

KNOWLEDGE SHARING, GROWTH, AND SUSTAINABILITY: Focusing on the Bolivia KSP Case

Youngrok Kim and Eunji Kim♦

Abstract: Korea's Knowledge Sharing Programme (KSP) plays a crucial role in moving beyond rudimentary development aid toward the era of sustainability by establishing global partnerships. Within this framework, at the request of the Bolivian government to the Korean government, KSP Bolivia was conducted, focusing on the development of the fiscal rules for the Bolivian budget management. Korea analysed Bolivia's various economic indicators to identify the current issues in the Bolivian national economy and to suggest appropriate fiscal rules to address such issues. In conclusion, this study emphasises the importance of the KSP's role in promoting global sustainability through partnerships. In particular, through this study, it was confirmed that the KSP is deeply related to the resolutions and agenda of the Sustainable Development Goals (SDG).

Keywords: Developing Countries, Empirical Analysis, Fiscal Rule, Incremental Development, Pooled OLS, Sustainability.

1. Introduction

Recently, the sharing of knowledge that is distinguished from the existing physical aid in the world has emerged as a new development cooperation method. Korea is also actively participating in sharing development experiences. The Knowledge Sharing Programme (KSP) aims to help developing countries develop themselves by building soft infrastructures such as laws and institutions. When local knowledge of one region or era is shared with another region or era,

♦**Dr Youngrok Kim** is Professor of Kangwon National University and participated in 2013 Knowledge Sharing Programme with Bolivia as a policy advisory team. Email: yrkim0425@kangwon.ac.kr

Dr Eunji Kim is Associate Professor of Kunsan National University. Email: ejkimstyle@gmail.com. This study was supported by 2018 Research Grant from Kangwon National University.

for the shared knowledge to be useful to the subject being shared, it needs to be converted into knowledge appropriate to that region or era. Although the primary purpose of the KSP is to achieve the above effects, it is also expected to support Korean companies' entry into overseas markets by linking them with subsequent projects such as industry, trade, construction, and infrastructure from the ordering stage. In addition, in carrying out the project, business forums, meetings, etc., are linked to improving the investment environment of partner countries and ways to enter the enterprise.

The Bolivian KSP project was first implemented in 2011 for the purpose of presenting a policy alternative for Bolivia's mid-term fiscal stabilisation. In 2013, the project was established as an extension of the 2011 project, with the goal of 'The Stability of Public Finance,' through three focus areas: ① establishing an early warning system, ② developing financial rules for Bolivian budget management, and ③ establishing an integrated financial management system. Also, for this purpose, through the MoU between the Bolivian Ministry of Economy and Finance and the Korean Ministry of Strategy and Finance, it was planned to support research through closer cooperation to develop financial rules for Bolivian budget management. This essay further explains Bolivia's economic and social impact through KSP and clarifies the contents of this programme prescribed by the Korean government and its effects.

The background review introduces an overview of the KSP programme and explains the programme's composition applied to Bolivia. In particular, it reveals the relationship between fiscal rules and economic growth. The following section of the paper diagnoses Bolivia's socio-economic status and details the contents of the programme prescribed by the Korean government. Bolivia's socio-economic status at the time the KSP programme was progressing. In the next section, through empirical analysis, the essay shows how the KSP programme affected the Bolivian economy and compares it with the case of other countries where the KSP programme was conducted at the same time. In conclusion, the relationship between the KSP programme and the sustainable relationship is considered, demonstrating the importance of global partnerships for sustainable prosperity with empirical evidence.

2. Overview of KSP

"Knowledge Sharing Programme (KSP) is a platform for development cooperation, aiming to share knowledge with partner countries and develop a solid foundation for the expansion of economic and political cooperation" (KSP). Knowledge is a major driving force for innovation and growth, and its importance has been emphasised from the information and communications technology revolution of the late 20th century. Knowledge is also a critical factor in strengthening the effectiveness of development cooperation by building ownership and enabling environments. Knowledge sharing offers opportunities to build close partnerships based on mutual learning and promotes sustainable prosperity through its commitment to Sustainable Development Goals (SDGs). In particular, KSP is deeply contributing to resolving economic inequality between countries (SDG 10) through knowledge-based sustainable growth partnerships (SDG 16). Sharing knowledge is a very ethical way to promote sustainable development and a sense of unity among the nations.

