



Chapter 5

Rural Communities and Development

1. Rural Communities
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1. Rural Communities

The fast changes in Korea's rural communities due to its rapid industrialization that began in the 1960s are unprecedented in world history. The shrinking and aging rural population became both the impetus and the result of these changes. In the 1990s, the rate of decrease in agricultural population began to lessen, but the number of people engaged in agriculture continued to drop. These quantitative and qualitative changes greatly affected the family and village structures of rural communities. Traditional large families were replaced by single elderly or elderly couple households comprised only of seniors. The organizations based on family and local ties at the village level have been replaced by large inter-regional economic and social groups and these groups are increasingly important. These rapid changes in rural communities have led both the awareness and values of rural residents to more progressive paths. Also, the increase in international marriages and the rise of multicultural households, as well as the increasing number of urban residents "returning to the farm" or moving to rural areas for various reasons, have led to the rapid diversification of rural residents.

Population Decline, Aging and Diversification

Population Decline

The share of population of *eups* (towns) and *myeons* (townships)

Table 5-1 Percentage Changes in Population of Towns and Townships

Classification		Percentage Changes between 2000 and 2010 (%)
<i>Eup</i> (town)	Metropolitan cities	27.3
	Urban-rural complex cities	28.6
	Counties	-4.0
	Subtotal	13.8
<i>Myeon</i> (township)	Metropolitan cities	-0.6
	Urban-rural complex cities	-4.0
	Counties	-9.5
	Subtotal	-6.6

Source: Statistics Korea (2000, 2010).

in rural areas in the total population decreased from 58.8% in 1970 to 18.0% in 2010. However, the downward trend in rural population has recently slowed down and differed from each region. For example, the population of *eups* in urban-rural complex cities and metropolitan cities increased and that of *eups* in counties decreased. In the case of *myeon*, the population of *myeons* overall dropped and that of urban-rural complex cities and counties decreased more than that of metropolitan cities (Table 5-1). This shows that rural people are moving to *eups* in metropolitan cities or urban-rural complex cities where conditions including community facilities and job opportunities are more favorable.

Aging

A decline in rural population has been caused mainly by a decline in young population, followed by a decrease in infants and accelerated aging of the rural regions. The ratio of those over 65

years old to the total population increased from 3.7% in 1960 to 11.3% in 2010. However, the aging of population has been much faster than that of cities. The share of those over 65 years in population of cities (*dong*) increased from 2.4% in 1960 to 2.6% in 1980, 5.5% in 2000, and to 9.2% in 2010, while the share in the population of rural villages (*eups* and *myeons*) soared from 4.2% in 1960 to 5.6% in 1980, 14.7% in 2000, and to 20.9% in 2010, showing that the aging in rural regions is proceeding 20 years faster than in cities.

Changes in Rural Family Structure

The falling population and rapid aging in the rural areas have resulted in the change of family structure as well. As the ratio of the household composed of a single generation to the total households has increased, the ratio for rural areas has been bigger than that for cities since 1985. The ratio of households composed of single generation in rural areas was a whopping 35.8% while that in cities was 20.5% in 2010. The ratio of the household with two generations decreased overall in the nation, but the decline was faster in the rural regions. In 2010, the share of the household comprised of two generations in the rural regions was 54.7% while that in the cities was 71.5%. The households composed of three generations have been on the decline as well. Although their share of the total population in rural regions was much higher than that in cities, the rate of decline in rural areas was so high that the disparity in the ratios between cities and rural villages has been narrowed. The share of the household composed of 1 person in the total households has been rapidly rising nationwide, but the rate is much higher in the

rural areas.

Given that rural communities have significant number of elderly households, it is highly likely that the single-generation or single-individual households in the regions are comprised of elderly couple or single (whose partner died) whose children live in cities.

The notable trend in family structure changes in recent years is rapid growth of single elderly households and grandparent-headed families. The number of aged citizens who live alone rose nationwide from 349,020 in 1995 to 1,066,365 in 2010. At the same time, the number of grandparent-headed homes increased significantly from 35,194 in 1995 to 119,294 in 2010. In rural communities, the number of single elderly households grew from 198,976 in 1995 to 440,726 in 2010, while that of grandparent-headed families rose from 16,356 in 1995 to 32,626 in 2010 (Table 5-2).

The biggest reason why aged citizens living alone in rural areas are emerging as a social issue is that most of them are not only economically poor and unhealthy, but they are also not well protected by social security net. Their unnoticed death, depression and suicide stemming from isolation are growing social issues. In addition, an analysis of the 2009 welfare panel prepared by the Korea Institute for Health and Social Affairs shows that the elderly who live alone in rural communities are given less welfare services than those living in cities in terms of medical expenditure support, free meals, basic livelihood supplies, home care and meal delivery. Grandparent-headed families are becoming a complicated social problem related to the agricultural sector, the elderly, women and children, as well as succession of poverty. Although they suffer diverse problems in the aspects of income, health and education,

Table 5-2 Status of Grandparent-Headed and Single Elderly Households

Unit: household

	1995			2000			2010		
	Total Households	Single Elderly	Grandparent Headed	Total Households	Single Elderly	Grandparent Headed	Total Households	Single Elderly	Grandparent Headed
Nationwide	12,958,181	349,020	35,194	14,311,807	542,690	45,225	17,339,442	1,066,365	119,294
City (Dong)	10,031,978	150,044	18,838	11,229,476	263,233	25,996	14,031,069	625,639	86,668
Rural Area (Eup, Myeon)	2,926,203	198,976	16,356	3,082,331	279,457	19,229	3,308,353	440,726	32,626

Note: Foreigners and group households excluded. "Single elderly household" means the household of a single individual aged over 65.

Source: Statistics Korea, Population and Housing Census, each year.

these homes do not attract much attention from the Korean society and the government support for them is insufficient.

Changes in Rural Community Organizations

As a result of decreasing populations and changing demographics, rural community organizations have been forced to undergo significant changes. Traditional rural society had a wide range of social groups with distinct unifying qualities and functions. Such factions were defined by common regional boundaries, blood ties, economic situations, social statuses, or political objectives. Some were community based while others were of external origin.

Groups and organizations of local communities are divided into two groups: the primary group determined by ascribed membership including descent or regional ties; and the secondary or interest group determined by acquired group membership. One of the

typical kin groups in Korea is the group based on the surname and family clan (clan group). The group based on geographical ties is classified into autonomous groups including *daedonggye*, or a group for mutual financial aid, and non-autonomous groups including an administrative unit of *ri*. Interest groups can be classified into economic and social interest groups based on their functions.

Changes in Village Organizations

The clan group was formed by extended family members sharing common ancestors to manage the family's tombs and resources, and conduct ancestral rituals for the entire family. In the past when extended families tended to live in close proximity, clan groups formed an important part of village organization and exerted significant influence on the social and economic activities of the rural community. However, rural population began to fall and families moved apart, depriving the clan group of its importance as a kinship organization. Since such a group is hierarchical with the oldest generation assuming the leadership, the departure of key individuals from a farming village and difficulties in participating in family events and ancestral commemorations made such an organization largely irrelevant.

The most important native social group in a rural community was *daedonggye*, created and operated by members of the community. *Daedonggye* was charged with the tasks of conducting village-wide ancestral ceremonies, organizing effective division of labor, promoting cooperation in weddings, funerals and other community affairs, administering joint tax payments and village construction work, creating funds as needed by the community, and

other tasks befitting the self-sustaining community organization.

However, as villages were integrated into the national administrative control system, the autonomous group *daedonggye* has been superseded by the non-autonomous group *ri*. In consideration of the natural setting of the region, the range of socio-economic activities, and administrative convenience, the system of the administrative village unit of *ri* was implemented and the heads of *ri* responsible for administrative tasks of villages were selected since the foundation of the Republic of Korea in 1948.

Other village-level interest groups created after the modernization of the Korean society include Saemaeul Farm Clubs, Saemaeul Women's Clubs, Youth Clubs, Seniors Clubs and diverse *gye* groups.

Farming Clubs and Crop Clubs are the largest village-level economic interest organizations. In the 1960s, Agricultural Improvement Clubs were organized in rural communities with support from the Rural Development Administration to learn and apply new farming techniques. Other village organizations included Cooperative Groups and Crop Clubs organized by local Agricultural Cooperatives. These two organizations were merged to form Farming Clubs in 1977, making every member of Agricultural Cooperatives members of the new Farming Clubs as well.

