

**2012 Modularization of Korea's Development Experience:
Korean Legislation on
Rural Development and Land Reform**

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2012 Modularization of Korea's Development Experience

Korean Legislation on Rural Development and Land Reform



Ministry of Government Legislation

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Preface

The study of Korea's economic and social transformation offers a unique opportunity to better understand the factors that drive development. Within one generation, Korea has transformed itself from a poor agrarian society to a modern industrial nation, a feat never seen before. What makes Korea's experience so unique is that its rapid economic development was relatively broad-based, meaning that the fruits of Korea's rapid growth were shared by many. The challenge of course is unlocking the secrets behind Korea's rapid and broad-based development, which can offer invaluable insights and lessons and knowledge that can be shared with the rest of the international community.

Recognizing this, the Korean Ministry of Strategy and Finance (MOSF) and the Korea Development Institute (KDI) launched the Knowledge Sharing Program (KSP) in 2004 to share Korea's development experience and to assist its developing country partners. The body of work presented in this volume is part of a greater initiative launched in 2010 to systematically research and document Korea's development experience and to deliver standardized content as case studies. The goal of this undertaking is to offer a deeper and wider understanding of Korea's development experience with the hope that Korea's past can offer lessons for developing countries in search of sustainable and broad-based development. This is a continuation of a multi-year undertaking to study and document Korea's development experience, and it builds on the 40 case studies completed in 2011. Here, we present 41 new studies that explore various development-oriented themes such as industrialization, energy, human resource development, government administration, Information and Communication Technology (ICT), agricultural development, land development, and environment.

In presenting these new studies, I would like to take this opportunity to express my gratitude to all those involved in this great undertaking. It was through their hard work and commitment that made this possible. Foremost, I would like to thank the Ministry of Strategy and Finance for their encouragement and full support of this project. I especially would like to thank the KSP Executive Committee, composed of related ministries/departments, and the various Korean research institutes, for their involvement and the invaluable role they played in bringing this project together. I would also like to thank all the former public officials and senior practitioners for lending their time, keen insights and expertise in preparation of the case studies.

Indeed, the successful completion of the case studies was made possible by the dedication of the researchers from the public sector and academia involved in conducting the studies, which I believe will go a long way in advancing knowledge on not only Korea's own development but also development in general. Lastly, I would like to express my gratitude to Professor Joon-Kyung Kim and Professor Dong-Young Kim for his stewardship of this enterprise, and to the Development Research Team for their hard work and dedication in successfully managing and completing this project.

As always, the views and opinions expressed by the authors in the body of work presented here do not necessary represent those of the KDI School of Public Policy and Management.

May 2013

Joohoon Kim

Acting President

KDI School of Public Policy and Management



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Summary

The main objectives of this research report are to outline the various policies that have been implemented through statutes in the past, and to introduce the legislation regarding rural development and land reform. This report will document each economic turning point and each stage of development since Korea was liberated from Japanese colonial rule in 1945, to the present. This is all included in the “The Necessities and Objectives of Research” to provide substantial rationale for developing countries by linking policies with relevant Laws. In the meantime, whether such legislation and relevant policies have any positive outcome or side effects during this period, will be examined in the introduction to each relevant policy. Documentation will provide invaluable analysis and data for developing countries. This research report is focused on finding relevant policies and outcomes that have affected Korea, in order for officials in developing countries, who are in charge of their respective country’s policies, to refer to for their own economic and developmental strategies in the future.

Chapter 2, “Concepts and History of Rural Development and Land Reform,” documents and analyzes each policy change throughout this period which supported rural development and land reform through different states of economic and political development.

Chapter 3, “Analysis of Legislation Regarding Rural Development and Land Reform,” explores the course that legislation has taken and how these reforms have affected Korea. Each period, subsequently, is provided with a detailed look into its effects.

Finally, Chapter 4, “Empirical Analysis of Rural Development and Land Reform, and Legislative Advocacy,” comprehensively analyzes the implications of the policies and legislation that were put into effect. Legislative advocacy, as a result, is drawn out for developing countries to utilize.

2012 Modularization of Korea's Development Experience
Korean Legislation on Rural Development and Land Reform

Chapter 1

Introduction

1. The Necessities and Objectives of Research
2. Scope and Method of Research

Introduction

1. The Necessities and Objectives of Research

A rural area is not only defined as the area in which agriculture and fisheries exist, but also as the various industries that co-exist with it. Therefore, the rural paradigm previously accepted on rural areas has been changed from the mere rearrangement and improvement of underdeveloped areas, to the creation of a comfortable environment. Rural areas, as a result, must be provided with opportunities for stable income families, and improving the overall condition of education, medical service, and welfare. At present, most countries agree that this new paradigm plays a significant role as a catalyst for the balanced economic development of a country as a whole. Korea is no exception.

Korea has rapidly changed from an underdeveloped country to a developing country, and now, to an advanced country. In recent history, Korea has undergone countless ordeals that have dynamically shaped the present paradigm of policies on rural areas. In fact, Korea's policies have passed through stages of tremendous reform. These stages originated with basic agrarian reform, poverty alleviation, and foreign aid. Later, it transformed into an independently establish model for agrarian reform which quickly evolved when Korea won its independence from Japan in 1945. This evolution continued to undergo a metamorphosis with the turmoil of the Korean War in 1950, and the resulting division of the Korean peninsula into two countries. Korea was then subject to military regimes, open market economics, and several economic recessions. The policies that Koreans have implemented for these rural developments and land reforms, undoubtedly, will provide great insight for other developing countries. These countries may include those that have suffered from similar ordeals or countries that have become newly independent after the second World War. Eastern Bloc countries that became independent as a consequence of

Perestroika in the 1990s will also benefit. Other examples include Southeast Asian Countries that remain agriculturally based, and countries in the Middle East and Africa, which have remained underdeveloped, due to religious or political circumstances. Developing countries throughout the world, furthermore, have recently made efforts to introduce and adopt the *Saemaeul Movement*, also known as the New Community Movement, which was a 1970s reform movement in Korea, as a model for development for their homeland.

It seems necessary at this point in time, therefore, to introduce policies that have been applied throughout Korea's recent tumultuous history, particularly policies on rural development and land reform. This would obviously include support for the developing countries that desire to adopt our policies on rural areas. As we all know, the government of the Republic of Korea has taken an initiative to implement programs that exchange policies and legislation with developing countries since 2010. Korea's implementation of such programs can be considered a truly meaningful achievement since it is pro-actively exporting its systems and legislative policies, thereby shedding the conventional method of mere economic or cultural exchange with developing countries. Instead, it has come to light that Korea, whose international status has been changed from a developing country to an exporting country, needs to introduce and export its unique experience in development to developing countries that intend to promote rural development and land reform.

In conclusion, the main objectives of this report are to arrange our historical experience and perspectives regarding rural development and land reform, into analytic modules. It is our intention to provide this research for several purposes. First, officials in charge of policies in developing countries, domestic consultants, and officers of multilateral development banks and other international organizations can utilize it for their own agendas. Second, ministries and other administrative agencies can utilize the content which has been chronologically arranged for international use. Finally, this report can be used as a reference for joint consulting by utilizing content which international organizations and developing countries have shown a keen interest.

2. Scope and Method of Research

The objective of this research report is to document Korean legislation on rural development and land reform since its liberation from Japanese colonial rule. Legislation, at the time of liberation, originated from laws enacted before Japanese colonial rule. These laws have been re-enacted and amended until the present. This period passed through Japanese colonial rule, the founding of the Republic of Korea, and the Korean War. As a result, there were limitations in fully researching and analyzing all the laws that have been presented here.

This research report, therefore, is focused on documenting and analyzing several noteworthy policies during this period of Korean history. The major policies and amendments are presented in chronological order and cover each economic turning point and stage of development.

Several major legislative acts are documented from *The Constitution of the Republic of Korea*, *The Agricultural Community Modernization Promotion Act* (which served as the basis of the Saemaeul Movement in the 1970s), and *The Rearrangement of Agricultural and Fishing Villages Act*. This last act merged *The Agricultural Community Modernization Promotion Act* and provided a basis for future policies concerning the rearrangement and development of advanced rural villages in the 1990s and 2000s. The last act to be covered is *The Fishing Villages and Fishery Harbors Act*. It should be noted that relevant parts of other laws are also mentioned for chronological purposes.

This research report is more than just an introduction to our legislation for rural development and land reform. It also focuses on an in-depth analysis of various policies that have been implemented through such legislation. These policies are treated as individual case studies in order for them to provide substantial data for other developing countries. The outcome and side-effects of legislation is examined in the introduction of each relevant policy since this would provide immediate insight into each policy. In addition, this research chronologically analyzes the laws mentioned above.

Finally, our analysis is based on legislative materials available at *The National Assembly* and *The Executive Branch of the Republic of Korea*, including bills, minutes of the meetings, reviews of competent standing committees, and minutes of plenary sessions of *The National Assembly*. The details of the relevant policies and their outcomes, moreover, are analyzed mainly with materials produced at the time of legislation and prior research reports.

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Korean Legislation on Rural Development and Land Reform

Chapter 2

Concepts and History of Rural Development and Land Reform

1. Concepts of Rural Development and Land Reform
2. History of Legislation Regarding Rural Development and Land Reform

Concepts and History of Rural Development and Land Reform

1. Concepts of Rural Development and Land Reform

1.1. Concepts in Legislation

Legislation for “Rural Development and Land Reform” begins with zoning the eligible area and defining the scope of the relevant project. At present, the concept of a “rural village” eligible for development or reform refers to an area defined in *The Framework Act on Agriculture and Fisheries, Rural Community and Food Industry* (article 3, subparagraph 5). The act defines the scope of the areas eligible for reform and development as areas publicly notified by the Ministry of Food, Agriculture, Forestry and Fisheries, from among the following:

- (a) Areas within jurisdiction of an “Eup” and “Myeon.” (Korean regional land nomenclature such as those used for city and state)
- (b) Areas not within an “Eup/Myeon.” This takes into consideration agriculture and fisheries in such areas, industries related to agriculture and fisheries, population engaged in agriculture and fisheries, and environmental conditions for living.

Projects implemented in such an area for development or reform are regulated by *The Rearrangement of Agricultural and Fishing Villages Act* (article 2). These projects are classified into four categories:

- (a) Projects for reform of agricultural land and fishing villages.
- (b) Projects for infrastructure reform for agricultural production.
- (c) Projects for improvement of the environment in agricultural and fishing villages.
- (d) Projects for development and reform of fishing villages.

1.1.1. Projects for Reform of Agricultural Land and Fishing Villages

A project for the reform of agricultural land and fishing villages includes several functions and is defined as a project that develops or expands infrastructure for agricultural production. This includes the improvement of the living environment in agricultural and fishing villages. These projects encompass nurturing the industries in agricultural and fishing villages and even the rearrangement of marginalized farmland. Finally, projects for the development of resources for tourism and recreation in agricultural and fishing villages are included.

1.1.2. Projects for Infrastructure Reform for Agricultural Production

A project for infrastructure reform for agricultural production is any project implemented mainly for the purpose of developing or expanding infrastructure for agricultural production. These projects are comprised of the following:

- (a) A project for the development of water for agricultural and fishing villages.
- (b) A project for the rearrangement of arable land, for the repair or maintenance of facilities for agricultural production.
- (c) A project for dredging work.
- (d) A project for the improvement of infrastructure for agricultural production.
- (e) A project for the restoration of farmland for reclamation, land fill, or cultivation mainly for agriculture or for fisheries.
- (f) A project for the development of an agricultural complex or a project for the expansion of an agricultural facility.
- (g) A project for the prevention of water pollution in a reservoir: a facility for impounding or controlling water in a river, a river area, a coastal area, a lake, a swamp, and water and land below the flood level (The maximum water level of a river).
- (h) A project for the improvement of water quality.
- (i) A project for the improvement of soil for farmland.
- (j) Any other project necessary for the development or use of farmland.

A project for the development of resources for tourism and recreation in agricultural and fishing villages has several meanings. First, this includes projects for a tourism and recreation complex in an agricultural or fishing village. In addition, it includes projects for tourist farms, weekend farms, and lodging in an agricultural or fishing village. On the other hand, a project for the rearrangement of marginal farmland means a project for a parcel of

farmland outside of an agricultural promotion area defined under *The Farmland Act* (article 28). This includes marginal farmland and its surrounding mountainous districts that possess bad conditions for farming and low productivity. This, in turn, would lead to using the land for agricultural or fishing businesses, for resources for tourism and recreation, or for a combination of these ideas.

1.1.3. Projects for Improvement of the Environment in Agricultural and Fishing Villages

A project for the improvement of the environment in agricultural and fishing villages means any project that comprehensively improves and expands the living environment, infrastructure, public convenience facilities, and welfare facilities in rural areas and quasi-rural areas. This also includes enhancing the welfare of farmers and fishers. These projects are comprised of the following:

- (a) A project for the construction of new agricultural and fishing villages with clustered houses and public facilities.
- (b) A project for the redevelopment of agricultural and fishing villages for rearrangement of parcels of land and houses in an existing village.
- (c) A project for the rearrangement of scattered villages.
- (d) A project for the prevention of water pollution in agricultural and fishing villages, including the installation of simple water supply systems and community sewerage systems (referring to public sewerage systems defined in *The Sewerage Act* (article 2, subparagraph 4) and installed in each village in a rural area) and the installation of facilities for the purification of sewage and wastewater.
- (e) A project for the development of settlement zones mainly in central areas for the livelihood of residents.
- (f) A project for the maintenance of vacant houses.
- (g) A project for the supply and management of rental houses in agricultural and fishing villages.
- (h) Improvement and expansion of facilities for the conservation of national land, including forest conservation and forestation.
- (i) A project for the improvement (new construction, expansion, reconstruction, and substantial repair) of houses in agricultural and fishing villages.

- (j) A project for dismantling, removing, and disposing of asbestos slates from houses, public facilities, and other facilities covered with asbestos slates (referring to roofing slates containing asbestos; the same shall apply hereafter).
- (k) Any other project that is necessary for the improvement of the living environment in a rural or quasi-rural area.

1.1.4. Projects for Development and Reform of Fishing Villages

Projects for the development and reform of fishing villages is regulated by *The Fishing Villages and Fishery Harbors Act* and by *The Rearrangement of Agricultural and Fishing Villages Act*. The latter act, in particular, provides for comprehensive development projects in fishing villages. The following projects specified in article 2, subparagraph 4, are as follows:

- (a) A project for the improvement and the expansion of facilities for fishery production, including the refurbishment of costal facilities, the development of resources for fisheries, and the expansion of facilities for distribution and processing of fishery products.
- (b) A project for the improvement of the living environment, necessary for improving the standard of living for residents in fishing villages and enhancing their welfare. These projects relate to infrastructure reform for residential environments defined in *The Rearrangement of Agricultural and Fishing Villages Act*.
- (c) A project implemented to increase the income of residents in fishing villages and boost the local economy; this utilizes the natural landscape and the fishing village's special features and local customs.

1.2. Characteristics and Evaluation

At present, the rearrangement and development of agricultural and fishing villages, and the subsidization by the State and local governments, are basically regulated by *The Rearrangement of Agricultural and Fishing Villages Act* and *The Fishing Villages and Fishery Harbors Act*. The characteristics of these laws are such that the terms “rearrangement” and “development” are interchangeably used. This results from the provisions under which “development projects” are included in “rearrangement projects” from *The Rearrangement of Agricultural and Fishing Villages Act*, and vice versa, “rearrangement projects” are included in “development projects” from *The Fishing Villages and Fishery Harbors Act*. This is indicated in the details of the projects specified in the aforementioned laws.

For example, projects for the rearrangement of agricultural and fishing villages under *The Rearrangement of Agricultural and Fishing Villages Act* include the rearrangement of infrastructure for agricultural production. They also include environmental improvements, water development, and farmland expansion for these villages. These agricultural restoration projects, however, must undoubtedly be classified as development projects as well. In addition, projects pertaining to construction, redevelopment, and settlement development of agricultural and fishing villages, should likewise be classified as development projects.

Interchangeable use of these terminologies, furthermore, can be found in *The Fishing Villages and Fishery Harbors Act*. The act clearly reveals that projects necessary to enhance the standard of living and welfare of residents in fishing villages, similarly defined in *The Rearrangement of Agricultural and Fishing Villages Act*, also freely use the concepts of “rearrangement” and “development” in place of one another.

Projects for each statute are analyzed according to the scope of work performed., Parts of the project or the project’s entirety that are deemed “development projects” shall likewise implement the term “rearrangement project” and vice versa. Thus, it is impracticable to separate projects for rearrangement from projects for development. Although projects for the rearrangement and development of agricultural and fishing villages began after liberation from Japanese colonial rule in Korea, until today, the concepts of rearrangement and development have been used interchangeably since the outset of occupation. Therefore, it is inevitably required to look into the history of legislation regarding rural development and land reform in Korea in order to present accurate solutions for developing countries.

2. History of Legislation Regarding Rural Development and Land Reform

2.1. Background of each Period and Current Status of Relevant Legislation

2.1.1 Traditional Society and Development of Agricultural Villages under Japanese Colonial Rule

a. Historical Background

In general, the term “agricultural village,” as traditionally used in Korean society, meant a village where people (farmers) engaged in farming to live together. During this time, movements for the autonomy of villages, such as a community cooperative (Daedong-gye), were flourishing. Each autonomous village operated its own system for managing

community assets, formulating budgets, and reporting the settlement of accounts for its community cooperative. Moreover, each village community made decisions regarding ceremonies and events, wages for farming, collective labor, the construction and repair of public buildings, and the maintenance of roads and rivers; all necessary things to maintain the village.

After all, rural reform, in traditional Korean society, was to solve the problems each village faced, alone. This task was executed in a manner that each village community autonomously sought out survival strategies. Of course, it was difficult for the government to get involved with these policies at that time because the government did not play the leading role in such movements. Nevertheless, the *Saemaedul Movement* in the 1970s was the first attempt at a national policy regarding rural development and land reform. *The Saemaedul Movement* was promoted in a way that the government's leadership and the traditional governing bodies of each village could be combined. The first full-scale push the government implemented was the *Campaign for Promotion of Agricultural and Mountain Villages*, which was a five-year plan from 1933, under Japanese colonial rule. This campaign was mainly focused on increasing the crop yield per family, clearing farmers' debts, improving the balance of income and expenditure, improving the quality of life, and erecting public facilities in each village. A committee for the promotion of agricultural villages was established as an organization affiliated with the colonial government. In order to promote the campaign further, a committee for the promotion of agricultural villages was also organized in municipalities at different levels (Do, Gun, Eup, and Myeon). This established a top-down development system for leading and supervising the campaign in each village. Farmers did not voluntarily promote this campaign. It was based on the political ideology of the time that was necessary for colonial rule. It is an example of the development of agricultural villages under colonial rule.

In summary, the *Campaign for Promotion of Agricultural and Mountain Villages* had been promoted with the objective to renew the agrarian economy by cultivating a strong sense of agrarian spirit. The plans to construct robust agricultural villages aimed to accomplish several things: increase crop production, clear debts, improve the balance of income and expenditure, improve the quality of life, and erect public facilities in each village. This original plan, thus, was the foundation in which future projects were built upon for rural development and land reform.

b. Major Statutes

Tracing back from modern and contemporary Korean reforms, we find *The Ordinance on Irrigation Associations (Ordinance of The Department of Finance No. 3.)*. This ordinance was promulgated in April 1906 (10th year in the Gwangmu reign) by the government of

Korea. It was eventually superseded by *The Ordinance on Irrigation Associations in Korea*, enacted by the Japanese colonial government in 1917.

While traditional Korean agricultural development was undertaken by local villagers, the application of external models for the development of agricultural villages began in 1910. At this time, Korea was under Japanese colonial rule and the development of agricultural villages under Japanese colonial rule was mainly focused on the needs of colonial rule. The policies, however, implemented in the early 1950s, after liberation from Japanese colonial rule, mainly aimed at the abolition of feudalism. Therefore, there is a gap between the policies implemented during this period and modern times.

Nevertheless, modern legislation remains as the basic foundation model for today's rural development and land reform. *The Ordinance on Irrigation Associations* (1906), and *The Ordinance of Irrigation Associations in Korea* (1917), which partially succeeded the aforementioned ordinance, are related to *The Land Improvement Act* (1961), *The Agricultural Community Modernization Promotion Act* (1970), *The Act on Special Measures for Development of Agricultural and Fishing Villages* (1990), and *The Rearrangement of Agricultural and Fishing Villages Act* (1995).

2.1.2. Dawning Stage: 1950s~1960s

a. Historical Background

Policies on rural development and land reform, after liberation from Japanese colonial rule, became significant in the 1950s. In particular, from the late 1950s and throughout the 1960s, Korea adopted a model for agricultural reform developed by the United Nations and the ICA (International Cooperation Administration) that focused on developing countries after World War II.

In 1955, the Korea-US Combined Economic Board recommended the Korean Government to implement projects for the development of local communities in order to reconstruct the agricultural economy that had been impoverished since the Korean War. It aimed to develop agricultural areas and was resolved to implement the plan as a national project in 1958. The project's goals focused on working with village advisors while providing a financial model and technology for each village. Residents in the community planned each project with the assistance of the advisors. The projects were divided between two programs: First, independent projects that utilized the resources and finances of the local residents. Second, subsidized projects that implemented external aid. Both projects remained active until 1962.

National policies on economic development in Korea, however, took a turn in the 1960s and began to focus on industrialization. Consequently, rural development projects became stagnant. The first policy on industrialization, after liberation from Japanese colonial

rule, was the five-year economic development plan that was implemented in 1962. This policy provided Korea with the momentum it needed to transform from a conventional agriculturally based nation to an industrialized nation. As a result, the policy change, from the agricultural sector to industrialized cities, accelerated the gap between urbanized areas and rural areas.

Moreover, the agricultural population rapidly decreased from 1968 onward. Citizens in rural communities began to voice their complaints against the gap in growth between cities and rural areas. The issue continually escalated over time and placed heavy pressure on political groups. This problem, however, did not stop at the villages. The State's failure to continue policies on rural development began to extend to cities as well. The flow of the rural population into cities created a ripple effect that touched on all aspects of the economy and infrastructure, such as transportation, housing, waterworks, sewerages, and education.

Eventually, the government tried to lessen the pressure by preparing a strategy that created jobs in the agricultural sector and constructing infrastructure that enabled them to settle down there. The renewed interest in rural areas anticipated all the benefits of city life in order to close the deepening divide. This would involve increasing farmer wages, improving the living environment and infrastructure for production in agricultural villages (roads, houses, waterworks, sewerage, equipment), and improving rivers in underdeveloped areas. The push to develop rural villages to the level of cities became an urgent task and rural community voices were heard.

Furthermore, the export-oriented strategy adopted for economic growth along with the policy on industrialization in the 1960s faced serious threat from the downturn of the world economy by the end of the 1960s. The government, therefore, was eager to prepare measures for stimulating the economy in order to overcome sluggish exports and boost domestic demand. The Government intended to achieve such goals by implementing public sector investment policies on a large scale. Eventually, the government's public sector investment policy was implemented in the 1970s to overcome the world economic recession of the 1960s and, at the same time, solving the problems that rural villages as well as cities confronted. *The Saemaeul Movement* began as part of the public sector investment policy during this time. Although the projects that were implemented for the development of local communities in 1950s, and the projects subsequently implemented for the development of local communities in 1960s, are characterized by policies dependent upon foreign aid or short implementation periods, the methodology that was followed on each rural community were extremely meaningful. Those initial plans and projects presented a significant model-strategy that paved the way for *The Saemaeul Movement* which was eventually instilled and adopted throughout the country in the 1970s.

b. Major Statutes

The 1960s are characterized as a period during which laws regarding rural development and land reform were completely reorganized. Legislation that was enacted during this period include *The Land Improvement Projects Act* (December 31, 1961), *The Groundwater Development Corporation Act* (January 17, 1969), *The Act on Special Measures for Settlement of Long-Term Bonds for Land Improvement Projects* (March 5, 1963), *The Promotion of Reclamation Act* (February 22, 1962), *The Development of Farmland Act* (January 16, 1967), and *The Public Waters Reclamation Act*. The most significant statute, however, was *The Land Improvement Projects Act*. This act superseded *The Ordinance on Land Improvement in Korea*, *The Ordinance on Irrigation Associations in Korea*, *The Ordinance on the Korea Farmland Development Corporation*, and *The Act on Special Measures for Merger of Irrigation Associations*. In short, it merged and integrated various provisions among these laws regarding infrastructure restoration for agricultural production.

The Land Improvement Projects Act changed the name of each irrigation project to a land improvement project. It included projects for cultivation, reclamation, rearrangement of farmland, disaster recovery projects, and irrigation projects. This act, moreover, regulated organizations, reorganized existing irrigation associations into land improvement associations, and reorganized *The Federation of Irrigation Associations* into *The Federation of Land Improvement Associations*. It served as the basic foundation for the rearrangement and development of agricultural villages in the 1960s. Despite this, it was merged and integrated into *The Agricultural Community Modernization Promotion Act*, along with *The Groundwater Development Corporation Act*, in the 1970s, which began the transition period for rearrangement and development policies for domestic rural villages. During this period, *The Act on Special Measures for Settlement of Long-Term Bonds for Land Improvement Projects* was integrated into *The Act on Special Measures for Promotion of Farmland Improvement Associations* (January 22, 1971).

2.1.3. Restoration Stage: 1970s

a. Historical Background

The restoration period for rural development in Korea began in the 1970s. This period is characterized as the period in which a “Korean model for the development of villages,” represented by *The Saemaoul Movement*, was established and operated. The community-based movement, promoted nationwide from 1971, heavily contributed to reforming agricultural society, economy, culture, living environment, and mind-set of rural communities in a very short time. *The Saemaoul Movement* emerged as a model for rural development in many developing countries and has been highly accredited by international organizations involved in the development of agricultural villages.

① Reasons for the Promotion of The Saemaetul Movement

As explained above, the full-scale implementation of industrialization-slanted policies on economic development, in the 1960s, deepened the income gap between cities and agricultural villages. This gap distorted the interdependent economic relationship between cities and rural villages and brought about political and social turmoil. To reiterate, the development of agricultural villages emerged as an urgent task to be performed, entailing proper utilization of national resources and the balanced regional development. Hence, plans for stimulating the countryside, with the cooperation and aid of advisors, were discussed in a conference made up of provincial governors from all Korean provinces. The meeting was held in April 1970, and would later give birth to the core ideas that *The Saemaetul Movement* needed to gain favor at the governmental level.

In summation, *The Saemaetul Movement* that began in 1971 can be defined as a strategy for the development of agricultural villages. It fused the experience of movements promoted in the 1960s and Korean heritage that maintained traditional and regional values. *The Saemaetul Movement* culminated with the integration of strong government leadership (top-down strategy), and traditional voluntary development of village communities (bottom-up strategy).

② Major Activities of The Saemaetul Movement

Between October 1970 and June 1971, 335 bags of cement per basic administrative district (Ri/Dong) were distributed without charge to all 33,267 districts throughout the country. They were to be used for the winter non-farming season, with which each district's development committee could implement a project to improve their village with local voluntary labor. The supplies were mainly for maintaining long-cherished facilities that each village valued. These projects were originally called *The Saemaetul Refurbishment Projects* in 1971 and were the first incarnations of *The Saemaetul Movement* that materialized in each agricultural village.

From 1972 onwards, *The Saemaetul Movement* expanded and developed in scope and substance. In particular, *The Saemaetul Movement* was focused on:

- (a) A campaign for spiritual development so as to cultivate pride in their work, self-sufficiency, and cooperation.
- (b) Programs for training leaders for *The Saemaetul Movement* so as to promote effective mobility.
- (c) Various activities for residents in agricultural villages to volunteer for in order to build a sense of community.

Hence, *The Saemaedul Movement* began to be regarded as a social campaign for the combination of spiritual development, social development, and economic growth.

The objectives of *The Saemaedul Movement* presented diverse points of view, but it was determined that the first goal to accomplish was to effectively increase the income in agricultural areas. This goal is defined as a “campaign for living well.”

The second goal for *The Saemaedul Movement* was led by the private sector and aimed to instill new values that focused on self-sufficiency and the community to build a better economic, social, and cultural environment with a sense of pride. The ultimate goal for *The Saemaedul Movement* was to modernize rural areas and in the process create a stable and well-balanced economy.

In particular, *The Saemaedul Movement* brought about many positive results. In order for the development projects to succeed, it was necessary to execute policies in an organized and systemized manner. A great deal of thought, therefore, went into establishing an organization in the central government and an organization in the private sector to promote *The Saemaedul Movement*. These organizations were given the responsibility to determine specific programs and activities for the agricultural villages, including various projects and programs that dealt with economic development and also issues with rural income.

The Saemaedul Movement can be regarded as a comprehensive development project that involved every aspect of rural infrastructure development, from roads, bridges, and rural pathways, to income producing crops, factories, and educational programs. Another remarkable feature of *The Saemaedul Movement* was its incentive system under which subsidies were rewarded to villages that showed outstanding performance. This produced competition amongst villages and induced villages to catch up with villages that had exemplary status.

Table 2-1 | Details of The Saemaedul Movement Projects

Category	Details of Projects
Projects for Environmental Improvement	<ul style="list-style-type: none"> <li data-bbox="411 1406 1172 1624">○ Although public projects for building village halls and widening back roads, and some structures such as roofs, kitchens, and toilets, had been implemented at an early stage, most structural improvements were implemented from 1976 onward. This involved a combination of projects for multiple villages that were implemented for roads, houses, public facilities, farm roads, infrastructure for production, and income source development. <li data-bbox="411 1630 1110 1721">○ While projects had been implemented for each individual village at an early stage, projects were implemented for zones which encompassed two or three villages from 1974 onwards.

Category	Details of Projects
Projects for Increasing Income	<ul style="list-style-type: none"> ○ Saemaeul projects for increasing income for farmers and fishers had mainly consisted of special projects implemented by The Ministry of Agriculture and Fisheries. These projects also developed complexes for sidelines, and increased income in agricultural, forest, and fishing villages. They were instituted from 1973 onwards. ○ From 1975 onwards, <i>The Saemaeul Movement</i> for agricultural villages was promoted with the aim of increasing each farmer's average income to 1.4 million won per household. Out of 7,000 self-sufficient villages, 4,000 villages were selected for a "seven-year plan for increasing income," taking into consideration the geographical location and conditions of each village.
Projects for Refurbishing Infrastructure for Production	<ul style="list-style-type: none"> ○ Although projects for the rearrangement of farmland or irrigation, which had been implemented by the Ministry of Agriculture and Fisheries, had been designated as projects for infrastructure restoration at an early stage, they actually were officially introduced from the mid-1970s onward This included several projects such as constructing bridges and restoring small rivers, implemented by the Ministry of Home Affairs, supplying electricity to agricultural villages, implemented by the Ministry of Energy and Resources, constructing Saemaeul community halls, implemented by the Ministry of Construction, supporting the construction of facilities for distribution and production of fishery products, improving the structure of distribution of agricultural products by agricultural cooperatives, and installing facilities annexed to fish farms or chain stores in fishing villages by fishery cooperatives).
Projects for Spiritual Development	<ul style="list-style-type: none"> ○ Education on the spirit of <i>The Saemaeul Movement</i> had limited supervision by The Saemaeul Movement Training Institute during the early stages, but most educational and training programs were conducted by the government. In addition, the government led public relations programs. All of this was constituted as spiritual development and were enacted from the mid-1970s.
Projects for Welfare Environment	<ul style="list-style-type: none"> ○ These projects included: Projects implemented by the government for collaborative Saemaeul zones, projects for access roads to villages, projects for housing improvement in agricultural villages, projects for structural improvement of villages, projects for restoration of small towns, projects for waterworks and sewerages, programs for medical care, projects for conservation and forestation of national land, projects for the installation of telephones, projects for the installation of mobile telecommunications networks, projects for establishment and management of child-care facilities during farming seasons, the development of model villages for improvement of nutrition in agricultural villages, the installation of distribution centers, the restoration of areas along railroads, and the establishment of cultural facilities in rural villages.

