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Evaluation of
The Mini Regional Rural Development Project
Korea

by
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INTRODUCTION

The Mini Regional Rural Development project (No. 498-13-899-251) in Korea is being successfully implemented. Evaluated against its LOGFRAME this project with its Community Based Integrated Rural Development (CBIRD) method, has met or is well on the way to meeting a high proportion of its objectively verifiable indicators.

An excellent impact evaluation of this project has just been published by the International Council for Educational Development of Essex, Connecticut. This report, PLANNING FROM THE BOTTOM UP: Community Based Integrated Rural Development In South Korea, by Vincent S. R. Brandt and Ji Woong Cheong, is an in depth analysis of four of the project's six impact areas. Their study, conducted from August through October, 1978, found this to be a successful project.

Unfortunately, the draft of the Brandt-Cheong study was not available until the current evaluation was already underway. When the Brandt-Cheong study became available the implications for this evaluation were abundantly clear. Therefore, my aim became verification or refutation of the Brandt-Cheong findings, updating their statistics where possible and doing complementary economic analysis.

I generally endorse the findings of the Brandt-Cheong paper and commend their paper to the reader. The Brandt-Cheong findings appear to be currently valid and based on sound research. The insights of the authors, should stimulate discussion and even controversy. Whether or not they are controversial, the findings are indicative of what is actually occurring in Korean participatory rural development.

A caveat on the applicability of the Brandt-Cheong findings to other areas which was consistently discussed has been that working in Korea with Koreans is indeed a fortunate circumstance for those involved in any developmental activity. I can only agree with the caveat for Korea's development effort appears to the marginal observe such as myself to be noteworthy for its success. While the lever for this success has been well directed policy, the fulcrum upon which that lever rests can only have been the people of Korea themselves, whether rural or urban. However, I believe the caveat is an indicator of degree rather than an absolute limitation. Methods used in Korea with Koreans probably can be applied successfully elsewhere, albeit with particular modifications. This remains to be proved and the SCF/CDF activity in Western Sumatra may be a valuable proving ground.

The analyses discussed in this memo are admittedly crude and depend upon data gathered by SCF/CDF's very effective internal evaluation system. The data were discussed in Seoul with USAID and ROKG officials as well as Dr. Cheong. In the impact areas, I received briefings as detailed as I wished them to be by CBIRD participants. I was free to wander about and discuss activities of the program with whomever I wished but, since I do not speak Korean, it is valid to question whether or not I got correct information. I can only reply that what I was told did not conflict with what I saw in the three CBIRD areas which I chose to visit and the Brandt-Cheong findings bore out what I saw and heard. It should also be pointed out that officials of the ROKG and SCF/CDF were quite insistent about pointing out activities and projects which had not met their expectations or, in which there was a great deal more to accomplish. Thus, I did not lack for examples of things which could reasonably be criticized. But I have no reason to suspect these actions as being anything more than effective examples of self-criticism.

The SCF/CDF data may not be entirely accurate but are at least reasonably indicative of what is happening in the CBIRD areas. As to this analysis, it is meant to supplement the far more scholarly work presented in the ICED publication of the study by Drs. Brandt and Cheong. As a suggestion, I would like to see their socio-cultural study followed up in about one or two more years by an interdisciplinary team (hopefully including Drs. Brandt and Cheong) which has an institutional economist among its members. There are further valuable insights to be gained and, given the data base available, an economist could be a useful resource in ferreting them out. If this work can also be pursued in Indonesia with a similar team I believe that important lessons about methods of participatory rural development can be surfaced.

Discussion

In the six CBIRD impact areas the surveyed income per household, according to SCF/CDF and the Brandt-Cheong data, increased significantly faster than those households' share of GNP from 1975 to 1979. The differential in the indexed growth ranged from slightly over 17% in Yanggu to just under 200% on Wido Island (see Table I). This would seem to indicate that the terms of trade between these areas and the rest of the Korean economy are improving. This is consistent with the general trend in the Korean economy (see Brandt-Cheong paper) but further study is needed to determine whether or not the rates of change in the CBIRD areas differ from other rural areas. Knowledgeable observers of the Korean economy and the CBIRD program estimate that these areas are experiencing faster economic growth than surrounding rural areas and are therefore reducing the gap

between what their income was prior to the start of this program and their share of GNP. This estimate is consistent with my observations but I again state this must be proved by further study. For the purposes of this evaluation I will accept the estimate.