Saemaeul Women's Clubs were also created by integrating the Living Environment Improvement Clubs, Women's Education Classes, Family Planning Mothers' Associations, and the Saemaeul Women's Association in 1977, becoming a single organization responsible for the activities that had been overseen by numerous similar organizations in the past.

Another important interest group of the village unit is *gye*, a socio-economic mutual-aid organization. *Gye* groups have long existed to provide a host of important services; these include financial assistance in times of need (e.g. around weddings and funerals), regular excursions for friends and families, and organized community-wide events.

As local organizations gradually disintegrate or merge with larger provincial or national social groups, broad community-wide cooperatives, known as *Dure*, have become increasingly scarce. *Pumasi*, or local cooperatives limited to just one or two specific tasks (e.g. rice transplanting or harvesting), are now being replaced by machinery or private agricultural businesses offering the same services. Labor shortages and increasing average ages among farmers are also major factors in the rapidly diminishing use of cooperatives.

Conurbation of Social Organizations

These various village organizations began to decline as people retired from farming or moved out of rural regions, and they were replaced by larger organizations that represented multiple villages or *eup* and *myeon* areas.

In 1990, Farming Association Corporations and Agricultural Corporations were newly established as organizations with expertise in farming and management to enhance the efficiency and productivity by expanding the size and scale of farming operations. As of 2013, Farming Association Corporations and Agricultural Corporations numbered 9,651 and 3,682, respectively (MAFRA, 2014).

In the 1960s, the widening income gap between urban and rural regions, and the increased awareness of the relative poverty

of rural regions resulted in the creation of organized farmers' movements. The Korea Advanced Farmers Association was founded to educate farmers about new techniques and technologies and these associations began to participate in the democratic movement of the 1980s. The Korea Catholic Farmers Association and the Korean Christian Farmers Association were not limited to religious functions and began to carry out rural social movements as independent farmers' organizations. The Korea Advanced Farmers Federation (KAFF, founded in 1987) and the Korean Peasants League (founded in 1990) made up the two political pillars of the farmers' movement in Korea.

Farmers' protests against the opening of the Korean agricultural market to the world became systematic since the 1990s, and the farmers' movement aimed for anti-globalization and the anti-market liberalization for agricultural products, as senses of crisis due to FTAs spread within the rural villages in the 2000s. During this period, the representatives of farmer groups entered the National Assembly and various government bodies and the farmers groups were developed into the organizations that exert great power on the agricultural policies. These farmer organizations are of nationwide scale and have sub-organizations in the city, county, town, and township.

Some farmers' associations have been formed around certain common products, such as fruits or livestock, to allow farmers engaging in similar enterprises to exchange information, carry out political activities, and create joint marketing efforts. These economic interest groups usually transcend the village unit, and operate on the regional or national level. These organizations include

the Korea Poultry Association, Korea Swine Association, Korea Dairy Farmers Association, the National Hanwoo Association, Korea Grape Association, and the Korea Floriculture Association.

The National Agricultural Cooperative Federation (NACF) is another farmer group organized in a nationwide scale. The organization was initially composed of three corporate bodies: local union by *ri*, *dong* unit; city and county association; and the national federation. However, as the city and county association was incorporated into the national federation as the city and county branch in 1971, the NACF becomes what it is today, with a system of two corporate bodies of member cooperatives and the NACF. As of May 2015, 16 regional headquarters, 940 regional agricultural cooperatives, 116 regional livestock cooperatives, 45 cooperatives for agricultural items, 23 cooperatives for livestock items, and 11 cooperatives for ginseng are under the NACF, with about 2.35 million members. The NACF carries out economic business, through which distribution in producing areas and consumption places is improved and agricultural materials are supplied, and provides financial services including banking services and financial support for agricultural management entities such as agricultural companies and farmers. The NACF also implements education and training business including supporting informatization of agriculture and providing consultancy on farming.

Changes in Attitudes and Perspectives of Rural Residents

Macro-level social changes have significantly influenced rural

attitudes and perspectives. Longstanding stereotypes of rural inhabitants include 'strong devotion to the land', 'great loyalty to family', and 'near blind obedience to traditional customs' among others. Consequently, serious concerns were raised by scholars, both during and after the rapid industrialization that took place in the 1970s and 1980s, over 'pre-modern' and 'modern' world-view distinctions that were assumed to exist among rural people situated under a vortex of change. The rural population did, in fact, extensively adjust their outlook and system of values throughout Korea's rapid industrialization and urbanization and into the 1970s.

This paradigm shift was not universal however, and the extent to which it took hold was largely based on the socio-economic and physical conditions of each village. A case study of one particular village in close proximity to Seoul (31km away) found an almost total breakdown of traditional rural agrarian order and a highly diversified functional configuration that included farming, manufacturing, and residential living (Moon et al., 1993). Such transformations, in philosophy and lifestyles, are often attributed to the 'Seoulization Phenomenon', whereby spatial closeness to Korea's largest metropolis has a large effect on local culture.

Heo (2001) employs a time-series analysis to estimate mid-term viewpoint changes in four sample villages, which are mountainous, flat, and in-between terrain, as well as suburban ones. In the study, social belief systems are operationally divided into five categories: authoritarianism, collectivism, agrarianism, familism, and folklore. Three data sets were then compiled from surveys administered in 1989, 1994 and 2001, allowing for a range of comparisons. The study found that both younger and highly educated people tended

to be less authoritarian, across villages and years. These same groups were less sympathetic to agrarianism than other segments of society in the 1989 survey but the differences had disappeared by 2001. Family values were universally present and identical among all villages and respondents. Substantial differences did exist though, among remote mountain villages towards collectivism. Older people generally adhered to traditional folk beliefs but these principles are gradually disappearing, even in remote mountain communities, with the disintegration of rural society.

Generally speaking, the ways that the rural residents think or understand about the situations of their family, community, tradition, farming and other things did not change much between the years examined in the study. Heo (2001) attributes this to the fact that many young people were leaving the observed villages and usually not being replaced by new settlers. This one-way migration therefore only left behind aging and aged rural populations that stayed firm in their beliefs and outlooks over the observation period.

The shift in rural residents' ways of thinking that commenced with the onset of rapid industrialization and lasted through the 1970s and into the 1980s appears to be over and, as long as demographic composition of rural residents do not change substantially, the prevailing values and viewpoints of aging residents will dominate the mind-set of rural communities for many years.

However, for some villages, for instance the suburban towns under considerable impacts from big cities and highly-remote rural localities facing total abandonment, further changes will be inevitable following demographic shifts.

Demographic Diversification

Following the nation's rapid economic development and industrialization, the formerly traditional rural communities were transformed into aging societies with super-low population densities. A new trend that began in the 1990s is the demographic diversification of rural communities. The rise of international marriages created multicultural households, and people from cities have been returning to rural areas for a wide variety of reasons.

Multicultural Families

As cities began to offer better employment opportunities and living conditions, young people, and especially young women, began to move in large numbers to urban areas. As a result, the shortage of potential brides for unmarried men in rural areas became acute from the 1980s, creating a serious social problem. An increasing number of unmarried men married women from developing countries including China, Southeastern countries, and Central Asian countries. These international marriages of rural men have increased because the women in these regions are thought to adapt themselves well due to their cultural similarities to Korea, as social recognition of international marriages has changed positively.

Comparison of marriages between Korean men and foreign women in cities and rural areas shows that international marriages in cities (13,755) occurred more than in rural areas (4,552) in 2013. However, for the ratio of this type of marriage to the total marriage in the nation, the ratio of international marriages between Korean men and foreign women in rural areas (8.9%) is higher than that in urban areas (5.1%). In 2013, 1,180 (22.7%) out of 5,204 men

Table 5-3 Marriages between Korean Men and Foreign Women (2013)

Unit: number, %

	Number of Marriages (A)	Marriages between Korean Men and Foreign Women		Marriages of Korean Men Engaged in the Agriculture, Forestry and Fishing Industry (C)	Marriages between Korean Men Engaged in the Agriculture, Forestry and Fishing Industry and Foreign Women	
		Number (B)	Ratio (B/A)		Number (D)	Ratio (D/C)
Total*	322,807	18,307	5.7	5,204	1,180	22.7
Urban	271,901	13,755	5.1	1,446	199	13.8
Rural	50,906	4,552	8.9	3,758	981	26.1

* Marriages made abroad and unknown included.
Source: Statistics Korea, 2013.

engaged in farming, forestry and fishing married foreign women. The marriages between foreign women and Korean men, who reside in rural villages while they engage in farming, forestry and fishing, accounted for 26.1% in 2013 (Table 5-3). For the share of countries of foreign women who married Korean men, Vietnam accounted for the largest portion, followed by China (Table 5-4).

