make contributions in return for political favors. In fact, Korean big companies are the major growth driver of the country, and the whole of Korea is working in a united way.

From your perspective, what are the similarities and differences between Korea and Taiwan?

Korea and Taiwan were colonized by Japan before, and we were war-torn and poor countries. The two countries are not rich in natural resources. They are small countries by land area with a large amount of people. They are densely populated nations with hard-working citizens. I remember that when I was little Korea often sent delegates and experts to visit Taiwan in hope of learning from Taiwan's developmental experiences. In 1962, Taiwan started its first general economic development program, and then Korea did the same thing like us. Korea imitated a lot of development models from Taiwan, policies for small scale industries, science-based industrial parks, foreign trade areas, and so on. Korea has something in common with Taiwan, threat of communism and territorial disputes. Both of them received US aid long time ago. People in Korea have a shared sense of national identity. In contrast, there is still plenty of room for improvement of national consciousness in Taiwan. Internally, there is no union power due to the gap between pan-blue and pan-green camps. Former President Chen and President Tsai handled cross-strait relations terribly. Our economic policies constantly change, and the bad consequence is economic stagnation. In the period of KMT rule, Taiwan created the miracle of economic growth. Taiwan's economy had a dramatic deterioration under President Chen, and at that time our foreign aid was criticized as "cash-for-friendship diplomacy." It was said that Taiwan's foreign assistance money all went into the pocket of the authority of the recipient country, and the money was found to be squandered. This was disappointing and unacceptable. Today's frozen relations with China have an impact in our economy. Taiwan suffers a huge decline in Chinese tourists. Hotels, tour buses, tourist attractions, scenic spots, all of these tourism related industries were hit hard. The economy is worsening, and trade between China and Taiwan is plummeting. Concerned about the independence issue, China is trying to suffocate Taiwan's breathing space in the international arena. There is a high possibility that Taiwan may

not be allowed to attend this year's WHA (World Health Assembly) and ICAO (International Civil Aviation Organization). However, we had access to these global meetings under the Ma administration. I cannot say which president is better, or whether we should attend the events, but one thing is certain: Taiwan has nowhere to go regarding its bitter relationships with China. This is absolutely the reality. We should not keep stating it is all because of China's political oppression. Fundamentally, a long-running rivalry exists between Taiwan and China. Honestly, I have a lot of feelings to this. Korea is a united country and its people share common spirits and national identity. Precisely speaking, it has no external threats, in spite of North Korea's provocations. It is believed that North Korea will not go to war with South Korea. Nowadays, South Korea has become a global big power, and North Korea had no chance of winning. One is a rich developed country, while the other remains underdeveloped. Thus, South Korea has no big concerns, and it can concentrate on its further development. Unfortunately, the enduring cross-strait issues still troubles Taiwan. This is our major concern, but ironically, the Taiwanese government keeps the cross-strait relations deteriorating with no effective solutions.

S2

What did you major in at college and graduate school?

I majored in foreign affairs in college. I have a Master and PhD in political science.

In your view, what are the features of Taiwan's foreign aid?

Actually, Taiwan was doing and learning simultaneously. Precisely speaking, we started foreign aid in late 1970s, when we were at the early stage of exploring foreign aid. Aid sources came from the US financial aid, and our Foreign Ministry and Finance Ministry. During the 1970s, Taiwan's diplomatic allies were mainly in Africa, and at that point Taiwan's first concern was the UN seat. Accordingly, African nations are politically important to Taiwan. Additionally, Taiwan was heading toward industrialization from agriculture. Taiwan was considered to perform well in the agricultural sector, compared to its Asian peers. Countries on the African continent desired to develop agriculture because they must feed their people first, and Taiwan had its agricultural skills transferred as foreign assistance. With regard to foreign aid, primary industries, agriculture, fishing, forestry and medical care are Taiwan's comparative advantages. That is, we have a narrow focus on some specific sectors, and we do not work hard to develop other strengths. We perform well in agricultural and medical aid, but I think Taiwan's foreign aid has no other obvious features apart from this. Taiwanese government leads the foreign aid with the help from the common people. In the past, agricultural vocational schools and the agricultural

