DID THE FARMING SCALE IMPROVEMENT PROGRAM SUCCEED IN KOREA?

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ABSTRACT

This paper is to evaluate the FSIP with using the LISREL method. It is said that the FSIP has been successful. However, it is questionable whether it is really successful in the social context. In order to evaluate the FSIP, I set up a conceptual framework that has four independent variables and two dependent variables. The selection of indicators was conducted by factor analyses of each variable. The data were collected by surveying beneficiaries, non-beneficiaries, public officials, general public and bureaucrats. The FSIP has turned out to be successful in terms of the degree of goal achievement. However, in the context of the whole society it was not successful because it increased social inequality between beneficiaries and non-beneficiaries and resulted in social injustice.

I. Introduction

The Korean agricultural situation has rapidly changed after the World Trade Organization (WTO) was launched. One of the changes is the restriction of government subsides. Facing the restriction of subsides and getting rid of price support subsides, Korean agriculture as a whole suffered from the lack of competitiveness, compared to that of the advanced countries.

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The lack of competitiveness was in some sense very natural because of several barriers such as small sized farmlands, the low level of farm mechanization, underdeveloped agricultural structure, and the low level of technological development. Prior to the WTO, the Korean government had implemented lots of policies supporting farmers and rural communities. The enforced reduction of government subsidies made the Korean agricultural situation worse. At that time, the most urgent task of the Korean government was to establish the basis of mechanized farming and to develop agricultural infrastructure for improving competitiveness.

Korean agricultural policies were directed toward the improvement of fundamental production basis of agriculture. The major programs were focused on the establishment of agricultural basis by restructuring agricultural structure. Among many projects initiated by the Farming Scale Improvement Program(here after FSIP) is a major program to improve farmers' competitiveness via agricultural restructuring.

Lots of policy evaluation research have been conducted by economic analyses, using quantitative methods, especially cost-benefit analyses. Qualitative policy evaluation has been neglected. Policy evaluation must be carried out by using both qualitative and quantitative methods. Kim Yong-Taek et al(1995) pointed out the fact that qualitative factors such as the satisfaction of beneficiaries, the fitness and rationality of the policy had been excluded and evaluation of individual project had not evaluated the whole picture of the project like its social impacts but only the performance of the project. Kim Jung-boo et al(1998) claimed that the program effects could not be assessed because the program goal was not clear and that program evaluation should have included whether the program goal was set up rationally or not.

Most evaluation studies have been conducted by field surveys. The surveys were focused on the policy and program beneficiaries, excluding non-beneficiaries. Also, almost evaluations of restructuring projects have focused on the effects of investments, not on the effects of policy impacts, policy

supports, the process of problem identification in terms of the social context. Therefore, the evaluations of the FSIP were concentrated on the descriptive analyses of the average increase of arable lands, the increase of productivity, the decrease of production costs and so on.

It is said that the FSIP has been successful. However, it is questionable whether the FSIP is really successful in the social context. The purposes of this paper is to depict whether the FSIP has succeeded or not through evaluating the impacts of the FSIP in the social context, not only economic perspective.

II. Method and Data

The existing policy evaluation has been, in large, conducted by surveying only policy incumbents and beneficiaries and by tangible policy outcomes. Non-beneficiaries excluded by policy benefits, taxpayers, and politicians have been excluded in policy evaluation research. Their perceptions about the policy is very important in the policy environment. They must be included to make policy evaluation more accurate. Also, policy evaluation must be a comprehensive analysis including qualitative and quantitative elements.

I used the LISREL(LInear Structural RELationship) to assess the impacts of the FSIP. In order to apply the LISREL, I established the conceptual framework for evaluating the impact of the program. The conceptual framework for evaluation was to set up variables and indicators measuring variables. From the conceptual framework, policy evaluation model is made by the model building process. Model building process means selecting indicators measuring each variable and setting up the relations among variables. In translating the result of analysis, I used Maximum Likelihood because it has an advantage of not considering normal distribution rather than Ordinary Least Square and General Least Square.

The data were collected by surveying policy beneficiaries, non-beneficiaries like urban dwellers, policy experts like public

officials of local governments who took charge in agricultural policies, and policy implementors.

