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KOREAN AGRICULTURAL PLANNING PROJECT
FINAL REPORT
1974 - 1977

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A Joint Project of
The Ministry of Agriculture and Fisheries
Republic of Korea
Seoul, Korea
and
Michigan State University
East Lansing, Michigan

December 31, 1977

Preface

This end-of-project report for the Korean Agricultural Planning Project takes a somewhat different perspective than most such reports. We do not detail, in any comprehensive way, the achievements and successes of the project. These, in the final analysis, can only be inferred from what happens to the quality and process of Korean agricultural sector planning and policy analysis over the next several years. Even the list of published output from the project is incomplete in that much of the written output, the verbal communication in discussions, conversations, and workshops, and the interaction among government officials and between them and nongovernment personnel who came together because of our presence resulted in changes in perspective, policy formulation, organizational structure and process (both formal and informal) that cannot (and, in many instances should not) be accounted in a report such as this.

Thus, the thrust of this report is to critically analyze the process of the project and to suggest lessons learned in carrying out this project that may be useful for others in designing similar future projects elsewhere. We recognize that this analysis carries our own particular perspective and that the view from USAID/K or from the Korean Ministry of Agriculture and Fisheries may be different. Our analysis is critical but it is intended to be constructive and a learning device rather than destructive and divisive. We would welcome supplements to this report from USAID/K and/or MAF in the same spirit.

George E. Rossmiller
Director
Korean Agricultural Planning Project

Background and Objectives

During the first two Korean Five-Year Economic Development Plans (1962-1971), emphasis was directed toward building social infrastructure and expansion of the industrial and export sectors of the Korean economy. Agricultural sector development was allowed to lag behind the rest of the economy during that period. With the initiation of the Third Five-Year Economic Development Plan in 1972, development emphasis shifted to include the agricultural sector. Thus, the Ministry of Agriculture and Fisheries (MAF) realized an increased responsibility in planning, policy formulation, program development and project design and execution directed toward achieving the plan goals for agricultural sector development.

Korean government attention to the agricultural sector and its development can be traced to a variety of reasons. First, just under fifty percent of the population resided in the agricultural sector in 1972 and the sector contributed just under thirty percent of Gross National Product (GNP). Second, farm household incomes were low relative to nonfarm household incomes and the gap was widening because of the relative emphasis of the first two five-year plans. Third, rural to urban migration was straining the limits of the absorbative capacity of the industrial sector for labor. Fourth, agricultural productivity increases were not keeping pace with the increased demand for agricultural commodities, thus, increasing amounts of scarce foreign exchange were required for agricultural imports. Shortages of grains in the world markets during 1972-1974 and resultant world price increases compounded the problem.

The various functions related to planning and development activities for the agricultural sector were located in numerous agencies and offices within and outside of MAF. The relatively low capacity of personnel within many of these scattered agencies for using modern analytical techniques and an organizational structure which precluded adequate coordination of the various functions made effective planning and development activities extremely difficult. Recommendations by the Korean Agricultural Sector Study (KASS) team for an agricultural sector development strategy included implementation of "a policy

of improving agricultural policy formulation procedures, programs, project design and public administration and execution."¹ These recommendations also called for the reorganization of MAF along functional lines to facilitate horizontal as well as vertical coordination and organization for more effective and coordinated statistical and agricultural economics work. Hathaway and Rossmiller, in their KASS paper, provided the basis for the broad recommendations.² They went into somewhat greater detail in their recommendations concerning various aspects of the statistics collection and processing system and the economic analysis system to include the functions of policy, program and project analysis, agricultural outlook and long-run structural economic research.

By 1972, MAF appeared to be prepared to proceed with more precisely defining operational activities for implementation of many of the KASS recommendations. They indicated a readiness to receive and accommodate technical assistance in three major areas of economic analysis -- policy analysis, agricultural outlook, and program and project evaluation -- and in the related area of agricultural statistics.

On this basis, the Ministry of Agriculture and Fisheries and USAID/Korea developed a three-year technical assistance project. MAF requested that Michigan State University (MSU) be the project contractor since they were satisfied with the work being done by MSU on the Korean Agricultural Sector Study and there was mutual recognition of the need for close coordination between the Korean Agricultural Sector Study and the Korean Agricultural Planning Project.

¹Rossmiller, G. E., et al., Korean Agricultural Sector Analysis and Recommended Strategies, 1971-1985. Ministry of Agriculture and Fisheries, Seoul, Korea; and Department of Agricultural Economics, Michigan State University, East Lansing, 1972. (Also translated into Korean.)