Table 5-4 The Number of International Marriages by the Nationality of Foreign Women Who Married Korean Men Engaged in the Agriculture, Forestry and Fishery Industry (2013)

Unit: number, %

Total	Vietnam	China	Others
1,180 (100.0)	673 (57.0)	199 (16.9)	308 (26.1)

Source: Statistics Korea, 2013.

Multicultural family means a family formed under the marriage between a Korean and a foreigner. As multicultural families are rapidly increasing in rural villages due to international marriages, their social and cultural adaptation, family stability and inclusion to the Korean society are emerging as social issues. Discrimination and bias against foreign partners and children of multicultural families are highly likely to escalate into a social conflict.

Multicultural families in rural communities are facing conflicts and difficulties in marriage lives, child nursing, family relation and assimilation into their communities due to cultural differences and poor communication. As a result, the number of the families dismantled is rapidly growing (Park et al., 2011).

Returning to Farming and Rural Areas

Migration to rural areas has been on the rise in the various forms such as returning to farming or migration for recreational purposes after retirement since the 1990s. It is a new phenomenon that shows a contrast to the negative factors such as falling and aging population in rural regions.

Only 7,186 households migrated to rural areas between 1990 and 1997, but the number soared from the late 1990s when the foreign exchange crisis broke out in Korea and the IMF's measures for relief were implemented. In particular, as many as 6,409 households returned to rural areas in 1998, and 4,118 and 1,154 households came into rural regions in 1999 and 2000 respectively. The yearly trend of migration into rural areas from 2001 to 2014 reveals that the number of migrated households, which was 880 in

Table 5-5 Trend of Returning to Rural Areas by Year

	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14
No. of Households	880	769	885	1,302	1,240	1,754	2,384	2,218	4,080	4,067	10,503	27,008	32,424	44,586

Source: Ministry of Agriculture, Food and Rural Affairs (2015).

2001, grew steadily to over 4,000 in 2009 and 10,000 in 2011, and reached 44,586 in 2014 (Table 5-5).

There are a number of reasons for returning to farming and migration into rural areas, but it seems that rural areas increasingly become a retirement destination in that inflow of retirees is significantly growing. Voluntary returning to farming and migration into rural regions have been increasing recently. Those who voluntarily migrated to rural areas tend to pursue ecological lifestyle. The recent trend shows that the number of people who migrated into rural regions is increasing more than that of people returned to farming. Amid an overall increase in the all age groups, a rise in the number of those in their 30s and 40s is big. Rural destinations for migration are also expanded nationwide.

Outlook and Tasks

As the rural population decreased at a pace slower than that of the fall in the population who engage in the agricultural industry, the population of *eups* is expected to increase gradually. Diversification of the rural population will continue due to increasing multicultural households and rising numbers of those who return to farming

and migrate to rural areas. As the share of aged people in the total rural population is expected to grow, medium and commercialized farms will play a key role in the rural economy, but the number of aged small and medium-sized farmers will exist for a significant period of time. Accordingly, the share of households composed of a person or single generation will increase. While village-unit social groups or organizations decrease due to the falling rural population, multifunctional social groups and organizations will continue to play their roles in rural regions. In addition, economic interest groups for joint production, shipping, and sales of agricultural products are expected to become critical in farmers' efforts to vitalize rural villages and agriculture.

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2. Quality of Rural Life

Background of Quality of Life Policy

It was 2004 when the Korean government began to work on policies aimed to improve the quality of life of farmers, fishermen, and rural residents. In 2004, Korea negotiated multiple free trade agreements and the WTO's agriculture agreements were moving forward. With a widening disparity between urban and rural areas in terms of income and living standards, such greater opening of the agricultural market was expected to hit farmers and fishermen hard, requiring the government-wide initiative.

At that time, the administration had reorganized agricultural systems, to some extent, after taking measures to expand production and distribution infrastructure and to reform structures of the agricultural sector from 1992, in preparation for the establishment of the WTO and market opening. After the Uruguay Round agreements, the government launched a program for agricultural structure transformation, which involved 89 trillion won investment and loan. Under the program, most of a national expenditure of 69 trillion won, exclusive of local spending and self-pay, went to enhancing competitive advantages of the agricultural sector. Such spending contributed to raising the share of mechanical rice farming from 84% in 1992 to 99% in 2003. Modernized greenhouse areas soared from 45 ha to 8,983 ha during the same period. In an effort to build an advanced agricultural distribution system, wholesale markets increased to 30 in 2003 from only six in 1992. Rice processing complexes also grew from two to 328 during 1992-2003. Scales of farming increased as well, bringing up the number of farms of over 3

ha from 52 thousand households in 1992 to 83 thousand in 2003.

Despite positive results including scale-up of farming, reforms in the agricultural sector exposed its own limits. Though agricultural productivity improved, real income stagnated and debt levels increased in farms as agricultural product prices declined and prices of raw materials jumped. During 1992-2003, farm income grew from 15 million won to 27 million won, while the average farm debt rose significantly from 6 million won to 27 million won. The ratio of farmers' income to urban workers' income declined steadily from 89.1% in 1992 to 80.6% in 2000 and to 76.1% in 2003. All these troubles, however, failed to result in sufficient measures to stabilize rural earnings.

Another issue was poor settlement conditions in rural areas. In 2003, only 52.9% of rural populations used water service, compared with 98.0% for cities. As for the ratio of paved roads, rural communities (51.5%) fell well behind urban communities (89.5%). Urban areas located 93.6% of general hospitals and 89.5% of beds, and 88% of medical professionals worked in cities. In farm villages, 47% or 2,420 out of 5,149 schools were threatened to be shut down as of 2004.

Rural areas' poor conditions, including education and medicine, led to a steady decline in the population. The ratio of farm and fishing households to total households continued to decrease from 16.7% in 1990 to 9.2% in 2000 and to 7.5% in 2004. The share of rural populations also dropped from 25.6% in 1990 to 20.0% in 2000. This created a vicious cycle where the smaller the rural population, the worse it is to live in rural areas.

Under the circumstances, improving conditions of rural

settlement emerged as an urgent issue. However, government departments on health, welfare, education and regional development carried out relevant policies separately. As a result, there was no coordination and integration among agencies. Worse yet, those policies carried out by each agency failed to consider specific conditions of individual rural areas.

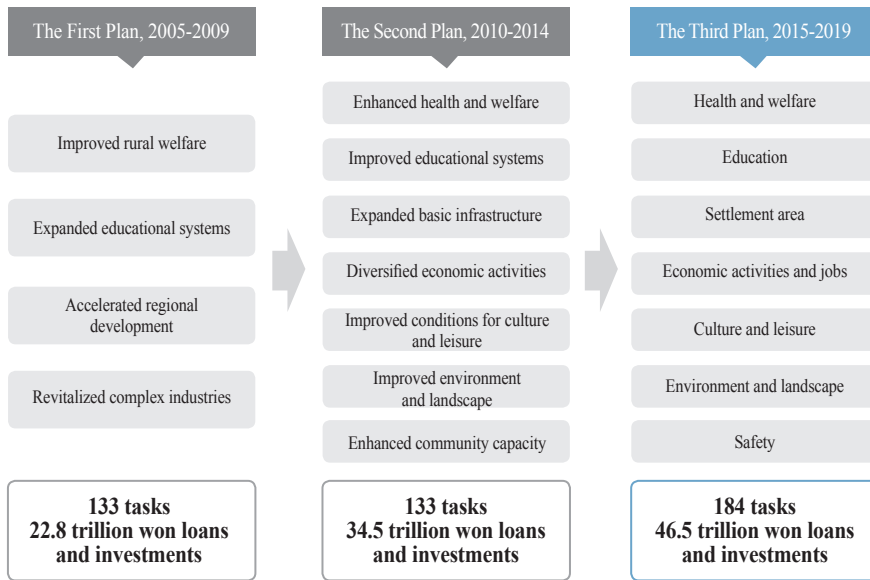
It was against this backdrop that the Korean government enacted the “Special Act on the Improvement of the Quality of Life of Farmers and Fishermen and the Promotion of Rural Development” in 2004. The special act was introduced in order to achieve a better quality of rural lives and balanced development for all regions, by providing a comprehensive system that promotes welfare, improves educational conditions and seeks for local development in rural areas.

