

CHAPTER

05

Rural Communities and Sustainable Development

1. Rural Communities

2. Quality of Rural Life

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Rural Communities and Sustainable Development

1. Rural Communities

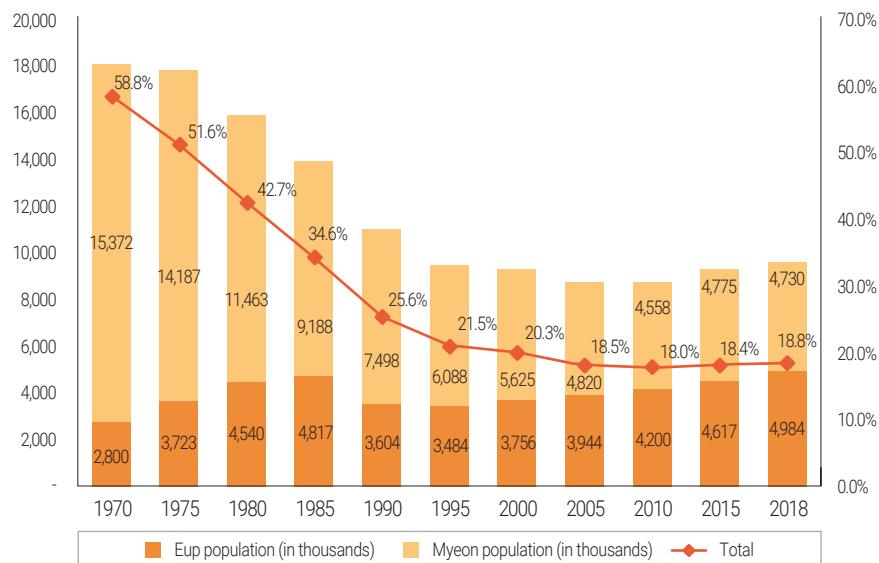
The rapid industrialization in the 1960s brought about changes in rural communities, unprecedented in world history. Rural population decline and aging was the distinct characteristic of such changes. In the 1990s, the rural population decrease became slow but the number of people engaged in agriculture continued to drop. Such demographic changes in rural communities influenced their family structures and social organizations. The traditional extended family system collapsed, and instead, households composed of seniors living alone or aged couples have increased. Social organizations have changed, too. In the past, they were formed based on blood or school relations, but these days economic and social connections are more significant. Rural demographic changes have also modernized rural residents' attitudes and thoughts. Recently, the influx of foreign women to rural communities through marriage and people migrated from cities have diversified rural communities.

Population Decline and Aging

Population Decline

The rural population—*eup* (towns) and *myeon* (townships)—took 58.8% of the total in 1970 but decreased to 18.8% in 2018. However, the declining trend has recently slowed down. Since 2015, the rural population—especially in *eup*—has slightly increased. *Eup* located near urban-rural consolidated cities and metropolitan cities see their population growing but *eup* in counties do not. On the other hand, *myeon*'s population has decreased continuously (Figure 5-1). The trend shows that people move to rural areas with good amenities and job opportunities, such as *eup* near metropolitan cities.

Figure 5-1 Rural population changes



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

Population Aging

Aging in rural areas has been faster than in cities or on the national average. The population aged 65 or older in cities increased from 2.6% in 1980 to 12.8% in 2018, and its national average rose from 3.9% to 14.4%. Meanwhile, rural communities saw the senior population surge from 5.6% to 21.5% during the same period (Table 5-1).

Cities' old-age dependency ratio—the ratio of the elderly population (aged 65 or over) to the economically active population (aged 15 to 65)—increased from 4.0 in 1980 to 17.3 in 2018, and the national average grew from 6.2 to 19.8. Meanwhile, rural areas' old-age dependency ratio increased from 9.5 to 31.9 during the same period (Table 5-1).

Concerning the aging index (the proportion of elders per the population younger than 15 years old), cities' index increased from 7.9 in 1980 to 98.7 in 2018 and the national average from 11.4 to 113.9. On the other hand, rural areas' index surged from 15.7 to 189.6 during the same period (Table 5-1). The figures indicate that aging in rural areas is 20 years faster than cities.

Table 5-1 Changes in elderly population-related indicators (1980-2018)

Year	Elderly population ratio			Old-age dependency ratio			Aging index		
	Nation	City	Rural	Nation	City	Rural	Nation	City	Rural
1980	3.9	2.6	5.6	6.2	4.0	9.5	11.4	7.9	15.7
1990	5.0	3.6	9.0	7.2	5.1	13.4	19.4	13.6	38.2
2000	7.3	5.5	14.7	10.2	7.5	22.0	35.0	25.3	78.7
2010	11.3	9.2	20.9	15.6	12.4	32.6	69.7	55.7	140.4
2015	13.2	11.4	21.4	18.1	15.3	32.4	95.1	80.3	170.8
2018	14.4	12.8	21.5	19.8	17.3	31.9	113.9	98.7	189.6

Note: 1) Old-age dependency ratio = (Elderly aged 65 or older / people aged 15-65) × 100

2) Aging index = (Elderly aged 65 or older / people younger than 15 years old) × 100

3) The 2015-2018 data is the complete enumeration based on administrative data.

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

Changes in Rural Family Structure

Rural areas underwent family structure changes, too. The household composition (1980–2018) changes show that the one-person households' percentage surged from 4.9% to 31.7% and the two-person households' rate from 10.3% to 32.2%. Urban communities went through a similar trend. However, rural areas' proportion of the one-person or two-person households is higher than cities because their aging is over 20 years faster than cities. During the same period, rural areas' families of three or more members plunged. The households composed of five or more members took 54.0% in 1980, but declined to 5.3% in 2018 (Table 5–2).

Regarding household composition changes by generation (1980–2018), the proportion of rural households composed of one generation increased from 7.2% to 22.8%. Families consisting of two generations decreased from 64.3% to 38.6% and families of three or more generations plunged from 22.7% to 5.0% during the same period (Table 5–3).

Considering the large elderly population in the rural areas, the increase in one-generation or one-person households indicates that their children live in

Table 5-2 Household composition changes by household member (1980–2018)

(in thousands, %)

Category	Year	Total households	1-person h.holds	2-person h.holds	3-person h.holds	4-person h.holds	5 or more
Nationwide	1980	7,969	4.8	10.5	11.5	20.3	52.9
	2018	19,979	29.3	27.3	21.0	17.0	5.4
City	1980	4,670	4.7	10.7	15.3	22.3	47.0
	2018	16,117	28.7	26.0	21.7	18.0	5.6
Rural areas	1980	3,299	4.9	10.3	13.3	17.5	54.0
	2018	3,862	31.7	32.2	18.1	12.7	5.3

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

Table 5-3 Household composition changes by generation (1980-2018)

(in thousands, %)

Category	Year	Total households	One gen.	Two gen.	3+ gen.	1-person h.holds	Non-kinship
Nationwide	1980	7,969	8.3	68.5	17.0	4.8	1.4
	2018	19,979	18.0	46.4	4.6	29.3	1.7
City	1980	4,670	9.0	71.4	13.0	4.7	1.9
	2018	16,117	16.9	48.4	4.5	28.6	1.6
Rural areas	1980	3,299	7.2	64.3	22.7	4.9	0.9
	2018	3,862	22.8	38.6	5.0	31.7	1.9

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

cities or they live alone after their spouses' death.

The distinct change in the family structure is that the elderly living alone and households composed of grandparents and grandchildren have significantly increased nationwide. The number of elderly living alone nationwide grew from 349,020 households in 1995 to 1,444,588 in 2018. The grandparents-grandchildren households also expanded from 35,194 in 1995 to 119,294 in 2010. In rural areas, the households of seniors living alone surged from 198,976 in 1995 to 474,048 in 2018, while the grandparents-grandchildren households from 16,356 in 1995 to 32,626 in 2020 (Table 5-4).

The elderly living alone in rural areas became social issues because they were poor, fragile, and vulnerable, located in the blind side of the social safety net. Some older people were discovered a long time after the death or committed suicide because of depression. Compared with older people living alone in cities, their counterparts in the countryside have little access to welfare services, such as medical supports, free meals, free commodities, and home-care services. Regarding grandparents-grandchildren households in the rural areas, grandparents' poverty is passed down to their grandchildren. It can cause other social issues related to the elderly, women, and children. Although grandparents-

Table 5-4 The elderly living alone and the grandparents-grandchildren household

Category	1995			2010			2018		
	Total h.holds	Elderly alone	G. pa. h.holds	Total h.holds	Elderly alone	G.pa. h.holds	Total h.holds	Elderly alone	G.pa. h.holds
N.wide	12,958,181	349,020	35,194	17,339,442	1,066,365	119,294	19,979,188	1,444,588	-
City	10,031,978	150,044	18,838	14,031,069	625,639	86,668	16,117,258	970,540	-
Rural	2,926,203	198,976	16,356	3,308,353	440,726	32,626	3,861,930	474,048	-

Note: 1) Excluding foreigners and collective households. The elderly living alone refers to households consisting of one person aged 65 or older.

2) No statistical data on grandparents-grandchildren households for 2018.

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

grandchildren families suffer from hardships in terms of income, health, and education, they do not receive sufficient attention or the government's supports.

Changes in Rural Community Organizations

As a result of population decline and demographic changes, rural community organizations went through considerable transformations. Rural communities traditionally had various clubs for social unity and distinct functions. They were composed of residents in the same neighborhood or across different areas, and collaborated for economic, social, or political goals.

Local communities have two types of organizations. One is kin groups composed of people related by blood or marriage. They are primary and ascribed at birth. The other is interest groups formed of individuals who share the same concerns. These are secondary and achieved relations. Munjunggye (Clans) represent kin groups in Korea. Local organizations are composed of voluntary groups such as daedonggye (village cooperatives) and non-voluntary ones such as ri (rural villages, administrative unit). Interest groups are formed for economic or social goals shared.

Changes in Village Organizations

Munjunggye (a clan) is a group of people organized around the same ancestor. Its members supervise their ancestor's graves and the clan's assets and perform ancestral rites together. In the past, when the clan members dwelled in the same space, *munjunggye* was influential socially and economically. Today, as rural communities undergo population decline and members in the same clan live remotely from each other, *munjunggye* has lost its significance as a local organization or kin group due to a lack of social exchanges. In a clan, one's rank and role are set based on the hierarchical order. But if high-ranking members leave for cities and do not participate in the clan's important events, they lose their status.

Daedonggye (village cooperatives) represent regional groups based on voluntary participation in traditional society. They performed various functions for communities, such as sharing labor in communal ancestral rites and dure (collaborative farm work), cooperating for weddings and funerals, sharing tax payments, building village infrastructures, and creating collective funds to maintain infrastructures and solve problems.

However, as rural villages became part of the national administrative system, non-voluntary local organizations replaced daedonggye. After the government's establishment in 1948, haengjeong-ri (administrative villages) were created in consideration of villages' natural characteristics, residents' scope of socio-economic activities and administrative convenience. Ri has ri-jang (village heads) in charge of administrative works.

In modern society, interest groups emerged, such as Saemaul (new village movement) farming clubs, Saemaul women's clubs, youth clubs, and seniors clubs. Saemaul farming clubs and the village cooperative units represented economic interest groups. In the 1960s, farm improvement clubs, sponsored by

the Rural Development Administration, offered lessons on farming skills. There were also co-farming clubs and cooperative units organized by Nonghyup. In 1977, these two organizations were integrated into Samaul farming clubs. Accordingly, all Nonghyup members belonged to the Saemaul farming clubs.

Saemaul women's clubs were organized in 1977 to integrate various village groups, such as life improvement clubs, women's learning clubs, and mothers' clubs for family planning. Like Saemaul farming clubs, they fulfilled all functions of organizations integrated.

Another essential interest group is gye, cooperatives for mutual assistance in villages. Gye has long existed to offer various vital services for community members, including financial aid for weddings or funerals.

