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Korean Development Institute

KDI

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Korean Development Institute

Description

Since its establishment in 1971, the Korea Development Institute (KDI) has been committed to producing independent, innovative, and impactful, policy research on fundamental Korean economic and social issues. The emphasis to deliver quality and rigorous research and analysis has been rooted in its long tradition of applying scientific methods and collaborating with leading economic thinkers and institutions. As Korea's leading think tank, KDI continues to play a prominent role in framing the national public policy discourse.

Keywords

think tanks, public policy, best practices, Economic Research, Korea

Disciplines

Economics | Education | Growth and Development | Other Public Affairs, Public Policy and Public Administration



KDI

Korea Development Institute

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KDI

**and the Korean
Economic Development**

History

Korea Before the 1960s

Left behind in modernization

Vulnerable to foreign invasion and colonized by external powers

Wrecked by the Korean War and territorial division

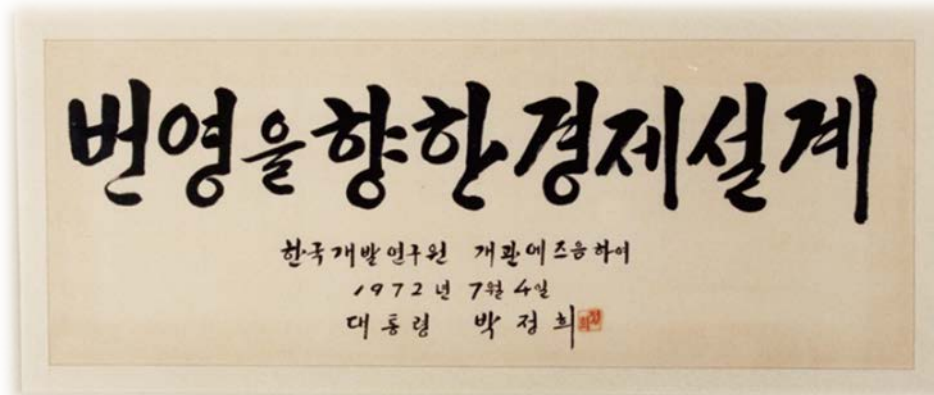
Per capita national income of US \$79

➔ Ranked 4th from the bottom among 125 nations



Korea in the Process of Development

- The Third Republic (1963~1972): Adoption of an intensive, government-led export industry development program
- Necessity of a group of economic experts
- Need for *“a research institute that could perform realistic and systematic analysis on all necessary tasks for economic development and assist the formulation of economic plans and policies”* emerged



◀ President Park Chung Hee's commemoration words

Need for a Policy Brain

- Paragraph (No. 215) of the 2nd Five-Year Economic Development Plan: Plans for prompt establishment of an economic institute
- This institute would “perform basic research [...], study foreign economies and critical policy issues, organize and analyze wide array of materials essential for research planning, and improve planning techniques.”

Establishment of a Research Institute

As a means of strengthening the professional, economic and technical capabilities of the government for both planning and implementation, a policy research-oriented institute will be established. The institute will conduct research and analysis designed to serve the government's needs. But it will have the autonomy required to produce high quality and objective outcomes. It will provide a valuable training ground for economists, policymakers and practitioners whose services will be needed in increasing numbers in various ministries and at the provincial level as Korea's economic development accelerates. The institute will also serve as a critical conduit between the government and the world of academia and research. It will significantly boost Korea's policy research and implementation capacity.

◀ **Paragraph No. 215 of 2nd Five-Year Economic Development Plan**

History

Establishment

- Securing fund from the Ford and Rockefeller Foundations failed
 - **Government-funded Institute**
- A fund of **KRW 1.31 billion** from USAID/K (1970)
- ‘Korea Development Institute Act’ passed by the National Assembly



◀ Significant contributors in establishing KDI (from left are Dr. Sa Gong Il, Kim Mahn Je, KD I's First President, Dr. David Cole, Dr. Kim Kwang Suk, and Dr. Leroy Jones)

Policy Brains to Guide Korea's Economic Development

- Most importantly, the plan stressed “**autonomy** in its operations and commitment to high quality and objectivity in its research findings.”