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③ Promotion System

The governing body for Saemaeul reformation projects in the 1970s needed to promote such projects in a more organized and systemized manner than the conventional methods they were used to. Therefore, the Government divided the implementation method into three stages: the first stage involved creating infrastructure (1971~1973), the second stage focused on developing methods for self-sufficiency (1974~1976) and the last stage would support the communities once self-sufficiency was achieved (1977~1981). From here, the Government further organized each stage by prioritizing the projects within each stage step-by-step.

In the meantime, the Government tried to restructure organizations for *The Saemaeul Movement* in order to promote it countrywide. As a result, the Ministry of Home Affairs, which was then the Ministry responsible for the promotion of the Saemaeul Movement, appointed officers who would be exclusively responsible for the following positions: community development, urban development, agricultural village development, and housing development. The ministry also created an evaluation system in order to track and evaluate results. In addition, a central council was established, comprised of “vice ministers” from related ministries, in order to implement The Saemaeul Movement. In order for these leaders to efficiently do their jobs, a training institute was also established in order to educate and recruit talent.

As *The Saemaeul Movement* grew in importance, the government widened the organizations involved in it. An organization exclusively responsible for *The Saemaeul Movement* was established in each of the following ministries: The Ministry of Agriculture and Fisheries, The Ministry of Commerce and Industry, The Ministry of Education, and each agricultural cooperative in addition to The Ministry of Home Affairs. A management division, furthermore, was established in each municipality for every “Do, Si, Gun and Gu” (Korean regional land nomenclature such as those used for city and state). Each of the 138 “Guns,” were appointed a head deputy as well. The movement could not function solely on the leadership of the central government. It needed voluntary cooperation from the private sector. Therefore, a “council of non-governmental organizations for the Saemaeul Movement” was established in eleven “Dos” and “Sis” throughout the country and a non-governmental central council was formed.

The Saemaeul Movement’s remarkable achievement owes its success to the organizational structure and governing bodies that were established. The central government and local governments were represented by “councils for the Saemaeul Movement.” Advocacy programs at different levels were integrated into the councils to keep them at maximum efficiency. This served several purposes: it managed financial and technical support for

the government, it eliminated overlap by appropriately channeling work, and it effectively spread the government’s guidelines to each village. The advocacy programs were established in the central government and local governments as follows:

Table 2-2 | Advocacy Programs for The Saemaeul Movement

Organization	Authority
Central Saemaeul Movement Council	<ul style="list-style-type: none"> ○ Established as an organization within the central government. ○ Organization <ul style="list-style-type: none"> Comprised of the chairman (Minister of Home Affairs), council members (Vice Ministers of administrative agencies, including the Economic Planning Board, and the heads and deputy heads of other related agencies). ○ Authority and operation <ul style="list-style-type: none"> - The official decision-making organization for the Saemaeul Movement. - Integrated, reviewed, and adjusted project plans for each related ministry and documented the current status of implementation for such plans. - Examined plans forwarded by each “Do” for the promotion of Saemaeul projects. - Discussed and coordinated matters related to Saemaeul Movement projects.
Local Councils	<ul style="list-style-type: none"> ○ Established in each “Do.” ○ Organization <ul style="list-style-type: none"> - Decision-making branch (Do council): Comprised of the chairman (Do Governor) and council members (Deputy Governor, professors, teachers from agricultural high schools, and the heads of appropriate institutions). - Ancillary branches: The meeting of Director Generals and the meeting of Directors. - Advisory branches: Comprised of a group of professors and advisors for each Do; - Supportive branches: Comprised of the technical support team, the financial support team, and human resources and equipment support team. ○ Authority and operation <ul style="list-style-type: none"> - Examination of Saemaeul project plans reported by each “Si” and “Gun” and discussion about guidelines issued by the central government for the allocation of projects (decision-making organization). - Discussed issues regarding Saemaeul projects and deliberation on new methods for <i>The Saemaeul Movement</i> (ancillary organizations). - Organized individualized job responsibilities under which project tasks were allocated according to function.

Organization		Authority
Local Councils	Saemaetul Movement promotion council	<ul style="list-style-type: none"> ○ Established in each "Si" and "Gun." ○ Organization <ul style="list-style-type: none"> - Decision-making branch: Comprised of the chairman (head of the "Si/Gun"), council members (heads of institutions in each "Si/Gun" and some citizens deemed necessary) - Ancillary branches: Comprised of officers and the heads of Eup/Myeon. - Advisory branches: The heads of institutions in each "Gun" and the advisory committee to each "Gun." ○ Authority and operation <ul style="list-style-type: none"> - Performed functions similar to the functions of a "Do" Saemaetul council. - Discussion about management strategies for Saemaetul projects in each "Gun." - A joint leadership system, rather than individualized responsibilities by function, was adopted.
	"Eup/Myeon" council	<ul style="list-style-type: none"> ○ Established in each "Eup/Myeon." ○ Organization <ul style="list-style-type: none"> - Decision-making branch: The chairman (head of the "Eup/Myeon"), council members (the heads of institutions in each "Eup/Myeon" and some citizens who the head of the "Eup/Myeon" deemed necessary). - Operation of other ancillary branches, advisory branches, and supportive branches in discretion. ○ Authority and operation <ul style="list-style-type: none"> - Performed functions similar to functions of a Do Saemaetul council, a Saemaetul Movement promotion council, or a Gun council. - Responsible for the promotion of the Saemaetul Movement.
Saemaetul Council in Each Village	<ul style="list-style-type: none"> ○ Established in each village. ○ Organization <ul style="list-style-type: none"> - The chairman (Saemaetul leader) and the relevant "Ri/Dong" development committee (comprised of community leaders elected by residents) ○ Authority and operation <ul style="list-style-type: none"> - The main administration council for executing Saemaetul Movement projects. - Planned Saemaetul projects for each village. 	

As shown above, the strategy adopted by *The Saemaetul Movement* combined traditional methods for development projects for local communities from the 1960s and the methods from *The Campaign for the Promotion of Agricultural and Mountain Villages* from the 1930s. In particular, *The Saemaetul Movement* from the 1970s was able to achieve nationwide acceptance in a short period because it adopted traditional methods for rural development. The system for advocacy, however, shifted from the government-led system to the private sector in the 1980s. As a result, the spirit of *The Saemaetul Movement* declined under the

regime of the 5th Republic and lost vitality. Despite the decline of *The Saemaedul Movement*, rural development policies and related projects were not lost. Instead, they were transformed via new methods and cooperation between the private sector and the government.

b. Major Statutes

The Agricultural Community Modernization Promotion Act (January 12, 1970), *The Presidential Directive* (April 20, 1970), and *The Act on the Utilization and Management of the National Territory* are two statutes representing this period. This period is characterized by housing improvements, infrastructure development for agricultural villages, the increase of income of farmers, tinrastructure for production agricultural production, and the rearrangement of village areas. In addition, *The Act on Special Measures for Promotion of Farmland Improvement Associations* and *The Farmland Expansion and Development Promotion Act*, which superseded *The Development of Farmland Act*, were enacted for such purposes. However, projects for rural development in the 1970s were represented by *The Saemaedul Movement*, as explained above, and the direct legal authority for the movement was *The Agricultural Community Modernization Promotion Act*. In other words, *The Agricultural Community Modernization Promotion Act* was the legal authority that allowed for rural development projects to be enacted.

Table 2-3 | Major Statutes for the Restoration Period

Statutes	Main Provisions	Main Projects
Agricultural Community Modernization Promotion Act	<ul style="list-style-type: none"> ○ Improvement, development, conservation, and clustering of farmland ○ Improvement of agricultural machinery to increase productivity ○ Farmer housing improvement 	<ul style="list-style-type: none"> ○ Farmer housing improvement
Presidential Directive	<ul style="list-style-type: none"> ○ Projects for environmental improvement, projects for increasing income, projects for infrastructure development, programs for spiritual development, and programs for welfare and the environment. 	<ul style="list-style-type: none"> ○ Projects for the improvement of the living environment ○ Projects for increasing income ○ Projects for infrastructure development
Act on the Utilization and Management of the National Territory	<ul style="list-style-type: none"> ○ Development of village districts (districts deemed necessary to be developed as residential clusters for farmers and fishers) 	<ul style="list-style-type: none"> ○ Projects for the rearrangement of village districts

2.1.4. Temporary Recession Stage: 1980s

a. Historical Background

① The Gap between the National Economy and the Agricultural Economy

As a result of the successful implementation of the “five-year economic development plans,” which were implemented since 1962, Korea experienced rapid development to become an industrialized nation. The gap in income between cities and agricultural villages, however, became wider. Policies for the construction of sideline complexes, and agricultural and fishing village complexes were implemented in the 1960s and 1970s, respectively, in order to lessen the gap in income between cities and agricultural villages. The effects of such policies, however, were insignificant.

The reason the policies failed can be linked to the economic shift away from agriculture in the 1980s. During this time, the government’s budget had rapidly increased due to economic growth during the 1960s and 1970s. While the government’s budget for expenditure in 1970 was approximately 860 billion won, it increased to more than 10 trillion won in 1980 and reached approximately 38 trillion won in 1990. Such economic growth is attributed to the success of *The Saemaedul Movement* and policies for industrialization in the 1970s. Nevertheless, this gave fuel to the State for creating a national consensus to not turn their backs on the plight of the farmers. As a result, with the Government’s increased budget , various measures were taken on behalf of rural communities. The government recognized that there were limitations in the conventional methods applied, up to that point. The gap in income between cities and agricultural villages, and the gap in growth between regions, emerged as serious social problems in 1980s. Thus, the opinion that a new and comprehensive plan was needed for developing agricultural villages, by focusing on zones with major cities in agricultural regions, became persuasive.

② Policy Principles

The new and comprehensive rural development projects, which commenced in the 1980s, were an extension of the national land development plan implemented in the 1970s. Its aim was to resolve the overpopulation of, and migration to, large cities. In particular, the model used for general settlement zones from the mid-1970s was carried over to projects for rural development in the 1980s. From the 1980s onward, the new plan was promoted to close the distance between cities and rural communities. The main objectives of these policies were to improve of living conditions by physically rearranging and increasing the income of all eligible zones.

First, projects for the improvement of living conditions in agricultural villages focused on the improvement of their facilities, such as roads, telecommunications, and rivers in

agricultural areas. These projects were to create an equal standard of living for rural citizens as compared with their city-dwelling counterparts. It would achieve this by improving facilities for education, medical service, and welfare.

Second, plans centered around increasing income by creating agro-industrial complexes, relocating factories to agricultural areas, and processing agricultural products in the factories. This would, in turn, lead to an increase in rural employment opportunities as well as promoting regional attractions and tourism.

③ Major Policies (Policies on Settlement Zones in Agricultural Villages and the Comprehensive Development of Rural Villages)

The objectives of the newly established policies in the 1980s required the execution of projects in a new manner compared to those in the 1970s. The new projects were to focus on settlement zones in agricultural villages. They came after analyzing for the results of the development projects in the 1970s. The main goal was to integrate the development of “Eups” and “Myeons” into one cohesive development package.

Another thing to consider were the spatial limitations that conventional development did not overcome. This, in turn, created limitations in production for agriculture and fishing. As a result, policies became more diverse and paid attention to all aspects of manufacturing, services, education, culture, and tourism. The government determined that it should be financed by the central government.

In the meantime, the Economic Planning Board declared the introduction of a comprehensive development method for both agriculture and fishing by announcing, “the comprehensive measures for agricultural and fishing villages,” in March 1986. The announcement declared that all development projects would be systematically implemented, keeping in mind local opinions and their unique cultural heritage. Each local government, moreover, should formulate a strategy with several goals in mind. The introduction of industry must be harmonized into their agricultural village. Agricultural structures must be improved. Living conditions must be improved. The central government should formulate a budget for each region and authorize each local government to manage the budget flexibly. A plan for five regions should be completed between 1986 and 1987, and investment should be made by the comprehensive development method from 1988. A development plan should be formulated for each “Gun” throughout the country during the sixth, five-year economic development plan period, and the investment should be changed stage by stage.

With this declaration, the government merged the budgets of each ministry involved in the development of rural villages in the central government, with that of the local governments. They formulated a budget for each region and increased the budget allocated to the development of agricultural villages. In addition, subsidy grants were no longer a

discretionary matter and were changed to an application procedure. Other efforts were made to improve other systems as well.

Unfortunately, the new experimental policies were discontinued immediately after investment was made in 1987. There several causes for the discontinuance: Circumstances were too immature to embrace the philosophy and development method in the policy on the comprehensive development of agricultural and fishing villages. The authorities for making decisions were still centralized. Collectivist thought prevailed in every ministry and agency involved. Legislation on the policy was incomplete. There were differences in opinion between the divisions responsible for budgeting and executive divisions. The budgeting divisions emphasized a change in the investment method, whereas the executive divisions emphasized new investment for agricultural areas. The new settlement zone policy, therefore, was discontinued before it could take off.

In the late 1980s, rural villages in Korea faced greater hardships due to changes in domestic and overseas conditions. The poor performance of policies in the mid-1980s resulted in rural “backwardness.” Farmer income continued to decrease. The rural standard of living deteriorated. The gap between cities and agricultural villages steadily widened. Moreover, the negotiations on the Uruguay Round, which began in 1985, caused an open agricultural market. Korea needed radical countermeasures if they wanted to solve their rural dilemmas.

b. Major Statutes

The main objectives of rural development during this period were to reduce the gap in wealth between cities and agricultural villages and to respond to rising international influences. Such demands were met by enacting the following statutes: *The Agricultural Community Modernization Promotion Act*, *The Act on Special Measures for Promotion of Farmland Improvement Associations*, and *The Farmland Expansion and Development Promotion Act*. These acts, however, could not live up to the expectations of the 1980s-government principles. Relevant statutes were not enacted and not amended to adequately satisfy rural and government needs in the 1980s, and consequently, the government failed to implement sustainable policies based on the statutes. Although projects were implemented for the construction of industrial complexes and tourism, pursuant to *The Act on the Promotion of Income Source Development for Agricultural and Fishing Villages* (1983), they could not meet the demands of the times. In addition, there were attempts to promote a balanced development of national land in the mid and late 1980s. These efforts sought to improve the living environment on islands and in mountainous lands and increase income in these areas pursuant to *The Islands Development Promotion Act (1986)* and *the Hinterlands Development Promotion Act (1988)*. There was no formal connection with

agricultural development policies created by the Ministry of Home Affairs, and the new attempts didn't improve upon these policies which were already in effect.

In the end, Korea failed to properly issue relevant statutes for rural development in the 1980s and consequently caused the economy of rural areas to drown into depression and neglect.

2.1.5. Settlement Stage: 1990s

a. Historical Background

In the 1990s, rural villages failed to succeed as thriving settlements due to the inferior standard of living compared to that of cities. In particular, inadequate infrastructure caused the exodus of people from agricultural areas. The traditional agricultural infrastructure also failed to adapt and integrate in the modern industrialized era. This failure was due in part to the lack of effective policies for the transformation of rural communities. In addition, globalization trends represented by the Uruguay Round negotiations of the late 1980s, and the WTO system in the early 1990s, further deteriorated the competitiveness of rural areas. As this issue escalated, the government began to turn its attention to formulating solutions for their rural problems.

The projects for rural development in the 1990s are characterized by their equal consideration for agriculture and fishing. In order to implement them, the Government started by discarding the agriculture-oriented approach. Governmental ministries and agencies began paying attention to the welfare of farmers and fishers, doing away with the conventional settlement-oriented method of development. The Ministry of Agriculture and Forestry enacted *The Act on the Special Measures for Development of Agricultural and Fishing Villages (1991)* and *The Rearrangement of Agricultural and Fishing Villages Act (1994)* and participated in the development of agricultural villages in full-force. Meanwhile, The Ministry of Government Administration and Home Affairs and The Korea Forest Service expanded their participation through *The Act on the Maintenance and Improvement of Road Networks in Agricultural and Fishing Villages (1991)*, *The Act on the Promotion of Amelioration of Housing in Agricultural and Fishing Villages (1995)*, and *The Forestry Act (1995)*. Other ministries and agencies also increased their participation. This trend caused a change in the system for rural development support, and consequently new systems for promoting projects were established. Some of the effects were: the creation of cultural villages, the designation of development promotion zones, improvement in the standard of living of agricultural and fishing villages, the development of mountain villages, and the development of small towns. This was just enough momentum for the Government to adopt and transplant foreign policies into the existing rural reforms. The rural reforms of

the 1990s had great significance. This era of reforms establish the foundation from which relevant policies could be expanded on, from the 2000s onward.

b. Promotion System and Major Achievements

The policies for the development of settlement zones in agricultural villages in the 1990s differed from policies implemented in 1980s. The projects in the 1990s aimed to improve the standard of living in rural communities by improving productivity, thereby improving rural income.

Projects and policies were implemented as stimulation packages for rural economies. Typical examples include: the maintenance of roads, the rearrangement and improvement of infrastructure for agricultural and fishing production, the increase the standard of living, the provision of resources for recreation, and the utilization of marginal farmland. Projects for the creation of cultural villages significantly contributed to rural reform. Communities were developed with a grid-type road network and similar housing structures were used throughout the country. Furthermore, mountain villages adjacent to agricultural and fishing villages were included in the policies’ scope of application, thereby expanding coverage. Projects for underdeveloped areas were also continuously implemented. This introduced the system for the designation of “development promotion zones” and included the development of small towns. A special system for welfare was implemented from the mid-1990s. In 1995, the government began partial subsidization for national pension plans and reductions in national health insurance premiums. Both were specifically extended to rural citizens.

Table 2-4 | Major Policies at Settlement Stage

Project Name	Main Provisions
Development of Settlement Zones	<ul style="list-style-type: none"> ○ Projects for development of income sources. Rearrangement and development of settlements in rural villages. Rearrangement and development of roads in rural villages. Development of agro-industrial complexes, etc. ○ Projects for the improvement of living environment: clustered housing in rural villages, construction of rural villages with public facilities, redevelopment of rural villages, rearrangement of scattered villages, private waterworks, and water pollution prevention. ○ Projects for productivity reform: improvement of and extension of the living environment in connection with projects for development of income sources, development of water supply and drainage, improvement and extension of facilities for water supply and drainage, rearrangement of settlements, and expansion of roads and social welfare facilities in rural villages.

Project Name	Main Provisions	
Projects for Settlement Zones in each "Myeon"	<ul style="list-style-type: none"> ○ Projects for development of general settlement zones: infrastructure reform in villages, improvement of roads in rural villages, construction of cultural landmarks and welfare facilities, construction of industrial infrastructure, and improvement of housing in rural villages. ○ Creation of cultural villages. ○ Sewerage projects in villages. 	
Development of Infrastructure for Production and the Residential Environment	<ul style="list-style-type: none"> ○ Integration and combination of projects for the development of infrastructure for production in rural villages and residential environments, previously implemented by The Ministry of Agriculture and Fisheries, The Ministry of Home Affairs, The Ministry of Environment, and The Ministry of Construction and Transportation respectively (<i>The Rearrangement of Agricultural and Fishing Villages Act</i>). ○ Infrastructure reform for productivity, improvement of the living environment, development of resources for recreation, development of marginal farmland. ○ Infrastructure reform for agriculture and fisheries, development of resources for recreation in rural villages, and the development of marginal farmland (taking into consideration local conditions and the increase of income sources). 	
Development of Communities for Welfare Promotion in Agricultural Villages	Expansion of social security networks	<ul style="list-style-type: none"> ○ Subsidization of national pension plans and reductions in national health insurance premiums. ○ Increased compensation for farming related injuries. ○ Increased standard of living benefits for farmers and fishers.
	Expansion of infrastructure for welfare, such as education and medical service	<ul style="list-style-type: none"> ○ Improvement of the educational environment in agricultural villages. ○ Expansion of infrastructure for health and medical service in agricultural villages. ○ Welfare improvement for female farmers and the elderly.
	Activation of development of agricultural areas	<ul style="list-style-type: none"> ○ Advocacy for the development of major rural cities. ○ Improvement of basic living conditions, such as farmer housing, transportation, waterworks, and sewerage. ○ Establishment of major agricultural exchange cities.
	Establishment of a system for supporting agricultural villages	<ul style="list-style-type: none"> ○ Formulation of a core strategy and an implementation plan for the development of rural areas for improving the quality of lives of farmers and fishers at the government level.

c. Major Statutes

Statutes enacted in 1990s for supporting rural development and land reform are represented by *The Act on the Special Measures for Development of Agricultural and Fishing Villages (April 7, 1990)*, *The Act on the Maintenance and Improvement of Road Networks in Agricultural and Fishing Villages (November 14, 1991)*, *The Act on Special Rural Development Tax (March 24, 1994)*, and *The Rearrangement of Agricultural and Fishing Villages Act (December 24, 1994)*. Particularly, *The Special Measures for Development of Agricultural and Fishing Villages* legally supported project implementation for settlement zones development. *The Act on Special Rural Development Tax* contributed to securing funds, approximately 15 trillion won, and became the foundation upon which development projects would be stably financed.

However, the statute that influenced rural reform more than any other statute at this stage was *The Rearrangement of Agricultural and Fishing Villages Act*. This Act established a system under which multi-faceted policies could be combined. Therefore, *The Rearrangement of Agricultural and Fishing Villages Act* can be referred to as the foundation Act that enabled the formulation and implementation of comprehensive policies for rural development and land reform in the 1990s.

Table 2-5 | Major Statutes and Main Provisions

Statute	Main Provisions	Key Projects
Act on Special Measures for Development of Agricultural and Fishing Villages	<ul style="list-style-type: none"> ○ Advocacy for farmer and fisher welfare: improving productivity of agriculture and fisheries, expanding sources of income, improving the living environment, and developing improving the standard of living. 	<ul style="list-style-type: none"> ○ Projects for development of settlement zones ○ Creation of cultural villages
Act on the Maintenance and Improvement of Road Networks in Agricultural and Fishing Villages	<ul style="list-style-type: none"> ○ To provide matters regarding road construction: widening, paving, and conserving roads in agricultural and fishing villages, except otherwise provided for in the Road Act. ○ Revitalization the economy with attention to the standard of living in rural areas. 	<ul style="list-style-type: none"> ○ Maintenance of roads in agricultural and fishing villages
Balanced Regional Development and Support for Local Small and Medium Enterprises Act	<ul style="list-style-type: none"> ○ The Minister of Construction may designate an area as a "development promotion zone," if he/she deems it an underdeveloped area that needs attention. 	<ul style="list-style-type: none"> ○ Development promotion zones

Statute	Main Provisions	Key Projects
Rearrangement of Agricultural and Fishing Villages	<ul style="list-style-type: none"> ○ To comprehensively and systematically rearrange and develop rural areas: infrastructure for production, the living environment, resources for recreation, and marginal farmland. ○ To promote competition amongst villages and to improve of the living environment. 	<ul style="list-style-type: none"> ○ Projects for the improvement of the living environment in agricultural and fishing villages
Enforcement Decree of the Forestry Act	<ul style="list-style-type: none"> ○ The Minister of the Korea Forest Service should implement projects for the comprehensive development of mountain villages: projects for the development of resort cities in forests, projects for the development of wood housing complexes for forestry development purposes. 	<ul style="list-style-type: none"> ○ Projects for the development of mountain villages
Act on the Promotion of Amelioration of Housing in Agricultural and Fishing Villages	<ul style="list-style-type: none"> ○ To ameliorate old, worn-out, and defective housing in rural villages. ○ To promote the improvement of underdeveloped residents. 	<ul style="list-style-type: none"> ○ Improvement of the residential environment in rural villages
Framework Act on Agriculture and Rural Community	<ul style="list-style-type: none"> ○ To develop agricultural villages into residential areas that can be linked to cities for efficiency and convenience for rural citizens. ○ To preserve the cultural heritage and cultural landmarks of agricultural areas and to make efforts to promote the general welfare of residents in agricultural villages. 	<ul style="list-style-type: none"> ○ Planning for the development of agriculture and agricultural villages

2.1.6. Expansion Stage: 2000s and thereafter

a. Historical Background

The most significant change in the 2000s was a complex project implementation system in which different strategies were combined. Pro-active measures were taken for environmental issues in rural areas as well, unlike previous attitudes. That meant public interest projects, such as the conservation of the natural environment and the maintenance of the national land, were emphasized. It is also noteworthy that the extent of these reforms expanded to include people in cities. The rural reforms were implemented with a bottom-up approach in which local governments actively led with the cooperation of the central government. These projects focused on several things: supporting small regional towns (2003), developing agricultural villages, developing “green” agricultural villages, developing the area surrounding each “Myoen” office, and general welfar campaigns (2004).

Projects for the development of agricultural villages commenced in the 2000s and include the following: the development of tourism in rural villages (village by village), trade between cities and agricultural villages focusing on campaigns for each village company and each village school, the development of local resources, support for resettlement in rural areas, and trade between regions. Furthermore, to increase the standard of living, school loans and health benefits were expanded upon for children. A welfare system for meeting the specific needs of farmers and fishers was also established. The stimulus package included improved insurance benefits and introduced public aid policies. The Government subsidized the national pension for poor farmers and fishers. A special pension for the elderly was established. Premiums for the national health insurance were reduced. The national health insurance coverage and benefits were expanded upon. Finally, a national social security system was introduced.

b. Major Statutes

The Special Act on the Improvement of the Quality of Life of Farmers, Foresters, and Fishermen and *The Promotion of Development of Agricultural, Mountain, and Fishery Areas* (2004), provided for projects that the government should implement in four sectors: infrastructure reform, education, local development, and the induction of complex industries. In addition, a core implementation strategy needed to be prepared for future projects to utilize and build upon. In 2009, *The Special Act on Utilization of Agricultural Production Infrastructure and Adjacent Areas* was enacted for several purposes: increasing income in agricultural areas and fishing areas, preventing rural sprawl, preventing tourist complexes and recreational facilities, and starting renewable energy projects.

In 2005, *The Fishing Villages and Fishery Harbors Act* was enacted to address matters regarding fishing villages. It provided for the designation, development, and management of fishery harbors in order to strengthen fishery competitiveness and to improve the quality of life for residents in fishing villages.

In 2012, *The Special Act for the Support for Development of Specialization of Fisheries* was enacted as the basis for formulating a model for the development of fishing villages by utilizing a bottom-up approach. This allowed for ties between cities and fishing villages to be strengthened.

2012 Modularization of Korea's Development Experience
Korean Legislation on Rural Development and Land Reform

Chapter 3

Analysis on Legislation for Supporting Rural Development and Land Reform

1. Consideration in Constitutional Policies for Rural Development and Land Reform
2. Specific Statutes for Supporting Rural Development and Land Reform

Analysis on Legislation for Supporting Rural Development and Land Reform

1. Consideration in Constitutional Policies for Rural Development and Land Reform

1.1. Constitutional Significance of Rural Development and Land Reform

Korea, different from other countries, has approached rural development and land reform at the constitutional level. This approach has the following unique characteristics: First, all state powers are bound to the expressed provisions in the Constitution. In other words, legislative power, executive power, and judicial power are constitutionally bound by the rights and systems regulated or guaranteed by the Constitution. Second, constitutional issues binding state powers serve as guidelines and standards for the formation and execution of statutes and judicial interpretation of such statutes. Third, legislative authorities will enact statutes regarding constitutional issues within the extent guaranteed by the Constitution, and the executive authorities will execute constitutional issues in accordance with the Acts formed. They will, however, observe limitations on the formation and execution of statutes regarding constitutional issues (administrative legislation).

1.2. History

1.2.1. Period of Constitution of 1st and 2nd Republic – Farmland Reform

Modern and contemporary national policies on the development of rural villages in Korea originate from the birth of The Constitution of the Republic of Korea. Article 86 of the first Constitution, enacted in 1948, provided “farmland shall be distributed to farmers, and the method of distribution of farmland, limitations on ownership of farmland, and the nature of and limitations on ownership shall be prescribed by provisions of an Act.” It removed the outdated feudalism of the time and introduced a democratic system for agricultural villages. Farmland reform emphasized the legal and political significance of policies and this legislative tendency was carried over to the Constitution of the 2nd Republic. However, this Article should be considered for its constitutional goal for the modernization of the farmland system, rather than the modern point of view of rural development .

Despite their efforts, the constitutional policies had adverse effects, causing the division of farmland into small parcels. The Constitution of the 3rd Republic, therefore, removed these reforms and shifted the paradigm to a system of policies focused on agricultural development. The government also employed the idea of democratizing of agricultural villages accomplished and aimed at enabling to convert agricultural villages into larger enterprises.

1.2.2. Constitution Period of 3rd and 4th Republic

Constitutional consideration for the full-scale development of agricultural villages began with the Constitution being wholly amended in December 26, 1962. Article 114 of the Constitution stated, “the State may place restrictions and imposed duties necessary for the efficient use of farmland and mountainous districts by provisions of an Act,” in order to put in motion a much needed change. The Article was carried over by the Constitution and partially amended in October 21, 1969. Article 119 of the Constitution, wholly amended in December 27, 1972, stated, “the State may place restrictions and imposed duties necessary for the efficient use, development, and conservation of farmland, mountainous districts, and other national land by provisions of an Act.” The scope of concern was expanded from “efficient use” to “use, development, and conservation.” These pro-active measures marked a turning for the development of agricultural villages at the national level.

The aforementioned Article had some limitations. It was interpreted as a declaration of the State’s duty or the foundation of constitutional policies for the development of agricultural villages, similar to the Constitution in 1962 and the Constitution in 1969. The Article focused on the restriction of citizens’ rights and the imposition of duties in order to effect change in the efficient use of farmland and mountainous districts, rather than the

State's duty to develop agricultural villages. This meant that the Constitutions amended from 1962 to 1972 forced citizens to tolerate the State-led development of agricultural villages as a national duty, declared at the constitutional level. In this sense, it can be said that the greatest feature of the Constitution during this period was that it recognized the State's power to enforce for the efficient and balanced use, development, and conservation of farmland, mountainous districts, and national land. The Constitution in 1972, therefore, was the turning point for the development of agricultural villages in Korea, introducing new elements that were different from the preceding Constitutions. In fact, conventional policies on farmland reform, which were implemented since the 1950s, had great significance because they solidified a foundation for the structural modernization of agriculture. They were able to change the feudal ownership system to a farm owned system, though it caused poor productivity in agriculture and poverty in agricultural villages.

Attempts made by the campaign for the development of local communities and the citizens' campaign for reconstruction, at the end of 1950s and 1960s respectively, tried to solve such problems. These campaigns, unfortunately, had limited resources that could be mobilized for rural communities because the strength of the national economy, as a whole, was weak at the time and could not achieve satisfactory results. This was in part because the policies for development were focused on industrialization, rather than the modernization of agriculture. Investment priority, under the five-years economic development plans from 1962 onwards, was given to mining and manufacturing industries. The Social Overhead Capital, the social and economic gaps between the industrial sector and agricultural sector, were gradually widened. With growing social unrest, it was necessary to prepare a new national policy to eradicate poverty from agricultural villages and reduce the gap in income between cities and agricultural villages. This was the role that the "Saemaeul Movement for Agricultural Villages," played. The Constitution in 1972 had great significance in that The Saemaeul Movement for Agricultural Villages, which was proposed in 1970, was fully supported by the Constitution from 1972 onwards.

1.2.3. Period of Constitution of 5th Republic

Article 124 of the Constitution wholly amended in October 27, 1980 stated, "the State shall formulate plans necessary for the development of agricultural and fishing villages, based on self-help of farmers and fishers, and shall promote the balanced development of local communities", amending Article 119 of the Constitution in 1972, and declaring the State's duty to the development of agricultural villages in earnest.

The significance of the Constitution in 1980 lies in the fact that the State's duty to formulate policies for development was imposed on the State for the first time. It was not only for agricultural villages, which had limited areas that were eligible for development

under Article 119 of the Constitution in 1972, but also for fishing villages. The Constitution declared that the objective for developing agricultural villages and fishing villages was, “the balanced development of local communities.”

1.2.4. Constitution Period of the 6th Republic

Article 123 (1) of the Constitution wholly amended on October 29, 1987 states, “the State shall formulate and implement plans necessary for the comprehensive development of agricultural and fishing villages and the support therefore in order to protect and nurture agriculture and fisheries.” This Act is still in effect. The Constitution in 1987 had discriminating provisions regarding the development of agricultural and fishing villages compared to the Constitution in 1980. It is noteworthy that the Constitution changed the objective for the development of agricultural and fishing villages. Although the Constitution in 1980 stated that the objective for the development of agricultural and fishing villages was the “balanced development of local communities,” the Constitution in 1987 had the objective of protecting and nurturing agriculture and fisheries from an industrial point of view. That does not mean that the objective for the development of agricultural and fishing villages were limited to the objective expressly stated, rather it should be construed as a change in the paradigm. It embraced the development of agriculture and fisheries as industries, in addition to the balanced development of local communities, as predetermined by the Constitution in 1980. Accordingly, Article 123 of the Constitution in 1987 declared that the development of agricultural and fishing villages should be implemented by the “comprehensive development method,” differing from relevant provisions from preceding Constitutions.

