

Is Saemaul Undong a Model for Developing Countries Today?

Paper prepared for
International Symposium in Commemoration of
the 40th Anniversary of Saemaul Undong
Hosted by the Korea Saemaul Undong Center
September 30, 2010

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In spite of rapid urbanization in most parts of the world over the past two decades, rural development remains a major challenge for developing countries in Africa, Asia and Latin America. According to a recent World Bank report, “75 percent of the world’s poor live in rural areas and most are involved in farming.”² There is also new urgency for addressing rural problems generated by population pressure on land, water and other resources, threats to the environment, climate change, and widening income disparity between rural and urban areas. National governments and international development assistance agencies are once again placing increased emphasis on rural and agricultural development as critical for reducing poverty and achieving the United Nations Millennium Development Goals. If today’s programs are to achieve their objectives they must learn lessons from the many rural development initiatives pursued over the past decades.

One of these past programs was the Saemaul Undong, or New Community Movement, initiated by President Park Chung Hee in South Korea in the early 1970s. The purpose of this paper is to examine this program for lessons that might inform today’s rural development programs in developing countries. One reason for a close look at the Saemaul Undong (SMU) is the success achieved by Korea in a relatively short time (the decade of the 1970s) in raising incomes and improving living standards in rural areas, thus narrowing the urban-rural divide. There are many examples of failure in the world of

¹ Country Representative for Korea, The Asia Foundation. This paper does not necessarily reflect the views of The Asia Foundation.

² World Bank, “Implementing Agriculture for Development: World Bank Group Agricultural Action Plan, 2010–2012,” July 2009, p. xiv.

rural development, so success certainly attracts attention and deserves to be celebrated and studied.³

Korea's Rural Transformation

There can be little doubt that living standards in rural Korea improved markedly in the decade of the 1970s. According to reliable data, farm household income increased from an average of 255,800 won in 1970 to 1,531,300 in 1979.⁴ Other indicators are the increase in consumption of modern conveniences, such as television sets and refrigerators, supported by electrification of the countryside. Underlying these improvements was increased productivity of rice farming, the major livelihood of most rural families. Average rice yields increased from 3.1 metric tons per hectare in the period 1965–71 to 4.0 tons in the period 1972–78, and the price received by farmers for their rice increased as well.⁵ As a result of these changes, absolute rural poverty declined from 27.9 percent in 1970 to 10.8 percent in 1978.⁶

This transformation of rural Korea coincided with the launching and implementation of a government initiated, nationwide, community-based, integrated rural development program, the Saemaul Undong. The “high tide” of the rural SMU was the period from its launch in 1971 until the assassination of President Park in 1979, and that period will be the primary reference for this study. What was the role of the SMU in Korea’s rural transformation in the 1970s? What role was played by contextual factors peculiar to Korea and by other policy initiatives? By examining these questions I hope to identify some lessons that may be considered in designing programs in countries that would like to achieve similar results in their own rural communities.

Korea's National Development Path

Korea’s successful economic development path followed a certain sequence that, in hindsight, may appear to have been planned, but more likely was in response to crises and opportunities. Comprehensive land reform (1948–51) was an early policy that was critical to development in the rural sector. Though land was redistributed more for political expediency (i.e., to respond to the threat of peasant unrest) than as a step in a

³ Having lived in South Korea during the 1970s, first as a Peace Corps Volunteer (1970–73) and later as Fulbright Scholar researching rural development (1976–77), I had the opportunity to observe Korea’s rural and urban areas at the height of the Saemaul Undong campaign.

⁴ Park Soo-young, “Saemaul Undong for the 21st Century,” *Journal of International Development Cooperation*, KOICA, 2008, No. 2, p. 62. (Apparently this data does not consider price inflation.)

⁵ Korean Yearbook of Agricultural and Forestry Statistics, 1979.

⁶ Park Soo-young, “Saemaul Undong,” p. 61.

planned development process, the impact on all that followed was profound. During the decade of the 1950s import substitution industrialization was the general policy with only marginal success and the countryside was more or less neglected. However, during this period the government invested heavily in human and institutional capacity building and this focus accelerated in the 1960s. After taking power in a coup d'état in 1961, President Park sought legitimacy and national strength through a policy of rapid growth in the industrial sector, but the rural areas continued to receive little attention except as a source of cheap labor for the new urban-based industries.

