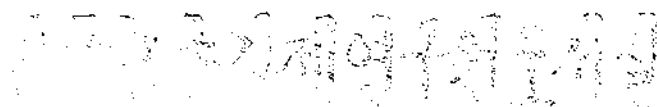


FINAL REPORT
DECEMBER 1979

EVALUATION STUDY ON IBRD LOAN PROJECT

Economic Implication of Saemaul Undong and Its Future Course of Action

Whang In-joung



KOREA RURAL ECONOMICS INSTITUTE

ECONOMIC IMPLICATIONS OF SAEMAUL UNDONG AND ITS FUTURE COURSES OF ACTION

A. Introduction

1. An attempt was made in this study to explore the economic implications of Saemaul Undong and to develop strategies for Saemaul Undong in the 1980's. The Saemaul Undong is a nation-wide social movement which includes:

- (a) spiritual enlightenment of people to self-help, dilligence, and cooperation;
- (b) fostering of change agents in the rural sector; and
- (c) a series of investment projects for physical and social infrastructure in the rural sector.

Hence the scientific analysis of economic performance of Saemaul Undong is a difficult task. Therefore, the study has focused on investment projects which have been organized and implemented with initiatives of rural people in the name of Saemaul projects.

2. Economic analysis of project performance would require cost-benefit analysis of individual projects.

Such analysis of irrigation projects, rural telecommunication, bridge construction, water supply system, rural electrification and fuelwood plantation projects will be conducted by other studies. Therefore, this study attempts to make an overall evaluation of economic implications of Saemaul Undong from the perspectives of the national economy as well as the village economy.

3. The statistical data for this study on economic analysis of performance of Saemaul Undong for last ten years were collected from the accumulated files of the government documents and records. A field survey was also conducted for this particular study to obtain informations regarding village economy. Thirty six villages were selected as samples (see Table 1) and village heads or leaders were interviewed according to the interview schedule regarding economic and social status of each village.

Part I. ECONOMIC IMPLICATIONS OF SAEMAUL UNDONG

B. Performance of Saemaul Projects

1. Saemaul Undong has been widely expanded in view of numbers of participating villages, mobilized manpower, and the amount of the total investment in the Saemaul projects. During 1978 alone, 36 thousand villages are involved in Saemaul Undong for which 634 billion Won was mobilized both from rural people and the government and also 271 million man-days of labor voluntarily participated (see Table 2).

2. During the period of 1971-78, about 2,000 billion Won was invested for Saemaul projects out of which 22% was supported by the government and 71% was contributed by village people themselves. Because of the increasing level of people's motivation to rural development, the portion of government commitment to Saemaul projects tends to be smaller. It is found that the amount of government contribution has increased about 12 times while that of rural people increased more than 20 times larger over the period of 1971-1978. People's contribution to the investment in Saemaul

projects includes their voluntary work, money, land, and other materials (see Table 3). Nevertheless, the absolute amount of government support to Saemaul projects has increased more rapidly than the rate of increase in development expenditure of the central government during the same period in order to meet increasing level of Saemaul activities initiated at village level (see Table 4). It is found that the fund raised by IBRD loan for Saemaul projects has also contributed to the increase in government financing of the projects since 1976.

3. It is viewed from these facts that government investment in Saemaul projects has induced the greater mobilization of labor and funds from the village people on the basis of their voluntary participation in rural development. The initial contribution of government served as a seed money for the accelerated mobilization of rural resources for their self-help efforts and tends to bring about a snow-ball effect.

4. During early stage of Saemaul Undong, the investment in Saemaul projects for physical infrastructure was emphasized. However, the pattern of

fund allocation implies that since 1975 the emphasis was shifted to the projects for increase in farm household income and more recently the emphasis has been made on rural housing projects (see Table 5)

5. As a result, a significant change has taken place in various aspects of rural communities such as farm roads, small scale bridges, agricultural production facilities including nursery farm, farm mechanization, marketing and transportation, cooperative farming rural housing, rural electrification, etc. (see Table 6 regarding performance of selected projects).

C. Impact upon National Economy

1. It is viewed that Saemaul Undong has contributed to the ignition of people's will for rural development at the initial stage. Through their self-help effort and voluntarily organizing Saemaul projects, rural people mobilized their resources and energy to the maximum extent for increase in their income. Such an effort naturally contributed to the development of national economy as a whole.

2. Through the Saemaul Undong, the gap between farm household income and urban laborers household income has been decreased since its inception of Saemaul Undong. According to statistics provided by Ministry of Home Affairs, the average farm household income during the period of 1974-1977 has been equivalent to, or better than the house hold income of urban laborers. (see Table 7).

3. Saemaul Undong has also contributed to the increase in the private savings during the period. It is also found that the portion of contribution made by Saemaul Undong to the private savings tends to increase during the period. The ratio of savings made through Saemaul Funds to the private savings of the country was 4.4% during 1972 and it became 9.5% during 1977 (see Table 8).

4. Regional development during the period is partly contributed by Saemaul Undong in view of improvement in income, rural infrastructure, and increasing off-farm income made available through Saemaul factories.

5. One of the economic achievements of Saemaul

Undong is the promotion of capital formation and the increase in employment opportunities in the rural sector. About 500 Saemaul factories have been quite active during the period of 1973-1977 while about 200 Saemaul factories have been underutilized. Construction of Saemaul factories in addition to rural infrastructure projects seems to be an indicator of capital formation in the rural sector which was about 50 billion Won during the period of 1973-1977 (see Table 9). It is also noted that about 151 thousand man-years of labor was employed by Saemaul factories during the same period (see Table 10).

6. US\$438 million worth of goods produced by Saemaul factories was exported during 1973-1977 which will be about 2% of the amount of the total exports of the country during the same period. It is also remarkable that technical learning class or vocational training activities are organized by Saemaul Undong to improve technical skills of village people for the improvement in agricultural productivity as well as their better employment opportunities in industries. About 850 thousand rural youngsters and village people

have had chances to access these opportunities of training over the whole period under study (see Table II).