The reason why Article 123 (1) of the Constitution is interpreted in such way is the Constitutional Court has consistently interpreted the provisions in like fashion. With respect to Article 123 of the Constitution, the Constitutional Court held, “under Article 123, the State shall formulate and implement plans necessary to protect and nurture agriculture and owes the duty to nurture regional economies for the balanced development of regions and the duty to protect farmers’ interests by endeavoring to ensure the balance in supply of and demand for agricultural products and to improve the distribution structure of agricultural products to stabilize prices.” Furthermore, the Constitutional Court interpreted that, “the objectives of the nurturing of regional economies, as provided for in Article 123 of the Constitution, are: To reduce the economic unbalance of regions primarily; to prevent the exodus of farmers from agricultural villages and the excessive concentration of population into large cities by ensuring that adequate opportunities are provided to residents in economically underdeveloped areas to engage in their jobs in the areas in which they reside; to contribute the accomplishment of economic goals, which are economic growth and stabilization,

ultimately by ensuring the balanced distribution of population over the national land; and to promote the objective of the social policy under which balanced economic, social, and cultural relationships shall be formed throughout the country.”

Of course, the Constitutional Court’s view is not only an interpretation based on Article 123 (1) of the Constitution but also a systematic interpretation in connection with paragraph, (2) of the previously mentioned Article. It says, “the State owes the duty to nurture regional economies for the balanced development of regions.” Since such interpretation is based on the inherent characteristics of the Constitution, there have not been any different views in Korea.

Article 123 of the Constitution, currently in effect, expressly declares constitutional intent to be considerate of underdeveloped areas, industries, and job categories through constitutional policies. In other words, the provisions outline the the State’s duties as follows: to protect and nurture agriculture and fisheries, which are industries in poor condition, to protect citizens engaged in agriculture and fisheries, and to rectify the unbalance in citizen benefits, which is caused by the unbalance in regional economies.

2. Specific Statutes for Supporting Rural Development and Land Reform

2.1. Overview

The roots of legislation for the rearrangement or development of rural villages in modern and contemporary history can be traced back to *The Ordinance on Irrigation Associations (Ordinance of the Finance Department No. 3)*. It was declared in April 1906 (10th year in the Gwangmu reign), under the regime of the Empire of Korea. This ordinance was superseded by *The Ordinance on Irrigation Associations in Korea*, which was enacted as an ordinance of the Japanese colonial government in 1917. This was later replaced by *The Land Improvement Projects Act in 1961*. Afterwards, *The Land Improvement Projects Act* was superseded by *The Agricultural Community Modernization Promotion Act*, which also came to an end as a consequence of the birth of *The Act on the Special Measures for Development of Agricultural and Fishing Villages in 1990* and *The Rearrangement of Agricultural and Fishing Villages Act in 1995*.

The development of agricultural villages during Korea’s modernization period mainly relied a traditional system in which local residents took most of the burden for development. Each village community existed autonomously and solved problems on its own. This self-governing model for development eventually changed from the 1910s to the 1960s because

of outside forces. In particular, during Japanese colonial rule, rural reform originated from the ideology that political rule was necessary for occupation. This set up some limits. However, immediately after liberation from Japanese colonial rule, until the early 1950s, policies focused on eradicating feudalism through farm reform.

From 1958, after the Korean War, projects for regional development were implemented as national projects. This signaled the Government's genuine concern for the reconstruction of the impoverished agrarian economy. During this period, rural development in Korea commenced upon the recommendations set by the Combined Economic Board (CEB). These projects adopted the strategies set forth by The UN and the International Cooperation Administration (ICA).

The projects for the development of local communities consisted mainly of programs for the selection and training of leaders, self-governed projects, and subsidized projects. First, programs for the selection and training of leaders were implemented for the purpose of developing human resources. The Government realized it was necessary to secure and train good leaders in order for communities to be developed successfully. Second, self-governed projects basically encompassed those that were financially independent of the central government and implemented by local residents. Self-governed projects included: the reclamation of expanding farmland, the construction of village roads and small bridges, the installation of small embankments and irrigation facilities, the construction of village halls and public facilities, the installation of practice fields for the improvement of agricultural techniques, activities for collective production, and the increased production of compost. Third, subsidized projects were those that had to be implemented with financial or technical support from the government or any other entity. It was impracticable to implement these projects by relying solely on their own capital and their own endeavors. In particular, subsidized projects aroused the interest of residents in development by providing financial support for projects that communities intended to achieve.

These projects were implemented by the Ministry of Reconstruction, pursuant to the guidelines for the development of local communities. The guidelines passed the State Council in January 1958. Presidential Decree No. 1384, promulgated in September of the same year, was also responsible for the push. After the Third Republic commenced in 1961, the Ministry of Reconstruction was abolished and the Ministry of Construction was newly established through an amendment to *The Government Organization Act*. According to the amendment, projects for the development of local communities were transferred to the Ministry of Construction in May 1961, and to the Ministry of Agriculture and Forestry in July of the same year. The Rural Development Administration, furthermore, was established as an external administrative agency of the Ministry of Agriculture and Forestry. The administration merged projects for the development of local communities with projects for

agricultural villages. The projects were then discontinued when they were further merged into *The Saema-eul Movement*, promoted from 1971 onwards. At this stage, projects for rural reform experienced a new turning point in 1971 and a legal and institutional framework was established by the enactment of *The Agricultural Community Modernization Promotion Act* in 1971.

2.2. Agricultural Community Modernization Promotion Act

2.2.1. Agricultural Community Modernization Promotion Act Enacted in 1970

The Agricultural Community Modernization Promotion Act (Act No. 2199), put into effect on January 12, 1970, was enacted for the purpose of modernizing agricultural villages. This would happen by achieving the following: improving the productivity of agriculture, improving and developing farmland, conserving and clustering farmland, mechanizing agriculture, and improving farmer housing. This Act is noteworthy for declaring, “the State may place restrictions and impose duties as necessary for the efficient use of farmland and mountainous districts by provisions of Act,” in Article 114 of the Constitution, in 1962 and 1969.

a. Background for Legislation

Various measures were required to rapidly modernize underdeveloped agricultural villages at that time. The country urgently needed to improve the rural areas. Agricultural productivity needed to be improved, starting with the water for agriculture. Proper infrastructure for agricultural production needed to be built. Farmland needed to be reorganized. Farm roads needed attention and planning. The mountainous districts also needed care. Finally, agriculture was much in need of machinery alongside improving the general welfare of farmers and their living environment.

There were further problems to be addressed. Although Korea has an abundance of natural water sources, the levels of their use, at that time, were very low. Business was on a very small scale. As a consequence of the population migration from agricultural villages to cities, rural areas experienced a shortage of labor. Even more difficult, the management for agriculture were extremely backwards. These were the obstacles at hand for the Government to face.

It was desperately required to overcome these circumstances and establish a legal system to provide strong organization for implementation. The answer started with *The Agricultural Community Modernization Promotion Act*, enacted by wholly amending the preexisting *Land Improvement Projects Act*. The government expected to increase income from non-

agricultural sources. This task would be accomplished by beginning with the diversification of agricultural management. In addition, various projects under this Act would involve a long-term commitment to developing several things: related industries would be explored, poor income needed to be addressed, the income structure needed to be diversified, double-cropping through agricultural machinery needed to be utilized, and crops for raising livestock needed investment. Moreover, it was expected to significantly improve the ratio of national land use. Productivity could increase by addressing three issues: The farmland needed to be optimally developed. Investing in agricultural machinery would alleviate the burdens of additional manpower. Finally, improving housing and rural infrastructure would economically impact the living environment.

b. Main Provisions

The Agricultural Community Modernization Promotion Act provided for matters regarding the implementation of projects for the improvement of farmland, projects for the mechanization of agriculture, and projects for the improvement of farmers' housing. In order to efficiently implement the projects, the Agriculture Promotion Corporation was newly established as the organization exclusively responsible for the implementation by merging preexisting land improvement associations with the Groundwater Development Corporation.

① Farmland Improvement Projects

Farmland improvement projects are projects implemented for the purposes of developing and conservating farmland resources. They are also responsible for the improvement of agricultural productivity and the development of an agricultural economy, outlined as follows:

- (i) the installation, management, alteration, abolition, and consolidation of facilities for irrigation and drainage of water, roads for agriculture, and other facilities for the conservation or use of farmland.
- (ii) the rearrangement of subdivisions of farmland.
- (iii) the alteration of rice paddies or fields.
- (iv) the reclamation of land for agriculture.
- (v) the disaster recovery of farmland and facilities necessary for the conservation or use of farmland.
- (vi) the exchange, division, or merger of rights to farmland, rights to the land necessary for the use of farmland, and rights to use facilities for agriculture and water.

(vii) the improvement or conservation of farmland (subparagraph 1 of Article 2).

The government proceeded with the projects for water development and farmland restructure. They also managed projects for farmland development and created grasslands. This was all established and managed by a private-government that utilized a joint implementation system; The State, local governments, the Agricultural Promotion Corporation, farmland improvement associations, and landowners all participated as entities implementing projects.

Table 3-1 | Categories and Functions of Farmland Improvement Projects

Project Name	Descriptions
Projects for Development of Water for Agriculture	For the development of water for rice paddies, 21.8 billion won was invested from 1970 to 1971 for the irrigation of rice paddies. The project for the development of multi-purpose water for agriculture in the Geumgang Pyeongtaek Area was to be completed by investing 25.1 billion won (including IBRD loan of 45 million US dollars) from 1970 to 1974. Permanent irrigation facilities were to be installed to prevent both drought and flood by implementing multiple-purpose comprehensive development plans (50% financed by loans) in seven areas, including the Yangsangang Area. For the development of water of fields, it was intended to contribute to the increase of farmer income by implementing projects mainly in areas where economic corps were grown year after year from 1972 onwards.
Projects for Rearrangement of Farmland	Korea, at that time, was so underdeveloped that each farmer's farming scale was small and farming was completely dependent upon manpower and animal power. It was intended to implement projects for the rearrangement of farmland, which was the basis for the improvement of farming methods and productivity. Therefore, it was planned to deploying heavy machinery to farmlands that were approximately 446,000 "ha," out of 595,000 "ha." These would make the requirements for reform. Land that was up to 129,000 "ha" had already been reformed from 1970 to 1976.
Projects for Development of Farmland and Creation of Grassland	Such projects were planned to improve the use of national land in its fullest by developing mountains, hills, and mountainous districts without conservation concerns to utilize them as grassland for raising livestock or farmland for other purposes.

② Agricultural Mechanization Projects

Agricultural mechanization projects are projects for increasing agricultural productivity by manufacturing or importing machinery and tools for agriculture. This includes the distribution of equipment to farmers and the provision of related services (subparagraph

2, Article 2). The Agriculture Promotion Corporation, in charge of formulating a plan for agricultural mechanization each year, put these projects into effect. They were authorized to invest in manufacturing machinery and distributing agricultural equipment.

Agricultural mechanization projects were implemented in order to solve the shortage of manpower during farming seasons, enable timely farming, and reduce the cost of agricultural production by deploying heavy machines. Machines such as bulldozers and tractors were utilized in areas subject to the rearrangement of farmland that was approximately 595,000 “ha.” This would, in turn, would establish a standard protocol for agricultural mechanization. In particular, it was planned for an office to be established for equipment management in each major project zone. The office would take charge of the operation and maintenance of heavy equipment for construction work. The goal was to create 60 branch offices for the operation of agricultural equipment, each branch office per, approximately, 10,000 “ha.” They would be installed in collective farming zones, year after year, in order to lend agricultural equipment for farming and to oversee smooth operation of agricultural equipment year-round. In addition, training centers would be established to train operators and servicemen.

③ Projects for the Improvement of Housing in Agricultural Villages

Projects for the improvement of housing in agricultural villages are projects for building or improving farmer housing to make them fit for the modernization of agricultural villages (subparagraph 4, Article 2). The Agriculture Promotion Corporation took charge of such projects, and projects were focused on the collective improvement of houses in agricultural villages. Additionally, the Agriculture Promotion Corporation was authorized to establish factories for the production of housing-improvement materials. They were also authorized to invest in or subsidize manufacturers of such materials for mass production and supplying them at low prices for the good of rural communities (Article 153).

④ Comprehensive Development Plan for the Modernization of Agricultural Villages

The comprehensive development plan for the modernization of agricultural villages was formulated for several reasons: the development of water for agriculture, the rearrangement of farmland, the construction of farm roads, the improvement of farmer housing, the development of the livestock industry, the growing of economically sound crops, the cooperation in farming, and the supply of electricity. This was a year-round affair. Although *The Agricultural Community Modernization Promotion Act* did not expressly mention these projects, the government intended to formulate and implement the comprehensive development plan as a practical strategy for continuously implementing the projects long term. This Act eventually served as a catalyst for the regional development and expansion of *The Saemaoul Movement* in agricultural villages and for the long-term promotion of the movement.

2.2.2. Agricultural Community Modernization Promotion Act Amended in 1971

a. Reasons for Amendment

The Agricultural Community Modernization Promotion Act, as amended on January 22, 1971 (Act No. 2298), provided mainly for the rearrangement of statutes regarding the procedures and organizations for projects pursuant to preexisting statutes. The scope of projects was also adjusted by this Act, along with the rearrangement of statutes regarding organizations. This amendment was required because the procedure for formulating a plan from the research and land survey stage, to the finalization stage was inefficient. The current procedure for project approval by the Agriculture Promotion Corporation and a local government was too complicated. Moreover, it was impracticable to implement a small or large project efficiently because only the Agriculture Promotion Corporation was authorized to implement projects pertaining to the installation of facilities for irrigation and drainage of water.

b. Main Provisions

First, the authority for conducting field surveys and research, designing, and finalizing an implementation plan by the Agriculture Promotion Corporation or a local government, was transferred to the President of the Agriculture Promotion Corporation or a “Do” governor. Second, the person with authority to approve a project implemented by a farmland improvement association or a landowner was changed to the “Do” governor-mayor. Third, the period required for the public notification and public inspection of a project plan and the period for any objections that wanted to be filed, were shortened to 30 days from 40 days. Fourth, a farmland improvement association was authorized to implement projects for the installation of irrigation and water drainage facilities. The grounds on which the Minister of Agriculture and Forestry might delegate their authority was prepared for the President of the Agriculture Promotion Corporation. Fifth, every farmland improvement association was required to cooperate with the Agricultural Promotion Corporation in terms of implementing a project. Finally, the amendment adjusted the amount of land substitution for cash settlement (approximately 1652 square meters or 500 “pyeong” in a traditional Korean measure) for all projects regarding the rearrangement or subdivision of land. In addition, it permitted each farmland improvement association to receive advance payment for purchasing harvesting grain for the autumn season.

2.2.3. Agricultural Community Modernization Promotion Act Amended in 1973

The restrictions on the scope of authorization for the Agriculture Promotion Corporation in Article 18, was deleted by the amendment made on February 26, 1973 by *The Agricultural Community Modernization Promotion Act*. This amendment widened the scope of authority from the Minister of Agriculture and Forestry to the Agriculture Promotion Corporation. According the amendment, the Agriculture Promotion Corporation was able to exercise the authority for designing and supervising over the farmland improvement associations, as deemed fit by the Minister of Agriculture and Forestry. Consequently the amendment made it possible to improve the efficiency for implementing farmland improvement projects.

2.2.4. Agricultural Community Modernization Promotion Act Amended in 1975

The amendment made on March 19, 1975 to the Agricultural Community Modernization Promotion Act was for the diligent execution of projects for the development of agricultural infrastructure and the efficient maintenance and management of facilities in agricultural villages.

First, the authority, equivalent to the authority of a local tax officer, was granted to officers and employees of each farmland improvement association. They were in charge of payments in default and were responsible for taking measures against a defaulted payment. Defaulted membership fees from the farmland improvement association would be collected and recorded. In order to prevent a membership fee default payment, it was necessary to grant the authority to collect the fees by force to officers and employees of each association. Nevertheless, the Act did not provide for this authority, and there was a risk that the association would become bankrupt. As a result, the amendment granted officers authority similar to that of a local tax officer to prevent association insolvency.

Second, the amendment provided for the establishment and operation of cooperatives in order to efficiently maintain and manage facilities for farmland improvement. The purpose of this amendment was to rearrange, maintain, and manage facilities, scattered all over the country, and place them within the business territory of each association.

Third, the Agriculture Promotion Corporation was permitted to provide services in foreign countries and stipulate the location of its places of business in its articles of incorporation. Although the preceding provisions required the Agriculture Promotion Corporation to have its place of business in Seoul, thereby limiting its business territory domestically, the amendment made it possible for the corporation to relocate its place of business to any area and for providing services in any foreign country.

Fourth, the maximum amount of cash settlement for land substitution was adjusted from approximately 1652 square meters (or 500 “pyeong”) to approximately 991 square meters (or 300 “pyeong”). Under this amendment, the land that could be cultivated after the completion of a project was designated as, “land for substitution.” The price for the land, not owned by the State and used for a culvert, a road, a river, embankment, or a retarding basin, should be settled in cash, in order to protect micro-farmers. This would also keep the rate of reduction of projects to a minimum.

Fifth, a corporation comprised of land substitution specialists with special qualifications, was authorized to execute land substitution on behalf of the Minister of Agriculture and Forestry, in order to carry out land substitution in a fair manner. Of course, the corporation had to meet the prerequisites specified by the Minister of Agriculture and Forestry. This was a measure taken to ensure that land substitution projects were fair. At the time, a person who intended to engage in the land substitution business was merely required to register their business under the preceding statute. There were many unqualified minor business entities that could engage in land subscription so it was necessary to prevent this phenomenon from happening. Therefore, the amended Act provided that, in order to execute land substitution, a person must have the qualified experience and skills to execute land subscription and should have legal representation.

Finally, all facilities for the improvement of farmland were required to be registered for protection and management purposes. It was required to obtain prior approval from the Minister of Agriculture and Fisheries if the facilities would be intended for any purpose other than agriculture. The minister would impose and collect a fee in order to mitigate the burden on farmers. Although it was important to develop facilities for the improvement of farmland, the proper maintenance and management of such facilities were in dire need at that time. The preceding Act, however, focused only on the maintenance and management of facilities with a business territory for each association. Thus, Chapter IV-2 was newly inserted as an independent chapter in the amended Act to consolidate the protection and management of facilities within the business territory of each association. This would enable greater efficiency for maintaining and managing all facilities for farmland improvement.

2.2.5. Agricultural Community Modernization Promotion Act Amended in 1977

The Agricultural Community Modernization Promotion Act, amended on December 15, 1977, aimed at simplifying the procedure for the implementation of projects for farmland improvement. First, it intended to simplify the procedure by integrating, abolishing, and merging similar implementation procedures. The provisions of this Act were complicated and difficult to understand. Implementation procedures were prescribed for each type

of project implementer and there were many similar or identical procedures to consider. Therefore, the purpose of the amendment was to identify similar procedures and consolidate, abolish, or merge them to simplify the process.

Second, in order to efficiently implement a project for farmland improvement, the amendment provided that the authorization or permission required by any other Act might be substituted (legal fiction of authorization and permission) by consultation between the Minister of Agriculture and Fisheries, who had project implementation authority, and the administrative agency having authorization powers. A report would then be filed before commencing the project. Under the preceding Act, when a farmland improvement association intended to implement a project, it was required to obtain the authorization and permission required under 13 different Acts (such as the Forestry Act, the River Act, and the River Management Act), even after it obtained authorization to implement a project from the Minister of Agriculture and Fisheries and the “Do” governor Mayor. As a result, project implementers complained about the many problems they faced in implementing a project. The amendment alleviated this problem by stipulating that prior consultation between the Minister of Agriculture and Fisheries and the administrative agency could give the permission they sought after.

Third, provisions that had loopholes were reorganized. If a facility found it unnecessary to keep operating as a farmland improvement facility, it was allowed to remove this designation with the approval of the Minister of Agriculture and Fisheries. If sold, however, the profit should have been reinvested into farmland improvement projects, in principle. Therefore, restrictions were placed to prevent the disuse of assets created as a result of projects. The amended Act specified the grounds for disusing facilities for farmland improvement and required, in principle, to reinvest the price for disused assets into projects for farmland improvement. Moreover, the amendment provided that the federation of farmland improvement associations should be established and operated as a legal entity. In particular, the amendment required the federation of farmland improvement associations to operate as a special corporation. They would promote the common interests of 123 farmland improvement associations, established as independent legal entities throughout the country, and to efficiently guide and nurture the associations.

2.2.6. Agricultural Community Modernization Promotion Act Amended in 1980s

The amendments of the Agricultural Community Modernization Promotion Act were closely related to the political climate of the time. The 4th Republic ended upon the death of President Park Jeong-hee in 1979, and the military regime of the 5th Republic was inaugurated in 1980. During the early stages of the 5th Republic, the old system, referred to

as the “Revitalizing Reform (or “Yushin”)” system, was thrown out and the “realization of a society of justice” was declared as the motto of the new government, thereby separating from the old regime. The political climate led to a rearrangement of statutes, and rural development policies had to follow. An analysis of five bills, presented as amendments to *The Agricultural Community Modernization Promotion Act* (1983 to 1987), reveals that all the bills commonly proposed political neutrality for farmland improvement associations, and the democratization of officer appointment adopted a direct election system. It seems that the organization that was pivotal for *The Saemaeul Movement* was intentionally reorganized under the pretexts of democracy. These maneuvers represent the tendency of the 5th Republic, but all the bills presented to the National Assembly for amendment were discarded once the term of the National Assembly ended. The political tendencies in 1987 still remained into the 6th Republic. This was reflected in the amendment to *The Agricultural Community Modernization Promotion Act* on April 1, 1989. The core of the amended Act supported the autonomy and democracy of associations.

First, the head of a farmland improvement association, who had been previously appointed by the Minister of Agriculture and Fisheries, should be elected, in principle, by members by the direct election system. In addition, they could be elected at a meeting of representatives, as stipulated by the relevant articles of association.

Second, representatives of an association should be elected from among members. The method of election and the total number of representatives, however, should be stipulated by the relevant articles for associations.

Third, each association should have non-standing directors (6 to 10 directors), and the board of directors should be comprised of the head of each association and the directors.

Fourth, the term of office for the head of the association, the directors for each association, and the chairperson/directors of the federation, was extended from three years to four years. The term of office for the auditor of an association or the federation was extended from two years to three years.

Fifth, door-to-door visits for election campaigns were prohibited for association and federation officer elections.

Finally, no public officer (excluding public officers inaugurated by an election) was allowed to hold concurrent office terms as an officer or employee of an association or the federation. Furthermore, neither an officer nor an employee of an association was allowed to hold concurrent office terms as a representative of the association.

2.3. Rearrangement of Agricultural and Fishing Villages Act

2.3.1. Rearrangement of Agricultural and Fishing Villages Act Enacted in 1995

a. Background and Purposes of Enactment

The Rearrangement of Agricultural and Fishing Villages Act was enacted for the purpose of modernizing agricultural and fishing villages and balancing national development. This would be achieved by the complete and systematic rearrangement and development of: infrastructure for agricultural and fishing production, the living environment, resources for recreational resources in rural villages, and marginal farmland. It was also responsible for making agriculture and fishing more competitive and improving the living environment in agricultural and fishing villages.

With *The Rearrangement of Agricultural and Fishing Villages Act*, policies aimed for rearrangement and development of infrastructure for agricultural and fishery productivity, and the living environment in agricultural and fishing villages.

b. Types of Rearrangement and Development of Agricultural and Fishing Villages

The projects specified in this Act for the rearrangement and development of agricultural and fishing villages were:

- (i) The improvement of infrastructure for agricultural production, which could support the enhancement of agricultural goods to a more competitive standard and restructuring.
- (ii) The improvement of fishery infrastructure for production, which could address related systems for infrastructure improvement.
- (iii) The improvement of the living environment in agricultural and fishing villages, which would enable people to enjoy a comfortable life by preparing modernized infrastructure with convenient facilities, as well as housing, roads, waterworks, and sewerage systems. This also included the development of recreational resources, which could be achieved by rearranging marginal farmland, mountainous districts, and coastal waters.

The projects for the improvement of infrastructure for agricultural production consisted of several projects: developing water for agricultural and fishing villages, including water for agriculture in agricultural and fishery areas, improving agricultural infrastructure for production, rearranging farmland, improving drainage, repairing and maintaining irrigation facilities, increasing and developing farmland, reclamation for agriculture and fisheries, developing agricultural production complexes, and expanding farming facilities.

The projects for the improvement of infrastructure for fishery production consisted of projects for the rearrangement of coastal facilities in agricultural and fishing villages, the expansion of infrastructure for fishery production, the improvement of underwater soil in coastal waters, the installation of fixtures, and facilities for the creation of fishery resources.

Finally, the projects for the rearrangement of the living environment of agricultural and fishing villages consisted of several projects as well: the construction of new agricultural and fishing villages with clustered housing, the redevelopment of agricultural and fishing villages for the rational relocation of the land and houses in existing villages, and the rearrangement of scattered villages. The projects for the rearrangement of marginal farmland consisted of various projects for the development of marginal farmland in agricultural and fishing villages, recreational resource development, and for other purposes.

c. Promotion System

① Projects for the Improvement of Infrastructure for Agricultural Production

In principle, the Act provided that projects for the improvement of infrastructure for agricultural production should be implemented systematically in accordance with the core strategy and the implementation plan formulated by the Minister of Agriculture and Forestry, utilizing results from the prior survey on resources and the survey on prospective sites. The Act also provided that the State, a local government, the Korea Rural Community Corporation, a farmland improvement association, or a landowner could implement a project for the improvement of agricultural infrastructure. An agricultural cooperative could implement a project for the creation of an agricultural production complex or for the expansion of farming facilities. Moreover, the qualification for participating in a project for the improvement of agricultural infrastructure was given only to the following:

- (a) A landowner who used their land for profit by farming.
- (b) A person who held any legal rights (including registered leaseholder rights), other than ownership, to a parcel of land for profit by farming.
- (c) A landowner who used their land for profit without farming.
- (d) A person who held legal rights, other than ownership, to a parcel of land for profit but without farming.
- (e) A person who fell under any of the aforementioned categories, but had not completed the registration for the change of ownership for recently acquired land. They had to prove their ownership by receiving a certificate issued by the head of the “Si,” “Gun,” or autonomous “Gu” having jurisdiction over the land.

This Act aimed to expand and cluster farmland by implementing projects for the improvement of agricultural infrastructure. The purpose of the Act was to encourage project implementers to study agricultural management and to help prevent the segmentation of farmland. The Act provided that even farmland, developed by reclamation projects for agriculture or fisheries, should be developed appropriately for the expansion of scale farming and cluster farming.

② Projects for the Improvement of Infrastructure for Fishery Production

In principle, the previous method for systematic implementation was also adopted for projects for the improvement of infrastructure for fishery production. For such projects, the Act required several things. The Administrator of the Fisheries Administration had to conduct surveys on resources, prospective sites, and the infrastructure for fishery production. The administrator also had to formulate a plan for improving fishery infrastructure for increased productivity. This had to be planned for each zone and for each type of coastal facility. Other concerns included improving underwater soil, installing fixtures, and developing facilities for creating fishery resources with respect to the land and coastal waters in the area. All of this would be based on the collected survey results. The Act specified the qualified implementers as follows: the State, a local government, the Korea Rural Community Corporation, a fisheries cooperative, a fishing village cooperative, the owner of a parcel of land within the jurisdiction of a project, and a person with a license for fishery under the provisions of Article 8 (1) of *The Fisheries Act*.

Under the Act, those qualified for participating in an infrastructure improvement project for fisheries were the following: the owner of a parcel of land within the jurisdiction of a project, a person who held legal rights (other than ownership) to the relevant parcel of land, a person who held a license for fishery, a person who held a permit for coastal fishery, a person who held a permit for inland fish farming or seed production, a person who held a permit for zoned fishery under *The Fisheries Act*, a person who filed a report on fishery, a member of a fisheries cooperative exercising fishery rights, and a member of a fishing village cooperative.

③ Projects for the Improvement of the Living Environment in Agricultural and Fishing Villages

In principle, the Act stated that development projects and projects for increasing income sources should be thoroughly implemented for the living environment, taking into consideration local conditions. These projects included the following: the improvement of infrastructure for agriculture, the improvement of infrastructure for fisheries, the development of resources for recreation in an agricultural or fishing village, and the rearrangement of marginal farmland. Under the Act, the Minister of Agriculture, Forestry

and Fisheries was required to establish a basic policy on the improvement of the living environment in agricultural and fishing villages. This policy would be the guidelines for project implementation and needed to taking into consideration several correlations: the comprehensive plan for the construction of national land, the long-term comprehensive plan for environmental conservation, and the plan for the development of settlement zones.

This Act defined the area subject to living environment improvement as the area of “Myeons” in a “Si/Gun” that were a combined form of city and rural village. It was allowed to include the area of “Eups/Myeons” adjacent to such an area, if it was deemed necessary for the systematic and efficient implementation of a project. Furthermore, it provided that a “Do” Governor might designate an area subject for living environment improvement projects from the following: farmland, coastal waters around an area, urban areas, quasi-urban areas, or an area to be developed as a quasi-urban area under the provisions of Article 6 of *The Act on the Utilization and Management of the National Territory*.

Among these projects, the Act authorized: (i) the head of a “Si/Gun,” in the combined form of a city and rural village, or the Korea Rural Community Corporation, to implement projects for the creation of clustered villages and projects for the rearrangement of villages subject to redevelopment. (ii) the project implementer specified in the relevant Act to put in motion projects for the rearrangement of scattered villages pursuant to the provisions of the relevant Act. Relevant Acts included: *The Act on Special Measures for Development of Agricultural and Fishing Villages*, *The Hinterlands Development Promotion Act*, *The Islands Development Promotion Act*, and *The Act on Promotion of Improvement of Roofs in Agricultural and Fishing Villages*. The Act also allowed for the head of a “Si/Gun,” who had prior implementation experience, to entrust the implementation of a project completely or partially to the Korea Rural Community Corporation, the Korea National Housing Corporation, the Korea Land Corporation, or a housing constructor registered pursuant to the provisions of Article 6 of *The Housing Construction Promotion Act*. This was more or less for the sake of efficiency. In such cases, the Act stated that the project implementer should formulate a project implementation plan and obtain approval from the “Do” Governor afterwards.

d. Management System

① Projects for the Improvement of Infrastructure for Agricultural Production

The Act provided that the implementer of a project for the improvement of infrastructure for agriculture should manage and dispose of reclaimed or developed land. They should utilize assets and borrow pits created as a result of infrastructure reform projects. In such cases, a project implementer was in charge of asset management in order to expand the scale of agricultural management for farmers and fishers. Implementers also had to accomplish

the objectives for rural rearrangement projects, and secure financial resources for reinvesting in the appropriate project. However, the Act stated that certain things could be excluded from projects or assets subject to disposal. These included: reclaimed or developed land, borrow pits, assets necessary for research projects for the development of agricultural techniques, experimental projects for manufacturing salt, projects for model farming operations, education, training, projects for tenant farming, and projects for public facilities for agriculture, such as warehouses for agricultural products and resting places. The State could also pass on these assets or programs to the Korea Rural Community Corporation, if it is deemed that they were necessary for other things such as research projects for the development of agricultural techniques, projects for model farming operations, or education and training. If an asset or program was sold for management or disposal, the proceeds should be used for the following goals, in order:

- (i) The debts incurred and funds borrowed for the implementation of the relevant project.
- (ii) The reserve for the projects for the maintenance and management of the relevant infrastructure facilities for agriculture.
- (iii) The implementation of projects for the Korea Rural Community Corporation.
- (iv) The purposes of use specified by other statutes, articles of incorporation, or bylaws.
- (v) Other purposes of use specified by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.