departments of several universities were engaged in foreign aid projects. Regarding medical aid, a large number of medical volunteers are needed. On the one hand, the government and the public have good cooperation, but on the other hand, it is very often that the government has to visit hospitals and medical centers one by one to plead for help in foreign aid programs. Not all the hospitals are so charitable that they are ready to travel far to an isolated island to give medical services, but we can't force them to do so because our government is not authoritarian. It appears to be a combined effort between the government and the civil society, but the truth is that the government has to try hard to convince the hospitals to join the aid network.

What do you think of Taiwan's strengths in terms of foreign aid?

We need to repay kindness to the world despite long-term international isolation. We view ourselves as a member of this global society, so we must take responsibility for that role. Our civil society has a strong goodwill. Taiwan ranks high in medical standards and. The civil society in Taiwan has a big role in foreign assistance. It is embarrassing to talk about our foreign disadvantages. Taiwan is overly focusing on diplomatic allies. It can be a good thing from a different point of view. China has nearly no influence in our foreign aid. China is not actively dealing with our diplomatic allies, so we can deliver foreign aid in our own ways. However, this advantage is sure to be gone without healthy China-Taiwan relations. Because of a lack of mutual recognition for each other, Taiwan's foreign aid behaviors to diplomatic allies are not affected by China. Still, Taiwan is under China's stress in countries with no formal ties with it. Taiwan donated a hundred thousand US dollars to the UN disaster-relief account for the 2004 Indian Ocean earthquake, but the money was returned. Clearly, it was because of China. Taiwan has very few diplomatic allies, and that means each ally matters. Foreign aid has become an important aspect in our foreign policies, so we seem to be more motivated and generous in terms of foreign aid. I cannot say we give a lot only due to political motives, but I think that is the major factor.

What do you think of Taiwan's disadvantages in terms of foreign aid?

Taiwan's foreign aid recipients are mostly diplomatic allies, and Taiwan is facing doubts about its benevolence. It makes no sense that a country gives disproportionately foreign aid to its diplomatic allies when it states it offers humanitarian aid? Taiwan's foreign aid behavior carries a strong political flavor, and it is hard for Taiwan to justify itself to the world. This is right the truth. Almost all countries give aid with political purposes, but their political intension is not that obvious. Taiwan uses foreign aid to maintain diplomatic relations, and sometimes

what it wants is different from what its recipient countries want. What the local leaders care is their influence and election results in their countries. Sometimes they want item A, while we think we can offer item B. There was a widening gap especially prior to Ma's diplomatic truce when we were often asked to completely follow the requirements of our recipient countries even though we told them we had our own plans and suggestions to them. A negotiation process is often needed for foreign aid, but some of our allies were very self-centered, so we were believed to hurt our partner countries' governance from the perspectives of some Western countries. We did not intend to do that, but we had to satisfy the local governments and cement relations due to a compromise between ideals and reality. Some people misinterpret "diplomatic truce" as "doing nothing." Under an unofficial diplomatic truce, Taiwan did not be involved in a diplomatic competition with China in the numbers of diplomatic allies in Ma's presidency. China stopped grabbing Taiwan's allies and Taiwan's goal was to keep the status quo and stabilize its diplomatic ties. We can lessen diplomatic tensions and use our resources more wisely. We still did what we had to do, but stop "buying" support from allies. The Ma administration announced a one-sided change in Taiwan's diplomatic course, and Beijing never commented on that. However, China seemed to become less aggressive and refrain itself from grabbing Taiwan's allies. It was reported that Beijing had declined diplomatic advances from some of our allies, and no big diplomatic incidents occurred during Ma's eight years except Gambia's move, but the end of diplomatic relations was basically due to a bilateral conflict between Taiwan and Gambia instead of the China factor. In the time of diplomatic truce, Taiwan could speak louder to our allies in foreign aid negotiations. "We still recommend you do what we suggest." We could raise our voice and speak firmly. We used to be in a weak position owing to the fear of losing diplomatic allies. We worried that our allies might turn to Beijing for a better deal. With a better China-Taiwan relationship, our allies were aware that Beijing had nearly zero interest in establishing diplomatic relations with them, so they would continue to stay connected with Taiwan and it seemed to be the best choice for them. We had no choice but to seek a diplomatic truce with China, and under that circumstance we could normalize our foreign relations. It may not be a perfect decision but it could a right choice. As for disadvantages, maybe now our allies will again put the bite on us for money concerning the worsening cross-straits relations. Frankly, we have a weaker immunity now. Another disadvantage is our enduring isolation from the mainstream society globally. We have no chance to interact with foreign governments or other foreign aid related groups. Thus, we progress slowly in our foreign aid competence and expertise. This is what we really need. This is an inevitable challenge caused by a very low level of international involvement. WHA,