7. In brief, it is viewed that Saemaul Undong activated the rural economy as an integral part of national economy to perform a strategic role in economic and social development. The rural economy had been viewed as a burden of national economy in the process of industrial development before the Saemaul Undong was organized. Thus Saemaul Undong has provided a rationale for the government to be more generous in resource allocation for rural development.

D. Impact upon Village Economy

1. According to the analysis of data collected from 36 sample villages, Saemaul Undong has brought about significant changes in village economies of rural communities in terms of economic roles, and structural change, and social development.

2. It is found that the more successful the Saemaul Undong at the village level, the more rapidly

grows the village economy in view of farm household income, diversification of income sources and more opportunities for off-farm income. The average farm household income in those villages winning the Presidential Award on their outstanding performance in Saemaul Undong was 2.1 million Won during 1978 while that of other villages was 1.8 million Won (see Table 12). During 1976, about 77% of arable land in the prize-winning villages was allocated for the cultivation of food grains while 75% was allocated in other villages. But the percentage has more rapidly decreased in the prize-winning villages to the land of 59% during 1978 than in other villages where the percentage was 67% (see Table 13). Nevertheless, it is interesting to note that the ratio of off-farm income to the farm-household income in the prize-winning villages was lower than that of other villages during the whole period under study (see Table 14). It is implied that Saemaul Undong has been more concerned about agricultural productivity rather than non-farm income sources. In fact, during the period, the Saemaul income-increase projects have been boosted

by high-price policy and also by technological breakthrough in terms of the diffusion of high-yielding varieties of rice. However, it seems to be no doubt that the emphasis on the role of Saemaul Undong in the increase in off-farm income will be a new frontier of the Saemaul projects in the future.

3. In view of the extent of farm mechanization, product mix of agricultural crops, and pattern of land utilization, Saemaul Undong has introduced change in structure of agricultural technology in the rural village. Over the period of 1970-1978, the farm mechanization become quite extensive so as to be about 8 times more than the early 1970 (see Table 15).

4. It is also found that the high motivation of rural people and socio-geographical mobilities stimulated by Saemaul Undong have induced changes in community structure in view of organizational pattern and community solidarity. It is noted that the percentage of school children enrolled at middle and high schools has increased during the period (see Table 16). The standard of living of farmers in the villages was also improved in view of the extent of

household electronics purchased at the village level (see Table 17).

E. Development Strategies of Korea in 1980's

1. The future course of Saemaul Undong depends on the philosophical foundation of development strategies in the 1980's. In view of magnitude and speed of economic growth and development which have taken place in the last two decades, the future of Korea in the 1980's should not be viewed as a simple extension of development pattern in the past. It is rather viewed that development strategies in the 1980's should be different from the present one to cope with changing needs of the society although the present strategies have been quite effective in the 1960's and 1970's.

2. Korea's development strategy seems to be basically a recopy of Western model in the sense that Korea has introduced wisdoms, ideas and technology which were already tested and experienced as effective. However, Korea now is in a threshold to enter a new stage of development at which development

strategy should be based on the uniqueness of socio-economic context in Korea. The new strategy should be different from the Western approach which is oriented to mass consumption of world resources. A resource-saving type of development strategy may be an inevitable one for the future Korea in view of international politics surrounding the idea of New International Economic Order being advocated by Third World countries as well as for the world peace over scarce resources. The reorientation of strategy implies changes in directions and tendencies in respects to goals, policies, organizations, and behaviors. Changes include reorientation of development goals from economic growth toward quality of life; redirection of growth policy from excessively rapid growth toward optimum level of growth; shifts from the maximization of partial efficiency toward achievement of overall harmony; from maximum intervention of government and control toward the private initiatives and participation; from recopy of western technology toward creative invention of new technology; from central dominance and centralization toward local

participation and decentralization; from recipient point of view toward donor's point of view with respect to international operation; etc.

3. It is viewed that issues related to the reorientation of philosophical foundation of development strategy seems to be benchmark for reconsideration of objectives and strategies for rural as well as social development in Korea.

F. Development Objectives in the 1980's

1. In view of KDI's study on Korean economy in 1991, Korea will move toward an industrialized and welfare state for which further emphasis should be made on social development as well as regional development to improve the quality of life of the general public. Gross National Happiness (GNH), Gross National Satisfaction (GNS), and Quality of Life (QOL) conceptually reflect the objectives of development in the 1980's. How to meet the minimum required level of income, how to provide equal opportunities for people to improve their standard of life, how to minimize the feeling of relative deprivation among mass from the economic growth process and how to provide the

basic minimum needs of rural or underprivileged communities should be major concern of development effort in the coming decade.

2. From this perspective, development objectives in the 1980's could be identified as follows:

- (1) Continued development of rural communities;
- (2) Expansion of women's activities and participation in every aspect of national development both in urban and rural communities;
- (3) Further development of children and youth in respects to education, health, nutrition, mental and intellectual growth, and personality; and
- (4) Increase in wider accessibility of people to educational facilities, arts and cultural activities.

3. The above objectives emphasize regional as social development along with economic growth in the 1980's. Saemaul Undong has been proved as an ideal end on the one hand and means to simultaneously

achieve such objectives on the other. Saemaul Undong is a nation-wide movement for spiritual enlightenment and ignition of zeals and motivation of community people to participate in voluntary effort, and also for organization of self-help effort among community members in the forms of improvement in physical infrastructure and income-generating projects. With the continued support and initiative of the top political leadership, Saemaul Undong tends to become not only an end itself in respects to spiritual enlightenment for cooperation, diligence, self-help and participation but also an effective instrument for rural development and organization.