²Hathaway, Dale E. and Rossmiller, George E., "Organization of the Ministry of Agriculture and Forestry," Republic of Korea, Michigan State University, June 1972.

The general objective of the Korean Agricultural Planning Project was to increase the capacity of the Ministry of Agriculture and Fisheries and through them the government of the Republic of Korea for sound planning, agricultural policy formulation, program development and project design and execution toward more rapid and effective development of the agricultural sector. Project working objectives included 1) to understand the organizational structure and the operational processes used by MAF in planning and developmental activities and to identify the constraints in these systems leading to ineffective, inefficient and operationally unsound outcomes; 2) to advise on organizational and functional means to overcome the constraints identified in 1) above; and 3) to conduct substantive work on current issues within the scope of the project to relieve current problems and to provide on-the-job training in the use of modern analytical techniques and processes for Korean personnel of the Ministry of Agriculture and Fisheries.

Organization of the Project

The Korean Agricultural Planning Project was carried out under a contractual arrangement between the Korean Ministry of Agriculture and Fisheries and Michigan State University utilizing funding from a USAID/K grant to MAF. The original contract specified that the technical assistance from MSU to MAF would include three long-term positions as follows: 1) a policy analyst (agricultural economist) working with the Planning Coordinator's Office in MAF, 2) an agricultural outlook analyst (agricultural economist) working with the Agricultural Development Bureau, MAF, and in close cooperation with the Statistics Bureau, MAF, and the National Agricultural Economics Research Institute, and 3) a program and project evaluation analyst (agricultural economist) working initially with the Agricultural Development Corporation (ADC), the MAF operational agency responsible for land and water development, but also available to work with other MAF agencies as appropriate.

The planning horizon for the project was to be a three-year period with a review at the end of each year to assess progress and to determine specific emphases and work plans for the following year. In addition to the long-term personnel, provision was included for bringing in short-term project personnel and consultants as determined appropriate by MAF, MSU and USAID/K.

Finally, the need for coordination among KAPP project personnel, between KAPP and KASS personnel and between KAPP personnel and all concerned agencies of MAF was recognized. Toward this end, the KAPP policy analyst was designated as KAPP Chief of Party and as substantive program liaison between KAPP and KASS.

The initial activity under the KAPP contract was a review and analysis of the Korean agricultural statistics and data acquisition system carried out in summer 1974. This activity led to a report with a series of recommendations for improvement of the system.³ One of the major recommendations was that an agricultural statistics consultant be assigned under the Korean Agricultural Planning Project for a period of one year to work with the Statistics Bureau, MAF and other agencies identified as part of the Korean agricultural data system to recommend and help implement changes in the data system with respect to collection, processing, storage and retrieval of agricultural data to make the data more relevant, timely, accurate and consistent for use in planning, policy, program, and project activities dealing with further development of the agricultural sector and the economy as a whole. This recommendation was acted upon by amendment to the original contract. Thus, the KAPP technical assistance consisted of help in the four areas of policy analysis, agricultural outlook, program and project evaluation, and agricultural statistics.

This final project report complements materials presented in previous semi-annual and annual reports of progress under the Project. Repetition of materials presented in previous project reports is minimal. Rather, the emphasis is reflective and diagnostic in nature with a view toward identifying general measures and specific steps for use should a similar endeavor be undertaken in Korea or elsewhere.

Description, Analysis and Evaluation of Activities

From its inception, the KAPP contract envisioned a three-way cooperative effort for the purpose of improving the operational process through which

³Culver, David W., Wright, Karl T., and Rossmiller, George E., "The Korean Agricultural Statistics and Data System: Review and Recommendations." Korean Agricultural Planning Project, Seoul, Korea, August 1974.

planning, policy formulation, program development and project design and execution take place with respect to the agricultural sector within the Korean government. First, Michigan State University was to supply specialists in the four areas of concentration with the recognition that their inputs were complementary and thereby required cooperative efforts and interaction through a comprehensive work plan. Second, both substantive and logistical inputs were expected of the Korean government, specifically the Ministry of Agriculture and Fisheries, and most importantly, a readiness and willingness to interact freely for the purpose of promoting objectives of the contract. Third, the need for a free flow of information and close interaction was obvious between MAF on the one hand and the National Agricultural Economics Research Institute on the other, where the KASS team was developing, institutionalizing and using the agricultural sector simulation model.

