INTERNATIONAL DIFFUSION PRACTICE:
LESSONS FROM SOUTH KOREA'S NEW VILLAGE MOVEMENT

by

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ABSTRACT

This research focuses on how South Korea’s development model—namely, the Saemaul Undong, or the New Village Movement—is diffused internationally, in particular, to the developing country of Vietnam. South Korea’s successful model has been diffused through various different channels for years, mostly in the form of foreign aid projects. Due to the prevailing view that international diffusion practices take place homogenously (in a near-universally standardized manner) within the recipient communities, and due to the propensity on the part of both donor and recipient governments to highlight only successful cases of diffusion while not publicizing those that have failed, several key questions, such as, how diffusion actually takes place, or how each project is likely to bring about different outcomes based on who initiates or leads the project, and to what extent this particular South Korean model has been viable and sustainable in the recipient country, remain largely unveiled.

This research, therefore, aims to analyze the role of each stakeholder and how these stakeholders—either personnel or institutions—make an impact on the degree of diffusion of the Saemaul Undong process. It seeks to differentiate the impact of diffusion between short-term or one-time aid projects and those that have managed to become a sustainable development model in the recipient community. To be specific, the roles of politicians, administrative officials at the local level, non-governmental agents, external factors, and minor actors are investigated at the micro-level.

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CHAPTER 1. DIFFUSION OF DEVELOPMENT MODEL ON THE INTERNATIONAL LEVEL

Official Development Assistance (ODA) flowing from early developed countries—namely the members of OECD—rose gradually in volume during the Cold War, in particular from the late-1960s to the early 1990s. However, recession in the early 1990s led to a drop in total ODA by 16 percent in real terms from 1993 to 1997, before picking up again in 1998 and peaking in the mid-2000s due to “exceptional debt relief” programs for Iraq and Nigeria.¹ As much as the developed countries of the world have made tangible efforts in the post-Cold War era to eradicate poverty in less developed countries, the flow of ODA has been uneven and woefully low for many developing countries. Even paths to development paved with good intentions by international institutions such as the United Nations, which established the Millennium Development Goals (MDG) in 2000 with the view toward, among other goals, eradicating extreme poverty and hunger, have come under strong criticism for their unilateral approach and unquantifiable goals.

For achieving any developmental goals, such as achieving universal primary education or promoting gender equality and maternal health, there is a crucial need to develop the rural sector. Since a large portion of the population in developing countries tend to be engaged in farming, the rural sector lags behind the urban population in infrastructure, education, and social welfare programs. According to Edward Reed, there is also a new urgency for addressing rural problems because these problems are “generated by population pressure on land, water and other resources, threats to the

environment, climate change, and widening income disparity between rural and urban sectors.2 Nevertheless, rural regions in most developing countries the world over are heavily marked by economic backwardness and underdevelopment, with few noticeable signs of change in many cases. The development of the rural sector remains the key in reaching the ambitious goals set by the MDG. Hence, any assessment of international efforts to reduce poverty in developing countries should focus on the problem of relative and substantial underdevelopment in the rural sector.

According to Seung-hun Chun, there are several reasons for the persistence of poverty3:

1) Many developing countries have undergone the history of colonization. This has left the population with a negative mindset and profound displacement in terms of self-rule and administration. Hence, there is the prevailing view that in former colonies, negative attitudes such as mutual suspicion, suspicion of outside powers, and a lack of a spirit of self-reliance linger. Since the mentality and behavior of the people are not prone to change in the short-term, such attitudes born of negative and painful colonial experience are a challenge to economic development. But more than attitudes, the legacy of institutions, such as land laws, that were designed to exploit the poor and enrich the colonialists and their collaborators, stifle rural development today.

2) Even if a developing country is endowed with abundant natural resources, the opportunity to make use of its resources is often negated and is exploited by more

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powerful countries. Therefore, developing countries face a considerable disadvantage in pursuing and sustaining an economic development program of their own unfettered by the interests of bigger and richer nations.

3) Developing countries, it is often argued, are more prone to widespread corruption, lack of competent governance, and stifled development capacity than industrialized democracies. A debatable point this may be, but there is a correlation between corruption and underdevelopment.

4) The North-South cooperation (NSC) has been creating more threats than opportunities by inhibiting the developing countries to develop local enterprises, which is necessary to reduce poverty and sustain development over the long term.

Bridging the tremendous North-South divide may be one goal of development assistance at the macro level. The term “North” represents the first-tier developed countries, mostly the richer countries of North America, Europe, Japan, Australia, and New Zealand. The “South” represents the poorer majority of the countries in the world, namely, Africa, Asia, and Latin America. Western scholars and practitioners concerned with sluggish economic growth in developing countries have variously recommended that developing governments shift their policies from “state-led dirigisme to market-oriented policies.”