ICAO, and the UN climate summit, these global level meetings are of great value to Taiwan. International engagement is a reason, but what is really important to Taiwan is to share and exchange ideas with other countries. Currently, Taiwan's foreign aid is integrated with its advantageous industries, for example, the long-term focus on medicine. I think now our foreign aid practices in fields like agriculture and fishing are being threatened by China, but Taiwan has other comparative advantages such as basic technology and technological facilities. Given that some of our allies are moving forward industrialization, we can help them in the establishment of export processing zones and industrial parks, and I know some of our allies are indeed considering this. Taiwan has gone through all the developmental stages, and we also had infrastructure projects for airports, ports, highways, etc. Taiwan is experienced in development, transportation, and management. Mega development projects may not be our strengths, but we are good enough to handle small and medium scale projects. In the near future, our allies are going to climb up the industrial ladders, so this is what we should think about now. We cannot keep following the traditional model of sending medical or agricultural technicians to the partner countries. Skills transfer has its limitation. Once the recipients learn the skills, they may start to do things by themselves instead of relying on the donors. Not long ago Tsai's government said Taiwan would not give in to any unacceptable demands from its diplomatic allies. I think this statement has no weight unless it is under two conditions, one is our relations with China and the other is our public attitude toward foreign aid. Stable cross-strait ties are the essential part of a diplomatic truce though China may not respond to this because it insists there is no diplomatic relations between us. To China, this is its domestic affairs, but we know China's silence can be an admission to diplomatic truce. After Tsai took office, some diplomatic issues happened. Taiwan lost Sao Tome and Taipei representative office in Nigeria was asked to move away from the capital city. Rumors surrounding some of Taiwan's allies are getting close to China, including Vatican, Nicaragua, and some Caribbean countries. Santa Lucia is believed to sever relations with Taiwan soon. These rumors may not be true, but they are not ungrounded. There are indications that Taiwan will face these diplomatic challenges. China is very likely to put more pressure on Taiwan as the cross-strait relations deteriorate. Through the events of "Sao Tome" and "Nigeria" China has revealed a message to Taiwan that it can hit Taiwan hard. Under the Ma administration, Taiwan was able to attend the UN world climate summit and ICAO, but now it can't. WHA will be held in this May and Taiwan is said to be forbidden to take part in. The Foreign Ministry said it was still in an ongoing effort. To be honest, I see little hope and I hold a pessimistic view toward it. China has so many tools to squeeze Taiwan's international space, and one of its tools is to convince Taiwan's