Features and Progress of Quality of Life Policy

The Special Act on the Improvement of the Quality of Life stipulates that the government must enhance rural welfare, improve educational experience and encourage regional development, by preparing master plans to improve the quality of rural life every five years. The law also requires heads of relevant central departments to work on and carry out action plans every year based on the five-year plan.

The special act has led to three master plans up until now. The first and second master plans were implemented during 2005-2009 and 2010-2014, respectively, and the third plan is underway as of 2015. Figure 5-1 shows the goals, tasks and budget of each master plan.

Figure 5-1 Master Plans to Improve Quality of Life



The first master plan for quality of life policies envisioned building “rural areas as a place for human settlement where life, recreation and industry are in harmony.” It consisted of 133 tasks in four areas: “improvement of rural welfare,” “expansion of educational systems,” “acceleration of regional development” and “revitalization of complex industries.” The plan spent 22.8 trillion won in investments and loans, which was 112% of the 20.3 trillion won budget.

The vision of the second master plan was “happy rural life that balances home, career and rest.” The second plan contained 133 tasks in seven areas, such as health and welfare, education, infrastructure, economic activity, culture and leisure, environment and landscape and community capacity. The lending and investing

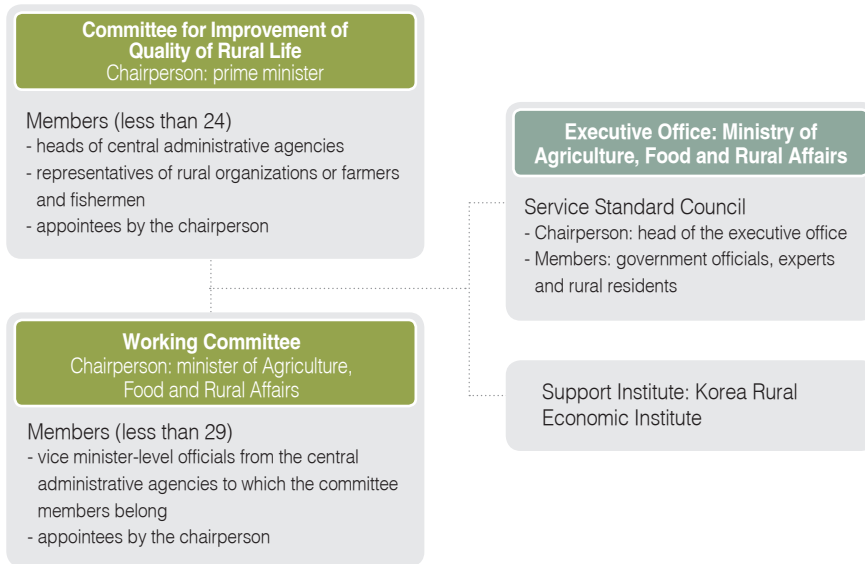
Figure 5-2 Vision and Goals of the Third Master Plan to Improve Quality of Life

Vision	Building happy and vibrant rural communities	
Goals	1. Health and welfare	enhance health and welfare service and make the service more accessible in rural communities
	2. Education	expand educational infrastructures and improve the quality of education in rural areas
	3. Settlement area	build community-driven livable and convenient settlement areas
	4. Economic activities and jobs	create value added and jobs by combining agricultural and fishing resources
	5. Culture and leisure	create conditions for various culture and leisure activities
	6. Environment and landscape	preserve a clean environment and beautiful landscape without damaging the rurality
	7. Safety	build rural communities safe from natural disasters, crimes and accidents
Driving force	Central: conduct coherent and integrated policies among government departments Metropolitan and local: improve the effectiveness of regional quality of life policies On-site: enhance participation and capacity of local communities	

activities reached 34.5 trillion won, up 151% from the first spending, with 4.6 trillion won for health and welfare, 2.4 trillion won for education, 8.5 trillion won for infrastructure, 2.9 trillion won for economic activity and community capacity, 0.6 trillion won for culture and leisure and 6.9 trillion won for environment and landscape.

The third master plan to improve quality of life was prepared in 2014 and is implemented during 2015-2019. It increased its tasks to 184, and set 46.5 trillion won (an average of 9.3 trillion won annually) for loans and investments, up 35% compared with 34.5 trillion won of the second plan period.

Figure 5-2 depicts the vision and goals of the third master

Figure 5-3 Organization of the Committee for Improvement of Quality of Rural Life

plan to improve quality of life launched in 2015. Under the vision of “building happy and vibrant rural communities,” the third plan presents seven goals and driving force for effective policy.

Various government departments participate in conducting the quality of life policies. During the first period, 15 ministries including the Ministry of Agriculture and Forestry were part of the master plan, while the third plan involved 18 government departments and agencies. In an effort to enhance the effectiveness of government-wide policies, the Special Act on the Improvement of the Quality of Life specifies the establishment of the Committee for Improvement of Quality of Rural Life. The committee is responsible for managing and coordinating all policies dedicated to enhance

rural welfare, improve rural educational systems and develop rural areas. Also, it deliberates on master plans for improving quality of life, and inspects and accesses the plans' achievements.

The committee consists of the prime minister as chairperson, and less than 25 members, who are ministers of relevant departments or nongovernmental representatives. The Ministry of Agriculture, Food and Rural Affairs serves as the executive office. From 2012, the committee began to designate think tanks as the institute for support of the committee for effective work. The Korea Rural Economic Institute (KREI) has been designated as the support institute, and the Korea Maritime Institute was designated as another institute to support fishing-related tasks in 2015.

Accomplishments of Quality of Life Policy

As the quality of life policies have been carried out, there were accomplishments in multiple aspects. Steady investment in rural infrastructure led to tangible results in terms of foundations for living, such as water and sewage systems. The share of water service in *myeon* (township) rose from 35.2% in 2004 to 45.3% in 2007 and to 62.2% in 2012. The penetration of sewage in counties jumped as well, from 32.0% in 2004 to 45.7% in 2007 and to 62.1% in 2012.

The second master plan launched in 2010 established the Rural Services Standard as minimum levels of provision for public service. As a result, relevant government departments have increased their budget gradually. The annual budget of the ministries concerning 32 sectors of the Rural Services Standard is estimated to reach 3.42 trillion won as of 2013, up about 11.6% from the previous year (KREI, 2013).

There are also local governments which set meeting the Rural Services Standard as major policies. Chungcheongnam-do provincial government, for instance, included implementation of the Rural Services Standard system in its key policy for innovation of farming, farmers, and rural communities. Based on its service standard inspection in rural areas, the local government set up fire stations in two *guns* (counties) that lacked 119 rescue services.

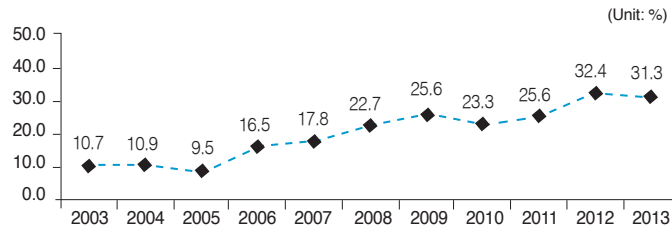
Another accomplishment of the quality of life policy is growing financial assistance for the vulnerable elderly that occupy a substantial part of rural populations. As for annuity insurance, per capita funding for vulnerable older people was 168 thousand won in 2004, before increasing to 254 thousand won in 2007 and 401 thousand won in 2012.

There was an evident outcome in economic activities as well. Employment in agricultural industrial complexes rose from 129,800 in 2010 to 140,000 in 2012. The number of agro tourism villages providing rural experience increased from 544 to 803 during 2009-2013. Various economic organizations by rural communities also expanded. The number of rural community businesses jumped to 720 in 2012 from 219 in 2009. As of 2012, the number of community-based economic organizations, such as social enterprises, village companies and community businesses, averaged 6.9 in urban-rural consolidated cities and 4.0 in *gun* areas.

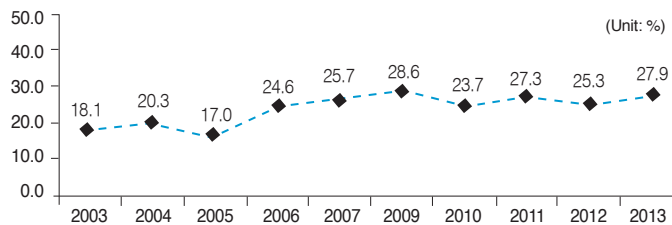
Rural communities are seeing ripple effects of such policies in multiple areas. More and more rural residents perceived that their quality of life had improved. As shown in Figure 5-4, farmers' life satisfaction levels maintain an annual upward trend in general. Also, a growing number of rural dwellers believed living standards had

Figure 5-4 Farmers' Life Satisfaction Levels and Perception of Improved Living Standard

(A) Life satisfaction levels in rural areas (%)



(B) Perception of improved rural living standards than five years earlier (%)



Note: The survey was conducted among farmers. The upper graph shows the share of respondents who were "satisfied," and the lower depicts the share of those who perceived "living standards had improved compared to five years earlier."