Developed countries have also reduced aid as a percentage of their gross national income in the 1980s and 1990s in an attempt to reduce aid-dependency in developing countries. At the same time, the dictates of the richer Northern countries have also shown their limits, and therefore, have come under the following criticism:

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The terms and priorities of a development model are often driven by the Northern parties; therefore, they are unduly influenced by the developed countries. That, in turn, means that these priorities may not always coincide with the highest priorities of the Southern partner. This leads to the imposition of lopsided priorities and agendas by the Northern states, which is incompatible with the Southern states’ long-term development goals of self-reliance.

The goals, rationales, and conditionalities of the North sometimes differ radically from the goals and opinions of the South. These conflicts at times defy resolution and thereby jeopardize the success of the project.

The Washington consensus provided a one-size-fits-all solution to the problems of development in Latin America: target nations were told to privatize and liberalize, to slim down the size of the state, bear down on inflation, reduce their budget and concentrate on exports. The former president of World Bank, Robert Zoellick, criticized that “there cannot be a consensus about political economy from one city applying to all. It is now about experience regarding what is working—in New Delhi, in Sao Paolo, in Beijing, in Cairo, and Accra.”

In other words, policymakers and development experts have come to take the view that there is no universal formula for a successful program of development. For example, the Cambridge University economist Ha-Joon Jang is an outspoken critic of the notion that market capitalism is the answer for poor developing countries, arguing that no

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9 Ibid.
country in history has ever built a successful development strategy exclusively based on an anti-dirigiste free-trade model. In fact, all states, in varying degrees, have protected their fledgling industries in the early stage of nation-building. This is evident in the experience of India and China, not to mention OECD states like Japan and South Korea.\footnote{Ibid.}

Since the 1970s, South-South cooperation (SSC) has gained attention in the field of international development. By definition, SSC refers to cooperative activities between the newly industrialized Southern countries and other less developed nations of the South.\footnote{Corbin, Gary (2006, December 6) South-South Cooperation Defies the North. Global Envision: Exploring Market-driven Solutions to Poverty. Retreived on February 23, 2013, from http://www.globalenvision.org/library/3/1371.} The newly industrialized states of East Asia showed a remarkably fast and sustained economic growth from 1965 to 1990. Amongst them, the so-called Four Asian Tigers—Hong Kong, South Korea, Singapore, and Taiwan—were notable for maintaining exceptionally high growth rates based on strong state intervention, even beyond their predicted GDP per capita growth rates.\footnote{Page, John (1994) “the East Asian Miracle: Four Lessons for Development Policy”, National Bureau of Economic Research Macroeconomics Annual, Volume 9, p. 221.} While the common practice of state-business collusion and corruption have raised complex questions regarding the relationship between the government, the private sector, and the market, leaders in developing countries nonetheless remain quite eager to imitate the East Asian development practices and processes as they see these to be a spectacular success.\footnote{Fourie, Elsje (2011, September 28) Africa looks to learn from East Asia’s Development Experiences, the Guardian, Retrieved on April 30, 2013, from http://www.guardian.co.uk/global-development/poverty-matters/2011/sep/28/africa-east-asia-development-experiences.} As Kevin Gallagher remarks:

The 30-year record of the Washington consensus was abysmal for Latin America, which grew less than 1% per year in per capita terms during the period, in contrast with 2.6% during the period 1960-81.

East Asia, on the other hand, which is known for its state-managed globalization has grown 6.7% per annum in per capita terms
since 1981, actually up from 3.5% in that same period.\textsuperscript{14}

The common characteristics of the SSC include:

1) The main purpose of SSC is to promote self-sufficiency among Southern nations and to strengthen economic ties among states whose market power compare more equally than in asymmetric North-South relationship.\textsuperscript{15}

2) The newly industrialized Southern countries have based their development plan on more recent trends in development models, compared to the Northern industrialized countries where some countries already reached developmental success as early as the 1900s. Learning the lessons of experience from Southern countries, it is argued, relatively reduces the need for trial and error in another developing nation facing comparable conditions, thereby reducing costs and enhancing efficiency.\textsuperscript{16}

3) SSC works best among the countries that share similar philosophies of development, as well as environmental, climatic, cultural, and social aspects. Common conditions are conducive to cooperation, or at least more conducive to achieving positive results than merely following the recommendations of Northern countries.\textsuperscript{17}