III. Conceptual Framework for Program Evaluation

Social scientists are ever sensitive to the fact that much of what occurs in the course of an implementation effort cannot be changed by policy formulators and implementors. Good implementation analysts must appreciate both perspectives; they must: (a) be fully aware of the characteristics of the society within which implementation takes place; (b) know the range of access points where formulators and implementors can influence the course of events; and (c) implementation effort cannot easily be affected through present actions.

My framework for program evaluation incorporates those basic, yet usually uncontrollable, factors deemed critical by general social system theorists in determining the capacity for, and constraints on, self-conscious social change. Such factors include available resources, economic capacities, technological know-how, and prescribed political rules. A useful way of thinking about these factors is provided in the framework developed by Mazmanian and Sabatier(1989). Although socioeconomic and other background characteristics may not cause or predetermine policy in a literal sense, nor even be sufficient to set governance in motion, they do establish the boundaries of possible action. The broad social, economic, and cultural factors are incorporated into my framework through variables such as the appropriateness of problem identification, the appropriateness of policy making, the rationality of policy implementation, policy support, policy outcome, and policy impacts. The crucial role of policy evaluation is the identification of the variables which affect the achievement of legal policy objectives through the entire policy stages. This evaluation model has set up six variables for evaluating the FSIP: four independent variables and two dependent variables. Figure 1 is the basic model for evaluation.

Figure 1.   The Basic Model of Program Evaluation
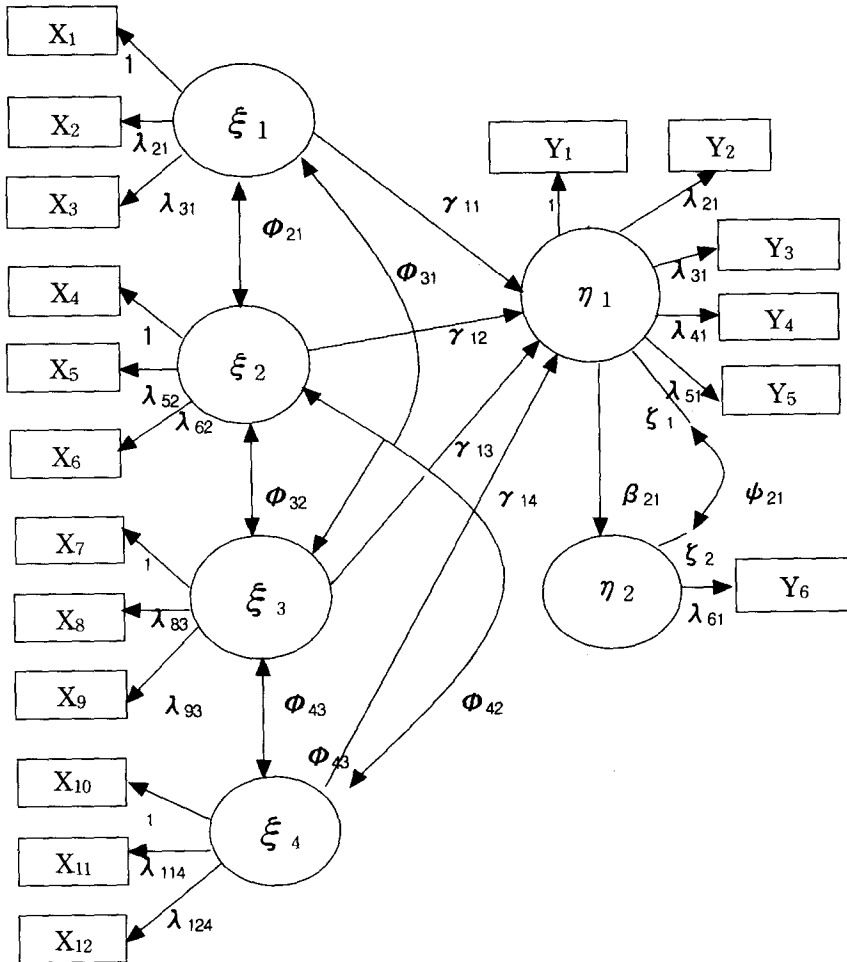
(Labels)

ξ : Latent exogenous variables
η : Latent endogenous variables
X's: Measuring Indicators of Dependent Variables
Y's: Measuring Indicators of Independent Variables

Φ : covariance matrix of ξ
γ : coefficient matrix for latent exogenous variables
Ψ : covariance matrix of ζ
ζ : latent errors in equations
σ : measurement error for X
ε : measurement errors for Y
γ x: coefficients relating X to ξ
γ y: coefficients relating Y to η

The LISREL Model consists of two models: one is the measurement model and the other is the structural equation model. The structure of the measurement model is represented by equation (1) and the structure of the structural equation model equation (2), respectively.

equation (1): $X = \lambda X \xi + \delta$ and $Y = \lambda Y \eta + \varepsilon$
equation (2): $\eta_1 = \gamma \xi + \zeta_1$ and $\eta_2 = \beta_{21} \eta_1 + \zeta_2$.

