

SPECIAL ISSUE

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**TOWARD A NEW RURAL DEVELOPMENT PROGRAM:  
THE RURAL SETTLEMENT DEVELOPMENT PROJECT**

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**ABSTRACT**

This paper has the aim to investigate the characteristics of Rural Settlement Development Project (RSDP) as an integrated rural development program. For this, the general characteristics of the RSDP have been surveyed and a case study of the RSDP has been performed for *Young-moon* new village construction project. The following points have become clear from the above investigations. The RSDP has more stressed on the importance of the roles of the local government and the residents than other local development projects. However, local governments' roles and people's participation are limited. In this sense, the RSDP is a sort of transitory one from the top-down to the bottom-up system.

**I. Introduction**

This paper has the aim to investigate the characteristics of rural area developmental strategies, with a special focus upon the Rural Settlement Development Project (RSDP, hereafter) which, throughout the 1990s, has been a crucial project in the integrated

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development of rural areas in Korea.

Since the Uruguay Round negotiation, a large amount of developmental funds had been poured into the agricultural sector, and various projects were implemented for the physical development of rural areas. They were, in fact, a part of the governmental expansion of investment and loans in the agricultural and rural sectors, which were known as the "42 trillion won structural improvement project" and the "15 trillion won special rural area tax project." They included rural road arrangement project, rural housing improvement project, drinking water and sewage arrangement project, and island and remote areas development projects as well as the RSDP.

The RSDP, among others, are salient in that its principle of planned, integrated, and central pole-oriented development is an unprecedented one, and, therefore, it has a critical importance in the rural area developmental policies. Many rural development projects initiated by the central government have adopted the top-down developmental approach. But, as various projects could be implemented within the framework of RSDP, and, as far as the residents were able to participate in the process, the RSDP introduced the bottom-up approach, although partly. That means the RSDP is a more developed rural development program than any others.

## **II. History of the Rural Developmental Projects**

So far, many Integrated Local Community Development (ILCD) projects have been implemented in rural Korea; to name a few, the Rural Community Development (RCD) in 1960s, the Rural *Saemaul-Undong* (RSU) in 1970s, the Integrated Rural Area Development (IRAD) in 1980s, and the Rural Settlement Development Project (RSDP) in 1990s (Park and Park 1997; Heo 1999).

## **1. Rural Community Development (RCD) Project in 1960s**

Korean rural people in the 1960s had been very poor, and their educational achievements substantially low. The Korean government had, if any, few investments in the areas. The RCD, therefore, was centered upon those parts which would have made it possible to enhance the rural people's living conditions with small budgets. The RCD was focused on boosting agricultural productivity, improving the standard of rural living conditions such as clothing, food and housing, village social infrastructure such as village roads, drinking water, people's organization, and the fostering of leadership among rural people. Target area of the RCD were rural villages; the community development leaders, delegated from the government, inhabited in the villages, helping people understand their own problems and find solutions. The RCD, therefore, had taken the bottom-up approach in that the tasks were planned by residents and implemented on the basis of the resident participation.

## **2. Rural Saemaul-Undong (RSU) in the 1970s**

The RSU pursued to solve economic, social and political problems facing the Korean society in the 1970s, and the gaps in income and living conditions between urban and rural residents. It took different strategies from the conventional rural development programs of the 1960s—a bottom-up approach at the grass root level. The RSU was performed democratically through the voluntary participation of rural people at the village level. The people in rural village offered a great deal of capitals and labor forces to achieve the RSU goals, while the government provided materials, such as cement and steel. Residents decided what they had to do and the ways, and they also acted with their own hands. The central government forced the RSU with strength in all rural villages, and it became a countrywide campaign for the modernization of the countryside, although it was the residents' participation that had been the most important drive force.

### **3. Integrated Rural Area Development (IRAD) in the 1980s**

The Integrated Rural Area Development (IRAD) program was another effort to introduce the integrated local community development strategy to the rural society. The difference between this and the above Rural Community Development (RCD) Project in the 1960s and the Rural *Saemaul-Undong* (RSU) in the 1970s was that the former was backed up by much more amounts of budget.

The IRAD took regional development approach. The term "rural area" in IRAD meant the daily living boundary of rural people, which incorporated a rural center and a few villages in its hinterland.

The IRAD was also an integrated approach. It aimed to coordinate the inter-ministerial projects, which each ministry of the central government would have carried out independently, into a comprehensive one. Furthermore, the coordination was hoped to result in the projects that fit into the local conditions.

