The Transitions in Korea’s Rural Development Policies: From 1960s to the Present

한국농촌개발정책의 시기별 전개와 구성요소의 변화

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Abstract

한국의 농촌개발정책은 지난 50년에 걸쳐서 많은 변화를 겪어왔다. 농촌개발정책은 국내외의 정책 환경인자와 관련성을 맺는 가운데, 농업ㆍ농촌이 처한 시대별 과제를 해결해나가는 과정의 결과라고 여겨진다. 농촌개발정책은 1960년 이후 현재까지의 기간 동안에 4단계의 시기별, 정책구성요소별로 의미 있는 변화가 일어나고 있다.

2000년을 전후하여 국가발전을 위한 행정이념이 효율성에서 형평성으로 전환됨에 따라 농촌개발정책은 전반적이고 근본적인 변화에 직면하고 있다. 농촌지역은 국가발전을 위한 새로운 가치와 자원을 가지고 있는 공간으로 재인식되고 있다. 농촌은 곧 마을이라는으로 변화되고, 농촌의 소도움이 새로운 농촌지역의 삶의 미시적인 관점에서 접근된 정책이 인근의 도시와 연계를 맺는 방향으로 접근되고 있다. 농촌개발정책은 농업을 중심으로 하는 정책에서 비농업부문의 개발을 중시하는 방향으로, 지역농업과 공간정책을 통합하여 개발하는 방향으로 나아가고 있다. 이 과정에서 농촌개발과 관련이 있는 중앙정부 부처의 수가 증가하는 가운데, 지방정부와 지역주민의 역할이 강조되면서, 수직적ㆍ수평적인 분권화와 협치 체제의 구축이 중요해지고 있다. 또한 지역의 고유성과 지역단위사업의 연계성에 대한 강조는 자언히 지역단위 계획제도의 정착과 이를 현실적으로 뒷받침할 수 있는 예산제도의 변화를 가져오고 있다.

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1. Introduction

This paper aims to analyze the evolution of Korea’s rural development policy during the last 50 years. According to the OECD (2006), the rural development policy is now used to cover a wide variety of state interventions which include both agricultural as well as non-agricultural sectors in the rural area. Currently however, the agricultural policy alone cannot provide solutions to the varied problems in the rural areas hence, the Korean government has implemented rural spatial policies simultaneously with the agricultural policies.

It is worth to mention that several Korean rural development policies have evolved primarily due to the changes in the nation’s economic development, the role of the agricultural sector and rural policies as well as its relationship with foreign countries.

This RDP paper differs from the existing studies and approaches methods employed in policy formulation, development and implementation.
First, this RDP adopts the OECD’s new concept for rural development policies which uses a comprehensive approach through the merging of the agricultural and rural spatial or non-agricultural policies. This approach is not used for the existing RDP papers wherein the agricultural policies are separated from the rural spatial policies.

Second, the approach used for the development of the rural development policies greatly considered the prevailing social situations in the area. Furthermore, the policy was developed through a deeper understanding of the interactions between and among the internal and the external factors that could influence the effective implementation of the policy. This approach was not keenly taken cared of by existing policy papers which focus solely on the analysis of the rural and agricultural policies without considering the effects of the external environment such as the prevailing social situation.

Third, this paper recognized the importance of the key processes in policy development, namely policy formation, implementation and evaluation. The existing papers lack the comprehensive view of these policy processes.

Sometimes, these policy papers mainly focused on one aspect of the policy process thus disregarding a more thorough analysis of the whole policy process.

To facilitate the analysis of the RDP’s evolution, these were classified into 2 groups namely: a) based on periods and b) based on its components. The approach based on periods
show the relationship between rural development policies and the prevailing social situation. On the other hand, the approach based on the RDP components, analyzed the rural development policies in view of the comprehensive policy process like policy formation, implementation and evaluation.