The contractual document itself contained a well-conceived "operational plan." It recognized the need for the three-way cooperative linkages indicated above and specified that each KAPP specialist, upon his arrival, would, within sixty days, prepare a work plan in close consultation with other KAPP personnel, MAF and the KASS team in NAERI. If there was a weakness in the operational plan, it was in not specifying the procedures and the types of input necessary from MAF in prescribing the operational objectives and the project plan of work as a whole as opposed to that for the individual team members. In any event, the practice of preparing individual work plans within the first sixty days varied among members of the team. In addition, an obstacle to developing a team-wide working plan and a full cooperative interaction among team members was the phased arrival of KAPP personnel.

An inherent assumption of the KAPP contract was that the Ministry of Agriculture and Fisheries had come to recognize some of their organizational problems and were prepared to move forward positively and forthrightly toward their solution. As the project unfolded it became evident that this assumption vastly overstated the evolving position within the Ministry. The slowness with which the Ministry approached these problems seriously limited the attainment of overall project objectives.

Location and Operational Methods of Individual Team Members

Policy Analyst

In the conceptualization of the operational plan in the contract, input by the policy analyst was crucial to the success of the entire effort. This was due to the responsibility placed upon the project analyst to identify, define and describe the institutional structure within which the other KAPP team members functioned and to recommend organizational and institutional changes which would facilitate removal of constraints thus identified. The policy analyst who had been identified as the project team leader was the first to take up residence in Korea under the project, arriving in June 1974.

While the policy analyst was intended to work with counterparts from the Planning Bureau in MAF, he was in effect, appointed as policy advisor without portfolio or official attachment and functioned loosely through the International Cooperation Office, MAF. Informal contacts were built with various Ministry personnel and advice was on an ad hoc basis. This policy analyst was charged by MAF through the International Cooperation Office to provide helpful suggestions as they occurred to him and/or as requested by MAF. He was provided with a working counterpart for the first six or eight months of his tour which helped significantly in preparing an analysis of the Korean fertilizer industry and in making recommendations for improving the agricultural marketing system. Because of uncertainties and rigidities within MAF concerning organizational structure changes, the first policy analyst was unable to carry out one major item in the terms of reference, namely, to prepare a report and recommendations on organizational and administrative constraints and recommended remedies.

The second policy analyst arrived in November 1976 approximately one year after the departure of the first. During the interim period between the departure of the first policy analyst and the arrival of the second, the agricultural outlook analyst filled that position as well as his own. The arrival of the second policy analyst was planned to coincide with an interim evaluation of the project by MSU, USAID/K and MAF. During this evaluation, it was explicitly agreed between MSU and MAF that the policy analyst would prepare a work plan for the balance of his tour by 1 January 1977.

This plan first proposed a collaborative effort to diagnose the nature and extent of organizational and administrative problems and to prescribe solutions to them. Second, it proposed an approach for a comprehensive reassessment of total agricultural policy with the development of a National Food and Nutrition Policy as the nucleus for the review and reassessment. Once this line of work was established or at least well started, attention would be given to other areas including price and production policy, agricultural marketing policy, agricultural research policy and education policy for rural people. An essential feature of this plan was that this collaborative effort would involve task forces of Koreans representing appropriate agencies and perspectives with the KAPP policy analyst filling a motivating and organizational role. It was felt that only in this way would lasting benefits be derived. An approach would be implemented, a process begun, whereby Koreans would address their own problems so that the proposed solutions would be more relevant with more chance of acceptance than if they came out of a series of one-shot, short shelf life reports by a foreign advisor. Thus, the focus was as much on the process and building the capacity to execute the process as on the solutions themselves.

- The work statement was well received by the MAF contract officer for the project and he immediately requested a comparable statement covering the remaining time for the other two technicians still with the project -- the agricultural outlook analyst and the program and project evaluation analyst. While all three work statements were accepted and approved by MAF and certain counterpart and logistic inputs were promised, in fact, only limited cooperation was forthcoming. As a result, only limited progress was made in the policy analysis dimension of the project. Progress fell considerably short of the potential which could have been so easily attained.

Agricultural Outlook Analyst

The agricultural outlook analyst arrived in June 1975 for a two-year period. His task was made especially difficult because, even though MAF indicated a clear intention during the drafting of the KAPP contract, there was, in fact, not a commitment by MAF to establish an agricultural outlook program. The agricultural outlook analyst was officed with the policy analyst

in the Ministry of Agriculture but without formal attachment to any specific unit within MAF charged with responsibility for his area of work. Prior to initiation of the project, limited situation and outlook activities were conducted by the National Agricultural Cooperative Federation (NACF), a semi-autonomous agency of the Ministry of Agriculture and Fisheries. At times there appeared to be an interest in locating this responsibility within MAF per se. MAF, in 1976, however, took a decision to locate this service within the National Agricultural Economics Research Institute (NAERI). The Director of NAERI was extremely reluctant to take on this responsibility, primarily because NAERI was already understaffed and did not have qualified outlook specialists. Over a period of several months the Director attempted to have the function reassigned back to MAF. His attempts failed but support for situation and outlook development within NAERI remained a very low priority item.