IV. Model Specification and Hypothesis

Building the policy evaluation model was carried out by setting up a conceptual framework first and modifying it through evaluating the FSIP. It included all factors in the process of a policy such as problem identification, policy making, policy implementation, and policy support and policy effects such as policy outcomes and policy impacts.

The basic structure of the policy evaluation model consists of four independent latent variables(the adequateness of problem identification, the adequateness of policy making, the rationality of policy implementation, and policy support) and two dependent latent variables(policy outcome and policy impact). Each variable cannot be directly measured and can be measured by observable indicators as proxy measures. The structural relations between variables is that four independent variables are associated with policy outcome. Policy impact is associated with policy outcome. Indicators to be measured for each variable were searched conceptually and selected in evaluating process.

1. Model Specification

1.1. Dependent Variables

1.1.1 Appropriateness of Problem Identification

Rational policy making relies upon the appropriateness of problem identification, the first stage of policy process, to be solved. The identification of the problem can be measured by several indicators such as technical difficulties, target group as a percentage of the population, diversity of proscribed behavior, extent of behavioral change required, appropriateness of causal linkage and so on.

A. Technical Difficulties

The achievement of a program goal is contingent upon a number of technical prerequisites, including an ability to develop relatively inexpensive performance indicators and an understanding of the principal causal linkages affecting problems. Technically measuring ability of a policy and the degree of difficulty in monitoring policy implementation are very important factors in policy success. In case of regulatory policies, the scope of the regulated and the choice of the regulated are closely related to the technical difficulties and, in cases of distributive and redistributive policies, the choice of the beneficiaries is the most critical point in terms of technical difficulties. The performance of a policy varies according to both the availability of technologies and the degree of technical development. For example, in supporting the program of environmentally-friendly agriculture, the proper usages of chemical fertilizers and pesticides and those environmental effects can be measured by the advancement of technologies to analyze the amount and effects of them. Without the advancement of technologies for analysis related to rational policy making and implementation, rational policies cannot be made. Without full preparation of necessary technologies, launching a new policy or a program cannot guarantee policy success. Any policy does ultimately

become a burden to the general taxpayers. Unless a policy can be legitimized by the proper measurement of policy effects, the policy can be changed or terminated in the lack of public supports and political supports. The dispute of the availability of necessary technologies can result in either the strong drive of policy implementation or the pressure of delaying policy implementation.

B. Target Group as a Percentage of the Population

It is said generally, the smaller and more definable the target group whose behavior needs to be changed, the more likely the mobilization of political support in favor of the program and thus the more probable the achievement of program objectives. But this logic is fit for the regulatory policies. In case of distributive and redistributive policies, the more beneficiaries and the potential beneficiaries who do not represent objection there are, the more likely the program will succeed. This statement can be legitimized under the conditions that other people who work in other industries and people in general do not represent strong objection.

C. Extent of Behavioral Change Required

Whether a program succeeds or not is affected by the degree of behavioral change required to achieve the program goal. The more behavioral change is required, the less the chance of success. Especially, the success or failure of regulatory policies are closely related to the extent of behavioral change required.

D. Validity of Causal Theory

All policies for solving problems are made under the analyses of causal relationships. Every major reform contains, at least implicitly, a causal theory of the manner in which its objectives are to be obtained. It is important to depict adequate cause of the problem. In fact, inadequate causal theories lie behind many of the cases of implementation failure. Causal theory should include a proper causal relationship between the attainment of the

program and government intervention through a policy or a program. Also, implementors have sufficient jurisdiction to achieve the program goal. Because the low income of farmers results from cultivating small sized farmlands, enlarging the scale of farmlands is to overcome low income problem. It is very simple for implementors to give incentives for making farming lands enlarged. However, the more the farmers who want to be beneficiaries, the more difficult it becomes. There is a dispute between the pursuit of efficiency and equality in the democratic society. The relationship between cause and problem should be depicted in the context of society as a whole. We ought not to neglect the danger of interpreting the causal relationship in narrow economic sense.