In the IRAD, planning was a very important factor. Many projects were organized in the IRAD plan, and, based on the plan, the local government carried out rural development projects. Three rural counties (*gun*) were selected as model cases of the IRAD. A group of experts participated in the model projects, and the Ministry of Agriculture and Forestry (MAF) assisted each county with the additional funds of 3.8 million dollars.

In other regions except for those three model counties, however, the IRAD plan did not work. Major reasons were: (1) the lack of funds to implement the planned projects; (2) insufficient understanding of the IRAD plan by the concerned persons; and (3) the lack of practical and detailed policies on the investment.

Although the purposes of the IRAD approach were not met, it was greatly influential in formulating other related rural development programs. Also, it has contributed to the improvement of both central and local government's administrative abilities for development.

#### **4. Rural Settlement Development Project (RSDP) in 1990s**

The RSDP was adopted as a succeeding project of the IRAD by the Ministry of Agriculture and Forestry. The RSDP was similar to the IRAD in its project aims and approach. Whereas the IRAD had the wider *gun* (county) as the target area, the RSDP's target area, *myeon*, was smaller, and the MAF has obtained its budget for the project, which made possible the practical and detailed investment.

### **III. General Characteristics of the Rural Settlement Development Project (RSDP)**

#### **1. Background and Objectives**

Depopulation in rural areas created the problems of labor shortage in agricultural sector, disorganization of rural community, and so on. It became an important task for the government to develop rural areas as "a place of settlement" in order to solve many problems inherent not only in rural areas but also in urban areas. With such a background, this project started as a new policy which tried to develop rural areas as "a place for living" rather than simply "a place for food production".

The RSDP aimed to construct pleasant rural communities through the improvement of living environments, including village renovation, and the building of cultural and welfare facilities in township-level rural communities.

The objectives of the RSDP are as follows;

- to improve the conditions of rural settlement environments
- to reduce the rural out-migration, and
- to improve the rural environment to attract the urban inhabitants to the rural area.

The contents of the program are as follows;

- to improve the village infrastructure: for instance, road,

water supply, sewage, etc.

- to construct the facilities for rural industries: for instance, processing and storing facilities, a common workshop, a product gathering place, etc.
- to establish the facilities for culture and welfare: for instance, a villagers' assembly hall, a welfare center, etc.
- to construct the facilities for waste treatment: for instance, the facilities for waste and sewage disposition
- to build the facilities for disaster prevention, and
- to improve the housings.

## **2. Principles and Strategies**

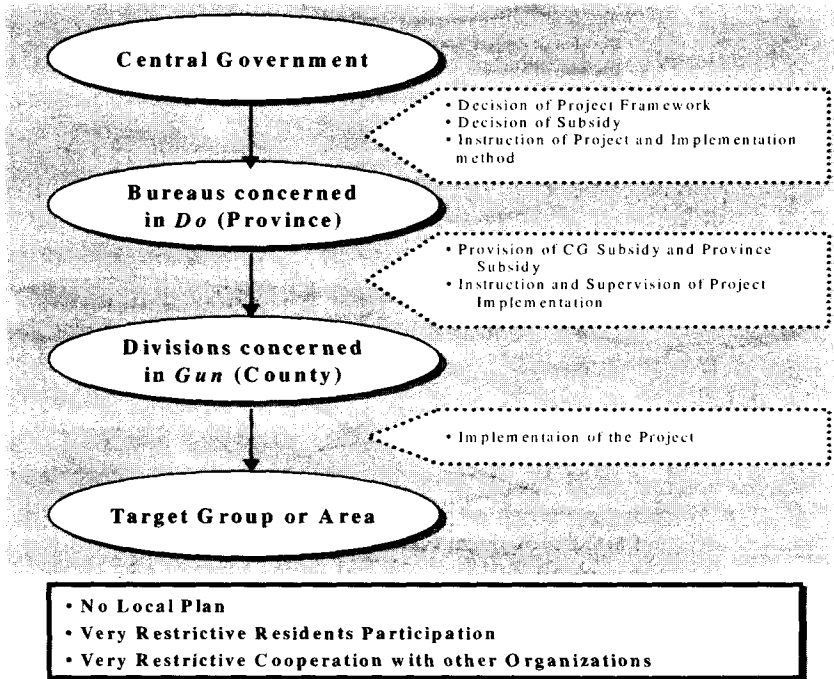
The principles of RSDP are for the rural central villages to be developed and renovated to the level of urban cities so that they are able to play the roles of the centers in rural settlement.

