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# **Spiritual Modernization and Rural Development**

**- Applicability of the Korea's Development to Africa**

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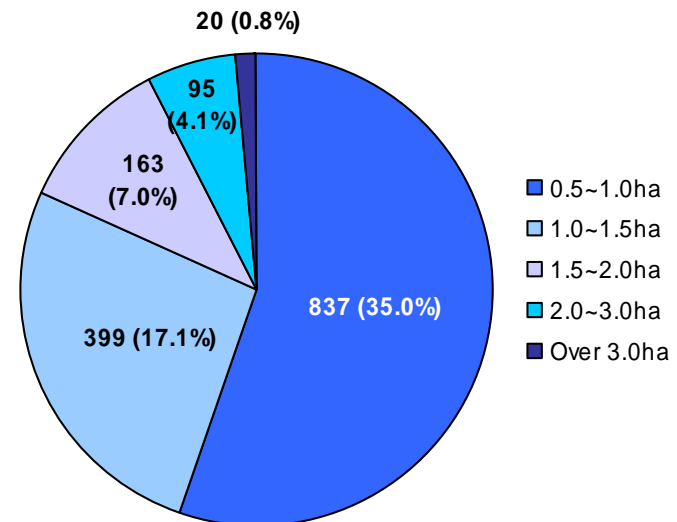
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- I. Agriculture and Rural Economy of Korea in 1960
- II. Strong Drive for Prior-industrialization and Its Consequences
- III. Agriculture and Rural Development Program Focused on *Saemaeul Undong*
- IV. Usefulness of Korea's Rural Development Experience to Africa

# I. Agriculture and rural economy of Korea in 1960

- Farm population to total : 58.0%
- Agriculture, foresting and fishing in total GDP : 36.0%
- Cultivated area per farm household
  - Average : 1.0ha
  - Distribution 



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## II. Strong Drive for Prior-industrialization and Its Consequences

### The role of agriculture to support industrialization

- Relative stagnation of agricultural growth (1960-1970)

GDP Growth

9.6%

Agriculture Growth

3.5%

- Import of food and agricultural products

- Support for agricultural production
  - Supply of fertilizer & seeds improvement

- Sources of labor supply for industrialization
  - Massive migration from rural and urban sector

### Immediate consequences of prior-industrialization and facilitation for rural development

#### Immediate consequences

- Widening gap in development between urban and rural sectors
  - Growing dissatisfaction of farmers in the **late 1960**.
  - The time was matured for the economic performance of the urban industrial sector to spill-over to traditional agricultural sector.

A fundamental change occurred in the early 1970s in the Korean government's policy toward rural development.



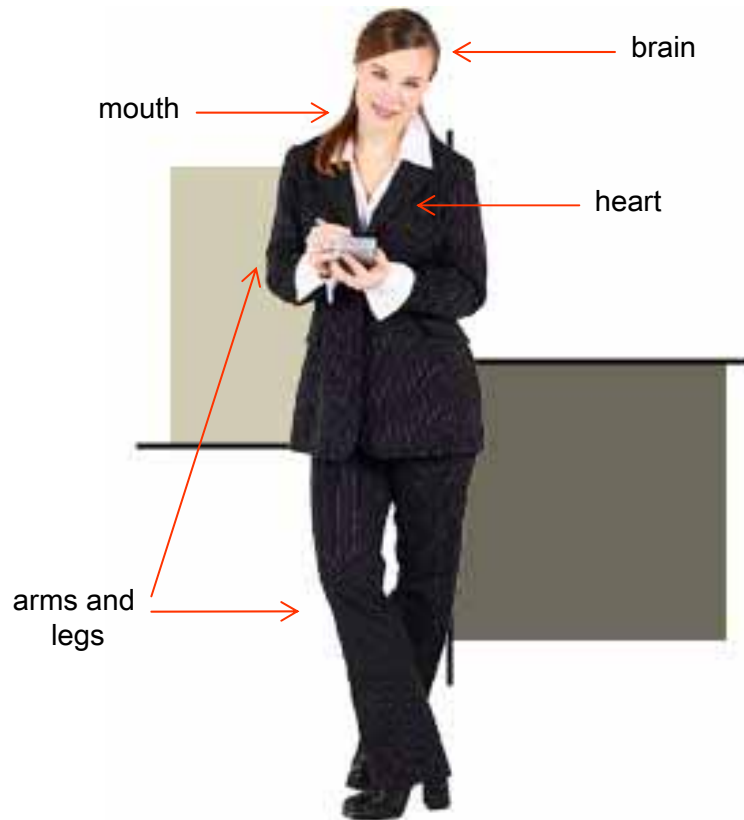
#### Facilitation for rural development

- Introduction of industrial technology capital
- Opportunities of non-farming employment
- Fiscal capacity to compensate farm income
  - Dual price system for the main crops
  - Deficits occupied with issuance of currency
- National scale rural development campaign
  - *Saemaeul Undong (SMU)*