\textsuperscript{14} Gallagher, Kevin (March 7, 2011) the end of the "Washington consensus", \textit{the Guardian}, Retrieved on April 30, 2013, from \url{http://www.guardian.co.uk/commentisfree/cifamerica/2011/mar/07/china-usa}

\textsuperscript{15} Corbin, Gary (2006, December 6) South-South Cooperation Defies the North, \textit{Global Envision}, Retrieved on April 30, 2013 from \url{http://www.globalenvision.org/library/3/1371}


\textsuperscript{17} Nwanze, K. (2011, December 7) Keynote address by IFAD President at the South-South Development Expo, IFAD, Retrieved on May 2, 2013, from \url{http://www.ifad.org/events/op/2011/gssd.htm}
CHAPTER 2. SOUTH KOREA’S INTERNATIONAL DEVELOPMENT ASSISTANCE

South Korea, a member of the OECD, also has a long history as a recipient of foreign assistance. Having undergone 35 years under Japanese colonial rule and three years brutality and destruction in the Korean War, extreme poverty and chaos used to be common theme in South Korea. The nation received enormous volumes of foreign aid between 1945 to the early 1990s. Total assistance is estimated to be USD 12.8 billion from the international communities—heavily from the United States.¹⁸

South Korea became an official member of Development Assistance Committee (DAC) in the Organization for Economic Cooperation and Development (OECD) on November 25th, 2009. This is a significant incident not only for South Korea, but also to the international development community in general, since it is the first time ever in history that a recipient country transformed itself to a donor country. More importantly, this transformation took place in less than half a century, and in spite of South Korea enduring a long, repressive rule by imperial Japan and the devastation wrought by the Korean War.

Since its landmark transition, South Korea has been making several attempts to export its local community development model called “Saemaul Undong,” also known as the “New Village Movement.” By literal translation, “Saemaul” means “new village” and “Undong” means “movement.” This rural revitalization campaign transformed South Korea’s rural communities in the 1970s. And the model has become a national brand for South Korea to share its own development experience with developing countries. In

recent years, governments and local leaders from Asia, Africa, and Latin America have expressed earnest interest in learning how South Korea's rural sector was transformed so quickly in the early period of the nation's development.\textsuperscript{19}

CHAPTER 3. THESIS QUESTION

There have been an increasing number of cases of South Korean organizations or provincial administration signing a Memorandum of Understanding (MOU) or sister agreement with international counterparts to implement the Saemaul practices abroad. However, how the project is differentiated based on who initiates or leads the project, how the project is processed, and whether the Korean model has been viable and sustainable in the recipient villages remain largely unveiled. In other words, my basic thesis question is: How has the Saemaul diffusion taken place?

One of the reasons for the ongoing obscurity with respect to how the diffusion of the Saemaul Movement has happened is the common assumption that international diffusion practices take place homogenously—or in a near-universal manner—within the recipient communities depending on the leadership capacities of those in charge of such program initiatives. Moreover, the activities initiated by the government—both donor and recipient—often exhibit only successful stories and shroud any failures. Because these records of governmental activities are not easily accessible, there are not many region-specific research papers on Saemaul diffusion practices.

While there are numerous reports on how the Saemaul Undong should be applied internationally, there is no region-specific empirical study, and no research give attention

\textsuperscript{19} Reed (2010) p. 12.
to diffusion projects carried out by different actors. I find qualitative differences in the nature of the cases initiated or led by different types of actors. My research selects three cases by mutually exclusive but collectively exhaustive ways so that neither the selection nor the collection of cases is random but structured in a comprehensive way to encapsulate all possible kinds of cases in the diffusion initiatives of the Saemaul Movement in Vietnam.

As I have researched different international diffusion cases of the Saemaul Undong model in developing countries, I came to realize that several differences lie in the diffusion cases. The process, impact, outcome and sustainability of the projects were all different depending on who was mostly involved in the process of international diffusion. Therefore, it is my intention to find out the role of each stakeholder and how these stakeholders (either personnel or institution) make a significant impact on the degree of diffusion of a rural development model such as the Saemaul Undong.

CHAPTER 4. LITERATURE REVIEW

Section I. Evolution of Foreign Aid: the Agricultural Sector

More than half a century has passed since development assistance from developed countries was first implemented. Most aid programs have explicitly stated their main purpose as eradicating poverty and accelerating development process in the less developed countries. When foreign aid was first introduced in the 1950s, the focus was mainly on agricultural development. The first generation of aid-givers identified the development of the agricultural sector as the key. Through aid and assistance, the leading philanthropic institutions in developed countries—such as the Rockefeller Foundation—sought to increase the output of agricultural goods and shared farming skills with local
farmers in the developing countries. Significant advance in agricultural technology, it was believed, could be applied to the task at hand and bring about results.

