

# Lessons in rural development

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Cities are in fashion nowadays among policy makers as countries everywhere look to urban areas as hubs for innovation and growth. But what about the countryside? Economic development led by continuous rural-to-urban migration and rising living standards and opportunities in the urban milieu, not to mention industrialisation, contributes to widening disparities between rural and urban areas. Korea's development experience shows that socially inclusive and sustainable growth requires developing rural areas as an integral part of successful economic development. Indeed, Korea's rapid rise from a mainly agricultural and food-aid recipient nation to one of the fastest-growing, developed OECD economies was made possible by a structural transformation that involved urban and rural areas alike.

The Korean government implemented a strong and well-coordinated rural development strategy. Rural development in Korea was accomplished through several policies. First, land reform in 1948 transferred land from landlords to the previous tenants. The reform thus promoted social inclusion by creating a new

class of independent, family proprietors. Then in 1970, President Park Chung-hee launched the Saemaul Undong (“New Village Movement”) to modernise rural areas and limit the growing disparity in income levels with the rapidly industrialising urban centres. Saemaul Undong was based on citizen participation and community efforts backed by government support. Diligence, self-help and collaboration were key for encouraging rural populations to participate in the development process.

Initially, the focus was on improving basic living conditions, such as replacing thatched roofs with tiles. Subsequent projects concentrated on building irrigation systems, bridges and roads. Overall, Saemaul Undong played a key role in boosting incomes in rural areas and acted as a buffer during Korea’s fast and successful structural transformation. Saemaul Undong was not meant to reverse the economic development trends emerging in urban areas, but instead to harness them to help smooth the transformation of rural areas by redistributing wealth, boosting agricultural productivity, and providing infrastructure and services in rural areas.

Today, Korea is sharing the experience of Saemaul Undong with other countries as a possible road map for rural development based on: investing in education and social capital, and establishing robust institutions for rural areas; co-ordinating governance across all sectors while combining top down and bottom up stakeholder approaches; and sequencing policy implementation to improve effectiveness, while closely monitoring progress along the way.

Above all, Korea’s approach highlights the importance of strategic planning in rural areas, including urban-rural redistribution and investment, for promoting inclusive country-wide development. The broad lesson is simple: reducing urban-rural disparities means bringing the rural population into the national development process. This benefits people in rural and urban areas alike, and strengthens social and political cohesion, too. No doubt policy makers in OECD countries where rural-urban disparities have widened could learn from this, too.

## References

A New Rural Development Paradigm for the 21st Century <http://dx.doi.org/10.1787/9789264252271-en>