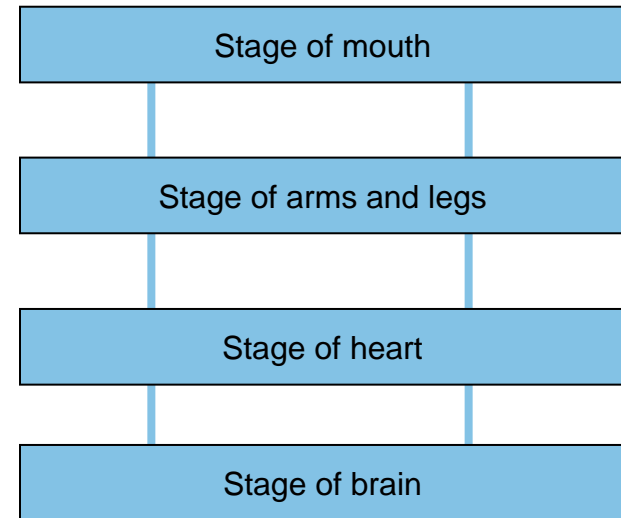
## II. Strong Drive for Prior-industrialization and Its Consequences

### Hypothesis for the Development of the Human Behavior

- Human being is born with four organs.



- Four stages of the development of human behavior in line with economic development



Source: Itogawa Hiteo, Tokyo University, Japan

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## The Approach to Spiritual Modernization and HRD

- Let them know the benefits of money
  - Through provision of job opportunities

- Research on the spirit and culture of the Korean
  - Establishment of the Institute for Spirit and Culture Study

- Training young people for modern industrial labor force

- National drive for spiritual modernization
  - *Saemaedul undong (SMU)*

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# IV. Agriculture and Rural Development Program Focused on *Saemaeul Undong*

## Land ownership and land reform in Korea

### Implementation

- **Land reform took place in two sequential stages**
  - The redistribution of vested lands by the United States Military Government in Korea (USMG/K) in 1948
  - Land reform program implemented by the Korean Government during the period of 1950 ~1952
- **Agriculture and Land ownership before the reform**
  - Primarily agrarian society, with nearly three fourths of its population making their living on farmland.
  - Yet the distribution of land ownership prior to 1945 was highly unequal.
    - 2.7 percent of the farm households owned nearly two-thirds of the total land, while 58 percent owned no land at all.
    - The bottom 81 percent of all farm households owned only 10 percent of the total land.

### Performance

- **The result of the land reform**
  - 800,000ha (41.4%) were distributed to small farmers.
  - Approximately 1.5 million farmers (70%) received land to become owner-tillers.
  - About 50% of the farmers who did not own land under the tenancy system became landowners.
- **Problems during the process and its impact**
  - The percentage of households farming less than one chungbo(ha) increased from 75 percent in 1947 to 79 percent in 1953.
  - The land reform contributed to the fragmentation of farmland in Korea.
  - In the process, the opposition of the landlords and the unstable government position encouraged landowners to act for their own interests.

## IV. Agriculture and Rural Development Program Focused on *Saemaeul Undong*

### *Saemaeul Undong* (New Village Movement)

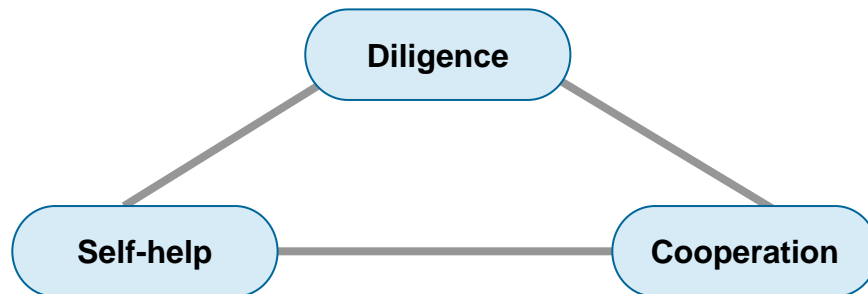
: Rural Development and Spiritual Modernization Campaign in Korea

#### Background

- Widening gap in development between urban and rural areas by prior industrial development
  - Growing dissatisfaction of farmers in the late 1960s
    - Rural people became increasingly conscious of the widening standard-of-living gap between urban and rural areas.
  - The time was matured for the economic performance of urban industrial sector to spill over to traditional agricultural sector.
- ❖ A fundamental change occurred in the early 1970s in the Korean government's policy toward rural development.