2. The classification of rural development policies (RDP) based on period.

2.1. RDP characteristics from 1961 to 1970

The Korean society, for the past 15 years (i.e. 1945 to 1960) after its liberation from Japan in 1945, while it was able to establish its constitution in 1948, remained unstable, due to the occurrence of the Korean War (from 1950 to 1953) and frequent demonstrations and rallies by college students had continued. Hence, the analysis of this paper will start from 1961 to the present.
To address the unstability of the Korean economy and government, some military officers headed by General Park, Chung-Hee staged a coup d'état and seized political power in May 16, 1961. During that time, Korea was experiencing extreme poverty. The annual inflation rate from 1953 to 1957 was over 50%. In 1960, the per capita income was estimated at $79. Furthermore, in 1953-1955, agriculture was the predominant sector accounting for 44% of the GNP, while 13.6% was accounted for by the industrial sector.

During this period, the main goal was economic development and the main ideology was the pursuit of efficiency and
effectiveness. Several strategies were utilized to achieve this goal. Because of the limited financial resources of the country, the priority of the sector was determined to maximize the potential for national growth. This led to the emergence of the industry-lead approach.

The industry-lead approach involved the intensive allocation of government funds to the industry sector. This resulted to the improvement of other sectors as well. The approach also involved the development of an identified urban region which will lead to the improvement of surrounding rural areas. Furthermore, a 5-year economic development plan was created and was vigorously implemented by the government. During the first five-year plan period (1962-1966), the government emphasized the construction of the import-substitution industries such as: cement, fertilizer, petroleum refining, chemicals and synthetic textiles (Kim & Kim, 1997).

The rural area’s sole role then was to produce staple food to supply the basic needs of the Korean nation. During this period, there was a severe shortage of staple food. In order to alleviate the food shortage, the Korean government suggested several solutions. One of which was the cultivation of new land for staple food. Another strategy was the improvement of crop varieties to produce or enhance better yield (Yoon, 2004). One famous high yield variety, tongil (unification), was developed in IRRI in the Philippines. This variety was then brought to Korea, and was widely utilized throughout the peninsula.
2.2. RDP characteristics from 1971 to 1985

Due to the industry-led approach in the 1960s, the Korean economy increased and per capita income doubled (from $87 in 1960 to $200 in 1970). This resulted to increasing government revenues thus, a little funding can be used for the rural area development.

Even though there was a great improvement in the economic situation, the political conditions at this time were unstable. President Park refused to transfer his office/position. In order to continue his presidency, he revised and changed the constitution.

Demonstrations were rampant until finally President Park was assassinated in 1979. He was succeeded by President Jeun who was also a military general. During President Jeun’s regime, the military rule was followed until 1985 when he retired.

During this period, the mainstream of the industry-led approach was continued. The focus of the 1960s was the light industry or labour intensive export oriented industry, however during the 1970s, this changed. The heavy or capital intensive industry was developed. The selective industrial policy for the third and the fourth plan periods (1972-1976 and 1977-1981) may be represented by the ambitious plan for the construction of heavy and chemical industries (Kim & Kim, 1997).

The implementation of the industrial led approach produced a big economic and standard of living gap between the urban
and rural areas. The government created and implemented the sae-maul (new-village) movement to solve the said gap.

In the 1970s, the rural development policy was modified. The integrated approach was used. This approach involved the development of three areas, namely: a) income (production), b) work ethics and c) infrastructure. The Sae-maul movement was, from the beginning, a government-initiated community movement strongly backed by the President and government agencies at all levels. With government support and assistance, large-scale investment projects were undertaken for the improvement of physical infrastructure and farm income. Efforts were also directed
at influencing rural people's way of thinking and life-style by means of educational campaigns (Moon & Sul, 1997).

During the production based approach agriculture in the 1970’s, the rural area residents were also introduced to other sources of income like cash crops and fruits. These crops were produced even during the winter season through the green houses.

Likewise, the utilization of machines in rural areas assured higher yield in the drops. This also led to the modification in the rural road system as well as other infrastructures found in the rural area. Due to the lack of government funds, infrastructure development was limited. The government, however, provided the steel wire and cement for this project. The rural residents then worked together to improve their infrastructure. This paved for the development of community spirit, cooperation and work ethics.

In the past, community cooperation and unity are vital because manpower was the main resource. Furthermore, the occurrence of four seasons limited the crop cultivation and harvesting time. The strong community spirit built strong ties among the residents. The members of the community help each other not just in the day to day activity but also on important events like funerals, wedding and the like. The community constructs and maintains facilities like wells, thatched roofs and river side washing places. The community members depend on each other for the economic, social and physical aspects of their daily existence.