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In 1977 the CBIRD communities provided about 50% of the resources used in the program (see Table III). By 1979 the communities' inputs had increased by almost 80% (see Table IV) against a total resource growth of about 50% (Table IV) and comprised about 60% of total available resources. SCF/CDF resources fell from about 26% of the total in 1977 to just under 23% in 1979. In Sanbuk, the prize of the CBIRD program, community inputs are from about 44% of the total in 1977 to over 75% in 1979 when total resource availabilities more than doubled. This required the level of Sanbuk's own inputs to quadruple. The total resource availabilities under the program for Wido Island, one of the more disadvantaged of the CBIRD areas, tripled between 1977 and 1979. Wido matched that rate of growth with its own resources so that its percentage share of total inputs remains at about 50%. Jeungdo performed much like Wido and Chunsong, on the mainland, and has increased its percentage share of total inputs from just under 50% in 1977 to almost 75% in 1979. The argument that community inputs for the CBIRD activities have substantially increased both absolutely and proportionately is generally supportable.

[It should also be noted that ROKG inputs to these programs have increased by just over 10% during the 1977-1979 period. It should further be noted that the ROKG share has increased in Yanggu, Wido and Jeungdo, perhaps the more difficult of the CBIRD areas. I do not mean to imply that ROKG activities would not have occurred in these areas without CBIRD. The evidence of many years of effort by the ROKG were visible in the areas I visited. What I do suggest is that the management reports generated by the CBIRD communities with SCF/CDF assistance have allowed the ROKG to make informed judgements about how its resources can best be allocated. The results of these decisions and the SCF/CDF-assisted activities of the communities appear, at this juncture, to be positive. I would further suggest that the feedback to ROKG economic managers through these new reporting channels may also prove to have positive effects on program management. However, these are Korean reporting channels and should be expected to have impacts within the Korean value system, which are, perhaps, not readily apparent to Westerners.

Management of the SCF/CDF program has recently had several problems. The first of these stems from an apparent misunderstanding on funding which involves AID/W and USAID as well as SCF/CDF. The original documents and corresponding dialogue on the approval of this activity indicated that, based on the third year evaluation (i.e., this one) AID/W would consider the final two years of funding

if CBIRD were successful. Current policy statements have implied that there is an end of FY 1980 cutoff. AID/W clearly indicated its willingness for full funding of the activity if it were successful. It is. SCF/CDF and the CBIRD communities have based their actions on their understanding of AID/W's commitment. However, recent statements of policy have caused them considerable alarm because funding might well be cut off at a critical stage in most of the CBIRD communities.

Yet AID/W has never on any record available to me indicated that it was unwilling to meet its implied commitment if the activities were adjudged successful by the third year evaluation. AID/W's concern has been with the timing of the obligation. That obligation must occur prior to September 30, 1980. To complete the necessary steps after November, 1979, to make CBIRD areas able to cope without USG future, SCF/CDF's CBIRD program requires \$375,000. These funds can be made available during FY 1980 and should be provided.

The second of SCF/CDF's management problems is that, in the "Koreanization" of the program which is underway, it has not been able to establish a board of directors. This must be rectified.

Thirdly, for a bewilderingly wide range of stated and unstated reasons, SCF/CDF has no Korean director. Due to the issue's complexity and volatility I will not attempt to discuss it nor to assign blame. It is sufficient to say that all recognize the need for this job to be filled by a competent individual and that SCF/CDF U.S. Headquarters must pay particular attention to this and the board of director's problem. USAID should monitor this process closely and report on progress as it occurs. AID/W will have to actively assist USAID in this effort.

In addition to its problems, SCF/CDF has the opportunity to provide region wide training for its staff in Korea. It also has the responsibility to work with other Korean villages and with the ROKG's Samal Undong rural development programs in training community leaders and extension workers. In order to assure that the experience gained in CBIRD not be lost, USAID should initiate discussions with appropriate SCF/CDF and ROKG officials to institutionalize the relevant lessons. The Asia Bureau should inform its Missions of the training resource available through SCF/CDF's Korean CBIRD program. Both the mission in Indonesia, where an SCF/CDF CBIRD activity exists, and Thailand, which is initiating a rural development project, should find this resource of interest.