Korea was an underdeveloped country in 1948, but through international aid and its own efforts to build a sustainable foundation for growth, the country has eradicated poverty and has achieved a remarkable socio-economic transition, becoming one of the leading global economies. Korea joined the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee in 2010, making its official transformation from an aid recipient into a donor nation. Korea's development experience contains practical solutions accumulated through creative planning and effective implementations, and such knowledge is a great asset for developing countries to address development challenges and promote sustainable growth (Ahn 97).

The Korean Ministry of Economy and Finance launched KSP in 2004 to meet the rising demand for deriving policy implications of the Korean development model and contribute to sustainable prosperity abroad. Korea has since served as a leading source of knowledge sharing by conducting the KSP with over 76 countries and has promoted the concept of knowledge-based cooperation and hosted the G-20 Seoul Summit in 2010 and the Fourth High-Level Forum on Aid Effectiveness Busan in 2011. Since then, the KSP programme is currently in partnership with 11 international organisations, including the UN and 87 countries. In addition, 584

national projects have been completed or are in progress.

The table below shows the types and numbers of KSP programmes currently in progress.

Main category	Subcategory (project by sectors)	number
Economic policies	Micro financial policies	38
	Science & technology	111
	Rural development	40
	Culture, sports, and tourism	8
	Economic development planning	88
	Industrial and trade policies	162
	Territorial development	94
Social policies	Human resource development	59
	Labour market	15
	Health and welfare	25
	Environment	51
Public sector	Public finance	75
	Public administration	111

Table 1. Categories and Projects of KSP (KSP)

The thirteen KSP projects are broadly divided into three: Economic policies, Social policies, and Public sectors. Most of the projects in KSP are on industrial and trade policies, science and technology public administration, and territorial development. The KSP for Bolivia focussed primarily on economic development planning, public finance, and public administration.

The Bolivian government collected policy requests from each ministry and sent them to the Korean government. Detailed surveys were conducted. A delegation of high-level policy-makers, researchers, academics, and private practitioners led by PM visited the Bolivian Ministry of Finance and Economy, the Central Bank, and the Export-Import Bank of Bolivia to understand the current state of the Bolivian government's financial system and to identify specific demands. Ministry of Strategy and Finance and KDI(Korea Development Institute) supported the demands, based on demand reviews, written by the Bolivian Ministry of Economy and Finance. The Korean Government chose three topics as the focus area of KSP: ① establishing an early warning system, ② developing fiscal rules for Bolivian budget management, and ③ establishing an integrated financial management

system. First, an early warning system plays an essential role in notifying a national financial crisis in advance. Second, Fiscal rules play the role of legally controlling the total amount of finance. Third, an integrated financial management system plays a role in confirming the performance of expenditure and conducting monitoring. The KSP partnership aims to increase and drive Bolivia’s fiscal sustainability through the cumulated effect of these three focus areas.

In addition, the researchers interviewed policy managers and practitioners related to the subject of the KSP project, and selected local experts to discuss the research direction and co-operative methods for future projects. The Bolivian Ministry of Economy and Finance was also involved at every step. A partnership between the two countries was established in this process, and the foundation for sustainable cooperation was laid. In order to grasp the demands of the Bolivian government and to plan for KSP 2013 the interests of related ministries were coordinated, and the research topics were determined as shown in Table 2 below.

Title		KSP 2013 Bolivian Policy Advisory		
I. Nominated Subject	Demand Question naire Receipt and Content	The Korean Government’s Review of the Bolivian Government’s Request		
		Department	Proposal Subject	
		Ministry of Economy and Public Finance	I) System Implementation of Financial Early Warning System(EWS) Indicators i) Regular assessment of financial indicators related to EWS ii) Methodology elaboration of financial indicators related to EWS	
			II. Develop Fiscal Rules for the Budget Management in Bolivia i) Evaluation and diagnosis of status about financial resources management ii) Design and development of methodology related to fiscal rules for budgetary management	