As local organizations were disbanded or integrated into larger social groups beyond community boundaries, dure-a village cooperative group-began to disappear. Poomasi-another traditional cooperative unit in villages-worked only for a couple of tasks, such as rice transplanting and harvesting. These days, farming machines and agricultural corporations have replaced such collaborative services.

Overall, village organizations' functions reduced. In particular, various types of gye for weddings and funerals lost many of its roles in communities. Organizations with economic purposes have shifted their focus from village benefits to individual or family benefits. As the government increasingly has made community support programs, organizations for purposes, such as community development, have been created. Besides, socio-economic organizations, such as village enterprises and social farms, have gradually increased these days (Seong et al., 2019).

Nationwide Expansion of Social Groups

Social groups in rural communities were disbanded or declined due to population decrease and aging. Instead, interest groups covering large areas beyond village boundaries started to play more significant roles.

To maximize agricultural production efficiency, the government introduced business models with expertise and management capabilities, such as farming association corporations and agricultural companies in 1990. As of 2018, the number of farming association corporations and agricultural companies is 10,164 and 11,616, respectively (MAFRA, 2020).

In the 1960s, as the income gap between urban and rural areas widened and rural problems, such as poverty and backwardness, gained attention, organized farmers' movements started to emerge. The National Agricultural Technicians' Association was formed for technology training. With the democratic movements in the 1980s, farmers' movements became in full swing. The Korea Catholic Farmers' Group and the Korea Christian Farmers' Group drove campaigns. The Korean Advanced Farmers Federation (KAFF) was formed in 1987 and the Korean Peasants League in 1990. Two organizations represented the conservative and liberal camps of the farmers' movements in Korea.

After the 1990s, farmers participated in movements to block the agricultural market opening. In the 2000s, as FTA negotiations pulled them into a sense of crisis, farmers rallied against globalization and market opening. As many leaders of farmers' groups advanced to the National Assembly and the government, farmers' organizations became influential on the nation's agricultural policies. They have nationwide organizations reaching the administrative units at the lowest level, such as *eup* (towns) and *myeon* (townships).

Meanwhile, some farmers' groups compose associations specialized for fruits and livestock products to share information, communicate with the

government, and share marking. The examples are as follows: the Korea Poultry Association, the Korea Pork Producers Association, the Korea Dairy and Beef Farmers Association, the National Korean Beef Association, the Korea Grape Growers Association, and the Korea Florist Association. Another nationwide group is Nonghyup. At the initial stage, the organization had three tiers: primary cooperatives, municipal cooperatives, and the National Agricultural Cooperative Foundation (NACF). However, the middle level was abolished in 1981 and now it has two tiers of primary cooperatives and the NACF. The NACF (as of June 2020) has 16 regional headquarters, 923 regional cooperatives, 116 regional livestock cooperatives, 45 commodity cooperatives, 23 livestock commodity cooperatives, and 11 ginseng cooperatives. It holds 2.12 million members and manages economic and credit programs. Its economic programs include improving producer-to-consumer distribution platforms and the supply chains for agricultural materials and machines. Its credit business covers banking and financial services for farmers and farming corporations. Besides, the NACF offers computerization support and farming consulting.

Changes in Rural Residents' Attitudes and Thoughts

Social changes have significantly influenced rural people's attitudes and thoughts. Longstanding stereotypes of rural inhabitants include intense devotion to the land, great loyalty to the family, and near-blind obedience to traditional customs. So there were serious concerns about rural people's conventional thoughts amid enormous changes through the industrialization in the 1970s and 1980s. However, rural communities stably adjusted to new perspectives and values.

Nevertheless, the transformation was not universal, and the extent varied

Table 5-5 Rural residents' attitudes toward elderly parent support

Category	2002 (%)	2018 (%)
Parents themselves	9.4	22.3
Family	77.7	30.3
Family/ govt/ society	11.7	41.9
Gov't/ society	1.0	5.4
Others	0.2	0.1
Total	100.0	100.0

Source: Statistics Korea, each year, *The Social Survey*.

depending on each community's socio-economic conditions. A case study of a particular village near Seoul (around 31km away) discovered an almost complete breakdown of conventional rural order and broad changes in farming and others (Moon et al., 1993). Such transformations in people's lifestyles and values resulted from Seoul's enormous influences on rural cultures.

Statistics Korea's annual social survey shows changes in rural residents' attitudes and thoughts through their answers concerning elderly parent support, class consciousness, income satisfaction, and marriage attitudes.

When asked who should support elderly parents, 77.7% of respondents in 2002 mentioned the family, 11.7% picked family and society, and 9.4% said the parents should help themselves. However, to the same question in 2018, 41.9% mentioned family, government, and society, followed by the family (30.3%) and the parents themselves (22.3%). In other words, more people came to believe that family, government, and society should be co-responsible for elderly support (Table 5-5).

Regarding class consciousness, 1.1% of respondents in 1999 answered they belonged to the upper class, 51.5% to the middle class, and 47.4% to the lower class. Meanwhile, in 2019, 2.0% mentioned the upper class, 54.1% the middle class, and 43.9% the lower class. Although there were slight changes in their

Table 5-6 Rural residents' class consciousness

Category	1999 (%)	2019 (%)
Upper class	1.1	2.0
Middle class	51.5	54.1
Lower class	47.4	43.9
Total	100.0	100.0

Source: Statistics Korea, each year, *The Social Survey*.

answer, rural residents' class consciousness did not change significantly (Table 5-6).

Concerning income satisfaction, 10.5% answered satisfied, 40.8% neutral, and 40.8% dissatisfied in 1999. In 2019, 13.9% mentioned satisfied, 44.0% neutral, 42.1% dissatisfied. While dissatisfaction slightly decreased, satisfaction and neutral increased a bit (Table 5-7).

To a question on marriage attitudes, 47.1% said "must marry" in 1998, followed

Table 5-7 Rural residents' income satisfaction

Income satisfaction	1999 (%)	2019 (%)
Satisfied	10.5	13.9
Neutral	40.8	44.0
Dissatisfied	47.3	42.1
Don't know	1.4	0
Total	100.0	100.0

Source: Statistics Korea, each year, *The Social Survey*.

Table 5-8 Rural residents' marriage attitudes

Marriage attitudes	1998 (%)	2018 (%)
Must marry	47.1	17.1
Better to marry	36.1	38.4
Don't care	14.9	39.5
Better not to marry	0.7	2.1
Must not marry	0.1	0.4
Don't know	1.1	2.5
Total	100.0	100.0

Source: Statistics Korea, each year, *The Social Survey*.

by “better to marry (36.1%),” and “don’t care (14.9%).” In a survey in 2018, 39.5% answered “don’t care,” followed by “better to marry (38.4),” and “must marry (17.1%).” During the period, “must marry” reduced sharply, while “don’t care” increased remarkably (Table 5-8).

Demographic Diversification

Conventional rural communities underwent changes such as extremely low-density population and aging amid rapid economic growth and industrialization. Since the 1990s, a new phenomenon has occurred in rural communities—diversified demographics. In particular, as international marriages increase, multicultural families have emerged. And urban citizens migrate to rural communities for various purposes.

Multicultural Families

As agricultural labor is tough and rural living is hard, cities lured the rural youth. So the youth population—especially young women—left for cities. In the 1980s, many young men in rural communities could not find

spouses, and the phenomenon became a social issue. As an alternative, young men turned their attention to developing countries in the South East and Central Asia to find spouses. Those women from the region were easily adapted to marriage life in Korea, as they were from countries with cultural similarity to Korea. So international marriage became a trend in rural communities and



Discussion on multicultural family policy

transformed Korea's thoughts on it positively.

The number of multicultural families (as of 2018) amounts to 334,856 nationwide, with 258,881 households (77.1%) in cities and 76,6775 (22.9%) in rural areas. The number of their family members is 1,008,520. 74.2% of them (748,240) resides in cities and 25.8% (260,289) in rural areas. The number of Koreans in multicultural families (immigrants for marriage) nationwide is 165,919, with 77.2% of them (128,091) in cities and 22.8% (37,828) in rural areas (Table 5-9).

The ratio of Korean men in rural areas married to foreign women (as of 2018) is 9.6%. Meanwhile, the percentage of farmers or fishers married to foreign women (as of 2018) is 17.3% (MAFRA, May 2020). Concerning the proportion of foreign spouses' nationality (as of 2018), Vietnamese are at the top with 38.7%, followed by Korean-Chinese (18.1%), Chinese (15.2%), and Philipinas (9.8%) (Table 5-10).

Table 5-9 State of multicultural families in Korea (2018)

Category	No. of multicultural households	No. of family members	No. of Koreans (Born in Korea)	No. of Koreans (Naturalized)	No. of Koreans (Immigrants for marriage)	No. of foreigners (Others)
Nationwide	334,856 (100.0%)	1,008,520 (100.0%)	617,785 (100.0%)	175,659 (100.0%)	165,919 (100.0%)	49,157 (100.0%)
Urban areas	258,081 (77.1%)	748,240 (74.2%)	437,666 (70.8%)	141,208 (80.4%)	128,091 (77.2%)	41,275 (84.0%)
Rural areas	76,775 (22.9%)	260,280 (25.8%)	180,119 (29.2%)	34,451 (19.6%)	37,828 (22.8%)	7,882 (16.0%)

Source: Statistics Korea, 2018, *The Population and Housing Census*, KOSIS data.

Table 5-10 Foreign spouses'nationality married to Korean men in rural areas (2018)

Vietnam	China (Korean decent)	China	Philippines	Cambodia	Japan	Thailand	Others	Total
25,082 (38.7%)	11,764 (18.1%)	9,860 (15.2%)	6,375 (9.8%)	3,130 (4.8%)	3,006 (4.6%)	1,470 (2.3%)	4,197 (6.5%)	64,884 (100.0%)

Source: Statistics Korea, 2018, *The Population and Housing Census*, KOSIS data.

Multicultural families refer to those composed of Koreans and foreigners in marriage. These days, as the number of multicultural families soared, social issues, such as foreign spouses' adaption to Korean culture, stable family relationship, and social unity, have gained the public's attention (Kim et al., 2018; Park et al., 2011; Park et al., 2018). Social discrimination or biases against foreign spouses or their children are highly likely to cause social conflicts.

Multicultural families in rural areas go through problems in marital relationship, child-raising, family relationship, and communication with neighbors due to language barriers and cultural differences (Park et al., 2011).

Urban-to-Rural Migration

Since the 1990s, the number of urban people migrating or returning to rural areas for farming or recreation has increased gradually. It is a new positive trend in contrast to the phenomena discussed above, such as population decline and aging.

The number of migrations to rural life or farming was 7,186 households from 1990 to 1997. However, after the late 1990s when Korea received the IMF bailouts due to the financial crisis, many urban residents left to rural areas. According to the migration trend by year from 2001 to 2014, the number of households that

Table 5-11 Migration for farming and rural life by year (2001-2014)

Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
No. of h. holds	880	769	885	1,302	1,240	1,754	2,384	2,218	4,080	5,405	10,075
Category											
No. of h.holds	Migration for farming			2012			2013			2014	
	Migration for rural life			15,788			21,501			33,442	
	Total			27,008			32,424			44,586	

Note: The number of households migrating for rural life was collected in 2012 and afterward.

Source: MAFRA, each year, *The Statistics on Urban-to-Rural Migration*.

Table 5-12 Trend of migration by year after migrations for rural life and farming were redefined (2015-2019)

Category	2015 ¹⁾	2016	2017	2018	2019
No. of households	Migration for rural life	11,959	12,875	12,630	11,961
	Migration for farming	317,409	322,508	334,129	328,343
	Total	329,368	335,383	346,759	340,304

Source: MAFRA, each year, *The Statistics on Urban-to-Rural Migration*.

moved to rural areas was 880 in 2001. It continuously rose to 10,000 in 2011 and exceeded 40,000 in 2014 (Table 5-11).