The investment in agricultural development continued until the Green Revolution in Asia between the 1960s and 1970s when agriculture was modernized through petrochemical fertilizers, pesticides, irrigation, and improved strains. The prevailing view at the time that Asian countries, with their long history of basing their economies on agriculture, were the major beneficiaries of agricultural aid, is widely held even today. The typical view on agricultural aid as applied to Asia is: “Foreign aid, with an emphasis on agriculture, has played a major role in Asian growth. First in Taiwan, then in Southeast Asia, and now in South Asia.” Once Asian countries constructed the basic infrastructure, received Western technology on farming, and farmers formed partial political power, they continued to successfully grow without major foreign aid. In the early 1990s, however, global bilateral and multilateral aid to the agricultural sector dropped to nearly one-third of its prior volume as substantial investment in development took place in the urban sector.

At the same time, foreign aid in the 1980s and 1990s became prejudicial toward agricultural aid, which had a particular negative effect on Africa, where the region remains to this day heavily dependent on agricultural production. In recent years, the view that the poor could be lifted up without getting agriculture moving, has emerged. Changes in the methodology of development aid has called to attention sectoral balance.

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22 Ibid. p. 55.
23 Ibid. p. 57.
24 Ibid. p. 59.
input balance, and institutional development, which would variously respond to price signals, as judged by development economists. In light of this new thinking, donors in developed nations have shifted their focus to long term goals of environmental enhancement, broad-based development, democratization, in particular targeting group such as women and children, in their efforts to reduce world poverty. With the advent of new innovation such as genetically modified organisms (GMO), diffusion of advanced technology also has gained attention in developing countries as a solution to food shortage and climate change.

Today, many agricultural researchers argue that the poorest countries’ problems are still mostly rural issues, and the basic cure to this is to raise rural incomes—therefore, it is necessary to re-concentrate on agricultural aid. It delivers direct benefit to the poor since agriculture is the primary occupation of the rural sector, and therefore, raising agricultural production would increase opportunities for rural employment and income. The importance of agriculture and farmers in promoting economic growth has been overlooked in recent years, all the more in view of the empirical evidence that India and China, by concentrating on agricultural development, have actually lifted tens of millions of people from poverty.

Section II. Region-Specific Literature: Vietnam
A. Vietnam: Political Economy and Rural Development

25 Ibid. p. 64.
27 Ibid. p. 62 (studies of Ravallion and Datt in 1996 and World Bank in 1996). However, this view is not universally accepted.
In the wake of the fall of Saigon in 1975, the Socialist Republic of Vietnam was established as the country became reunified. Since then, Vietnam has pursued rapid neo-Stalinist industrialization. And in the early 1980s, the country started to reform state enterprises to operate in markets and with partial de-collectivization taking place. However, despite several attempts at reform, Vietnam’s economic output stayed inefficient due to a highly centralized planned economy in which the state controlled resource allocation entirely. As Thu Huong Le and Paul Winters observe, “the situation has been described as an extreme market failure or a classic characteristic of shortage economy.”

The most important change in Vietnam’s economic policy began with a major campaign to implement partial reforms in the mid-1980s. In 1986, the national government launched a political and economic renewal campaign called Doi Moi (“Renovation”) reforms. This led the country from a centralized economy to a “socialist-oriented market economy.” The progressive reform brought change in the country’s urban development patterns: 1) the diversification of capital investment, especially the influx of foreign direct investment, 2) the creation of a property market dealing with land use rights and private businesses, and 3) the commercialization of the housing sector that created significant change. Yet, the planning system, with single political party, remained unchanged.

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29 It should be noted that Vietnam and China’s transitional models are different from those of other countries, as both adopted a gradual transition model due to reluctance to change their single-party political system.
In sum, while the country has been on the path of transitional economy that combines government planning with free-market incentives, there is little evidence of change in the political system. The country remains a one-party state, where the consensus of troika—the President of the State, the Government Prime Minister, and the Communist Party of Vietnam (CPV) Secretary General—rules under the CPV. According to the World Bank, the impact of Doi Moi has been impressive, particularly in view of the fact that it has been sustainable. More than 3,000 private businesses have been created, and the economy has been growing at more than 7 percent annually. From being one of the poorest countries in the world with per capita income below USD 100, Doi Moi, by the end of 2010, had transformed Vietnam to a lower-middle income country with per capita income of USD 1,130. Moreover, the ratio of population below the poverty line has fallen from 58 percent in 1993 to 14.5 percent in 2008. All this has taken place within a quarter of century.