G. Development Potentials of Saemaul Undong

1. It should be noted that Saemaul Undong has made a great contribution to rural as well as national development in Korea during the last decade. Its Contribution since its inception is vewed as historically recordable one. As indicated in many literatures on the subject, Saemaul Undong has contributed to (a) identification, manifactation, development and fostering of change agents in rural sector through

Saemaul leadership training program; (b) change in values and attitudes of rural people; (c) change in mode of behavior and organization at the community level; (d) improvements in rural infrastructure such as village roads, farm loads, irrigation facilities, water supply, reforestation, electrification, village halls, etc.; (e) increase in farm income as well as off-farm income through their deliberately planned efforts; and so on. It is also viewed that Saemaul Undong has eventually contributed to higher mobility of rural people on the one hand and also to reorientation of local administration toward development support administration beyond its orientation to law and order. In spite of such contributions, it is viewed on the other hand that Saemaul Undong tends to bring about somewhat dependency syndrome of people upon government assistance and initiative as well as somehow distorted pattern of consumption among rural people. Regardless of some minor mistakes, it is no doubt that Saemaul Undong is one of the most remarkable achievement for rural modernization in Korea.

2. Nevertheless the future direction of Saemaul

Undong is subject to its environmental changes which have been brought about by the successful implementation of Saemaul Undong itself as well as series of economic development plans. Environmental changes include change in social structure in general. The urbanization tends to be more extensive. The level of consumption and the portion of middle-income class tend to be higher and larger. Small family size tends to be associated with individualistic attitude of people. The level of political participation of people would become higher and thus tend to demand for local autonomy. The scope of public issues tends to expand as the demand for administrative services tends to increase. The humanistic standard and consideration will become a criteria for determining any public life and social policy.

3. These changes would be associated with change and development of national economy toward open economy, industrialization with emphasis on heavy and chemical industries, and encouragement of market economy as they are often indicated in a series of studies on the future of Korean economy

such as KDI's report.

4. Along with the economic and social changes, various changes, advantageous and disadvantageous, also will take place in rural communities. Rural villages tend to be open communities. Geographical and social mobilities among people tend to be higher. The physical facilities and infrastructure in rural communities tend to be more urban-like due to the Saemaul Undong. Poor labor including old men and women tends to remain in rural sector while young and educated labor forces migrate to the urban-industrial sector. Under these circumstances, the agricultural modernization in terms of mechanization of large scale farming would become a mandate of rural development in the 1980's.

5. Another dimension of socio-environmental change is related to the philosophy of rural development in the coming years. Whether or not is income growth of rural farmer the ultimate objective of development? A philosophical change tends to take place in favor of improvement in quality of rural life in terms of satisfaction with, as well as

accessibility to, cultural life such as education, religion, arts, etc. beyond income growth itself.

6. It now seems valuable to consider the extent to which the present mode of organization and operation of Saemaul Undong could be effective to meet the series of changes, challenges, and issues as illustrated above. It is viewed that the role of Saemaul Undong should be in a limitation unless some major changes in its strategies and orientation are infused. It is because the objective of current Saemaul projects is oriented toward improvements in physical infrastructure and/or income growth of farm household. It tends to be organized primarily with government initiative. The top-down direction from the central government without any variations depending on regional needs tends to discourage motivation and creativity on the part of people. The present system of local administrative support for Saemaul projects tends to be less effective in meeting emerging needs of communities.

7. Nevertheless, it is firmly believed that the development potentials of Saemaul Undong is still great to be continued in the 1980's. The merits as

well as the potential roles of Saemaul Undong have been eloquently advocated for its continued services for rural and national development if it is adjusted and adapted to changing needs in the 1980's.

PART III. RECOMMENDATION

H. Future Course of Saemaul Undong

The adaptation and adjustment of Saemaul Undong to the contextual changes in the 1980's are suggested in terms of a series of policy recommendations with regard to following subjects:

1. Reorientation of Rural Development

Objectives.

Up until now, the improvements in rural income and physical infrastructure have been defined as major objectives of rural development in Korea. In view of the extent of industrialization, the objectives of rural development in the 1980's should be redefined in terms of "better-living rural region" of which each word has its own implications. In pursurance of this broad objective, the specific objectives should be as follows:

- (a) The primary unit of development action for Saemaul Undong should be a "rural region" which includes several villages beyond one village. The new dimension

may involve organization as well as perceptual change on the part of rural people and also of local administrators.

- (b) Positive participation and developmental use of women should be encouraged in order to allow the better utilization of marginal resources and to improve the humanistic standard.
- (c) Emphasis should be placed on children and youth development in rural sector for self-sustained development of rural communities and for better distribution of income and development benefits between rural and urban sectors.
- (d) Policies should be reoriented to improvement in quality of life in the rural sector, in terms of accessibility to facilities and opportunities for education, religious activities, arts, health, welfare, etc.

2. Projects Activities for Saemaul Undong

The projects and activities to be undertaken

in the name of Saemaul Undong in the 1980's should be identified in the lights of the following criteria:

- (a) Priority should be given to those Saemaul Projects which are organized for agricultural modernization in order to make consistant with the speed of industrialization of the Korean economy. They include projects or activities which encourage enlargement of cultivating land through innovation in farm organizations and mechanization of farming.
- (b) Priority also should be given to policies and projects related to off-farm income including relocation of industrial zones, creation of opportunities for non-farm employment of rural people, and training as well as social insurance for their employment by industries. The multi-dimensional aspects of rural income policy should be reflected in organization of specific Saemaul Projects.
- (c) Saemaul projects should be identified

with a view to improving agricultural marketing systems and flow channels for rural products since they are closely related to increase in rural income.

- (d) Saemaul projects in the 1980's should be organized for expansion and improvement of facilities and opportunities for welfare, education, arts, and other cultural lives.
- (e) Activities for encouragement of women's participation should receive greater attention. They include, for examples, diploma school for rural house wives, adult education, development of educational and training materials, etc.
- (f) Saemaul Undong should cover activities for children and youth development as they are determinants of the future of rural communities. In this connection, emphasis should be given to creation of unique domain of the child culture by which desirable inputs will be made

available in planning and operation of rural nursing school, nutrition, health programmes, etc.

- (g) Specifically community-oriented health, education, and nutrition programmes should be expanded with a view to improving quality of life of rural people.
- (h) Utilization as well as accommodation of old men and women should be another area to be explored in favor of Saemaul projects.
- (i) It is again noted that special attention should be given to the enlightenment of Saemaul spirits such as cooperation, diligence, self-help, motivation, participation and creativity.