Source: Kim Dongweon and Park Hyejin. "Public Opinion Survey on Agriculture and Rural Areas" conducted annually by KREI, 2013.

improved compared to five years earlier.

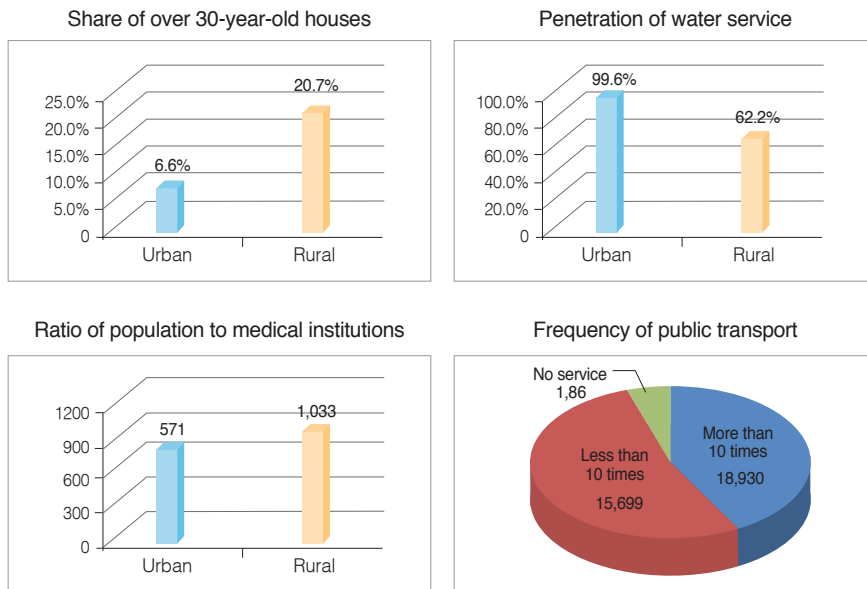
A steady rise in households returning to farming or farm villages is an effect of those policies. The number of those households continued to rise from 10,503 in 2011 to 27,008 in 2012 and to 32,424 in 2013, thanks to growing positive perception of rural areas.

Challenges of Quality of Life Policy

Despite the achievements of the policies to improve the quality of rural life, there are still challenges to be faced. Though the government has invested funds and resources in the policies, the disparities between urban and rural living conditions remain sizable, as shown in Figure 5-5. Given that farm villages have poor accessibility and its majority falls into the vulnerable, they still need government assistance.

Another limitation is that the policies have been “supplier-oriented” so far. They have focused rather on achieving goals and expanding facilities, than on recognizing the needs of rural people. As programs for lifelong learning, for example, were operated in

Figure 5-5 Disparities between Urban and Rural Living Conditions



eup areas with bigger populations, most of older farmers living in remote villages could not participate. And road networks often failed to accompany transport service that is flexible in dealing with residents' needs.

The central government, on its part, failed to play a pivotal role for the quality of life policies. It was good to establish government-wide vehicles such as the Committee for Improvement of Quality of Rural Life, with the prime minister as chairperson. However, as just one of numbers of committees belonging to the prime minister's office, the quality of life committee could not serve as a central body that coordinates measures from multiple departments effectively. Since the annual committee meeting ends with perfunctory discussion on the agenda, there are limits to what the committee can do as a control tower.

Lack of attention by local governments is another challenge. As the central administrative agencies took the lead in working on master and action plans for the policies, most of local governments were excluded from the discussion and thus showed little interest in the policies. As a result, many local governments are busy preparing their required policy plans by copying central-level project goals, without considering local-specific conditions and situations.

Future Tasks: Improving the Effectiveness of Plans through Policy Networks

Several challenges to the quality of life policies stated above require multiple players to seek solutions at every level. Cooperation among government departments will lead to policy tasks focusing on direct impact on rural people instead of quantitative expansion.

Policymakers should use networks that connect central and local bodies on a nation-wide basis. It is also necessary to build policy networks of specialists and systems that reflect the needs of rural members.

Combined with accomplishing the goals of the third master plan, the government plans to build and operate networks for quality of life policies from 2015. Figure 5-6 shows the structure of the policy network with KREI as the support institute for the Committee for Improvement of Quality of Rural Life.

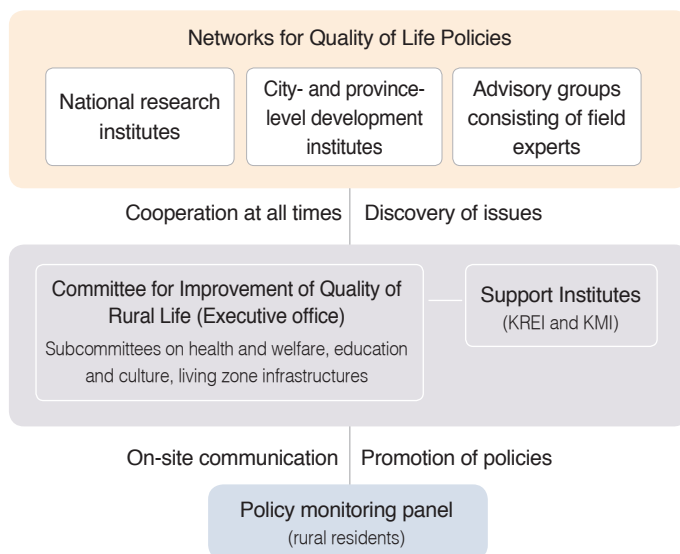
The network's specialist group consists of national research institutes, province-level development institutes and field experts. National research institutes, each of which specializes in the seven goals of the master plan, work together with KREI to examine and evaluate the policy's action plan and conduct an in-depth study on selected subjects. This change means support work, previously limited to KREI, becomes to involve multiple national research institutes.¹⁾

Local governments support the quality of life policies in cooperation with provincial institutes, which take charge of operating Rural Services Standard systems at province or county level. Provincial institutes participate in searching model cases of quality of life policies as well.

Meanwhile, it is required to conduct regular monitoring of whether the local governments carry out the central policies in line with the purpose, and to give feedback to improve the policies. Such

1) The specialist group includes the Korea Institute for Health and Social Affairs, the Korean Educational Development Institute, the Korea Research Institute for Human Settlements, the Korea Institute for Industrial Economics and Trade, the Korea Women's Development Institute, the Korea Culture and Tourism Institute and the Korea Environment Institute.

Figure 5-6 Central- and Local-Level Networks for Quality of Life Policies



tasks are assigned to advisory groups that consist of service experts from each field, including rural school teachers, social workers, public health doctors and rescue workers.

Lastly, a policy monitoring panel is organized to make a systematic inspection of policy results at field level. About 3,200 reporters and correspondents from KREI compose the monitoring panel. The panel members deliver opinions of rural residents about the quality of life policies and the prioritization of policy tasks. The opinions are also published in field reports.

The government's unwavering commitment to conduct the policies is necessary to ensure a better quality of rural living. However, such commitment could not last without a knowledge base created by expert groups and channels that evaluate the

effectiveness of the policies based on voices from fields. When the Korean government builds and operates effective networks for quality of life policies, with support from central and local experts from different areas and rural community members, its policies to improve quality of life would rise to a higher level.

3. Rural Development Policy

Subsequent to the end of the Korean War, Korea was one of the world's least developed countries for over 10 years. Today, however, the nation is making its way into the group of industrialized countries with its per capita income nearly \$30,000 in 2015. During a short period of time, Korea has undergone a drastic change politically, economically and socially that has been unprecedented anywhere else in the world. From an industrial perspective, it was able to transform itself from an agrarian society to a leading manufacturing country in the world. In terms of space, however, urbanization has progressed rapidly. During this process, various problems occurred in the farming industry and rural areas of the country, precipitating a diverse range of rural development policies by the government in its response.