Before NTP-NRD (National Target Programme—New Rural Development) was launched in 2010, there were several plans and policies on rural development: 1) the “Tam Nong” Resolution 26 in the 2008 Socio-Economic Development Plan, 2) the Policy

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Framework for the Implementation of the five year plan 2006-2010, 3) the Budget Law, 4) the Public Administration Reform (PAR), and 5) Poverty resolution.\textsuperscript{35}

Each of these plans and documents were used as the basis for further developing rural development plans. The NTP-NRD, for example, is mostly derived from the Tam Nong Resolution. The NTP-NRD is an ambitious nationwide program that is designed for the period 2010-2020. Several ministries and agencies have been involved in this plan, with the Ministry of Agricultural and Rural Development (MARD) taking on the leading role. Tam Nong Resolution \textsuperscript{26} was used as the base for designing the NTP-NRD. Its focus is on the development of agriculture and rural areas as well as improving the living conditions of farmers. It set forth general and specific objectives to be attained by 2020. Criteria for 19 areas of social, economic, cultural, and environmental dimensions of the rural sector have been identified, with corresponding targets being established.

The NTP-NRD was approved by the Prime Minister in 2011 along with other 15 NTPs. However, despite tangible improvement through \textit{Doi Moi} and NTP-NRD, Vietnam’s remote and rural areas did not significantly “benefit from the communal privileges under the command economy, and accordingly, were not greatly affected by the transition.”\textsuperscript{36} Several studies show weaknesses and vulnerabilities in Vietnam’s rural sector:

1) The government revised and proposed the extension of land-use rights from 20 to 50 years for farmers. However, even a 50 year-term is still too short for sustainable


\textsuperscript{36} IFAD, the Impact of the Shift from Central Planning to the Market Economy on Livestock Systems in Asia and Eastern European Countries: the Experience of IFAD Ex Post and Ex Ante Transition, 3.1.4 Viet Nam, Retrieved on May 1, 2013, from \url{http://www.ifad.org/irkm/theme/husbandry/pi/impact_3.htm#vietnam}
development. Longer land-use rights would provide incentive to develop private plots over time and improve land quality and production.\(^{37}\)

2) There are still unclear definitions on land tenure, which increases contested land rights and casts a skeptical light on land-use planning. The government should make clear definition that would correct such issues on land rights.\(^{38}\)

3) The implementation of rural programs is slow and expensive particularly in the remote regions. One exacerbating factor in this sluggish implementation is relatively the tiny budget for rural programs. For example, the government allocates only USD 85 million for NTP-NRD, a sum that is barely suitable for pilot programs in the communes.

4) The prevalent lack of resources, facilities, and access to service in the rural sector poses a serious challenge. This includes household labor shortages, poor access to cash and finance facilities, low availability of livestock, and poor health and nutrition.\(^{39}\)

There is increasing inequality between the very rich and those remaining in poverty. Doi Moi has brought transformation for many, which is attractive to foreign investors. But as it proceeds, “the brutal inequality between urban and rural Vietnam is bound to explode, to the despair of the Vietnamese Communist Party.”\(^{40}\)

The country is in the process of being integrated into the global economy. Vietnam is already a leading agricultural exporter in the world, particularly in rice production. At the same time, Vietnam has one of the highest rural population densities in the world.\(^{41}\)

Approximately 51 percent of the population live in poverty, and the absolute majority

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\(^{38}\) Ibid.

\(^{39}\) IFAD, http://www.ifad.org/lrkm/theme/husbandry/pi/impact_3.htm#vietnam


\(^{41}\) Brennan E. & Duc T.P. (2012)
resides in the countryside.\textsuperscript{42} What has been missing thus far is a practicable plan to link the rural and urban areas and perhaps design separate sub-policies for the respective plans.

A workable rural development plan is imperative for stability and growth in Vietnam. To this end, the government should amend existing pragmatic programs and policy, allocate sufficient funding for rural programs, and emphasize capacity building, empowerment of farmers through a participatory process, and diffusing new technology and skills among farmers.