By 1970, when SMU was initiated, Korea's export-oriented industrial growth was on a clear upward path with rapid creation of jobs concentrated in the capital area and the southeast Yeongnam region. Between 1964 and 1970, Korea's economy as a whole grew at an overall annual rate of 10 percent, but growth in the non-agricultural sector was 14.5 percent, while growth in the agricultural sector was only 2.8 percent.⁷ There was a steady exodus from the rural villages by young women and men to work in the new factories (frequently under extremely poor conditions).⁸ The result was the beginning of an absolute decline in the rural labor force by the late 1960s. In the 1970s Korea's economy continued to expand at annual rates of over 10 percent, accelerating job creation in the industrial and service sectors and also generating public financial resources available for reinvestment.⁹

Based on this somewhat simplified sketch of the early period of Korea's economic development we can see that the de facto policy sequence was something like this:

Redistribution of wealth through land reform → Investment in human capital
→ Major investment and job creation in the industrial sector → Renewed
attention to the agricultural and rural sector through SMU and other programs.

What this means is that by the time SMU was introduced the Korean economy had already entered a period of sustained and rapid expansion. The aim of SMU and related programs was to help the rural sector to catch up by spreading improvement of living standards to the rural communities. This was important to balance economic growth among sectors, to slow the exodus to the cities, to solve a growing food supply problem,

⁷ Bank of Korea, Statistical Yearbook, 1977.

⁸ Farm population declined from 15.5 million in 1964 to 14.4 million in 1970, and then to 12.8 million in 1976. Ibid.

⁹ This sketch of Korea's economic growth is not meant to be comprehensive. Many other factors could be mentioned, including the major role played by centralized economic planning, encouragement of family-based conglomerates (*chaebol*), inflows from foreign aid, and effective use of foreign financing. Two excellent studies in English are Kim, Eun Mee, *Big Business, Strong State: Collusion and Conflict in South Korean Development, 1960–1990*, State University of New York, 1997; Woo, Jung-en, *Race to the Swift: State and Finance in Korean Industrialization*, Columbia University Press, 1991.

and to respond to rising political opposition among the rural population whose support gained through land reform had begun to erode.

Context for Korea's Rural Transformation

All development efforts take place in a particular social, economic and institutional context. In the case of Korea, SMU was implemented in a context where a number of factors were favorable to success, though success was by no means guaranteed.

- *Relatively egalitarian rural sector:* South Korea is one of the few countries in the post-World War II era to have experienced a comprehensive, radical and generally peaceful redistribution of wealth through a land-to-the-tiller land reform. The circumstances that allowed this revolutionary shift in a country where land was still the primary basis of wealth were extraordinary. The first step, in 1948, was distribution of lands confiscated from Japanese colonial landlords, carried out while South Korea was under United States military occupation. Land redistribution affecting the rest of the rural sector was implemented in 1951, after North Korea's invasion and occupation of much of the South was repulsed. The socio-economic impact was profound, transforming rural Korea from a landlord-dominated economy and social structure to a relatively egalitarian rural society characterized by small-farm owners and few landless households. One result was to bring political stability to the rural areas during the 1950s and 60s, allowing the government to turn its attention to promoting development of the industrial sector.
- *Socially integrated rural communities:* In addition to the economic leveling resulting from land reform, most Korean villages have long been characterized by tight social bonds based on the concept of common home place (*gohyang*) and frequently common family lineages (*dongjok*). Villages traditionally selected their own leaders, held meetings to settle problems, and organized mutual aid societies (*gye*) as well as cooperative work teams (*dure, pumassi*) for rice transplanting, harvesting and village projects.¹⁰
- *Declining farm population:* Migration from rural to urban areas accelerated in the 1960s as President Park's industrialization drive created new jobs, and a serious family planning program was implemented to slow the post-war population surge.

¹⁰ See my paper on this topic presented at the first international conference on the Saemaul Undong, in December 1980. Edward P. Reed, "Village Cooperation and the Saemaul Movement: Perspectives from a Case Study," in Man-Gap Lee, ed., *Toward a New Community Live: Reports for International Research Seminar on the Saemaul Movement*, Institute of Saemaul Undong Studies, Seoul National University, 1981, pp. 273-296.