TABLE I
INDEXED GROWTH COMPARISON OF HOUSEHOLD GNP SHARE
& SURVEYED HOUSEHOLD INCOME BY IMPACT AREA
1975 = 100

(Based on Table II)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Chunsong				
Household GNP Share	100	134.7	169.2	219.8
Surveyed Income	100	--	121.4	248.5
Differential	--	--	- 47.8	+ 28.7
Yanggu				
Household GNP Share	100	139.8	177.8	227.1
Surveyed Income	100	--	161.6	244.4
Differential	--	--	- 16.2	+ 17.3
Sanbuk				
Household GNP Share	100	132.1	164.9	213.9
Surveyed Income	100	--	222.2	370.4
Differential	--	--	+ 57.3	+ 156.5
Wido				
Household GNP Share	100	137.0	168.7	203.3
Surveyed Income	100	--	250.0	395.2
Differential	--	--	+ 81.3	+ 191.9
Jeungdo				
Household GNP Share	100	139.0	174.5	226.8
Surveyed Income	100	--	295.5	399.8
Differential	--	--	+ 121.0	+ 173.0
Yaksan				
Household GNP Share	100	142.1	178.3	230.3
Surveyed Income	100	--	146.7	271.4
Differential	--	--	- 31.6	+ 41.1

TABLE II
GNP, POPULATION, PRICE DATA & IMPACT AREA DATA

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Korea					
GNP (billions of won) <u>1/</u>	9,080.33	13,051.35	16,652.35	22,255.73	28,376
Population (thousands) <u>1/</u>	34,679	35,860	36,436	37,021	--
GNP/Capita(won)at current price	261,839	363,953	457,030	601,165	--
GNP/Capital (won) at constant prices	426,449	514,058	582,204	673,197	--
CPI-All Cities, All Items <u>2/</u>	100	115.3	127.0	145.3	162.8
CPI-All Cities, All Items, 3/79=100	61.4	70.8	78.0	89.3	100
Chunsong					
Population	2,247	2,108	2,081	2,040	--
Household No.	406	393	388	385	--
Avg. Household size	5,534.5	5,363.9	5,363.4	5,298.7	--
Share of GNP/Household	1,449,143	1,952,196	2,451,236	3,185,393	--
Surveyed Income/Household	672,000	--	816,000	1,670,000	1,800,000
Deficit	777,143	--	1,635,236	1,515,393	--
Yanggu					
Population	5,733	5,710	5,684	5,361	--
Household No.	1,157	1,146	1,126	1,094	--
Avg. Household size	4,955.1	4,982.6	5,048	4,900.4	--
Share of GNP/Household	1,297,426	1,813,413	2,307,068	2,945,928	--
Surveyed income/Household	576,000	--	931,000	1,408,000	1,750,000
Deficit	721,427	--	1,376,067	1,537,928	--
Sanbuk					
Population	2,840	3,134 ^{3/}	3,094	2,974	--
Household No.	484	562 ^{3/}	558	544	--
Avg. Household size	5,867.8	5,576.5	5,544.8	5,466.9	--
Share of GNP/Household	1,536,411	2,029,588	2,534,141	3,286,516	--
Surveyed Income/Household	432,000	--	960,000	1,600,000	1,800,000
Deficit	1,104,411	--	1,574,141	1,686,516	--

TABLE II
GNP, POPULATION, PRICE DATA & IMPACT AREA DATA

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Wido					
Population	4,722	4,620	4,518	4,119	--
Household No.	788	782	780	776	--
Avg. Household Size	5,992.4	5,907.9	5,792.3	5,308	--
Share of GNP/Household	1,569,040	2,150,208	2,647,258	3,190,978	--
Surveyed Income/Household	392,000	--	980,000	1,549,000	1,672,000
Deficit	1,177,040	--	1,667,258	1,641,977	--
Jeungdo					
Population	7,357	6,989	6,780	6,983 ^{3/}	--
Household No.	1,226	1,165	1,130	1,178	--
Avg. Household Size	6,008.2	5,999.1	6,000.0	5,927.8	--
Share of GNP/Household	1,571,247	2,183,406	2,742,180	3,563,612	--
Surveyed Income/Household	423,000	--	1,250,000	1,691,000	1,750,000
Deficit	1,148,248	--	1,492,180	1,872,612	--
Yaksan					
Population	9,058	9,042	8,873	8,533	--
Household No.	1,514	1,478	1,452	1,422	--
Avg. Household Size	5,982.8	6,117.7	6,110.9	6,000.7	--
Share of GNP/Household	1,566,537	2,226,564	2,792,856	3,607,412	--
Surveyed Income/Household	612,000	--	898,000	1,661,000	1,910,000
Deficit	954,537	--	1,894,856	1,946,412	--

1/ Korea Statistical Yearbook (1978) and Bank of Korea Monthly Economic Statistics.

2/ Bank of Korea Monthly Economic Statistics.

3/ One village added.