3. Strategy for Saemaul Undong

For successful implementation of Saemaul projects in the 1980's, strategies in support of Saemaul Undong should be reformulated. An emphasis should be made on peoples initiative for planning and organization

of Saemaul projects at the grass-root level. Government should encourage community people to take positively part in every aspect of management of Saemaul projects with their initiation rather than government takes over private roles. It may require change in people's attitude and perception on the one hand and also require specification of administrators' role in Saemaul Undong on the other.

Voluntary participation of the people in planning and implementation of Saemaul projects should be promoted for their maximum commitment and contribution to the success of Saemaul Undong. The current tendency of forced modernization by government apparatus should not be continued to work in view of social and political context of rural communities in the 1980's.

4. Basic Direction of Reorganization for Saemaul Undong.

It seems to be natural that the organization for Saemaul Undong should be redirected in support of development objectives and programmes for rural development and in association with strategies for action at the local level. The followings are points which

should be reflected in reorganization of activities:

- (a) The Saemaul Undong in the 1980's should be reorganized for "work-oriented" activities, while the contemporary Saemaul Undong is mostly for "village-centered" activities. The major works to be performed in the 1980's are stimulation of agricultural modernization and farm mechanization through people's cooperative efforts, creation of employment opportunities in industries at local level to generate off-farm income, and improvement in quality of life in the rural sector.
- (b) As spatial boundary of organizational unit for Saemaul Undong has to be expanded from one village to several villages, people's organization should be redirected from "their own village-centered organization" toward a neighboring village-concerned "regional organization." It naturally involves enlargement of projects size as

beneficiaries of projects tend to become broader and extensive.

- (c) As the improvement in quality of life become focus of development objectives, an extensive enlightenment of the Saemaul spirits among women and children tends to be a central issue. In other words, Saemaul activities also should be reorganized in the form of "family-focused" or "house-wife oriented" activities.
- (d) The identification and development of Saemaul leadership should aim at the improvement in their managerial capabilities and specialized knowledge and skills necessary for performance of Saemaul projects. Their capacity for political mobilization of community people should be a secondary consideration for leadership development in the 1980's. Within this context, incentive schema including rewards for leaders and

level of their morale should be reinsti-
tuted according to the nature of leader-
ship of performance.

- (e) Special attention should also be given to the coordination of interests among community members in order to minimize possible conflicts under the process of rapid industrialization and rural change.

5. Policy and Institutional Innovations

With this background as described above, a series of innovations should be taken place in supporting policies and institutional arrangements for the Saemaul Undong in the 1980's. They includes:

- (a) One of the areas for significant policy innovation is development of several education centers at the local level which will foster development of local core cities, and embodiment of cultural centers in various regions. The idea of local education centers will eventually contribute and support activities and projects of Saemaul Undong in the 1980's.

The proposed local education centers could be elaborated in connection with on-going policies such as Ten-Year Development Plan for Medium-Small Cities which is being drafted by Ministry of Home Affairs and the current Program for Development of Local Universities which is being implemented by Ministry of Education. Social education concerned with formation of values and attitude of adults should also be incooperated into the proposed idea for development of local education centers.

- (b) It seems to be inevitable that encouragement of local politics and self-reliant development should be another priority area for government to emphasize in pursurance of Saemaul Undong in the 1980's.
- (c) Current movement of Saemaum Undong (New-Mind Movement) should be coordinated with Saemaul Undong in 1980's as

they are closely interrelated in the process of nation-wide movement for social and rural development. Government role in coordinating these two sets of activities with respects to objective-setting, specific activities, procedures and methods of government support, etc. seem to be acute as they are complementary in the nature.

6. Local Administration System in Support of the Saemaul Undong

It is viewed that the current local government system has been very efficient in assisting Saemaul Undong at the village level. The administrative supports provided by local governments include stimulation and encouragement of somehow voluntary participation of rural people in planning, organization, and implementation of Saemaul projects. Technical and financial assistances are provided by different agencies of government like extension workers, health center, etc. Local government plays coordinating role in providing different inputs and assistance from

various agencies.

Nevertheless, local administration system should be reformed in support of the modified concept of Saemaul Undong in the 1980's which was described above in terms of objectives, projects, implementation strategy, organization, supportive policies and institutions. Who will be responsible for providing administrative support to community-level action? Whether should the present system of local administration be continued to play the major role in administrative support or should a new form of rural cooperatives be established to replace with the present system? It is viewed that complementary functions of both local government and rural cooperatives should be assumed in their institutional rearrangement.

- (a) In order to allow the local government system more flexible and relevant in responding to Saemaul needs in the 1980's a major reform of local government system should be as follows:

- (i) Structural and functional rearrange-

ment of local government which include strengthening of planning function at county and township levels, functional reallocation between central and local governments, rearrangement of functions and tasks between ministries at the central level, coordination between townships in respects to Saemaul Undong, etc.;

- (ii) Readjustment of personnel and training system to cope with new demands arising from Saemaul Undong in the 1980's, which include identification and development of administrative cadets, suitable training program, and incentive systems such as rewards, promotion, and overseas travel;
- (iii) Improvement of administrative management by minimizing red tapes, simplifying procedures of reporting, providing advanced administrative machineries and tools necessary for processing

communication flow, and introducing appropriate monitoring system and management techniques; and

(iv) Self-reliance in local financing to meet increasing administrative demands for implementation of Saemaul projects, which include reclassification of certain national tax items into the category of local taxes and increase in grant-in-aid of the central government to local governments.

(b) As a complementary measure for improvement in administrative support function, capacity of agricultural cooperatives for action in Saemaul Undong should be strengthened in terms of images of rural cooperatives at township level, their credibility, organizational efficiency, relationship with members and clients, etc.

(c) In addition to the local level improvement of the supporting system, the

administrative support from the central government should not be formalistic but more substantial and consistent. Saemaul Administration Deliberation Committee consisting of Director-Generals drawn from several ministries is now expected to play critical role in providing technical and substantive supports to stimulate local-level actions for Saemaul Undong.