In 2012 and afterward, statistical data of migration for farming and recreation were separately collected. Concerning migration for farming, the number of households recorded 11,220 in 2012 but continuously rose to pick at 12,875 in 2016. It decreased to 11,422 in 2019. Regarding migration for rural life, the figure was 27,008 in 2012 and doubled to 44,586 in 2014. However, after migration for rural life was redefined in 2015, the number surged to 317,409. It picked at 334,149 in 2017 but decreased to 317,660 in 2019 (Table 5-12).

There would be many reasons for migration. The influx in retirement ages is increasing, indicating that retirees or those to be retired in cities pick rural areas for their retirement life. These days, more people select rural life or farming because of their choice of eco-friendly lifestyles. In conclusion, more people migrate for rural life than for farming. The inflow has increased in all age groups, but the growth is fast in the 30s and 40s. Also, their destinations are stretching nationwide.

1) In 2015, the definitions of migrants for farming or rural life changed significantly. A condition of residing in a 'dong areas' for one or more years is added to the definition of migrants for farming. Regarding the meaning of migrants for rural life, it refers to cases where people, living in a 'dong areas' for one or more years, move to eup (town) or myeon (township) during the period. However, temporary movements for school, workplace, or military

Outlook and Tasks

While the agricultural population has decreased consistently, the rural population's decline is slower than it. Concerning rural communities, the number of residents in *eup* (town) has grown. Also, the rural demographic diversification will continue for the time being due to the increase in multicultural families and urban-to-rural migration. The influx of people from different social and cultural backgrounds will cause conflicts between residents and migrants (Park et al., 2018). Amid agricultural restructuring, farmers who hold sizable business or own agricultural corporations will lead the rural economy. However, the percentage of the rural elderly population is rising and older farmers will take a considerable part in the rural economy. The proportion of households composed of elder farming couples or those living alone will continuously grow, too. Although many village organizations disappeared due to the population decline, others with various functions will fulfill their roles. Economic interest groups for co-work in production, shipping, and sale will also become more significant through farmers' endeavors to revitalize the rural economy.

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2. Quality of Rural Life

Background for the Quality of Rural Life Improvement Policy

The government launched programs to improve rural residents' quality of life in 2004 for the first time. At the time, Korea concluded free trade agreements with other countries, and the government negotiated on the agricultural market opening with the World Trade Organization. Amid the widening gaps in income and living standards between urban and rural areas, the agricultural market opening would push farmers and fishermen into a desperate corner. Consequently, the government felt the urgency to set relief measures.

Agricultural infrastructures for production and distribution were somewhat rearranged, as the government implemented rural restructuring plans after 1992 with the launch of the WTO and the farm market opening. After the Uruguay Round negotiations, the government implemented the rural restructuring measures based on KRW 89 trillion for investments and loans. Most of the fund worth of KRW 69 trillion except local governments' funds was invested in enhancing agricultural competitiveness. Thanks to the endeavor, the rate of machinery used for rice farming rose from 84% in 1992 to 99% in 2003. Modernized green houses exponentially expanded from 45 ha in 1992 to 8,983 ha in 2003. For advanced distribution infrastructures, the government built new wholesale markets, with the number increased from six to 30 during the same period. The nation had two rice processing centers in 1992 and the number increased to 328 in 2003. As agriculture scale-up proceeded, households with 3 ha or larger increased from 52,000 to 83,000 during the same period.

Farming scale-up and other restructuring progressed, but there were some areas to improve. Although productivity improved, farm households' real

income did not expand, and their debt rose due to price declines in agricultural produce and price hikes in raw materials. The income per household amounted to KRW 15 million in 1992 to KRW 27 million in 2003. However, the household debt surged from KRW 6 million to KRW 27 million during the same period. Compared with cities, farm households' income levels decreased from 89.1% in 1992 to 80.6% in 2000 and 76.1% in 2003. Although the problem remained unsolved, the government failed to prepare regulatory systems.

Conditions for settlement were another issue to be solved. In 2003, 52.9% of rural communities had water and sewage systems, much lower than cities' 98.0%. The road payment percentage was 51.5%, far lower than urban areas' 89.5%. 93.6% of hospitals, 89.5% of hospital beds, and 88% of medical personnel were in cities. Concerning schools in rural areas, 2,420 schools or 47% of the total (5,149), had small classes and were at the verge of closing.

With such poor conditions in medical services and education, rural areas saw their population decline. Farm and fishing households' percentage to the total population was getting down continuously with 16.7% in 1990, 9.2% in 2000, and 7.5% in 2004. The proportion of the rural population also decreased from 25.6% in 1990 to 20.0% in 2000. As the population shrank, rural living conditions became worse and vice versa, creating a vicious circle.

Improving rural settlement conditions was an urgent task. However, the government did not have an integrated system to deliver its plans for health,



Health promotion program for rural residents

welfare, education, and regional development, and each ministry implemented its separate policies. Worse, their policies did not consider rural communities' unique nature.

To overcome this challenge, the government enacted the Special Act to Improve Rural Life Quality for Farmers and Fishers and to Promote Regional Development in 2004 (afterward, the Special Act on the Quality of Rural Life Improvement). The Act prepared comprehensive support systems to improve rural welfare, education, and regional development, in order to achieve balanced national growth and make rural living better.

Major Detail of the Quality of Rural Life Improvement Policy and Its Progress

Building Unified Platform for Policy Execution

The Special Act on the Quality of Rural Life Improvement specifies that the government should set up a plan for the improvement of quality of rural life every five years to enhance welfare, education, and regional development. After establishing the 1st plan in 2005, the government is now implementing its 4th plan set up in 2020.

Various ministries participate in implementing the policy. 15 government ministries, including MAFRA, participated in the 1st plan, while 21 ministries and administrative offices are related to the 4th plan. The Special Act on the Quality of Rural Life Improvement speculates that the government should set up a committee for the improvement of quality of rural life and local development. The committee supervises related policies, deliberate basic plans, and evaluate outcomes. The committee, headed by the prime minister, comprises 25 members,

including ministers and civilian representatives, and MAFRA takes the secretariat's role. In 2012, the government prepared a framework to support the secretariat's work from professional researchers. Currently, KREI plays the role²⁾. KREI set up the Center for Quality of Rural Life Research in 2015, to identify policy ideas needed for rural communities by monitoring and evaluating the government's policy outcomes and carrying out practical research. The Center also discovers and spreads excellent cases, and networks with professionals and field activists.

Implementing the Five-Year Plans for Life Quality Improvement

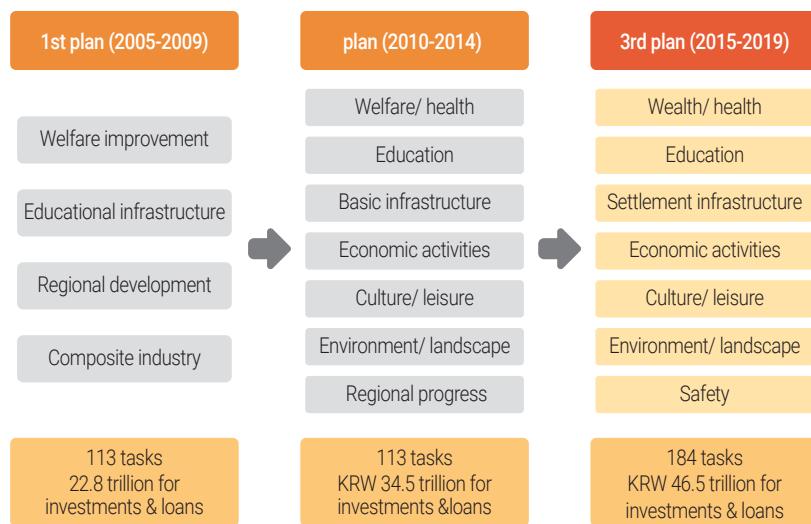
The government has set up four five-year plans since the establishment of the Special Act on the Quality of Rural Life Improvement. The 1st plan was in action from 2005 to 2009, and the 2nd and the 3rd plans covered from 2010 to 2014 and 2015 to 2019, respectively. Now the 4th plan is in full swing. Figure 5-2 shows the covered areas, tasks, and budgets from the 1st to 3rd plans.

The 1st plan set goals to re-build rural areas for everyday life, recreation, and industry. It was composed of 133 tasks for four areas as follows: i) improving welfare conditions, ii) enhancing educational frameworks, iii) promoting regional development, and iv) vitalizing the rural economy. The government planned KRW 20.3 trillion for investments and loans, and the total sum it provided was KRW 22.9 trillion, 112% of the original plan.

The 2nd plan for life quality improvement set goals for seven sectors (welfare, education, infrastructure, economic activities, leisure/ culture, environment/ landscape, and regional capabilities) under the vision of making rural areas joyful places for life, work, and recreation in harmony. The government set aside KRW

2) The Korea Maritime Institute has provided professional advice to the committee regarding fishery and fishing communities since 2015.

Figure 5-2 Five-year plans for life quality improvement



34.5 trillion for 133 tasks, a 151% increase from the 1st plan (KRW 22.8 trillion).

The 3rd plan, set up in 2014 for execution starting in 2015, targeted 184 tasks in seven areas (welfare, education, settlement infrastructure, economic activities/ jobs, leisure/ culture, landscape/ environment, and safety) under the vision of creating energetic communities where everybody wants to live. The government prepared KRW 46.5 trillion-KRW 9.3 trillion per year during the period-for investments and loans, a 35% increase from the 2nd plan.

The 4th plan for the improvement of quality of rural life, in execution since 2020, has four strategies and tasks shown in Table 5-13 under the vision of creating rural communities that guarantee the quality of life for everyone. The fund for investments and loans amounts to KRW 51.1 trillion, a 9.9% increase from the previous plan.

Table 5-13 Strategies and tasks of 4th plan for life quality improvement

4 strategies and tasks	Creating rural communities that guarantee the quality of life for everyone	<ul style="list-style-type: none"> ① Inclusive, independent communities ② Easy access to necessary services ③ A place of life in ruralness
	Offering welfare service for each lifecycle and make rural society inclusive	<ul style="list-style-type: none"> ① Improving medical services ② Building childcare systems ③ Supporting parents for childcare and child-raising ④ Solidifying social safety nets
	Guaranteeing equal opportunities for education and culture	<ul style="list-style-type: none"> ① Enhancing educational services customized for rural communities ② Enhancing life-long education ③ Improving opportunities to enjoy culture and leisure ④ Supporting residents' culture/ leisure activities
	Building settlement infrastructure suitable for rural life	<ul style="list-style-type: none"> ① Enhancing transportation systems ② Improving life infrastructure ③ Prepare platforms for the population influx ④ Preserving rural environment and landscape
	Diversifying economic activities and building the regional circular economy	<ul style="list-style-type: none"> ① Utilize regional resources for various income sources ② Vitalizing rural tourism ③ Promoting employment and business startup ④ Supporting women's employment and resolving a labor shortage

Suggesting National Goals for Necessary Service Improvement

The government established the rural service standards, the nation's minimum levels for public services, so that all Koreans would have access to essential services for the quality of life regardless of their residential areas. The principle, first suggested in the 2nd plan for life quality improvement set up 2010, has been in operation since 2011. As the advisor for the improvement of rural life quality, KREI evaluates the implementation results of the rural service standards every year and reports the assessment result to the committee for the improvement of rural life quality.

The service standards consisted of 31 items for eight sectors, including housing, transportation, education, health, welfare, safety, culture, leisure, and telecommunication. In 2015, they were upgraded to cover 17 items under seven sectors under the central government's supervision, as shown in Figure 5-3.

Figure 5-3 Core items of the rural service standards

Health / welfare	Education	Settlement	Economic activities / employment	Culture / leisure	Environment / landscape	Safety
<ul style="list-style-type: none">• Medical services• Emergency services• Services for the elderly• Services for infants	<ul style="list-style-type: none">• Elementary / middle schools• Life-long education	<ul style="list-style-type: none">• Housing• Water systems• Heating systems• Public transportation• Broadband networks	<ul style="list-style-type: none">• Business startup and employment guide	<ul style="list-style-type: none">• Cultural facilities and programs	<ul style="list-style-type: none">• Sewage systems	<ul style="list-style-type: none">• Anti-crime equipment• Police patrol• Firefighting activities

Apart from that, municipal governments set up principles in consideration of their local situations, and monitor their implementation.