\textbf{B. The Role of Foreign Aid in Vietnam}

Since the end of the Vietnam War in 1975, Vietnam has received foreign aid consistently; yet the amount has fluctuated depending on Vietnam’s foreign relations and political decisions. In the late 1970s, Vietnam relied heavily on economic assistance as it was recovering from the ravages of the war. Most of assistance came from both Western countries such as Canada, Italy, West Germany, and Soviet-bloc countries.\textsuperscript{43} Foreign assistance helped Vietnam export its oil offshore and meet balance of payment deficits. As Vietnam developed closer ties with the Soviet Union, invasion of Cambodia and fought a war with China in 1978 and 1979, China cut dramatic amounts of foreign aid to Vietnam. Whereas China gave Vietnam on average USD 300 million a year, in 1979 this sum dropped down to zero. Japan and other Western countries suspended their ODA to Vietnam when Hanoi attacked Cambodia. Loss of foreign aid slowed the development process in Vietnam. In particular, loss of hard currencies from the Western countries

\textsuperscript{42} Escobar (2003)

“crippled Vietnam’s ability to continue importing needed modern machinery and technology from its Western European trading partners.” However, the Soviet Union and its allies heavily supported Vietnam during this period. Although there is no exact data on how much Soviet Union and other Comecon countries assisted Vietnam, the amount is estimated between USD 0.7 and 1 billion in 1978, which is more than the total amount of aid from the West. From 1982 to mid-1980s, Vietnam received more than USD 1 billion from Soviet Union, which is almost equivalent to USD 3 million per day.45

Substantial assistance from Moscow continued until the fall of the Soviet Union in the early 1990s. Hence, the Soviet Union is accredited with Vietnam’s modernization and industrialization. Not only did Moscow help Vietnam with balance-of-payment problems, but it also signed cooperation agreements for several important industrial projects, and shared advanced technology and professional skills in various fields that laid the fundamental infrastructure for Vietnam’s development. Furthermore, in the post-Cold War era, although the amount was significantly reduced, Vietnam continued to receive aid from Western countries. Bilateral and multilateral aid to Vietnam grew steadily from 1993 on. “By 1997, net loan and grants had just exceeded $700 million… By 2000, it had doubled to $1.5 billion and was still rising.”46 The top three donors during this period were Japan, the World Bank, and the Asian Development Bank.47

Recent aid disbursement went into the field such as economic management, development administration, human resource development, agriculture, forestry and

44 Ibid.
45 Ibid.
fisheries, social development, health, etc. Approximately 85 percent of aid disbursement was used to promote economic growth while aid intended for the poor or that targets safety nets and direct transfers were significantly lower.48

Researchers like Thu Huong Le and Paul Winters discovered five reasons that Vietnam remains poor despite its long history of receiving foreign aid49:
1) Relative isolation—geographically, linguistically, socially, and intellectually
2) Inability to manage risks from natural disasters and vulnerability to price fluctuations
3) Lack of access to available resources, especially of land, technology, and useful information
4) Inadequate participation in the planning and implementation of government programs
5) Lack of sustainability both financially and environmentally

They found that recent aid disbursements were distributed disproportionately in view of the fact that the northern area of the country and minorities among 54 ethnic groups were especially poorer than the rest.50 The role of foreign aid is significant in lifting the poor in Vietnam. Therefore, the scholars conclude that donors need to focus on these five causes that keep the country poor and make much more efficient use of foreign aid, if the purpose of aid is poverty reduction.

CHAPTER 5. HYPOTHESES AND METHODOLOGY

My research aims at tracing the process through which the South Korean rural development model—Saemaul Undong—has been diffused internationally. This research

49 Ibid. p. 7.
50 Ibid. p.15.
paper focuses primarily on the initial stages of diffusion process, in order to link the
mechanism through which factors and actors, under what circumstances at the initial
stage, matter for a proposal to be transformed into actual international diffusion. The
main question is: Who or what determines a cross-country agreement for the international
diffusion of a rural development, and provides a contextual ground through which the
diffusion process takes place in the target host nation abroad?

Put another way, the fundamental question becomes: Why should anyone care
about who initiates or leads a cross-country agreement—either in the form of sister
municipal agreement, official development assistance, or a Memorandum of
Understanding (MOU)—for the international diffusion? And how does the answer to
such a question matter to stakeholders in the process, especially to the recipient
communities?

First of all, it has been often and conveniently assumed that international diffusion
practices take place homogeneously within the context of such program initiatives. As a
result, the main research questions have rather focused on the implementation and
performances of such projects in recipient communities, drawing upon statistical
significance out of a collection of sample cases. And yet, there have been only few, or a
bare minimum of in-depth studies on such diffusion practices or on the analysis of the
initial stages in the diffusion practices.