		<p>III. Monitoring related to health, education, and basic hygiene, and managing and practising the evaluation system</p> <ul style="list-style-type: none"> i) Monitoring the area of health, education, and basic hygiene through the evaluation management, and elaboration of the evaluation system ii) Monitoring the pest management, designing the evaluation method and elaboration of its building iii) Monitoring based on methodology, designing, and elaboration of practice <p>IV. Social policy impact assessment related to poverty reduction</p> <ul style="list-style-type: none"> i) Research and analysis of social policy ii) Suggestion a guideline for new social policy development related to poverty reduction <p>V. Designing and building of integrated development policy for the strength of public enterprises</p> <ul style="list-style-type: none"> i) Methodology development for designing and building of public enterprises' development policy ii) Follow-up development of optimisation of chemical fuel, mining, electricity, manufacturing, and agriculture <p>VI. Support the financial management system</p> <ul style="list-style-type: none"> i) Spread of the Korean financial system <ul style="list-style-type: none"> ① Multi-year budgeting and planning ② Sharing information of inter-system ③ Security standard ④ Using of documents and electronic signature ⑤ Realisation of management information system ⑥ Realisation of the simulation system
--	--	--

		ii) Suggest an improvement of a Bolivian financial system based on the Korean financial system
II. Final Subject Selection Process	※ The final subject of KSP 2013 for the Bolivian government	
	The Subject of a Proposition	
	I. System Implementation of Financial Early Warning Indicators i) Design of Financial Early Warning Indicators ii) Regular assessment of financial indicators related to EWS iii) Methodology elaboration of financial indicators related to EWS	
	II. Develop Fiscal Rules for the Budget Management in Bolivia i) Evaluation and diagnosis of status about financial resources management ii) Design and development of methodology related to fiscal rules for budgetary management	
	III. Support for Public Management System i) Spread of the Korean financial system ① Multi-year budgeting and planning ② Sharing information of inter-system ③ Security standard ④ Using of documents and electronic signature ⑤ Realisation of management information system ⑥ Realisation of the simulation system ii) Suggest an improvement of a Bolivian financial system based on Korean financial system	

Table 2: KSP 2013 for the Bolivian government (KDI 16)

3. Fiscal Rules and Economic Growth

Before World War II, developed countries considered the balanced budget rule as a standard. After World War II, spending-biased public policy was the priority because each country's demand for economic development and social welfare increased. Structural fiscal deficit occurs as tax cuts and spending-biased public policies continued after 1970. As of March 2012, 76 countries introduced fiscal rules, specific limits or objectives as permanent constraints on fiscal policy expressed as aggregate financial indicators. Countries in Latin America and some nations in Africa combined fiscal rules

(expenditure and budget balance rule). Fiscal rules have the advantage of correcting the distorted motives of policy setting in theory. The distorted motivation is caused mainly by the government's short-sighted policies, especially during the election periods. By correcting the distorted motives of policy setting, it will be possible to secure fiscal discipline and ensure macroeconomic stability and reliability of government policies.

The IMF (2014) divides fiscal rules into four types (refer to Table 3) according to budget constraints, the purpose of the rules, operating standards, and transparency. The first debt rule is to set the standard of public debt, such as a certain percentage of GDP. An effective way to match the debt target is relatively easy, but it takes a fair amount of time for a debt-level decision to affect budget action. It also has the disadvantage that debts are also affected by agencies that are outside of government control. Second, the budget balance rule appears as a total budget, structural or economically adjusted balance. The financial balance rule has a disadvantage because the rule applies to the entire economic cycle and curative measures appear at the end of the game. On the other hand, interest rates, etc., are not directly under the control of policy-makers on expenditure items, but the rigours of expenditure make it difficult to achieve short-term goals. Third, the expenditure rule sets the total expenditure limit, nominal, real expenditure limit by sector, and nominal real expenditure growth rate. In other words, it is a rule to prevent unnecessary spending in advance by pre-determining the amount of government spending. These limits are typically set in absolute or growth rates, sometimes as a percentage of GDP, and range over the next three to five years. Fourth, the revenue rule is to establish ceilings or minimums of revenues and enact revenue security or prevent excessive tax burden. Public debt is not directly controlled, as most are not restricted. Determining the limits or minimum levels of revenues is mostly driven by the business cycle. The use of these fiscal rules together helps achieve the various goals of fiscal stability. For example, when debt rules are combined with spending rules, they can lead to debt sustainability, supporting policy-makers with short-term operational decisions.