All villages throughout the country simultaneously started
and implemented the sae-maul movement. In the beginning of the program, the Korean government evenly distributed to all the villages 300 bags of cement and 300 kg of steel wire to improve the village infrastructure (Park, 1998).

In order to ensure the participation of all villagers, each village was classified into 3 stages, such as: a) basic, b) self-helping or c) self-reliant. The Korean government encouraged healthy competition among the villages so that they will be motivated to gradually reach the higher level. It is for this reason that the sae-maul movement is known as the Government-Induced Participatory approach.

The Saemaul projects' top priority was to improve the village road systems, including construction of small bridges over brooks. This indicates that as the semi-subsistence farmers were shifting to produce crops for the market, the underdeveloped road system at village level become the most urgent constraining factor (Park, 1998).

<table>
<thead>
<tr>
<th>Order</th>
<th>Description of project</th>
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<tbody>
<tr>
<td>1</td>
<td>Village access roads to be straightened and widened</td>
</tr>
<tr>
<td>2</td>
<td>Old bridges over stream to be reconstructed</td>
</tr>
<tr>
<td>3</td>
<td>Village roads to be widened and straightened</td>
</tr>
<tr>
<td>4</td>
<td>Sewage systems in village are to be improved</td>
</tr>
<tr>
<td>5</td>
<td>Thatched roofs to be replaced by cement made tiles</td>
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<tr>
<td>6</td>
<td>Old fences of farm houses to be repaired</td>
</tr>
</tbody>
</table>

〈Table 2〉 Priority of Saemaul projects, assembled by local administration, 1970
<p>| | |</p>
<table>
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<tbody>
<tr>
<td>7</td>
<td>Traditional wells for drinking water must be improved</td>
</tr>
<tr>
<td>8</td>
<td>Village hall to be constructed</td>
</tr>
<tr>
<td>9</td>
<td>Banks of brook to repaired</td>
</tr>
<tr>
<td>10</td>
<td>Feeder roads to fields to be developed</td>
</tr>
<tr>
<td>11</td>
<td>Rural electrification to be speeded up</td>
</tr>
<tr>
<td>12</td>
<td>Village owned telephones installed</td>
</tr>
<tr>
<td>13</td>
<td>Village owned bathhouse to be constructed</td>
</tr>
<tr>
<td>14</td>
<td>Children’s playground to be constructed</td>
</tr>
<tr>
<td>15</td>
<td>Washing place in riverside to be improved</td>
</tr>
<tr>
<td>16</td>
<td>Planting of trees and flowers for beautification</td>
</tr>
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</table>


### 2.3. RDP characteristics from 1986 to 2000

In 1986, the constitution was changed, because of demonstrations in the 1970s and in the beginning of 1980s. The people directly voted for the president. The representatives no longer voted for the people. Local autonomy was introduced in 1991. Then by the year 1993, the people were given the privilege to vote for the head of their local autonomy unit.

During this period, the economic growth rate continued to increase. However, the growth rate is smaller as compared with the earlier period. During 1996–1997, a slight economic crisis occurred because of the lack of foreign currency in Korea.

However, with the continuous implementation of the production-based approach in agriculture, the rice shortage in Korea was solved in 1985.
During this period, the World Trade Organization (WTO) was established, which enabled different countries to participate in free trade.

The industry-based approach was still implemented. However, the preparation for IT and advanced technology for the future was also considered. A national land plan was started to regulate the Seoul Metropolitan Area, and shifted to the development of the non-Seoul Metropolitan areas. This likewise positively addressed the food shortage problem in the country. During this time, the main focus of the RDP was to understand the lessons between the gap of the standard of living between the urban and rural areas.

The focus of Korean agriculture was re-aligned and it evolved from increasing food production to strengthening its agricultural competitiveness as the Korean economy ventured into the open economic structure (Park, 1998).