- (d) Another important element of administrative supports is Saemaul Leaders Training Program which should be reinforced by introducing new substance to case study materials, variety of cases, and other training methods with a view to training them in problemsolving capabilities, information analysis, management and planning skills, etc.
- (e) Since Saemaul Undong in the 1980's will be based on a different set of development philosophy and strategies, extensive

information, education and communication (IEC) activities may have to be organized for wider understanding of people in general and thus for mobilization of political and social supports as well.

I. Supplementary and Follow-Up Measures

In pursurance of Saemaul Undong in the 1980's, deliberate preparation should be made in forms of indepth research, operationalization studies, master plan, and other supplementary measures.

1. Research Areas

One of the critical issues in conceptualization of new strategies for Saemaul Undong and social development in the 1980's is related to indicators of people's satisfaction or indicators for identification of quality of life at the community level. Social indicators are useful for conceptualization at the national-aggregate level although it is difficult to operationalize. A set of relevant indicators to measure the degree of QOL at the community level is yet to be studies and elaborated. This study should also be coordinated to study on indicators of Saemaul

Undong in the urban sector and social development.

It is noted that indicators concerning children, youth, women, and family could be included in such indicators.

2. Master Plan of Saemaul Undong in the 1980's

The issues raised and discussed throughout the Seminar are quite substantive and extensive. The recommendations deliberated also seem to be significant and some of them imply drastic changes in critical aspects in the process of Saemaul Undong. Nonetheless, they are not yet ready to be implemented nor systematic to be consistent with each other. It should be noted in this connection that the Saemaul Undong in the 1970's was initiated, elaborated, and implemented by administrators themselves with constant trials and errors. The concept and strategies were developed with a view to readily applying to the real context of rural communities in Korea. Nonetheless, it is viewed that a master plan should be prepared by an interdisciplinary group of planning experts with a view to providing specific action programs and guidelines for Saemaul Undong in the 1980's because of complexities as well as magnitudes of issues to be involved in the

coming decade.

3. Supplementary Measures

Since the implications of Saemaul Undong are so great because of its consistent success, popularity, and strong support of the top political leadership, the term "Saemaul" tends to be used too often regardless of its relevance to be influential. Therefore, in order to maintain the original image and influences of Saemaul Undong, the word "Saemaul" should not be abused by government as well as private.

Table 1.

LIST OF SAMPLE VILLAGESChungcheong-Bug-Do

1. Sogye-Ri, Hwanggan-Myeon, Yeongdong-Gun
2. Seodae-Ri, Ogcheon-Myeon, Ogcheon-Gun
3. Seogsil-Ri, Nami-Myeon, Cheongweon-Gun
4. Naeam-Ri, Gudeog-Myeon, Cheongweon-Gun
5. Byeongwon-Ri, Suchan-Myeon, Boeun-Gun
6. Yeongkyeo-Ri, Dongryang-Myeon, Jungweon-Gun

Chungcheong-Nam-Do

7. Chilsan-Ri, Imcheon-Myeon, Buyeo-Gun
8. Shinsong-Ri, Gobug-Myeon, Seosan-Gun
9. Namseon-Ri Jinjam-Myeon, Daedeog-Gun
10. Sohag-Ri, Gyeryong-Myeon, Gongju-Gun
11. Yeomjag-Ri, Dunpo-Myeon, Asan-Gun
12. Samgeo-Ri, Eumbong-Myeon, Asan-Gun

Jeonra-Bug-Do

13. Bongchon-Ri, Dunnam-Myeon, Imsil-Gun
14. Wagseon-Ri, Sanseo-Myeon, Jangsu-Gun
15. Woncheon-Ri, Baegsan-Myeon, Buan-Gun
16. Ibseog-Ri, Weolchon-Myeon, Gimje-Gun
17. Bujeol-Ri, Sandong-Myeon, Namweon-Gun
18. Sanwol-Ri, Daeya-Myeon, Oggu-Gun

Jeonra-Nam-Do

19. Dodeog-Ri, Samdo-Myeon, Gwangsan-Gun
20. Seonpyeong-Ri, Seo-Myeon, Seungju-Gun
21. Namseog-Ri, Nampyeong-Myeon, Naju-Gun
22. Keumnae-Ri, Toji-Myeon, Gurye-Gun
23. Mansu-Ri, Neungju Myeon, Hwasun-Gun
24. Seungbeop-Ri, Ogot Myeon, Gogseong-Gun

Gyeongsang-Bug-Do

25. Gajang-Ri, Sangju-Eub, Sangju-Gun
26. Wolcho-Ri, Cheongri-Myeon, Sangju-Gun
27. Gopyeong-Ri, Hwayang-Myeon, Cheongdo-Gun
28. Chasan 1-Ri, Punggag-Myeon, Cheongdo-Gun
29. Jueung 1-Ri, Daesan-Myeon, Yeongdeog-Gun
30. Yeonpyeong 2-Ri, Yeonghae-Myeon, Yeongdeog-Gun

Gyeongsang-Nam-Do

31. Songjeong-Ri, Sanin-Myeon, Haman-Gun
32. Naegog-Ri, Yeohang-Myeon, Haman-Gun
33. Geonam-Ri, Ibang-Myeon, Changnyeong-Gun
34. Seog-Ri, Daeji-Myeon, Changnyeong-Gun
35. Daedong-Ri, Mari-Myeon, Geochang-Gun
36. Daehyeon-Ri, Namsang-Myeon, Geochang-Gun

Table 2.