When the State or the Korea Rural Community Corporation completed a project for the improvement of agricultural infrastructure, it was required, in principle, to manage or transfer the infrastructure facilities for agriculture entirely or partially as follows: (i) If there is a farmland improvement association in the area where the infrastructure facilities for agriculture are installed, such facilities shall be transferred to the farmland improvement association for management. (ii) If there is no farmland improvement association in the area where the infrastructure facilities for agriculture are installed, but there is a farmland improvement association in an area adjacent to the area, such facilities shall be transferred to the farmland improvement association in the adjacent area or the local government for management. In these cases, the Act required the farmland improvement association or local government, to which infrastructure facilities were transferred, should have the finally rights and authority over all cases arising in connection with the infrastructure facilities.

The Rearrangement of Agricultural and Fishing Villages Act set forth the duties to formulate a plan for the safety, maintenance, and management of infrastructure facilities for

agriculture. It also called for safety inspections, to check and repair facilities year-round, and for the facility manager to improve, repair, and reinforce the facilities.

Managers of agricultural facilities were allowed to use facilities or water for agriculture for any purpose, without violating the original purpose of use, with the approval from the “Do” governor mayor. The Act also provided that, when an ordinary citizen used the facilities for any purpose other than agriculture or the original purpose, the manager could fully or partially collect the expenses incurred for maintenance or repair of the facilities, in the same manner as the handling of delinquent local taxes. Furthermore, a manager was allowed to decommission facilities for agriculture with the approval from the “Do” governor mayor. The conditions that allowed for this are as follows: (i) The farmland that had benefited from such facilities was diverted for other purpose. (ii) Substitute facilities were completed for the farmland that had benefited from such facilities. (iii) Such facilities were destroyed by a natural disaster or any other cause beyond control and were found uneconomical to repair. In such cases, the proceeds should be handled in accordance with the provisions regarding the management and decommissioning of land and other assets, not provided for infrastructure.

② Projects for Improvement of Infrastructure for Fishery Production

Under the Act, when the State, the Korea Rural Community Corporation, a fisheries cooperative, or a fishing village cooperative completes a project, the Administrator of the Fisheries Administration is supposed to transfer the “infrastructure facilities for fisheries” entirely or partially, designate a manager, and take other necessary measures, as suggested by the Presidential Decree. In these cases, the Administrator of the Fisheries Administration may transfer facilities installed by the State, the Korea Rural Community Corporation, a fisheries cooperative, or a fishing village cooperative to a fishery cooperative or a fishing village cooperative for management. The Act allowed a facility manager to decommission a fishing facility with the approval of the Administrator of the Fisheries Administration, only if: (i) The fishery had already been discontinued or a substitute facility had been completed. (ii) Repairing the facility was not economically feasible because it was severely damaged or destroyed by a natural disaster, underground sinking, soil covering, underwater sedimentation, or uncontrollable phenomenon. (iii) The ocean had been polluted or was likely polluted for a long period of time because of continuous pollutant inflow. Thus, making it impractical to maintain such a facility.

The proceeds from sale for these facilities should be handled in the same manner as the sale for agricultural facilities.

③ Projects for Improvement of Living Environment

Under the Act, the project implementer for the improvement of the living environment was allowed to convert a decommissioned building (including livestock sheds, compost sheds, toilets, and other ancillary facilities attached to the building) into farmland, relocate it, or remove it completely. The implementer should take aesthetics into consideration and decide if the building and its surroundings harmoniously co-existed. If removal or relocation were necessary, the implementer would have to compensate the owner for the expenses.

In addition, the project implementer was allowed to exchange, sell, or lease the land that was developed, including housing and other facilities that were on it.

If the implementer of a project was a head of a “Si/Gun,” all profits from a project needed to be transferred to a separate, “special account.” If the implementer was from the Korea Rural Community Corporation, profits needed to be placed in a separate account to be reinvested into other living environment projects. These guidelines were outlined by The Minister of Agriculture, Forestry and Fisheries. According to the Act, the Minister of Agriculture, Forestry and Fisheries had several duties. The minister needed to formulate a core strategy for projects for the improvement of the living environment, provide support for technology implementation, research and design, and grant subsidies for expenses within the budget.

2.3.2. Rearrangement of Agricultural and Fishing Villages Act Amended in 1997

In order to more efficiently implement projects, *The Rearrangement of Agricultural and Fishing Villages Act* was amended, on January 13, 1997. This encompassed projects for the rearrangement of agricultural and fishing villages, the structural improvement of agriculture and fisheries, and the improvement of the living environment in agricultural and fishing villages. This would allow for the following: transferring the authority for facility registration to local governments, improving the land substitution system, and widening the scope of participation in projects for the rearrangement of marginal farmland.

The amendment stated the following:

- (i) The authority held by the Minister of Agriculture for the registration of infrastructure facilities for agriculture is transferred to each “Do” governor mayor, and the requirements to register the disuse of infrastructure facilities for agriculture are deleted to simplify the administrative procedure.
- (ii) An area promoted from a “Myeon” to an “Eup,” while a project for the improvement of the living environment is in progress, will be deemed a “Myeon” for the purpose of subsidization, until the project is completed.

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- (iii) While an area designated for land substitution, in a project for the improvement of infrastructure for agriculture, may be increased or decreased (currently by no more than 20/100 of the area calculated according to the standards for each landowner), the area may be increased or decreased only up to 1,000 square meters, to prevent the segmentation of farmland.
 - (iv) In order to efficiently implement a project for the improvement of infrastructure for agriculture, the assembly of representatives, in lieu of the general meeting of beneficiaries, may make a decision on important matters, necessary for the project. This includes land rating, but the minimum number of representatives is thirty.
 - (v) In order to revitalize projects for the rearrangement of marginal farmland, if the project implementer has been limited to the head of a 'Si/Gun' or the Korea Rural Community Corporation, people specified by the Presidential Decree can be added to the scope of project implementers.

2.3.3. Rearrangement of Agricultural and Fishing Villages Act Amended in 1999

The Rearrangement of Agricultural and Fishing Villages Act, amended on February 5, 1999, was a legislative measure to significantly ease the burden on farmers and fishers. To achieve this, the Act specified several ideas that abolished certain systems: the system for designating farmer and fisher lodging, the system for reporting admission fees and facility charges in recreation facilities in agricultural and fishing villages, the system for reporting temporary or permanent closure of recreation facilities in agricultural and fishing villages, and the system for placing restrictions on the resale of houses, land, and facilities in agricultural and fishing villages.

2.3.4. Rearrangement of Agricultural and Fishing Villages Act Amended in 2000

The Rearrangement of Agricultural and Fishing Villages Act was amended on January 28, 2000. The purpose was to transfer the systems from *The Act on the Special Measures for Development of Agricultural and Fishing Villages* to this Act, thereby integrating them. It also asked to solve out the defects discovered in the course of operating the current systems.

According to the amendment: (i) Projects related to the rearrangement of agricultural and fishing villages, including projects for the development of settlement zones in agricultural and fishing villages and projects for supporting the development of agro-industrial complexes, (under *The Act on the Special Measures for Development of Agricultural and*

Fishing Villages), were transferred to this Act to integrate the systems for implementing projects. (ii) Landowner interests strengthened by giving them the option to choose land substitution. The general meeting of beneficiaries, comprised of landowners, came to this resolution because landowners of farmland less than 1,000 square meters, within a land substitution zone, had been entitled to cash as an only option, with no rights for land substitution.

2.3.5. 1st Amendment to Rearrangement of Agricultural and Fishing Villages Act in 2002

The amendment to *The Rearrangement of Agricultural and Fishing Villages Act*, on January 14, 2002, was made as a legislative measure to: (i) Simplify the implementation procedure for repair and improvement projects for infrastructure. (ii) Authorize the Korea Agricultural and Rural Infrastructure Corporation to take over and manage infrastructure facilities for agricultural production, which had been managed by a local government. (iii) Supplement the management system for infrastructure facilities for agricultural production. (iv) Partially transfer authority the Minister of Agriculture's authority to each "Do" governor mayor.

According to the amended Act: (i) The procedure for implementing a project for the repair and improvement of infrastructure facilities for agricultural production, specified by Ordinance of the Ministry of Agriculture, was simplified so that such projects could be implemented without undergoing public notification and inspection of the implementation plan. (ii) The authority of the Minister of Agriculture for authorizing the implementation of a project for the improvement of infrastructure for agriculture, was transferred to each "Do" governor mayor. (iii) The Minister of Agriculture could authorize the Korea Agricultural and Rural Infrastructure Corporation to take over and manage infrastructure facilities for agriculture, if a local government or a landowner requested for them to do so. The Minister of Agriculture, however, was required to hear the opinion of the Korea Agricultural and Rural Infrastructure Corporation before making a decision.

2.3.6. 2nd Amendment to Rearrangement of Agricultural and Fishing Villages Act in 2002

The Rearrangement of Agricultural and Fishing Villages Act was amended on December 26, 2002 to rearrange marginal farmland with low agricultural productivity. It also relaxed the regulations on recreation and tourism businesses in agricultural and fishing villages. This would give the rural communities more visibility by facilitating the exchange of resources and labor between cities and agricultural and fishing villages. These communities were shrinking every day due to migration and aging.

According to the amendment: (i) Businesses that established and operated housing with cooking facilities, such as condominiums, are included in the category of tourism and recreation to enable them to attract families. (ii) Projects for the improvement of agricultural infrastructure for production, in which the farmland management fund had been invested, are included in the category of projects implemented by the State. This would allow them to pay the sale price for the assets to the farmland management fund. Leftover assets could then be properly managed and disposed of. (iii) The Minister of Agriculture, Forestry and Fisheries may formulate and take measures for the improvement of the quality of water for agricultural and fishing villages in order to maintain a pleasant environment. (iv) The conservation and development of landscape for tourism and recreation may be included in an implementation plan for the improvement of the living environment so that the connection between a living environment project and a tourism and recreation project may be reinforced. (v) The prerequisites for the development and management of tourism and recreation complexes will be relaxed and the procedure for the development of a tourist farms will be simplified. This will expand sources of income by promoting tourism and recreation businesses in agricultural and fishing villages. The system required to report the transfer and acquisition of a tourist or recreational business will be abolished. (vi) In order to promote projects for the rearrangement of marginal farmland, the types of business will be diversified and the amount of implementing entities will be expanded. In addition, the procedure for implementation is simplified. (vii) Matters regarding irrigation cooperatives regulated by the Korea Agricultural and *Rural Infrastructure Corporation and Farmland Management Fund Act* will be transferred to *The Rearrangement of Agricultural and Fishing Villages Act*, and the basis on which the State or a local government may support irrigation cooperatives will be arranged.

2.3.7. Rearrangement of Agricultural and Fishing Villages Act Amended in 2007

According to *The Rearrangement of Agricultural and Fishing Villages Act*, amended on August 3, 2007, state affairs, such as the formulation of a core strategy for agricultural infrastructure, involving projects for the repair, maintenance, and dredging of infrastructure facilities, were transferred to local governments. These matters became local affairs that granted authority and autonomy to local governments. Moreover, the amendment promoted the simplification of procedures and decommissioning powers for cases where the Korea Rural Community Corporation intended to renovate, repair, or dredge infrastructure facilities that it managed without any subsidization. The amendment called for an emergency response plan within one year after the commencement of a project. This would help protect against any damages by natural disasters and promote transparency for land substitution agencies by specifying the conditions for revoking registration.

The amendment specified the following: (i) The state affairs or administrative affairs of each “Do” governor mayor were transferred to local governments at the lower levels. These administrative affairs were transferred from the State or “Do” governor mayor to each “Do” governor mayor or head of each “Si/Gun/Gu.” These stipulations include: the formulation of a core strategy for projects for the improvement of infrastructure for agriculture (involving renovation, repair, and dredging of infrastructure facilities for agricultural production), the formulation of an implementation plan for a project for the improvement of infrastructure for agriculture, the public zone notification for water for agricultural and fishing villages, the approval of the use of structures for agriculture for any purpose other than the original purpose, the support for and promotion of tourism and recreation in agricultural and fishing villages, the public notification of survey results on marginal farmland, and the designation and public notification of a zone that was subject to the rearrangement of marginal farmland. (ii) When the Korea Rural Community Corporation implements a project for renovating, repairing, or dredging facilities which it managed without any subsidization, it was no longer required to obtain authorization from the relevant administrative authority. The provisions regarding decommissioning in this Act no longer applied to byproducts, such as gravel and sand, acquired through a dredging project. This would promote the Korea Rural Community Corporation to be pro-active about starting renovation, repair, or dredging projects with its own budget. (iii) Activities that obstructed the use of infrastructure facilities for agriculture by destroying an essential structural part of a facility and illegal occupancy or use of a facility were strictly prohibited. A sentence of imprisonment for offenders was newly inserted to ensure that there was no foul play. (iv) Although a an emergency response plan needed to be completed before the completion of the facilities, the time limit for the plans was shortened to one year after the project commenced. This would ensure an adequate disaster response time. (v) The “violations of this Act or an order issued under this Act” are specified in detail to institute administrative reliability (transparency of discretionary actions). These subjects at hand are: the prerequisites for a land substitution agency, the conditions for revoking a land substitution agency’s registration, the conditions for revoking the status of a tourist or recreation business entity in an agricultural or fishing village, the conditions for revoking the status of a contractor for the rearrangement of agricultural and fishing villages.

2.3.8. Rearrangement of Agricultural and Fishing Villages Act Amended in 2008

The purposes of the amendment made to *The Rearrangement of Agricultural and Fishing Villages Act*, on March 28, 2008, were to efficiently implement projects for the development of rural areas. This was accomplished by integrating projects from the comprehensive development of hinterlands and projects for the improvement of the residential environment in agricultural and fishing villages, into projects for the improvement of the living

environment in agricultural and fishing villages. Projects implemented by the Minister for Food, Agriculture, Forestry and Fisheries, pursuant to this Act, were similar to projects for the comprehensive development of hinterlands, and projects for the improvement of the residential environment in agricultural and fishing villages, implemented by the Ministry of Public Administration and Safety. In response to criticism that there might be problems such as double investment, each ministry implemented projects separately.

2.3.9. Rearrangement of Agricultural and Fishing Villages Act Wholly Amended in 2009

The Rearrangement of Agricultural and Fishing Villages (1995) was wholly amended for the first time on June 9, 2009.

The reasons why this Act was wholly amended were: (i) To transfer administrative authority in order to guarantee autonomy and responsibility in administration and by simplifying administrative procedures. (ii) To expand the membership of project implementers for the improvement of the living environment and relax the regulations on related matters. (iii) To rearrange the system for implementing projects for the improvement of infrastructure for agricultural production, and the procedure for implementing projects for the improvement of the living environment. (iv) To rearrange the system for the safety management of facilities for agricultural infrastructure, and place restrictions on the establishment of facilities that were located upstream from reservoirs. This would rectify and supplement some defects discovered in the course the current system's operation.

According to the amendment: (i) The authority for the formulation of a core strategy for the rearrangement of farmland was transferred from the Minister for Food, Agriculture, Forestry and Fisheries to each "Do" governor mayor. (ii) Whereas the Minister for Food, Agriculture, Forestry and Fisheries or each "Do" governor mayor had the authority to create an implementation plan and designate a project implementer, the amendment provided that the project implementer should create an implementation plan and obtain approval from the Minister for Food, Agriculture, Forestry and Fisheries or the relevant "Do" governor mayor. The authority should take into consideration that special knowledge went into the creation of a plan by the implementer. Thus, the amended Act substantially rearranged the system for implementation. (iii) The Act provides that the manager of agricultural facilities should create a safety management plan and conduct safety inspections. The Minister for Food, Agriculture, Forestry and Fisheries should create a safety management plan for agricultural facilities and a plan for education and training. This would ensure that the facilities would be operated with confidence. (iv) According to the guidelines, it was necessary to prepare a legal basis for restrictions on factories located upstream from reservoirs, therefore, restrictions were placed on these factories and industrial complexes. This was specified

by the Presidential Decree for the preservation of water quality and authorized the head of each “Si/Gun” to approve a factory as long as it did not discharge wastewater. (v) When the implementer of a project intended to obtain authorization for a land substitution plan, they should publicly announce the outlines of the land substitution plan and relevant matters within 14 days and should give individual notices to the owners of each parcel of land. This was a supplementary measure to the procedure for authorization for a land substitution plan. (vi) The number of full-time land substitution specialists employed by a corporation executing land substitution on behalf of the implementer of a should be reduced from ten persons to three persons. The system that required to choose the operator of a tourism/recreation complex, a tourist farm, or a private lodging business would be changed to the report based system in order to relax regulations.

2.3.10. 1st Amendment to The Rearrangement of Agricultural and Fishing Villages Act in 2012

The Rearrangement of Agricultural and Fishing Villages amended on February 17, 2012 stated that: (i) Local public enterprises should be included in the membership of project implementers in order to adequately improve and extend the living environment, convenience facilities, and welfare facilities in rural areas and promote projects for the improvement of the living environment for farmers and fishers. (ii) The projects for the dismantling, removal, and disposal of asbestos slates in facilities, such as houses and public facilities with asbestos slates in agricultural and fishing villages, should be included in the scope of projects for the improvement of the living environment and inferior residential environments for rural health concerns. (iii) Authority will be transferred to the head of each “Si/Gun/Gu” for the registration of some agricultural facilities, the approval for the decommissioning of such facilities, and the supervision over tourism, recreation, and private lodging business entities in agricultural and fishing villages. (iv) *The Housing Act* will apply all of the necessary modifications, *mutatis mutandis*, for the installation of essential facilities in order to pass on the expenses incurred to the relevant business entity. This includes houses of a certain scale on building sites and electricity.

According to the amended Act: (i) The projects for the dismantling, removal, and disposal of asbestos slates on facilities, such as houses and public facilities with asbestos, are included in the scope of projects for the improvement of the living environment. (ii) The authority for the registration of some agricultural facilities, the approval for the decommissioning of such facilities, and the authority for the guidance and supervision over tourism, recreation, and private lodging business entities will be transferred to the head of each “Si/Gun/Gu.” (iii) Local public enterprises will be included in the membership of project implementers. These projects, implemented by a local government, will more efficiently handle projects for the

improvement of the living environment. (iv) *The Housing Act* will apply all of the necessary modifications, *mutatis mutandis*, for the installation of essential facilities in order to pass on the expenses incurred to the relevant business entity. This includes houses of a certain scale on building sites and electricity.

2.3.11. 2nd Amendment to Rearrangement of Agricultural and Fishing Villages Act in 2012

The Rearrangement of Agricultural and Fishing Villages was amended on October 22, 2012, to authorize the head of each “Si/Gun/Gu” to directly take measures for boosting tourism and recreation businesses in agricultural and fishing villages, in order to effectively support and promote them. This was done in response to criticism that the preceding Act which had a limited number of people who had authority to make changes. It made it impracticable to develop resources for tourism and recreation and the amendment took into consideration local sentiment.

2.4. Fishing Villages and Fishery Harbors Act

The Fishing Villages and Fishery Harbors Act, presented with a bill by the government, was enacted as Act No. 7571 on May 31, 2005, and went into effect on December 1, of the same year. Thereafter, *The Fishing Villages and Fishery Harbors Act* was amended 22 times. The inherent objectives of the Act, however, were only amended four times, except those made as a consequence of amendments of other Acts. The reasons for, and details of, the amendments are mainly explained according to the history of their enactment. The four significant amendments of *The Fishing Villages and Fishery Harbors Act* are explain below.

2.4.1. Fishing Villages and Fishery Harbors Enacted in 2005

a. Background

The bill for *The Fishing Villages and Fishery Harbors Act* was presented for preparing for the aging of the population in fishing villages, the exodus of people from fishing villages, and the deterioration of circumstances for fisheries. It would, therefore, invigorate relatively underdeveloped fishing villages, by adequately and systematically developing villages and harbors with a diverse marine ecosystem, marine culture, and fishery resources. This would, hopefully, increase their growth potential. The bill presented by the government consisted of 6 Chapters, 64 Articles, and addenda in the form of a separate Act, drafted by adding provisions regarding the development and invigoration of fishing villages to the pre-existing *Fishery Harbors Act*. The government presented this bill because it was aware that the pre-existing *Fishery Harbors Act*, providing for the designation, development, and management of fishery harbors, had limits on the promotion of fisheries and the invigoration of fishing

villages. In particular, the bill was presented to pro-actively respond to the following diverse needs: the increase of tourism in fishing villages, environmental conservation, the increase of income from fisheries, and an increasing pattern of fishery harbors performing various functions. This was based on long-term goals for fishing villages, the least develop of all communities, because fisheries found themselves continuously deteriorating due to the depletion of fishery resources and the increase of fishing expenses.

b. Main Issues in Proposal for Development of Fishing Villages and Characteristics

The main feature of the bill was that it had 14 Articles regarding the development of fishing villages, which had not been adequately dealt with by the previous *Fishery Harbors Act*. The new Articles consisted mainly of provisions for various plans to development and grow of fishing villages.

Table 3-2 | Main Provisions of the Act

Article	Main Provisions
Article 1 (Purpose)	To adequately and systematically rearrange and develop fishing villages and to improve the quality of lives of residents in fishing villages.
Article 2 (Definitions)	Newly inserted to define fishing villages and projects for the comprehensive development of fishing villages.
Article 3 (Basic Survey)	To be conducted on fishing villages and fishery harbors once every five years.
Article 4 (Master Plan for Development of Fishing Villages and Fishery Harbors)	To be formulated by the Minister of Maritime Affairs and Fisheries once every five years.
Article 5 (Formulation of Regional Plans for Development of Fishing Villages and Fishery Harbors)	The head of each "Si/Gun/Gu" shall formulate a regional plan in accordance with the core strategy created by the Minister of Maritime Affairs and Fisheries for the development of fishing villages and fishery harbors.
Article 7 (Formulation of Comprehensive Plan for Development of Fishing Villages)	The Minister of Maritime Affairs and Fisheries shall formulate the plan in accordance with the core strategy.
Article 8 (Formulation of Plans for Comprehensive Development Projects for Fishing Villages)	The head of "Si/Gun/Gu" shall formulate project plans in accordance with the Minister of Maritime Affairs and Fisheries' plan, for the comprehensive development projects for fishing villages.
Article 12 (Entrustment of Research, Land Surveys, Designing, Supervision of Projects)	

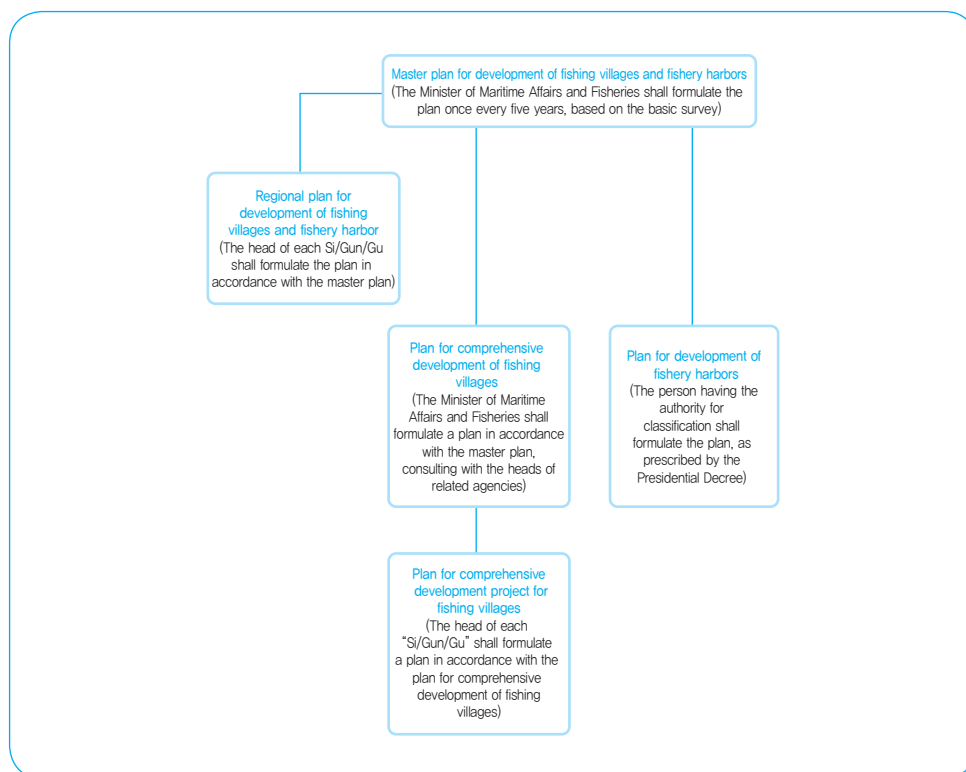
Article	Main Provisions
Article 13 (Concession of State-Owned or Public Land)	
Article 14 (Management of Facilities for Comprehensive Development of Fishing Villages)	
Article 16 (Cancellation of Comprehensive Development Projects for Fishing Villages)	
Article 17 (Designation of Fishery Harbors)	The types of fishery harbors shall be classified according to the scope and scale of use of fishery harbors, and a developer appropriate for each type of fishery harbor shall be designated for the logical development of fishery harbors.
Article 18 (Designation of Zones for Tourism in Fishing Villages)	Fishery harbors shall be classified into national fishery harbors, regional fishery harbors, and fishing village harbors. The classification shall be given to the Minister of Maritime Affairs and Fisheries, each "Do" governor mayor, and the head of each "Si/Gun/Gu," and a person having the authority for classification shall have the authority for the development of fishery harbors.
Article 20 (Formulation of Plans for Development of Fishery Harbors)	A person having the authority for classification shall formulate a plan for the development of fishery harbors in order that fishery harbors can be developed with the aims of promoting the development of fishery harbors in association with fishing villages, regional development, the invigoration of tourism in fishery villages, and the management of seas.
Article 30 (Right of Manage and Operate Facilities in Fishery Harbors)	Where a private entity implements a project for the development of a fishery harbor, the project implementer may use facilities in the fishery harbor for profit without charge, hold a right to maintain and manage facilities in the fishery harbor, and to collect rent from third parties during the specified period.
Article 36 (Management of Fishery Harbors)	the relevant Metropolitan City Mayor or the head of the "Si/Gun" will manage a national fishery harbor or regional fishery harbor. The head of the "Si/Gun/Gu" will manage fishing village harbors.

Whereas the pre-existing *Fishery Harbors Act* was legislation focused on fishery harbors, another feature of the bill was that it attempted to establish a dual development system for the development of fishing villages and fishery harbors. The bill intended to transfer the provisions, regarding the rearrangement and development of fishery villages, from the preexisting *Fishery Harbors Act*, to *The Rearrangement of Agricultural and Fishing*

Villages Act. It would accomplish this by substantially amending and supplementing provisions, and recommending a repeal of the Fishery Harbors Act. It also asked for the deletion of relevant provisions in *The Rearrangement of Agricultural and Fishing Villages Act*. The main provisions of the bill are listed below.

First, the *Fishery Harbors Act* simply stated that the managing authority should formulate a plan for the development of fishery harbors, as prescribed by the Presidential Decree, in relation to the development of fishery harbors. On the contrary, the bill for *The Fishing Villages and Fishery Harbors Act* provided that five development plans, four new plans in addition to the plan for the development of fishery harbors, should be created and implemented. This bill embraced a comprehensive development strategy for fishing communities. Plans for the comprehensive development of fishing villages, as well as plans for fishing harbors were placed in a separate chapter. Plans for fishing villages and fishery harbors were placed together and provided a master plan for development that was superior to the previous plans.

Figure 3-1 | Procedure and System for Formulation of Plans for Development of Fishing Villages and Fishery Harbors



The bill did include some provisions outlined in the *Fishery Harbors Act* after modifying some words slightly. An example of such a provision is the establishment of a system for designating a “zone for tourism in fishing villages” in order to increase income from sources other than fisheries through tourism (Article 19 of the bill). Moreover, efforts were made to differentiate it from the *Fishery Harbors Act*, such as: (i) The establishment of projects for the development of fishery harbors in association with projects for the comprehensive development of fishing villages. (ii) The provision for fishery harbors with multiple functions, pursuing tourism in fishing villages and regional development at the same time, “fishing villages” were upgraded to “fishery bases” (Article 20, (5) and (6) of the bill). (iii) The introduction of a new concept, “right to manage and operate facilities in a fishery harbor,” in order to attract capital from the private sector, derived the concept from *The Harbor Act* (Articles 30 through 33). (iv) The transfer of managerial authority for national fishery harbors, which had been held by the Minister of Maritime Affairs and Fisheries under the *Fishery Harbors Act*, to each Metropolitan City Mayor and the head of each “Si/Gun” (Article 36 of the bill). (v) The provision for the establishment of a fishery harbors management council (Article 38 of the bill) and the expansion of the scope of business for the fishery harbor association (Article 59 of the bill).

Second, in order to adequately and systematically rearrange and develop infrastructure, the living environment, and resources for tourism and recreation, the words “projects for the improvement of infrastructure for fishery production” in *The Rearrangement of Agricultural and Fishing Villages Act* (1994), were deleted and changed to “projects for the improvement and extension of infrastructure for fishery production” (Article 2, subparagraph 2-a). These projects were included as part of the projects for the comprehensive development of fishing villages. However, the difference is that *The Rearrangement of Agricultural and Fishing Villages Act* defined the terms, “projects for the improvement of infrastructure for fishery production” as projects for the rearrangement of coastal facilities, the improvement of underwater soil in coastal areas, the installation of fixtures, and the extension of infrastructure for fishery production (such as facilities for the creation of fishery resources). *The Fishing Villages and Fishery Harbors Act*, in contrast, defines the terms, “projects for the improvement and extension of infrastructure for fishery production,” as projects for the rearrangement of coastal facilities in ports and harbors, the creation of fishery resources, and the extension of facilities for the distribution and processing of fishery products.

c. Problems in the Bill for Enactment

With regard to the bill for the enactment of *The Fishing Villages and Fishery Harbors Act*, the inspection report and the overall review report issued by the Agriculture, Forestry, Maritime Affairs and Fisheries Committee of the National Assembly, pointed out the problems in the legislative system and the overlap with other statutes and criticized it as follows.

First, the deletion of “fisheries” from the provisions regarding the improvement of infrastructure for production in *The Rearrangement of Agricultural and Fishing Villages Act* by the enactment of *The Fishing Villages and Fishery Harbors Act* brings about a serious change. Moreover, the words “projects for the improvement of the living environment in fishing villages” should be deleted from *The Rearrangement of Agricultural and Fishing Villages Act* as well, according to the bill, since the projects for the comprehensive development of fishing villages in the bill are similar in nature to the “projects for the improvement of the living environment in agricultural and fishing villages” in terms of legislation. However, there is a problem since legislation of the bill for enactment would delete substantial provisions of other Acts without adequately examining the conflicts with *The Rearrangement of Agricultural and Fishing Villages Act* and similar projects.

Second, if the related provisions of *The Rearrangement of Agricultural and Fishing Villages Act* remained unchanged, an abnormal situation in which two different Acts provided the basis for the implementation of the same project, was likely to occur. This is because projects for the comprehensive development of fishing villages would be implemented on the basis of *The Rearrangement of Agricultural and Fishing Villages Act*. Therefore, *The Rearrangement of Agricultural and Fishing Villages Act* should be amended simultaneously with the enactment of the bill.

Third, Article 4 of the bill stipulated that the Minister of Maritime Affairs and Fisheries should create a master plan for the development of fishing villages and fishery harbors, while Article 5 of *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural, Mountain, and Fishing Villages* (also referred to as *The Special Act*) provided that the government should create a master plan for the development of agricultural, mountain, and fishing villages. The contents of both plans and the procedures for the formulation of both plans were similar to one another. In addition, the provisions regarding the formulation of “Do” plans and “Si/Gun” plans in Article 7 of *The Special Act* overlapped with the provisions of Article 5 of the bill for enactment (formulation of regional plans for the development of fishing villages and fishery harbors). As a result, since confusion and inefficiency in implementing policies is likely to be caused because of overlap, (Article 9 of *The Special Act* with Article 3 of the bill for enactment), it was necessary to conduct a legal review and reorganize the Acts to articulate the relationship of the Acts.