The Korean government has strived to develop rural areas beginning with the community development movement of the late 1950s. The Saemaeul (new village) Movement, widely cited as the model for rural development in underdeveloped countries, began in the 1970s, and the increased government budget in the 1980s and 1990s enabled the central government to develop the roads, communications, and water resources of rural regions, and to reorganize educational, medical and welfare systems. In the 2000s, the government began to focus on enhancing the amenity functions of rural areas, boosting environmental protection, and emphasizing the agricultural role for the preservation of the national land. In the 2010s, policies for the 6th industrialization of agriculture, the encouragement of returning to farming and rural areas, and the

development of hubs of rural areas have been emphasized. Also, the budget system has been reformed for rural development. The Block Grant, under which the central government comprehensively supports the budget within the limited scope for local governments that have established plans for developing their regions, has been introduced.

Thanks to these efforts, Korea's rural regions have experienced significant reorganization in the past 50 years. Electricity reached every Korean rural village in the late 1980s. In 2000, 29% of all rural houses in Korea were completely modernized, and 25% had renovations of kitchens, bathrooms, and others. Village roads were newly paved, enabling automobiles to reach most remote rural villages. Medical services were improved through a system of public clinics. Special welfare systems for rural residents were established in the late 1990s, with the government supporting national pension payments partially and providing medical insurance support for farmers and fishermen. In the 2000s, exchanges between rural and urban regions began to increase rapidly, and many rural villages were able to increase their income through the rural tourism based on natural resources.

Despite the outcome of such policies, the rural population in Korea has continuously been decreasing and aging, and the proportion of agriculture in the national economy has reduced, showing that the overall situation in rural areas has been relatively exacerbated. Still, a majority of Koreans believe that the decay of rural regions is not desirable for the growth of the country, and expectations of agriculture's industrialization for future growth are growing. Accordingly, it is predicted that the government will make

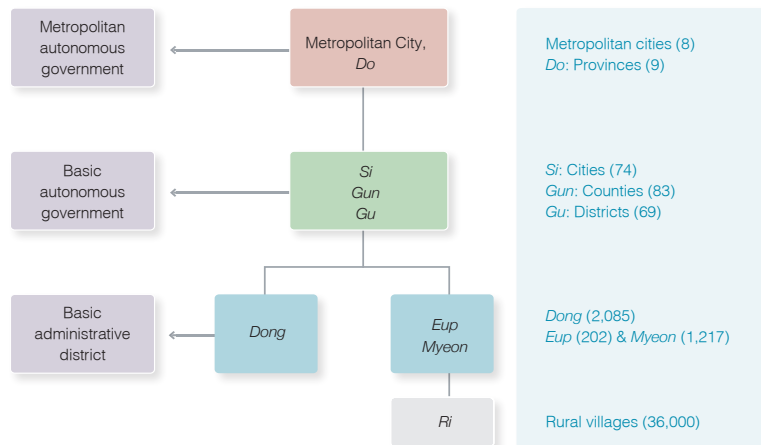
persistent efforts with policies for rural development.

In particular, the advancement of informatization, the growing number of people returning to farming and rural areas, maintenance of high-speed transport network, and changes in the lifestyle of Korean people will bring new potentials to rural areas. Future agricultural policies will use information and communication technology to enhance the standard of living of rural residents, utilize resources including amenities to increase income, and focus on creating an environment in which various residents can lead their lives in diverse ways with confidence as part of community.

Overview of Korea's Rural Areas

Before determining the development status of Korea's rural regions, let us first examine their current conditions. With 50.62 million people living in only 9,848 ha, South Korea's population

Figure 5-7 Korea's Administrative Districts and the Classification of Urban and Rural Areas



density is the highest level in the world. Nearly 64% of the nation is made up of mountains, increasing the population pressure in the available land.

In Korea, the administrative designations of cities and rural areas are used. In the past, cities(*si*) were classified as urban areas and counties(*gun*) as rural, but the integration of central cities and surrounding rural regions that began in 1994 made such designations obsolete. Many areas are included in cities but still exhibit the characteristics of rural regions. Today, *dong* districts are termed urban areas while *eup* and *myeon* districts are classified as rural areas.

Using this system of classification, Korea's rural population has continued to decline, numbering 8,630,000 in 2010 or 18.0% of the total population. Urban populations increased to 82.0% of the total population in 2010.

Table 5-6 Trend of Rural Population by Year

Unit: thousand people

Classification	1990	1995	2000	2005	2010
Nationwide	43,411	44,609	46,136	47,279	47,991
<i>Dong</i> (urban)	32,309	35,036	36,755	38,515	39,363
<i>Eup/Myeon</i> (rural)	11,102	9,572	9,381	8,764	8,627
- <i>Eup</i>	3,604	3,484	3,756	3,944	4,149
- <i>Myeon</i>	7,498	6,088	5,625	4,820	4,478
Percentage of <i>eup</i> and <i>myeon</i> population	25.6	21.5	20.3	18.5	18.0

Source: Statistics Korea, each year, Population and Housing Census.

Figure 5-8 Increase in Number of *Eups* and *Myeons* with Population Less than 2,000

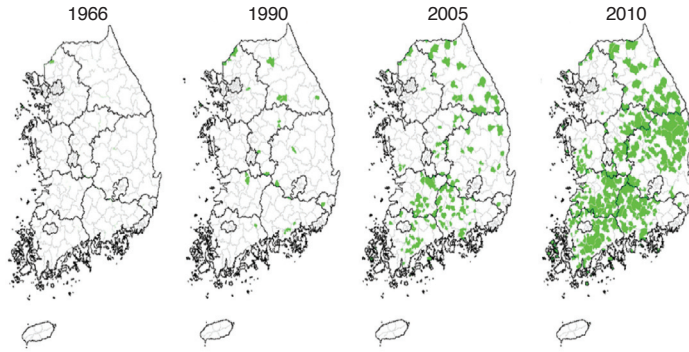
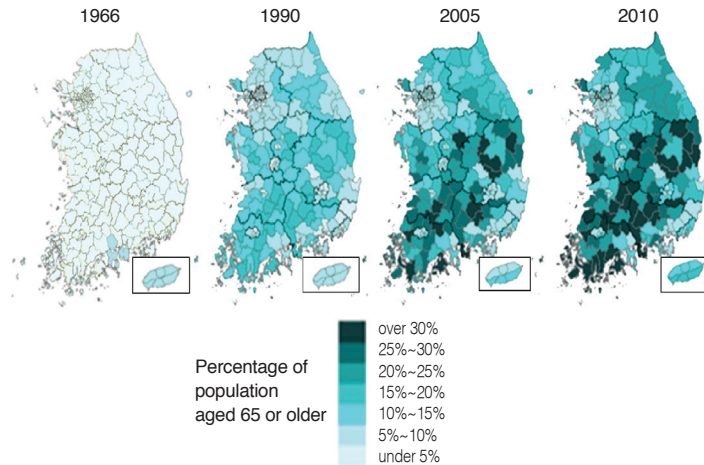


Figure 5-9 Changes in the Ratio of Population over 65



The aging of the rural population is accelerating. In *myeon* districts, the population of elders aged 65 or older has already exceeded 20% or the threshold of a post-aging society. The nationwide increase in *eups* and *myeons* with a population of fewer

than 2,000 people shows the seriousness of aging.

In addition to the disparities between urban and rural regions, the gap between rural regions has widened as well, especially between rural regions near the Seoul metropolitan area and the southeastern industrial belt of the nation, and all other rural regions. This structure is called an “X” Axis development. While the populations of rural areas near the large cities have increased due to better job opportunities, cities and rural regions distant from the major population and industrial centers have seen their populations steadily decline.

The rural industrial structure is also changing. The number of people engaged in agriculture, forestry and fishery is decreasing, while that of experts and white-collar workers is on the rise. In 1960, the proportion of workers engaged in agriculture, forestry and fishery in rural areas was a whopping 80.9%. As of 2010, however, the proportion has decreased to 33.4%, while those engaged in the manufacturing industry account for 16.0%, those in wholesale, retail, and accommodations and restaurant businesses 14.8%, and those in the other service industry 29.3%.

Although Korea has traditionally had strong central governments, a system of regional autonomous governments was adopted in 1995. The residents of 17 metropolitan governments, 74 cities(*si*) and 83 counties(*gun*), and 69 autonomous districts elect the heads of each administrative government and regional parliamentary representatives every four years. Politically, Korea has been transformed from a centralized system into a decentralized system. However, the financial independence of regional governments is low, and the central government controls regional governments

through fiscal support. For example, the Ministry of Agriculture, Food and Rural Affairs can steer the policy of regional autonomous governments through agricultural and rural development funds. Thus, the rural regions of Korea are being changed by the central government's rural development policy.

