

END-OF-TOUR REPORTName: Kenneth H. SherperJob Title: Rural Development Advisor
Chongju, Chungchong PuktoCountry of Assignment: KoreaTour of Duty Began: June 26, 1968Tour of Duty Ended: June 28, 1968Project Activity (Name and No.): Rural Development Policy Planning and Survey -
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A. Summary

During this tour this advisor has been assigned to two different duty posts and this summary will relate to each assignment individually. However, due to similarities in the nature and objectives of the activities, the body of the report will combine the results of findings throughout the tour. The initial duty post was at Pusan, where work involved Kyongsang Namdo and Cheju-do as well as the City of Pusan. Following the permanent assignment of a USOM advisor to Cheju-do in January, 1967, work was discontinued with that province. Of the eighteen months in Pusan, eight were as Assistant Rural Development Officer and ten months as Acting Rural Development Officer. The last six months of this tour the employee was located in Chungchong Pukto as the only USOM employee in the province.

The duty post in Pusan is unique in scope and diversity because the advisory operations entailed working with the Special City of Pusan as well as two provinces as previously mentioned. Pusan is the second largest city in Korea, with a population of nearly 1.5 million, where rural development efforts were limited mostly to the PL-480 Title II program and improvement of the dairy industry. However, assistance was provided as a liaison between Pusan City and USOM and other private agencies to coordinate activities in development of industry, urban planning, health and education. In addition, considerable time was expended in preparation of itineraries, scheduling contacts and providing logistical services for dignitaries such as Ambassadors, Department of State officials, USDA and AID/Washington officials,

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USOM/Korea officials, international banking representatives and other foreign guests. Many prominent persons visited Pusan because it is the largest port city in the country and there is a great deal of large industry in the area as well as being easily accessible by various means of transportation.

During the six-month period working with officials on Cheju-do, most endeavors were directed toward specific programs such as fisheries development, establishment of pasture and livestock development in addition to assistance in planning the provincial PL-480 Title II program and acquisition of United States military excess property.

Kyongsang Nando is the fourth largest province, both in area and population, and the majority of time and effort by the advisor was concentrated on this province the duration of his assignment to Pusan. Major activities have been in providing technical advisory services in a wide range of areas relating to rural development, such as land reclamation and development, agronomic practices, rural guidance, conservation, rural credit, fisheries development, improvement of livestock and agricultural research. Particular emphasis was placed on assisting the economic feasibility determination, budget analysis, policy discussion, program evaluation and recommendations for initiating new rural development projects. Other duties involved planning the PL-400 Title II program and monitoring various types of AID assistance. In addition, provincial data and information was collected and evaluated and then submitted to USOM/Seoul for overall assessment of the rural development program. It is apparent that working in two widely separated provinces and a major city, time did not permit the advisor to achieve all the desired results anticipated; therefore, it was necessary to be content to allocate efforts to the principal and current activities.

Chungchong Pukto is approximately one-half the size of Kyongsang Nando and has very few large industries or fishery projects. Consequently, it was possible to become more deeply knowledgeable about the rural development programs. The major undertakings of the provincial government were development of sericulture, intensive assistance to thirty-seven pilot agri-business villages and reclamation of a 30,000 hectare upland development project. These projects and others are specifically aimed at increasing the income of rural residents. Particular assistance was provided

in determining the priority projects and use of the limited national subsidy and provincial budget. Other advisory aid was similar to that in Kyongsang Namdo, exclusive of fisheries, but adapted to the Chungchong Pukto situation. The basic statistical data of Korea and the four areas in which the advisor worked is provided in the table attached to this report in order to compare the scope of his activities.

The provincial rural development programs are necessarily within the framework of national policies and the Second Five-Year Plan. Korea is advancing at a rate where it is necessary to shift the role and direction of the provincial advisor. It is a logical natural evolution that the advisor should increase assistance in areas of program planning, policy and administration and correspondingly decrease his inputs in specific technical aid. During this tour the advisor has guided his work according to this formula in order to effectuate his influence over the broad rural development programs.