allies to switch allegiance to Beijing. So I think President Tsai should have thought about all the possible consequences of her statements about saying no to the diplomatic allies. She should have been more cautious. If China stripped Taiwan of its diplomatic allies, the legal status of Taiwan will definitely be questioned. A nation's sovereignty must be recognized by the entire world rather than a single country. Global recognition is a "must-have." Among 200 nations around the world, there are 21 of them recognize Taiwan as an independent country. We can say 21% of the world's countries admit the existence of Taiwan. But if we continue losing friends, we may face an extreme situation one day. When we have nearly zero diplomatic allies, our legal status as a sovereign country is sure to be challenged and China will become more dominant in global affairs. Cross-straits relations should be carefully considered when it comes to any changes of our foreign aid policies, and we had better be prepared for possible outcomes. Besides, whether Taiwan can sustain firm posture toward its allies depends on how its government conveys information about foreign aid to its people. The government has to explain the meaning and importance of foreign aid to the public. The significance of foreign aid is still in doubt. In our country, some people about foreign aid. Is it reasonable to give a lot of money to foreign countries when there are still many disadvantaged children in remote villages waiting for help? It seems we are putting the cart before the horse. Why should the government spend millions of US dollars on countries so far away from Taiwan? A survey of Association of Foreign Relations found that the majority of Taiwanese think of foreign aid negatively, which partly due to a lack of understanding about the international society. The government has to elaborate its foreign aid policies in order to facilitate public's comprehension of foreign aid issues, but there's still much room for improvement. A firm response to diplomatic allies could trigger a domino effect on breaking of official ties. Our people should be well-informed of the results. Honestly speaking, breaking off ties with Gambia and Sao Tome does not mean much to Taiwanese people, because some of our people even have no idea about these countries, but if it was Panama that severed ties with Taiwan, things would be totally different. Most people are aware of the strategic importance of the Panama Canal, and the diplomatic relations between the two has lasted for more than a century. Or if Vatican decided to sever ties with Taiwan, it would absolutely hurt the country's morale because Vatican is the only one European ally of Taiwan's. So, I suggest that the government should not say it that bluntly that it will strongly reject any greedy demands from diplomatic allies. The number of allies is important, but the strategic value of the countries is what really matters. To put it in a nutshell, the icy cross-straits ties pose a great danger to our foreign relations and threaten our legal status in the world. What's more, when the government chose not to satisfy the

demands of allies and our diplomatic relations were affected, what would the common people in Taiwan think of the Tsai administration and could the government afford it? Remember that elections will always put pressure on the government. These two factors should be seriously contemplated.

Please provide suggestions to Taiwan's foreign aid.

As a former member of the Foreign Affairs Committee, I had offered suggestions to the foreign affairs officials and had a long discussion with them. That was a private talk so I cannot reveal its details. In my opinion, there are many things we should do as far as foreign aid is concerned. First, our Foreign Ministry has to put more efforts and emphasis on skill development and capacity building. We should take every opportunity to dispatch our officials abroad for education training and global meetings related to foreign aid. Though we have little chance of global engagement, we can create chances for ourselves through our diplomatic allies. Besides, our government can send out invitations to most of the international aid organizations and their officials to Taipei and hold annual aid conferences. It is a practical way for our officials to become more familiar with the global mindset of foreign assistance. Moreover, we need more people to work in the Department of International Cooperation and Economic Affairs. Currently, this department has no more than twenty officials except for the director general and the deputy director general. If foreign aid is expected to be a focal point in our foreign affairs, a larger number of staff is necessary in order to handle those growing responsibilities. The government must recruit more professionals who have expertise in this field. Last, we should avoid being seen as a trouble-maker to our recipient countries, which means our foreign aid should not be the trigger for political instability and bad governance. Australia once harshly criticized Taiwan for violating the tenets of good governance in the South Pacific. Australia was helping this region to pursue good governance, but the country found that Taiwan's aid practices dangerously undermined its efforts. The negative voices became smaller and smaller during Ma's term. I think it was due to the publishing of the White Paper on Foreign Aid, which outlined Taiwan's foreign aid principles clearly. And Taiwan was adjusting aid practices in accordance with the guidelines. Previously, Taiwan's main goal in foreign aid appeared to please the local governments and deepen diplomatic ties, so it was very likely to cause a political mess or an abuse of aid resources.