▲ The 1st Board of Directors Meeting
(Apr. 21, 1971)



▲ The 1st President and the 12 Senior Researchers

History

Establishment of KDI

1971. 01 Establishment Committee formed

02 Presidential Decree enacted & promulgated

03 Establishment of KDI

1972. 06 Construction of KDI campus completed (Hongreung Complex)



◀ Tape-cutting ceremony
(Jul. 4, 1972)

Research Activities

1970s

- **Formulation of the Five-Year Economic Development Plan**
Drafting Korea's National Development Strategy
- **Studies in the Modernization of the Republic of Korea**
Comprehensive Analysis of Korea's Social and Economic Transformation
- **Sources of Economic Growth in Korea**
Quantitative Analysis of Korea's Economic Growth
- **Korea's Long-Term Economic and Social Development from 1977 to 1991**
Long-Term Policy Framework and Measures to Promote Social and Economic Development
- **Policies to Promote Macroeconomic Stabilization and Liberalization**
Policy Analysis and Recommendations for Market-Oriented Reform



Research Activities

1980s

- **Policy Response to Economic Crisis**

Policy Analysis and Recommendations for Economic Stabilization in the 1980s

- **Establishing a Policy and Legal Framework for Promoting Competition**

Building Market Supporting Institution

- **Improving the Management of State-Owned Enterprises**

Corporate Governance Reform and Performance Evaluation

- **Promoting Trade Liberalization and Competition**

Import Liberalization and Industrial Policy

- **Framework for Establishing a National Pension System to Promote Social Stability and Sustainable Development**

Strengthening the Social Safety Net

Study on Healthcare Policy and the Introduction of a Health Insurance System



Research Activities

1990s

- **Basic Framework for Improving Inter-Korean Economic Relations**

Studies on the North Korean Economy and Reunification

- **Institution of the Real-Name Financial Transaction System**

Improving the Transparency and Integrity of the Financial System

- **Studying 50 Years of Korean Economic Development**

Comprehensive Analysis of Korea's 50 Year Economic Development

- **Comprehensive Measures to Overcome Economic Crisis and Promote Structural Reform**

Policy Framework and Measures to Overcome the 1997 Economic Crisis



Research Activities

2000s

- **Korea's Economic Challenges and Vision in 2011: Open and Flexible Economy**

A New Post-Crisis Economic Structure



- **Study of Fiscal Sustainability and Public Sector Reform**

Securing Fiscal Sustainability and Improving Efficiency of the Public Sector

National Advancement of through Public Sector Reforms



- **Economic and Financial Impact of Korea's Aging Population and its Policy Implications**

Comprehensive Study of Korea's Aging Population

- **Study of Social Security System for Older Koreans**

Policy Response to Aging Population and the Social Security System for Older Koreans



- **Development of the Service Sector**

Transformation of the Service Sector: Productivity, Deregulation and Job Creation

Research Activities

- **Toward the Consolidation of the G20**

Making the Global Governance System More Effective and Responsive

- **Workings of Real Estate Markets and Institutions**

New Policy Paradigm in the Era of Structural Changes

- **Comprehensive Studies on Non-Regular Workers**

Ideas for Addressing Discrimination Between Regular and Non-Regular Workers

- **Paradigm Shift to Promote Virtuous Cycle of Growth and Employment**

(I) Basic Policies for Job Creation and (II) Establishment of a Social Safety Net for Job Creation