Second, within the class of apparently homogenous diffusion cases of the
Saemaul Undong across borders, I find qualitative differences in the nature of cases and
the differences emerge clearly as one investigates way in which the cases were initiated
by different types of initiators. My research focuses on three cases that are mutually
exclusive and collectively exhaustive. Each case produces important implications on future projections. And each suggests that there are differences in the quality of benefit that recipient communities are expected to derive from different types of diffusion process. Moreover, despite the increasing numbers of research projects on international development and aid, the role of political and administrative actors in the field of local development are not often considered in the development literature. At best, there are rather negative references to the local politics, politicians, and bureaucrats, according to P. McLoughlin.51

I have investigated all the relevant stakeholders in each process of Saemaul diffusion that took place in Vietnam and it is my intention to investigate how these stakeholders interact with initial conditions and yet also influence the process of diffusion. Which group of actors influences the degree of the level of diffusion process, from merely a short-term project to a sustainable development model in the host community? From data-collection, the potential group of actors includes politicians, administrative officials at various levels, and non-governmental agents in South Korea as well as in Vietnam.

My main thesis question generates four plausible hypotheses regarding the roles of major actors in the Saemaul model diffusion:

**Hypothesis 1: Politicians**, contrary to the common belief that their role is limited to the rhetorical, not only initiate the sister agreement or MOU but also can make substantial

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differences in the degree of diffusion to the extent they show continuous commitment on the particular cases they initiated.

In this research, the term “politicians” refers to high-level officials in the national government or, in the case of Vietnam, senior members of the Communist Party. The first hypothesis pays attention to the role of politicians in both countries, as I have found that several diffusion projects were initiated by politicians. In particular, I am interested to assess whether these politicians are merely representing themselves as amicable diplomats with no real content by only signing the MOU or agreement while not becoming involved in the process of diffusion.

There is a report stating that despite numerous efforts by international institutions such as the World Bank to influence Vietnamese national policies via its funds, the socialist country has hardly been influenced by the foreign organizations. Nevertheless, Vietnam was able to attain economic success through its national policies rather than ODA. In this aspect, the senior officials in the national government must have taken active and major roles in reducing poverty, because they are the ones who develop and implement national policy. Therefore, I pose another question: Is there observable evidence that Vietnamese politicians tend to act as an internal policy advocacy in the process of adopting Saemaul diffusion? If yes, has such practices borne a positive or negative effect on the adaptation of the Saemaul Undong?

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53 such as National Target Programme for Poverty Reduction (NTP-PR) or the P135 Programme to reduce poverty rate, *Ibid.* p. 8.
Hypothesis 2: local administrative officers in charge make substantial differences in the degree of diffusion to the extent that they are obliged by their role assignment to remain continuously committed to their task. Academic scholars and economists differ on their views on the role of local administration in rural development. Peter McLoughlin argues that those people who were involved in the planning and implementation of agricultural projects (in Africa) view the local political and administrative scene as “disruptive, and indeed even ‘irrational.’” On the other hand, according to Dr. Chandrasekera Wijayaratna, the role of local institutions is becoming more important for sustainable rural development and realizing the integration of various rural development efforts. These are the driving forces that can lead to decentralization in development in any type of government.

Therefore, it is my intention to test whether the local authorities in Vietnam in the rural sector would be instruments to better cater to the local needs in the case of Saemaul diffusion. Moreover, I will examine if these people are the true “insiders” who could introduce the local issues in ways that fit the goals and procedures of reducing poverty. In my research, these local authorities are restricted to the People’s Community members at each level—the province level, district level, and commune level.

My third hypothesis considers the role of non-governmental organizations (NGOs). NGOs have recently started to play essential roles in the international aid

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54 McLoughlin, (1972) p. 413.
56 In this research, I regard civil society organizations (CSO) as NGO as they have similar goals and characteristics.
community. Many of NGOs receive official funding from the government; yet, they remain independent of the government. In this aspect, some scholars argue that NGOs could be more efficient providers of humanitarian services and economic development aid than other aid sources.\(^5\) However, at the same time, these NGOs have been criticized by their poor definition of aid, and that they focus too much on money disbursement rather than actual improvements in the target country—"poor definition of the goals of aid can undermine the effectiveness of foreign aid in increasing national security."\(^6\)

Scott and Hopkins assert that NGOs can be more efficient than other official aid organizations because they have the ability to convert organizational input into output that respects the local values.\(^5\) NGOs that are located in the target country are not only unencumbered by the state officials, but they also have better access to information better understanding what the target group wants and how the local system works. Therefore, according to this view, if these NGOs were to implement local site projects, the projects are more likely to be more efficient. However, scholars like Edwards and Hulmes claim that this purported efficient role of NGOs has been difficult to substantiate through empirical studies. Not only is there a lack of empirical substantiation of the efficient role of NGOs, but there are also signs of a greater dependence of NGOs on official funding, the latter of which would almost certainly impact those NGOs' performance in key areas, distort their accountability, and weaken their legitimacy.\(^6\) For example, in North

\(^5\) S. McCoskey (2009, February 23) “NGOs in the Aid Community: Do Funding Source or Economic Conditioning Matter to Decisions of Country or Activity Involvement?” the Journal of Humanitarian Assistance, Retrieved on May 1, 2013, from \[http://sites.tufts.edu/jha/archives/381\]

\(^6\) Ibid.