The strategy of "core area development" is adopted which concentrates limited investment on some growth centers so that the effects would be spread into the neighboring regions.

RSDP is one of the Integrated Rural Development Projects that are currently performed by the central government. There are three more projects that are similar to the RSDP in Korea: Integrated Mountainous Area Development Project, Integrated Coastal Village Development Project, and Integrated Less-favored Area Development Project. These projects started in the early 1990s and are still effective. Since the WTO compromise settlement in 1994, the subsidies to the projects have increased, following the overall increase in the governmental subsidy to the rural areas, and provided about 2 or 3 million dollars lump sum subsidy for each project area. Unlikely the trend of shrinkage of subsidy to other rural assistance projects because of lots of criticisms about their ineffectiveness, subsidies to the above-mentioned projects are expected to continue as residents and local governmental officers positively evaluate them.

The projects focus themselves on the physical arrangement of a certain area for the improvement of living environment. They are still different from other Korean governmental projects

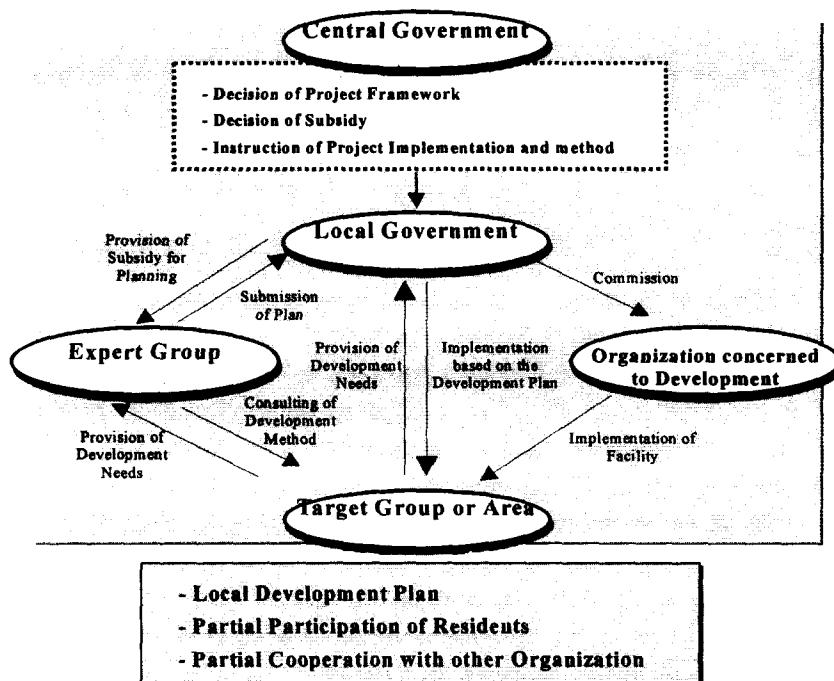
**FIGURE 1.** Typical Implementation Scheme of Regional Development Projects in Korea



in that the planning processes are different and, although in limited parts, residents participation is popular.

Regional development projects in Korea initiated by the central government are, in general, approached in top-down way, and the participation by the residents is very limited. The projects tend to be implemented without planning process beforehand, as they are separately determined from one another. Such a procedural way does not allow, in most cases, the residents to actively participate in the projects but let them be just passive beneficiaries. Sometimes, they do not even know what kind of project is going to be set out in their neighbors until the actual construction works begin (Figure 1).

FIGURE 2. Scheme of the RSDP



Meanwhile, the RSDP adopts a mixture of top-down and bottom-up approaches. That is, they have the characteristics that the central government and the local government are in top-down relations between them, while, at the local level, there works the bottom-up system among the actors. The local government, before its implementation of the project initiated by the central government, sets out the planning, and, in the process of this, the residents try to reflect their intentions to the plan in either direct or indirect ways. In many cases, experts are asked to make the plan. The planners in research institutes, consulting companies, or professors in universities constitute the expert group. Those planning experts try to understand what the residents want from the development projects or programs during the planning process. This way, residents participation becomes possible (Figure 2).