Indications of the low priority placed by MAF on agricultural outlook came shortly after the KAPP contract was negotiated. MSU and MAF agreed to delay the arrival of the agricultural outlook analyst for one year in order that MAF could work through the decision on where within the MAF structure outlook would be assigned. Unfortunately, this decision was never made satisfactorily and a major portion of the efforts of the agricultural outlook analyst were diverted to work in the policy analyst's position and area of responsibility. Just prior to his departure, the agricultural outlook analyst had been working with two designated individuals at NAERI to produce some published outlook materials. Even though the materials were assembled and virtually at publication stage at the time of his departure, the materials were never published and the individuals concerned at NAERI were shifted to other assignments.

Program and Project Evaluation Analyst

This position was filled by two different individuals during the course of the project but without a break between them as occurred for the policy analyst position. In fact, the second individual was working in Korea under an AID 211d grant project related to KAPP for approximately one year before assuming the program and project analyst position.

The program and project analyst undoubtedly had the most favorable environment for meaningful contributions toward KAPP project objectives. This position was located in the Agricultural Development Corporation, a semiautonomous agency of MAF, responsible for all agricultural land and water development activities in Korea. By virtue of being located with ADC, the program and project analyst's contributions were limited primarily to that agency with little impact on MAF itself. A newly created Agricultural Economics Division in ADC was just being staffed when the first program and project analyst arrived. He was attached to the project analysis unit of this division. A separate budget was provided for both his logistical and analytical support.

ADC was under pressure to apply technically adequate methodologies in project analysis to satisfy both international lender agencies and the Economic Planning Board, ROK. Thus, while the institutional structure had inadequacies and rigidities, the personnel were receptive to suggestions by the program and project analysts during the course of their respective tours. The capabilities of Korean personnel in the project analysis unit and, more broadly, in the Agricultural Economics Division, were substantially enhanced during this period.

Toward the end of his tour, the second program and project analyst held two one-week workshops on methodology for project evaluation and analysis and, in addition, compiled a set of "readings" for reference purposes by staff members in the project analysis unit, Agricultural Economics Division, ADC. While good progress was made and the major objectives of the contract were met by the program and project analysts at ADC, they had little opportunity for impact on MAF, the parent organization. This was partly due to the semiautonomous nature of ADC and in part because ADC was located some 40 kilometers from Seoul in Anyang. Discussions were held between MSU and MAF several times during the course of the project about the advisability of the program and project analyst spending part of his time in MAF. These discussions were always resolved in favor of his spending full time at ADC, in part because MAF found it more convenient for him to derive his total logistical and analytical support from that organization.

Agricultural Statistics Analyst

The rationale for this position was developed after the initial contract was drawn and the position was added by contract amendment. The position was originally intended to be filled for one year but subsequent decisions extended the period of work by the Agricultural Statistics Analyst from May 1976 through January 1977.

It was initially determined that the Agricultural Statistics Analyst would work within the Bureau of Agricultural Statistics, MAF. After several months of close study of the issues involved, the analyst suggested that the major problem facing the Agricultural Statistics Bureau was in editing, handling and processing data after its initial collection in order that it be consistent, timely, and relevant as input to the decision process. He therefore proceeded to devise a technique for expediting this phase of the statistical program with the concurrence of MAF. Throughout the period of his work with KAPP, the Agricultural Statistician did not receive adequate logistical support nor counterpart activity from MAF. Consequently, he found it more appropriate to pursue the effort with colleagues in the Statistics Bureau of the Economic Planning Board and at the Korean Institute for Science and Technology.

The operating personnel within the Bureau of Agricultural Statistics, MAF, became progressively less interested in the procedures being developed by the Agricultural Statistician although further development of that software package and adoption was rather strongly favored by the Director General for Planning and Management, MAF, under whose jurisdiction the Bureau of Agricultural Statistics falls. A part of the disinterest may have been attributable to a feeling among operating personnel in BAS that automation of the data-handling processes and handling of the actual data itself in ways somewhat different from what they were accustomed to would put their jobs and their status in jeopardy.