Type of rule	Merits	Demerits	Selected countries
--------------	--------	----------	--------------------

Debt Rule	<ul style="list-style-type: none"> • Direct link to debt sustainability • Easy to communicate and monitor 	<ul style="list-style-type: none"> • No economic stabilisation feature • No clear operational guidance • Rule could be met via temporary measures • Debt could be affected by out of controlled variables 	Israel, Serbia, Poland, Slovakia, UK, etc.
Budget balance Rule	<ul style="list-style-type: none"> • Clear operational guidance • Close link to debt sustainability • Easy to communicate and monitor 	<ul style="list-style-type: none"> • No economic stabilisation feature • Headline balance could be affected by developments outside the control of the Gov. 	Israel, Indonesia, etc.
Expenditure Rule	<ul style="list-style-type: none"> • Clear operational guidance • Allows for economic stabilisation • Steers the size of government • Easy to communicate and monitor 	<ul style="list-style-type: none"> • Not directly linked to debt sustainability since no constraint on the revenue side • Could lead to unwanted changes in the distribution of spending 	Ecuador, Israel, Japan, Poland, Rumania, Spain, USA, etc.
Revenue Rule	<ul style="list-style-type: none"> • Steers the size of government • Can improve revenue policy 	<ul style="list-style-type: none"> • Pro-cyclical • Not directly linked to debt sustainability since no constraint on the expenditure side 	Netherlands, France, Kenya, Australia, etc.

Table 3. Merits and Demerits of Types of Rules and Countries (KDI 59)

4. An Overview of KSP Bolivia¹

The Bolivian government has concluded that the Neoliberalism model has failed in Bolivia and developed an economic model tailored to domestic reality (KSP 62). In 2006, the Bolivian government introduced new economic, social, community, and production models

¹This section is in the KSP in Bolivia 2013 report which the lead author participated in as an advisor (Ministerio de Economía y Finanzas Públicas).

that promote economic integration for sustainable economic and social growth and development. In the model, the government distributes wealth (KSP 62), and the private sector generates income and jobs and produces goods and services. Communities and co-operatives produce production and create jobs according to the principles of co-operatives and co-operatives (KSP 62).



Table 4. Vision concept diagram of KSP programme (KSP)

The KSP programme shares knowledge related to social and economic policies such as health, education, culture, and reinvestment. This is to share the experience of success with other partner countries and to induce prosperity of the country, the region, the private sector, and the country as a whole.

Bolivia’s plural economy model aims to achieve economic growth and development by industrialising natural resources to generate an economic surplus to benefit the Bolivian people. The economic surplus gained is redistributed through social policies of health, education, culture, reinvestment, etc. (KSP 63). The Bolivian economy has continued to grow steadily since 2000, supported by the continued rise in international raw material prices.

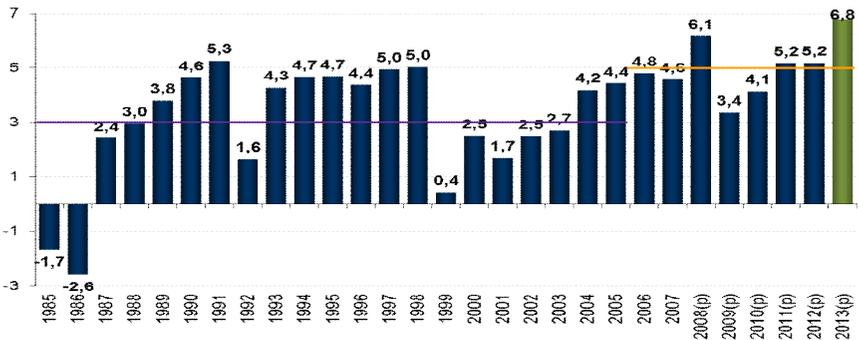


Table 5. GDP growth in Bolivia before 2013 (IMF)

5. Budgeting System in Bolivia and Policy Guidelines

Though Bolivia recorded a budget deficit between 1999 and 2005, it has maintained a surplus since 2006. The Consolidated Budget basically includes the non-financial public sector, consisting of the general government and non-financial public institutions, excluding financial institutions such as the central bank (KDI 64). This is characteristic of an economic structure heavily affected by the commodity price trend. Therefore, the Bolivian economy may need policies to mitigate the effect of fluctuations in commodity prices. Bolivia's current account balance reached US\$ 12,043 million in 2013. During the neoliberal period (1998 – 2005), the annual average trade deficit was 1.8%, but from 2006 to 2013, the annual average recorded a 6.8% surplus (KDI 68). This was one of the higher trade balance records among Central and South American countries.