As a result, population pressure on rural land was decreasing by the start of the SMU, and by the middle of the decade rural labor scarcity was beginning to be a problem.

- *Strong agricultural support institutions:* During the 1950s and 60s, with substantial assistance from the U.S. and other donors, Korea built up an impressive and effective agricultural research and rural extension service. Also, a government-sponsored cooperative, *Nonghyeop*, was established with near-universal farmer membership that effectively provided credit, sold inputs, and purchased the bulk of agricultural production at prices established by the government.
- *Effective authoritarian governance:* Korea has a long history of strong, centralized administration with direct and effective control over local government units. Under President Park this administrative system was streamlined and mobilized at every level for implementation of development policies. Though Park's rule was increasingly authoritarian, public administration was largely effective, free of major corruption, with promotion based on performance. For implementing SMU, appointed civil servants at the county (*gun*) and sub-county (*myeon*) levels became the frontline agents of change.¹¹
- *Near-universal literacy:* In the 1950s and 60s, Korea made major investments in primary education, so that by 1970 the literacy rate, even among the rural adult population, was high. For this reason Korean farmers, especially the younger generation, were prepared to participate in development projects and accept technical innovations.

Korea's Rural Development Policy, 1960s and 1970s

The Korean rural sector was relatively neglected during the 1960s when President Park's focus was on accelerating industrialization making use of cheap labor and low food prices. Nevertheless, a number of important programs and investments were made in the agricultural sector during this decade, with the support of development assistance from the United States and other countries, creating favorable preconditions for rural development. Perhaps the most important early investment was the creation and expansion of the agricultural research and extension service based in Suwon. Also, there

¹¹ See Larry L. Burmeister, "State, Industrialization and Agricultural Policy in Korea," *Development and Change*. Vol. 21, no. 2 (April 1990), pp. 197-223.

were investments in irrigation systems and marketing facilities. Nevertheless, rural incomes remained stagnant and young people continued to pour into the cities.

In 1971, with industrial development forging ahead, President Park decided to direct major new attention to rural development.¹² In the Third Five-Year Economic Development Plan (1972–76) investment in agriculture was greatly increased. Ongoing programs were accelerated and new programs introduced. During the 1970s major investments were made in expanding irrigation, consolidating rice paddies to allow for later mechanization, rapidly introducing new hybrid rice varieties, increasing use of fertilizer and other chemical inputs, rural electrification, and expanding transportation networks. Probably the most important policy change was to adjust the terms of trade to favor the agricultural sector by increasing the government purchase price of rice and protecting the agricultural sector from cheaper imports.

The net effect of these policies was a steady increase in rural incomes through the 1970s to the point that farm household income more or less matched that of urban worker households.¹³ Studies at the time showed that the most important factors in increasing average rural incomes were (1) the favorable rice pricing policy; (2) increased rice yields using new hybrid seeds; and (3) smaller household size due to rapid out-migration from the rural sector.¹⁴

The essential point is that Korea's rural development success took place in the context of a rapidly expanding economy that created rapid job growth outside of agriculture and allowed large-scale government investments in the rural sector through pricing policy, new technology and infrastructure. So, what was the role of Saemaul Undong in this success story and what can other countries learn from Korea's experience?

The Role of Saemaul Undong

When analyzing the Saemaul Undong experience there are two important clarifications to make. *The first is the scope of the program.* SMU began as a rather conventional integrated community development program with the aim of improving the physical environment of villages, introducing new attitudes and skills, and increasing incomes

¹² There are clear indications that Park was at least partly motivated by growing dissatisfaction in the rural areas and urban slums, as reflected in his narrow victory over Kim Dae-jung in the election of 1970. A positive way to view this is that Park was responding to sentiment expressed through a democratic process.

¹³ Park Soo-young, "Saemaul Undong, p. 62. By 1979, this trend stalled and the gap between rural and urban worker incomes again opened but remained at a modest level.