Policy Outcomes and Limitations

Living conditions in rural communities have improved since the government's policy execution for life quality improvement. Table 5-14 shows the improved indicators in various areas, including water and sewage systems, housing, health, education, and culture. Also, fundamental service conditions have gradually improved. Figure 5-4 shows the number of counties achieving goals set by the government. The number of local governments meeting the targets in 11 items out of 14, has increased year by year. As for emergency services, broadband networks, and cultural facilities/ programs, over 80% of regions met the criteria.

There are subsidiary effects from the policy implementation, such as the increasing number of organizations in the social economy. The number of social enterprises, village companies, and cooperatives soared by 14 times from 314

Table 5-14 Settlement condition improvements

Category	Performance index	Improvement by year				
		2014	2015	2016	2017	2018
Health/ welfare	No. of counties with emergency equipment	12	12	5	4	3
Education	No. of learning centers in town	36	69	92	-	-
Settlement	Water supply rate	69.1	71.0	72.8	75.8	80.0
	Connection to sewer systems (%)	65.9	67.1	67.4	68.2	69.3
	Housing renovation	51	79	106	134	154
	Empty house maintenance	121.7	129.4	136.8	144.3	-
Economic activities/ employment	No. of districts for 6th industrialization	3	9	13	16	20
Culture/ leisure	No. of culture centers	25	48	67	81	89
Environment/ landscape	No. of eco-friendly farming zones	1,143	1,158	1,174	1,186	1,200
Safety	Irrigation facility maintenance (%)	47	51	55	57	60
	Drainage system improvement for frequently-flooded areas (%)	56	57	58.1	59.8	61.4

Source: MAFRA, 2019, internal data.

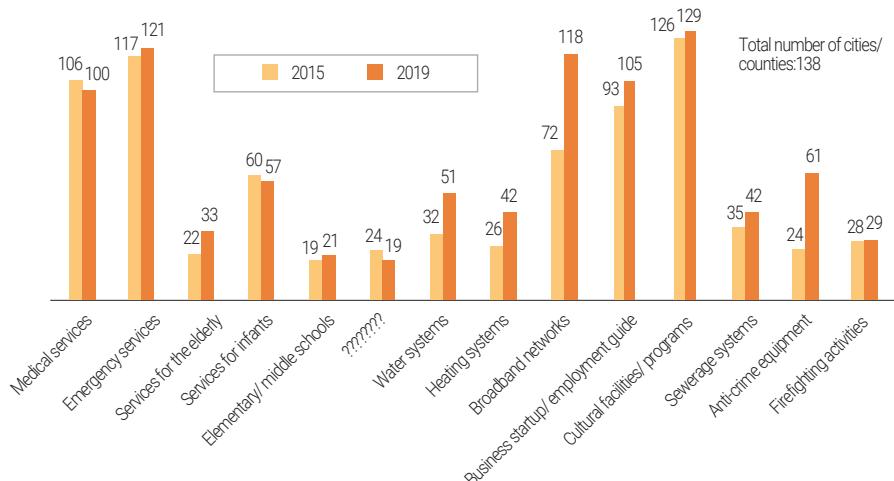
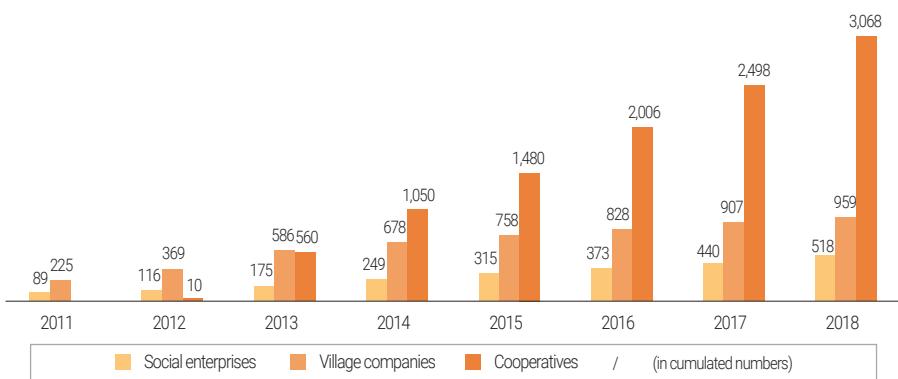
Figure 5-4 Number of counties achieving core items in the service criteria

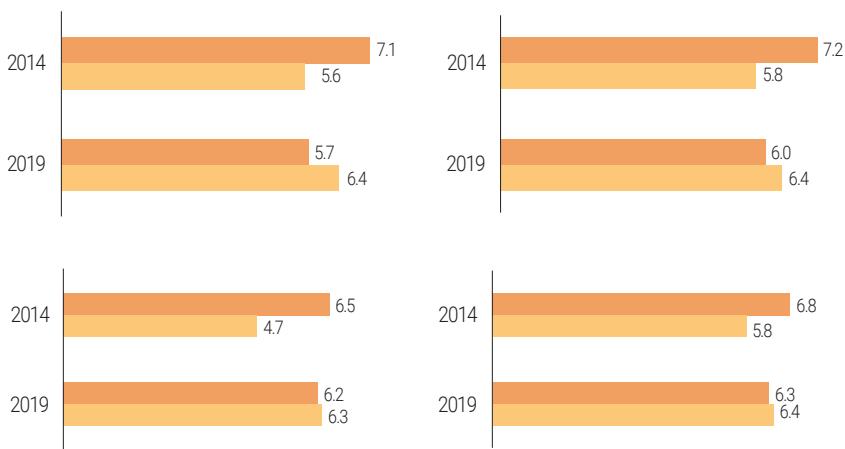
Figure 5-5 Number of social economic organizations by year (cumulated)



in 2011 to 4,500 in 2018. Many of those organizations work in various areas to improve rural residents' quality of life.

Rural residents were satisfied with the improved rural conditions. Figure 5-6 shows the result of the evaluation, categorized for happiness, satisfaction, expectations for community progress, on a scale of ten, with ten the highest. The scores marked by rural residents rose slightly from 2014 to 2019. On the contrary, urban residents' scores fell during the same period. There would be many reasons for the trend, but the government's policy implementation positively influenced the result.

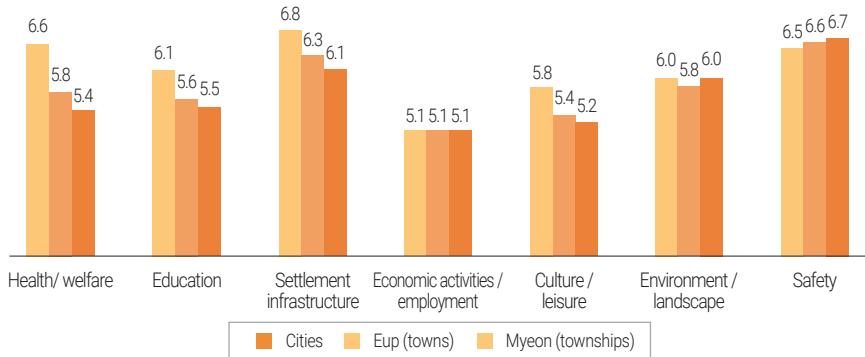
Although there have been many positive policy outcomes, rural areas still lag behind urban areas. Figure 5-7 shows urban and rural residents' satisfaction with life quality on a scale of ten, with ten the highest. There were broad gaps in their responses concerning health/ welfare, education, settlement infrastructure, and culture/ leisure. Also, *myeon* (township) residents' scores were lower than their counterparts in *eup* (town), indicating that a gap exists even among rural areas.

Figure 5-6 Urban and rural residents' settlement satisfaction levels (2014-2019)

Note: 1) The figures are two survey results for rural/ urban residents' satisfaction levels (1,778 respondents in 2014 and 3,063 in 2019).

2) Two surveys evaluated satisfaction levels on a scale of ten.

Source: KREI, Annual Report on Rural Residents' Satisfaction Levels with Settlement.

Figure 5-7 Satisfaction gap between urban and rural residents

Note: Evaluation based on a scale of ten with ten the highest.

Source: KREI, Annual Report on Rural Residents' Satisfaction Levels with Settlement.

Table 5-15 Items showing significant differences between urban and rural residents

Category	Cities (N=750)	Rural areas (N=2,313)			Urban-rural difference
		Eup (town) (N=1,321)	Myeon (township) (N=992)	Eup-myeon difference	
Access to medical services	7.28	6.41	5.75	-0.66	-1.16
Medical service quality	6.94	5.81	5.45	-0.36	-1.29
Emergency services	6.74	5.78	5.51	-0.27	-1.08
Medical services for pregnancy and childbirth	6.32	5.21	4.96	-0.25	-1.22
Daily living services	6.97	6.43	5.78	-0.65	-0.82
Public transportation	6.95	5.93	5.45	-0.48	-1.22
Cultural/ leisure facilities	6.05	5.47	5.13	-0.34	-0.73
Cultural/ leisure program diversity	5.87	5.24	4.99	-0.25	-0.74

Note: 1) Each item is evaluated on a scale of 10 with ten the highest.

2) Eup-myeon differences are calculated by subtracting eup values from myeon values. The lower the figure, the poorer myeon's state.

3) Urban-rural differences are calculated by subtracting urban values from average rural values. The lower the figure, the poorer rural areas' state.

Source: KREI, Annual Report on Rural Residents' Satisfaction Levels with Settlement.

Table 5-15 shows detailed information regarding urban-rural satisfaction gaps. There are distinct differences in access to medical services and their quality levels, emergency services, pregnancy/ childbirth services, public transportation/ daily living services, and cultural/ leisure facilities and programs. Myeon (township) residents feel relatively significant gaps from eup (town) concerning access to medical services, daily living services, and public transportation.

Areas to Improve for the Quality of Rural Life

Creative Services Suitable for Rural Areas

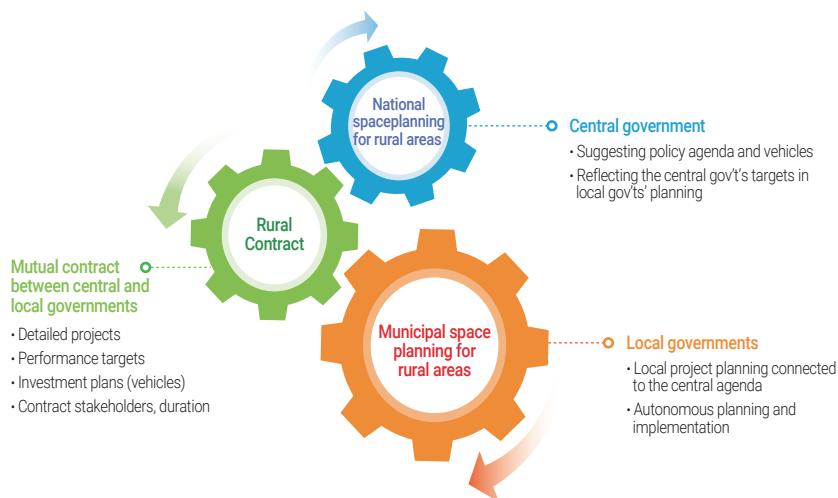
The government should devise service delivery models for health, welfare, education, culture, and economic activities, suitable for rural conditions. Although the central government is in charge of funding, local communities need to make creative service models suitable for rural areas where residents are geographically dispersed. In particular, the government needs to encourage residents to participate in customizing service models for their convenience. For example, communities with a large senior population can develop an idea for community care. Others with a lack of childcare facilities can develop a communal childcare model operated by residents.

Economic activities are essential for improving daily life services due to the population decline. Community businesses, including cooperatives and village companies, can create more jobs. Also, local governments should offer supports to attract youth. They need to provide housing for young people to help their soft-landing in the countryside.