#### Basic Philosophy



## IV. Agriculture and Rural Development Program Focused on *Saemaeul Undong*

### Two Pillars of *Saemaeul Undong* (New Village Movement)

#### Motivation : Carrots & Competition

- Started with the disposal of surplus cement.
  - The government provided, free of charge, 335 bags of cement to each of the total 33,267 villages during the winter of 1970-71.
- Instructed to use the cement for their community's needs based on the villagers' consensus.
- Then, the government selected 16,600 villages that had responded actively with better performance.
- In 1972, the government supplied an additional 500 bags of cement together with one ton of steel rods to each of these selected villages.
- This incentive policy upon the competitive base was repeated providing more incentive for better performance.

#### Training & Fostering Missionaries

- Provided with nation-wide training & education programs for poverty reduction and spiritual modernization
  - Nation-wide training for politicians, government officials as well as village leaders and farmers
- Village leaders played a crucial role in inducing villagers' participation in the movement.
  - Awarded with medals by the President
  - Having played the role of missionaries for poverty elimination

## IV. Agriculture and Rural Development Program Focused on *Saemaeul Undong*

### Operational rule and extension of *Saemaeul Undong*

#### Operational strategy for government support

- The best-first principle : Villages that conducted the most successful projects were to receive the government's help first.
- The step-wise principle
- The learning by doing principle
- The matching-fund principle

#### Gradual extension

- The Ministry of Home Affairs (MOHA) conducted a nationwide village survey, classifying all the villages into three categories on the basis of the degree of the performance and the level of development.
  - basic (underdeveloped) village
  - self-help (developing) village
  - self-reliant (developed) village
- Greater assistance was given to higher-level villages.

#### Extension of participation beyond rural development

- The movement rapidly expanded in scope of participation and range of activities.
  - It extended to "factory *Saemaeul*," "urban *Saemaeul*," and "school *Saemaeul*."
- One could see the *Saemaeul* flag flying besides the national flag and the *Saemaeul* slogan painted at the top of almost every public building throughout Korea.
  - At least once a day, there was a television program portraying a success story of the *Saemaeul* movement, accompanied by the *Saemaeul* song.

## IV. Agriculture and Rural Development Program Focused on *Saemaeul Undong*

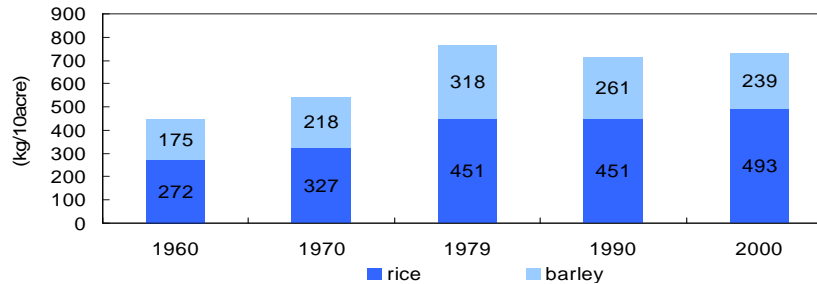
### Evaluation of *Saemaeul Undong* and changes in agricultural and rural economy

#### Evaluation of *Saemaeul Undong*

- Drastic modernization of the living environment with the least public investment
- Basis for modern farm management for higher productivity
- evaluated as one of the most successful rural development program in the world rural development history.

#### Changes in agriculture and rural economy

- Agricultural productivity



- Fertilizer input: 175,000 M/T (1966) → 500,000 M/T (1971)
- Growth rates of household income
 

	1965~69	1970~76
Rural household	3.5%	14.6%
Urban household	9.5%	4.6%
- Income gap between rural and urban: 60~70% in 1976~1970
  - The gap was almost exhausted since 1974.
- Electricity: 20% (1971) → 100% (1980)
- Saving rate: 10% (1960) → 20%(1970)
- Proportion of deposits by farmers in the Bank of Agriculture Cooperative: 20.6% (1963) → 50.5% (1980)

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## IV. Usefulness of Korea's Rural Development Experience to Africa

- Historically, we found few examples of successful transformation of the pre-modern and huge rural sector to a modernized one in a short period. Rural development is really hard and core task for poverty reduction and national development
- It is necessary that farmers are provided with sufficient land on which they can improve their economic status for themselves.
- It is crucial that farmers are provided with an environment such that they can have self-motivation for development.
- Continuous competition and incentives for better performance among farmers and villages are essential for motivation for self-help and effective rural development.
- In rural development, devotion of farm leaders played a vital role.
- Prior-development of industrial sector provide very helpful environment for a successful rural development through transfer of technology and capital to agricultural sector.

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**Thank you!**