KDI

in the Present

VISION

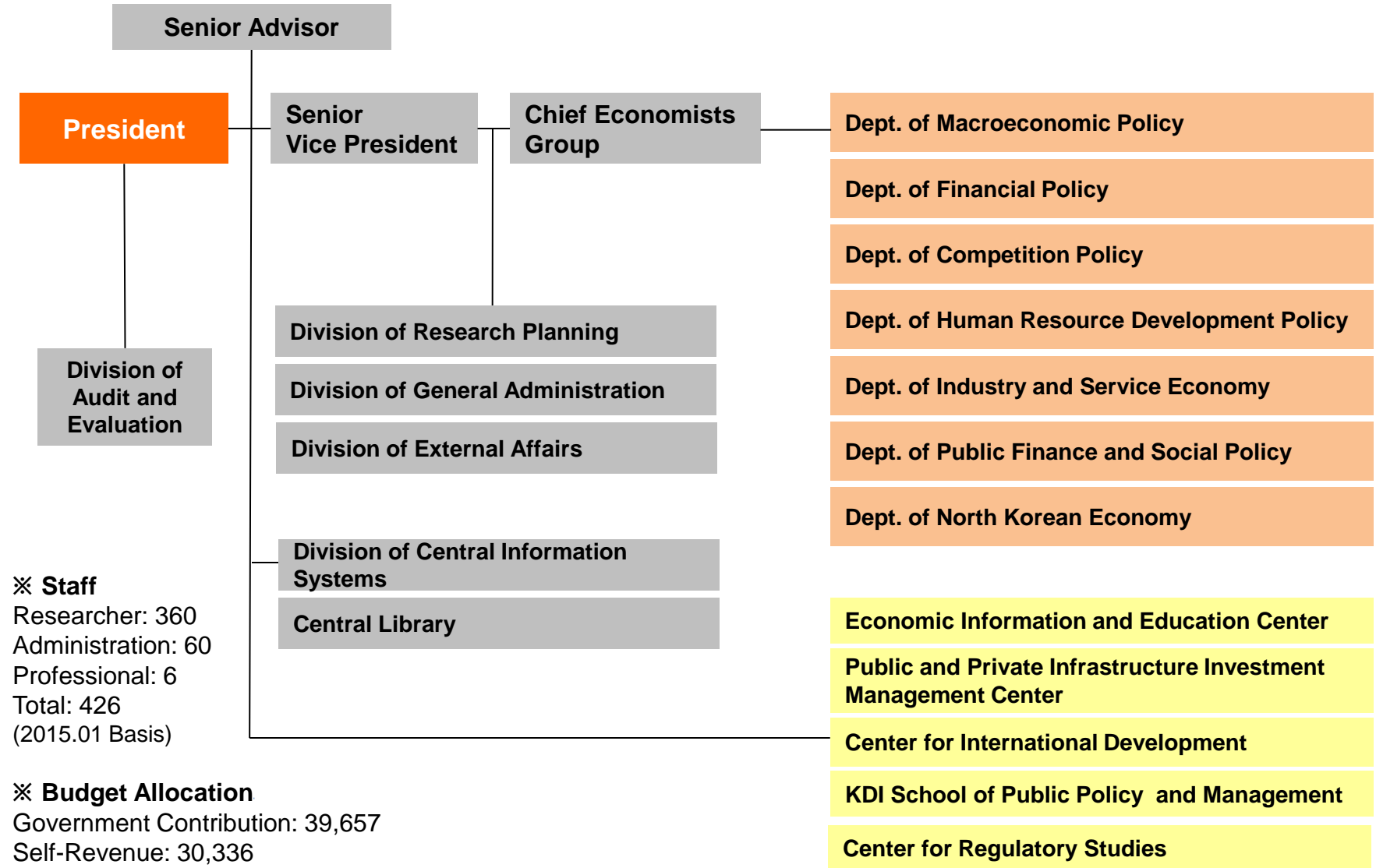
*“A Visionary
Frontier
for National
Agenda”*

MISSION

Contributing to the government and people both in the public and private sectors by providing effective and timely national policy alternatives