Changes in Korea's Rural Development Policy

Rural Development in Traditional Society

In Korean society, rural areas traditionally meant “regions where farmers live together.” In this type of society, rural communities determined their own survival strategies and solved problems. Organizations such as *Daedonggye* managed joint village funds, formed budgets and made reports on closing accounts. The community organizations took care of ancestral rites of the village, determined wages, established labor pools for the maintenance of village facilities and the construction of communal buildings, and managed roads and streams. The Saemaeul Movement was made possible because of the historical tradition of village communities.

Community Development Movement of the 1960s and the Saemaeul Movement of the 1970s

Following the turbulent periods of Korea's liberation from Japanese colonial rule, the creation of a new republic, and the destructive Korean War, Korean society began to stabilize and made rural development initiatives. The community development movement that began in the late 1950s and continued into the next decade was an example of how the rural development models created by the United Nations and the International Cooperation

Administration(ICA) were applied to foster the growth of rural regions in developing countries. In 1955, the Korea-U.S. Joint Economic Committee proposed the establishment of local community development projects to rebuild rural regions devastated by the Korean War. These proposals were transformed into national projects in 1958. In the movement, the central government provided the funding and technology for the development projects planned by residents and leaders at the village level. The local initiatives were divided into self-funded projects established by the community and its leaders, and outside-funded projects. The community development movement of the 1960s provided a strategic model for the Saemaeul Movement of the 1970s.

The five-year economic development plan that began in 1962 was focused on the growth of the industrial and manufacturing sector, which exacerbated the already significant disparities between urban and rural regions. Rural populations began to decline after 1968, and dissatisfaction among rural dwellers became a political issue. In urban centers, the inflow of people from rural regions placed severe strains on the housing, water supply, sewage and education infrastructure. The government needed to create a program to enable rural residents to engage in agriculture and to remain in rural regions. The important issues being faced by policy-makers during this period included the enhancement of farm incomes, reorganization of deficient roads, housing, sewage and water supply, and production infrastructure including green roads, farmland, streams, and the preparation of sufficient social overhead capital for rural regions.

In addition, the economic development policies focusing on



Saemaeul Movement

building manufacturing industries and expanding exports were severely hampered by the worldwide recession that began in the late 1960s, and the government saw the need to increase domestic demand and promote public investment to boost the economy. The Saemaeul Movement was created to address this need for increased public investment by the government.

The Saemaeul Movement can be characterized as a rural development strategy that is built upon traditional village cooperative organizations to apply the experiences gained from the local development projects of the 1960s, combining the strong leadership of the central government (top-down strategy) with traditional independent development initiatives of village organizations (bottom-up strategy). The Movement was a large-scale general development project that aimed to reorganize village roads, bridges and pathways, introduce cash crops, develop Saemaeul factories and other income-generating projects, and enhance the awareness and education of village residents. Successful villages received additional support as an incentive for other villages to learn from the achievements of model villages.

According to the reports published by the Ministry of Interior (currently the Ministry of Government Administration and Home Affairs) that oversaw the Saemaeul Movement, a total of 5,258

billion won was invested in the movement from 1971 to 1982. The government provided 51% of these funds, while local residents contributed 49%, mainly in the form of labor, land and other assets. The fact that residents bore half of development costs indicates that the movement was based on local participation.

The Saemaeul Movement transformed the rural villages greatly. Thatched roofs, which had long been the characteristic of Korean villages, were transformed into slate roofs in a short period of time. Bridges were built over village streams, and roads were expanded and paved with cement. The narrow roads in villages that even a hand cart was unable to pass were expanded. Every village in the nation constructed a Saemaeul village hall. Within ten years, the Korean rural villages became almost unrecognizable.

Rural Development Led by the Central Government (1980-1990s)

The importance of the agricultural industry in the national economy began to fade in the 1980s. The production share of agricultural, forestry and fishery industries, which accounted for 13.5% of the nation's total production in 1980, fell to 7.6% in 1990. The proportion of workers in the industries fell from 32.3% in 1980 to 17.1% in 1990. The number of people engaged in agriculture likewise fell from 10,827,000 (28.4%) in 1980 to 6,661,000 (15.5%) in 1990. Farm income also worsened. Agricultural product prices began to fall as the government began to abolish purchasing programs, thereby reducing the farm income levels. Low-interest loans for farmers disappeared with the effect of increasing their debt burdens. The statistics compiled between 1980 and 1986 show that while

farm income rose by 220%, spending rose by 230% and debts by a whopping 660%.

On the other hand, government tax receipts grew significantly during the 1960s and 70s due to the nation's rapid economic development. The national budget rose from 860 billion won in 1970 to over 10 trillion won in 1980 and to 38 trillion won in 1990.

As the people began to demand the government to fix the ills of the rural regions, and as the government began to increase its revenues dramatically, the Korean government prepared a number of measures for the agricultural industry and rural regions, including the Rural and Fishing Village Development Plan of 1986, the Debt Relief Plan for Farming and Fishing Households of 1987, the Special Debt Relief Plan of 1989, and the Rural Community Development Plan of 1989. Farm policy became an increasingly important part of the government's agendas. However, few results materialized from these programs despite considerable investments by the central government. As a result, the government began to allocate more resources and formulated a variety of plans and projects for rural development.

The major goals of the government's rural development policy during this era were to improve the living conditions in rural regions through the physical reorganization of rural infrastructure and to increase the rural income through the creation of non-farm activities. The improvement of living conditions in rural regions was focused on improving the rural infrastructure, such as roads, communication networks, and waterways, and creating facilities for welfare, education and medical services. Rural Industrial Complexes were created and factories were moved to rural areas to provide new

jobs and additional non-farm income to rural residents, expand food processing businesses, and develop unique local products.

Several new programs were developed to reach these policy goals. The Act on Special Rural Development Tax created a fund of 15 trillion won for rural development, providing a stable financial base. A variety of laws like the Act on the Special Measures for Development of Agricultural and Fishing Villages provided the legal framework for development. In the process of implementing the rural development projects, there were many instances where several central agencies often competed with each other for similar projects. For example, the Ministry of Interior created the Rural Village Improvement Project (for the reorganization of existing villages), the Small Town Development Project, the Stream Improvement Project, and the Island Development Project, while the Ministry of Agriculture and Forestry (now the Ministry of Agriculture, Food and Rural Affairs) pursued similar projects such as the New Village Construction Project, the Myeon District Improvement Project, the Rural Living Condition Improvement Project, and the Green Road Paving Program.

Such efforts by the central government led to significant improvements in the living conditions of rural villages. Electricity reached every rural village by the late 1980s, and 29% of rural houses were completely renovated by 2000 while 25% had their kitchens and bathrooms modernized. Around 27% of rural roads have been paved, and most villages were linked by paved roads to enable automobiles to reach almost every village in Korea. Water supply service reached 40% of all households, and the garbage is processed mostly by the local authorities. Community centers and “elders’ halls” were

constructed in every village in the nation.

Rural medical services were greatly improved. Public health facilities in the form of clinics (one per regional self-government), clinic branches (one per *eup* or *myeon*) and clinic outposts were established, and outdated medical equipment was replaced with modern appliances. Doctors of Eastern medicine, as well as dentists, were assigned to clinics to expand the scope of medical services. Home visits were organized for the disabled or seniors living alone.

The special welfare system for rural residents began to get its shape since the late 1990s. The government provided a partial support for the national pension payments of rural residents (2,200 won per month in 1997), and national health insurance costs were reduced for residents in farming and fishing villages (15% in 1998).

Rural Industrial Complexes, which first appeared in 1984, expanded to 295 locations in 2000, with approximately 4,700 factories providing 86,000 new jobs in rural areas. With 24% of these jobs held by members of farming households, the Rural Industrial Complexes significantly increased the non-farm income of rural households.

The government's rural development policies, which have been pursued in earnest since the 1980s, produced significant achievements; however, there were a number of problems as well. First, as rural projects began to increasingly fall under the oversight of government administrators and less under the control of local residents, top-down programs began to foster dependence on the government among local residents. Second, the use of public funds for every project resulted in lower effects compared to the amounts invested. For example, during the Saemaeul Movement the

government provided cement and steel while the villages provided the labor and land, resulting in significant results with the use of minimal budgets. However, the development projects entirely funded by the government turned out to be less efficient. The last issue to be pointed out is weakened rurality due to the rural refurbishment project led by the government, which caused the monotonousness of rural areas. Rural regions throughout the country were refurbished under the project guidelines prepared by the government, and accordingly all the villages were changed to be in a similar circumstance after the implementation of the project. For example, as a result of the cultural village development project carried out in 1990 by the Ministry of Agriculture and Forestry (currently the Ministry of Agriculture, Food and Rural Affairs), every village had similar grid street networks, similar land area, and similar housing structures.