¹⁴ See Mason, Edward S., et al. *The Economic and Social Modernization of the Republic of Korea*. Harvard College, 1980. This landmark work on Korea's rapid development period was a major project of the Korean Development Institute and Harvard University.

through small-scale self-help projects introduced by government agents and implemented through village cooperation. However, seeing the early positive response by villagers, President Park realized that SMU could become the rallying cry for mobilizing not only the farmers but also the bureaucracy and the entire population to focus attention on the rural areas. In this way the definition of Saemaul Undong expanded beyond the community level program to encompass the entire spectrum of the government's rural development policies and programs, including the income-increasing policy initiatives outlined above.

If the definition of SMU is restricted to that of a village-level community development program promoting self-help, hard work and cooperation, we might conclude that its impact was limited. Village-level projects to change farmhouse roofs from thatch to galvanized iron, to straighten village lanes, clear irrigation canals, and start small-scale income generating projects taken alone could not account for the significant income increases that were achieved. Similar programs earlier in Korea and community development (CD) programs in other countries have had limited sustained impact.¹⁵ However, if we define SMU as Korea's entire program for accelerating agricultural and rural development in the 1970s then we can claim that SMU was a great success.

A second point that needs emphasis is that SMU's success was built on the ironic combination of cooperation at the village level with mobilization and direction from an authoritarian government. Given the political system of Korea at that time, no village could refuse to participate in the SMU program, even if the immediate benefits were not clear to them. On the other hand, the village-level process and its success was largely attributable to the cooperative ethos and patterns that characterized Korean village life. Not only was every level of government involved in promoting SMU, an entire parallel bureaucracy was created to ensure that plans made at the national level were communicated from the President down to the local level. This structure was also used to build a kind of personality cult around President Park. But at the village level the traditional forms of cooperation and the roughly egalitarian social structure ensured that these pressures were buffered and translated into collective action through traditional forms of community cooperation.¹⁶

Therefore, Saemaul Undong was a national campaign that positively branded the government's major program of rural modernization and development and mobilized every village, and nearly every villager, in Korea to participate. But this was not superficial political dressing. In fact, Saemaul Undong contributed additional and

¹⁵ Ghazala Mansuri and Vijayendra Rao, "Community-based and -driven Development: A Critical Review," *World Bank Research Observer*, (2004) 19 (1): 1–39. To access the Working Paper: <http://www.cultureandpublicaction.org/bijupdf/CDDFinalWorkingPaper.pdf>.

¹⁶ Vincent S.R. Brandt, "Value and Attitude Change and the Saemaul Movement," in Man-Gap Lee, ed., *Toward a New Community Life ...*, pp. 483–507.

probably essential ingredients that enabled Korea's rural sector to advance so rapidly.¹⁷ Among these ingredients:

- *Positive political and social environment:* President Park and his team made Saemaul Undong the flagship campaign for Korea in the 1970s. Through brilliant branding and marketing, the entire population—urban and rural—was rallied to the cause of rural development. Farmers joined the CEOs of export industries as heroes in the drive for national development. Greater prestige was awarded to farmers and rural communities, bringing them into the march to modernization. The age-old bias against agriculture as a respectable profession was, if not reversed, at least blunted. This was not only important for rallying the spirit of the farmers but also for justifying the investments in the rural areas that city-dwellers were financing.
- *New farmer-government relationship:* In Korea, as in most other traditional agricultural societies, rural communities and farmers found themselves at the bottom of a multi-layered administrative bureaucracy. Policies and targets (for harvests, taxes) were established at the top and passed down through the command chain until they reached the villages in the form of local officials, grain brokers and tax collectors. While Saemaul Undong did not break this chain, it created new incentives based on actual results at the village level against which local officials were evaluated. This encouraged more of a cooperative relationship between local officials and farming communities, and required officials to listen and respond to the needs of farmers if they were to achieve the goals set for them.
- *New village leadership:* Korean villages had always selected their own *rijang* (village chief) through informal processes, but tradition usually dictated that leadership go to an elder of the dominant clan—even after land reform. These traditional leaders were usually skilled in resolving disputes and negotiating with higher authorities. Saemaul Undong did not challenge these traditional leaders. Rather, it created a new cohort of younger and development-oriented leaders who served as change agents in the villages. The new leaders were identified by the county officials based on a set of educational and performance criteria, and then endorsed by the *rijang* and traditional leaders. The Saemaul leader was enrolled in a special program of ideological, practical and leadership training at the national Saemaul Leadership Training Center. He (almost always a male) then became the

¹⁷ SMU shares some common characteristics with other government-led mass mobilization campaigns, such as the Ujamaa Movement in Tanzania, the early Indian Community Development program, and the “Learn from Dazhai” campaign in China; some aspects even recall the late 1950s Chollima Movement in North Korea. But in the case of SMU restraint on the part of the national leadership, feedback loops from the villages, genuine benefits to the participants, and the context of an open market-based economic system limited excesses and led to positive results.

focal point for introducing all government development initiatives at the village level.