The Ministry of Finance, Bolivia's central budgeting body, was established in 1826 under the Provisional Regulatory Act. Currently, through the 2009 Supreme Decree 29894, the organisational structure of the administrative bodies of multinational states sets the current authority of the Ministry of Economy and Finance, which divides its functions into the Budget area responsible for budgeting and changing, and the Ministry of Finance and public credit sector responsible for budget execution and follow-up, management and valuation of public debt. And finally, an accounting area is dedicated to recording public sector budget, financial, economic, and asset management.

According to the Bolivian Constitution, the enforcement institution should submit a budget bill to Congress at least two months prior to

the end of the fiscal year (article 321; KSP 76). The budget bill includes every public institution. The government submits a report on the administration's capital and expenditures to the first regular meeting on 1 September each year. Bolivia's budget process is divided into four stages: Formulation takes place from August to October; the legislation will then be discussed and approved from November to December; the adopted budget will be executed from 1 January to 31 December; and quarterly control and valuation procedures, ending the 31 December budget.

The first stage of the formulation is setting up the annual budget management plan into acquiring public goods and services (purpose, target, workload). The maximum budget cap is appropriated by total personnel and other costs (KSP 77). An important requirement for budget formulation is to use budget classifications to create information databases such as budget, accounting and assets and then put the financial integration system into practical use. The Ministers' meeting approves budgeting guidelines and budget classifications. And they evaluate the profits of the central public sector, submit a document on budgeting for the public sector, and advise each department on budgeting for the institution. The contents created at the formulation stage has to be refined with economic, financial, and other points.

As a result of analysing the economic environment of Bolivia, such as tax revenue, spending structure, and economic status, the following suggestions were made. And, Bolivia's tax revenue and expenditure structures have characteristics as below. First, public enterprises played a major role taking up around 50% of both revenue and expenditure. Second, Bolivia's tax revenue is gradually increasing since the introduction of Direct Tax on Hydrocarbons (IDH) in 2005. Third, Bolivia's consolidated budget has maintained a surplus trend since 2006. Government debt is not very high either. This is directly related to the commodities price hike and improved export conditions and is in line with the current surplus trend, which started in 2003(KDI 2013; 79).

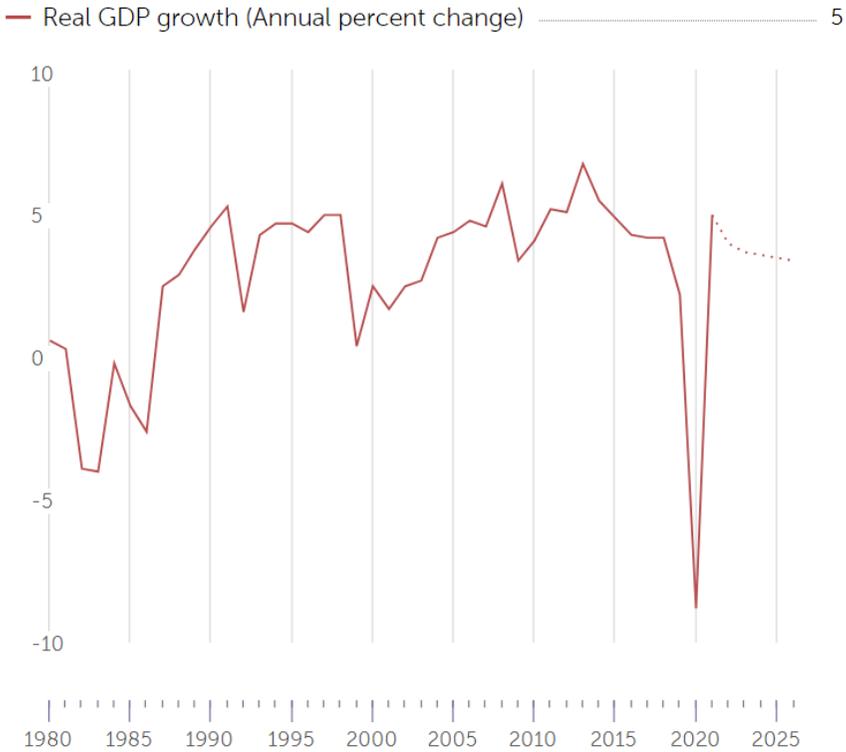


Table 6. GDP growth in Bolivia by 2021 (IMF)

The KSP programme is a long-term programme, and it is difficult to expect immediate effects. Rather, Bolivia’s economy is in recession due to COVID 19 and the political crisis. However, it is recovering somewhat in 2021 due to the expansion of public spending.