Expansion of Rural Development Policies after 2000

The role of the agricultural, forestry and fishery industries became even less significant in the national economy in the new millennium. The production of the industries fell from 7.6% of total production in 1990 to 4.6% in 2000 and 2.9% in 2005. The percentage of workers in the industries fell from 17.1% of national total employment in 1990 to 10.9% in 2000 and 7.9% in 2005. The farming population fell from 15.5% in 1990 to 8.5% in 2000 and 7.1% in 2005.

This resulted in a vicious cycle as problems in rural regions developed unchecked. As pointed out above, rural populations have continued to decline and become older. The falling population

in rural regions left public facilities unused and rural centers dysfunctional. Elementary schools in rural regions began to be closed, or were merged together due to the lack of students. While each *myeon* had approximately three elementary schools in the 1960s, most *myeon* districts in the 2000s had a single elementary school. The fall in rural population also made private medical facilities in rural regions less viable, and over 90% of the nation's medical facilities are concentrated in cities today.

The direction of rural policy began to change in this decade. While restructuring of the agricultural industry still remains the major goal of agricultural policy, consumer safety, product quality enhancement, and the expansion of environmentally-friendly agricultural products and their distribution have become important policy goals today. In addition, the income and welfare of rural residents, as well as regional development policies, began to be emphasized. The top-down programs operated by the central government were replaced with mutually-cooperative projects involving producers, local residents, consumers and local governments, which led to changing strategies and methods for rural development policies.

The most significant feature of rural development policy after 2000 is the inclusion of a number of policies aimed at enhancing the public functions of agriculture and rural areas. As the awareness of environmental issues becomes more widespread, these new policies were developed to preserve the amenity functions of rural regions, protect the natural environment, and emphasize the role of agriculture in the preservation of the national land. The policies that had concentrated on increasing convenience have shifted to ensuring

the protection of the environment. For example, the government provides direct payments to protect scenic areas from development.

New policies have also begun to include not only rural residents but also urban residents in their scope as well. Since limiting policies to rural residents makes the vision of these policies less clear, efforts are being made to find the future of Korea's rural regions in their relationships with urban residents. For example, residents outside the local areas where the government-funded "cultural village" construction projects were underway were largely prohibited from participating in the projects. However, such restrictions were lifted in 2000. Moreover, other programs have aimed to increase exchanges between urban and rural residents, create garden villages, and provide tax incentives and farming permits to urban residents wishing to create weekend homes and farms.

Another significant change is the involvement of local residents in the formulation of new policies. Policymakers began to realize the futility of pouring funds into regions with little development potential and the benefits of selection and concentration for more effective use of funds. This awareness, thus, replaced the top-down and arbitrary selection of development targets by the central government with a selection process involving an accurate evaluation of regions with high degrees of development potential and local residents' participation. Since 2004, the Comprehensive Rural Village Development Project, the Green Village Experience Project, the Small Town Development Project, the Myeon-district Improvement Project, and the Revitalization Project were created through the use of these open policy formulation methods.

The new rural development projects established after 2000



Rural Tourism



Rural-Urban Interaction

include village-level tourism development projects, urban and rural exchange campaigns (one company-one village and one school-one village sisterhood campaigns), the local asset development project, and the project for promoting the resettlement of urban residents in rural areas. Several programs were created to improve the welfare of rural residents, which include scholarships and financial aid for the children of farmers, special entrance standards for rural students, and student loan programs for university students from rural regions. Medical facilities and clinics were established and received equipment, and health management programs for farmers were created to address their medical needs. Other welfare programs provided support for the national pension payments of farmers and fishermen, created new pensions for seniors, reduced national health insurance payments, and established welfare aid payment programs for low-income families. Special programs were created to serve the needs of women and elders in rural regions as well.

The “Special Act on the Improvement of the Quality of Life of Farmers, Foresters and Fishermen and the Promotion of Rural Development” was enacted in 2004 to provide the outline of projects and methods to be employed by the government in the four key policy areas of “rural welfare foundation,” “improvement of

education environment,” “acceleration of regional development,” and “revitalization of complex industries.” This new law prepared the framework for future rural development projects, and a long-term plan for the development of the agricultural industry and rural areas, as well as investment plans for the next decade, were established in 2004 to enable the continuation of government development projects.

With the inauguration of the new administration in 2008, two major changes were made in the government’s rural policy. One was the emphasis on green growth strategy in line with the new government’s policy framework. An example is the promotion of use of new renewable energy in residential land redevelopment. The other major change in the government’s rural policy was the strengthened power of local governments in the process of conducting rural policies. The change was manifested through the block grant system, which integrated diverse rural development projects that were previously pursued by the central government in the past into a small number of block grant programs. Under the new system, the central government’s role was limited to providing block grants, while decisions regarding detailed programs were handed over to local governments.

The Park Geunhye government, which launched in 2013, set the HOPE Project as the frame of rural development policies. It is aimed to go beyond previous regional development policies focused on external features and concentrate on enhancing the quality of life of rural residents. The target area of HOPE Project is a zone where central cities, hubs of rural regions (*eups* and *myeons*), and farming and fishing villages can be connected closely to each

other so that residents can enjoy basic infrastructure, education, culture and welfare services and find jobs everywhere throughout the country without inconvenience. Given the current situation where the life zone of the people is exceeding the boundary of administrative districts, the government adopts the strategy to enhance the standard of life of rural residents and increase the satisfaction level of the policy by providing the smooth service flow. With consideration for population and connectivity, life zones can be classified into three types: Urban, Urban-Rural, and Rural. Under the leadership of the Presidential Committee on Regional Development, the guideline was established in November 2013; three types of the life zone was organized under the autonomy of each region in January 2014; the Economic Region Leading Industries have been nurtured since February 2014; and the Deprived Area Improvement Project is also ongoing since March 2015. The competent authority in charge of these projects is the Ministry of Agriculture, Food and Rural Affairs.

Changes of Future Rural Areas and Policy Outlook

Since the 1960s, the Korean government has pursued a variety of policies to promote rural development. While it is undeniable that these policies have improved the living conditions of rural areas and enhanced the welfare of rural residents, rural living conditions in Korea have on the whole worsened compared to urban areas. The continuing fall in the rural population attests to this fact. This is not due to the results of a failed policy, but the negative effects of industrialization and urbanization on rural areas. These trends, moreover, are expected to continue.

However, the prospect for agriculture and rural regions is bright thanks to the remarkable increase in the number of people returning to farming and rural areas, changes in the awareness of the significance of multifunctional value of rural villages, and the potential of future growth industrialization of agriculture. According to the statistics released by the Ministry of Agriculture, Food and Rural Affairs and Statistics Korea, the number of households returning to farming and rural areas in 2014 was 44,682, ten times up from 4,067 in 2010. Accordingly, the future agricultural policies will be implemented in a different direction compared to the previous ones. It is because sustainability of agriculture and rural regions can be secured not with rural development focused on physical infrastructure reorganization, but with creative development of rural areas, adding values to people, nature and culture. In this context, it is meaningful to put an emphasis on development of rural hubs, the 6th industrialization utilizing resources in rural areas of regions, and industrialization for future growth.

The decay of agriculture that has continued since the time when industrialization and urbanization were vitalized and the concentration of population in metropolitan areas will contribute to the crisis of Korea's rural regions for a certain period of time. However, rural villages will be faced with new potentials and opportunities thanks to the progress in informatization, the increase in the number of retired population free from the pressure of work and education of children, innovative refurbishment of high-speed transport networks, changes in the lifestyle of the people to add values to rurality, and the growing number of people returning to farming and rural areas. Rural regions in Korea will be rapidly

transformed from simple industrial zones for agriculture to residential areas of Korean people or places for vacation. Compared to the present, more various people will live in rural areas in the future, and the numbers of commuters to nearby cities, those returning to their hometown from urban areas, and people spending their weekends in rural villages will be on the rise. Furthermore, a variety of industries in addition to agriculture will be developed and new jobs will be created thanks to the progress in the 6th industrialization.

Korea's future rural policy will have to focus on utilizing information and communication technologies to improve the lives of rural residents, use tangible and intangible resources in rural areas to create income, and allow the increasingly diversifying rural populations to feel pride in the strengths of their communities. These efforts are still in their early stages, and additional policy efforts will be required to achieve these goals.