Primarily, assistance was transmitted through contacts made on a bilateral basis between the advisor and the governor, bureau chiefs, section chiefs or other agency heads such as the Provincial Office of Rural Development (KORD), provincial branch of the National Agricultural Cooperative Federation (NACF) or provincial branch of the Union of Land Improvement Association (ULIA). Close liaison was maintained with the provincial governments by attending regular weekly or bi-weekly staff meetings with the governor, bureau chiefs and other agency chiefs. These meetings provided an opportunity for the advisor to make comments and remain currently informed on all major activities of the provincial government. Frequent visits were made to rural areas to observe on-going development projects and to hold discussions with gun (county) or myon (township) officials. Subject matter specialists from USOM/RDD were consulted regarding problems and information on technical matters. Their knowledge and advice were invaluable in assisting the advisor to effectively carry out his work.

The advisor was fortunate to enjoy good rapport and close personal relationships with nearly all the officials with whom he worked, especially in Kyongsang Namdo and Chungchong Pukto. This resulted in mutual cooperation and good receptiveness to the advisor's suggestions and recommendations.

B. Existing Differences Between United States and Republic of Korea Practices and Adaptations Attempted

1. The capability and quick adaptability of the technical skills by the Korean people is widely acknowledged. However, there are some deficiencies in the methods of selection of programs and in consideration of the factors involved in planning projects, which is very important in directing their abilities into the most productive channels. Generally, the project planning procedures are more realistic and more refined in the United States. In Korea there is a great shortage of capital from the private sector as well as insufficient government budgetary allowances to carry out needed agricultural reform and development programs, which creates considerable pressure on the capital that is available. The result is that decisions are often influenced strongly by factors other than sound technical and economic considerations.

Largely due to the efforts of USOM/Seoul, there is now a realization in the ROKG of the necessity to increase the efficiency of its limited resources by more careful selection of development projects, even though the choice is still often not made on a solid economic basis. Due to the hierarchal method of implementation of programs, the provincial governments and gun governments often abandon their present decision-making procedures in lieu of other expeditious ways or external pressures. It is obvious that this problem cannot be solved until more capital is available to the rural sector. However, an attempt was made to reduce gross misallocations by convincing provincial officials in both Kyongsang Namdo and Chungchong Pukto of the need for a more accurate and improved method for determination of economic feasibility of projects. The procedure developed by Dr. Rufus Hughes using internal rate of return was promoted and some provincial officials were trained at USOM/Seoul and others instructed within the province on the use of the method. The procedure has not been widely accepted because it requires complete and accurate historical data which is not yet available and the concerned ministries require a different type of benefit/cost calculation. It is the opinion of this advisor that acceptance at all levels of government of a common, accurate and adequate procedure for analysis of the economic feasibility of development projects would create an overriding affect on the determination of preferences for projects. It could be used to produce prevailing evidence for the priority of projects that could only be disputed with strong justification.

2. Another difficulty in planning of projects has been the failure to consider the influence of external factors on projects, especially on a long-term basis. For example, reservoirs are constructed without concern for the eroding hills above them that will silt the reservoirs in a few years, or mountains are reforested with little thought to the species of trees that are most adaptable to that particular soil or the utilization of the wood products. The type of comprehensive planning that is necessary for efficient use of inputs, quality results and sustained growth is often lacking. The tendency to use the single project approach on the local level is due to lack of funds, a desire to assist many small localities and the sense of urgency to show some tangible results by rapid completion of a project. In addition, many officials lack experience in undertaking major projects and are reticent to attempt them in case they are unsuccessful. This advisor has encouraged comprehensive development projects on a watershed basis and has noted a marked increase in interest in planning of this nature. Kyongsang Nando has implemented a mountainside development program on 80,000 hectares that has taken into account most factors of comprehensive planning, including suitability of field crops, vegetables, orchards, forest and pasture to specific soil, topographic and climatic conditions. Even though the program was not planned on a watershed basis, it will make use of large areas of untapped resources and is a step toward comprehensive planning. In Chungchong Pukto the 30,000 hectare Unjin area is being planned on a completely comprehensive basis, including water resources, soil analyses and crop adaptability. However, several other areas have been selected for the intensive production of one crop without consideration for suitability of the crop throughout the entire area or insufficient and incomplete data. Sometimes geographical location is the only basis used which results in reduced yields or failure, such as mushroom production in Umsong Gun. Most intensive production areas have not been comprehensively planned in terms of external factors or other alternatives.
3. A major overall objective of the ROKG is to increase the disposable income of farm families and establish parallel growth in the rural and urban sectors. Despite the high annual economic growth rate in agriculture of 8.3 percent during the First Five-Year Plan, the industrial growth rate was 13.5 percent which resulted in a widening gap of economic well-being between rural and urban dwellers. There