In part, due to lack of MAF support, the Agricultural Statistics Analyst was unable to complete his software package within the time frame budgeted for his activity in the contract. He remained in Korea for approximately an additional year during which he finished the software package with minimal logistical and programming support from KIST. By this time, the MAF position had hardened against adoption of his package and, thus, he was unable to even receive a fair hearing of his adoption proposal. At the time MSU withdrew

from Korea under the KAPP contract, the Agricultural Statistician was still in residence, negotiating with the Bureau of Statistics, EPB, for possible adoption of the package. The set of circumstances precluding the adoption of this software package by the Bureau of Agricultural Statistics, MAF, was indeed unfortunate. If it had been incorporated into the agricultural statistics processing system, much more timely, consistent, and accurate data could have been produced.

This unfortunate experience in retrospect points out the need for more detailed, interactive development of the technical assistance scope of work. KAPP felt the need for this specific software package; obviously BAS did not.

Short-Term Consultant Input

In addition to the long-term personnel filling the KAPP positions, several short-term consultancies took place, particularly in the areas of agricultural statistics and policy analysis.

As indicated earlier during the June-August 1974 period, three short-term consultants composed a task force to evaluate the agricultural statistics and data acquisition system in Korea. They developed a set of recommendations that could, in large part, be immediately used by the Republic of Korea, and, secondly, recommended the expansion of the KAPP to include an agricultural statistician. This three-man team was given access to all agencies concerned with statistics, and they operated from within the International Cooperation Office under the jurisdiction of the Director-General for Planning and Management.

Short-term consultancies on policy analysis included the return of the first policy analyst for one month during June and July 1977 and several visits by the campus-based project director, particularly during summer 1974 and summer 1977. As during his long-term tour, the first policy analyst, during his one-month consultancy, was loosely attached to MAF with close liaison with the Chief of Overall Planning. Jointly they addressed price policy questions with regard to meat, rice and miscellaneous crops and worked on income transfer policy alternatives to the high rice price. The project director focused major attention in summer 1974 on establishment of an ad hoc grains price policy task force

that remained in effect throughout the period of the KAPP contract for providing information in establishing rice and barley purchase and release prices to satisfy the objectives of the government's grain management program. In summer 1977, the project director participated in an agricultural development policy conference sponsored jointly by MAF and KAPP. This conference was viewed as successful enough by MAF that they plan to make it an annual event. In addition, the project director worked with the chief of the Agricultural Economics Division, Marketing Bureau, MAF, and the KASS team in projecting necessary increases in capacities in the marketing system for agricultural commodities over the next 15 years and investment requirements for effecting those changes.

Constraints to Full Project Implementation

As indicated earlier, the explicit assumption made as the KAPP contract was being negotiated was that the Ministry of Agriculture recognized some of their organizational and management problems and were ready and willing to cope with them. Between the stage of contract negotiation and contract implementation, MAF interest in pursuing wholeheartedly the contract objectives declined substantially. During contract negotiation the need, apparent to all parties involved -- MAF, MSU, USAID/K -- was to focus on the objectives specified in the contract if the Ministry was to provide the developmental leadership the society had every reason to expect. Unfortunately, performance did not fulfill the promise for a variety of reasons, the most important of which are discussed below.

Fragmented Organizational Structure

The fragmented organizational structure of MAF results in there being no single unit of the Ministry with which other units of government or outside entities may deal on matters of mutual concern, apart from the Minister himself. The same difficulty prevails for technical assistance (particularly those in a policy advisory role). To conduct meaningful policy analytical work, it is necessary to interact with numerous individuals dealing with various aspects of the problem or issue or with the Minister or Vice Minister. It is simply not feasible for an outsider, even though a resident advisor, to initiate meetings of personnel from different bureaus of the Ministry each time a new question arises. Attempts to interact directly with the

Minister and/or Vice Minister, even on only the major issues, appear to be threatening and are therefore thwarted by lower level Ministry personnel.

Style of Administration

Particularly distinctive of the Korean administrative style is the employment of subordinates for both staff and line purposes simultaneously. Another important distinction is the apparent reluctance of middle level staff to channel new ideas or adverse reactions up the chain of command. This results in useful management data from existing projects and programs either being suppressed or not flowing quickly enough to decision makers who can take remedial action. It also means that changes in policies/programs come about very slowly and only upon the initiative of the man in top authority, in this case, the Minister. Since neither the Minister nor the Vice Minister employ full-time advisory staffs, their offices become bottlenecks to expeditious administration due to the sheer numbers of decisions involved. Thus, short-term decision time pressures crowd out long-term problem considerations.

A combination of the fragmented structure and the style of administration may partially explain the gap between the MAF commitment to contract objectives by higher level officials and the commitment to implementation by the lower level officials.