Local Governments' Endeavor to Build the Governance for Policy Implementation

Local governments need integrated platforms to implement their programs in connection to meet their residents' needs for quality of life. It is necessary to set up a control tower for the improvement of quality of life and intermediaries to deliver administrative services to each community. Cheongyang County in Chungcheong namdo Province is an excellent example. The County set up a department for rural cooperation. It also revamped its administrative system for the integrated implementation of different areas, such as the build-a-village program, life quality improvement, rural development, food planning, and rural

Figure 5-8 Contract-based approach for policy implementation

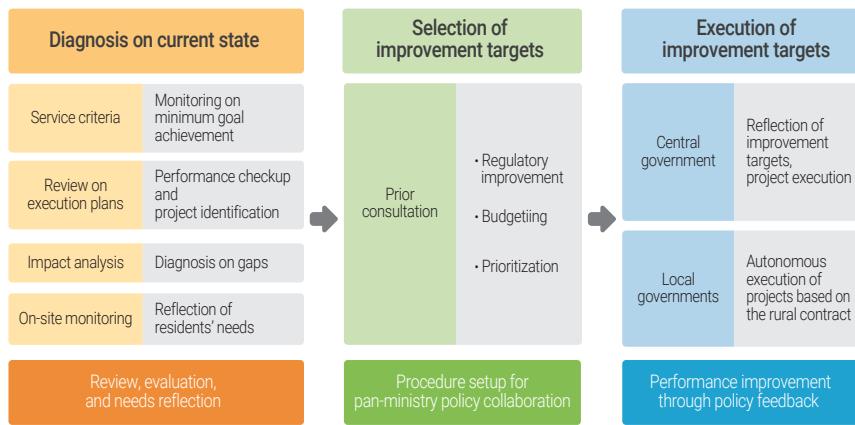


economic diversification

To encourage local governments to prepare platforms suitable for their regional characteristics, the central government needs to take a contract-based approach, as shown in Figure 5-8. The central and local governments should agree on setting up rural revitalization plans, preparing integrated policy platforms for synergic effects, and using experts from the private sector, through the rural treaty.

Central Government Ministries' Policy Collaboration

Despite service improvements, regional gaps still exist. In particular, counties in poor financial states show low achievements, indicating residents' quality of life need to be improved yet. Therefore, the government should select those areas, and related ministries should provide prioritized support to them.

Figure 5-9 Reorganizing procedure for policy implementation

For that procedure, the committee for the improvement of rural life quality should adjust policy endeavors among various ministries. Figure 5-9 suggests a procedure for efficient collaboration among ministries. The government should identify rural residents' needs for life quality through policy monitoring and impact analysis and reflect them to budgeting and regulatory framework upgrading. To make the policy effective as pan-ministry goals, the government needs to solidify the procedure.

Moreover, it is essential to set up a knowledge base for practical policy directions. Research institutes' participation will offer guidance to the government based on scientific data and objective evaluation. It is also necessary for policymakers to listen to rural residents' needs through policy monitoring to reflect them on decision-making.

3. Rural Welfare

Legal Frameworks for Rural Welfare Policy

Rural welfare can be defined differently from diverse perspectives. From a broad sense, it refers to overall systems and methods to guarantee quality of life for all people living in rural areas (Choi, 2009: 282). Although rural residents are supposed to be beneficiaries for welfare policy, welfare benefits are not provided equitably to all people in rural and urban areas. Rural residents are on the blind side because of urban-rural gaps in finance, agricultural workers' unique legal status, urban-rural gaps in living conditions, the insufficient system for welfare services. Therefore, the idea of rural welfare emerged in consideration of rural communities' unique needs.

The agricultural policy reflected rural welfare for the first time with the launch of the World Trade Organization in 1994 after the conclusion of the Uruguay Round. The government established the presidential committee for rural development in early 1994 to evaluate the impact of the WTO system and take countermeasures. The committee consisted of three sub-committees, one of which was a sub-committee for rural welfare. It contributed to form an integrated platform for rural welfare programs previously scattered in different ministries.

Meanwhile, MAFRA established its division in charge of rural welfare. Its name changed to the rural welfare team, the rural society division, and the division of rural welfare and women. Recently, the division of rural welfare and women was reorganized into the rural welfare team and the female policy team.

The rural welfare policy leaped forward with the enactment of two essential laws in 2004: the Special Act on the Quality of Life Improvement and the Special

Act on Improvement of Public Health and Welfare of Residents in Agricultural and Fishing Villages (afterward, the Special Act on Rural Welfare). The former covers all policy areas, including health, welfare, environment, culture, education, and regional development. It was enacted to set up a platform for all central governmental agencies' policy collaboration. Following the law, the government establishes a plan for the quality of life every five years. As of 2020, the 4th plan is in action. Rural welfare has emerged as an essential policy area within the legal framework, The latter was established for enhancing public health and welfare facilities in rural areas. Following the law, the Ministry of Health and Welfare set up a plan for rural health and welfare. For the rural economy, the government made efforts to improve the quality of life by facilitating socio-economic activities. With the establishment of the Framework Act on Cooperatives in 2011, all Koreans became able to organize cooperatives or social cooperatives in all areas except for finance. Afterward, as the social economy expands gradually in rural areas, there was a surge in the number of socio-economic organizations working for rural communities. In particular, many organizations working in voluntary cooperation became the groundwork for enhancing welfare services in rural communities.

Rural Residents' Satisfaction with Welfare

The government examines the welfare state of farmers and fishers every five years to understand their satisfaction levels with welfare services and secure basic data. The survey covers overall satisfaction state in the 1st year and each item with a focus in the 2nd ~ 5th year. The comprehensive examination targets both urban and rural residents for comparison, while the detailed examination covers farming and fishing villages. The result of the 2018 comprehensive survey

Table 5-16 2018 survey results on satisfaction with current life

Category	Avg.	Very happy	Happy	Happy (sum)	Neutral	unhappy	Very unhappy	Unhappy (sum)	(in %)
Rural residents (2,753)	58.7	2.3	42.6	44.9	44.2	9.5	1.4	10.9	
Urban residents (1,147)	62.3	2.9	52.7	55.6	36.4	6.5	1.4	7.9	

Source: National Institute of Agricultural Sciences (Rural Development Administration), 2019, *The 2018 Survey Result on Rural Residents' Welfare State*, p.103.

shows that less than half of rural residents feel happiness while over half of urban residents do (Table 5-16).

Income Support for Rural Residents

Concerning income supports for rural residents, the national basic livelihood security plan, the national pension, the basic pension, and the farmland pension are part of the government's welfare policy. Of all, the farmland pension is only for farmers.

National Basic Livelihood Security System³⁾

The system guarantees the primary livelihood of all Koreans, including rural residents. A special provision is applied to reflect the unique situations of rural areas. When calculating the income, the yardstick for selecting a recipient and determining benefit size, the national basic livelihood security system excludes a portion of the government's subsidies or the year's yield to relax the support criteria.

3) Choi Kyeonghwan, 2019, 693~694.

National Pension⁴⁾

The national pension plan started in January 1988, targeting businesses hiring ten or more employees. Afterward, the system expanded to include rural communities⁵⁾, and the pension scheme for farmers and fishers kicked off in 1995. The pension scheme targeted all rural residents aged 18 to 59 with income or farmers and fishers aged 18 to 59 residing in urban areas, except for salaried workers subscribed to the national pension plan. To relieve farm households' financial burdens due to the market opening, the government provides farmers and fishers⁶⁾ subsidies for the national pension plan funded by the special tax for rural development.

Basic Pension⁷⁾

The government's bill on the basic old-age pension plan became law in April 2007, paving the way to promote welfare for the elderly in poverty. Afterward, the government expanded the beneficiary pool and sums payable to make the basic pension plan. It executed the expanded plan in July 2014 to relieve old-age poverty and caregiver burdens. Its coverage is the same as the basic old-age pension scheme, but the benefit level⁸⁾ rose to a maximum of KRW 250,000 to ease old-age poverty. Also, the government designed the pension plan connected to the national pension plan for sustainable funding.

4) Choi Kyeonghwan, 2019, 694~696.

5) The government introduced the pension scheme for farmers and fishers as an occupational pension plan but decided to make it part of the national pension.

6) Even working for farming or fishing, those under the following categories are excluded: i) farmers or fishers who have more income from non-farming or non-fishing businesses, ii) those who hold businesses registered following Article 5 of the Value-Added Act and Article 168 of the Income Tax Act. However, simplified taxpayers and business holders related to farming, forestry, and fishery are acknowledged as farmers or fishers.

7) Choi Kyeonghwan, 2019, 696~697.

8) The benefit level is annually adjusted in consideration of conditions such as price inflations. Its maximum was adjusted up to KRW 250,000 per month in September 2018.

Farmland Pension⁹⁾

The farmland pension plan, launched in 2011, targets farmers aged 65 or older with over five-year farming experience. The pension pays monthly benefits for stable income in the post-retirement life based on the owned farmland as collateral. Upon the death of the aged beneficiary, the scheme disposes of the mortgaged farmland for debt redemption.

The pension holders receive monthly pensions computed following the age and the mortgaged land price while using or renting the land. Upon death, their spouses continue to receive pensions through a succession process. The farmland pension plan, as well as the national pension, guarantees a stable income for the elderly in poverty.

The government has improved the pension system to promote aged farmers' subscription. The farmland pension had two types—whole-life or term plans. However, in 2017, the government devised three more types, such as decreasing payment, lump-sum withdrawal, and business transfer, considering the various conditions of aged farmers. The new products have been available since 2018¹⁰⁾.

Table 5-17 State of pension coverage

(in %)

Category	Pension (%)		
	Public pension	Private pension	Farmland pension
Rural residents (2,780)	56.5	25.6	3.0
Urban residents (1,149)	68.7	34.3	-

Source: National Institute of Agricultural Sciences (Rural Development Administration), 2019, *the 2018 Survey Result on Rural Residents' Welfare State*, p.126.

9) Choi Kyeonghwan, 2019, 697~698.

10) Refer MAFRA's press release (Feb. 14, 2018) for the recent information of product types.

Also, it relieved conditions for subscription for the elderly's stable income. For example, the spouse's age for succession reduced from 65 to 60. Even for farmland where the bond amount is less than 15% of its price, its owner can subscribe to the pension scheme.

Health and Medical Services

Rural Residents' Health

Most rural residents consider themselves relatively healthy, while 25% of them do not. Compared with urban residents, their confidence in health is low (Table 5-18). Their disease rates (36.1%) are higher than urban residents (25.7%). In particular, farmers and fishers who have to do repetitive work are susceptible to occupational diseases such as musculoskeletal diseases. As the aging of rural areas is worsening, the number of chronic diseases such as high blood pressure and diabetes is also increasing. Also, the prevalence of chronic diseases is much higher than that of urban residents.

When rural residents suffer diseases, the financial burden is the biggest challenge, followed by low access to medical institutions and the poor medical services (Table 5-19). Worse, as medical institutions are concentrated in large

Table 5-18 Rural and urban residents' opinion on their health (%)

Category	Very healthy	Healthy	Healthy (sum)	Neutral	Unhealthy	Very unhealthy	Unhealthy (sum)
Rural residents (2,766)	4.3	42.2	46.4	29.1	21.3	3.1	24.4
Urban residents (1,140)	5.8	52.2	58.0	23.8	15.7	2.5	18.2

Source: National Institute of Agricultural Sciences (Rural Development Administration), 2019, the 2018 Survey Result on Rural Residents' Welfare State, p.102.

Table 5-19 Challenges in disease treatment (%)

Category	Treatment cost	Low medical services	Not easy to find an appropriate service	Not easy to travel to a medical institution	No caregiver	No difficulty
Rural residents (2,765)	32.0	10.7	10.8	13.4	12.7	20.4
Urban residents (1,131)	32.6	3.1	5.7	3.8	14.1	40.4

Note: As the urban residents' other opinions (0.3%) is excluded, the total is not 100%.