On the whole, what do you think of Korea's advantages and disadvantages?

Korea has some distinct advantages. Koreans are upfront and energetic, getting things done very quickly. They set clear goals and spare no efforts to achieve them. There's

no national identity issue in this country. Koreans show a strong sense of nationalism and tend to stick together while dealing with foreign countries. Its national unity is much more impressive than Taiwan's. Our people have not reached a consensus on the identity issues between ROC and Taiwan. Second, Korea's economy is developing quickly. The more money they have, the more resources they have, and the easier things become. The Korea foundation can be a prominent example, and its size and scale cannot be matched by any of Taiwan's government funded organizations. It just specializes in academic and cultural affairs, but it has so many resources. When they have more money of course they can do more things and they can have big accomplishments. In the aftermath of the economic crisis, Korea's economic status has grown sharply and it is now belonged to the top-tier countries, so its officials have more confidence and higher horizons. In 2004, the Korean government conducted a special project designed to cultivate Korea's soft power and enhance its national image through educational and cultural exports. Up till the present time, Korean electronic products may not be considered to be the best, but Korean brands continue to grow globally, and "made in Korea" does have a certain reputation. All of these are wrapped together in Korea's foreign aid packages, so the recipient countries are more willing to accept Korea's foreign aid due to Korea's national branding success. Taiwan is not weak in this part, and it has the capability, but still more work is needed compared to Korea's aggressive action.

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What did you major in at college and graduate school?

I majored in Oriental language in college. I have a Master and PhD in East Asian studies.

In your view, what are the features of Taiwan's foreign aid?

Speaking of foreign aid, like most countries, national interests remain our top consideration. So far, our foreign aid policy aims at deepening diplomatic ties. Now, Taiwan is promoting the "go south" policy. In this manner, ASEAN countries are expected to be the targets of Taiwan's foreign aid. Taiwan needs smart thinking in foreign aid and makes foreign aid mutually beneficial. With one-sided deals, sometimes what we offer is not what the recipients need and sometimes the recipients do not appreciate our foreign aid. We should not make our partner countries feel that we are simply taking advantage of them, and we have to show our sincerity. If Taiwan's foreign aid is mainly beneficial to the heads or top officials in recipient countries, there will be suspicions of bribing administrators, and it can give rise to corruption, and finally the problems in our partner countries may be attributed to

Taiwan's ODA. Also, we may suddenly find our efforts are in vain due to the transfer of power in our allies. So, our contributions to the partner countries need to be seen. Japan does well in this. Japan is very active in investing in the human resources of its recipient countries, and later its domestic firms can expand presences in these countries and the local people will work as a bridge between the Japanese enterprises and the local communities. With the local human resources, Japanese firms can perform well in overseas marketing without fear of language and cultural barriers. The relationships among Japan, Japan's business industry, and its partner countries will be balanced and reciprocal. This model is worth learning. We can assist our allies in human resources development, which is a good way to help Taiwanese companies prepare for overseas expansion. We help recipient countries advanced their human resources and their workforce can work for Taiwanese firms. I think we must broaden our horizons and try to be far-sighted. If foreign aid is considered both from the positions of the government and the business community, then the business leaders will be more than happy to take part in because they know they will have certain interests. An ideal foreign aid project should be long-term and seen in a good light by the governments and the civil societies of the donor and recipient countries. A donor country should not make its recipient country feel that it just comes for the recipient's resources and will leave right after the objectives achieved. In terms of foreign aid, Taiwan should do more with less. We cannot make allies feel we just give money to maintain diplomatic relations, and we do not have to worry about the amount of money. In the planning process, our government should not be the sole actor, and various professionals from business, industry, and academia should be involved. Aside from Foreign Ministry, more official departments should be engaged such as Finance Ministry, Bureau of Foreign Trade, Science and Technology Ministry, and so on. This can lead to an overall, comprehensive plan for foreign aid. Either short-term or big-budget projects are no longer effective in today's competitive world society.