Counterpart Analysts

A significant number of Koreans were trained in the United States under AID participant training support in connection with both KAPP and KASS. Unfortunately, upon their return, none of these students were assigned to work with members of the KAPP team. This deprived them of further on-the-job development in association with knowledgeable foreign advisors and also severely limited the effectiveness of the foreign advisors. Full involvement of counterparts and at least partial adoption of the recommended organizational changes would have permitted far more progress in institutionalizing processes and training individuals to execute the needed analyses than was the case.

Other Staff Counterparts

Aside from an English-speaking secretary for the several team members, six months of analytical counterpart input for the first policy analyst, and counterparts assigned by ADC, Korean substantive counterpart inputs to KAPP were totally lacking. This was extremely detrimental to achieving project

objectives in all instances, but especially so in the case of the agricultural policy analyst and the agricultural statistician.

MSU Recruiting Problems

With internal financial support for international activities at U.S. land-grant universities extremely limited and no long-term funding for the Agency for International Development to overstaff in anticipation of possible foreign activities such as KAPP, it is usually necessary to recruit at least in part from outside the contracting university to fill given contracts. In this particular case, all long-term field staff were recruited from off-campus, although four of the six professionals filling the long-term positions had previously had associations with MSU. These constraints on recruitment increased the problem of identifying experienced field project leadership, obtaining the desired balance between academic and government service experiences and synchronizing arrival times according to the needs of the project. Fortunately, a number of other MSU staff were on-site as part of the KASS team and they provided additional continuity, background and experience to the KAPP activity.

USAID/K Project Monitoring

The USAID/K project manager for KAPP was in frequent contact with the leadership and other project personnel. In retrospect, the project manager might have intervened more with MAF, particularly during the early stages of the project to assure that the terms of the contract were being fulfilled, particularly with regard to logistic and counterpart support by MAF and in promoting agreement between MAF and MSU on the scope of work for individual team members. If a more satisfactory agreement were not possible under this process, USAID/K might have been well advised to have proposed termination of the project. USAID/K was involved in at least three formal evaluative exercises of the project and at those times was extremely helpful in plotting project direction and in resolving some of the major issues confronting the contractual parties.

Contract Administration by MAF

Several of the key MAF personnel originally involved in negotiating the KAPP contract were transferred to other positions by the time implementation commenced. Their replacements in MAF did not manifest the same enthusiasm

for the project that was present during the negotiation stages. As a result, the task of administering the project from the MAF side reverted to the International Cooperation Office, an entity identified in the contract as providing only a supportive and logistic role to the other major units involved. In most matters, the function of the International Cooperation Office is to serve a liaison role. With respect to this particular project, it appeared at numerous times that the ICO extended itself beyond the official bounds and took on policy-making positions without the full knowledge or approval of senior Ministry personnel. Again, in retrospect, senior personnel at MAF and MSU agree that this intervention by the International Cooperation Office contributed substantially to a shortfall in project performance.

Project Achievements

Despite the constraints, the major of which have been enumerated above, there have been significant accomplishments under the project, many of which may not manifest themselves for some time to come, given the style of administration in Korea. According to the spirit and letter of the contract document, the contractor was charged with providing best efforts to recommend changes in organizational structures and in administrative procedures and to train people on the job to employ these new structures and procedures to more effectively provide information to the decision process. By implication, this could be interpreted as leading to a very minimum of publications from the project. As events unfolded, more publications were issued than might have been expected due to the operational style of MAF in relating to KAPP professional personnel. The attitude of the Korean project managers appeared somewhat ambivalent on the matter of publications. On the one hand, there was the complaint that usually projects of this nature generate too many publications, most of which are not read by Koreans due to the language difficulty and that personal interactions would be far more appropriate. On the other hand, as sensitive issues were identified over which useful interaction could take place and from which the Ministry could have benefited, there was a withdrawal to the suggestion that publications might be preferred. A list of project publications is attached as Appendix B.

Details on project accomplishments have been supplied in previous project reports. Some limited observations with respect to accomplishments by

each position follow.

Policy Analyst

Many of the benefits in this area remain invisible in the sense that they were interactions between various members of the team and individual Ministry officers. In small as well as major ways, some of these discussions found their way into Ministry policy positions. For example, in December 1976, the overall planning officer of the Ministry asked the policy analyst for suggestions for policy changes beginning in 1977. A suggestion by the policy analyst was that research and development attention be broadened beyond rice in anticipation of the growing demand for a greater variety of foods, the need for more balanced nutrition than can be provided by a single commodity emphasis and the likelihood that the demand for rice would stabilize or decline in the near future. During the annual visitation by the President to MAF in January 1977, the Minister of Agriculture proclaimed that "Koreans should tailor their dietary requirements more to their environment." Subsequently a broadening of the planned research focus was apparent in budget documents.