KDI in the Present

Organization



※ Staff

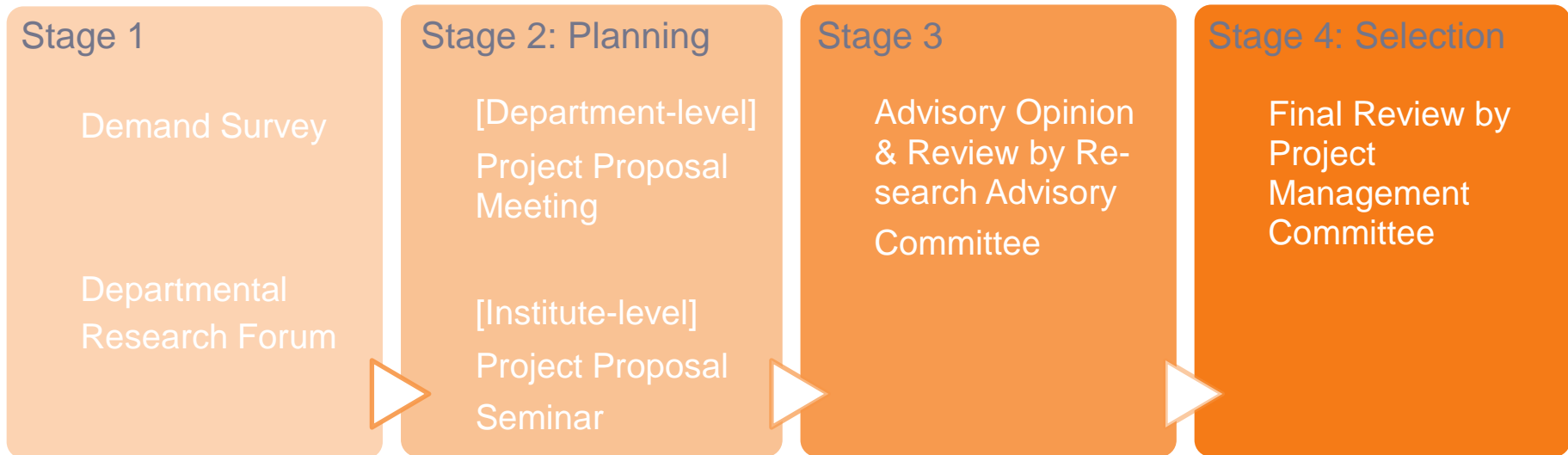
Researcher: 360
Administration: 60
Professional: 6
Total: 426
(2015.01 Basis)

※ Budget Allocation

Government Contribution: 39,657
Self-Revenue: 30,336
Total: 69,993
(2015 Basis, Unit: KRW 1 million)