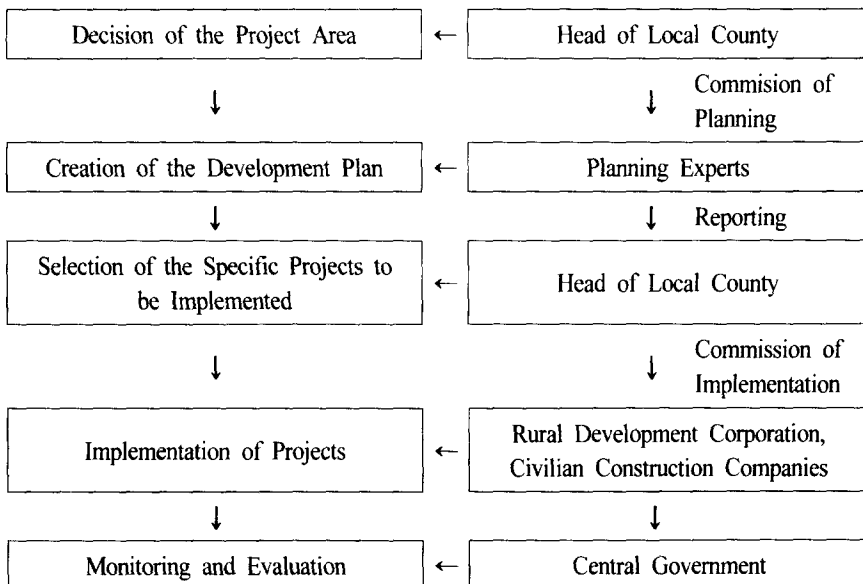
### 3. Implementation Procedure of RSDP

**Decision of the Project Area:** Once the Minister of Agriculture and Forestry (MAF) designates the local counties in consideration of budget situation, the heads of those counties in turn decide the project areas, *myeons*, within their own jurisdictions. Throughout the country, 761 *myeons* have already been designated as the RSD target areas.

**Development Plan:** The head of local county where the project areas are located is supposed to make the development plan. The plan is, however, in most cases, fashioned by planning experts or the Rural Development Corporation (RDC) which carries out the plan by contract. The plan includes the designation of the central villages to be renovated and the project contents.

**Selection of the Specific Projects to be Implemented:** The head of local county specifies the projects to be implemented in

FIGURE 3. Implementation Procedure of RSDP



**TABLE 1.** The Budget of the RSDP

Contents	Budget
Overall budget from 1992 to 2004	19,367 billion won (17.6 million dollar)
Total budget in 1998	305 billion won (277 million dollar)
Budget for each project area ( <i>myeons</i> )	5 billion won (4.5 million dollar) -3 billion won is central government subsidy for physical facility improvement -2 billion won is long-term loan at low interest rate for housing improvement

the year, based on the amount of subsidized fund which the Ministry of Agriculture and Forestry provides year by year.

Implementation of Projects: Civilian construction companies or the RDC implement the projects because the RSDP includes many rural infrastructure-related public works.

Monitoring and Evaluation: The central government that oversees the project performs the monitoring and evaluation.

#### **4. Processes and Strategies to Integrate**

There are two ways to achieve integration among project components. One is the spatial integration within the target area, and the other is the integration of various projects at the planning process.

In principle, the RSDP covers all projects implemented in *myeons*, including, firstly, the projects for the enhancement of rural living environments like the renovation of rural villages and the improvement of rural roads, secondly, the expansion of cultural and welfare facilities, and lastly, income-raising projects. In RSDP *myeon*, those projects are integrated within the RSDP, whereas they are implemented separately in other areas.

Once the area is designated, a process of planning starts. The planning can be made either by residents or by outside

professionals. What is important in planning stage is the linked development of project components. Taking place at the planning stage are the integration of developmental needs of the residents, the integration of projects charged by different agencies, and so forth.

## **5. Achievements**

The most salient achievement of the RSDP is that a rural development appropriate to the local circumstances is rendered possible. It is because the RSDP is based upon the residents' participation, although partly. The previous rural development projects have reflected the local conditions only within the range of the project contents, as they implemented the development separately from other projects. Therefore, even if there was a project which the local government thought more urgent, it was not able to be implemented before the central government's project because of the lack of budget of the local government. The RSDP, however, has made it possible to implement projects appropriate to the local circumstances by selecting adequate projects from various development menu.