1.1.2. Appropriateness of Policy Making

Government action for solving identified problem begins with policy making. The policy making process includes from setting up policy goal to the preparation of policy implementation. Law and order, the base of a policy, provide the rationale of policy implementation and contribute to the systemization of implementation. They have several functions: they state statutory goal of the policy; they select the implementing agency; they provide legal and budget resources to the implementing agency; and they provide the opportunity of participation to the outsiders. Policy making is a basic structure of policy process, even though it can be distorted in the stage of implementation. The success of a policy depends upon the clear policy goal, the priority among policies related, the allocation of necessary resources, proper regulation, incentives, less discretion, the consistence of policy, and disharmony with other policies in the policy fields.

A. Accuracy of Policy Goal and its Priority

A statutory goal of a policy expressed clearly and set up priority is an important factor in policy evaluation. In the implementing process, implementors can persuade objections from the non-beneficiaries. In determining priority, clearing the fact that a

new policy has a priority is very important. A certain policy, without assurance of priority, can be delayed in government action.

B. Appropriateness of Allocation of Financial Resources

Money is obviously critical in any social services program. In case of regulatory policy, hiring the staff and conducting the technical analyses involved in the development of regulations is prerequisite. Basically, policy-making requires general level of financial resources. Allocation of financial resources is very important factor during the whole policy process, because it is a indicator of the degree of supports from the legislature and the other sovereigns.

C. Preparation of Statutory and Institutional Bases

After a policy is made in the legislature, implementing agencies require to some degree detailed statutory and institutional preparation. The preparation of statutory and institutional bases means that policy goal, implementing procedure, criteria, and so on should set up clearly for policy implementation. The preparation of statutory and institutional bases prevents implementing agencies from facing conflicts. In the preparation of the legal base, the most important thing is how much the room for discretion is given to implementing agencies because no or too little discretion of agencies cannot make them not to positively cope with a new situation occurred in implementing policy.

D. Consistency of Policy

Maintaining the consistency of a policy is very important in the policy process. Because of the lack of policy consistency, implementors and beneficiaries fall into disorder. There are difficulties in implementing the policy and people do not trust government policies. Distrust about government policies make policy successes difficult.

E. Disharmony with Other Related Policies

If a policy has complementarity with other related policies, its result is more than policy intention due to the escalating effects. On the other hand, if it is contradictory with other related policies, the possibility of policy failure may be higher. Thus, measuring the disharmony and complementarity of a specific policy can be a very important indicator.

F. Appropriateness of Regulation

The appropriateness of regulation is closely related to the degree of objections and influences general people's confirmation. If regulation is extreme and beyond bearing level, the policy will be faced with strong objections and ultimately fail. Also, if there is no or too little regulation, the policy cannot get public supports.

G. Political Feasibility

One of the most important factors judging the appropriateness of policy making is political feasibility. A policy without feasibility in terms of physical sense is not critical because it is excluded from consideration initially in the policy making stage. Political feasibility is very hard to analyze. In order to analyze political feasibility, detailed knowledge and skills such as analyst's personal skills, political system, political leader's propensity are required. Even though a certain policy is very good in terms of ethical perspective, we cannot expect the policy effect. Because those who lose their benefits or think that the policy is not desirable or think that their priority of the policy is very low will resist policy implementation. Strong resistance cannot make the policy implemented effective. The measurement of political feasibility requires the intuition of analysts rather than scientific ways. Political feasibility is closely connected with several factors such as the national policy directions, financial status, and value system and personality of the top political leader. Thus, we should judge political feasibility with looking into these factors.

1.1.3. Rationality of Policy Implementation

The success of a policy depends upon effective policy implementation under the condition that the policy is appropriately made. Policy success or failure relies on various conditions in the stage of policy implementation.

A. Appropriateness of Implementing Agency

Policy implementation requires proper staffs and effective organizations Policy implementor's individual factor and organizational factors are very important. Policy implementing agency should be chosen by the structure and function. In general, in case of regulatory and distributive policies, public agency of central and local governments is more suitable than private or semi-public body. However, in the case that the characteristics of the policy is project-based, a semi-public body carrying out the same or similar functions is rather suitable. The choice of implementing agency is an important work in the policy implementation. The choice should be made by the resources of the organization rather than political power of the organization.