Rationality Behind Progression of Basic Research Project

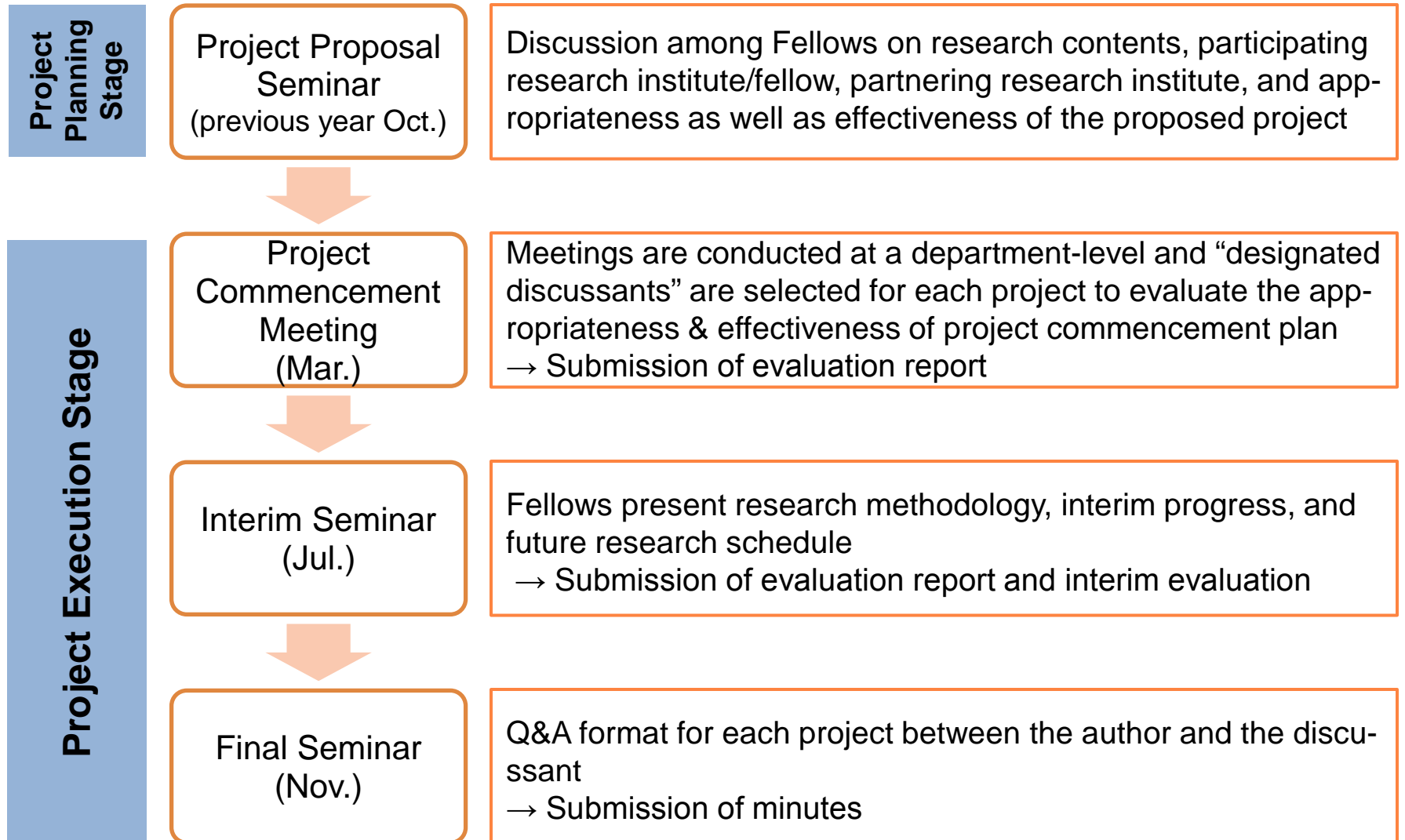
Systematic Management Based on Planning and Selection System