Dissemination and Expansion of Saemaul Undong

Indicators	1971	1972	1973	1974	1975	1976	1977	1978
Villages Participated	33,267	22,708	34,665	34,665	36,547	36,557	36,557	36,257
(in each village)	(33,267)	(22,708)	(34,665)	(34,665)	(34,665)	(35,031)	(35,031)	(34,815)
Villagers Participated	7,200	32,000	69,280	106,852	116,880	117,528	137,193	270,928
(in thousand man-days)	(7,200)	(32,000)	(67,530)	(37,343)	(48,944)	(35,138)	(45,118)	(183,605)
Projects	385	320	1,093	1,099	1,598	887	2,463	2,667
(in thousand projects)	(385)	(320)	(1,093)	(415)	(696)	(630)	(2,200)	(-)
Amount of Investment	12.2	31.3	98.4	132.8	295.9	322.6	466.5	634.2
(in billion won)	(12.2)	(31.3)	(98.4)	(122.2)	(286.3)	(317.5)	(439.1)	(630.5)
Government Support	4.1	3.3	21.5	30.8	165.3	165.1	246.0	338.4
(in billion won)								
Participants per village	216	1,409	1,999	3,082	3,198	3,215	3,753	7,472
(in man-days)	(216)	(1,409)	(1,948)	(1,077)	(1,413)	(1,003)	(1,288)	(5,274)
Projects per village	12	13	32	32	44	24	67	74
(in each project)	(12)	(13)	(32)	(12)	(20)	(18)	(63)	(-)
Investment per village	367	1,378	2,839	3,831	8,096	8,825	12,764	17,492
(in thousand won)	(367)	(1,378)	(2,839)	(3,526)	(8,259)	(9,063)	(12,535)	(18,110)
Investment per projects	32	98	90	121	185	364	189	221
(in thousand won)								

Source: Ministry of Home Affairs, Saemaul Undong: From the Beginning to the present, 1973, 1974, 1975, 1976, 1977, 1978

* Numbers in parentheses indicate the values in Rural Saemaul Undong.

Table 3. Government Support to Saemaul Projects

Unit : billion Won

	Development Expenditure in General Government Sector 1)		Government Support to Saemaul Project project 2)	
1971	117.4	(21.4)*	4.1	(-)
1972	240.2	(36.2)	3.6	(-12.7)
1973	176.8	(-26.4)	17.1	(378.4)
1974	301.1	(70.3)	45.5	(165.4)
1975	522.3	(73.5)	165.3	(263.4)
1976	669.5	(28.2)	165.1	(-0.1)
1977	729.9	(9.0)	246.0	(49.0)
1978	873.0	(19.6)	338.4	(37.6)

Source: 1) Economic Planning Board, Handbook of Korean Economy, 1978, pp 90-91.

2) Ministry of Home Affairs, Saemaul Undong :
From the beginning to the present, 1973-1978.
(Loans from government included)

* Numbers in parentheses indicate rate of increase to the value of the previous year

Table 4.

Sources of Investments in Saemaul Undong

Unit: million won (current prices)

Year	Total Amounts of Investment (A)		Government Support (B)		Contribution by Residents (C)*		Others (D)		A/B	C/B	C+D/B
1971	12,200	(100.0)	4,100	(33.6)	8,100	(66.4)	-		297.6	197.6	-
1972	31,594	(100.0)	3,581	(11.3)	27,348	(86.6)	665	(2.1)	882.3	763.7	782.3
1973	96,111	(100.0)	17,133	(17.8)	76,850	(80.0)	2,128	(2.2)	561.0	448.5	461.0
1974	132,790	(100.0)	30,780	(23.1)	98,738	(74.4)	3,272	(2.5)	431.4	320.8	331.4
1975	295,895	(100.0)	124,499	(42.1)	169,554	(57.3)	1,842	(0.6)	237.7	136.2	137.7
1976	322,652	(100.0)	88,060	(27.3)	227,440	(70.5)	7,152	(2.2)	366.4	258.3	266.4
1977	466,532	(100.0)	138,057	(29.6)	325,033	(69.7)	3,442	(0.7)	337.9	235.4	237.9
1978	634,191	(100.0)	145,703	(23.0)	487,835	(76.9)	653	(0.1)	435.3	334.8	335.3
TOTAL	1,991,965	(100.0)	551,913	(27.7)	1,420,898	(71.3)	19,154	(1.0)	360.9	257.5	260.9

* Loans from government and other institutions included

Source; Ministry of Home Affairs, Saemaul Undong; From the Beginning to the present, 1973, 1974, 1975, 1976, 1977, 1978.

Table 5

Pattern of Resource Allocation for saemaul projects : 1973-1978

Unit : million won

Year	Production Infrastructure Projects		Income-Augmentation projects		Welfare and Rural Environment projects		Spiritual Enlivenment Projects		Urban and Factory Saemaul projects		Total	
		(%)		(%)		(%)		(%)		(%)		(%)
1973*	61,767	64.2	5,936	6.2	27,636	28.8	772	0.8	-	-	96,111	100.0
1974*	56,451	42.5	33,783	25.4	28,771	21.7	3,237	2.4	10,548	8.0	132,790	100.0
1975	63,684	21.5	187,480	63.4	30,507	10.3	4,635	1.6	9,589	3.2	295,895	100.0
1976	90,180	27.9	154,067	47.8	67,572	20.9	5,676	1.8	5,157	1.6	322,652	100.0
1977	135,772	29.1	182,624	39.1	110,043	23.6	10,664	2.3	27,429	5.9	466,532	100.0
1978	130,662	20.6	242,666	38.3	244,595	38.5	12,583	2.0	3,725	0.6	634,231	100.0
Total	538,516	27.6	806,556	41.4	509,124	26.1	37,567	1.9	56,448	3.0	1,948,211	100.0

* Reclassified according to the criteria established between 1975 and 1978

Source: Ministry of Home Affairs, Saemaul Undong : From the Beginning to the present, 1973, 1974, 1975, 1976, 1977, 1978.