B. Hierarchical Integration within and among Implementing Institutions

One of the best-documented findings in policy evaluation literature is the difficulty of obtaining coordinated action within any given agency and among the numerous semiautonomous agencies involved. This problem is peculiar in the case of central government-run policy which relies on agencies of local governments to carry out the details of program delivery. One of the most important attributes of policy implementation is the extent to which it hierarchically integrates the implementing agencies. To the extent that the system is only loosely integrated, there will be considerable variation in the degree of behavioral compliance among implementing officials and target groups. The degree of hierarchical integration among implementing agencies is

determined by the number of veto points and the amount of inducements and sanctions. Resistance from specific veto points can be overcome if the policy provides sufficient sanctions or inducements to convince the actors to alter their behavior.

C. Decision Rules of Implementing Agencies

The formal decision rule of the implementing agencies is another factor to influence policy implementing process. Without prescription of all related things in the law or a policy in the implementing process, discretions of implementing agencies are also required. If implementing agencies have clearly proscribed decision rules, the possibility of policy success will be higher.

D. Implementing Agencies and Officials' Commitment to Statutory Objectives

No matter how well a policy is made, policy success is unlikely unless implementing agencies and implementors are strongly committed to the achievement of that objective. Especially, a new policy needs implementors' integrity to develop regulations and standard operating procedures and to enforce them under any resistance from the policy environment. In order to attain implementors' integrity, policy making should give the policy priority to be implemented. The degree of implementors' commitment to the policy objective is one of the important indicators.

E. Formal Access by Outsiders

Continuous examination is necessary in the policy implementing process. Because implementors sometimes cannot grasp the problem occurred in the implementing process, the close review of the outsiders is needed in order to effectively carry out the policy. Although the policy, of course, can be reviewed internally, implementors by themselves cannot examine exactly because of their limited view and policy inertia. For example, even if a person can analyze the trees and solve the problem, he or she cannot see the whole forest and the forest as a whole can

be unbalanced. In particular, the participation of citizens as a formal interveners in agency proceedings is important in keeping the policy to be succeeded. The participation of outsiders can not only check the policy direction but also attain supports.

F. Leadership of Implementors

The policy environment at the time of policy making can be changed while policy is implemented. When implementors are faced with environmental changes, creative leadership is required to effectively carry out the policy. The characteristics of creative leadership are creativity, responsibility, legality, and objective-orientated personality. In general, officials are apt to overemphasize legality and ignore objective-orientation. When implementors have creative leadership, the possibility of policy success is higher.

G. Discretion of Implementing Agencies

Implementors need discretion in order to implement the policy to the reality because a policy can exist apart from reality. Bureaucrats are policy makers in a democratic society. They have some discretion both in designing the policy and in choosing the process by which the decision will be made(Yates, 1981, pp. 32-33). It is very difficult to determine the proper level of discretion. However, the scope of discretion is subject to the achievement of policy objectives or intention. Any policy cannot proscribe all things to be taken place in the implementing process. If discretion is too little or too much, policy cannot be succeeded. Too little discretion suffocates the policy implementors, enforcing them to follow only the policy direction even if the policy direction does not meet the real situation. Too much discretion can deviate from the policy objectives. Thus, the scope of discretion must be a degree to the extent to achieving policy objectives effectively. The appropriateness of discretion is an important indicator in policy implementation.

1.1.4. Policy Support

Policy success depends upon supports from the outsiders of policy environment. The strength of supports vary from social strata. The success or failure is determined by not only the perspectives of politicians, budget agency and main government department but also the perspectives of mass media and the degree of supports of the general public. Mass media formulates public opinion and the formulation of public opinion has an effect on politicians and public administration. Policy support can be measured by indicators such as socioeconomic conditions and technology.

A. Socioeconomic Conditions and Technology

Socioeconomic conditions and technology affect the relative importance of the problem intended to be solved through the policy. This change in the importance of the problem make policy support diminished or escalated due to the allocation of scarce resources. Regional variations can affect the importance of the problem to be solved. According to the power that target groups have, policy supports are different.

B. Public Support

As Anthony Downs says, general public's concern on policy issues is changed(Downs, 1697). Public supports become lower when the policy imposes burden on the public. The issue of food safety becomes saliant, the policy supporting environmentally friendly agriculture can attain strong supports from the public. When public supports go up and the pressure government has becomes lower, the possibility of policy success becomes higher, because general public's opinions affect policy agenda and require legislature's response.

