Spiritual Modernization and Rural Development
- Applicability of the Korea’s Development to Africa

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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

![Distribution Pie Chart]

- 837 (35.0%) for 1.5~2.0ha
- 399 (17.1%) for 1.0~1.5ha
- 163 (7.0%) for 0.5~1.0ha
- 95 (4.1%) for 2.0~3.0ha
- 20 (0.8%) for Over 3.0ha
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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)
  
<table>
<thead>
<tr>
<th>GDP Growth</th>
<th>Agriculture Growth</th>
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</thead>
<tbody>
<tr>
<td>9.6%</td>
<td>3.5%</td>
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</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>Immediate consequences</th>
<th>Facilitation for rural development</th>
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</table>
| • 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. | • 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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IV. Usefulness of Korea’s Rural Development Experience to Africa
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
  - *Saemaeul undong (SMU)*
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Land ownership and land reform in Korea

<table>
<thead>
<tr>
<th>Implementation</th>
<th>Performance</th>
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<tbody>
<tr>
<td>• <strong>Land reform took place in two sequential stages</strong></td>
<td>• <strong>The result of the land reform</strong></td>
</tr>
<tr>
<td>- The redistribution of vested lands by the United States Military Government in Korea (USMG/K) in 1948</td>
<td>- 800,000ha (41.4%) were distributed to small farmers.</td>
</tr>
<tr>
<td>- Land reform program implemented by the Korean Government during the period of 1950 ~1952</td>
<td>- Approximately 1.5 million farmers (70%) received land to become owner-tillers.</td>
</tr>
<tr>
<td>• <strong>Agriculture and Land ownership before the reform</strong></td>
<td>- About 50% of the farmers who did not own land under the tenancy system became landowners.</td>
</tr>
<tr>
<td>- Primarily agrarian society, with nearly three fourths of its population making their living on farmland.</td>
<td></td>
</tr>
<tr>
<td>- Yet the distribution of land ownership prior to 1945 was highly unequal.</td>
<td>• <strong>Problems during the process and its impact</strong></td>
</tr>
<tr>
<td>- 2.7 percent of the farm households owned nearly two-thirds of the total land, while 58 percent owned no land at all.</td>
<td>- The percentage of households farming less than one chungbo(ha) increased from 75 percent in 1947 to 79 percent in 1953.</td>
</tr>
<tr>
<td>- The bottom 81 percent of all farm households owned only 10 percent of the total land.</td>
<td>- The land reform contributed to the fragmentation of farmland in Korea.</td>
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<td></td>
<td>- In the process, the opposition of the landlords and the unstable government position encouraged landowners to act for their own interests.</td>
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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

[Diligence](#)  
[Self-help](#)  
[Cooperation](#)
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
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

- 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 programs in the world in rural development history.

### Changes in agriculture and rural economy

- **Agricultural productivity**
  - ![Graph showing agricultural productivity from 1960 to 2000 for rice and barley](image)
  - Fertilizer input: 175,000 M/T (1966) → 500,000 M/T (1971)
  - Growth rates of household income:
    - Rural household: 3.5% (1965–69) → 14.6% (1970–76)
    - Urban household: 9.5% (1965–69) → 4.6% (1970–76)

- 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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- 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.
Thank you!