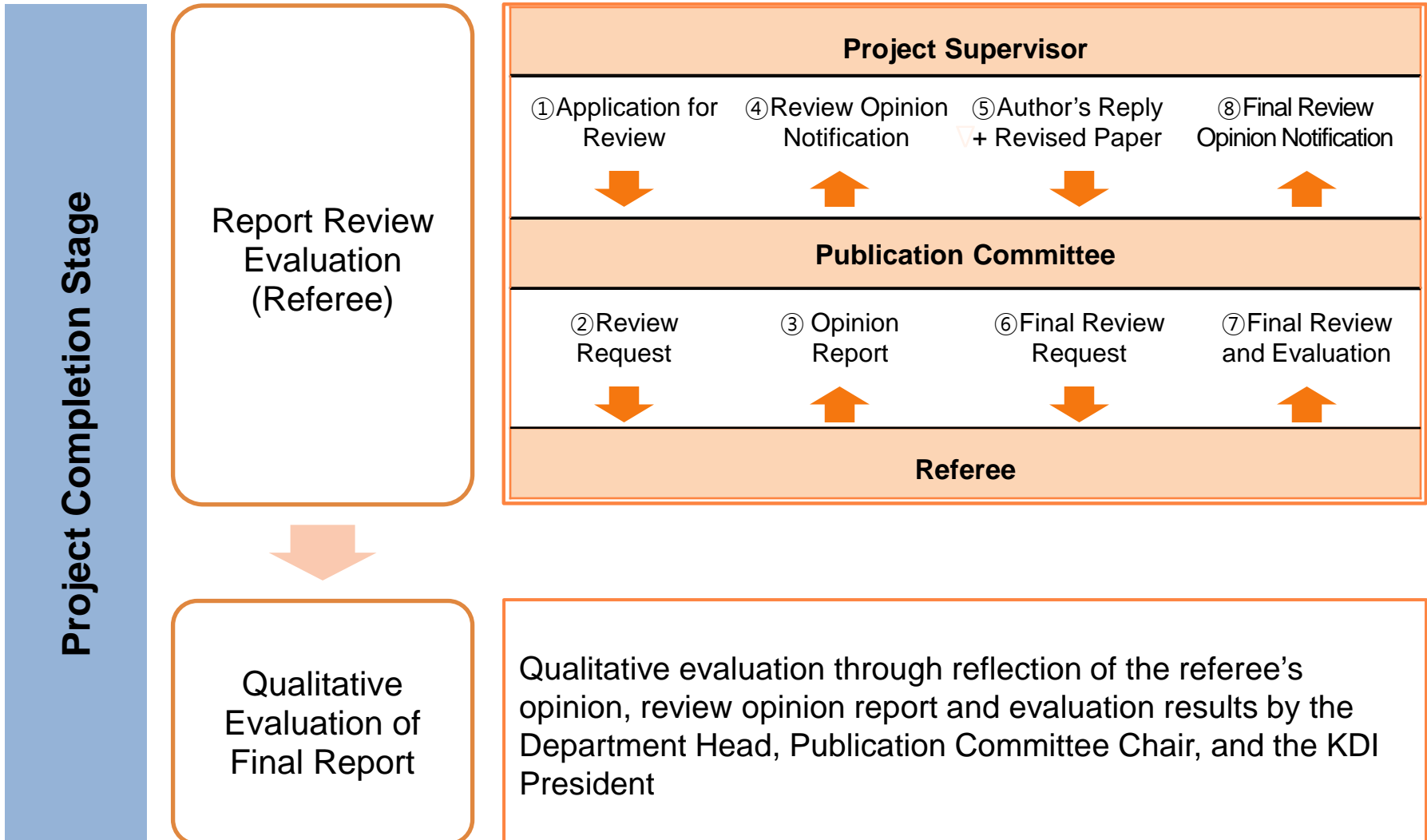
- Opinion-gathering via departmental research forums
- Close communication with external consultation group (e.g. government officials)

 **Openness** and **Independence** in finding and selecting basic research projects

Research Project Planning · Evaluation Procedure



KDI in the Present



Research Departments

Dept. of Macroeconomic Policy

- Releases *Monthly Economic Trends* and *Economic Outlook*
- Seeks to provide **prompt and timely support** to the government and to economic agents
- Conducts **pragmatic studies** aimed at further rationalizing economic policy

Dept. of Financial Policy

- Recommends **policy alternatives** regarding key pending issues in the financial sector
- **Studies** financial markets, financial industry, finance-related laws and systems, and supervisory mechanism
- Seeks **medium-to-long run strategy** to sustain and develop the **stability** of financial system
- Studies and analyzes **trends in global financial markets** to expand the system stability and to enhance its conformity with changing global markets

KDI in the Present

Dept. of Competition Policy

- Conducts **precise studies** on competition, regulation and corporate governance structure using **analytical means**
- **Analyzes impacts** on market structure and performance brought out by the interaction between government policies and corporate strategy
- **Studies corporations** to identify how stakeholders establish **corporate goals** and **manage** their business
- Researches necessary materials to build a **market order** that contributes to upgrading **social wellbeing**