What do you think of Taiwan's advantages and disadvantages in terms of foreign aid?

Taiwan is a developed country with advanced skills and high quality human resources. In academia, Taiwanese professors are considered to be excellent according to international standard. Money is Taiwan's disadvantage. How much this country can give in foreign aid is the problem. Similar to most developed countries, Taiwan has been stuck with low economic growth. Worsening economic conditions lead to a shrinking budget in foreign aid. When it comes to money, Taiwan has nothing against other nations, such as China. China's foreign aid has a strong presence around the world. Taiwan has difficulty competing with China in aid spending, but Taiwan does

have some essential strengths. Taiwan can focus on human resources investment and help partner countries to develop their economies and create job opportunities. This may be something that China hasn't paid much attention to. Taiwan should develop multi-dimensional skills in foreign aid instead of relying on a single-window system. The quantity of money is a narrow and limited criterion. Taiwan should put more efforts to advance diplomatic and negotiating skills, improve understanding of the needs and priorities of recipient countries, so as to convince them Taiwan is the right partner for them to work with in foreign aid.

Please provide suggestions to Taiwan's foreign aid.

Basically, no matter who is the ruling party, our government's role in foreign aid is not as supportive as China's, and our civil society is not as powerful as Korea's. Korean and Japanese enterprises are big supporters of their countries' foreign aid. Regarding the size and scale of foreign assistance, Taiwan cannot surpass China, Japan, and Korea. The very first thing we should do is to think about the real needs of partner countries, and make the recipients believe Taiwan is contributing to their national development and Taiwan is not a money squanderer. I think a full understanding of recipient countries is very necessary, and our diplomats bear primary responsibility for this. Taiwan can associate its foreign aid with domestic industries by integrating the strengths of Taiwan and its partner countries in order to reach a mutually satisfactory result. We have to manage foreign aid in this manner. Besides, we have to realize the foundation of diplomatic relationships is real-friendship rather than money, and we need to assure our partner countries that we sincerely want to help them and they are under no pressure.

Are there any other suggestions to Taiwan's foreign aid?

Strictly speaking, there's no big problem in Taiwan's foreign aid, except money. If a country considers money a single measurement of bilateral relationships, then we can never satisfy it or stop it from seeking relations with China. Just like the broken relationship of a couple, one will definitely leave the other no matter what happened because the feelings of love have faded away. So, it makes no sense for us to keep spending money on this kind of partners since we know sooner or later they will change allegiance in pursuit of more profits. Therefore, we should emphasize on different aspects, for example, common values like freedom and democracy. We have to set a good example to our partner countries and show them the outstanding economic performance as a developed country. Taiwan has better human resources than China and it has a good connection with the Western world, such as the US and the Europe. Taiwan should integrate these resources and utilize them with the

intention of being more strategic in international relations. Spending too much money on foreign aid is of little use, the key is whether we can conduct foreign aid wisely. What's more, shared interests of the government and the business community are what really matter. Aside from diplomats and officials, foreign aid requires various professionals. Experienced diplomats may have just a little understanding of local circumstances, and some of them may lack language skills or economic expertise. That's why we need more outsiders, for instance, overseas Taiwanese companies or overseas Taiwanese in Taiwan's possible recipient countries. We can seek their advice and cooperate with them. If Taiwan is able to integrate efforts from the government and the business sector along with the civil community and adopt strategic foreign policies, its foreign aid will become a powerful tool despite having less money. In some cases that we spend much money, but the money is controlled by local leaders and local people do not see or feel anything. This type of foreign aid is not beneficial to the public and of course it is of little use to establish or strengthen bilateral relations between the donor and recipient countries. We should be aware of the political, social, economic, and cultural contexts in our partner countries. All information should be under our control and we have to take into account all these factors in order to create customized aid projects for each individual recipient country since there is certainly no one size fits all approach.

On the whole, what do you think of Korea's advantages and disadvantages?