have been many approaches to assist the farmers and equalize the growth of incomes in both sectors. Promotion of sideline jobs to increase cash income has met with some success particularly for the marginal farmers and fishermen. Establishment of agri-business intensive areas was done through production of appropriate crops or livestock and utilization of available raw materials in locations that had a comparative advantage in such products. Sericulture production in Chongwon Gun, Chungchong Pukto and vegetable production in Kimhae Gun, Kyongsang Nampo are successful results of such endeavors. Formation of cottage industries, such as handicrafts and other agriculturally-related industries, has resulted in scattered benefits, but has lacked the organizational structure to give it the impetus it needs. Cooperative farming is being experimented with in Chungchong Pukto on a substantial scale and there are indications it may have some good potential for production of specialty crops.

However, it is the opinion of this advisor that the prime efforts of the provincial government should be directed toward improving the basic production factors in order to increase the income of rural people. This can be done by implementing policies to increase the size of the farm unit and reducing production costs to a competitive level by improved farm management and efficiency of operation. As a primary requisite, accurate historical data and information is required on an individual farm unit basis. This should be done by initiation of simple farm records in which the farmer participates in the recording and analysis. Particular emphasis should be given to the use of supervised farm credit tailored to the needs of individuals, application of fertilizer and lime in adequate quantities and combinations of suitable types, use of improved seed varieties, development of water resources, improvement of agronomic practices and careful consideration of marketing of specialty crop products. All of these important areas relating to the basic production factors have received considerable attention from the advisor. Substantial progress is evident in each area, but there is a large gap between what is known to be advantageous and what is actually practiced. This gap is not a result of non-acceptance of new innovations due to traditional concepts. Most Korean farmers are highly susceptible to change if they can be shown an economic advantage, even in Chungchong Pukto which is one of the most conservative and traditional areas in the country. The difficulty lies in transmittal of knowledge to the farmers.

4. The important link between the knowledge learned by sound research and implementation of an agricultural practice is essentially dependent upon the guidance organization of PORD. Unfortunately, the organization has several weaknesses. The guidance workers are instrumental as key catalysts in promotion and evaluation of projects and practices, but they are often undertrained, underpaid and overworked. In addition, they do not have adequate transportation to make contacts and hold meetings and lack funds for audio-visual materials, demonstrations and rallies. The result is reduced initiative and morale. Primarily due to the efforts of USOM in Seoul, Suwon and the provinces, the problems have been realized by the ROKG and efforts have been made to correct them. Two salary increases have been made during the past two years, printed publications are more widely used and equipment for transportation and audio-visual use has been purchased. Training centers have been constructed for lay-leaders as well as guidance workers, but the quality of instruction is very inadequate. An awareness of the necessity to upgrade instruction has been planted by the USOM agricultural training advisor through provincial workshops on teaching methods, but the full impact has not yet been realized. Improvement of the guidance organization has been and will remain an important area of concentration for USOM advisors. Coordinated supplemental assistance to the guidance program should be made through the village amplifying systems as a means to disseminate information on the rural development programs. The amplifying network has been installed in nearly every village of Kyongsang Namdo, yet the programming is poor, resulting in very little effectiveness.
5. The administration of local government is a key factor in the implementation of rural development programs. The local governments are well organized, but are sometimes inefficient in carrying out their responsibilities. A basic problem is that officials often desire to retain as much control over funds, information and knowledge as possible for purposes of prestige and authority. In addition, there is a lack of cooperation among government and quasi-government agencies and coordination with private agencies, all concerned with a common program. Effectiveness of administration to achieve goals could be greatly improved by use of committees to coordinate activities. An example has been the establishment of a provincial sericulture committee in Chungchong Pukto with representatives from the Sericulture Association, Provincial Government Sericulture Section, NACF Special Sericulture Cooperative, Chung Puk College, PORD and the two silk factories.