C. Support from Sovereigns

Sovereigns of implementing agencies provide support for policy objectives through amount and direction of oversight and

provision of financial support. Sovereigns can affect the policies through both informal oversight and formal changes in the agency's legal and financial resources. Especially, the oversight of legislature and hearing are very critical.

D. Interest Group Support

Beside the implementing agency, other groups and organizations related to the policy can affect the policy success or failure, because they can positively deny or support the policy. In case of agricultural policies, the understanding of farmers' associations and consumers' organization is very important in policy outputs. There are pro and anti organizations. The policy support of the pro-organization is, in general, not strong. On the other hand, the protest of the anti-organization may be strong. When the degree of pro-organizations' supports is stronger than that of anti-organizations, the possibility of policy success can be greater.

1.2. Dependent Variables

1.2.1. Policy Outcome

Many policy research have evaluated policy outcome in terms of the achievement of stated policy objectives. However, it is not sufficient to assess only policy outcome. Even though a certain policy has succeeded in sense of policy itself, it may not be desirable for the whole society. Policy outcome variable is to measure the degree of stated policy objectives.

A. Policy Acceptance

Indicators measuring policy outcome can be different from kinds of policies. Policy outcome is closely related to the acceptance of policy by the regulated in case of regulatory policies and, in case of distributive policies, to the satisfaction of benefits received. The evaluation of target groups in regulatory policies depends upon the relative assessment of the cost and benefits. That is, the degree of acceptance of target groups is the aggregate outcome of their attitudes. means of sanction. costs and benefits. Therefore. it

is determined by the variety and degree of sanction and the monitoring ability of policy implementing agencies.

B. Income Effect (Substantive Policy Outcome)

Policy success depends upon the achievement of policy objectives for solving the problem. If the policy objective is to change target groups' attitude, the degree of change is a substantive policy outcome. Indicators measuring policy outcome should be developed because indicators can be different from sorts of policies. For example, the increase of income, competitiveness and productivity are good candidates of indicators.

C. Recognition of Policy Effect

The degree of recognition of target groups and general public about policy effects is one of the important indicators. Recognition of policy effect differs from the acceptance of policy. Because even if someone prefers the policy, he or she thinks that the effect of the policy is trivial. If many people think that the policy is successful, it has an effect on its continuity and the possibility of the policy may be higher.

1.2.2. Policy Impact

Policy impact must be distinguished from policy outcome. The impact of a policy is all its effects on real-world conditions. All the benefits and costs, both immediate and future, must be measured in terms of both symbolic and tangible effects. Policy impact is not the same as policy outcome. Accordingly, it is important not to measure benefits in terms of government activity. In assessing the impact of policy, we must find identity changes in the environment that are associated with measures of government activity. In this sense, the policy evaluation model included both policy outcome and policy impact.

In evaluating policy impact, the characteristics of changes in the environment related to government's actions must be depicted(Dye, 1981). Policy impact means how the policy has an effect on the society as a whole. Policy success contributes to the

realization of social justice and policy failure results in social injustice. Social injustice means the degree of pain(Lee, 1994). When relative deprivation is higher, the degree of pain is increased. When the policy results in the increase of relative deprivation, policy failure can be expected. The Farming Scale Improvement Program is to increase farming scale. The beneficiaries are very limited. Although this program in itself is successful, many mid- and small farmers excluded feel relative deprivation and pain. In this context, the Farming Scale Improvement Program cannot be evaluated as a successful policy. Social injustice can be measured by recognition of policy necessity, feeling about equality, increase of discrepancy in income, socioeconomic inequality, distrust of government policies and political anarchism, decrease of social production, and so on.

A. Recognition of Policy Necessity

The recognition of policy necessity can be seen as a general expression about policy success or failure. It includes the opinion of both beneficiaries and the excluded. There is a critical point. In case of regulatory policies, many people think that the policy is necessary. On the other hand, in case of distributive policies, many people think they do not need them. Except the saliant policy issue, when general public do not feel relative deprivation, the possibility of policy success becomes higher.

B. Social Production

Social production is the concept including effectiveness, degree of policy goal attainment and efficiency. If policy impact is socially productive, the policy is successful. Although the policy is carried out regionally, if it contributes to the increase of social benefits, it is a successful one. Whether the policy contributes to the social production is a key indicator in evaluating policy impact.