In particular, the Bolivian economy has grown steadily since 2013 after the KSP programme. At that time, the Evo Morales regime nationalised the natural gas business and invested the profits in social welfare policies. Expansion of social welfare investment is also a proposal of KSP. Since 2013, Bolivia’s poverty rate has improved significantly. In addition, the Gini coefficient,² which indicates the degree of economic inequality in society as a whole, improved significantly to 0.422 in 2018 compared to 2013 (refer to Table 7). In conclusion, it can be seen that Bolivia’s economy has gradually developed since 2013 after the KSP programme and inequality has

²The Gini’s coefficient is a measure of the inequality of distribution, a value of 0 expressing total equality and a value of 1 maximal inequality.

been improving.

	Bolivia poverty rate	Gini's coefficient
2013	25.80 %	0.585
2019	19.90 %	0.422

Table 7. 2013-2019 Bolivia's Poverty Rate and Degree of Inequality

6. Empirical Analysis

This section analyses how the KSP Bolivian programme affected the Bolivian economy from 2008 to 2018. The results of OLS analysis with the KSP dummy variable as the independent variable, the current account and short-term debt as dependent variables, and economic and social variables such as GDP growth rate and population as control variables are as follows.

Dependent Variable: Current Account (GDP ratio, %)			
	Model 1	Model 2	Model 3
KSP Dummy (As of 2013)	3.832 (4.209)	-8.316* (4.167)	-7.953* (4.167)
GDP Growth rate (%)	-0.177 (1.268)	3.035* (1.429)	2.811* (1.464)
Population	1443.119*** (375.701)		33.395 (40.988)
Unemployment Rate (Economic Activity ratio %)	2.703 (2.082)	0.780 (3.032)	0.981 (3.010)
Current Medical Expenses	-10.506** (3.715)	-4.584 (5.070)	-5.512 (5.141)
National Defence Expenses	-2.423 (4.540)	-2.404 (6.811)	-1.989 (6.726)
Time trend	-23.364*** (6.210)	0.424 (0.686)	
Constant term	-22014.31*** (5730.63)	-2.331 (31.801)	-514.289 (639.635)
N	18	18	18

Note: * p<0.1; ** p<0.05; *** p<0.01

Table 8. Bolivia OLS Analysis Result: Current Account

In order to check the influence of the independent variable on the dependent variable, the model was analysed with different control

variables.³ This work can be understood as estimating in various ways by adjusting the variables for the robustness of the model. As a result of analysing different models, it was possible to derive consistent estimation results.

Dependent Variable: Short-term debt (Foreign debt ratio, %)			
	Model 1	Model 2	Model 3
KSP Dummy (As of 2013)	0.052 (3.319)	-0.021 (2.088)	-0.090 (2.114)
GDP Growth rate (%)	-0.785 (1.000)	-0.765 (0.716)	-0.749 (0.743)
Population	8.674 (296.239)		-8.327 (20.798)
Unemployment Rate (Economic Activity ratio %)	-1.272 (1.642)	-1.284 (1.520)	-1.293 (1.527)
Current Medical Expenses (GDP ratio, %)	-0.355 (2.929)	-0.319 (2.541)	-0.295 (2.609)
National Defence Expenses (GDP ratio, %)	-3.259 (3.580)	-3.259 (3.414)	-3.254 (3.413)
Time trend	-0.282 (4.896)	-0.139 (0.344)	
constant term	-105.764	26.542	153.530

³Regression analysis is to model the relationship between the input variable (X) and the output variable (Y) for $Y=f(X)$. The degree of influence of the independent variable X on the dependent variable Y is analyzed. In this study, X corresponds to KSP and Y corresponds to the economic growth rate. Population, Unemployment Rate, Current Medical Expenses, and National Defense Expenses variables are control variables that are considered to have an effect on the influence of the x variable on the y variable, and were selected by referring to existing studies on economic growth. *p<0.1; **p<0.05; ***P<0.01 indicates statistical significance. Statistical significance is a method for the researcher to determine whether the analysis result is an accidental occurrence or an extreme that cannot happen by chance. An outcome is said to be statistically significant if it lies outside of the variability that can occur by chance.