Fourth, the bill for enactment had five different project plans (in types) randomly, inserted regarding the development of fishing villages. It added the terms, “master plan for the development of fishing villages and fishery harbors,” “regional plan for the development of fishing villages and fishery harbors,” “plan for the comprehensive development of fishing villages,” and “plan for comprehensive development projects for fishing villages” to the

terms currently specified in the *Fishery Harbors Act* as, “plan for the development of fishing villages.” The Government, however, reiterated provisions of other statutes in the bill for enactment when they combined and modified words without adequately examining the organic structure of project plans, or the system for efficient implementation. As a result, content for the development of fishing villages overlapped with one another, and the procedure for indoctrinating plans became very complicated.

In order to solve this problem, in the bill for enactment, the Agriculture, Forestry, Maritime Affairs and Fisheries Committee of the National Assembly proposed a revision to the bill as follows:

First, the Committee pointed out several things. Although Article 2 of the bill defined a fishing village, subject to the application of this Act, as a “village adjacent to a river, lake, or sea or at the back of a fishery harbor, in which people mostly earn their living by fisheries,” most fishing villages, except for highly urbanized areas, earned half of their living from farming and the other half from fishing. In fact, most fishing villages earned income from various sources other than their fisheries and this was increasing day by day. Therefore, it was only logical to approach it geographically. In order to reflect the changing circumstances of fishing villages, the definition needed to change the outlined prerequisite of a fishing village as a place where, “people mostly earn their living by fisheries.” Thus, the Committee made a recommendation to modify the definition of a fishing village in Article 2 as “(a) the whole area of an “Eup/Myeon” or (b) an area, excluding commercial areas and industrial areas, designated pursuant to the provisions of subparagraph 1 of Article 36 of *The National Land Planning and Utilization Act*, adjacent to a river, lake, or sea or at the back of a fishery harbor.”

Second, the Committee proposed to establish a system for the approval of a change in an implementation plan. The bill, however, only provided a system for the approval of an implementation plan by a fishery cooperative or a fishing village cooperative for a project.

Third, the Committee proposed to include the land for facilities subject to management. The bill, on the other hand, only specified facilities created as a result of a project to be subject to management.

Fourth, the Committee proposed to delete the provisions in the bill regarding the establishment of a new system for the designation of tourism zones in fishing villages. This was done to develop fishery harbor zones not only as infrastructure facilities for fisheries but also as fishery harbors with multiple functions. These functions included tourism and leisure, because there were no detailed regulations. Furthermore, these zones might overlap with tourist destinations, tourism complexes, and special tourism zones under *The Framework Act on Tourism*.

The government presented a modified bill for the enactment of *The Fishing Villages and Fishery Harbors Act* to the National Assembly, reflecting the recommendations made by the Agriculture, Forestry, Maritime Affairs and Fisheries Committee of the National Assembly. The modified bill was passed at the 8th and 9th plenary meetings, during the 253rd session (special session) of the National Assembly, in May 2005.

d. Main Statutory Systems and Provisions regarding Development of Fishing Villages under Fishing Villages and Fishery Harbors Act

The Fishing Villages and Fishery Harbors Act passed and enacted as modified, consisted of six Chapters, three Sections, and 62 Articles. Chapter I consisted of general provisions. Chapter II consisted of provisions regarding master plans for the development of fishing villages and fishery harbors. Chapter III consisted of provisions regarding the comprehensive development of fishing villages. Chapter IV consisted of provisions regarding the development of fishery harbors. Chapters V and VI consisted of supplementary provisions and penal provisions, respectively. The pre-existing *Fishery Harbors Act* was repealed when this Act entered into effect (Article 2 of Addenda).

Table 3-3 | Main Provisions regarding Development of Fishing Villages

Definitions (Article 2)	<ul style="list-style-type: none"> ○ The term “fishing village” means the whole area of an “Eup/Myeon” (an area excluding commercial areas and industrial areas designated pursuant to Article 36 (1) 1 of the National Land Planning and Utilization Act), in which people mostly earn their living by fisheries, in an area adjacent to a river, lake, or sea or at the back of a fishery harbor.
Basic surveys (Article 3)	<ul style="list-style-type: none"> ○ In order to efficiently implement policies for the development of fishing villages and fishing harbors, the Minister of Maritime Affairs and Fisheries shall conduct basic surveys and close inspections of fishing villages and fishery harbors, such as the distribution of fishing villages, the trends of changes in population, changes in conditions for livelihood in fishing villages, changes in facilities of fishery harbors.
Formulation of master plan for development of fishing villages and fishery harbors (Article 4)	<ul style="list-style-type: none"> ○ In order to increase income of fishing villages and develop and use fishing villages and fishery harbors in a rational manner, the Minister of Maritime Affairs and Fisheries shall formulate a master plan for the development of fishing villages and fishery harbors once every five years. The master plan shall include the direction for medium-term and long-term policies for the comprehensive and systematic development of fishing villages and fishery harbors and matters regarding projects for the comprehensive development of fishing villages.

<p>Formulation of plans for comprehensive development of fishing villages (Article 6)</p>	<p>○ In order to comprehensively and systematically develop fishing villages, the Minister of Maritime Affairs and Fisheries shall formulate a plan for the comprehensive development of fishing villages, including the basic concepts and direction for the comprehensive development of fishing villages and plans for regional development and investment for the projects for the comprehensive development of fishing villages.</p>
<p>Implementation of plans for comprehensive development of fishing villages (Article 9)</p>	<p>○ In principle, a project for the comprehensive development of fishing villages shall be implemented by the Minister of Maritime Affairs and Fisheries or the head of a "Si/Gun/Gu" but an implementer of a project for the comprehensive development of fishing villages (such as a fisheries cooperative or a fishing village cooperative) may be authorized to implement a project for the comprehensive development of fishing villages for some facilities. In such cases, the implementer of a project for the comprehensive development of fishing villages shall formulate and implement an implementation plan (subject to approval from the Minister of Maritime Affairs and Fisheries or the head of "Si/Gun/Gu").</p>
<p>Authority for designation of fishery harbors (Article 16)</p>	<p>○ A national fishery harbor shall be designated by the Minister of Maritime Affairs and Fisheries, a regional fishery harbor by a Metropolitan City Mayor or Do Governor, and a fishing village harbor by the head of a "Si/Gun/Gu," respectively.</p>
<p>Formulation of plans for development of fishery harbors (Articles 19 and 20)</p>	<p>○ In order to promote the development of fishery harbors and raise the efficiency in the operation of such harbors, the Minister of Maritime Affairs and Fisheries, each Metropolitan City Mayor and "Do" Governor, and the head of each "Si/Gun/Gu" shall formulate plans for the development of fishery harbors, including a master plan for fishery harbors and a plan for the rearrangement of fishery harbors.</p> <p>○ A plan for the development of fishery harbors shall include the basic direction for the development and operation of fishery harbors, a plan for the location, type, scale, and layout of facilities in fishery harbors, an annual investment plan, and expected effects.</p>
<p>Implementation of projects for development of fishery harbors (Article 23)</p>	<p>○ A project for the development of a fishery harbor shall be implemented by the person having the authority for designation, except as otherwise provided for in this Act or any other Act.</p> <ul style="list-style-type: none"> - If any person other than the person having the authority for designation intends to implement a project for the development of a fishery harbor, such person shall obtain a permit for the implementation of the project for the development of a fishery harbor from the person having the authority for designation (excluding cases where it is intended to implement minor works, such as works for the repair or reinforcement of facilities in a fishery harbor). - If the person having the authority for designation intends to permit a person to implement a project for the development of a fishery harbor, such permit shall be granted preferentially to the public organization having a direct interest in facilities in the fishery harbor.

Right to manage and operate facilities in a fishery harbor (Articles 29 and 30)	<ul style="list-style-type: none"> ○ The person having the authority for designation shall assign the duty to maintain and manage facilities in the fishery harbor as well and recognize the right to collect rent.
Subsidization for project cost (Article 49)	<ul style="list-style-type: none"> ○ In order to efficiently implement a project for the comprehensive development of fishing villages or a project for the development of a fishery harbor, the Minister of Maritime Affairs and Fisheries or the head of a local government may appropriate the project cost as necessary in the budget and may fully or partially subsidize the implementer of the project for the comprehensive development of fishing villages, or the project for the development of the fishery harbor, for the project cost as necessary, or may give a loan for such a purpose.
Disposal for public interest (Article 51)	<ul style="list-style-type: none"> ○ When there is a change in the conditions of a project zone, it is necessary for efficiently managing a fishing village or fishery harbor, or for reducing or removing hazards to the public, the Minister of Maritime Affairs and Fisheries or the head of a local government may revoke approval or grant permission pursuant to this Act, or issue an order to revise or cancel a project plan, suspend a project, or alter a facility.
Compensation for losses (Article 53)	<ul style="list-style-type: none"> ○ If any person has sustained a loss caused by the disposal for public interest, the implementer of the relevant project for the comprehensive development of a fishing village or for the development of a fishery harbor or the managing authority of the relevant fishery harbor shall compensate such person for the loss under an agreement with the person who has sustained the loss. ○ If the implementer of the relevant project for the comprehensive development of a fishing village or for the development of a fishery harbor fails to reach an agreement with a person who has sustained a loss, as a consequence of the disposal for public interest, an amount determined by the implementer shall be paid. If the person who has sustained a loss refuses to accept the payment, the amount shall be deposited to the relevant court, and the person shall be notified.
Establishment of Establishment of Korea Fisheries Infrastructure Promotion Association (Article 57)	<ul style="list-style-type: none"> ○ In order to develop technology for the development of fishing villages and fishery harbors and to execute surveys, research, and public relations activities regarding fishing villages and fishery harbors, the Korea Fisheries Infrastructure Promotion Association shall be established in the form of a legal entity.

2.4.2. Fishing Villages and Fishery Harbors Act Amended in 2007

a. Reasons for Amendment

The Fishing Villages and Fishery Harbors Act, amended by Act No. 8791 on December 21, 2007, was an alternative bill presented by integrating the bill initially presented by Assembly Members, and the bill presented by the Government. The reasons for proposing the bill are as follows:

First, the current *Fishing Villages and Fishery Harbors Act* had provisions under which a managing authority could issue an order to a person who abandons waste in any place other than a designated area. Penal provisions were applicable to offenses. Unfortunately, the Act does not clearly define “waste” and therefore disputes were likely to arise between the authority managing a fishery harbor, and an offender.

Second, the basis for conducting a prior survey or a safety inspection of a fishery harbor, for the establishment of a plan for development, was generally provided for in the legislative statement or subordinate statutes. If not, disputes were likely to arise.

Third, although infrastructure for tourism in fishing villages had been extended as a result of the development of fishing villages and fishery harbors, systematic public relations activities were insufficient and in need of improvement.

Fourth, since there is no provision regarding guidance and supervision over the Korea Fisheries Infrastructure Promotion Association, which is a special corporation executing state affairs with subsidies from the State, guidance and supervision over the association are likely to become mere formalities.

Hence, amendments were needed for *The Fishing Villages and Fishery Harbors Act* by inserting new provisions to fix these issues, protect citizen rights and interests, and cement legal stability. Moreover, in order to enhance transparency and predict the foreseeable future of administration, documentation was needed in detail. This was especially needed when a permit was to be issued for the use of a prior incomplete land or facility project. Finally, provisions needed to address the decisions of the managing authority a fishery harbor by substituting a report-based system. This would occur when it was intended to use or occupy a facility in a fishery harbor, according to the Act and in lieu of the relevant local government’s ordinance. In addition, it should improve and supplement other defects that were discovered during the course of operation of the current system.

b. Major Amended Provisions

The amendment in 2007 to *The Fishing Villages and Fishery Harbors Act* was highly focused on preparing a bill for protecting citizen rights to a healthy and clean environment,

in the context of fishing village and fishery harbor development and greater safety standards. In addition, the amendment had great significance because it focused on the following: “development of resources for tourism and recreation in fishing villages and fishery harbors and public relations activities thereof,” increasing income in fishing villages and invigorating the economy, and “development of facilities and programs for promoting the exchange between cities and fishing villages.”

In particular, whereas pre-existing Acts had the nature of traditional legislation on regional development, mainly aimed at the rearrangement of infrastructure for production, the Act amended in 2007 had the greatest impact. This Act created a variety of policies for promoting tourism and exchange between cities and fishing villages. Its strength was in promoting both the increase of fisher income from sources other than fisheries and regional development, and the creation of a correlative system for development and welfare, in policies for fishing villages and fishery harbors.

Table 3-4 | Major Amended Provisions

Article	Provisions
Definition of waste (subparagraph 8 newly inserted into Article 2)	Waste is defined as “scrapped fishing gear, garbage, combustible materials, sludge, waste oil, waste acid, waste alkali, animal cadavers, etc., and any material which becomes useless for people’s lives or business activities.”
Considerations in issuing a permit for the use prior to completion (paragraph (4) inserted into Article 10)	When the head of a “Si/Gun/Gu” intends to issue a permit for incomplete facility projects or “comprehensive development of a fishing village” projects, they shall examine whether “such permit is not likely to obstruct a project for the comprehensive development of a fishing village to be implemented in the future” and “whether such permit is not likely to undermine the stability of the land or facilities to be used prior to completion” to enhance the transparency and foreseeable future of administration.
Inspection and examination of facilities in a fishery harbor (Article 19)	Provisions establishing the basic guidelines for inspections and examinations on the current status of facilities in a fishery harbor, the use of such facilities, and the safety of facilities in the fishery harbor, in relation to plan development for fishery harbors is inserted into the Act in replacement of the basic guidelines previously provided by the Presidential Decree.
Imposition of conditions on the sale of facilities in a fishery harbor (the latter part of paragraph (2) newly inserted into Article 27)	When the person with the authority to designate a fishery harbor sells a parcel of land, preferentially to a public organization, the person must meet certain conditions, such as the purpose for using the land, and the deadline for filing the application, to ensure everything conforms to the plan for the development of the fishery harbor.

Article	Provisions
Collection of waste from fishery harbor zones (paragraphs (3) and (4) newly inserted to Article 35)	The Minister of Maritime Affairs and Fisheries may directly execute works for collecting waste from fishery harbor zones managed by a local government. In addition, the minister must keep fishery harbors clean with or without the assistance of a local government. Scavenger ships are permitted for use as support.
Enumeration of matters subject to reporting for occupancy and use of a fishery harbor (Article 38 (1))	Protocol that addresses which managing authority's permission may be substituted with a report-based system are specified directly by the Act, which amended the Municipal Ordinance. For example, when there is a need to occupy and use facilities in a fishery harbor, such as where it is intended to berth or moor a ship at a basic facility. However, only the period of occupancy and use of a facility in a fishery harbor was specified by the Municipal Ordinance. In addition it only mentioned the following: where it is intended to berth or moor a ship at a basic facility (such as a quay wall, wharf, groyne, landing bridge, and bulkhead), where it is intended to tie up or anchor a ship at an inner harbor or counter facilities (excluding the berthing area), such as a breakwater, and where it intends to pile up cargo (basic facility, within a fishery harbor zone in which open-air storage is allowed, or to temporarily install a temporary structure).
Promotion of tourism in fishing villages and fishery harbors and support thereof (Article 49-2)	In order to increase resident income in fishing villages, invigorate the economy of fishing villages, and cultivate pride, the Minister of Maritime Affairs and Fisheries or the head of a local government shall formulate and implement measures necessary for the development of resources for tourism and recreation in fishing villages and fishery harbors. They will also be responsible for developing and advertising the aesthetics of nature, ecosystem, specialties, unique customs of fishing villages and fishery harbors, and develop facilities and programs for urban residents to experience the culture of fishing villages, thereby promoting exchange between cities and fishing villages.

2.4.3. Fishing Villages and Fishery Harbors Act Amended in 2010

a. Reasons for Amendment

Before the Act was amended by Act No. 10124 on March 17, 2010, *The Fishing Villages and Fishery Harbors Act* stated that the local government with the authority to manage a fishery harbor should establish regulations on the management of fishery harbors. This was documented by the Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries. The ordinance stated that the regulations on the management of fishery harbors should be regulated by the authority managing fishery harbors. Provisions regarding delegation to a

municipal ordinance, however, may be deleted by merely instituting an amendment to a subordinate statute. In this case, a local government's legislative power would most likely be violated.

The purpose of this bill for amendment, therefore, was to provide for delegation to a municipal ordinance through an Act, in order to prevent such problems. There was also an attempt to systematically rearrange “joint penal provisions” of the Act to ensure liability for the fulfillment of the principle. This was the reason the Constitutional Court declared that “joint penal provisions” for *The Fishing Villages and Fishery Harbors Act* were unconstitutional. In the case of a “petition seeking the declaration of unconstitutionality of Article 6 of the Act on Special Measures for the Control of Public Health Crimes”, the Constitutional Court declared on November 29, 2007, that Article 6 of the Act on Special Measures for the Control of Public Health Crimes was unconstitutional. The Act on Special Measures, which adopts “joint penal provisions,” stated, “if the representative of a legal entity or an agent, employee, or servant of a legal entity or individual commits an offense specified in any provision of Articles 2 through 5 in the scope of business of the legal entity or individual, not only shall such offender be punished accordingly, but the legal entity or individual also shall be punished pursuant to the provisions of the relevant Article”.

The pre-existing *Fishing Villages and Fishery Harbors Act* had “joint penal provisions” similar to Article 6 of the Act on Special Measures for the Control of Public Health Crimes. Therefore, in order to respect the Constitutional Court's decision and harmonize relevant statutes, the Constitutional Court's decision was reflected in *The Fishing Villages and Fishery Harbors Act* through the amendment in 2010.

b. Main Provisions

Article 36 (Regulations on Management of Fishery Harbors) of the pre-existing *Fishing Villages and Fishery Harbors Act* declared, “the authority managing fishery harbors shall establish regulations on the management of fishery harbors for the efficient management of fishery harbors, as prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries (paragraph (1)),” and, “when the authority managing fishery harbors establishes or amends regulations of management of fishery harbors, it shall publicly notify the regulations and shall notify the Minister for Food, Agriculture, Forestry and Fisheries thereof (paragraph (2)). In other words, paragraph (1) required the authority managing fishery harbors (a local government) to establish the matters specified by the Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries (Enforcement Rule) by enacting a relevant municipal ordinance. In such cases, an amendment to an “Enforcement Rule,” which was easier to amend than an Act enacted by the National Assembly, could directly affect a municipal ordinance of a local government. The reasons why this was a problem

were that provisions regarding the development of fishing villages and fishery harbors had a legally direct binding effect on resident relationships. Amending or repealing a municipal ordinance by simply amending an Enforcement Rule, without amending the relevant Act, violated the principle of congressional legislation and, the local government's inherent legislative power. Hence, in order to solve such a problem and strengthen local autonomy, the amended *Fishing Villages and Fishery Harbors Act* transferred the matters previously provided by the Enforcement Rule for *The Fishing Villages and Fishery Harbors Act*, to this Act.

The amendment to the “joint penal provisions” in Article 61 of the pre-existing *Fishing Villages and Fishery Harbors Act* was made as a consequence of the Constitutional Court's ruling of the unconstitutionality of a similar statute, as explained above. Article 6 of the Act on Special Measures for the Control of Public Health Crimes stated that, if it was found that an employee (including an agent and servant) hired by an individual committed a crime in violation of Article 5 of the Act on Special Measures for the Control of Public Health Crimes, the individual who hired the employee (business owner) should be punished along with the employee. Therefore, the provisions required to punish a business owner unconditionally, regardless of whether the business owner participated in the employee's crime, knowingly acquiesced to such a crime, or had no previous knowledge of the crime. Eventually, even business owners who sincerely exercised their managerial duties were excluded from the scope of exemption from liability. This made them subject to the same punishment as their employees'.

In regards to this legislation, the Constitutional Court held that: (i) To interpret such provisions as “providing that a business owner shall be punished only if he/she negligently breaches his/her duty to of care in appointment and supervision over his/her employee” was not the constitutional interpretation of an Act, which should be consistent with the principle of liability, and (ii) such provisions violated the principle of liability derived from the stipulations of Article 10 of the Constitution, which states that any person who did not commit a culpable act should not be punished on the grounds of another person's crime.

In addition, Article 61 of the pre-existing *Fishing Villages and Fishery Harbors Act* provided, “if the representative of a legal entity or an agent, employee, or servant of a legal entity or individual commits an offense specified in Article 60 in the scope of business of the legal entity or individual, not only such offender shall be punished accordingly, but the legal entity or individual also shall be punished by the fine prescribed in the aforesaid Article,” and thus had the same status of legislation as Article 6 of the Act on Special Measures for the Control of Public Health Crimes. As a result, these provisions could not avoid the declaration of unconstitutionality, and *The Fishing Villages and Fishery Harbors Act* was amended to rectify the defect. Technically, however, the existing “joint penal

provisions” remained in the amended Act, but a proviso was newly inserted to avoid the possible declaration of unconstitutionality by declaring the grounds for the exemption from the application of the “joint penal provisions.”

Table 3-5 | Major Amended Provisions

Article	Provisions
Regulations for the management of fishery harbors, which have been prescribed by Municipal Ordinance, shall be prescribed by Act [Article 36 (1)]	In order to efficiently manage fishery harbors, regulations for the management of fishery harbors shall be outlined by municipal ordinance of the local government, to which the authority managing relevant fishery harbors belongs, in accordance with the guidelines prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.
Exceptions to joint penal provisions newly inserted [Article 61]	If a legal entity or individual has not neglected reasonable care and supervision over relevant business activities to prevent his/her employees’ offenses, such legal entity or individual shall be exempted from punishment.

2.4.4. Fishing Villages and Fishery Harbors Act Amended in 2011

a. Reasons for Amendment

First, *The Fishing Villages and Fishery Harbors Act*, amended by Act No. 10848 on July 14, 2011, authorized a local government to define methods and procedures for the sale of land, which was acquired as a result of the implementation of a project for the development of a national fishery harbor by its Municipal Ordinance. The purpose of this authorization was to ensure that each local government could protect residents who sustain any injury due to construction work and can implement development projects in harmony with local opinion.

Second, many critics have pointed out that it was difficult for most people to understand Korean law terminology and legal writing. It was far from the common language of the times because it did not conform to language standards. Although legal writing for a law-abiding country should be easy for ordinary people to read, understand, and follow, and should serve as a model for proper language, the understandability of the text for *The Fishing Villages and Fishery Harbors Act* deteriorated, because it has been enacted and amended by traditional legislative skills. Therefore, attempts were made to translate difficult terms into easier words and rearrange complicated sentences to simpler one. This would make them easy to read and understand, and make them more agreeable with the citizens’ language style.

Third, *The Act on the Regulation of Violations of Public Order* came into effect through Act No. 8725, on December 231, 2007. It was necessary to make the legislative system compliment the punishment for violations of the administrative order under *The Fishing Villages and Fishery Harbors Act*. Therefore, the relevant provisions for violations were rearranged to conform to the claims of the Act on The Regulation of Violations of Public Order.

b. Main Provisions

Table 3-6 | Major Amended Provisions

Article	Provisions
Sale of the land developed as a result of the implementation of a project for the development of a fishery harbor (paragraph (8) newly inserted into Article 26)	<p>With regard to the land, which is an ordinary asset, from among public property that a local government acquires ownership, the local government may sell such land in accordance with Municipal Ordinance of the local government. Land may be sold with a negotiated contract to a person who has sustained an injury due to the implementation of the relevant project for the development of a fishery harbor or a public organization. This includes a fishery cooperative and a fishing village cooperative but only regarding substitute land provided for the building site. The land must be used or occupied for an existing facility in the fishery harbor.</p>
Making statutes easier (Articles 1 through 35, 37 through 61, and 62)	<p>○ Refining difficult legal terms into easier terms. Without changing the meaning of law, terms that are currently written in Chinese characters or Japanese expressions, will be changed to Korean words, as a result, making it easier to understand, such as “hinterlands” into “remote place” and “embankment” into “bank.”</p>
	<p>○ Compliance with language standards, such as the rules of Korean orthography. The word spacing of noun phrases in the text of law, and the use of punctuation marks and symbols, such as the middle point (·) and comma (,) shall conform to the language standards dictated by the rules of Korean orthography.</p>
	<p>○ Correct and natural construction of legal sentences. - Legal sentences shall be constructed in a manner that ensures proper grammar, such as a subject and a predicate, an adverbial phrase and a predicate, and an object and a predicate. - A sentence that is difficult to understand because of incorrect word order and complicated expression, shall be reorganized into the correct and natural order. - An expression unnatural or seldom used in daily life shall be changed to a correct and easier expression according to the context.</p>

Article	Provisions
	<ul style="list-style-type: none"> ○ Simplification and articulation through the rearrangement of the system. <p>If a sentence is difficult to understand or too long and complex because several issues are mixed in one sentence, such sentence shall be rearranged and articulated by simplifying expressions or dividing the sentence.</p>
<p>Paragraphs (4) through (6) of provisions regarding fines for negligence are deleted (Article 62)</p>	<p>Paragraphs (4) through (6) of the aforementioned Article shall be deleted to conform to the legislative system of the Act on the Regulation of Violations of Public Order. This regards fines for negligence (punitive administrative disposition against violations of the public order).</p>

2.4.5. Fishing Villages and Fishery Harbors Act Amended in 2012

a. Reasons for Amendment

The Fishing Villages and Fishery Harbors Act amended in 2005 classified fishery harbors into national fishery harbors, regional fishery harbors, and fishing village harbors. The State and local governments provided the necessary support for projects for the development of a fishery harbor according to this classification. However, there was a discrepancy between the Act and in the real-world affairs of fishery harbors. In reality, the actual base for a fisher’s livelihood in fishing villages and petty fishery harbors could not be classified into any category under the current Act. These jobs mainly involved marine transportation, regional tourism, and distribution. Since they were not qualified as “fishery harbor zones,” as defined in the current Act, they were not eligible for appropriate support from the government and local government. To make matters worse, facilities in these harbors had not been properly maintained or managed. Therefore, the purpose of the amended *Fishing Villages and Fishery Harbors Act* was to supplement relevant statutes in order to properly classify petty fishery harbors into “common fishing village harbors” and authorize the head of each “Si/Gun/Gu” to designate and manage them.

Table 3-7 | Current Status of Fishery Harbors at the End of 2006

Classification	Number of Harbors	Completed	Under construction	Rare of Completion
Total	392	198	194	50.5%
National Harbors	105	85	20	81%
Regional Harbors	287	113	174	39%

* Harbors to be completed in 2007:

5 national harbors (Gonghyeonjin in Gangwon-do, Soheuksando in Jeollanam-do, Gusan and Osan in Gyeongsangbuk-do, and Wonjeon in Gyeongsangnam-do)

10 regional harbors (Tando in Gyeonggi-do, Jukpo in Gyeongsangnam-do, etc.)

Table 3-8 | Models of Tourism in Fishing Villages in 2006

Category	Type I (complex)	Type II (multi-functional fishery harbor)	Type III (tourism complex in a fishing village)
Concept	□ Existing fishery harbor/ fishing villages + Tourism ⇒ Complex of fishing villages/ fishery harbor	□ Existing fishery harbor + Tourism ⇒ Multi-functional fishery harbor	□ Existing fishing village + Tourism ⇒ Tourism complex in a fishing village
Project Period	□ 6 years (2004-2009)	□ 6 years (2004-2009)	□ 6 years (2004-2009)
Project Zones	□ 7 harbors Eoyujeong (Ganghwa-gun in Incheon), Jeonja (Buk-gu in Ulsan), Anmok (Gangneung in Gangwon-do), Maryang (Gangjin-gun in Jeollanam-do), Yangpo (Pohang in Gyeongsangbuk-do), Maejeonpo (Goseong-gun in Gyeongsangnam-do), Moseulpo (Namjeju-gun in Jeju-do)	□ 6 harbors Daebyeon (Gijang-gun in Busan), Daepo (Sokcho-si in Gangwon-do), Heungwon (Seocheon-gun in Chungcheongnam-do), Gukdong (Yeosu in Jeollanam-do), Gyeokpo (Buan-gun in Jeollabuk-do), Jisepo (Geoje-si in Gyeongsangnam-do)	□ 11 harbors Daehang (Gangseo-gu in Busan), Choji (Ganghwa-gun in Incheon), Daesong (Ulju-gun in Ulsan), Jeongok (Hwaseong-si in Gyeonggi-do), Daejin (Donghae-si in Gangwon-do), Muchangpo (Boryeong-si in Chungcheongnam-do), Yamido (Gunsan-si in Jeollabuk-do), Bangchuk (Sinan-gun in Jeollanam-do), Jeonchon (Gyeongju-si in Gyeongsangbuk-do), Hakrim (Tongyeong-si in Gyeongsangnam-do), Beobhwan (Seoguipo-si in Jeju-do)

Category	Type I (complex)	Type II (multi-functional fishery harbor)	Type III (tourism complex in a fishing village)
Project Scale	□ Total of 107.9 billion won - Approx. 15 billion won per harbor	□ Total of 295.7 billion won - Approx. 50 billion won per harbor	□ Total of 69.6 billion won - Approx. 6 billion won per harbor

b. Major Amended Provisions

The amended Fishing Villages and Fishery Harbors Act prepared the basis for designated petty fishery harbors as fishery harbors eligible for the development and support under the Act, and consequently the following measures have been taken to expand fishery harbor zones.

Table 3-9 | Major Amended Provisions

Amended Article	Provisions
Item (d) inserted into subparagraph 3 of Article 2	Common fishing village harbor: A petty fishery harbor that is not classified into a fishing village harbor but used by fishermen in common (newly inserted).
Subparagraph 3 of Article 16 and Article 17 (3)	The part “fishing village harbors” is amended to “fishing village harbors and common fishing village harbor.”
Proviso to Article 19 (1)	The part “regional fishery harbors or fishing village harbors” is amended to “regional fishery harbors, fishing village harbors, or common fishing village harbors”
Article 35 (1) 2	The part “fishing village harbors” is amended to “fishing village harbors and common fishing village harbors.”

With this amendment, common fishing village harbors were included in the scope of *The Fishing Villages and Fishery Harbors Act*, along with national fishery harbors, regional fishery harbors, and fishing village harbors. This amendment had the great significance because it enabled the advocacy for development plans, and the implementation of them in a more segmented and systematic manner. It also served as the cornerstone for the contribution to the improvement of the quality of life for residents in petty fishery harbors.

2.5. Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural, Mountain, and Fishing Villages

2.5.1. Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural, Mountain, and Fishing Villages

a. Reasons for Enactment

It was expected that farmers and fishermen were likely to suffer greater hardships as a consequence of the expansion of the Free Trade Agreement (FTA) and the development of negotiations on agricultural products with the World Trade Organization. The gap in income, and in the standard of living, between urban areas and agricultural, mountain, and fishing villages was widening, and thus countermeasures at the government level were desperately needed. This Act, enacted by Act No. 7179 on March 5, 2004, strived to enhance the quality of life of farmers and fishermen, and to facilitate the balanced development between regions, by preparing a comprehensive and systematic plan for increasing the welfare of farmers and fishermen, improving educational conditions in agricultural, mountain, and fishing villages, and developing agricultural, mountain, and fishing villages, regionally.

b. Main Provisions

First, the Act provides that the Government shall formulate a master plan once every five years in order to accomplish several tasks: facilitate the promotion of welfare for farmers and fishermen, improve educational conditions in agricultural, mountain, and fishing villages, and develop regionally. In addition, the head of each related central administrative agency should create and execute an implementation plan each year (Articles 5 and 6 of the Act).

Second, according to the Act, the committee should be comprised of no more than 25 members for the improvement of the quality of life of farmers and fishermen, and the regional development of agricultural, mountain, and fishing villages. The committee should include one chairperson and should be established as an organization affiliated to the Prime Minister, in order to administer and coordinate policies on welfare, education, and regional development. Their duties should include following through with the master plan, and inspecting and evaluating the results of the implementation (Article 10 of the Act).

Third, the Act requires the assistance in the prevention and medical treatment of diseases, the subsidization for child care expenses for infants and children, the assistance in promoting the welfare of women in agricultural, mountain, and fishing villages, and the assistance in stabilizing the livelihood of the elderly after retirement (Articles 12 through 19 of the Act).

Fourth, the Act requires various kinds of assistance to guarantee students in agricultural, mountain, and fishing villages the right to learn, and to ensure that teaching staff members in schools can concentrate on educational activities (Articles 20 through 28 of the Act).