Source: National Institute of Agricultural Sciences (Rural Development Administration), 2019, *the 2018 Survey Result on Rural Residents' Welfare State*, p.123.

cities, they have to travel far to treat mild diseases or get simple tests. However, due to inconvenience in transportation, it is hard to receive appropriate medical services.

Medical Resources' Concentration in Big Cities

Korea is highly dependent on the private sector's medical services (Table 5-20). Because of the high reliance on the private sector, medical institutions and professional service providers are concentrated in Seoul and other big cities. As a result, cities have abundant medical resources, while some rural areas do not have sufficient hospital beds (Ministry of Health and Welfare, 2017; 468). Although the government has endeavored to enhance public medical services, rural areas still need medical services and resources.

Due to repeated labor and the use of machines, farmers are exposed to various diseases and disasters. However, they are not recognized as occupational diseases (Choi et al., 2010). So, to research farmers' occupational diseases and help farmers maintain healthy lives, MAFRA has designated university hospitals as agricultural safety and health centers since 2013. The government's subsidy per center is KRW 300 million, and each center funds as much as 10% of the

Table 5-20 State of public health and medical organizations (Dec. 2018)

Category	Public health org. (A)	Public medical org. (B)	Health and medical org. (C=A+B)	Private medical org. (D)	Total (E=C+D)	Public to private rate (C/E)
No. of institutes	3,496	224	3,720	67,379	71,099	5.3%
No. of beds	429	63,924	64,353	642,978	707,331	9.1%
No. of medical doctors	3,842	12,389	16,231	132,746	148,977	10.9%

Note: 1) The total includes medical organizations (excluding maternity centers), public health centers (including health and medical centers), health center branches, and healthcare centers.

2) Public health organizations include public health centers (including public health and medical centers), health center branches, and healthcare centers.

3) Public health and medical organizations refer to those under Article 2 of the Public Health and Medical Services Act and the Enforcement Decree of the Act.

Source 1: the Health Insurance Review and Assessment Service (medical care institution data), the health policy division (public health organization data), the public medical service division (public medical organization data)

Source 2: Ministry of Health and Welfare, 2019, *the 2018 Health and Welfare White Paper*, p.456.

government's support. The designated centers keep the status for three years after the assessment of the first-year performance.

MAFRA operated eight agricultural safety and health centers (five designated in 2013, two in 2014, and one in 2015). However, three centers lost their status after the first-year performance assessment. Currently, five centers are in operation.

Child and Senior Welfare

Child Welfare

After 2000, Korea shifted from selected welfare to universal welfare for children. As universal coverage has expanded, there is not a specific program targeting rural children only. Families with children aged seven years old receive child allowances. When children aged three to five go to kindergarten or

Table 5-21 Changes in child population aged 12 or younger

Administrative districts	2010	2015	Decrease %
City	5,214,186	4,814,376	7.7%
Rural communities	1,050,212	949,341	9.6%
Eup (towns)	632,894	594,450	6.1%
Myeon (townships)	417,318	354,891	15.0%

Source: Population Census, 2010, 2015. KOSIS.

daycare centers, the government support the fees. it pays home care allowances for children aged seven or younger, who do not go to daycare centers nor kindergartens.

Korea is a country with low birthrates, and its child population is decreasing. So child population decline and child care have priority in policy directions. In 2015, the number of urban children decreased by 7.7% from 2010, while the number of rural children was down by 9.6% during the same period. In particular, the number of children in myeon (townships) plunged by 15.0%.

According to the 2018 Survey Result on Rural Residents' Welfare State, rural children are taken care of by their parents (50.1%), followed by childcare facilities (48.4%). The biggest challenge rural parents face is insufficient educational infrastructure (26.2%), followed by lack of information on children's play and learning (19.3%) and the low quality of preschool education (12.5%).

There are child care programs customized for rural parents. For example, the government supports preschools in low operation due to the small number of kids they educate. For farming seasons, weekend daycare centers help parents do farm work at weekends. Also, mobile toy and book libraries visit villages to help child education.

In rural communities with low birthrates, parents are eager for childcare but do not have enough time because of farm work. Although childcare facilities

Table 5-22 Rural child welfare support in 2019

Category	No. of joint childcare centers		No. of mobile toy and book libraries	No. of weekend childcare centers	
Year	Facility support	Operation support	Facility support	Facility support	Operation support
2019	3	37	6	3	14

Source: MAFRA¹¹⁾

are in need, it is impossible to set up new facilities due to the small number of children. So the government uses joint childcare programs customized for the rural conditions.

As rural areas' educational infrastructure is insufficient compared with cities, rural families are eager for improved school programs or other educational environments. While urban parents picked excellent teachers for their kids' better education, rural parents mentioned after-school programs and various education programs customized for the rural environment.

Table 5-23 Essential matters for educational improvement

(in %)

	School facility	Excellent teachers	Edu. programs for local conditions	After-school programs	High-quality school meal support	Dormitories	School bus	Small-scale schooling	Others
City	11.1	31.5	17.3	20.9	12.7	0.3	3.9	0.1	2.2
Rural	9.5	18.7	21.7	27.1	11.0	0.3	7.0	0.6	4.0
Eup	9.0	17.2	22.4	29.4	10.3	0.5	7.2	0.4	3.5
Myeon	10.4	21.5	20.4	23.1	12.1	-	6.7	0.9	4.9

Source: National Institute of Agricultural Sciences (Rural Development Administration); KOSIS, 2019, the 2018 Survey Result on Rural Residents' Welfare State.

11) <https://www.mafra.go.kr/mafra/2126/subview.do> , (Search date: Sep. 14, 2020)

Although childcare support is essential for sustainability, Korean rural communities undergo chronic challenges in educational infrastructure.

Welfare for older adults

With the fast aging in rural communities, the aged population exceeded 20% in 2010. Myeon (townships) face 28.0% of the aging rate, and many counties see the elderly ratio over 30% (Jeong, 2017). As senior welfare services are in demand with the older population increase, the government's health and care programs become significant.

According to the 2018 health survey for local communities, 1.8% of rural seniors (2.3% in cities) thought they were very healthy, while 18.6% (21.9% in cities) responded "healthy." In other words, the older adults in rural areas considered their health less positively than their urban counterparts. Concerning their service use, dementia and health checkup services took considerable portions. After the government started the national dementia support program in 2017, the use of dementia services has become high. Also, the health checkup service use is high thanks to national health insurance.

Welfare services needed for the older adults in rural areas are different from

Table 5-24 Senior welfare service uses (%)

	Dementia services	Eye checkup and surgeries	False teeth	Long-term care services	Senior care services	Comprehensive senior care services (vouchers)	Health checkup
Eup	23.1	6.8	13.8	3.8	8.7	10.9	43.5
Myeon	38.0	16.3	10.0	5.6	9.4	7.2	46.4
Total	34.8	13.8	11.0	5.2	9.2	8.1	45.7

Source: National Institute of Agricultural Sciences (Rural Development Administration), KOSIS, the 2016 Survey Result on Rural Residents' Welfare State.

* As the 2016 survey targeted rural areas, data for urban areas are excluded.

Table 5-25 Senior welfare services in demand (%)

	Disease prevention	Disease treatment	Care and nursing service	Day/night care service	Home activity support	Transportation	Livelihood service	Leisure/hobby	Job	No need for service
City	22.8	23.2	11.4	0.5	6.7	0.9	4.0	3.3	7.1	20.0
Rural	17.3	15.6	12.0	0.7	9.0	10.4	1.5	3.3	9.6	20.3
Eup	20.9	13.4	12.5	0.2	9.3	6.0	1.9	6.7	12.3	16.9
Myeon	15.7	16.5	11.8	0.9	8.9	12.3	1.4	1.9	8.5	21.7

Source: National Institute of Agricultural Sciences (Rural Development Administration); KOSIS, the 2018 Survey Result on Rural Residents' Welfare State, p.135.

demand in cities. Older adults in cities need disease prevention and treatment and care services. However, in rural areas, demand for transportation support, home care, and job opportunities is high, indicating poor transportation infrastructure and insufficient jobs.

Korea's older adults in rural areas receive health-related welfare benefits. Long-term care insurance¹²⁾ has been in place since July 2008 to offer long-term care benefits to the older adults with difficulties in daily living due to old age or senile disease (MAFRA, 2015). To relieve Koreans' anxiety for post-retirement life and elderly support burdens, the government introduced the 5th social insurance to provide professional services with various options to beneficiaries (Ministry of Health and Welfare, 2017). The senior care service has provided the older adults in a poor physical state or living alone with customized care services, such as safety checkups, housework support, and daycare (Ministry of Health and Welfare, 2017). As the number of seniors with dementia increases, the government implements the dementia checkup targeting those aged 60 or over. Also, it set up a dementia center to implement early detection programs

12) Choi Kyeonghwan, 2019, 709.

and provide treatments for improving the life quality of dementia patients and their families (Ministry of Health and Welfare, 2017)

The government implements the communal living program for aged people in rural communities. It intends to improve the elderly's housing, nutrition, and sanitation through the support for cohabitation. The program started in 2014 as a pilot also provides subsidies for collaborative living spaces, catering facilities, and public bath remodeling. To meet the demand for general care services, local governments carry out pilot programs for care services customized for local communities, such as housing, health, medical, care, and daily support services¹³⁾. For example, two rural communities implement pilot programs, such as visiting medical and health services and meal delivery services. However, as rural areas lack resources, it is essential to develop integrated care models to connect various programs.

In general, with the enhancement of senior welfare, the older adults in rural areas receive various benefits. However, as rural areas lack resources and have low access to services, the welfare quality for rural seniors is low compared with cities.



Making rice cake (Yeomin Dograk)



Village shop (Yeomin Dograk)

13) <http://www.korea.kr/special/policyCurationView.do?newsId=148866645> (Search date: Sep. 15, 2020)

Direction for Rural Welfare Progress

Rural areas face challenges, such as insufficient resources and inconvenient transportation, and the problems affect rural welfare. There have been various efforts to narrow the urban-rural gap in the quality of life. However, rural residents still undergo difficulties due to insufficient services and low accessibility to them concerning all welfare areas, including income, health, medical services, childcare, and senior care.

Therefore, the direction for rural welfare is to prepare platforms in which anyone can live without inconvenience. When approaching the right direction, the government must consider the following. First, as the status of population aging and decline will go on in rural communities, the government should seek measures suitable for such conditions. Second, it has to focus more on human resources and accessibility instead of facilities and equipment concerning rural areas with low population density. It is vital to devise measures to utilize available resources. Third, the government should eradicate the blind side of the welfare system. Some people fail to receive benefits simply because they are not aware of the services. The government should take measures to remove such blind side. In particular, as children in rural areas are likely to miss benefits, the government must prepare various childcare and education policies. Fourth, as the aging proceeds fast, it is essential to remove inequality in income and health among rural seniors.

Rural communities are moving toward different lifestyles from urban ones. Therefore, rural welfare should progress suitable for that pursuit, helping residents enjoy life quality in various aspects.

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4. Rural Development Policy

Korea was one of the world's poorest countries for over a decade after the Korean War. It went through unprecedentedly rapid changes in political, economic, and social areas in a short period, and achieved a national income of USD 31,734. It transformed from an agricultural country to one of the leading manufacturers in the world. Urbanization is another remarkable change the nation went through. It caused many problems and the government implemented various rural development programs to solve them.

In the late 1950s, the government endeavored for rural development by launching community development (CD). In the 1970s, it implemented the Saemaul Movement, well known as a rural development model for developing countries. In the 1980s and 1990s, the government renovated rural infrastructures, such as road networks, rivers, telecommunication, and rearranged educational, medical, and welfare facilities. In the 2000s, rural functions for amenities, environmental preservation, and land conservation gained attention, and related policies became in full swing. In the 2010s, the 6th industrialization to utilize rural resources, urban-to-rural migration, and core-area revitalization were the key words for rural development. Also, the government's budget planning for rural development was renovated. Now, local governments set up development plans and the central government supported the plans with lump-sum subsidies. In 2020, a considerable amount of rural development programs implemented by the central government have transferred to local governments.