- *Enhanced economic role of women:* The Saemaul package included the creation (or strengthening) of Mother's Clubs (*Eomeoni-hoi*) in every village. With the guidance and support of a special government unit, women were encouraged to initiate small-scale income generating projects, increase savings, reduce spending on traditional ceremonies, and more actively participate in village decision-making. Endorsement by the President of the important role of women in village economic life was an important and lasting contribution of the SMU.
- *Development-oriented cooperation:* As noted earlier, long before Saemaul Undong was introduced, most Korean villages were characterized by a high degree of cooperation. SMU built on this cooperative tradition and directed it into development-oriented projects that built new village infrastructure, invested in micro-enterprises, facilitated introduction of new farming technologies, and increased savings rates through the Saemaul *Geumgo* or village bank. So, cooperation as a means of coping with rural life became cooperation for transforming rural life.

In summary, most of the Korean government's initiatives for improving agricultural productivity and increasing rural incomes could have been implemented without a Saemaul Undong. But would they have achieved the success and rapid impact that actually occurred in rural Korea? Probably not. Saemaul Undong wrapped the entire effort to transform the rural areas economically and socially in an ubiquitous national movement under the personal leadership of President Park. The all-encompassing movement put agriculture at the center of the drive for modernization (along with industrialization), mobilized the bureaucracy, raised the status of village life and farming as a profession, and enlisted the entire nation in the campaign. Without the massive investments in rural development, Saemaul Undong would have remained an interesting but not a transformative program; but without Saemaul Undong Korea's investments in agriculture would not have yielded the spectacular results that were actually achieved.

Lessons for Today's Developing Countries

Saemaul Undong cannot be considered a model for other countries, if by model we mean a package that can be transferred more or less intact to a different context with the expectation of similar results. Nevertheless, other countries can learn important lessons from the early Saemaul Undong experience.

There are two important points to consider in applying lessons from SMU: *the local context* and the *level of program intervention*.

Although many of today's developing countries share some of the characteristics of Korea in the 1960s and 70s, most reflect a very different rural, national and international environment. There are few that have the advantages that Korea enjoyed at the launch of the Saemaul Undong. Many rural areas are characterized by concentrated land ownership and high rates of tenancy, creating wide disparities in income and concentration of political power, frequently linked to influence at the national level. Weak governance is often a problem at both national and local levels. The population of many poor countries continues to grow, creating pressures on land, water and other resources, and creating a large and growing population of landless workers. Few developing countries have the financial and technical resources to pump investment into the agricultural sector in support of a community development program. And in many countries there are already rural development programs of one kind or another that might be strengthened rather than introducing an entirely new program. So the first step is to study and understand the local economic, social and political context, and support local efforts to address the most pressing constraints to improving living standards.

Saemaul Undong flew with two wings. One wing was a comprehensive, nationwide agricultural and rural development program aggressively pushed by a powerful government and backed by major resources. The other wing was mobilization of cooperation at the village level to enable farmers to participate in and benefit from the program. In countries where the government is prepared to embrace this comprehensive approach, linking national programs with local mobilization, results similar to those achieved in Korea might be expected. However, introducing only the village-level aspects of the SMU in selected locations may yield some short-term local improvements, but without the links to national supporting programs and investments, the level of change seen in Korea would be unlikely.

Nevertheless, there are some clear lessons that emerge from Korea's extraordinary rural transformation and the Saemaul Undong. I would offer a few general principles for consideration based on Korea's experience:

- **Create the foundations for rural development:**
 - Invest early and consistently in rural education and health programs that help create the human capital that will be capable of taking advantage of new economic opportunities.
 - Strengthen the capacity of local governance institutions to plan and administer national policies and programs at the local level.