Fifth, the Act requires the assistance in the improvement of basic living conditions, the conservation of, the promotion of local industries, the advocacy of rural related information, and the operation and establishment of facilities for culture and welfare (Articles 29 through 34 of the Act).

Sixth, the Act requires the State and local governments to formulate and implement a comprehensive plan for agricultural, mountain, and fishing villages for the improvement of the residential environment, the extension of infrastructure for living, and the increase of resident income. This would be accomplished by grouping neighboring villages into one zone, and authorizing the State and local governments to support projects implemented in accord with a comprehensive regional development plan, preferred over other projects (Article 38 of the Act).

2.5.2. Special Act for Improvement of Quality of Lives of Farmers and Fishers Amended in 2009

a. Reasons for Amendment

The main purpose of the Act that was amended, on December 29, 2008, and effective, on June 30, 2009 (Act No. 9276), was to efficiently implement projects for the regional development of agricultural and fishing villages and to increase the welfare of farmers and fishermen. This would be achieved through changing the name of the Korea Rural Community Corporation, redefining the business of the Korea Rural Community Corporation, and establishing a system for the autonomous and responsible management of the Korea Rural Community Corporation. Furthermore, overseas agricultural development projects were added to “the purposes of use” of the farmland management fund. In addition, the jurisdiction for the Minister for Food, Agriculture, Forestry and Fisheries over the business of the Korea Rural Community Corporation was specified in detail.

b. Main Provisions

First, the name of the Korea Rural Community Corporation was changed (the title, Article 1, etc.).

Second, the scope of business of the Korea Rural Community Corporation was redefined. The projects that the Korea Rural Community Corporation should implement were clearly defined and the basis for such projects was clearly specified by adding the necessary details of the projects. Programs for supporting the stabilization of livelihood of farmers

and fishermen after retirement, programs for promoting the exchange between cities and agricultural and fishing villages, and projects for the development and use of infrastructure facilities for agriculture and surrounding areas were added to the scope of business of the Korea Rural Community Corporation. The basis and details of each project and program were clearly specified by categories (Article 10 (1) of the Act).

Third, the purposes of use of the farmland management fund were expanded. The fund was newly established because it was necessary to invest the farmland management fund in order to secure the infrastructure for the stable production and supply of food resources, and support the stabilization of livelihood of elderly farmers. Specifically, the grant of subsidies and loans for programs supporting the stabilization of livelihood of elderly farmers and for overseas agricultural development projects were added to “the purposes of use” of the farmland management fund. Thus, it made it possible to support elderly farmers and invigorate overseas agricultural development projects (subparagraphs 7 and 10 were inserted into Article 34 of the Act).

Fourth, the authority of the Minister for Food, Agriculture, Forestry and Fisheries was clearly outlined. This was made in response to the opinion that it is necessary to clearly specify the scope of affairs and matters over which the Minister for Food, Agriculture, Forestry and Fisheries may guide and supervise the Korea Rural Community Corporation, pursuant to the Act on the Management of Public Institutions. According to the relevant provisions, the Minister for Food, Agriculture, Forestry and Fisheries may guide and supervise the Korea Rural Community Corporation with regard to its own projects. These include projects for the rearrangement of agricultural and fishing villages under *The Rearrangement of Agricultural and Fishing Villages Act* and projects that were entrusted or delegated by the Minister for Food, Agriculture, Forestry and Fisheries pursuant to relevant statutes. The minister was also responsible for matters regarding compliance with guidelines for management and other matters specified by relevant Acts and subordinate statutes (Article 49 of the Act).

2.5.3. Special Act for Improvement of Quality of Lives of Farmers and Fishers Amended in 2011

a. Reasons for Amendment

The purpose of the amendment of *The Special Act for Improvement of Quality of Lives of Farmers and Fishers*, amended by Act No. 10386 on July 23, 2010, and effective on January 24, 2011, was to extend the care of social welfare to the rural sector. According to the amended Act, the State and local governments should prepare plans for improving the nutrition of elderly farmers and fishermen because the elderly were the majority in agricultural and fishing villages and their nutritional status was extremely poor. Furthermore,

the Act required the establishment of service standards for agricultural and fishing villages for the first time in Korea, in order to more effectively implement policies related to the improvement of the quality of life of rural citizens. In addition, the Act prepared the basis for expanding public services and supporting enterprises that created jobs and expanded the terminology for industries that would be advocated, from “local industries,” to “industries in agricultural and fishing villages.”

b. Main Provisions

① Preparation of Basis for Establishment and Operation of Service Standards for Agricultural and Fishing Villages (subparagraph 6 of Article 3, Article 5 (1) 10, and Article 33 newly inserted)

The service standards for agricultural and fishing villages are established because it is found that, although each central administrative agency has formulated and implemented various policies for improving the quality of life in agricultural and fishing villages, such policies fail to contribute effectively to the improvement of the actual quality of life in agricultural and fishing villages. This occurred because the objectives of relevant policies have been established mainly on the basis of input indicators. Therefore, the service standards for agricultural and fishing villages are introduced to amended Acts and subordinate statutes, in order to prepare minimum standards for the supply of public services to agricultural and fishing villages and improve the level of public services that residents in agricultural and fishing villages benefit from. This is qualitatively and quantitatively accomplished with cooperation at the governmental level. The service standards for agricultural and fishing villages, introduced by the amended Act, are instituted by presenting the objectives of policies that will be achieved. This is mainly for the improving of the quality of life of residents, clarifying the roles of each player in each policy, and legislating various measures for maximizing the efficiency of policies. First, the service standards for agricultural and fishing villages are defined with service items and the target for each item, from among public services that farmers and fishermen need in daily life. Thus, the government will establish and operate the service standards for agricultural and fishing villages. Second, matters regarding the service standards for agricultural and fishing villages will also be included in a master plan for the improvement of the quality of life of farmers and fishermen, and the regional development of agricultural and fishing villages. Measures will also be taken to reinforce the standards by requiring an evaluation of the service standards’ level of achievement, and the master plan itself.

② Preparation of the Basis for Supporting the Creation of Jobs and Expanding Public Services for Agricultural and Fishing Villages (Article 19-3 Newly Inserted)

At the time, when this Act was amended in 2010, welfare measures were needed, such as a stronger social security network. This was a big issue because the population of the “disadvantaged class” was increasing, due to the aging of population in agricultural and fishing villages, the decrease of population, and the increase of multi-cultural families. This was a consequence of an increase in immigration for marriage purposes. Since there were limits to satisfying demands for welfare only with governmental policies, pro-active efforts at the government level for creating jobs and expanding public services were being demanded. Therefore, the amended Act attempted to create jobs and expand public services through the cooperation between the private sector and the government.

In order to achieve the objective of the amendment, the amended Act stated that the principal agents for contributing to the creation of jobs or providing public services in agricultural and fishing villages should be non-governmental organizations, while the government would support their activities. The amended Act authorized the Minister for Food, Agriculture, Forestry and Fisheries to provide necessary support to the following: legal entities and associations under the *Civil Act*, companies under the *Commercial Act*, and agricultural and fishery corporations under subparagraphs (2) and (5) of Article 2 of *The Act on Fostering and Supporting Agricultural and Fisheries Enterprises*. This Act provided public services and created jobs for farmers and fishermen by implementing projects for the invigoration of local communities. These measures tried to instill an effective welfare program that could be felt for generations by calling for the private sector to create jobs for rural residents, while reducing the excessive burden on the budget required for regional development and welfare .

③ Preparation of the Basis for Development of Industries in Agricultural and Fishing Villages (Article 31 (1) and (2))

According the preceding Act, the State and local governments were required to nurture local industries by utilizing local specialties. The amended Act, however, with an expanded scope of industries, required them to nurture “industries in agricultural and fishing villages.” This included manufacturing, food processing, cultural tourism, service businesses, and related industries by utilizing tangible and intangible resources of agricultural and fishing villages, such as distinct or unique specialties, traditional culture, and landscape. This amendment aimed to prepare a foundation for effectively nurturing combined industries that were newly classified as agricultural and fishing villages. This could not be accomplished with only the old Act as the basis for nurturing local industries. Furthermore, the relevant provisions were prepared in order to aid in increasing the income of agricultural and fishing villages by nurturing the industries in them.

2.5.4. Special Act for Improvement of Quality of Lives of Farmers and Fishers Amended in 2012

a. Reasons for Amendment

The Act, amended by Act No. 10936 on July 25, 2011, and effective on January 26, 2012, introduced a new system for the, “assessment of impacts on agricultural and fishing villages.” Under this Act, the impacts of medium-term and long-term plans at the government level, and relevant policies on agricultural and fishing villages will be analyzed and assessed. Moreover, legislative measures were taken for utilizing and sharing related information systems between ministries and agencies in order to fairly and efficiently execute the budget for projects. This procedure encompassed the welfare of farmers and fishermen and the subsidization for child care expenses for infants, It also prepared the basis for designating specialized supportive institutions that would support activities for committees dealing with the improvement of the quality of life of farmers and fishermen, and the regional development in agricultural and fishing villages.

b. Main Provisions

① Preparation of the Basis for the Operation of a System for Assessment of Impacts on Agricultural and Fishing Villages (Article 45 Newly Inserted)

The system for the assessment of impacts on agricultural and fishing villages was newly introduced by the amended Act, to accept an opinion: if a policy is implemented without taking the distinct conditions of agricultural and fishing villages into consideration, such as scattered dwellings and poor accessibility, the policy is likely to adversely and discriminatorily affect agricultural and fishing villages. Hence, the amended Act required the State and local governments to analyze and assess the impacts on agricultural and fishing villages. This would occur when they prepared medium-term and long-term plans at the national level and relevant important policies, and reflect the outcomes, thereof, in formulating and implementing relevant policies.

② Preparation of the Basis for Designation of Specialized Supportive Institutions for Supporting Activities of Committees for Quality of Livfees of Farmers and Fishers (Article 46)

As service standards and assessment of impacts, on agricultural and fishing villages, were introduced pursuant to the amended Act, demands for expertise increased. The system for designating special supportive institutions was prepared to support the committee activities for the improvement of the quality of life for farmers and fishermen and the regional development of agricultural and fishing villages. Therefore, the amended Act authorized the Minister for Food, Agriculture, Forestry and Fisheries to designate national

or public research institutes, government-funded or subsidized research institutes, or private research institutes as specialized supportive institutions for committee activity support. Such institutions were authorized to provide assistance as necessary, for the review and evaluation of implementation plans, the inspection and analysis of the level of achievement of service standards, and the assessment of impacts on agricultural and fishing villages. The purposes of such legislative measures were to secure the objective and expert inspection and analysis of service standards, and the system for the assessment of impacts. This was done through supporting committee activities with specialized supportive institutions and securing effective plans for the quality of life of farmers and fishermen. The capabilities of the secretariat of each committee for planning and coordination were also improved.

③ Preparation of the Basis for Requesting Information Relevant to Programs for Welfare of Farmers and Fishers and Integrating Computer Networks (Article 47)

The inefficiency of information management was pointed out because data about welfare, such as the various qualifications for application under the existing statutes, and the current status of payments, were scattered in each ministry and agency by project. Therefore, the amended Act established a new basis for consolidating and integrating information about welfare programs with the help of computer networks in order to establish an efficient means for data management.

According to the amended Act, the Minister for Food, Agriculture, Forestry and Fisheries, and the head of a local government may request the head of any relevant agency, to provide certification of family relationships, and data about national taxes. This would help with verifying the qualifications for welfare assistance for farmers and fishermen. The proper use and maintenance this information was under the jurisdiction of Article 6-2 (2) of the Social Welfare Services Act (the network for the integrated management of social welfare). However, the Minister for Food, Agriculture, Forestry and Fisheries may entrust administrative affairs necessary for requesting such data to the Minister for Health and Welfare, in order to ensure integrated management. This is a legislative measure that prevents double or illegal entitlement to benefits, reduces the documents required for each applicant, and shortens the processing period by sharing information about welfare between ministries and agencies.

2012 Modularization of Korea's Development Experience
Korean Legislation on Rural Development and Land Reform

Chapter 4

Empirical Analysis of the Rearrangement and Development of Domestic Rural Villages and Legislative Advocacy

1. Major Results from Policies on Rural Development and Land Reform
2. Experience in Formation of Legislation and Legislative Models of Support for Improvement and Development of Agricultural and Fishing Villages in the Republic of Korea

Empirical Analysis of the Rearrangement and Development of Domestic Rural Villages and Legislative Advocacy

1. Major Results from Policies on Rural Development and Land Reform

1.1. Results of Rural Saemaeul Movement in 1970s

1.1.1. Investment Records

The rural Saemaeul Movement, promoted in Korea from 1970 through 1979, was a comprehensive rural development movement, which was composed of various activities including: the development of the “spirit” of rural residents, rural restructuring, and in-kind investments in various development projects.

In regards to the scale of investments made in the “Saemaeul Movement,” the total amount of investments increased 52 times, from 12.2 billion won in 1971, to 634.2 billion won in 1978. Furthermore, the classification based on the core activities of the rural “Saemaeul Movement” in the 1970s, shows which activities the government focused on stage by stage. The rural Saemaeul Movement promoted in the 1970s may be mainly divided into: projects for welfare and environment, projects for refurbishing infrastructure for production, projects for increasing income, projects for spiritual development, and Saemaeul projects in cities and factories. The detailed investment trends made by the government are listed below.

a. Investment for the Maximization of Visible Effects - Saemaeul Movement at the Early Stage

The total amount invested in Saemaeul projects in 1973 was 96.3 billion won. First, the scale of investments in Saemaeul projects, involved in infrastructure for production, was

61.8 billion won, or approximately 64% of the total amount. Second, 27.6 billion won, equivalent to 29%, was invested in projects for welfare and the environment. This investment pattern showed that, at the early stage of the Saemaeul Movement, great emphasis was placed on projects capable of producing visible results, including projects for infrastructure for production, and projects for improvement of welfare and the environment. Thus, the vitality of *The Saemaeul Movement* was indwelt by correctly realizing and objectively confirming achievements in a spiritual revolution brought about by the spirit of cooperation, participation, and self-sufficiency cultivated through the Saemaeul Movement.

b. Investment for Actual Increase of Income - Saemaeul Movement at the Mid-Stage

New policy principles were established at the mid-stage of the Saemaeul Movement, because various problems began to arise from projects that aimed to maximize on the initial visible effects. In 1973, it was difficult to maintain the continuation of campaigns for self-sufficiency or cooperation, which were the key factors for *The Saemaeul Movement*, because investments focused on visible results and failed to increase citizen income. Thus, the government gradually focused investments on Saemaeul projects for increasing income, from 1974 through 1976. This investment trend resulted from the implementation of Saemaeul infrastructure projects for production at the stage of creation, ending in 1973, as well as the implementation of Saemaeul projects for increasing income in agricultural villages. Instead, the focus should have been on projects for infrastructure reform for production, at the stage of development with self-sufficiency, from 1974 to 1976. This would have been in accord with the long-term development standards established in anticipation of the 1980s.

The total amount invested in 1974 was 132.8 billion won. In concrete terms, 56.5 billion won (42.5%), 33.8 billion won (25.4%), 28.8 billion won (21.7%), and 10.6 billion won (8.0%) were invested in infrastructure for production, increase of income, welfare and environment, and Saemaeul projects in cities and factories respectively.

The total amount invested in 1975 was 295.9 billion won which is approximately 2.2 times larger than that invested in 1974. In concrete terms, 63.7 billion won (21.5%), 187.5 billion won (63.4%) including the cost of 79.9 billion won incurred in implementing projects for earned income, 30.5 billion won (10.3%), 3.2 billion won (1.6%), and 9.6 billion won (3.2%) were invested in infrastructure for production, increase of income, welfare and environment, spiritual development, and Saemaeul projects in cities respectively. The ratio of the amount invested in the increase of income in 1975 relatively increased in comparison to the previous year. This increase resulted from the large-scale implementation of projects focused on the following: increase of income, increase of food production (huge investments were made here), special Saemaeul projects for increasing income (to promote

specialized regional projects), and projects for increasing income in self-sufficient villages (model village projects for increasing income, which were designed to support advanced villages and the development of model Saemaeul projects).

The total amount invested in 1976 was 322.7 billion won, which was an increase of 9% over the previous year. In concrete terms, 90.2 billion won (26.9%), 154.1 billion won (47.8%), 67.6 billion won (20.9%) 5.7 billion won (1.8%), and 5.2 billion won (1.6%) were invested in infrastructure for production, increase of income, welfare and environment, spiritual development, and Saemaeul projects in cities respectively. The most interesting feature of the government's investment trend, in 1976, was the ratio of the amount invested in the increase of income was at its highest, but similar to the amount in 1975. Despite this, the total amount invested in earned income projects in 1976 was decreased compared to 1975, because in 1976 the investment decreased by 27 billion won compared with the 52.9 billion won from 1975. However, with the exception of projects for earned income, the amount invested in the increase of income in 1976, increased compared to 1975.

c. Investment for Improvement of Welfare and Environment - Saemaeul Movement at the Late Stage

The total amount invested in 1977 was 466.5 billion won, which was an increase of 45% from 1976. In concrete terms, 135.8 billion won (29.1%), 182.6 billion won (39.1%), 110.0 billion won (23.6%), 10.7 billion won (2.3%), and 27.4 billion won (5.9%) were invested in infrastructure for production, increase of income, improvement of welfare and environment, spiritual development, and Saemaeul projects in cities respectively. Even in 1977, the ratio of the amount invested in the increase of income was high as before. Moreover, the ratio of the amount invested in the improvement of welfare and environment was relatively higher than before. Consequently, the ratio of the amount invested in the improvement of welfare and environment differed little from that invested in infrastructure for production in 1977. This pattern resulted from the increase of farmer demand for improvement, arising from the higher farmer income than urban-laborer family income from 1974, and the large-scale implementation of projects for housing and structural improvements of villages.

The total amount invested in 1978 was 634.2 billion won, which was an increase of 35.9% over the previous year. In concrete terms, 130.7 billion won (20.6%), 242.7 billion won (38.3%), 244.6 billion won (38.5%), 12.6 billion won (2.0%), and 3.7 billion won (0.6%) were invested in infrastructure reform for production, increase of income, improvement of welfare and environment, spiritual development, and Saemaeul projects in cities respectively. In 1978, the ratio of the amount invested in the improvement of welfare and environment was the same as in 1977. In addition, in 1978, the investment in the improvement of welfare and environment was strengthened, considering the ratio of

this investment was much greater than that of the investment in infrastructure reform for production and in the increase of income. This strengthening resulted from the substantial increase of the investment in projects for improvement of welfare and environment, arising from expanding the regional scope of the aforementioned projects (mainly implemented in agricultural villages, fishing villages, and urban areas other than agricultural villages). This was done to improve welfare and the environment in fishing villages and urban areas in the course of expanding projects for housing improvement in agricultural villages, initiated in 1977.

The classification of the total amount invested in Saemaeul projects in 1978 is also characterized by a similar ratio of investment for projects for the increase of income, compared to those for the improvement of welfare and environment. This reveals that since 1978, projects for increasing income have balanced out with those for improving welfare and environment. It is noteworthy that full-scale Saemaeul projects were implemented both in agricultural villages and in fishing villages in 1978.

1.1.2. Economic Accomplishments of Saemaeul Movement

The Saemaeul Movement in agricultural villages was a social campaign at the national level which was deemed to be an economic project, taking into account heavy investment for the increase of income in agricultural villages. *The Saemaeul Movement* not only had great impact on the growth and modernization of agriculture, but also on the overall national economy, by increasing investments among sections and industries.

The Saemaeul Movement was promoted through the mobilization of 457 million people from 1971 to 1978 and resulted in the accumulation of capital through the mobilization of an idle labor force. Consequently, the labor-intensive investment, emphasized in the economic development theory for underdeveloped countries, and capital accumulation strategies, were rooted in agricultural villages through the Saemaeul Movement.

The Saemaeul Movement, in addition, contributed to export through the establishment and operation of Saemaeul factories. In 1973, 24 million US dollars in exports were made through Saemaeul factories, which amounted to 0.7% of the total exports of 3,225 million US dollars. These factory exports were steadily increased, year after year, and reached 2.8% of the total exports for the Republic of Korea in 1977. On paper, Saemaeul factories made little contribution to the total exports, but were significant from a strategic aspect, in terms of the national economy. This was visible in the accumulation of capital, as well as the organic exchange between the agricultural economy and national economy, in terms of exports. Moreover, Saemaeul factories served as the core agents for moving towards technological innovation.

1.2. Outcomes of Rural Settlement Zone Development Projects in the 1990s

1.2.1. Details of Projects Performed

A rural settlement zone development project was a comprehensive rural development project that enabled farmers or fishermen to lead an urban life in rural areas by creating a modern infrastructure for livelihood and competitive production. The objective was to build up underdeveloped agricultural or fishing villages into more urban-like villages in order for community members to live together with those not engaged in agriculture or fishing.

Rural settlement zone development projects were performed under the responsibility of each local government, in accordance with the comprehensive master plan, upon obtaining national subsidies. In the course of performing such projects, priority was given to building and expanding infrastructure facilities, such as schools, hospitals, roads, and communication facilities in small or medium cities within a “Gun” (district), by linking small or medium cities to agricultural or fishing villages. In agricultural or fishing villages the size of a “Myeon,” production infrastructure and the base for livelihood were completely rearranged, in and around the hub village, in which prime farmland existed.

Rural settlement zone development projects in “Myeon” areas were divided into two categories: agro-cultural village development projects focusing on rearranging the living environment in each village, and “Myeon” sized development projects supporting living infrastructure for the entire “Myeon.” Furthermore, “residential water development projects” were performed to solve water problems in agricultural or fishing villages. The nationwide water supply ratio was 82 percent, thanks to continuous government investment, however, the water supply ratio in agricultural or fishing villages was just 16.4 percent. At least 40 percent of rural villages still relied on natural water supplies, such as wells or river water. A substantial number of villages were in urgent need of an adequate supply of water because they were suffering from water shortages or facing contamination issues, despite having a small-scale water supply system. In addition, demand for residential water was increasing in villages as the standard of living was improved with the distribution of public baths and flush toilets.

Table 4-1 | Rural Settlement Development Projects Performed in the 1990's

Project Title	1990 - 1994		From 1995		Total	
	Project volume	Project cost	Project volume	Project cost	Project volume	Project cost
Agro-cultural village development projects	32 zones	1,025	19 zones	700	51 zones	1,725
Village infrastructure maintenance	Roads 465km and others	1,408	Roads 142km and others	393	Roads 607km and others	1,801
Road maintenance	Roads 1,050km and others	2,272	Roads 141km and others	496	Roads 191km	2,768
Culture and welfare facilities	357 units	332	114 units	110	471 units	442
Agricultural or fishing village industrial infrastructure	73 places	464	13 places	155	86 places	619
Amelioration of Housing in Agricultural or Fishing Villages	13,883 units	1,606	3,236 units	535	17,119 units	2,141
Establishment of plans		398		92		490
Sub-total (general settlement zones)		6,480		1,781		8,261
Total		7,505		2,481		9,986

a. Myeon-unit Development Projects (Development Projects of General Settlement Zones)

Myeon-unit development projects consisted of the following projects: village infrastructure maintenance, road maintenance, industry development, culture and welfare facility construction, environmental conservation facility construction, disaster prevention facility construction, and amelioration of housing in agricultural or fishing villages.

Table 4-2 | Details of Myeon-unit Development Projects

Project Title	Project Details
Village infrastructure maintenance	Roads, water supply, sewerage and other facilities in a village
Road maintenance in agricultural or fishing villages	Joint farming or fishing facilities (collection yards, joint workshops, storage facilities, etc.), farm roads, etc.

Project Title	Project Details
Culture and welfare facilities	Welfare centers, community centers, etc.
Environmental conservation facilities	Waste treatment plants, wastewater treatment plants, etc.
Disaster prevention facilities	River maintenance, village security facilities, etc.
Amelioration of housing	New construction, remodeling, refurbishment.

Up to 4.5 billion won was granted to each “Myeon” for a period of two to five years to perform “Myeon-unit” development projects. Grants were subdivided into subsidy funds and financing funds. The subsidy funds consisted of local grants and local expenditures while the financing funds that were subsidized up to 1.5 billion won consisted of a special tax for agricultural or fishing villages.

The head of a “Si/Gun” was entitled to select and perform eligible projects within project funds allotted to each “Si/Gun.” Such eligible project was also subdivided into subsidy projects and financing projects. The subsidy projects included infrastructure projects, such as village roads, bridges, welfare centers and storage facilities. The financing projects included construction of new houses, amelioration of existing houses and development of residential waters and convenience facilities for residents.

b. Agro-cultural Village Development Projects

An “agro-cultural” village development project is a project that significantly improves the living environment in an agricultural or fishing village by providing support mainly for the central village, which was the focal point of the agricultural or fishing life. The objective was to allow future-oriented agricultural or fishing village to enjoy the benefits of the improved living environment and increased income. This would be achieved by developing rural housing complexes to rearrange existing villages and cluster scattered villages, creating a modernized living environment, and performing projects to increase the income of farmers or fishermen. Projects made in conjunction with agro-cultural village development projects involved securing public land to create housing complexes, providing basic social services, improving the environment, and building production and income-generating infrastructure.

Table 4-3 | Details of Agro-cultural Village Development Projects

Project Title	Project Details
Creating housing complexes	Creation of housing lots, construction of housing, road maintenance, waterworks and sewerage systems, electricity and communications facilities, etc.
Securing public land to provide basic social services	Welfare centers, parking lots, playgrounds, joint workshops, collection yards, storages, etc.
Environmental improvement projects	Environmental improvement projects including wastewater treatment plants
Projects for building production infrastructure and income-generating infrastructure	Farm roads, farming facilities, redevelopment of arable land, drainage maintenance, water for farming or fishing purposes, etc.

Up to 5 billion won was granted to each district for a period of up to three years to cover expenses incurred in performing agro-cultural village development projects. For these projects, subsidy funds (two billion won) that consisted of local grants and local expenditures, and financing funds (three billion won) that consisted of special tax for agricultural or fishing villages were granted.

Table 4-4 | Outcomes of Agro-cultural Village Development Projects

		91	92	93	94	95
Details of projects		2 districts (completed)	13 districts (sale and housing construction)		17 districts (complex construction works)	19 districts (establishment of plans and complex construction works)
Investments made (hundred million won)	Subsidy projects	12	85	128	181	235
	Financing projects	29	-	168	396	465

c. Residential water development projects in agricultural or fishing villages

A typical residential water development project in an agricultural or fishing village was a tube-well maintenance project. The objective of this project was to provide quality underground water using a water supply created from distribution pipes, water tanks, and filtration plants with a restriction imposed on the volume of daily water intake. To perform

a residential water development project 170 million won was granted per location from special tax for agricultural or fishing villages.

Areas eligible for residential water development projects in agricultural or fishing villages were villages in a “Myeon” that solely relied on natural water, such as wells. In addition, there had to be no interstate waterworks or local waterworks built nearby. Villages suffering from water shortage or water contamination among villages because of small water supply systems were also eligible. Excluded villages, on the other hand, were those that had or would have waterwork plans established, areas prearranged to be submerged, or other areas inappropriate for permanent residential areas.

The project management was largely subdivided into maintenance and health control. The autonomous managing body of each village, bearing maintenance costs and reserving funds for replacing deteriorated facilities, carried out the maintenance. The head of the relevant “Si/Gun” conducted health control on a periodic basis, four times a year. An order was also issued to take measures to prevent surface water from flowing into a disused tube-well.

1.3. Details and Outcomes of Major Rural Development Projects since 2000

1.3.1. Rural Development Policies

a. Changes in Rural Development Policies

The Republic of Korea has made drastic changes in rural development policies, implementation systems, and approaches from the beginning of the 2000s. Rural development policies that focused on improving agricultural production infrastructure and the agricultural living environment had been diversified. Different problems were now at the forefront of attention: facilitating various socioeconomic roles for agricultural villages through urban-rural exchanges, rural tourism, and local cultural interests. The method of project implementation became decentralized and the public bidding system, first introduced to implement the policy to foster “agro-tourism,” was widely applied to various rural development projects. The deciding factor that made the change in national rural development policies since the mid-2000s was the introduction of the block grant system, supported by the regional development account under special accounts for regional development.

Thanks to the introduction of the block grant system, the bottom-up approach, emphasizing resident participation and cooperation among various entities, and the territorial approach, emphasizing projects tailored to regional characteristics, made their way as the principal approaches for implementing rural development policies.

b. Applicable Acts and Subordinate Statutes

What made such changes in national rural development policies in the 2000s possible was the enactment of *The Framework Act on Agriculture and Fisheries, Rural Community and Food Industry*, *The Special Act on Quality Improvement of Life of Farmers and Fishermen*, and *The Development Promotion of Agricultural and Fishing Villages and the Special Act on Balanced National Development*.

The Framework Act on Agriculture and Fisheries, Rural Community and Food Industry (Act No. 9717, May 27, 2009) was amended to systematically organize *The Framework Act on Agriculture, Forestry and Fishery* by integrating the basic ideas concerning fishery, fishermen, marine resources, fishing grounds, and details of support. For this reason, the title of the Act was amended from *The Framework Act on Agriculture, Rural Community and Food Industry* to *The Framework Act on Agriculture and Fisheries, Rural Community and Food Industry*. The purpose of the amendment was to integrate previously separated fishery-related provisions into one Act. The amended Act stated that policies should be established in an integrated and systematic manner. These policies included support policies for stabilizing the livelihood of fishermen, and policies for conducting development and research of post-production management technologies of agricultural or fisher products.

In particular, *The Framework Act on Agriculture and Fisheries, Rural Community and Food Industry* diversified rural development projects. *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* was enacted in 2004. These Acts prescribed the basis for providing support for farmers and fishermen, which included income compensation programs, an increase in the scale of agricultural management, conservation of the environment (including soil and fishing grounds), support for career changes careers for unemployed farmers and fishermen, and support for stabilizing their livelihood. As a result, *The Framework Act on Agriculture and Fisheries, Rural Community and Food Industry* and *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* caused a paradigm shift in rural development policies from the conventional approach. They now focused on improving, developing, and supporting quality of life improvements for farmers and fishermen and also established a legal basis upon which various policies could be developed.

Second, *The Special Act on Balanced National Development* (Act No. 7061) was enacted on January 16, 2004, and took effect on April 1, 2004. This Act was created to ensure there was balanced national development by tackling regional imbalance and facilitating local self-sufficiency. To achieve this, the Act prescribed matters concerning the establishment and implementation of a balanced national development plan, the establishment of The

Presidential Committee on Balanced National Development, and the establishment and administration of special accounts for subsidizing the plans. In particular, the Act aimed to alleviate regional imbalance through balanced national development and, as a result, significantly contributed to achieving it through voluntary participation from local government with central government support. First, the Act implemented organizational law and provided that a regional innovation council should be established in the Special Metropolitan City, Metropolitan Cities and “Dos” to establish a regional innovation development plan, and to deliberate and coordinate on important matters concerning balanced regional development. Second, the Act established a legal basis to subsidize the implementation of the balanced national development plan by stipulating, as a financial law, that the special account for balanced national development (consisting of the regional development account and the regional innovation account) should be established under the management and administration of the Minister of Planning and Budget. In particular, the regional development account, under the special account for balanced national development, was earmarked to subsidize projects for building up underdeveloped areas and agricultural, mountain or fishing villages. The regional development account was linked to a policy for fostering local specialty industries in order to develop and utilize region-specific sources. This, in turn, contributed to granting more subsidies.

The enactment of *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* and *The Special Act on Balanced National Development* in 2004 established a basis to plan and implement new projects under rural development policies. National policy projects, such as new-engine projects, rural industry promotion projects, regional research industry promotion projects, and a new system, including a system for designating special zones for regional economic development, were all based on such Acts. Furthermore, these Acts established a legal basis upon which regional specialty industries and other related subsidy projects could be continuously performed in conjunction with the development of agricultural, mountain or fishing villages from the mid-2000s.

c. Development Strategies Focusing on the Daily Living Sphere and the Block Grant System

① Daily living sphere development policies

An amendment to *The Special Act on Balanced National Development* (Act No. 9629) made on April 22, 2009, had a huge impact on rural development policies. The amendment divided regional living zones into daily living spheres, economic zones and supra-economic zones. A daily living sphere meant the basic unit for regional development in 163 “Sis/Guns” for creating a residential and industrial environment in a relatively underdeveloped “Si/

Gun.” The daily living sphere is a policy zone within which basic projects directly related to improving quality of life of residents, such as the living environment and economic conditions, are performed. Therefore, it was required under the daily living sphere policy that regional development projects should be performed by comprehensively upgrading the production, living, leisure, educational, and medical infrastructure essential to human settlements.