With each city or municipality aiming to provide and meet the basic needs like accessible roads, educational institutions and social welfare services, the people realized, that the improvement of the rural road system should be given top priority. The Korean government then created the Rural Road Improvement Act (1991). This directly addressed the first basic need of the residents.

The Ministry of Agriculture and the Ministry of Home Affairs are the main ministries concerned with rural development. These ministries provided funds in order to improve the rural
standard of living. The Ministry of Agriculture was tasked to manage the improvement of the plain area. On the other hand, the Ministry of Home Affairs was responsible for the development of the mountainous area.

Previous policies concentrated on the improvement of the village. During this period, there was a shift into the improvement of the areas composed of several villages (Myon). Due to the limitations of the previous policies to modify the existing villages, a new approach was created. The government decided to make a new village equivalent to that of the urban.

2.4. RDP characteristics from 2001 to the present

During this period, the WTO system has been more established and is deeply rooted in the world. Thus, it is inevitable for each nation to follow the current world trend in free trade. In 2006, there was an Free Trade Agreement (FTA) between Korea and USA. Nowadays, the FTA ratification is on the process. Furthermore, in 2007, there had been negotiations on FTA between Korea and EU. Therefore, the Korea is in the core of economic globalization.

In 2003, under the Roh-government, the policies were mainly for the pursuit of equality among the different areas and social classes. The President proposed that the administrative, judiciary and parliament offices be transferred from Seoul to local region near Gongju of Chung-nam Province. The parliament then impeached the President but the judiciary decided that it was
unconstitutional. Thus, President Roh modified his proposal and transferred only the administrative offices. Another policy under his term, was to move dozens of corporations throughout the local cities. The government expected that this will enhance or promote development of the local regions.

Currently, the FTA between Korea and other countries has greatly affected the RDP. The FTA seems advantageous to some sectors but it is of a great disadvantage to the agricultural sector. As a result, the farmers identified alternative sources like organic farming.

Although the farmers protested about the FTA policies, these did not create an impact. Farmers contributed little to the GNP and the total number is too small. Furthermore, the FTA is inevitable. The Korean government sympathized with the farmer’s predicaments. So, the new investment plan was created.

This policy follows the previous one but with some modifications to enable improvement in the quality of rural standard of living:

1. Budget amount was greatly increased.
2. More ministries were participating.
3. More diverse sectors are to be developed namely, the educational and social welfare sectors.

Because of these complicated set of plans, proper governance was essential along with proper coordination of programs.

As an offshoot of these modifications, the Korean government enacted a new rural policy known as the place-based approach.
This approach has been implemented in the advanced countries like OECD and differs from the previous national policies in terms of the following conditions/features:

1. The place-based policy utilizes the endemic resources which are the sources of the rural areas' pride:

2. Through these resources, the rural region is made more attractive and different from the urban areas as well as other rural regions. Furthermore, these resources also serve as a new engine for rural growth and development: and

3. These modifications will promote more urban people visitations and immigrations as well as increase in investors.

The main objective of the place-based approach is to develop the best assets of the rural areas, and not to catch up with the urban areas' levels of infrastructure. The previous approach mainly focused on the infrastructure and agricultural sectors. On the other hand, the new approach considered the other various sectors, namely rural tourism, culture, historical heritages and scenery.

During this period, the target area for the rural development was widened. Thus, in addition to the Myon and the village, the Eup (small town) was also recognized as a hub (center) of rural areas.

The current government, which was elected in 2008, announced the new modified regional development plan from that of the Roh's government. This plan includes that the entire country will be divided into 4 major belts, economic region and daily
living sphere. Furthermore, the plan introduces a new single budget linked with a rural development plan crafted by the local government.

3. The rural development policies (RDP) classified based on its components

3.1. Target area

Rural development policy is territorial and targeted to the needs of a specific area, while agricultural policy is sectoral and horizontal (OECD, 2006). Traditionally, in fact, if rural development policies tend to be “territorially oriented”, agricultural policies are horizontal and do not take into consideration the specific needs of different areas with individual characteristics. Different regions imply different territories and different needs (OECD, 2006).

The target areas during the different periods vary. Under period 1, it was mainly implemented in the agricultural land area. The target area was transferred from the agricultural land area to the village, including the agricultural lands in period 2. The transfer of the target area from a village to the myon (several villages) was put into effect under period 3 while during period 4, the small town was also included as a rural area.