C. Socioeconomic Inequality

Socioeconomic inequality can be measured by the discrepancy of

income between beneficiaries and the excluded. If a policy makes the income gap enlarged, it is unjust. In case of regulatory policies, the target groups can be extremely sacrificed. In case of distributive policies, the excluded can be alienated and the income gap between beneficiaries and the excluded can become larger. The increase of socioeconomic inequality results in social injustice.

D. *Distrust of Government Policies and Political Anarchism*

The excluded from the benefits resulted from the policy feel that their prides were lost. This feeling raises political anarchism and alienation. Especially, the distrust of government policies and political anarchism can measure policy impacts. Indifference to government policies gets rid of criticism which results in hindering rational policy-making and implementation. Without criticism, the possibility of failure become higher.

2. Hypotheses

Five hypotheses to be proved can be derived from the structural equation model. Policy outcome is a function of four independent variables and policy impacts(social injustice) is a function of policy outcome. Especially, I set up a hypothesis that the success of the FSIP causes social injustice. Even though policy outcome is successful, if policy success increases social injustice, the policy or program is evaluated as having failed in the perspective of whole society.

Hypothesis 1: The more the problem is appropriately identified, the more the policy outcome is successful.

Hypothesis 2: The more the policy is appropriately determined, the more the policy outcome is successful.

Hypothesis 3: The more the policy is rationally implemented, the more the policy outcome is successful.

Hypothesis 4: The more the policy is supported, the more the policy outcome is successful.

Hypothesis 5: The more the FSIP is successful, the more the social injustices occur.

V . Findings

In the process of model building, the model originally set up was
slightly modified. The modifications were made in the
relationships and the selection of indicators. The adequateness of
problem identification is not directly related to policy outcome,
but related to policy impacts. Also, it was proved that the
adequateness of problem identification influenced policy-making
directly. Figure 2 revealed the ←results of the FSIP evaluation.
        In the social context, to be perceived as a successful
program, negative relationships between "policy impact(social
injustice)" and "policy outcome" and between "policy
impact(social injustice)" and its indicators(Y's) must be
demonstrated.
        On the other hand, without considering social context, the
implementation of the FSIP was succeeded. Because relationships
between "policy outcome" and its indicators are positive and
statistically significant. 1.0 is given to indicator of income effect
as the most important indicator and the coefficient between
policy outcome and policy effect is significant at the 0.01 level.
        The left side of model presents the causal relationship of
policy outcome, that is, it shows what independent variables
cause the policy to be perceived as successful. We should not
expect that all established concepts are significantly related to
policy outcome. According to the results of the model, the reason
that policy outcome is generated by the perceived success of the
FSIP can be explained by appropriateness of policy-making and
policy support. The path coefficients of appropriateness of
policy-making(0.96) and policy support(1.19) are statistically
significant at the 0.01 and 0.1 level, respectively. Although the
coefficient of rationality of policy implementation is not
statistically significant, negative relationship means that there are
some problems in leadership, commitment to the policy objective,
and appropriateness of implementing agency. Hypothesis 1,
stating "the more the problem is appropriately identified, the

more policy outcome is successful" is not valid. Problem identification is related to the appropriateness of policy-making, not policy outcome directly.

The most important reason explaining the success of the FSIP has turned out to be appropriateness of policy-making. Accordingly, hypothesis 2, stating "the more the policy is appropriately determined, the more policy outcome is successful" was proved to be valid. The FSIP itself was appropriately determined, except causing social injustice to be increased in the social context.

Hypothesis 3 has turned out to be invalid in evaluating the FSIP. Rationality of policy implementation did not significantly contribute to the success of the FSIP.

Hypothesis 4 has turned out to be valid in explaining the success of the FSIP.

Hypothesis 5, stating "the more the FSIP is successful, the more social injustice occurs," is the key question of this evaluation. Even though the FSIP is successful in policy itself, it is evaluated as a failure in the social context. The result has turned out to be valid. The main reason of policy failure may be the exclusion of majority of farmers.