The major strategy for implementing the daily living sphere development policy was to approach regional development (aimed to develop cities and agricultural, mountain or fishing villages) in an integrated manner instead of addressing regional development in terms of respective fields and functions. At the same time, more attention was given to boosting local autonomy and accountability in each daily living sphere so that the policy worked properly. For this purpose, *The Special Act on Balanced National Development* was re-amended to introduce the block grant system and to establish an intuitional framework to boost the autonomy and accountability of local governments, including authorizing the regional development committee as the single body conducting project evaluations and providing better incentives. The policy included the following:

- (i) A shift to the integrated urban-rural development approach: development of agricultural, mountain or fishing villages in connection with small or medium cities.
- (ii) A shift from the segmental approach to integrated approach: multilateral approach covering income, employment, settlement conditions, education and welfare.
- (iii) Comprehensive funding: scaling-up projects through integration or adjustment (block grants) instead of making small diversified investments.
- (iv) Diversified support: increased subsidization rates and financial, tax and institutional support.
- (v) Introduction of the binding regional development planning system.
- (vi) Development of the outcome-oriented policy management method: a shift towards the outcome-oriented MBO (management by objective) and harmony between local autonomy and accountability.

② Block grant system

There were other important implications of *The Special Act on Balanced National Development*. First, the Act classified underdeveloped areas within one daily living sphere into a growth promotion area and an area requiring special support to provide support more effectively. Second, it established a legal basis of “block grants” which enable the

Government to comprehensively determine the use of the annual expenditure budget for the regional development account; this eventually contributed to improving investment efficiency and enabling subsidized “Sis/Guns” to manage such grants autonomously. The introduction of the block grant system has caused a drastic change in the implementation of national rural development policies.

An amendment to *The Special Act on Balanced National Development* in 2009 reformed the existing special account for balanced national development into the regional development special account, and merged 200 specific projects under the jurisdiction of various ministries into 22 projects. The regional development special account is subdivided into an economic region development account, a regional development account, and a Jeju Special Self-Governing Province account. The block grant permitted each local government to autonomously plan and design region-specific projects within budgetary limits, allocated to three accounts of the regional development special account. The economic region development account, directly related to rural development policies, provided block grants for “Si/Do” autonomous projects and “Si/Gun” autonomous projects. The block system based on such classification of projects forms the backbone of policies for rearranging and supporting the development of rural areas. The projects are as follows:

- (i) “Si/Do” autonomous projects: Providing block grants to 18 projects under the jurisdiction of respective ministries within fixed budgetary limits based on choices made by each “Si/Do.”
- (ii) “Si/Gun” autonomous projects: Dividing nationwide 163 “Sis/Guns/Gus” into three regions to select daily living sphere development projects tailored to respective regions within budgetary limits in order to solve similarity or duplication of projects performed by such “Sis/Guns/Gus.”

The three regions that were divided to solve problems with similar or duplicate projects performed by “Sis/Guns/Gus” were: urban revival regions (in 25 Sis, three Guns and 69 Gus), regions requiring special support (e.g., border areas and islands in 15 Sis and Guns), and general agricultural, mountain or fishing villages (in 15 Sis and Guns). These regional projects were performed under the responsibility of the Minister of Land, Transport and Maritime Affairs, the Minister of Public Administration and Security and the Minister for Food, Agriculture, Forestry and Fisheries, respectively. Among the “Si/Gun” autonomous projects, the development projects of general agricultural, mountain or fishing villages, which are under the responsibility of the Minister for Food, Agriculture, Forestry and Fisheries, played a critical role in correlating the rural improvement and development system to the block grant system.

d. Development Projects of General Agricultural, Mountain or Fishing Villages

① Outline

The reasons why development projects of general agricultural, mountainous or fishing villages started are as follows:

- (i) To maintain the population and promote regional development by increasing amenities in agricultural, mountain or fishing villages through thoroughly-planned development.
- (ii) To guarantee basic quality of life of local residents by developing region-specific resources, increasing the income of local residents, and improving the standard of living.
- (iii) To vitalize village communities and maintain sound local communities.

The development projects were based on the following legislation: Article 16 (Development of growth promotion areas, etc.), Article 34 (Revenues and expenditures of regional development account), Article 35-2 (Revenues and expenditures of Jeju Special Self-Governing Province account), Article 40 (Provision of block grants) of *The Special Act on Balanced National Development*, Article 38 (Establishment and implementation of comprehensive development plans of agricultural, mountain or fishing villages), Article 39 (Development of regional hubs in agricultural, mountain or fishing villages) of *The Special Act on the Improvement of the Quality of Life of Farmers, Foresters and Fishermen and the Promotion of Development of Agricultural, Mountain and Fishery Areas*, and Articles 52 (Principles in improvement of living environment of rural communities) through 71 (Technical support, etc.) of *The Rearrangement of Agricultural and Fishing Villages Act*.

The primary focus of development projects for general agricultural, mountainous or fishing villages were to rearrange the basic living infrastructure in a thorough and systematic manner with complete consideration for the complementary settlement system for residents in villages, small living zones, the seats of “Eup” or “Myeon” offices, and neighboring cities. In the case of an urban-rural integration city, special emphasis was placed on maintaining service connections between cities and rural areas.

Villages: new villages jointly created by local residents and urban residents wishing to move, re-development of existing villages, expansion of basic living and community infrastructure.

Small living zones: strategic development by making several villages into one zone around the hub village considering regional characteristics.

Headquarters for “Eup” or “Myeon” offices: expanding educational, culture and welfare facilities in and around the headquarters of an “Eup” or “Myeon” office to improve service functions by enhancing the role of the headquarters of an “Eup” or “Myeon” office as an intermediate hub space between neighboring cities and rural areas.

Downtown areas: building infrastructure, such as roads, waterworks, sewage and parking facilities, and improving the surrounding environment at underdeveloped or inferior residential areas.

Second, this project was intended to improve the overall quality of life of local residents. For this purpose, several projects were performed and included: the pavement of roads, the establishment of waterworks and sewerage, the construction of bridges, parking lots, bus stops, parks, trails, sewerage treatment plants, village centers, and welfare facilities, and the demolition of abandoned houses.

Third, better support was provided for counsel, education, and networking in order to enhance regional growth potential and the planning capability of each “Si/Gun.” Intensive education programs, publicity, and marketing were introduced to enhance the qualifications and skill set of local residents, public officials, and regional development experts. Programs encouraging a back-to-the-farm movement and instilling community pride between local residents and new settlers were implemented.

Fourth, small projects were started to compensate for income that was carried out by establishing facilities for increasing income or developing a specialty brand.

Fifth, existing projects were carried out in accordance with the established plan, but similar projects were integrated to create a synergetic effect. Most development projects were combined to produce tangible results, such as those for residential environment improvement, promotion zone development, and city living environment improvement.

In addition, efforts were made to develop city and rural areas in an integrated manner and to raise the efficiency of existing facilities. In other words, basic service functions were allocated to agricultural, mountain or fishing villages and cities, and existing facilities were remodeled to raise their efficiency and establish composite facilities.

Last, plans were made to raise the effectiveness of projects by focusing on developing core hubs and zones without equally assigning projects to “Sis/Guns.”

② Scope of application and major details of projects

The managing entity of development projects for general agricultural, mountainous or fishing villages was the head of a “Si/Gun.” These projects were accomplished by providing support for 120 “Sis/Guns”; This included “Sis” that had the form and function of rural and urban communities (including an administrative “Si” in the Jeju Special Self-Governing Province) and “Guns” (excluding a Gun in a Metropolitan City). Projects applicable to such areas were classified into “Eup/Myeon” maintenance projects, regional comprehensive maintenance projects, new village development or re-development projects, and basic infrastructure maintenance projects. Projects to build basic infrastructure and to improve the surrounding environment were common to all types of projects. Capability-reinforcing projects were added to “Eup/Myeon” maintenance projects, and income and capability-increasing projects were added to regional comprehensive maintenance projects. Major details of these development projects for general agricultural, mountainous or fishing villages, by type and function, are as shown in <Table 4-5> and <Table 4-6> below.

Table 4-5 | Major Details of Projects by Type

Classification	Type	Details of support and Conditions for support	Remarks
Eup/Myeon maintenance projects	Eup(Myeon) maintenance projects	<ul style="list-style-type: none"> • Details of support <ul style="list-style-type: none"> - Expand basic living infrastructure and environment-improving facilities. - Support for enhancing regional capability. * Market modernizing projects are classified as environment-improving projects. • Conditions for support (for 4 years, national treasury: 70%, local treasury: 30%) <ul style="list-style-type: none"> - Differential support depending on feasibility of a project within 10 billion won. * 7 billion won for “Myeon-units” from 2013. 	<Integrated projects> <ul style="list-style-type: none"> □ Small town development projects □ Maintenance projects of “Myeon” office towns
Regional comprehensive maintenance projects	Regional comprehensive maintenance	<ul style="list-style-type: none"> • Details of support <ul style="list-style-type: none"> - Expand basic living infrastructure and environment-improving facilities. - Support to increase regional income. • Conditions for support (for 5 years, national treasury: 70%, local treasury: 30%) <ul style="list-style-type: none"> - Scale of support: 2.5 to 7 billion won depending on the area of a region. * 2.5 to 5 billion won from 2013. 	<Integrated projects> <ul style="list-style-type: none"> □ Rural village comprehensive development projects □ Mountain eco-village development projects □ Fishing village comprehensive development projects

Classification	Type	Details of support and Conditions for support	Remarks
New village development or re-development projects	Development of new villages	<ul style="list-style-type: none"> • Details of support <ul style="list-style-type: none"> - Expand basic living infrastructure and environment-improving facilities. • Conditions for support (national treasury: 70%, local treasury: 30%) <ul style="list-style-type: none"> - Within 3 billion won depending on the size of a village. 	<Integrated projects> <input type="checkbox"/> Rural village development projects
	Maintenance of existing villages	<ul style="list-style-type: none"> • Details of support <ul style="list-style-type: none"> - Expand basic living infrastructure and environment-improving facilities. • Conditions for support (national treasury: 70%, local treasury: 30%) <ul style="list-style-type: none"> - Support based on actual expenses (borne by the local treasury if in excess of maximum ceilings). 	<Integrated projects> <input type="checkbox"/> Residential environment improvement projects
Maintenance of basic living infrastructure	Maintenance of the agricultural living environment	<ul style="list-style-type: none"> • Details of support <ul style="list-style-type: none"> - Infrastructure, rural environment improvement, culture and welfare, environmental conservation, rural water development facilities in areas other than those eligible for comprehensive maintenance (headquarters of a "Eup/Myeon" office and a regional unit). • Conditions for support (national treasury: 70%, local treasury: 30%) <ul style="list-style-type: none"> - Support for rural environment improvement shall be provided at the discretion of the relevant local government within the available budget. 	<Integrated projects> <input type="checkbox"/> Rural living environment improvement projects <input type="checkbox"/> Rural residential water development projects <input type="checkbox"/> Experience the agricultural village projects <input type="checkbox"/> Experience the fishing village projects <input type="checkbox"/> Make livable city projects
	Building agricultural production infrastructure	<ul style="list-style-type: none"> • Details of support <ul style="list-style-type: none"> - Supporting facilities for agricultural production, including farm roads, agricultural water development and surface water development. • Conditions for support (national treasury: 70%, local treasury: 30%) <ul style="list-style-type: none"> - Support for agricultural infra maintenance shall be provided at the discretion of the relevant local government within the available budget. 	<Integrated projects> <input type="checkbox"/> Farm road widening and pavement <input type="checkbox"/> Agricultural water development projects <input type="checkbox"/> Surface water development projects
	Generating village earnings and village culture	<ul style="list-style-type: none"> • Details of support <ul style="list-style-type: none"> - Generating village earnings and village culture. • Conditions for support (for 2 years, national treasury: 70%, local treasury: 30%) <ul style="list-style-type: none"> - Scale of support: 500 million won for income generating projects, 2 million won for culture-creating projects. 	<Integrated projects> <input type="checkbox"/> N/A * New model projects starting in 2013

Source: Manual for 2012 development projects of general agricultural, mountain or fishing villages, the Ministry of Agriculture and Forestry

Table 4-6 | Major Details of Projects by Function

Type of Project	Major Details
Building basic infrastructure	<ul style="list-style-type: none"> ○ Facilities eligible for support: infrastructure necessary for local residents to lead a community life. <ul style="list-style-type: none"> - Roads, waterworks, sewerage, drainages, bridges and parking lots to improve the agricultural residential environment. - Multi-purpose village hall and information facilities. - Agricultural or fishing infrastructure (farm road widening and pavement, agricultural water development projects, surface water development project) to expand income sources. - Basic living infrastructure to maintain the local population and attract urban residents. ※ Residential environment improvement projects in rural or urban areas, sport and recreational installations to improve services for residents and disaster prevention installations. ○ Exclusion from support: land purchase funds and housing construction costs required for creating a new village or re-developing existing ones.
Improvement of the surrounding environment	<ul style="list-style-type: none"> ○ Facilities eligible for support: facilities to create comfortable residential space and to maintain the natural scenery of agricultural villages. Support for establishing a landscape plan to maintain and preserve the natural scenery of agricultural villages in a systematic manner. <ul style="list-style-type: none"> - Projects for repairing roofs and fences, for planting ornamental trees and for conserving protected trees and folklore. - Facilities for modernizing traditional marketplaces and projects for maintaining the streetscape and shop-signs. - To rearrange "Eup/Myeon" office towns, which are the hubs of local communities. ○ Conditions for support <ul style="list-style-type: none"> - Limited to collective maintenance projects for at least 10 households and 20 percent of facilities' expenses shall be borne by beneficiaries in cases related to the maintenance of roofs, fences and shop-signs.

Type of Project	Major Details
Increase of income	<ul style="list-style-type: none"> ○ Facilities eligible for support: infrastructure to increase regional income using regional resources and specialties. <ul style="list-style-type: none"> - Facilities used to experience rural or fishing villages, use of closed schools and eco-learning centers and culture halls to facilitate rural-urban exchanges. - Joint markets, joint small processing installations, low-temperature storage sheds, etc. to create added value to locally produced agricultural products and specialties. ○ Conditions for support <ul style="list-style-type: none"> - Support for income-generating infrastructure shall be limited to joint projects (by a corporation consisting of at least 10 households) conducted in an administrative "Ri" (or "Dong") and 20 percent of the total project cost shall be borne by beneficiaries (residents). - Land purchase funds and rents required for building income-generating infrastructure shall be borne by beneficiaries (residents).
Enhancing regional capability	<ul style="list-style-type: none"> ○ Eligible support: support for enhancing the capability of local residents and reviving the local economy. <ul style="list-style-type: none"> - Subsidization of incidental expenses, including costs for establishing the master plan to perform functional projects and expenses incurred in local marketing, education for interested persons, publicity, counseling and marketing. - Support for education of community leaders and residents, brand development and back-to-the-farm programs to efficiently perform functional projects. - A "Si/Gun" may allot funds for general agricultural, mountain or fishing projects within 3 percent of the total project cost and use the funds for expenses, research funds and counsel fees incurred in order to efficiently enhance local capabilities and to effectively perform projects. ○ Conditions for support <ul style="list-style-type: none"> - Applications may be filed to request up to 10 percent of the budget available in the following year for development projects of general agricultural, mountainous or fishing villages in each "Si/Gun" (or in excess of 10 percent if costs for establishing the master plan, design costs, supervision costs and incidental expenses are included). ○ Exclusion from support <ul style="list-style-type: none"> Ordinary expenses (working expenses, travel expenses, land expropriation expenses) not related to projects and single S/W projects, other than projects for efficiently supporting the comprehensive project

Source: Manual for 2012 development projects of general agricultural, mountain or fishing villages, the Ministry of Agriculture and Forestry

A “Si/Gun/Gu” may apply for budgetary needs based on the type and functions of projects it intends to perform. Each “Si/Gun/Gu” may apply for and execute the budget within block grants allocated. The integrated rate of subsidies is 70 percent from the national treasury and 30 percent from the local treasury. The integrated rate of subsidies also applies to any area designated as a growth promotion area. This rate applied to new projects that commenced in 2010 but the existing projects (those that were going on for at least two years) were subject to former subsidy rates.

③ Management of development projects of general agricultural, mountain or fishing villages

Periodic monitoring and evaluations were conducted and expert counsel was provided to ensure the best administration for block grants given to development projects of general agricultural, mountain or fishing villages.

Periodic monitoring has been conducted for 120 “Sis/Guns,” which performed development projects of general agricultural, mountain or fishing villages. Site inspections were conducted in the relevant “Sis/Guns” if the periodic monitoring showed unsatisfactory outcomes.

Rural development experts were invited to provide counsel services to a local government that performs the development projects of general agricultural, mountain or fishing villages when it establishes block grant projects. Heavy support was provided to establish mid-term to long-term visions and plans, tailored to regional characteristics, and to set project objectives and outcome indices.

Evaluations were conducted pursuant to Article 9 of *The Special Act on Balanced National Development* and Articles 12 through 14-2 of the Enforcement Decree of the same Act in order to ensure transparency of the block grant system and to correlate development projects. Thus, central administrative agencies were required to conduct self-evaluations of implementation plans carried out in the previous year and to submit results to the relevant regional development committee. The regional development committee evaluated implementation plans (by fields) and overall implementation plans, and prepared a summary report that was given to the president by the end of May each year. Exemplary “Sis/Guns” that showed excellent performance were provided incentives and given advantages in selecting new eligible projects. However, follow-up measures, such as reducing a budget for development projects of general agricultural, mountainous or fishing villages, were taken with respect to “Sis/Guns” that showed poor performance so that they would endeavor to achieve substantial results.

1.3.2. Policies for Developing Fishing Villages

a. Outcomes by Project Sector

① Comprehensive development project for fishing villages by region

The comprehensive development project for fishing villages by region has been implemented in three stages: development of infrastructure for increasing income and production, facilities for improving living conditions, and facilities for improving convenience, welfare and culture. The first stage was implemented from 1994 to 2007 in 160 regions and the second stage maximized the policy's effect through choice and concentration after adding the concept of "core theme village" to the existing concept. At the second stage, 176 regions were completed out of 230 regions as of 2008 and the rest of them are expected to be complete by 2013. The third stage will be implemented based on the results of a demand survey in each region.

Table 4-7 | General Status of Comprehensive Development Project for Fishing Villages

Overview of the project					
1994 - 2013	- The first stage (1994-2007): 160 regions (3.5 billion won per region)				
	- The second stage (2008-2013): 70 regions (less than 5 billion won per region)				
Resources	Total expenses	2006 (accumulated)	2007	2008	After 2009
No. of regions	230	152	24	(24)	54
Expenses (100 million won)	8,795	5,265	355	387	2,788
- National Treasury (80%)	5,404	2,858	285	309	1,952
- Local taxes (15%)	3,007	2,172	69	69	697
- individual burden (5%)	384	235	1	9	139

The results of this project can be shown in the survey of residents and their relevant regions, which was conducted by the service to monitor development projects for fishing villages and fishery harbors in 2011. The results of the survey show that the comprehensive development project for fishing villages by region contributed to the increase in income of fishing households as shown in the following table.

Table 4-8 | Effect of Increasing Annual Average Incomes of Fisheries Households in the Subject Areas

	Average income per household (1,000 won)			
	2000	2003	2008	2009
Average	19,697	26,819	34,693	36,354
Standard deviation	16,047	14,953	25,113	6,653
Annual average rate of increase	-	10.8%	5.3%	4.7%

Source: Hwang, Sangmin, Service to monitor development projects for fishing villages and fishery harbors. March, 2011

The survey focused on reviewing the effects on society, culture and environment by region, such as improving the quality of life in general, improving landscape, increasing infrastructure for living (water supply, sewage systems, communications, electricity, etc.) and convenient facilities (wholesale and retail stores, facilities for culture and welfare, etc.), and building infrastructure for the fisheries (docks, lighters wharf, lifts, etc.). Most of the results were positive as shown in the following table. This clearly reveals that the comprehensive development project for fishing villages attained its original legislative purpose and desired effects.

Table 4-9 | Effects of the Comprehensive Development Project for Dishing Villages by Region

(Unit: %)

	Positive	Average	Negative
Improving the quality of life	60.6	30.4	9.0
Improving living environment	66.0	25.8	8.2
Improving landscape	70.7	30.3	0.0
Creating infrastructure for living	70.0	30.0	0.0
Increasing convenient facilities	60.0	40.0	0.0
Creating infrastructure for the fisheries	75.0	25.0	0.0

② Project to build a town for experiencing fishing villages

The project to build a town for experiencing fishing villages is a project to be implemented for the purpose of providing leisure and recreational areas, increasing the income of fishermen from fields other than fishing, and increasing the exchange with cities by creating facilities for tourism. These facilities should aesthetically sit with nature and the living

culture of fishing villages based on the experience of fishing. Under this project, 112 towns will be created from 2001 to 2013 with a budget of 73.1 billion won. The project mainly focuses on building infrastructure for tourism, such as information centers, access roads, parking lots, shower booths, rest rooms, and developing software businesses (consulting, education and training for residents, printing pamphlets, etc.).

Despite small investments of 0.5 to 1 billion won per town, this project brings about an actual increase in income for fishermen because local fishermen directly operate facilities based on their experience. As of 2008, more than 6.1 million people visited these towns and more than 2 million people experienced the life in fishing villages, generating an income of 47.5 billion won.

Table 4-10 | Main Contents of the Project to Build a Town for Experiencing Fishing Villages

	Contents
Direction	Creating comfortable and warm environments for tourism in fishing villages by developing programs for tourists and improving infrastructure.
Project period	2001 - 2013
Total expenses	70.8 billion won (500 million won per town)
Project scale	112 towns
Subsidy	Matching Fund (National Treasury 50%, local taxes 40%, individual responsibility 10%)
Details	Creating infrastructure for tourism (information centers, access roads, parking lots, shower booths, rest rooms, etc.) and developing software businesses (consulting, education and training for residents, etc.)

According to the monitoring of development projects for fishing villages and fishing ports provided in 2011, there were many positive correlations between the projects for tourist villages and the number of visitors and income (See <Table 4-11>). Both the number of visitors and the amount of income increased for fishing communities. This was evidence that the project to build a town for experiencing fishing villages was a viable income-producing project. Accordingly, the results reveal that the increase in visitors leads to the increase in income, creating circular benefits.

Table 4-11 | Effect of Towns for Experiencing Fishing Villages

	Correlated	Unrelated
Increase in the number of visitors	77.7	22.3
Increase in incomes from experience	72.3	27.7
Increase in incomes of fisheries households	57.7	42.3

③ Tourism development project for fishing villages

The tourism development project for fishing villages is aimed at systematically improving the income and living environment in fishing villages to the level of their urban counterparts by introducing tourism facilities and thereby facilitating urban and rural exchange. This project intends to develop a fishing village or fishing port to acquire growth potential in tourism, rather than to make an investment on a small scale. To this end, 18 regions were designated for projects and as much as 179.1 billion won will be injected into their economies from 2005 to 2013.

This project provides around 6 to 15 billion won for each region, focusing on reorganizing fishing villages and building information centers, accommodations, camping sites for youth, eco theme parks, fishing spots, beaches, observatory towers, eco theme parks for fresh water, recreational forests, coastal trails, coastal cycle trails, and parking lots, etc.

Table 4-12 | Main Contents of the Tourism Development Project for Fishing Villages

	Contents
Direction	Creating complex space focusing on tourism and developing regions having potential in tourism by adding tourism functions to the existing fishing ports.
Project period	2005 – 2013 (for 9 years)
Total expenses	179.1 billion won (6-15 billion won per region)
Project scale	18 regions
Subsidy	Matching Fund (National Treasury 50%, local taxes 50%)
Details	Reorganizing fishing villages and building information centers, accommodations, camping sites for youth, eco theme parks, fishing spots, beaches, observatory towers, eco theme parks for fresh water, recreational forests, coastal trails, coastal cycle trails, and parking lots, etc.

Table 4-13 | Direction for each Type

	I type (Complex space)	II type (Tourism complex in fishing villages)
Concept	The existing fishing villages and fishing ports + tourism function → Complex space for fishing villages and fisheries ports	The existing fishing villages + tourism function → Tourism complex in fishing villages
Regions eligible for the project	7 regions (designated on December 15, 2004)	11 regions (designated on December 15, 2004)
Resources	Fishing ports: Special accounts for agriculture Fishing villages: Special accounts for metropolitan cities	Special accounts for metropolitan cities
Project period	2004-2009	2004-2009
Project scale	108.9 billion won - 15 billion won for each region □ Fishing ports: 10 billion won (Expenses incurred in constructing fisheries ports) □ Fishing villages: 5 billion won (Matching Fund) - Basic and implementation costs: 2.9 billion won	70.2 billion won - 6 billion won for each region □ Fishing villages: 6 billion won (Matching Fund) - Basic design and costs for publicity: 3.6 billion won
Details	Comprehensive development of fishing ports and fishing villages targeted to State fisheries ports connected to adjacent fishing villages	Concentrated development of an area having a potential in tourism

The survey of public officials also has meaningful implications as shown in <Table 4-13>. In the service report for monitoring development projects for fishing villages and fishing ports in 2011, public officials were asked whether to attain the effects of increasing tourism infrastructure: positive (35.0%), average (50.0%), and negative (10.0%). With respect to the effects of increasing convenience facilities for tourism, the public officials' answers were as follows: positive (35.0%), average (45.0%) and negative (15.0%). The positive answers were lower than the former result, but the effects of the tourism development project for fishing villages still gradually appeared.

Table 4-14 | Effects of the Tourism Development Project for Fishing Villages

(Unit: %)

	Positive	Average	Negative
Increasing tourism infrastructure	35.0	50.0	10.0
Increasing convenient facilities for tourism	35.0	45.0	15.0

b. The Outcome of the Projects for Developing Fisheries Ports

The projects for developing fishing ports in Korea are classified by the enactment of *The Fishing Villages and Fisheries Ports Act* in 2005. In other words, the projects focused on the establishment and increase of infrastructure for fisheries before the enactment. After the enactment, they emphasized the connected development between fishing villages and fishing ports along with the utilization of the existing infrastructure. In fact, the concept of fishing ports was affirmed in Korea after the enactment of *The Fisheries Ports Act* in 1969. According to *The Fisheries Ports Act*, fishing ports were actively constructed until 1993 for increasing the number of fisheries and the resolution of the shortage of infrastructure. Until 2001, the investment in fishing ports was dramatically increased and the comprehensive management system was established nationwide through the reorganization of systems, such as management agencies for fishing ports.

Against this background, the following outcomes were drawn out based on the development levels of fishing villages, settlement conditions, analysis of incomes, and development levels of the fisheries by comparing State and local fishing ports with general fishing ports.

① Development levels of fisheries port development zones

According to the evaluation on the development levels of State fishing port development zones, among fishing village societies in State fishing port development zones, welfare fishing village societies have the highest development level, accounting for 24.5%, independent fishing villages having 42.2% and growing fishing village societies having 33.3%. In cases of fishing village societies in local fishing port development zones, welfare fishing village societies account for 16.9%, independent fishing village societies have 41.1%, and growing fishing village societies have 42.0%. With respect to general fishing village societies that do not have State fishing ports or local fishing ports, welfare fishing village societies account for 7.4%, independent fishing village societies, 26.2% and growing fishing village societies, 66.2%. Compared with these results, fishing village societies that have State or local fishing ports are much more developed.

Table 4-15 | Development Levels of Fishing Village Societies in State Fisheries Port Development Zones

Types	State	Rate (%)	Local	Rate (%)	Non	Rate (%)
Welfare	25	24.5	39	16.9	116	7.4
Independent	43	42.2	95	41.1	412	26.2
Growing	34	33.3	97	42.0	1,044	66.4
Total	102	100	231	100	1,572	100

Source: Hwang, Sangmin, Service to monitor development projects for fishing villages and fishery harbors. March, 2011

② Settlement conditions

Comparing the settlement conditions in State and local fishing ports with those of other fishing village societies that are not adjacent to State and local fishing ports, the number of households and population are two times higher. In cases of fishing households, fishing village societies in State fishing ports have an average of 140 households but other fishing village societies have an average of 71 households. The fishing population of fishing village societies in State fishing ports is on average 269 but other fishing village societies are 112. This trend is also found in local fishing ports.

Table 4-16 | Comparison of Settlement Conditions

(Unit: household, person)

	Household	Fisheries household	Population	Fishing population
State fishing ports	773	140	2,187	269
Local fishing ports	353	83	939	96
Others	317	71	846	112

Source: Hwang, Sangmin, Service to monitor development projects for fishing villages and fishery harbors. March, 2011

③ Analysis on incomes

The average income of fishing households in State fishing ports was 26.38 million won, 1.02 times higher than that of other fishing village societies.

Table 4-17 | Incomes of Fishing village Societies Adjacent to State or Local Fishing Ports

(Unit: 10,000 won)

	State fishing ports	Others
Income per fisheries household	26,380	25,938

Source: Hwang, Sangmin, Service to monitor development projects for fishing villages and fishery harbors. March, 2011

④ Development levels of the fisheries

The annual average production of marine products in fishing village societies in State fishing ports is 582 tons, two times higher than that of non-project areas. The output of marine products is 1.6 billion won in fishing village societies in State fishing ports, 1.3 times higher than that of non-project areas. The number of registered ships is 67, 1.8 times higher compared with that of non-project areas. In cases of fishing village societies in local fishing ports, the annual average production of marine products is 1.9 times higher but the output of marine products is similar to that of non-project areas.

Table 4-18 | Development Levels of the Fisheries

(Unit: tons, million won, ship)

	State	Local	Non-project
Annual average production of marine products	582	549	296
Annual average output of marine products	1,556	1,154	1,233
No. of registered ships	67	39	38

Source: Hwang, Sangmin, Service to monitor development projects for fishing villages and fishery harbors. March, 2011

2. Experience in Formation of Legislation and Legislative Models of Support for Improvement and Development of Agricultural and Fishing Villages in the Republic of Korea

2.1. Formation of Legislation of Support for Improvement and Development of Agricultural and Fishing Villages and Thought-provoking Points thereof

2.1.1. Formation of Legislation according to Changes in Domestic Political, Economic and Social Order

In the 1960s through the 1970s, the economy of The Republic of Korea was handled in “managed economic” order since The Republic of Korea had constitutionally accepted a liberal economic order. Most laws formed a Government-led managed economic order. This managed economic system materialized through a series of “five-year economic development plans”. Immediately after the May 16 Revolution in 1961, efforts to stimulate the nationwide desire for development, symbolized by the saying, “Let’s also live in affluence,” by getting out of political and social instability and accomplishing economic prosperity, were greatly focused on. An economic plan was introduced to regiment this desire for development, and to promote economic development systematically.

The core policy in a five-year economic development plan was focused on industrialization. However, The Republic of Korea went through political and social upheaval around the first oil crisis in the 1970s. From an economic aspect, enterprises that had been flourishing began to run into difficulties. The economic upturn from the industrialization policy, gradually declined in the early 1970s and this slowdown directly led to the economic crisis throughout the country. In addition, the Government-led industrialization policy that continued since the 1960s disclosed the problems of an unbalanced development. Therefore, in the early 1970s the gap between urban and rural areas was deepened and this gap was connected to political and social problems throughout the country solely from rural issues.

To confront these problems, the Government had to formulate a strategy to develop rural areas based on the experience of the community development movement in the 1960s and began the rural development movement on a new level. Rural communities grafted their own development tradition under the Government’s strong top-down strategy, the so-called, “Rural Saemaul Movement.” The Rural Saemaul Movement was embodied through the enactment of the Agricultural Community Modernization Promotion Act and formed

the pivot of national reconstruction projects in the 1970s, including rural areas. The Rural Saemaul Movement that originated in *The Agricultural Community Modernization Act* mainly concentrated on the improvements on the basic environment of agricultural villages, such as environmental development, increase of income, and improvement of production infrastructure of agricultural villages. This continued up to the late 1970s.