Thanks to the government's rural development policy, Korea's rural landscape

has changed remarkably for the past seven decades. In the late 1980s, all villages had a power supply. In 2015, 95.5% of rural families had a modern kitchen, 95.6% with flush toilets, and 96.6% with bathtubs. Most village roads and road networks were paved for automobiles' access. Medical service quality improved remarkably with local health centers at the center of public medical services. In the 1990s, unique welfare systems for rural residents were in place. The government uses a portion of the national pension fund to relieve rural residents' burden to pay medical insurance premiums. Rural-urban exchanges have been active since the 2000s and many rural villages and farm households earn income from their tourism business. In 2017 alone, the number of returning to farming or rural life exceeded 500,000 people.

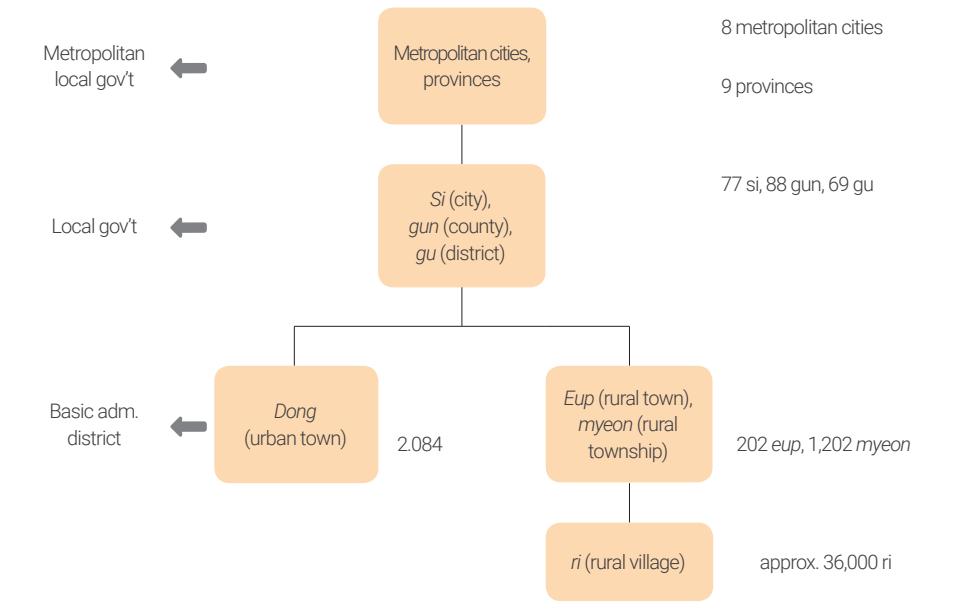
Despite such policy outcomes, rural areas see their population decrease and aging, and the rural economy's proportion to the whole has reduced. However, as the public understands that rural decline is not helpful for national growth and sees agriculture's values for future growth, job creation, recreation, the government will endeavor continuously to fulfill rural progress.

Information technology, computerization, high-speed road networks, the rising urban-to-rural migration, and lifestyle changes will bring new possibilities to rural communities. Future rural policies will move toward making residents' lives abundant through advanced telecommunication technologies, expanding income with rural resources, and creating communities where residents feel proud of being part of them.

Overview of Korea's Rural Areas

Let us take a glance at the rural state before seeing its progress. Korea (South Korea) has a large population in the small territory. As of July 2020, 51.83 million

Figure 5-10 Korea's administrative districts and urban-rural categorization



people live in the land of 9,848 ha, and consequently, the population density is the world's highest. It is much higher considering available land as 64% of the land is mountains.

Korea's administrative districts categorize cities and rural areas. In the past, counties were categorized into rural areas. However, as the concept of an urban-rural consolidated city (a consolidated area with a city at the center and its surrounding counties) emerged in 1994, such dichotomy was not adaptable. Many areas became part of cities but with typical rural landscapes. Now, dong (urban towns) are categorized into cities, while eup (rural towns) and myeon (townships) are part of rural areas.

According to the urban-rural categorization, Korea's rural population continuously declined, and the rural population as of 2010 amounted to 8.63

Table 5-26 Rural population trends

Category	1990	2000	2010	2015	2020*	(in thousands)
National	43,411	46,136	47,991	51,010	51,840	
Dong (city)	32,309	36,755	39,363	41,618	42,145	
Eup/ myeon (rural)	11,102	9,381	8,627	9,392	9,485	
- Eup	3,604	3,756	4,149	4,617	4,905	
- Rural	7,498	5,625	4,478	4,775	4,579	
Eup and myeon (%)	25.6	20.3	18.0	18.4	18.3	

Note: The 2020 data is based on the resident registration.

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

million, or 18.0% of the total. However, thanks to the urban-to-rural migration, it slightly increased to 9.49 million, or 18.3% of the total.

Urban-rural gaps are broad, and so are the differences within rural communities. The gaps between rural areas surrounding metropolitan/southeast industrial regions and the other areas are immense. The former has a large population thanks to job opportunities, while other areas, including small cities, see their population decrease.

Meanwhile, rural residents' occupations have diversified. The number of farmers and fishers are decreasing, while salaried workers and professionals increase. Farmers and fishers took 80.9% of the total in 1960 but accounted for 22.4% in 2015. Salaried workers and professionals took 2.2% in 1960, but rose to 23.0%. Service industry workers increased from 1.0% to 9.5% during the same period.

Korea was a centralized state but introduced the local self-governing system in 1995. The heads of 17 metropolitan governments and 234 local governments are elected every four years. Politically, the nation transformed from centralized to decentralized systems. However, as local governments' financial independence is low, the central government controls them through financial

Table 5-27 Aging in rural areas

Category	2000	2005	2010	2015
Senior population in rural areas (%)	14.7	18.6	20.9	21.4
- No. of general eup and myeon	39(2.8%)	21(1.5%)	14(1.0%)	5(0.4%)
- No. of aging eup and myeon	591(42.1%)	339(24.2%)	239(17.0%)	217(15.5%)
- No. of super-aging eup and myeon	773(55.1%)	1,043(74.3%)	1,150(82.0%)	1,182(84.2%)
Total	1,403	1,403	1,403	1,404

Note: General eup and myeon refer to less than 7% of the senior population, aging eup and myeon between 7% and 20%, and super-aging eup and myeon 20% or higher.

Source: Song Mi-ryung et al., 2019, Rural Utopia for Happy Balanced Development, KREI.

support. For example, MAFRA guides local government to its policy directions through various subsidy programs. After all, Korea's rural landscapes change remarkably due to the central government's rural development policy. Now, let us look at the transformation of Korea's rural policy and the changes it brought to rural communities.

Transformation in Korea's Rural Development Policy

Traditional Society's Rural Development

Traditionally, rural areas referred to villages where people do farm work (farmers) reside. Village community clubs found ways to overcome challenges. Village cooperatives, such as daedonggye, collaborated to manage communal assets and plan village budgets. Residents' cooperatives prepared for village rituals, decided wages for labor, and worked together for infrastructure building and maintenance, including roads and rivers. The tradition of village cooperatives was passed down to the Saemaul Movement in the 1970s.

Community Development in the 1960 and Saemaul Movement in the 1970s

As Korean society became stabilized after going through independence from Japanese colonial rule, the government's establishment, and the Korean War, the nation started to implement rural development plans. The community development programs implemented in the 1960s came from the rural development model adopted by the United Nations and the International Cooperation Administration for developing nations after World War II. Following the U.S.-Korea Economic Board's recommendation in 1955, the government adopted the community development model in 1958 to restore the rural economy devastated after the Korean War. The government provided financial and technical supports to development projects set up by residents. The projects had two types: self-help projects funded by communities and subsidized projects with outside support. The community development drive contributed to creating plans and methods for the Saemaul Movement in the 1970s.

The five-year economic plan, launched in 1962, adopted a economic development strategy for industrialization. As a result, rural people left for cities, and the urban-rural gap worsened. The agricultural population started to decrease in 1968, and farmers' grievances on the urban-rural growth gap became louder. As more rural people migrated to urban areas, cities suffered from a lack of infrastructures, such as transportation, housing, water supply, sewerage, and education. Against this backdrop, the government needed a strategy to create agricultural jobs so that rural people would settle in their communities. Income increases and the renovation of obsolete infrastructures were challenges the government faced to make rural villages a better place.

The government's export-driven economic plan was impacted by the global economic recession in the late 1960s. To stimulate local demand

as a breakthrough in stagnant exports, the government needed massive public investments. So the Saemaul Movement started as a vehicle for the government's public investments.

The Saemaul Movement, launched in 1971, was a rural development strategy that applied experiences from the community development program in the 1960s for Korea's traditional village communities. It was a combination of the government's top-down approach and village communities' self-help tradition (bottom-up approach). The national drive targeted improving infrastructures, such as roads and bridges, increasing residents' income, and carrying out extension programs. Also, it offered incentives to high-performing villages to encourage others to catch up.

According to the Ministry of Home Affairs (currently, the Ministry of Public Administration and Security), which supervised the Saemaul Movement, a total of KRW 5,258.3 billion was invested in the national drive from 1971 to 1982: 51% funded by the government and the other by residents (labor and land). Residents' share for the half indicates that the nationwide campaign was based on residents' participation.

The Saemaul Movement remarkably transformed rural landscapes. Thatched roofs, representing farm houses in Korea, were replaced with slate roofs. Bridges were built, and access roads were widened and paved. Also, narrow village roads were widened, too. Villages nationwide came to have Saemaul Town Halls. In other words, rural landscapes changed utterly in a decade.

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

The proportion of agriculture in the national economy decreased in the 1980s. The production of farming, forestry, and fishery decreased from 13.5% in 1980 and 7.6% in 1990. The number of employed reduced from 32.3% to 17.1%

during the same period. The rural population declined from 10.8 million (28.4%) to 6.7 million (15.5%). Farm households' balance in income and expenditure worsened, too. As the government's price support (purchasing policy) reduced, income increases slowed down. As the preferential treatment of interest rates for farmers disappeared, their financial burdens expanded. Farm households' income grew by 2.2 times, while their expenditure rose by 2.3 times and debts by 6.6 times between 1980 and 1986.

The economic growth between the 1960s and 1970s increased the government's budget size. Its budget for annual expenditure in 1970 was KRW 860 billion and increased to KRW 10 trillion in 1980 and KRW 38 trillion in 1990.

With the public's consensus that the government has to resolve rural challenges, the government prepared various measures based on its increased budgets, such as the extensive program for rural communities in 1986, the relief program in 1987, the debt relief program in 1989, and the comprehensive development program in 1989. Now, rural development took an essential place in the government. As there were not remarkable outcomes from public investments, the government diversified development projects and increased budgets for them.

During the period, living conditions renovation and income expansion were two important goals of rural development. Aiming to build infrastructures to urban levels, rural communities rearranged roads, rivers, telecommunication, medical services, and educational/ welfare facilities. Agricultural industrial complexes were formed for produce processing, job opportunities, local specialty development.

The government prepared legal frameworks to accomplish its policy goals. It secured funds for rural development with the enactment of the Act on Special Rural Development Tax. Also, various laws for rural development,

rearrangement, and hinterland development it established served as legal grounds for implementing rural development programs. While working for rural development, different ministries competed with similar projects. For example, the Home Affairs Ministry was carrying out programs for housing renovation, small stream rearrangement, and islands' construction, while the Agriculture Ministry was implementing similar projects for new village creation, *myeon* (township)'s central zone rearrangement, living conditions improvement, and road pavement.

Thanks to such endeavors, rural conditions improved utterly. All villages had power supplies already in the late 1980s. 29% of all farmhouses were entirely renovated in 2000, while 25% of them had remodeled kitchens and toilets. The road pavement rate amounted to 27%. Incredibly, most access roads and village-to-village road networks were paved (excluding islands) for automobiles' access. Water supply exceeded 40%, and the public sector was in charge of waste treatment. All villages nationwide had town halls and senior citizens' centers.