Table 6

Achievements of Major Saemaul Projects

PROJECTS	Units	'71	'72	'73	'74	'75	'76	'77	'78	Total
Production Infrastructare Projects										
Farm Feeder Roads	Km	-	7,351	5,367	(39,918)*	1,540	1,228	374	571	43,631
Village Roads	Km	-	12,000	10,842	5,315	1,815	1,107	1,451	942	33,473
Bridges	place	-	12,800	5,367	761	9,859	6,826	6,528	4,870	47,011
Small-Scale Irrigation	place	3,033	286	-	-	4,972	563	654	403	9,911
Village storage	place	-	1,699	1,601	5,946	4,012	2,311	1,756	706	18,031
Land Consoliation	ha	-	23,134	24,300	1,208	13,158	-	420	2,037	62,220
Income Augmentation Projects										
General Cooperative Farming Estate	place	-	23	37	109	134	155	205	-	663
Horticulture cooperative Farming Estate	place	-	11	134	125	140	140	140	140	730
Livestock Cooperative Farming Estate	place	-	-	-	-	47	117	141	161	466
Welfare and Rural Environment Projects										
Village Hall	place	-	4,452	5,135	1,545	2,425	2,701	2,779	1,592	20,631
Village Bathhouse	place	2,111	2,063	1,390	351	457	251	186	86	6,898
Sewage Improvement	km	788	1,904	3,864	2,304	1,681	1,178	1,155	570	13,444
Aanitary Water Supply	place	-	-	-	-	-	-	-	-	-
Reforestation	ha	5,884	23,091	11,976	39,855	78,881	83,000	136,700	123,400	502,787
Electrification	thousand household	-	164	308	177	150	235	120	50	1,204
Roof Improvement	thousand household	-	413	477	400	293	360	278	30	2,251
Construction of House	place	-	-	-	-	-	3,853	15,690	33,393	52,936
Village Rearrangement	village	-	-	-	-	-	8	247	852	1,137
	(Place)	-	-	-	-	-	(227)	(5,265)	(16,607)	(22,099)

* Including repair

Source: Ministry of Home Affairs, Saemaul Undong : From the Beginnings to the present, 1973, 1974, 1975, 1976, 1977, 1978.

Table 7. Rural and Urban Household Income, 1970-1978

Year	Urban Laborer Household Income (A)	Farm Household Income (B)	B/A
1970	381,240	255,804	67%
1971	451,920	356,382	79
1972	517,440	429,394	83
1973	550,200	480,711	87
1974	644,520	674,451	104
1975	859,320	872,933	102
1976	1,151,760	1,156,300	100
1977	1,405,080	1,432,800	102

Source: Ministry of Home Affairs, Saemaul Undong
 From the Beginning to the Present, 1978,
 p 113.

Table 8. Rural Share in Private Savings

Unit: billion won
(Numbers in Parentheses show inde

Year	Private Savings (A)	Saemaul Fund (B)	Savings in Agriculture & Fisheries Cooperatives (C)	Sub total (B+C) (D)	Percentage		
					B/A	C/A	D/A
1968	100.6						
1969	235.5						
1970	243.2						
1971	268.2 (100.0)	2.7 (100.0)	18.0 (100.0)	20.7 (100.0)	1.0	6.7	7.7
1972	427.7 (159.5)	3.5 (129.6)	15.3 (85.0)	18.8 (90.8)	0.8	3.6	4.4
1973	858.4 (320.1)	6.5 (240.7)	35.9 (199.4)	42.4 (204.9)	0.8	4.2	5.0
1974	1,099.2 (409.8)	3.4 (125.9)	56.0 (311.1)	59.4 (287.0)	0.3	5.1	5.4
1975	1,156.7 (431.3)	7.4 (270.1)	77.7 (431.7)	85.1 (411.1)	0.6	6.7	7.3
1976	1,895.7 (706.8)	22.2 (822.2)	113.9 (632.8)	136.1 (657.5)	1.2	6.0	7.2
1977	2,702.1 (1,007.5)	71.1 (2,633.3)	185.5 (1,030.6)	256.6 (1,239.6)	2.6	6.9	9.5
1978	-	240.0 (8,888.9)	212.4 (1,180.0)	452.4 (2,185.5)	-	-	-

Source: 1) Economic Planning Board, Handbook of Korean Economy 1978, pp. 14-19.

2) Ministry of Home Affairs, Saemaul Undong; From the Beginning to the present 1977 p. 277,

Table. 9 Numbers of Saemaul Factores by Year

Unit: Place

Year	Estabilished	Cancelled	Remained
1973	260	132	128
1974	182	69	113
1975	129	32	97
1976	122	10	112
1977	67	-	67
TOTAL	760	243	517

Source: R.I.D. Center, Statistical yearbook of
 project Implementation in 1977, 1978 pp. 14-15.

Table 10. Effects of Saemaul factories on Capital Formation and Employment

Year.	Amounts of Investments million won	Number of Employees Person	Amounts of Wage earnings million won
73	4,300	21,000	956
74	4,000	22,640	3,570
75	22,200	33,561	7,717
76	9,000	48,874	16,369
77 1)	5,000	55,411	12,410
78	5,000	— 2)	— 2)
TOTAL	49,500	151,486	41,022

Source: Ministry of Home Affairs, Saemaul Undong.:

From the beginning to the present, 1973,

1974, 1975, 1976, 1977, 1978

1) Only the first half of the year included

2) not available

Table 11. Vocational Training Programs for Farmers

	Unit	year							Total
		71-73	74	75	76	77	78		
Vocational Training for Program for Farming Leaders & Special Training Program on crops	person	149,014	160,296	55,690	75,940	3,474	6,620	451,034	
Training program on Farm mechanics	person	83,413	24,048	44,935	68,772	98,500	63,750	383,418	
Seasonal Training Program on Farming	Thousand person	13,850	2,624	3,205	5,940	2,850	2,585	31,054	

Source: Ministry of Home Affairs, Saemaul undong: From the

Beginning to the present, 1973, 1974, 1975, 1976, 1977, 1978.