Considering these trends, we can make the following
conclusions:

First, the target area had been widened in accordance with the changing rural development policies.

Second, these days, the small town is also considered as a rural area and is becoming more important because of the decreasing agricultural sector in the rural area. In the center of the myon, various offices and services can be found like: administrative offices, police station, post office, elementary school, cooperative bank and other welfare services.

In the past, the small town was the one recognized for the setting up of urban planning. Nowadays, the small town has been recognized to have two roles, that of urban and rural. This means that in the past, the rural area was assessed using the view of urban-rural dichotomy. Presently, the urban-rural integration approach is being utilized.

3.2. Goals

The goals of RDP have been modified. That is why the roles and functions of the agricultural and rural sectors have been varied during the process of national development.

During period 1, it was focused on increasing agricultural income and production in order to solve the food shortage. During period 2, the goal of RDP was to continue previous goal and added a new one that of improving rural infrastructure through the development of working ethics. During period 3, the
goal of RDP was relatively concentrated on lessening the gap between urban and rural infrastructures. During period 4, RDP became one of the major national policy as compared with previous policies. Previous RDP was relatively minor or complementary policy, while the main policy was focused on the national economic development. Therefore, the priority was given to the urban and industrial sectors in order to maximize high economic growth.

But during period 4, the ideology of national development has been transformed from efficiency and effectiveness to equality. The Korean government’s national policy focused on the simultaneous development of urban and rural area as well as the development of depressed rural areas to achieve a balance with the urban area thus, enhancing the rural residents’ quality of comprehensive living. The equity and equality between urban and rural areas became more important in recent RDPs.

3.3. Strategies

The changing RDP goals has resulted in the making of specific plans in order to achieve the desired goals.

The production-based strategy reflects increasing agricultural production in order to solve the food shortage in period 1. The production-based strategy together with a new policy on the improvement of rural infrastructure through the establishment of working ethics was the main strategy in period 2. This strategy was then named as the sae-maul movement. The basic
The need strategy of period 3, was concentrated relatively on the improvement of rural infrastructure and standard of living. The place-based strategy in period 4, intended to make the rural area to be more attractive and beautiful through utilizing its unique resources.

The focus of the RDP strategies have evolved from increasing agricultural production to improvement of the rural infrastructure and finally towards the prosperity in the rural areas.

3.4. Implementation and Evaluation

The role of the government had been changing due to the different RDP’s in each period.

Presently, the central government still dominates in the whole process of formation, implementation and evaluation of rural policies. Even though local autonomy was started in 1991, the central government has not transferred enough budget to the local government. Local government implements projects of the central government, and does not have independent programs because of insufficient budget.

However, there have been changes in the view of the role of the ministries in the central government level as follows:

(1) The number of ministries which are related to RDP has increased. This required the setting up of a governance system among the ministries. The new rural paradigm requires important changes on how policies are conceived and implemented
to include a cross-cutting and multi-level governance approach (OECD, 2006).

(2) The role of the agriculture ministry has been increasing due to the integration between agricultural and spatial policy. This means that the Ministry of Agriculture has strengthened the role of rural policy from just implementing agricultural policy to spatial policy in rural area.

Also, the Korean government agreed to the establishment of the governance system in the local government level. However, this task still remains to be achieved in the near future. In order to achieve true local governance, the first task is to build the capacities of the various actors like local government units, public corporations and residents. The definitions of capacity can include any one or all of the following elements: develop and sustain strong relationships, solve problems and make group decisions, and collaborate effectively to identify goals and get work done (Paul & Barbara, 2001).

3.5. Rural planning system

The existing rural planning system is implemented by two different approaches. One is managed by the Act of Planning and Utilization of the National Territory (2003) that is run by the Ministry of Land, Transportation and Maritime Affairs. The other is managed by the Rural planning system-related laws implemented by the various Ministries.
The Rural planning system is divided into two groups namely: a) development plan and b) land use planning system. Rural development plan system has been introduced and implemented since 1986. Rural development plan includes contents of desirable visions, goals and strategies which should be done by the local government in the near future.