The monthly meeting of all major government and private agency chiefs is also an important organization for the coordination of programs. There are some deficiencies in the conducting of committee meetings, staff meetings and discussions. Most gatherings tend to be an educational dissemination of instructions from higher officials rather than an exchange of ideas and suggestions. The use of modern evaluation techniques as a tool to improve programs is virtually foreign to most officials. The in-service training programs could greatly assist in extending some of these principles to government employees involved in planning. Another approach to removing some of the kinks in the administrative structure would be more widespread local autonomy. The provincial Rural Development Council has the roots of local autonomy as it allows the farmers and rural leaders to voice their opinions. But it is insufficient and this situation will only be changed by national policies permitting the rural people to select their own leaders and give them the authority to petition higher officials regarding their needs. Only through reciprocal exchanges can true democratic principles be effected and the government administration responsive to the requirements of the rural people.

The advisor has not limited his efforts to the topics discussed in this report, but they were the major areas of concern because it is felt the greatest impact could be made on these shortcomings in the rural development program. There is also a substantive contrast between these practices and those in the United States in many cases; however, changes are prevalent and they are rapid.

C. Future Measures and Directions for United States Activities

The advisor believes that the activities of USOM provincial advisors in the future should concentrate on maintaining continued and renewed emphasis on the areas discussed in this report that have not been successfully or completely implemented. Most aspects of the subjects have been reviewed in detail including specific recommendations; therefore, those presented here are only as a concluding summary.

1. Selection of priority projects on sound economic principles.
2. Comprehensive planning of development projects.
3. Major efforts on increasing farm income through improvement of basic production factors.
4. Upgrading the guidance organization.
5. Improvement of local government administration.

In Korea there is not a dearth of basic knowledge or lack of capable and motivated personnel to successfully carry out rural development programs. The role of the provincial advisor during the next two to three years should be that of assisting in the sophistication of procedures and refinement of implementation machinery to achieve the objective of sustained economic growth. His contribution will have a definite stabilizing influence on local government and its significance should not be underestimated.

BASIC STATISTICAL DATA BY PROVINCE

	KYONG NAM	PUSAN	CHUNG PUK	CHEJU	KOREA
Population	3,177,551	1,429,726	1,550,475	330,694	29,208,000
Farm Population	2,263,082 (71.2%)	80,486 (4.2%)	1,111,150 (71.7%)	255,113 (75.8%)	15,780,706 (54.4%)
Total Land Area (Km ²)	11,947.01	373.23	7,438.64	1,819.57	98,477.48
Total Arable Land (ha)	274,111.5	6,039.2	175,478.4	40,147.7	2,312,187.0
Paddy Field	180,091.8 (65.9%)	3,940.1 (65.3%)	78,130.2 (44.5%)	1,077.1 (2.2%)	1,297,838.0 (56.1%)
Upland	93,419.9 (34.1%)	2,098.1 (34.7%)	97,348.2 (55.5%)	48,070.6 (97.8%)	1,014,349.0 (43.9%)
No. of Households	554,789	267,980	256,978	73,547	5,118,053
No. of Farm Households	338,594 (60.9%)	10,052 (3.8%)	170,213 (66.3%)	56,336 (76.5%)	2,540,274 (49.6%)
No. of Cities	8	-	2	1	30
No. of Guns	20	6 (Guns)	10	2	139Guns-20Guns
No. of Sups	12	-	5	3	91
No. of Myons	215	-	99	10	1,376

Data compiled from the 1967 Yearbook of Agriculture published by the Ministry of Agriculture and Forestry.