- Invest in agricultural research capacity and extension services that test and introduce appropriate technologies and cropping systems for increased productivity and more market-responsive agriculture.
- Create institutions and infrastructure to support the rural economy, including finance, processing, storage, transport, communication, etc.
- **Cultivate strong leadership skills:**
 - Encourage and support strong national-level leadership with a commitment to sustained improvements in the rural sector. Not every country can expect a Park Chung Hee to emerge, but champions within the government can be identified and supported.
 - Create a program to identify and train a cohort of village-level change agents and support them with continuing education and resources linked to the extension service.
 - Organize study trips for national and village-level leaders together to travel to other regions or other countries to observe best practices in rural and community development.
 - Support the empowerment of rural women to play leadership roles in the local economy.
- **Enact national policies that favor the rural sector:**
 - Integrate rural development as a high priority into the national economic development plan.
 - Implement farm input marketing and product procurement through pricing mechanisms that create incentives for production and support rising farm incomes.
 - Promote decentralized industrial development to expand non-farm employment opportunities in rural areas.
- **Add the special ingredient, the Saemaul Spirit:**
 - Inaugurate and sustain a national campaign that places farmers at the center of the drive for national strength and development. Cultivate the universal belief that “farmers are the foundation of the nation.”

- Actively engage villagers in planning and implementing community projects by starting with their priorities and supporting them with needed resources.
- Reward rural communities that are successful with more resources and investment; raise them up as models for the country.
- Reward local officials and bureaucrats based on the evaluation by villages in their jurisdiction.

Conclusion

Saemaul Undong has become a national brand in Korea's program for sharing its own development experience with other countries. Governments and local leaders from countries in Asia, Africa and Latin America have expressed interest in learning how Korea's countryside was transformed so rapidly in the early period of Korea's development. The Saemaul Undong Center has responded with well organized training programs that tell the story of SMU and encourage leaders to initiate similar programs in their own countries, frequently using the same symbols, songs and slogans of the original SMU. In some cases the Center has provided technical assistance and start-up capital to help village programs get off the ground. These programs are obviously playing an important role.

However, the Saemaul Undong should not be taught as a transplant-ready model to be replicated in other countries. Rather, Korea's comprehensive rural development experience, including the role of Saemaul Undong, should be shared and studied. Based on an understanding of Korea's historical context and development approach, leaders from today's developing countries can draw general lessons and principles that they assess as relevant to their own situations. Rural development programs are not new in most developing countries. Other countries are not starting from a clean slate. It is important to understand and, where possible, build on indigenous efforts.

There is much that developing countries can learn by studying Korea's rural development experience. Perhaps the most important lesson is the importance of the larger context within which the SMU was implemented. Other countries and communities have different histories and face different constraints, and leaders must adapt the SMU approach to their own situations. Another lesson is that sustainable, widespread improvements depend on leadership, action and investments at both the national level and the community level. In countries with committed national leadership, Korea can provide assistance in planning nationwide programs for accelerating rural development, in

coordination with KOICA and other ODA programs. The Saemaul Undong Center can support the creation or strengthening of national rural development training centers, similar to the Saemaul Leadership Training Center created by President Park.

In countries with weak governance a bottom-up approach may be more appropriate. In this case Korea can identify, train and support civil society leaders who are passionate about improving rural communities in their country and who can inspire a growing movement. The SMU Center has already trained hundreds of such potential leaders. Initial results may be limited to a few target communities and sustainability may be a challenge. Programs are needed to provide follow-up support to assist these leaders in creating self-reliant national movements that can apply the lessons of Korea's experience to nationwide rural development.

Sharing the Saemaul experience, like all development cooperation, should be a mutual learning experience. Korean leaders have the Saemaul experience and spirit as well as resources and are ready to share these. Armed with deep knowledge of the history and context of other countries, they can offer effective support. Leaders in developing countries have their own experience, as well as commitment, local knowledge and the courage to innovate in difficult circumstances. They can study Korea's experience and adapt it to their own situation. In this way, both Koreans and their partners in developing countries continue a mutual learning process, inspired by the success of Saemaul Undong.