Dept. of Human Resources Development Policy

- Conducts **comprehensive studies** on general issues related to human resources, the foundation of a balanced social progress in terms of labor, employment, education, and child care
- Seeks to offer **policy alternatives** on pending issues and plays essential role in establishing **national agendas**

KDI in the Present

Dept. of Industry and Service Economy

- Seeks to offer **advancement measures** for each sector of the Korean economy through **growth potential**
- Particularly focuses on studies on **service sector** to contribute to **job production** and **value-added creation**
- Seeks to explore **new industrial innovation strategy** and develop a **medium-to-long term road map** for industrial policy with a goal of **sustainable growth**, such as improving industrial policy and upgrading SME capacity

Dept. of Public Finance and Social Policy

- Conducts comprehensive studies that could contribute to increased **fiscal prudence** and **efficient fiscal management plans**
- Carries out broad basic studies and policy studies in relation to **welfare policy** (i.e. social welfare, social insurance and public health) in order to support the establishment of **efficient welfare policy**

KDI in the Present

Dept. of North Korean Economy

- Monitors **changes and trends** in the **Korean economy** in rapidly changing international relations and geopolitical environment and analyze their impacts on the Korean economy
- Research on **inter-Korean economic cooperation, economic policy towards North Korea, inter-Korean economic integration, regime changes in North Korea, inter-Korean academic exchanges**

KDI in the Present

Changing Social Demand and KDI's Functional Expansion



Economic Information and Education Center (EIEC)

1991



Public and Private Investment Management Center (PIMAC)

1997

1999

2010

Center for Regulatory Studies (CRS)

2014



KDI School of Public Policy and Management (KDI School)



Center for International Development (CID)

KDI in the Present

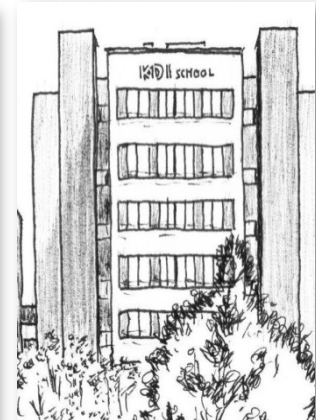
Affiliated Bodies



EIEC Economic Information and Education Center

- Analyzes and disseminates Domestic and Int'l Economic Information
- Runs Customized Economic Education Programs
- Supports for Economic Education at school
- Online & offline Educational Training on economy
- Conducts Policy Surveys

KDI in the Present



KDI School of Public Policy and Management

- **Master's** Programs (Public Policy, Development Policy, Public Management)
- **Ph.D.** (Public Policy)
- Focus on **Policy-centered Studies**
- Public/Private sector **Training Programs**

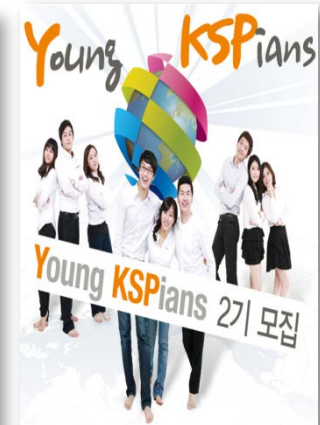
KDI in the Present



PIMAC Public and Private Infrastructure Investment Management Center

- **Preliminary Feasibility Study** on public • private infrastructure investments projects
- **Re-assessment** of Feasibility Study
- In-depth **Evaluation** for public investment projects
- **Policy Service** for public and private sectors

KDI in the Present



CID Center for International Development

- Knowledge Sharing Program (KSP)
- Building KSP Infrastructure
- Study on Developing Economy
- Research on Development Cooperation Trends and KSP Studies

Evolving into

**International Economic Policy
Research Institute**

KDI within the World

International Cooperative Network



INTERNATIONAL CONFERENCE, JOINT STUDY, POLICY CONSULTATION
Strengthening Research Capacity • **Expanding** Global Research Network
• **Disseminating** Research Findings