Medical services improved remarkably. Public health centers (one per local government), health center branches (one per *eup/myeon* administrative office), health care centers (for villages far from *eup/myeon* offices) were built or renovated, and high-tech medical equipment was introduced. Access to medical services expanded with oriental herb doctors and dentists dispatched to health centers. Also, visiting services for the disabled or the elderly living alone were introduced.

In the late 1990s, unique welfare systems for rural residents came to exist. The government supported a portion of national pension premiums for farmers and fishers (KRW 2,200 monthly per person in 1997). The government also subsidized medical insurance premiums (15% in 1998).

Thanks to the program to build agricultural industrial complexes, launched

in 1984, 295 complexes were in operation in 2000 with 4,700 plants located and 86,000 jobs created. As 24% of jobs went to farm families, the complexes contributed to increasing non-farming income.

Although the government's rural development policy produced remarkable outcomes, it also caused problems. First, agriculture's reliance on the government became large. As all projects were planned based on the government's budgets, administrative officials led them without residents' participation. Second, the government invested in the projects, and their outcomes were less than the funds invested. For example, in the Saemaul Movement, the government supported cement and rebars and residents shouldered for labor and land. Therefore, it was possible to achieve more than the budget. However, the rural development projects excluded residents' participation, and their performance was less than expected. Third, the government's uniform projects weakened rurality. As rural villages nationwide were rearranged following the government's guidelines, they had similar landscapes. For example, due to the Agriculture Ministry's village renovation program, all villages came to have identical gridiron roads, land size, and housing structures.

Rural Development in the 2000s and afterward

In the 2000s, the position of agriculture, forestry, and fishery worsened further in the national economy. Concerning production income, their proportion in the national economy declined with 7.6% in 1990, 4.6% in 2000, and 2.9% in 2005. The number of employed also decreased with 17.1% in 1990, 10.9% in 2000, and 7.9% in 2005. The farming population ratio reduced from 15.5% to 8.5% and 7.1% during the same period.

So challenges faced by rural communities aggravated in a vicious circle.

Population decline and aging went on in rural areas. Due to the trend, public facilities became useless and rural centers lost their functions. In particular, elementary schools were closed or combined. In the 1960s, a *myeon* (township) had around three elementary schools. However, in the 2000s, a *myeon* had one school. As private medical institutions were reluctant to be located in rural communities, 90% were concentrated in cities.

In the 2000s, policy directions transformed gradually. Although agricultural restructuring was an important goal, eco-friendly farming and distribution improvement emerged as policy tasks with an emphasis on food safety and quality improvement. Also, residents' income, welfare, and local development gained attention although they were relatively neglected previously. The government-led approach was replaced with collaboration among the government, producers, residents, and consumers. Against this backdrop, policy details and implementation methods were changed, too.

The distinct difference in the 2000s was a multiple of policies to promote agricultural and rural communities' public functions. As the public's interest in the environment rose, the government developed programs to enhance the functions of amenities, environmental conservation, and land preservation. Also, the government shifted its focus from convenience to a pleasant environment. For example, the government introduced the direct payment scheme for rural landscape preservation.

Another change in the 2000s was the government included urban dwellers as part of policy targets. The government intended to see the rural areas' future through their relations with cities. For example, the Agriculture Ministry excluded outsiders from its subsidies for village renovation, but decided to give them the same qualification as local residents in 2000. Besides, the government implemented projects for urban-rural exchanges and garden villages, targeting

urban residents.

The contesting approach to elicit residents' participation was a big difference in the 2000s, too. Even though the government invested a huge amount of budget, the outcome was less than expected when village capabilities were low. Therefore, the government introduced the new approach for efficiency.

Unlike the previous top-down method, project sites were now selected through evaluation of development capabilities. In 2004, the government chose sites through contests for various projects for extensive development and rural experience programs.

In the 2000s and afterward, the government implemented new programs for rural tourism, urban-rural exchanges (one company-one village exchange, one school-one village exchange), rural resource development, urban people's settlement in rural communities. Also, various programs were in operation to improve rural welfare. Concerning education, scholarships and student loans were prepared. The government also expanded medical services by installing health centers and providing medical equipment. Welfare systems improved through various subsidies for national pension premiums and medical insurance premiums, old-age pension payments, and the basic livelihood guarantee system. In addition, housework assistance, women's job opportunities, and extension programs for the elderly were part of new endeavors for rural development.

The Special Act on Life Quality Improvement, established in 2004, specified programs and methods for welfare, education, development, and the composite industry. The government also set up long-term plans for rural development and prepared investment plans for the next ten years.

The Lee Myungbak administration, launched in 2008, made two changes in rural development. First, it emphasized green growth along with its main policy

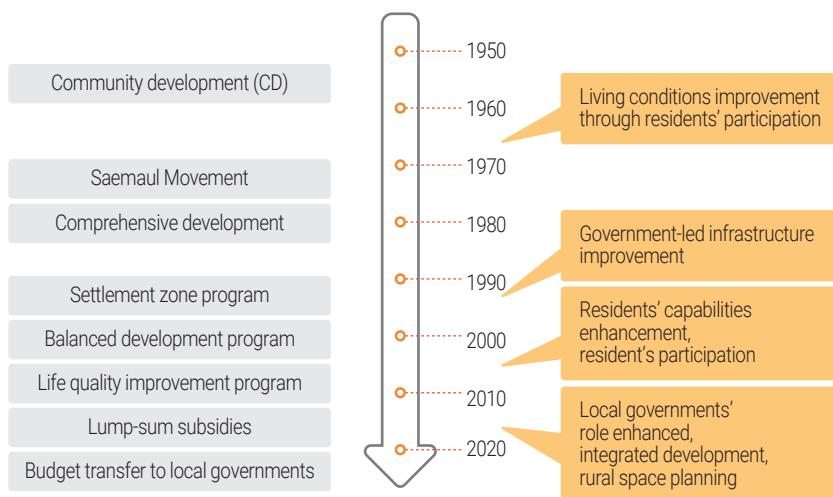
stance. For example, housing renovation applied new renewable energy sources. Second, it tried to enhance local creativity and autonomy through lump-sum subsidies. In the new approach, the central government provided subsidies, and local governments set up detailed projects.

The Park Geunhye government, launched in 2013, established the policy for happy life zones as a new frame for regional development. The new policy pursued improving residents' life quality rather than material expansion. It intended to link urban centers, rural centers (areas surrounding *eup* and *myeon* offices), and rural villages for convenient infrastructures for education, culture, and welfare and job opportunities. The linkage, created beyond administrative districts, formed smooth service flows to improve residents' life quality and policy satisfaction. The new zoning was categorized for central city areas, urban-rural consolidated areas, and rural areas. The presidential committee for balanced development prepared a guideline in November 2013, selected pilot projects in February 2014, and executed projects for living conditions renovation in March 2015.

The Moon Jaein administration, launched in 2017, focused on regulatory improvement to reduce the central government's involvement in regional development while enhancing local governments' roles. It transferred a budget of KRW 3.5 trillion to local governments in 2020. Local governments can now carry out village development projects following local conditions, while the central government focuses on invigorating rural hubs and enhancing capabilities.

In particular, the current administration is implementing a program to promote returning to rural communities. The goal is to realize pleasant rural life, improve life quality, and revitalize the circular economy and communal activities. To revamp the physical environment and raise service levels,

Figure 5-11 Changes in policy environment and rural development policies



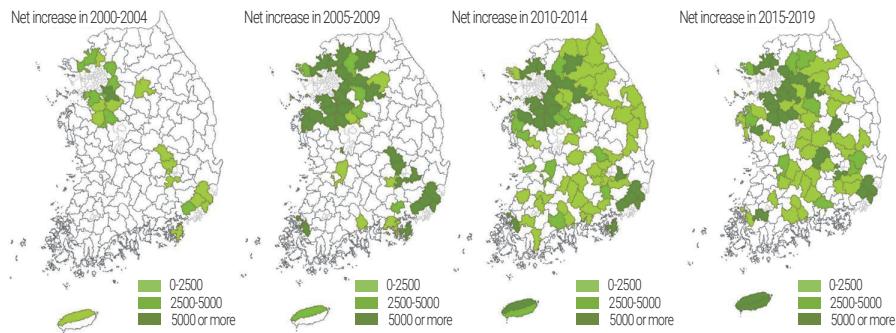
the government plans to promote rural communities' independence and capabilities. Besides, it plans to execute the rural treaty system for integrated policy implementation and devise rural space planning to create pleasant rural life.

Future Transformation and Policy Outlook

The Korean government has carried out various policies for rural development since the 1960s. Although those policies indeed contributed to improving rural conditions and increasing welfare benefits, the overall state has worsened. One example is population decline and aging, caused by a social trend of industrialization and urbanization.

However, the recent surge in urban-to-rural migration, the rural areas'

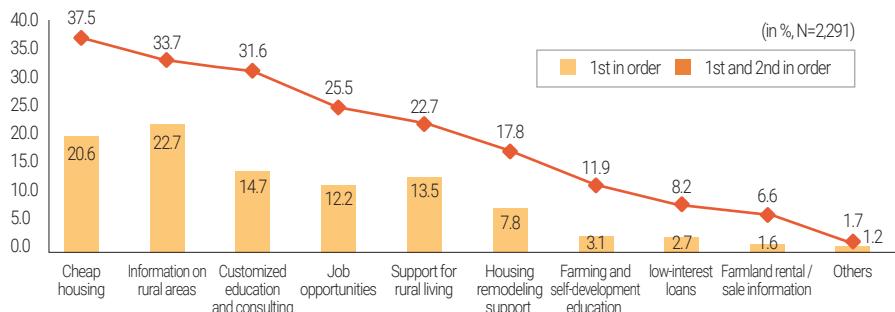
Figure 5-12 Net influx of population by city and county



pluralistic values, and new lifestyles brighten the rural outlook. According to the statistics announced by MAFRA and Statistics Korea, the population influx from cities in 2019 amounted to 460,645. Although the figure reduced from the previous year (9.4% (1,675) down for people returning to farming, 5.9% down (28,010) for people returning to rural life), there has been an increasing trend since the data collection in 2013. It is encouraging that 49.7% of the population inflow is people in their 30s or younger. Therefore, the rural policy in the future will move in a different direction. it will focus on creativeness for sustainability by prioritizing people, environmental and cultural values, In this context, rural hub revitalization, 6th industrialization, socio-economic activities will still be significant. Besides, concerning rural renewal, it is necessary to renovate unused facilities and houses and relocate livestock waste treatment facilities far from housing areas.

In the same context, it is necessary to pay attention to rural utopia for integrated policy implementation. The concept shows a possibility to remove rural problems (population decline and aging) and the national issues to satisfy people's need for happiness through rural living. To realize the concept, the

Figure 5-13 Policy supports necessary for ideal rural life



Source: Song Mi-ryung et al., 2019, *Rural Utopia for Happy Balanced Development*, KREI.

government carried out a survey in 2019. The result shows that respondents picked travels, living in natural landscapes, life balanced for farming and hobbies, and voluntary services as their bucket lists. Also, they listed cheap housing, information on rural areas, customized education, and job opportunities as necessary policy supports to fulfil their dreams.

Agricultural decline and the population concentration in metropolitan areas caused by industrialization and urbanization will remain as risk factors. However, information networks, increasing population in their retirement, high-speed transportation, lifestyle changes, and the urban-to-rural migration will bring new opportunities to rural areas. Accordingly, they will progress for settlement, recreation, and new industries, rather than farming to provide food to the table. They will become demographically diverse with the influx of people commuting to cities, returning from urban life, or visiting for weekend recreation. Besides, various industries will be created with job opportunities as the 6th industrialization proceeds.

From now on, the rural policy should focus on enriching residents' lives

through advanced services, expanding income by utilizing intangible resources such as rural amenities, and creating communities where people are satisfied with individual lives. Rural areas should offer opportunities to people in pursuit of happiness. All these ideas are in the initial stage, and the government should devise policy ideas to put them into action.