The RSDP has achieved better rural living conditions. Through the RSDP, by the end of 1999, 32 percent of rural houses were newly built and another 27 percent had partially improved their kitchens, toilets and bathrooms, and 68 villages were newly constructed by this plan throughout the country. The RSDP also installed 1,151 underground water supply systems, and sewage disposal systems for the prevention of pollution in 52 rural villages, and financed 4,369 km of rural roads for improvement, by the end of 1999.

Meanwhile, the RSDP proceeded new village construction project; by the end of 1999, 105 new villages were built or under process. Through the new village construction project, rural villages have been changed into more convenient residences. Village roads were paved and widened, and several facilities, for instance, public parking lot, small-scale park, children's playground, tennis court, and community center, were built. Now

each house is equipped with modern-style kitchen and water closet, and convenient heating system. Wastewater is treated by the sewage disposal facility within the village.

## **6. Constraints on the Successful RSDP**

Even if the RSDP has expanded the room for residents' participation, it is also true that it was not always a bottom-up project.

The RSDP is determined by the central government, which means that the need of the village residents cannot be completely reflected. For instance, a project work cannot be proceeded unless it is listed in the RSDP development menu, even if the residents want it.

Although the RSDP has aimed for the renovation of the rural central villages, many cases showed in fact dispersed investment. It was negative side-effect of the resident participation; because the residents, rather than the strategy of "core area development" which concentrates limited investment on some growth centers so that the effects would be spread into the neighboring regions, demanded the resolution of long-cherished village projects. According to a survey result administered by the Korea Rural Economic Institute targeted on 121 *myeons* in which projects were finished by 1996 (Park 1997), only 11.5 percent of them performed concentrated investment on central villages as demanded by the RSDP principle.

Next is the discrepancy between the plan and the actual project. According to the survey (Park 1997), about 27 percent of those 121 *myeons* succeeded in following the planned schedule, while the rest failed. It means the plan is sometimes a mere procedural step. The root cause is that the RSDP plan is not backed up by law.

The followings are at issue in these respects.

Firstly, to achieve the original policy aim, the integrated renovation of the central villages, it is required that the project target areas be reduced and they be designated as 'Living Environment Renovation Zone' as provided in the Rural

Renovation Act.

Secondly, the plan needs to be equipped with legal authority through institutionalizing the village planning. As the lawful plans put restrictions on people's activities, however, the target areas and plan contents should be limited within a certain boundary.

#### **IV. A Case study of the RSDP: *Young-moon* New Village Construction Project**

*Young-moon* village is neighboring the Seoul Metropolitan Area (SMA), about 50 km separated from the city of Seoul. After the construction of new village, increasing numbers of people commute to Seoul.

The village renovation project was performed in 1992 as a project of RSDP.

Total population of *Young-moon* village is about twelve hundreds, the number of households is 360. Sixty percent of total households moved into the area when the village renovation project had proceeded, and the remaining forty percent are the native residents. Those working in the agricultural sector are about forty percent of the villagers, and the average income of per household is about 20 million won, which is 5 million won higher than that of the average rural people throughout the country.