Major Collaborative Research Projects

Title	Partnering Organizations
The Service Sector Advancement: Issues and Implications for the Korean Economy	World Bank OECD Productivity Commission(Australia) ESSEC University (France)
Social Enterprise: Concept and Emerging Trends	IADB SSE Harvard Kennedy School SAID Business School Ashoka Acumen Fund
Post-crisis Regulatory Reforms to Secure Financial Stability	IMF BIS FRB(US) SEC Princeton University
Reconstructing the World Economy	IMF ADB
The Korean Economy: Six Decades of Growth and Development	OECD Johns Hopkins University

KDI within the World

Report Title	Participating Organizations
Toward Ecological Industrial Policy: Transition and Challenges	FES(Friedrich Ebert Stiftung)
The Korean Economy in the Age of Democratization and Globalization: Accomplishments and Challenges	Harvard University UC Berkeley UC San Diego Stanford University Brookings Institute(US) Alberta University
Changing Landscape of Industrial Innovation and New Challenges for Policy	OECD

Recent Major International Conferences

Conferences	Participating Organization
International Seminar on the Outlook of International Energy Market and Energy Cooperation	
KDI-OECD Joint Conference: Study on Korea's Social Policies	
Global Value Chains, Development and Competitiveness	
KDI International Seminar on Nuclear Power Industry Economics and Policy	
Towards a Post-2015 Development Paradigm: Promoting the Next Set of Development Goals and Targets	
Experts' Workshop on Financing Environmental Global Public Goods: How to Raise the Money?	
Global Monitoring Report 2013	
KDI-WB High Level Workshop on Towards a Science of Delivery for Development	
24 th SED Annual Meeting in Seoul: [Pre-Conference] Rebalancing the Macro-economy for Robust Growth: Challenges and Resolutions	
Asia Approaches to Climate Change Adaptation and Disaster Resilience: Experience, Lessons & Opportunities for Cooperation	
Competition Law and Economics: Beyond Monopoly Regulation	
ADB-Asian Think Tank Development Forum 2014	

KDI within the World

IDEP • KSP Advancement Status

IDEP: 401 Training Program Targeting 11,263 Government Officials from 157 Developing Countries (1982~2014)

KSP: 746 Cooperative Projects in 51 Countries (2004~2014)



IDEP (1982 ~ 2013)

Year	Projects	Countries	Participants
1982	3	9	145
1983	3	7	104
1984	3	18	121
1985	3	12	102
1986	4	17	131
1987	5	25	130
1988	4	22	125
1989	4	24	133
1990	7	35	159
1991	13	42	334
1992	8	33	158
1993	13	36	207
1994	10	37	170
1995	8	35	183
1996	8	38	257
1997	10	37	277
1998	9	33	179
1999	3	22	70
2000	9	43	167
2001	5	24	78
2002	12	36	234
2003	13	44	222
2004	10	30	163
2005	27	39	514
2006	32	62	1148
2007	27	30	735
2008	27	48	840
2009	33	42	643
2010	21	45	677
2011	9	22	289
2012	19	97	1296
2013	20	69	734

KSP (2004 ~ 2013)

Year	Projects	Countries
2004	11	2
2005	10	2
2006	10	4
2007	22	5
2008	28	8
2009	55	11
2010	79	15
2011	108	26
2012	139	33
2013	144	36

KDI within the World

KDI School Alumni Around the World

3,765 Alumni in 113 Countries (1998~2014)

105

2,926

31

214

10

87

KDI School of Public Policy and Management Student Profile

	Region	Number of Countries	Number of Students	Professional Affiliation (%)				
				Gov't	Public Institutions	NGO/ IGO	Private Sector	Others
Domestic			2,209	33	23	3	32	9
International	Asia	34	717	58	11	3	18	10
	Africa	29	214					
	America	21	118					
	Europe	19	105					
	Oceania	4	10					
Total *	108	3,373						

Thank you