In a paper presented at the first national Agricultural Policy Development Seminar in June 1977, the second policy analyst presented a paper advising on steps to take in developing a national food and nutrition policy. Contained in this statement was a brief table illustrating the effects of the high rice price policy in accentuating the disparity of incomes among farm households. It was subsequently learned that the Minister of Agriculture was shocked at this outcome and immediately arranged with the Ministry of Finance to obtain \$2 million equivalent to inaugurate pilot programs to begin correcting this situation. The short-term visit in the summer of 1977 by the first policy analyst was helpful in reinforcing the Ministry position with respect to pricing of beef products and paving the way for acceptance of Economic Planning Board proposals in this area. The emphasis of food and nutrition policy development needs for Korea are strongly shared by nutritionists and other specialists outside of government. Sustained encouragement from them to various government officials should, over time, lead to the formulation of national policy on food and nutrition.

The emerging problems in Korean agriculture make it imperative that broader approaches to solving problems be adopted, particularly in a manner to link the livestock and grain components of agriculture. Realization

of this necessity may, in fact, be the element required to bring about administrative reform as well as broader analytical approaches to issues faced by MAF and Korean agriculture. When that time comes, the shortcomings identified in the present organization and management areas by KAPP should be useful to Korean analysts and public administrators. In fact, since the departure of MSU/KAPP from Korea, a new Minister of agriculture has decided to reorganize NAERI effective the first day of April 1978 into the Korea Rural Economics Institute outside the government civil service system. Part of the present NAERI staff will transfer to this new institute and part will return to the Office of Rural Development at Suwon to support the technical agricultural research program. This was recommended by both KAPP and KASS on several occasions during the course of the projects.

Program and Project Analyst

A major accomplishment in this area was the progress made in gaining an appreciation for acceptance of and skills in the use of economic analysis as well as engineering and agronomic input into water and land development projects. Both on the job training and special workshops and seminars contributed to this accomplishment. In addition, the program and project analysts were able to provide, over the sustained period of the contract, valued advice on a variety of matters, particularly on policy directions and evaluative procedures to the President of the Agricultural Development Corporation. Unfortunately, due to the physical distances between ADC and MAF proper, it was not feasible to install the project analytical capability within MAF itself. The simultaneous pursuit of self-sufficiency in grain and an ambitious livestock development program will soon point out the need for overall application of economic analysis of projects to Ministry operations. Presumably, at that time, the Agricultural Economics unit in ADC will be in a position to help MAF along these lines.

Agricultural Outlook Analyst

Several documents were prepared by the agricultural outlook analyst pointing out the analytical and operational procedures necessary for installing an agricultural situation and outlook program in Korea. The nature of agricultural development and the competition among economic sectors will eventually make the case for such an activity. Again, while no such

program was established and operational during the KAPP activity, a good deal of discussion as to what such a program should include and where it should be operationalized ensued from the presence of the agricultural outlook analyst. When MAF is prepared to move forward in establishing such a service, the documents prepared by the agricultural outlook analyst should be of value.

Agricultural Statistician

The software package developed by the agricultural statistics analyst appears to offer major benefits to the organizations in many countries responsible for large-scale statistical surveys. The process offers substantial savings in both operating time and financial cost in processing field survey data and in publishing that data for use by decision makers in an efficient and timely fashion. The software package would be particularly well-suited in Korea since several large-scale annual surveys are conducted. Although the Korean government has been slow to develop an appreciation for the merits of this package, if it is accepted at a later date, it could be one of the most valuable contributions from the KAPP activity. In addition, the software package is adaptable to statistical surveys in other developing or developed countries.

Does the KAPP-Type Activity Bear Repeating Elsewhere?

One of the major considerations determining the need for KAPP was the lack of coordination and interaction between the policy researchers (i.e. the National Agricultural Economics Research Institute and its Korean Agricultural Sector Study activity) and the decision makers and their problems in the Ministry of Agriculture and Fisheries. One of the major objectives of KAPP was to bridge the gap between the model developers and analysts on the one hand, and the decision makers and their problems on the other. When viewed as part of the total MSU involvement in Korea, KAPP provided this bridging activity with relatively good success. The Korean Agricultural Planning Project could have better met its objectives had there been a broader base of support and involvement and a clearer understanding of the purposes of the activity both within and outside the Ministry of Agriculture and Fisheries.