Figure 2.   The Result of Evaluating FSIP
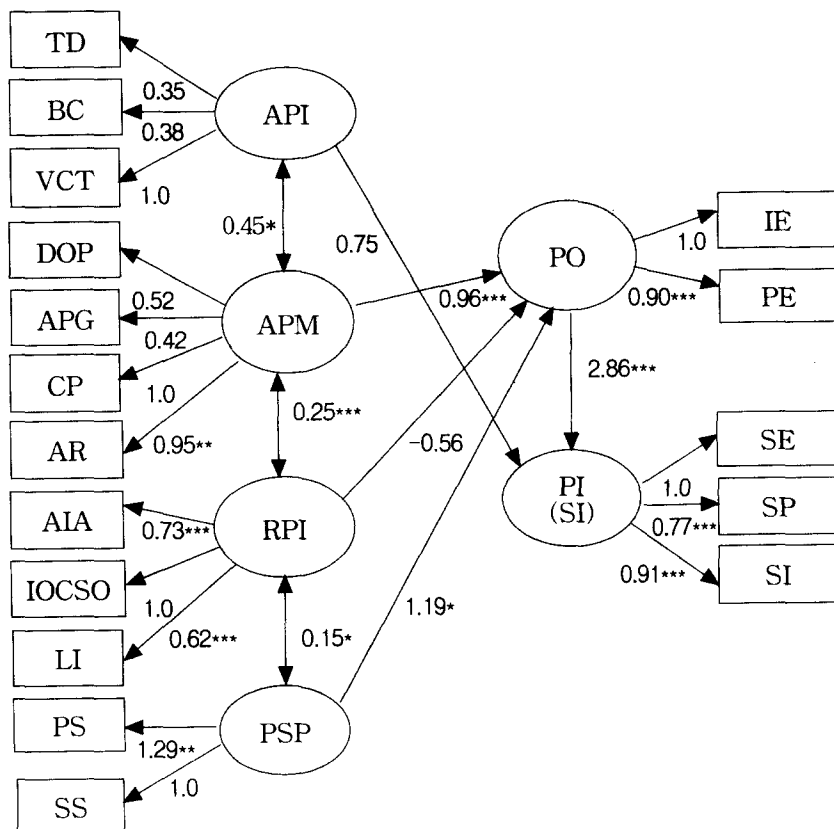
Chi-square= 95.29 (p = 0.89)
Goodness of Fit Index   = .95
Adjusted Goodness of Fit Index   = .93
Standardized Root Mean Square Residual = 0.049

<Labels>

API: Appropriateness of Problem Identification, **APM**: Appropriateness of Policy- Making, **RPI**: Rationality of Policy Implementation, **PSP**: Policy Support, **PO**: Policy Outcome, PI(SI): Policy Impact(Social Injustice), **TD**: Technical Difficulties, **BC**: Extent of Behavioral Change Required, VCT: Validity of Causal Theory, **DOP**: Disharmony with Other Related Policies,

APG: Accuracy of Policy Goal and (I)its Priority, **CP**: Consistency of Policy, **AR**: Appropriateness of Regulation, **AIA**: Appropriateness of Implementing Agency, **IOCSO**: Implementing Agencies and Officials' Commitment to Statutory Objectives, **LI**: Leadership of Implementors, **PS**: Public Support, **SS**: Support of Sovereigns, **IE**: Income Effect, **PE**: Policy Effect, **SE**: Social Equality, **SP**: Social Productivity, **SI**: Socioeconomic Inequality

VI. Conclusion

This study is a trial to combine both qualitative and quantitative methods and to evaluate the FSIP in the social context. The data was collected by surveying beneficiaries, non-beneficiaries, taxpayers, and politicians who were excluded in the evaluation research. I distinguished policy impact from policy outcome, because the impact of a policy is all its effects on real-world conditions.

The evaluation model is formed by six variables(four independent variables and two dependent variables. The structural relationships between variables is that three independent variables except the appropriateness of problem identification variable are associated with policy outcome. The appropriateness of problem identification is associated with the appropriateness of policy-making. Policy impact is associated with policy outcome.

The selection of indicators was conducted by factor analyses of each variable. The way of building policy evaluation model was carried out by interactions between the conceptual framework and the FSIP evaluation. Indicators needed to evaluate actual program were selected from the conceptual framework. Relations among variables were modified according to the result of the model building process through evaluating the actual program.

The FSIP has turned out to be successful in terms of the degree of goal achievement, income effect and cost lowering effect on the sides of beneficiaries. However, in the context of the whole society it was not successful because it increased

social inequality between beneficiaries and non-beneficiaries and resulted in social injustice.

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