	(4518.577)	(15.938)	(324.556)
N	18	18	18
Note: * p<0.1; ** p<0.05; *** p<0.01			

Table 9. Bolivia OLS Analysis Result: Short-term debt

As a result of empirical analysis with the KSP dummy variable as an independent variable, no statistically significant results were obtained. Rather than showing the intended effect in the short term, the initial conditions and historical experience before the implementation of the system depended on the speed and the depth of system implementation. This was also pointed out in related previous studies (Dawrowski; Aristei and Perugini). As a result of classifying the level of economic development according to the World Bank’s income classification criteria (WGI index) in 2015, Bolivia is in a low-middle and low-level institutional development stage, and development does not appear to have been achieved. In order to achieve sustainable growth beyond a certain level, institutional development can act as a very important factor. Additional regression analyses were performed in Indonesia, Mongolia, and Vietnam, which received Korean KSP programmes at the same time as Bolivia, through the Pooled OLS method.

Dependent Variable: Current Account (GDP ratio, %)			
	Pooled OLS	FE	RE
KSP Dummy (As of 2012)	0.884 (4.061)	3.627 (4.014)	0.884 (4.061)
GDP Growth rate (%)	-1.004** (0.417)	-1.427*** (0.429)	-1.004** (0.417)
Population	4.312*** (0.927)	-227.966** (97.009)	4.312*** (0.927)
Unemployment Rate (Economic Activity ratio %)	4.737*** (1.162)	4.761*** (1.204)	4.737*** (1.162)
Current Medical Expenses (GDP ratio, %)	4.171 (3.216)	0.978 (3.599)	4.171 (3.216)
National Defence Expenses (GDP ratio, %)	6.779 (4.928)	-0.879 (5.510)	6.779 (4.928)

Time trend	-0.157 (0.475)	2.752** (1.284)	-0.157 (0.475)
Constant Term	-113.676*** (29.490)	3809.68** (1635.959)	-113.676*** (29.490)
N	51	51	51
Note: * p<0.1; ** p<0.05; *** p<0.01			

Table 10. Indonesia/Mongolia/Vietnam Pooled OLS Analysis Result

Dependent Variable: Short-term debt (Foreign debt ratio, %)			
	Pooled OLS	FE	RE
KSP Dummy (As of 2012)	0.236 (2.160)	1.206 (2.244)	0.236 (2.160)
GDP Growth rate (%)	-0.138 (0.222)	-0.281 (0.240)	-0.138 (0.222)
Population	1.577*** (0.493)	-64.645 (54.232)	1.577*** (0.493)
Unemployment Rate (Economic Activity ratio %)	-0.404 (0.618)	-0.300 (0.673)	-0.404 (0.618)
Current Medical Expenses (GDP ratio, %)	-0.304 (1.711)	-1.618 (2.012)	-0.304 (1.711)
National Defence Expenses (GDP ratio, %)	1.174 (2.622)	-1.324 (3.080)	1.174 (2.622)
Time trend	0.283 (0.252)	1.119 (0.718)	0.283 (0.252)
Constant Term	-27.275* (15.688)	1092.607 (914.564)	-27.275* (15.688)
N	51	51	51
Note: * p<0.1; ** p<0.05; *** p<0.01			

Table 11. Indonesia/Mongolia/Vietnam Pooled OLS Analysis Result

As in the case of Bolivia, the same variables were selected and analysed. Although not statistically significant, it was found that the KSP programme had a positive effect on the improvement of current account and short-term debt in these countries. Although it is not statistically significant, the fact that the sign of the coefficient is consistently positive (+) is interpreted as that this programme has a positive effect on the dependent variable. In particular, the

unemployment rate variable was found to be statistically significant at the 0.01 level, which can be evaluated as an improvement in the unemployment rates in these countries after the KSP programme. When only Bolivia was analysed for OLS analysis, it was difficult to confirm the economic effect of the KSP programme. However, it can be seen that the framework for long-term sustainable development has been established by enhancing the overall capacity of the country. The change in Bolivia's Poverty Rate and Degree of Inequality during the 2013-2019 period presented above can also be said to support this point. This is to share the experience of success with other countries and to induce prosperity of the country, the region, the private sector, and the country as a whole.