At the time this project was conceived, the technical assistance specified in the contract was critically needed by the Ministry of Agriculture and Fisheries. Perhaps the main lesson from the activity is that in any similar

project, a commitment from high government levels, both within and outside the Agricultural Ministry, should be obtained so that performance by the host government is not subject to so much variation simply due to periodic rotation of personnel. In addition, a commitment by the host government to institutionalize the activities and to carry out the functions performed under the project after the technical assistance experts withdraw would be desirable. This latter commitment would place a heavier emphasis by the host government on providing the necessary logistical support and counterpart personnel than was the case under the KAPP contract. Finally, particularly in a country as far along the development path as Korea, a loan rather than a grant may have been more appropriate. A stronger commitment by MAF would likely have been evidenced if it were obligated to share a higher portion of the cost.

The type of technical assistance provided to Korea under KAPP is needed in a variety of countries in the developing world. KAPP can be viewed as a prototype of the concepts and approach for such a set of activities. While KAPP accomplished the objectives of the agreement, it should be studied carefully for its operational shortcomings and for the reasons that its performance fell short of its great potential.

APPENDIX A

Korean Agricultural Planning Project Personnel

George E. Rossmiller
Project Director

Fred A. Mangum, Jr.
Policy Analyst
and Field Project Leader
June 20, 1974 - December 19, 1975

David W. Culver
Agricultural Outlook Analyst
and Field Project Leader
July 1, 1975 - June 30, 1977

Richard D. Duvick
Program and Project Analyst
August 1, 1974 - June 30, 1976

Stanley W. Driscoll
Agricultural Statistics Analyst
March 1, 1975 - January 31, 1977

Martin E. Hanratty
Program and Project Analyst
July 1, 1976 - August 15, 1977

Herbert C. Kriesel
Policy Analyst
November 8, 1976 - November 17, 1977

Fred A. Mangum, Jr.
Short-Term Consultant
June 13, 1977 - July 19, 1977

David W. Culver
Short-Term Consultant
May 31, 1974 - June 30, 1974

Karl T. Wright
Short-Term Consultant
June 1, 1974 - July 3, 1974

APPENDIX B

Korean Agricultural Planning Project Publications

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- Hanratty, Martin E., Guidelines to the Economic Evaluation of Agricultural Development Project Selected Issues, KAPP and Ministry of Agriculture and Fisheries, July 1977.
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- Culver, David W., Agricultural Outlook and Statistics for Policy Decision Making, Agricultural Development Policy Seminar, Academy House, Seoul, Korea, 31 May-3 June 1977.
- Rossmiller, George E. and Culver, David W., Policy Issues in Korean Agriculture in the 1980's, Agricultural Development Policy Seminar, Academy House, Seoul, Korea, 31 May-3 June 1977.
- Kriesel, Herbert C., Food and Nutrition Policies in Agricultural Development, Agricultural Development Policy Seminar, Academy House, Seoul, Korea, 31 May-3 June 1977.
- Hanratty, Martin E., Notes on Japanese Agricultural Policy with Specific Reference to Rice, 1960-1970, KAPP Discussion Paper No. 16, February 1977.
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- Thodey, Allan R., Observations on Korean Data Sets with Examples in Agriculture, KAPP Discussion Paper No. 10, March 1976.
- Rossmiller, George E. and Abkin, Michael H., Projected Market and Processing Facility Requirements for Agricultural Commodities in Korea 1975-1985. KAPP Discussion Paper No. 18, August 1977.
- Mangum, Fred A. Jr. and Jo, Il Ho, Agricultural Price Policies in Korea. KAPP Discussion Paper No. 17, July 1977.

A substantial amount of additional written output from KAPP was in the form of letters, memoranda, and think pieces not listed above. Much of the KAPP output was for internal MAF use and was not circulated outside that ministry. Another important source of KAPP input was verbal, in the form of reports, discussions, seminars, etc., with specific individuals and small groups working on specific problems or policy areas.

Financial Report
Korean Agricultural Planning Project

March 1, 197⁰ to December 31, 1977

Line Items	Budget 3/1/74- 12/31/77	Actual/Est. Expenditures 3/1/74- 12/31/77	Percent of Line Item Expenditures to Total Expenditures
Salaries	\$358,696	\$346,188	49.7%
Consultant	-0-	2,350	0.3
Indirect Costs	121,930	109,027	15.7
Fringe Benefits	47,846	47,630	6.8
Travel	134,171	137,469	19.7
Other Direct Costs	27,318	43,198	6.2
Allowances	<u>10,372</u>	<u>11,043</u>	<u>1.6</u>
TOTALS	\$700,333	\$696,905	100.0%