The Republic of Korea fell into disorder again due to political and social disorder after the Incident of October 26, 1979. Consequently, the Rural Saemaul Movement could only be maintained in spirit, however, it continued in the fifth five-year economic and social development plan in the 1980s. During this time, negative economic growth was recorded for the first time since economic development plans were promoted. The imbalance in international payments and price instability was deepened. For this reason, the Government actively promoted policies for stabilization focusing on solutions for the problems of imbalance in various fields of economy and the improvement in economic efficiency. This trend was also reflected in rural improvement and development support projects. During this period, the basis of rural improvement and development policies mainly featured the introduction of a comprehensive development system and the development of sources of income. Therefore, the main policy focused on the development of islands and hinterlands, the comprehensive development of rural areas, the creation of agro-industrial complexes, and the securing of sources of income in rural areas.

Although *The Agricultural Community Modernization Promotion Act*, still in effect since the 1970s, barely maintained its existence, it did not reflect the changed situation in the 1980s and the Government's policy stance. Although *The Act on the Promotion of Income Source Development for Agricultural and Fishing Villages* and *The Islands Development Promotion Act and the Hinterlands Development Promotion Act* were enacted and entered into effect, they failed to be effective because of a lack of connectivity with rural development policies. In actuality, the 1980s might be regarded as a period of neglect for the rearrangement of legislation. This was especially the case for legislation supporting the improvement and development of agricultural and fishing villages. Such negligence became the cause of the economic stagnation that occurred again in rural areas in the late 1980s.

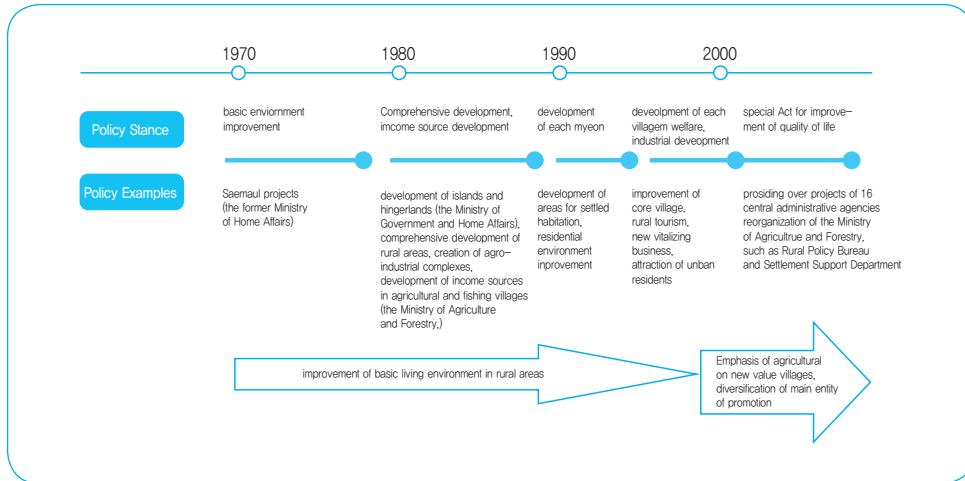
Accordingly, the policy's support for the improvement and development of agricultural and fishing villages was changed to the development of each "Myeon" in the 1990s. The development of areas for settled habitation and development of the residential environment became the pivotal force from then on. For this reason, the development of areas for settled habitation in agricultural villages in the 1990s mainly included village improvement, production infrastructure improvement, living environment improvement, and the expansion of welfare facilities. In addition, a special welfare system began to be prepared for residents in agricultural villages since the mid-1990s. Policies supporting the improvement and

development of agricultural and fishing villages attempted a dual approach, such as those for the development and welfare of agricultural and fishing villages. During this period, typical legislation that enabled such policies to be attempted was *The Rearrangement of Agricultural and Fishing Villages Act*.

Impact-making changes occurred in legislation related to policies supporting the improvement and development of agricultural and fishing villages in the 2000s. It was a natural step to create a comprehensive promotion system for systems related to supporting the improvement and development of agricultural and fishing villages. Other key changes were to approach it from a bottom-up development strategy in which local governments initiated participation or a development approach in which the central government and a local government mutually cooperated. This moved away from the previous central Government-led approach for improving and developing agricultural and fishing villages.

During this period, the main policy stance was to carry out the development of each village and the expansion of welfare and industrial development at the same time. For this purpose, the comprehensive system for the implementation of various policies, such as the improvement of core villages, tourism in rural areas, attractions for invigorating business, attractions for urban citizens, and the improvement in the quality of life of residents in agricultural and fishing villages, was prepared. In order to improve the quality of life of residents in agricultural and fishing villages, rural tourism development projects, urban and rural area exchange projects, local resource development projects, support for settled habitation in agricultural and fishing villages, and interchange promotion projects were newly introduced and operated. Measures were also taken to improve the rural standard of living by giving student loans to children of farmers and fishermen, and expanding health and medical services. These policies would be effective with the enactment of *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages*, *The Fishing Villages and Fishery Harbors Act*, and *The Special Act on Balanced National Development*, which were enacted in the mid-2000s and remain in effect today.

Figure 4-1 | Outline of Changes in Policies for the Development of Agricultural and Fishing Villages of the Republic of Korea



2.1.2. Thought-provoking points in the Process of the Formation of Legislation to Support Improvement and Development of Agricultural and Fishing Villages

a. Efforts to Secure Legitimacy of Legal System

In the process of forming legislation to support the improvement and development of agricultural and fishing villages since the 1970s, it was discovered that continuous efforts to secure the legitimacy of systems between related Acts and subordinate statutes were made. The system compatibility among Acts and subordinate statutes, mutually related in the process of establishing the Government’s policies, inevitably could not avoid overlap and conflict with regulations and implementation. This occurred because there was no system for compliance between related Acts and subordinate statutes. This disrupted the implementation process and the purpose and reception of projects became inefficient and wasted finances.

In the process of forming legislation to support the improvement and development of agricultural and fishing villages, it was discovered that continuous efforts to secure the legitimacy of the legal system in this field, in fact, were made.

During legislation in the 1960s, which was a period of great haste, *The Land Improvement Project Act*, which was most important Act at that time that supported these projects, absorbed and integrated several of the following matters: the improvement of agricultural production infrastructure provided for in the *Chosun Land Improvement Decree*, the *Chosun Irrigation*

Association Decree, the *Chosun Farmland Development Decisive Measure Decree* and *The Act on Special Measures for Merger of Irrigations Associations*, which remained in effect until the 1950s. At the same time, these Acts and subordinate statutes were repealed. In addition, *The Agricultural Community Modernization Promotion Act*, which formed the basis for the Rural Saemaul Movement in 1970s, was enacted in a way that it absorbed and integrated *The Land Improvement Project Act* and *The Ground Water Development Corporation Act*. The fact that such legislative actions began in the 1970s, a revival phase for policies for improvement and development of agricultural and fishing villages, means that there was consideration for the organization of legislation because the rearrangement of related legislation was taken into account from the introduction of the system.

Although legislation management was neglected in the 1980s, efforts to improve the legislative system was actively made again in the “settling period of legislation” to support the improvement and development of agricultural and fishing villages, which came with the enactment of *The Rearrangement of Agricultural and Fishing Villages Act* in the 1990s. During this period, a legislative revision for system compatibility was made, not only among Acts and subordinate statutes directly connected to supporting the improvement and development of agricultural and fishing villages, but also Acts and subordinate statutes indirectly connected. For instance, although *The Rearrangement of Agricultural and Fishing Villages Act* was a typical legislation that supported the improvement and development of agricultural and fishing villages in the 1990s, *The Act on the Special Measures for Development of Agricultural and Fishing Villages* enacted in 1990 legally backed up the promotion of projects for development of areas for settled habitation in agricultural and fishing villages. *The Act on Special Rural Development Tax* contributed to securing the funds required for the projects. *The Rearrangement of Agricultural and Fishing Villages Act* enacted in 1994 helped formulate and manage comprehensive policies for these projects on the basis of such legislation.

The Fishing Villages and Fishery Harbors Act and *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* were enacted and entered into effect in the 2000s. They were applied together with the revision of this legislation system. In particular, *The Fishing Villages and Fishery Harbors Act* was separated and independent from the existing *Rearrangement of Agricultural and Fishing Villages Act*. It eventually grew to be the basic legislation that regarded matters for fishing villages, but it was not distinguished from agricultural villages in *The Rearrangement of Agricultural and Fishing Villages Act*. For this reason, matters concerning support for the improvement and development of fishing villages provided for in *The Rearrangement of Agricultural and Fishing Villages Act* were transferred to *The Fishing Villages and Fishery Harbors Act* at the time of the enactment. Moreover, this

Act had an independent legislation system both in name and reality, separating it from *The Rearrangement of Agricultural and Fishing Villages Act*. It accomplished this by addressing concerns for the complete and systematic improvement and development of fishing villages, the designation, development and management of fishery harbors (State and local fishery harbors, multi-function fishery harbors, etc.) and the measures needed for strengthening competitiveness in fisheries. The basis for the establishment of a bottom-up development model was prepared by enacting *The Special Act on Support for Development of Specialization of Fishing Villages*. The legislation system to support the improvement and development of fishing villages was also established by preparing another basis by which a specialization project could be promoted adequately and systematically via connections between urban communities and fishing villages.

In addition, *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* was enacted to thoroughly and systematically promote the foundation for welfare, education, regional development, and the revitalization of composite industries in agricultural, mountainous and fishing villages that were not handled in *The Rearrangement of Agricultural and Fishery Villages Act*. *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* was applied as an “independent legislation realm,” separate from *The Rearrangement of Agricultural and Fishery Villages Act* and *the Fishing Villages and Fishery Harbors Act*, and *The Special Act on Utilization of Agricultural Production Infrastructure and Adjacent Areas*. It was enacted in 2009 and formed the backbone for rural development in the following areas: the increase of income in rural communities, the prevention of sprawling development, the development of agricultural and fishing village tourism and recreation complexes, renewable energy projects, and projects to create agricultural and fishing village experience. In addition, it gave attention to recreation space in preparation for the opening of the agricultural and fishery products market, and high oil prices, separate from *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages*.

b. Legislation Based on Principles of Sustainable Development

There were many intentionally considerations made in the enactment and amendment of laws to support the improvement and development of agricultural and fishing villages since the 1990s. One of these concerns was for the conservation of national land and the natural environment. The improvement and development of agricultural and fishing villages was primarily made on national land that was a limited resource. Until the 1970s and the 1980s, however, as a result of concentrating on the so-called, “logic of development,” legislative consideration for the conservation of national land and the natural environment was insufficient. Therefore, during this period, the process of national land development

resulted in the destruction of the natural environment. The living environment for citizens was destroyed and the ecosystem was irretrievably damaged, A sustainable national land development policy based on harmonious coexistence was readily received.

As a result, Article 5 of *The Framework Act on National Land* prescribed that national land shall be managed in an eco-friendly manner without exception. Article 5 (1) of the said Act prescribed: When the State or a local government formulates and implements a plan or project on national land, it shall consider any effect such plan or project may have on the natural environment and living environment in advance, and therefore, minimize any adverse effects it may have on the environment. Article 5 (2) of the said Act prescribes that: The State or a local government shall formulate a comprehensive plan on land use to facilitate the supply of land necessary for the lives of the people. This will be done in order to prevent damage due to the lawless development of national land shown in the process of national land development in the past. National land shall be managed diligently according to the comprehensive plan.

The National Land Planning and Utilization Act is the *Framework Act* currently related to land use and development along with *The Framework Act on National Land*. Regardless of field, anything related to land use and development shall be governed by this Act.

This legislation trend was also considered in *The Rearrangement of Agricultural and Fishery Villages Act*, *The Fishing Villages and Fishery Harbors Act*, and *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* which were basic legislation in support of the improvement and development of agricultural and fishing villages enacted after the 1990s. One example of this legislative trend can be found in the following Act; Article 53 (2) of *The Rearrangement of Agricultural and Fishery Villages Act* stated, “The basic policy for the improvement of the living environment in agricultural and fishing villages shall be in harmony with a comprehensive national land plan under *The Framework Act on National Land*, an urban and Gun master plan under *The National Land Planning and Utilization Act*, a comprehensive national environment plan under *The Framework Act on Environmental Policy* and a plan under other Act.” Therefore, regardless of the provisions in *The Fishing Villages and Fishery Harbors Act* and *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages*, what should be observed as a matter for true concern is the “principle of the sustainable development of national land.”

c. Governance of Implementation System of Development Projects, etc.

Common characteristics in the implementation system to support the improvement and development of agricultural and fishing villages refer to the establishment of

diversified management, execution and implementation systems. This is provided for in *The Rearrangement of Agricultural and Fishery Villages Act* and *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* enacted after the 1990s, and *The Agricultural Community Modernization Promotion Act* enacted in the 1970s.

Under *The Agricultural Community Modernization Promotion Act*, the implementation system of the Saemaul Movement was carried out on the basis of the central government's support and local autonomous activities. Under *The Rearrangement of Agricultural and Fishery Villages Act*, it was basically structured to carry out the improvement and development of agricultural and fishing villages by a cooperation system. This involved the central government, the Korea Rural Community Corporation, and a fishery cooperative or a fishing village society. In particular, the central government established the governance system promoting the relevant project with a local government, public corporation and privately-held organization (a fishing village society) by transferring its authority to each local government on a large scale in 1997 and 2002. The Fishing Villages and Fishery Harbors Act also prescribed that the central government and a local government should promote a fishing village improvement and development project by cooperating. Therefore, a work distribution system was established. This could mean, for example, that the central government would formulate a master plan for the development of fishing villages and fishery harbors, and a comprehensive plan for the development of fishing villages, while a local government could implement a comprehensive plan for development of fishing villages. The right to designate a state fishery harbor was apportioned to the central government and the right to designate a local fishery harbor and a fishery harbor located in a fishing village was apportioned to each local government, and it was restructured so that a public organization may implement a fishery harbor development project. In addition, a stable implementation system was established by stating that the central government and a local government should jointly bear working expenses incurred in a fishery harbor development project.

Under *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages*, the central government had the right to formulate a master plan and implementation plan for the improvement in the quality of life of farmers and fishermen and for the development of rural areas. The right to formulate a "City/Do" plan and "Si/Gun/Gu" plan was granted to each local government. Authority was also distributed by establishing a committee on the improvement in the quality of life of farmers and fishermen and the development of rural areas in the central government and a local government, respectively. The central government was responsible for financial support of social insurance premiums, and the central government and a local

government had joint responsibility for providing funds for public mutual aid and social welfare services. This legislation structure was also reflected in education improvement projects and rural area development projects.

d. Establishment of Assessment System to Ensure Substantiality of Agricultural and Fishing Village Improvement and Development Support System

A system for impact assessment on agricultural and fishing villages was introduced in *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* by amendment in 2012, reflecting the latest trend among laws to support the improvement and development of agricultural and fishing villages. Recently, various measures for ensuring the substantiality of legislation and greater reception for legislative disciplines, such as an analysis of regulation effects, environment impact assessment, and impact assessment by gender, were newly inserted and applied. The impact assessment on agricultural and fishing villages, introduced in *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* (amended in 2012), was a measure reflecting the latest trend. This was extremely important because it was the first system introduced in the field for supporting the improvement and development of agricultural and fishing villages.

Article 45 of the said Act prescribed that the central government and a local government shall analyze and assess impacts that a mid-term and long-term plan, on a national scale, and important policies under its jurisdiction, may have on economy, society, culture, and environment of rural areas. The results should then be reflected in the formulation and implementation of related policies. The Minister for Food, Agriculture, Forestry and Fisheries was authorized to set up and apply guidelines necessary for impact assessment on agricultural and fishing villages, on state agencies and local governments.

2.2. Factors of Legislative Models of Legislation to Support Improvement and Development of Agricultural and Fishing Villages

2.2.1. Factors to be Considered as Prerequisites to Support Revision of Legislation

a. Interchange between Laws and Policies

Today legal norms affirm the integration process of the State and society. They conform to realistic necessities. They also have the ability to adjust to real-world scenarios in terms of justice and adopting public interest that promotes the integration process. The development of a sound national legal system has brought an increase in individual legislation policy. In

other words, the State has a tendency to get directly and specifically involved in various social relationships through legislation, such as society and the economy.¹ This tendency has appeared simultaneously with the following legislation:

First, although social and national laws are regulatory and beneficial, they are always temporary, systematic, restructuring or economic oriented. Furthermore, the function of law is to promote or encourage cooperative living that may be reflected in the State. In addition, it should provide secure human living conditions through social benefits and development. For this reason, legal norms function as positive, purposeful, justice oriented management rules that can affect change in social development, and also function as reasonable social policies.²

Second, social and national laws aim for a solution to the basic problems of communal living by preparing the foundation for communities to inhabit. Therefore, countries with strong social laws have the ability to autonomously formulate and implement plans legally, in order to accomplish new political, social, and technological innovations. For this reason, legislative directives aimed at reshaping communities not only import judicial power, but also allow for highly efficient implementation of legislative orders.³

Today, law is deemed as a cyclical process of policies: a policy objective is set up to solve tasks, policy laws are enacted in order for plans to come to fruition, the content of the policy is then determined and implemented following deliberation by a committee, and finally, assessment is made of the plan at which point new plans are made after analyzing the results.⁴

Regulations to grant authority to an administrative agency form the center of such policy legislation. This involves determining the order and method of policy, and creating policies, irrespective of the rights and obligations of the people, with the State and local governments. It is a special feature of the latest legislation that policy legislation exists simultaneously with traditional legislation, which formed from legal requirements and effect provisions. In addition, the relationship between the means and the ends becomes important because it defines which means will be used to efficiently and effectively accomplish administrative policy tasks. Furthermore, legislative policy making is transparent since it specifically defines policy tasks in each field of interest, such as objectives, protocol, and the fusion of laws and policies.⁵

1. Park, Young-Do, A Study of model Legislation, Korea Legislation Research Institute, 2006, p. 10.

2. Park, Young-Do , Ibid., pp. 10-11.

3. Park, Young-Do , Ibid., p. 11.

4. Park, Young-Do , Ibid., p. 14.

5. Park, Young-Do , Ibid., p. 14.

Another thing to consider is that the appearance of technical law (resource distribution norms) is inevitable in policy legislation, which outlines the resources necessary for the accomplishment of a certain policy that the State and local government should implement, such as a plan for development.⁶

b. Law and Economic Development

① Economic growth theory and policy legislation

There may be a theoretical dispute on what should be pursued first: economic development or institutional improvements. In *New Institutional Economics*, “institutional resources are deemed most important.” Accordingly, the institutional approach to economic development forms the basis of analysis in research on law and development. “Law plays a decisive role in economic development and the promotion of growth among various institutions. The legal basis shall be secured first in order to create a stable economic prosperity.”⁷

According to the World Bank, it claims that the legal system which consists of legal rules, the execution system and organizations play a positive role in development.⁸ It claims that the establishment of a specific legal system leads to economic growth, and aid agencies including the World Bank actively provide support for the reformation of legal systems.⁹

② Correlation between laws and economic development

The correlation between law and economic development begins with the systematic approach theory to economic development. That is, the legal system deems one of the explanatory variables as playing an important role in the promotion of economic growth from among various systems by regarding economic growth or economic development as an explained variable. In addition, economic growth and economic development are generally distinguished; the former is related to the quantitative economic growth expressed numerically, such as GNP or GDP per capita, and the latter attaches importance to qualitative changes in society, such as industrial structures or changes in feudal land ownership.¹⁰

6. Budget Policy Bureau of the Secretariat of the National Assembly tr., *Legal Policy Science*, 2003, p. 7.

7. Hans-Bernd Schaefer and Angara V. Raja, 'Instruction', *Law and Economic Development*, Edward Elgar Publishing Ltd, 2006, p. XI.

8. World Bank, *World Development Report 2002: Building Institutions for Markets*, New York, Oxford University Press, 2002, p.3.

9. Park, Kwang-dong, *The Ideology and Task of Legislative Exchange Support Business*, Korea Legislation Research Institute, 2008, p. 26.

10. Park, Kwang-dong, *ibid.*, p. 27.

c. Ideological Basis of Support for Revision of Laws

The concept or purpose of support for the revision of laws is to support developing countries that make efforts to establish a democratic system based on market economy. It should be understood that support for the revision of laws is to support people of a developing country so that the country may become a democratic country that allows its people to enjoy economic affluence and political freedom on the premise of the country's efforts.¹¹

Debates on the theory supporting the revision of laws are listed below. Although there are many points of view for the "legal transplant theory" and new ideas unfolding for the "development law theory," which is an adopted form of the "law and development theory," a systematic theoretical system on each point of view has not been established but is at the stage theoretical development.¹²

① Legal transplant theory

The legal transplant theory attaches importance to the provisional enforcement of a transplanted law in a law importing country, and supports the revision of laws at the execution stage of legislation.

The provisional import of a law varies according to the situation of a law importing country. If a developed country's model law is transplanted and the importing country's economic conditions are not fit, a dilemma occurs. The people who are used to administering the law in their country debate about whether they should continue to provide basic legal support to the law importing country. Because immediate results cannot surface without a gradual implementation, it is necessary to set up a long-term project.¹³ In support for the revision of laws, this proves that it is necessary to consider the circumstances of a law importing country expressed in "socio-economic or law culture structural elements."¹⁴ The requirements for receiving legal transplant are that a transplanted law should meet all the conditions of a law importing country, especially formal or informal law and order. Moreover, people of the law importing country should be well informed of the basic legal principle of the transplanted law. In addition, considerations for the degree of reception of the legal transplant should encompass the social strata of the law importing country (legal transplant process).

11. Park, Kwang-dong, *ibid.*, p. 56.

12. Park, Kwang-dong, *ibid.*, p. 62.

13. Park, Kwang-dong, *ibid.*, p. 63.

14. Park, Kwang-dong, *ibid.*, pp. 64-67.

② “Law and development” theory

For the law revision support theory based on the law and development theory, it is necessary that the position of the relevant law revision accounts for the development policies of a law importing country. Both the law importing country and the law supporting country should confirm their positions by defining the final purpose. The function of the legal system that adapts to the social structure of the law importing country and the mechanisms for alteration should be verified. Forecasts for the outcome of reforms should be presented and it is necessary to regard them as an immediate goal. The results from forecast analysis should be verified and assessed after they have been implemented and a report on the success or failure should be examined closely.

With regard to support for the revision of laws, revisions of a legal system should be made considering the following aspects:

First, in order to construct market mechanisms, legislative regulations should exist in unifying policies. These laws concern the definitions of property rights, the transfer of property rights, the protection of property rights, and regulations of procedural law concerning justice or compulsory execution. This is a matter of the enactment or amendment of formal regulations.

Second, it is necessary to amend not only formal regulations but also informal regulations in order to integrate the system reform. This is because various costs correlate differently according to the conditions of each country. In addition, these costs are all separate from one another. Therefore, sustainable development cannot be achieved without changing the informal system. This point of view has an effect on the Comprehensive Development Framework of the World Bank.

Third, it is important to have a good grasp of the directional nature of development (and system reform) and to specifically present a basic vision with the legal system as a standard to verify the progress of implementation against. This step allows for connecting the new legal system with the existing one.

③ Consideration about legal systems

The latest interest in support for the revision of laws is how to adjust the difference between civil law and common law. For example, Russia and countries in Indochina have a tradition of civil law, however, many lawyers belonging to American or British law firms are among those in charge of support for the revision of laws by international organizations. This has caused problems and conflicts between legal systems because Anglo-American Law is the international standard for supporting the revision of laws. Also, conflicts with the

concepts and principles between civil law and common law may arise due to a difference in the ideology of market economy and roles of the state.¹⁵

It is necessary to define the purpose of support for the revision of laws and to make systematic revisions of laws based on such problems. In this case, long-term and specific programming of the universality of legal models or the importing method is required.¹⁶

2.2.2. Legislative Model According to Development Stage

a. Legislative Model at Introductory Stage

In the early stage that the government of a developing country formulates policies for the improvement and development of agricultural and fishing villages, there is high probability of a deepened gap between urban areas and rural areas in economic, social and cultural aspects, similar to The Republic of Korea in the 1970s. This is because, in the light of our experience, the industrial development of a country goes through the agricultural age, industrial age, and high-tech industrial age in succession. In most cases, a developing country gets out of the agricultural age and enters the industrial age. Its government usually implements industrial policies that stress industrialization as was the case for The Republic of Korea the in 1960s. In this case, there may be a need for legislation similar to *The Agricultural Community Modernization Promotion Act* that The Republic of Korea utilized. This Act may be the legislative model appropriate for a developing country in the early stages of project promotion for supporting the improvement and development of agricultural and fishing villages.

First, it is necessary to clarify the purpose of the improvement and development of agricultural and fishing villages intended for application for a developing country and to enact relevant laws. Next, legislative measures organizing and systemizing such purpose will be required. Attention should be placed on the first design of a project to support rural communities and the subsequent management and operation should be included as well. Therefore, matters concerning the formulation of a comprehensive plan and an implementation plan for the improvement and development of rural areas should be reflected in the relevant legislation. In addition, matters concerning the main governing bodies of the plans and the organizations for implementation of the project should be also addressed. In such cases, the main entities that formulate plans should be the central government and local governments. In terms of the organizations for implementation of projects, it is necessary in the early stages to enact laws such that the central government and local governments

15. Doeker-Mach, G., "Globalization and Role of Law in Asia: A General Overview", *Yokohama Journal of International Development* 3(2), 1998, p.276.

16. Park, Kwang-dong, *ibid.*, p. 73.

lead the project in order to expedite the promotion of the project. However, private sector participation should be considered at the mid-term and long-term stages.

In the early stages, the central government should mainly shoulder the financial burden, however, it should be designed so that the central government and local governments share the financial burden at the middle stages and the later stages of the development projects. In addition, to keep financial soundness, it is recommended to design a system in which the private sector that participates in the project should shoulder the financial burden and the central government or a local government should provide project costs.

b. Legislative Model at Development Stage

In the case of The Republic of Korea, the development stage of projects to support the improvement and development of agricultural and fishing villages begins in the 1990s. *The Rearrangement of Agricultural and Fishing Villages Act*, which is legislation that supports the improvement and development of agricultural and fishing villages in this stage, has great importance for developing countries that are at the development stage similar to that of The Republic of Korea. The rural improvement and development support system, at this stage, mainly focused on the increase in productivity of agriculture and fisheries, the improvement of the living environment through projects to develop areas for settled habitation, and the improvement of welfare of farmers and fishermen.

In order to present the legislative model at the development stage to developing countries, it is necessary to promote legislation that meets the demands of residents in agricultural and fishing villages at the development stage. This can be achieved through maintaining the management and operation system of projects to support the improvement and development of agricultural and fishing villages, legislated at the introductory stage, and diversifying the content of projects to support the improvement and development of agricultural and fishing villages. In terms of the current *Rearrangement of Agricultural and Fishing Villages Act*, thought-provoking issues for developing countries to consider are: legislation embodying the development of areas for settled habitation, the development of production infrastructure and residential environment, and the regional development for the promotion of welfare of agricultural and fishing villages.

In the case of The Republic of Korea, its legislation embodied: income source development projects, living environment improvement projects, production infrastructure improvement projects, general settlement zone development projects, cultural village creation projects, and village sewerage works for the development of areas for settled habitation. It also embodied: the integrated promotion of rural production infrastructure and residential environment development projects, production infrastructure improvement and living environment improvement projects, agricultural village recreation resources

development projects, marginal farmland development projects for the development and production infrastructure and residential environment, agriculture and fishery infrastructure improvement projects for regional circumstances, and the expansion of sources of income.

In particular, larger working expenses may be incurred at this stage compared to the introductory stage. This is because of the diverse amount of requirements needed to support improvements and developments for agricultural and fishing villages. In this case, in the light of our experience, *The Act on Special Rural Development Tax*, enacted in 1994, may be instructive. From yearly taxes, objective taxes in order to cover expenses incurred in the improvement and development of agricultural and fishing villages are provided independently in this Act. Therefore, financial revenues under this Act are exclusively used to support the improvement and development projects, thereby ensuring stable promotion.

It is true that only *The Rearrangement of Agricultural and Fishing Villages Act* is insufficient for improvements in welfare of farmers and fishermen because it mainly aims at the improvement and development of agricultural and fishing villages and not at the expansion of the welfare system. Therefore, such limitations should be resolved through connections with various social security laws in developing countries. For this purpose, legislation for the improvement and development of agricultural and fishing villages should be applied, *mutatis mutandis*, to corresponding provisions of individual social security acts and subordinate statutes as legislative measures for the promotion of welfare for farmers and fishermen. The details of support in social insurance law, public mutual aid law and social welfare service law should be specifically provided for in individual social security acts and subordinate statutes.

c. Legislative Model at Expansion Stage

When a developing country enters the expansion stage of projects to support the improvement and development of agricultural and fishing villages, various issues will arise. That occurs because the expansion stage of projects evolves into the development of various legislative policies. The projects begin to transform and diversity along with the economic, social, and cultural development of the communities. In this case, it is little unreasonable to judge that a specific legislative model is most appropriate.

The points of interest that we can transfer to developing countries, based on our development experience, are policies with the most diverse spectrum among the policies for the improvement and development of agricultural and fishing villages. In addition, the content of these projects should be legislated above all. In our case, various projects that did not draw attention in the past are introduced at the expansion stage of projects to support the improvement and development of agricultural and fishing villages after the 2000s. Rural tourism, interchange between urban areas and rural areas, local resource

development projects are included in the category of rural development, and many plans for improvement in the quality of life through the human and material exchange between urban residents and farmers and fishermen are included in the realm of legislation. From a welfare point of view, the low birthrate and aging population trend has been considered in legislation to support rural communities. Other provisions that have been newly inserted include: providing educational expenses for children of farmers and fishermen, expansion of health and medical services for senior citizens, special protection of women farmers and fishermen, and consideration for multi-cultural families. The current *Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* contains all such content and may be a meaningful legislative model for developing countries that reach the expansion stage of projects.

Another special feature of the expansion stage, from our experience, is that we have applied legislation for the development of fishing villages and fishery harbors separate from agricultural villages. This legislation has great significance because it has contributed to the substantial development of fishing villages by including the development of fishing villages, which consists of fishery harbors and their hinterland, in the scope of support for the improvement and development of fishing villages. The improvement and development of fishing villages performed in the past only focused on fishery harbors. Therefore, in the case of developing countries bounded by sea, *The Fishing Villages and Fishery Harbors Acts* will be a wealth of knowledge.

Under *The Fishing Villages and Fishery Harbors Act*, the central government has the right to formulate a master plan for the development of fishing villages and fishery harbors and a comprehensive plan for the development, however, each local government has the right to formulate a comprehensive development project plan for fishing villages. This Act appropriately distributes the right to do business. Also, each local government is authorized to embody the right to designate state fishery harbors, local fishery harbors and fishery harbors with settled fishing villages, and the right to develop such fishery harbors (regional development, invigoration of fishing village tourism, sea area management through the development of fishery harbors). This system has proved that fishery harbor management systems, improvements in income, and improvements in the quality of life of fishermen and fishing villages have been achieved. Therefore, we expect that this legislative policy will produce many results for developing countries for fishing villages. Moreover, the current *Fishing Villages and Fishery Harbors Act* can be regarded as the most outstanding example for a legislative model.

Characteristics of policies and legislation for support for the improvement and development of agricultural and fishing villages after the mid-2000s, during the expansion stage, may be represented by the integration of numerous policies for rural development.

Also, the performance system was strengthened through the expansion of decentralized power, the revitalization of voluntary rural development through the comprehensive subsidy system and incentive system, and the promotion of balanced national development through rural development. This policy stance became possible through *The Special Act on Balanced National Development* containing the decentralization of power. This Act connected with *The Rearrangement of Agricultural and Fishing Villages Act*, *The Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages* and *The Fishing Villages and Fishery Harbors Act* to help with general legislation and the ease of implementation. These Acts make policies for the following reasons: the regionalization of rural development units, the integration of rural development projects, the implementation of comprehensive subsidy projects for the formulation and implementation of project implementation plans (meeting the actual conditions of local governments), and the utilization of the incentive system through the monitoring and assessment of projects eligible for comprehensive subsidies. These Acts may be regarded as the basic legislative models that present the operation of the most advanced legislation for supporting the improvement and development of agricultural and fishing villages.

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