TABLE III
 PERCENTAGE COMPOSITION OF FUNDING BY
 SOURCE & IMPACT AREA, 1977-1979 -- OVERALL
 (Based on Table V)

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>TOTAL</u>
Chuncong	100	100	100	100
SCF/CDF	28.4	28.1	16.6	24.5
Community	48.4	30.1	74.0	59.1
Others	23.2	15.8	9.4	16.4
Yanggu	100	100	100	100
SCF/CDF	29.7	47.0	17.1	28.0
Community	55.2	38.7	47.2	48.8
Others	13.2	14.3	35.7	23.2
Sanbuk	100	100	100	100
SCF/CDF	30.2	11.3	9.7	13.7
Community	43.7	59.2	77.5	63.9
Others	26.2	29.4	12.9	22.4
Wido	100	100	100	100
SCF/CDF	42.7	40.4	23.8	33.0
Community	50.7	48.1	50.0	49.3
Others	6.7	11.5	26.4	17.8
Jeungdo	100	100	100	100
SCF/CDF	46.8	29.8	45.8	39.8
Community	53.2	25.8	50.2	41.3
Others	0	44.4	4.0	19.0
Yaksan	100	100	100	100
SCF/CDF	12.5	32.3	32.9	24.0
Community	51.0	41.6	54.7	50.3
Others	36.5	26.1	12.5	25.7
TOTAL	100	100	100	100
SCF/CDF	25.8	26.3	22.8	24.8
Community	50.8	48.2	60.1	53.7
Others	23.3	25.4	17.2	21.6

TABLE IV
CHANGE IN FUNDING LEVELS BY IMPACT
AREA AND BY SOURCE, 1977-1979
(Based on Table V)

	<u>1977</u>	<u>1978</u>	<u>1979</u>
<u>Chuncong</u>	100	92.2	90.7
SCF/CDF	100	91.1	52.8
Community	100	57.3	138.7
Others	100	62.7	36.9
<u>Yanggu</u>	100	62.1	124.4
SCF/CDF	100	98.5	71.9
Community	100	43.5	106.4
Others	100	67.2	335.6
<u>Sanbuk</u>	100	277.6	246.3
SCF/CDF	100	104.3	79.1
Community	100	376.6	436.8
Others	100	312.5	121.0
<u>Wido</u>	100	272.1	326.1
SCF/CDF	100	257.4	181.5
Community	100	258.6	320.6
Others	100	469.9	129.66
<u>Jeungdo</u>	100	241.9	283.0
SCF/CDF	100	154.3	277.1
Community	100	117.1	267.1
Others	100	00	00
<u>Yaksan</u>	100	5.0	83.7
SCF/CDF	100	128.2	220.3
Community	100	40.5	89.7
Others	100	35.5	28.6
<u>Total</u>	100	125.8	151.2
SCF/CDF	100	128.0	133.1
Community	100	191.2	178.7
Others	100	136.8	111.4

TABLE V
FUNDING SOURCES BY IMPACT AREA IN US \$
1977-1979
 (Based on SCF/CDF Data)

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>Total</u>
<u>Chuncong</u>	<u>104.602</u>	<u>96.463</u>	<u>94.841</u>	<u>295.906</u>
SCF/CDF	29.138	17.090	15.700	72.528
Community	50.620	29.011	70.189	174.991
Others	24.244	15.191	8.952	48.387
<u>Yangu</u>	<u>153.046</u>	<u>95.081</u>	<u>190.347</u>	<u>438.474</u>
SCF/CDF	45.385	44.719	32.616	122.720
Community	84.430	36.765	89.844	214.039
Others	20.231	13.597	67.887	101.715
<u>Sanbuk</u>	<u>123.604</u>	<u>343.176</u>	<u>304.413</u>	<u>771.193</u>
SCF/CDF	37.299	38.898	29.491	105.688
Community	53.984	203.275	235.815	493.070
Others	32.321	101.003	39.107	172.431
<u>Wido</u>	<u>48.468</u>	<u>131.885</u>	<u>158.044</u>	<u>338.044</u>
SCF/CDF	20.694	53.257	37.552	111.503
Community	24.551	63.482	78.704	166.737
Others	3.223	15.146	41.788	60.157
<u>Jeungdo</u>	<u>51.803</u>	<u>125.320</u>	<u>146.619</u>	<u>323.742</u>
SCF/CDF	24.224	37.372	67.129	128.725
Community	27.579	32.304	73.670	133.543
Others	-	55.641	5.820	61.464
<u>Yaksan</u>	<u>246.466</u>	<u>122.295</u>	<u>206.335</u>	<u>575.096</u>
SCF/CDF	30.802	39.484	67.859	133.145
Community	125.718	50.887	112.762	289.367
Others	89.946	31.924	25.714	147.584
<u>Total</u>	<u>727.989</u>	<u>914.220</u>	<u>1,100.599</u>	<u>2,742.808</u>
SCF/CDF	188.142	240.820	250.347	679.309
Community	369.882	440.895	660.984	1,471.761
Others	169.965	232.505	189.268	591.738