During this period, the single pot budget for the rural development projects was implemented and tied with the development plan made by the local government.

Rural land use system on the other hand, is related to the prevailing RDP in the period. In periods 1 and 2, the focus of rural land use was concentrated on the preservation and widening of the agricultural land not on the conversion of the agricultural land to other sectors. After solving the food shortage in 1985, the government was confronted with the urban side's strong demand for the conversion of the agriculture land like urban housings, infrastructure and industrial sectors.

These days, the place-based strategies need to establish a new land use planning system. The existing rural land use system has a limit in boosting the rural area using rural resources. Basically, the existing rural land use system only regulates and protects various land uses (Yoon, 2009).
### Table 3: RDP characteristics based on the periods and policy components

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<tbody>
<tr>
<td><strong>Main Ideology of Public Administration</strong></td>
<td>Efficiency</td>
<td>Efficiency</td>
<td>Efficiency &amp; Democracy</td>
<td>Equity &amp; Efficiency</td>
</tr>
<tr>
<td><strong>Goal of RDP</strong></td>
<td>Self-sufficiency of staple food</td>
<td>Lessen the gap of standards of living between urban and rural area</td>
<td>Lessen the gap of standards of infrastructure between urban and rural area</td>
<td>The overall competitiveness of rural area &amp; the quality of life of rural population</td>
</tr>
<tr>
<td><strong>Strategy of RDP</strong></td>
<td>The production-based approach</td>
<td>Sae-maul movement</td>
<td>The basic-need approach</td>
<td>The place-based approach</td>
</tr>
<tr>
<td><strong>Target area of RDP</strong></td>
<td>Agricultural land area</td>
<td>Village (Maul)</td>
<td>Maul &amp; Several villages (Myon)</td>
<td>Small Town</td>
</tr>
<tr>
<td><strong>Implementation of RDP</strong></td>
<td>The central government</td>
<td>The central government</td>
<td>The central government</td>
<td>Increasing roles of the local government &amp; residents</td>
</tr>
<tr>
<td><strong>Rural planning system</strong></td>
<td>–</td>
<td>–</td>
<td>Introduce rural development planning system</td>
<td>Linking between budgeting and rural development planning</td>
</tr>
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However, the place-based strategies consider the urban side’s demand of land conversions and the usage of the rural unique resources. Thus, boosting the rural area rather than regulating it.
4. Conclusions

Korean RDP’s are analyzed and classified based on the periods and policy components. In all the periods analyzed, the main factors that influence the formation of the RDP were: the level of national development, the proportion of the agricultural sector in the GNP, and the strong demand from the foreign countries for free trade. RDP’s are composed of its components namely, target area, goals, strategies, implementation and evaluation, and rural planning system. Each of these has its unique characteristics.

Based on these classifications, the following observations were derived:

Firstly, Korean RDP’s have different characteristics in the various periods. Due to the development of the whole nation, the agriculture and rural sectors, through the RDP, have special functions and roles.

Secondly, in the last 50 years, the first half pursued the efficiency of the Rural Development Policy, while the second half is currently undergoing democratization and equalization.

Thirdly, the focus of Korean RDP’s shifted from agricultural to non-agricultural.

Fourthly, the target area for the RDP has been widened in terms of size and function, specifically urbanized and rural areas. In addition, the potential of the small town was also explored.
Fifthly, the central government has played important role in the process of implementing RDP. Presently, there is a gradual transfer of power from the central government to the local government due to democratization.

Sixthly, the new RDP paradigm leads to the increase of the number of actors and thus, there is a need to promote cooperation and partnership among them. However, capacity building of the local level actors and residents should be done because of their lack of abilities.

Seventhly, the new RDP paradigm requires an approach that integrates the agricultural with non-agricultural sector and the urban with the rural areas.

Eighth, The new RDP paradigm requires the rural area not to follow the urbanized but to become a unique and different area/rurality. This uniqueness enables the rural area to be used as a commodity that attracts the urban consumers.

Lastly, the new RDP paradigm should be supported by a new land use planning system. The rural land use system is related to the prevailing RDP in the period. The place-based approach should be supported by a new land use system.
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