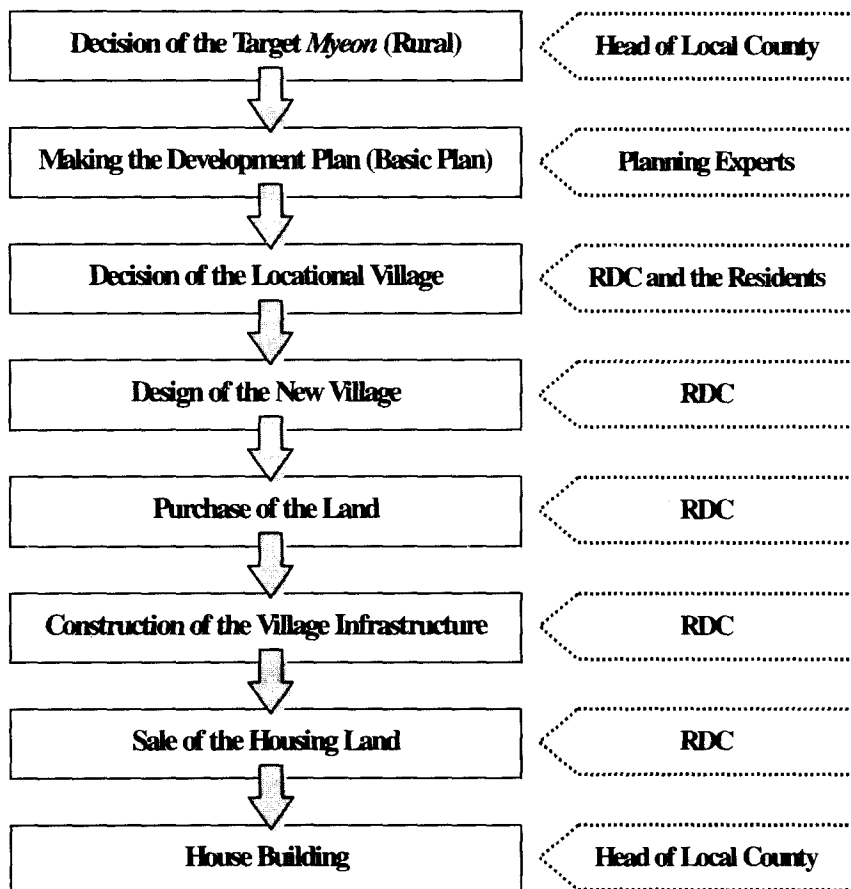
A half of villagers have always had the aspirations for renovating their town, because their houses were built on other people's land, that is, on *Yang* family's land. As soon as their village was included in the RSDP target *myeon*, the residents began to actively push the new village construction project. That is, the residents argued for the necessity to build a new village at the RSDP planning stage, which was accepted to set up a new village construction project as one of the critical *Young-moon myeon* RSDP.

The officers of the county to which the village belongs made a contract with the Rural Development Corporation for the

construction project, and the RDC made new village construction plan after collecting villagers' opinions on the project. The plan included the site design of the new village, land use plan, road construction plan, water supply plan, sewage disposal plan, land supply plan for building houses, and so forth (Figure 4)

The residents expressed their opinions very actively in the process of deciding the new village location. Those who owned the lands in the decided place also presented their voluntary

FIGURE 4. Process of New Village Construction Project in RSDP



cooperation in selling their lands. (In Korea, many cases have been found in which public projects failed to proceed due to the refusal of the landowners to sell their lands.)

The village has been changed into a more convenient residence after the new village project was finished. Village roads were paved and widened, and several facilities were built: for instance, public parking lot, small-scale park, children's playground, tennis court, and community center. Every house is equipped with modern-style kitchen and water closet, and convenient heating system. Waste water is treated by the sewage disposal facility within the village.

Not unlike most government-initiated projects, this project also lacked in the public participation at the project building stage. At the stages of action planning and project implementation, however, was found very active participation.

Villagers participated in the new village construction project through the *Daedong-gye*, which is a traditional organization of the rural community. *Daedong-gye* is "one big organization," meaning the residents get together to be one in this organization. It had played crucial roles to determine important village issues and to implement whatever were decided to do until formal public administrative agencies were organized at the village level. The head of *Daedong-gye* was substantive leader of the village, informally though. The importance of *Daedong-gye* has been weakening recently, as the village general meeting and the roles of the head of *li* (village) has becomes more important in formal terms. This village, however, shows still powerful influences of *Daedong-gye*.

They formed the Committee of Culture Village Project, and the head of *Daedong-gye* was elected to the top position and the head of *li* to the secretary of the Committee. In the new village, the land accommodating one hundred households was created, and sixty percent of it was distributed to the residents. At the time the local county built village community center after the creation of new village, the villagers played critical roles in site decision and design.

## **V. Conclusions**

The following points have become clear from the above investigations.

Most rural development projects in Korea work within the top-down scheme, in which the central government provides broad frameworks and the local administrative organizations implement programs. The RSDP, to some degree, belongs to this system.

The RSDP, however, has more stressed on the importance of the roles of the local government and the residents than other local development projects. It is because the RSDP integrates many small, detailed projects, and so not only the residents have many choices, but also most projects include items that are closely related with everyday lives of the residents, like house building.

While proceeding the RSDP, local governments decide the project area and select planning experts or agency, and the central government decides the project framework and the amount of grants. In this sense, local governments' roles are limited in RSDP.

People's participation is also limited. As seen from the case project, the residents are allowed merely to present their opinions in a certain case like the decision of the new village location, while the RDC performs every aspect of the project. The RDC decides through the pre-established guidelines the designs of the village, land size per household, total number of households. and so on.



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