7. Conclusion

In the era of globalisation, international development cooperation projects are very important to seek a path for sustainable relationships by establishing a foundation for friendly economic cooperation with other countries. Unlike the existing ODA projects, the Korean-style KSP has the characteristic of conducting policy research, advisory, and training programmes in accordance with the needs and conditions of partner countries based on Korea's economic and social development experience. KSP also includes not only ODA target countries but also non-ODA target countries such as the Middle East, Eastern Europe, and the G20 (Mexico, Russia). At the time of the KSP, Bolivia was pursuing various policies focusing on reforming the constitution for national reconstruction despite its protracted political turmoil. Korea analysed Bolivia's various economic indicators to identify the current issues in the Bolivian national economy and suggested the appropriate fiscal rules to address such issues. As part of that, in Bolivia, payroll expenditure was greater than fixed capital expenditure before 2010, but this trend has been reversed since 2011. This is a positive signal for Bolivia. Although current expenditures such as salary and wage expenditures have a limited impact on the economy, it is advised to focus on capital expenditures because they have a lasting effect on the economy. In addition, it was recommended that Bolivia introduce a management evaluation system through this programme to prevent the indiscriminate expansion of public institutions and secure effective control of the central government.

As Korea's public enterprise management evaluation system is evaluated as excellent in the international community, Bolivia has been passed on the know-how to periodically check the management and operation status of public institutions.

As a result of OLS analysis, the KSP of Bolivia 2013 did not appear to have a statistically significant effect on the improvement of current account and short-term debt, which are variables representing economic growth. However, in the case of Indonesia, Mongolia, and Vietnam, where the KSP programme was conducted at the same time, by using Pooled OLS analysis, it was confirmed that this programme had a positive effect on some variables. These mixed results of the analysis can be said to suggest that it may not be reasonable to simply quantitatively judge the performance of this programme in the short term. However, countries that have actively accepted Korea's KSP programmes, such as Bolivia, Indonesia, Vietnam, and Mongolia, are at least forming a consensus on the persistent desire for democratisation and respect for global norms inherent in modern Korean civil society.

It is presumed that, as Deaton argues in "The Great Escape," sometimes the incentives that inequality gives by providing an incentive to catch up by showing others the way can serve as a tool to help improve their lives. Deaton recognised the KSP programme as an effective tool for achieving the SDGs.⁴ Successful countries should help those left behind to do "The Great Escape," and whether developed or developing countries should continue to grow, KSP can play a positive role as a means of that.

In short, this analysis results is a reference, but the purpose of the KSP programme is to achieve development effectiveness in line with the development needs of developing countries, and this is a property that can be evaluated from a long-term perspective. The most important principle at the centre of the programme is "Global Sustainable Partnership," which promotes sustainable prosperity and peace in developing countries and enhances Korea's status and

⁴Angus Deaton, winner of the Nobel Prize in Economics and author of 'The Great Escape', attended the '2016 KSP Performance Sharing Seminar' held in Seoul in September 2016 and shared sympathy with the role and achievements of KSP.

can be a key tool for establishing future development strategies for each country.

References

- Deaton, Angus. "The Great Escape: Health, Wealth, and the Origins of Inequality." University of Princeton Press. 2015.
- KDI. *2013 Knowledge Sharing Programme with Bolivia*. KDI, 2014
- Kopits, Gorge and Symansky, Steven. *Fiscal Policy Rules*. International Monetary Fund, 1998.
- Central Bank of Bolivia (BCB) <www.bcb.gob.bo/> 19 December 2021
- International Monetary Fund <www.imf.org/external/index.htm> 19 June 2021.
- KDI Homepage.<https://www.kdi.re.kr/kdi_eng/main/main> 19 June 2021.
- KSP. "What is KSP." <<http://www.ksp.go.kr/english/pageView/ksp-is>> 19 June 2021.
- United Nations. "Sustainable Development Goals: Gender Equality." <<https://www.un.org/sustainabledevelopment/gender-equality/>> 25 March 2021
- Worldbank. <<https://data.worldbank.org>> 19 July 2021.