In Korea, there are close ties between the government and business conglomerates. This kind of relations give rise to some issues though, basically the Korean government and its business groups have more consistent stances and interests, so the government is able to get more resources from the civil community. In politics, Korea has good foreign relations while North Korea is viewed as a failed state worldwide. Korea has a global reputation and rising popularity due to the US-South Korea alliance and Korea's own accomplishments. South Korea is incredible having achieved so much as a small country. Taiwan may find itself at a disadvantage compared to Korea in those mentioned above. Taiwan is a small, but it has developed to a certain degree, and it is likely to have a hopeful and bright future as long as the Taiwanese government is far-sighted and able to have the overall planning for a wiser use of resources with the country. In my view, money is not a decisive factor in foreign aid, what matters are the outcomes produced, whether it is positive or negative. One thing is for sure, quality is more important than quantity, so I do not think Taiwan will lose to Korea. South Korea undoubtedly surpasses North Korea regarding national power, so it is much easier for South Korea to foster diplomatic relations. In contrast, Taiwan is facing many political challenges. I think Taiwan should not

overemphasize the importance of diplomacy while handling foreign relations. We should show other countries that we are ready to build friendships with complete sincerity instead of pure political intentions, and the relationships developed in this manner can be stable and strong enough to counter possible Chinese threats. Intergovernmental relations are like conjugal relationships in which money matters but not the most important. Indeed, there are poor couples loving each other wholeheartedly and living happily. The key point is the feelings. Sincerity of friendship will lead to unwavering loyalty and enduring relationships. Developing relations with a strong sense of purpose causes weak relationships. Taiwan has to lighten the political burden on foreign aid and do not always put top priority on diplomacy, or it is forced to join a money competition and get its image fixed as a money waster. It is unwise to waste our money on some countries that are obsessed by money, and we can spare the money to find better allies. When it comes to foreign aid, it is better to consider issues from the perspectives of others considering that today's diplomacy has less to do with self-interest. When you think too much about your own profits, it will create an extremely high liability limit because you need others to do something for you and your partners may see the dependence as a bargaining chip, which leaves little room for negotiation. When your partners feel you are having them as part of your goal, they will evaluate bilateral relationships mainly from a financial perspective. Once everything becomes money-centered, there's a low level of trust and a high level of uncertainty over future relations. Moreover, we should deepen our partner countries' emotional connection with us to develop long-lasting cross-border friendships. This method is time and effort consuming, but this is absolutely what we can do.

What can Taiwan learn from Korea's foreign aid?

Overall, Koreans exhibit a strong sense of national spirit and its government-private sector cooperation is essential to the nation's success. Korean citizens abroad often stand together with a shared national pride, and they are there to help conduct their country's aid programs. Sadly, there is a sense of division among Taiwanese citizens living abroad. Some identify themselves as Taiwanese, and still some insist they are Chinese. Our people are not on the same page on this basic issue of national recognition, which remains a very complicated problem. It is confusing to our government regarding the question of whether the country should take care of all the overseas Chinese or only overseas Taiwanese. This problem does not exist in South Korea since nearly no South Koreans claim they support North Korea. Things are very different to Taiwan, because China's strategic rise has put Taiwan in harsh conditions. China is so influential that it is even expected to replace the US as the

world's greatest economic power in the near future. Thus, we should abandon unrealistic ideas such as spending a record amount of money on foreign aid. The followings are my advice. First Taiwanese should be more united and remember that obstacles always come with internal disagreements and conflicts. Second our government need to understand the industry leaders' mindset rather than invite the business community to join aid projects with no strong incentives offered. Having no shared interests discourages the industry to work with the government in foreign aid. It should be noted that personnel connection is not the only way to involve the private sector in aid practices. To be honest, it is hard to make an aid program successful unless it is a win-win for both parties, which are the government and the industry. It is necessary for government officials and business leaders to sit down for discussion and try to find common ground on program objectives and mutual interest. This way, every actor in the aid project will do their best and that can maximize the effectiveness and efficiency.