Table 12

Farm Household Income

(in ten thousand won)

Contents	1976		1978	
	awarded village	non-awarded village	awarded village	non-awarded village
(1) Agricultural Income (C+F)	110.5	88.6	182.3	138.8
Agricultural Crop Gross Receipts (A)	119.7	87.8	179.6	129.1
Agricultural Crop Management Expenditures (B)	17.1	10.8	25.2	14.9
Agricultural Crop Income (C=A-B)	102.6	77.0	154.4	114.2
grains	89.8	65.2	117.9	84.4
Vegetables	15.1	14.7	35.1	21.9
Special crops	2.2	1.4	3.8	1.2
Fruits	4.8	1.5	9.2	13.6
Vinyl ~ house crops	-	-	2.2	2.8
Other crops	-	-	0.6	-
Monopoly crops	4.6	0.7	5.6	2.5
By-products	3.2	4.3	5.2	2.7
Livestock Gross Receipts (D)	9.5	13.3	32.9	29.1
Livestock Management Expenditure (E)	1.6	1.7	5.0	4.5
Livestock Income (F=D-E)	7.9	11.6	27.9	24.6
(2) Off-farm Income	18.6	25.1	25.8	36.3
Forestry	2.3	5.3	1.3	2.9
Fisheries	-	-	-	-
Construction	1.6	1.6	4.6	6.0
Mining	1.2	0.3	0.06	-
Manufacture	2.5	6.3	6.8	10.6
Wholesale & Retail Trade	0.8	0.6	1.3	1.3
Transportation	0.2	0.5	0.3	4.0
Public Administration	10.0	14.4	8.4	8.7
Service	-	0.2	0.3	2.4
Income transfer	-0.3	1.2	2.8	6.4
Total Income (1+2)	129.1	113.7	208.1	175.1

Source: Appendix A, Item 19, 21

Table 13. Pattern of land Utilization per household

	Unit: 10a (%)			
	1976		1978	
	Awarded village	non-awarded villages	Awarded villages	non-awarded villages
Rice	5.9 (35.6)	3.8 (34.9)	5.2 (35.8)	3.4 (29.8)
Wheat & Grain Barley crops	5.1 (30.7)	3.7 (33.9)	0.9 (6.2)	3.1 (27.2)
Pulses	1.4 (8.4)	0.2 (1.8)	1.4 (9.7)	0.7 (6.1)
Potatoes	-	0.2 (1.8)	0.6 (4.1)	0.1 (0.9)
Miscellaneous Grains	0.3 (1.8)	0.7 (6.4)	0.4 (2.8)	0.3 (2.6)
Sub - Total	12.7 (76.5)	8.2 (75.2)	8.5 (58.6)	7.6 (66.7)
Vegetables	1.8 (10.8)	1.6 (14.7)	3.8 (26.2)	2.4 (21.1)
Special crops	0.7 (4.2)	0.6 (5.5)	0.9 (6.2)	0.6 (5.3)
Fruits	0.7 (4.2)	0.1 (0.9)	0.3 (2.1)	0.3 (2.6)
Monopoly crops	0.5 (3.0)	0.1 (0.9)	0.8 (5.5)	0.3 (2.6)
Other cash crops	-	-	0.1 (0.7)	0.1 (0.9)
Others	0.2 (1.3)	0.1 (0.8)	0.1 (0.7)	0.1 (0.8)
Total	16.6 (100.0)	10.9 (100.0)	14.5 (100.0)	11.4 (100.0)

Source : Appendix A, item 19, 21

Table 14. Composition of Farm Household Income

Unit: %

	'76		'78	
	Awarded villages	non-awarded villages	Awarded villages	non-awarded villages
Total	100.0	100.0	100.0	100.0
(1) agricultural income	85.6	77.9	87.6	79.3
A. Crop income	79.4	67.9	74.2	65.2
grains	69.6	57.3	56.7	48.2
vegetables	11.7	12.9	16.9	12.5
special crops	1.7	1.2	1.8	0.7
fruits	3.7	1.3	4.4	7.8
vinyll-house crops	-	-	1.1	1.6
other crops	-	-	0.3	-
monopoly crops	3.6	0.6	2.7	1.4
by-products	2.5	3.8	2.5	1.5
B. Livestock Income	6.1	10.2	13.4	14.1
(2) Off-farm Income	14.4	22.1	12.4	20.7

Source: Appendix A, Item 19, 21.

Table 15. Number of Agricultural Machinery

Kind of Machine	in each per 100 household							
	'70		'75		'79			
	Awarded village	non-awarded village	Awarded village	non-awarded village	Awarded village	non-awarded village	Awarded village	non-awarded village
Power Tiller	1.7	1.1	5.9	4.8	12.8	8.9		
Mist & Duster	0.8	1.5	2.0	3.5	11.3	10.2		
Power Thresher	1.1	2.4	3.3	7.5	8.0	9.4		
Pump	2.3	0.6	3.4	2.0	12.4	3.3		
Seeder	-	-	-	-	-	0.2		
Binder	-	-	-	-	0.3	-		

1
4
1

Source: Appendix A, Item 24

Table 16. School Attendance Ratio of the population aged 6 to 24 years, 1970-1975

(%)

	1970			1975		
	Whole country	urban	rural	Whole country	urban	rural
6 - 11	87.9	87.2	88.2	89.5	88.5	90.3
12 - 17	59.2	65.1	54.1	67.7	71.4	64.3
18 - 24	9.8	14.8	4.4	12.6	17.3	4.1
Total	57.9	56.4	59.0	58.8	57.5	71.5

Source: Economic Planning Board, population and Housing Census Report, 1970-1975

Table 17. Domestic Electronics in Rural Household

(%)

	1970 ¹⁾	1975 ²⁾	1976 ³⁾	1977 ⁴⁾	1978 ⁵⁾	1979 ⁶⁾
TV Sets	0.8	15.7	30.3	43.5	62.5	63.6
Electronic iron	-	-	-	-	-	50.4
Electronic fan	-	17.5	17.5	24.4	45.5	47.8
Electronic jar	-	-	-	-	-	46.6
Tape recorder	-	-	2.5	3.8	10.5	13.4
Audio Sets	3.5	7.0	12.0	14.1	16.9	11.8
refrigerator	0.4	1.3	0.8	1.5	3.8	5.7
Auto-bicycles	-	-	-	-	-	4.4

- Source: 1) Economic Planning Board, Population and Housing Census Report, 1970.
 2) Economic Planning Board, Population and Housing Census Report, 1975 (5% Sampling Survey)
 3) Ministry of Agriculture & Fisheries, Annual Report on Agricultural Trends, 1979.
 4) Whang, In Joung, 1979, Retrospect and Prospects of Rural Development in Korea, 1970-1979, Korea Rural Economics Institute (forthcoming)