American and continental Europe, the government grants are making up between 50 to 90 percent of the major NGOs’ budgets. Edwards and Hulme urges that NGOs need to “invest more in their own organizational development so that they are better able to identify the negative impact of changes in their funding sources or role, and act accordingly.”

There are two non-government organizations involved in the diffusion process of the Saemaul Undong in Vietnam. One is the National Council of Saemaul Undong, one of the oldest NGOs stationed in South Korea. The National Council of Saemaul Undong and its Saemaul branches in smaller cities in South Korea are the major actors in the international diffusion of the Saemaul Undong. The other NGO related in the process of international diffusion is a branch of a South Korean NGO called “Global Civic Sharing.” Its Vietnam branch is located in Hanoi, and is called “GCS Viet-Korea Center.”

In this research, I plan to test the following hypothesis on the role of NGOs in the process of Saemaul Undong diffusion:

**Hypothesis 3:** Do NGOs remain independent from either government of South Korea or Vietnam? Have the Saemaul projects led by NGOs been more efficient in terms of addressing the needs of the Vietnamese communities than projects led by other actors?

**Hypothesis 4:** External factors to the Saemaul diffusion agreement—such as the similar nature of top down system of the two countries or minor actors whose names were not prominent in the diffusion agreement or MOU—in fact make substantial differences or produce significant impact on the degree of diffusion.

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First, the top down system in economic development has been controversial in academia. Some scholars, like C. Wijayaratna, argue that top down approaches adversely affect rural development by inducing it to become “supply-driven” in many countries. However, there are also people who, upon observing the East Asian Miracle between the 1960s and the early 1990s, believe in the strength of having a top down system when it comes to economic development like that in South Korea.

Some characteristics of Park Chung Hee’s twenty years of dictatorship resemble those characteristics of socialist states like Vietnam. Andrei Lankov recognizes the similarity and states “the Saemaul Undong is eerily reminiscent of similar campaigns in socialist countries.” As the late President Park has been extremely controversial to South Koreans and worldwide scholars, some also say Park’s ideology, despite his antipathy toward communism, was “far closer to the socialist, egalitarian left.” Similar political characteristics between South Korea during the Park era and Vietnam today include: 1) concentrated political authority by a small and single group of politicians, 2) centralized power prone to political repression, supported by the armed forces, 3) bureaucracy staffed by the regime, 4) exclusive decision-making process independent of the general public, 5) emphasis on egalitarianism that stresses equal distribution of income and wealth, and 6) an insulated bureaucratic authority by powerful politicians.

According to Dr. Chung Ki-Hwan, a researcher at the Korea Rural Economic Institute (KREI), the Saemaul Undong development model particularly works well in socialist countries whilst it is relatively less effective in democratic states. This is why the

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65 Overholt (2011) p. 3.
South Korean government officially selected Laos and Rwanda in 2012 to pursue an ambitious long-term project of Saemaul model diffusion. Laos and Rwanda are both a single-party state. The conditions in both countries resemble the political atmosphere of South Korea in the 1970s under Park Chung Hee’s military dictatorship. However, any concrete evidence that Saemaul diffusion works better in socialist countries is hard to come by. For obvious reasons, this is not stated in the Saemaul diffusion initial agreement or MOU.

Therefore, in this research, I would like to test whether having similar political characteristics make a difference in the degree of Saemaul diffusion.

Second, there are actors whose roles were less emphasized in the Saemaul diffusion agreement, yet may take major role in the diffusion process. These actors include independent researchers in South Korea (KREI), in Vietnam (National Institute of Agricultural Planning and Projection, or NIAPP), professional intellectuals in South Korea, as well as parents, teachers, doctors, and nurses in Vietnam. In this research, I intend to test whether these minor actors—whose names do not tend to appear in the Saemaul diffusion agreement—played noticeable or even major role in the degree of diffusion.

Methodology

According to A. Bennett and J. Checkel, process tracing is “the analysis of evidence on processes, sequences, and conjunctures of events within a case for the purpose of either developing or testing hypotheses about causal mechanisms that might
causally explain the case.” Or, to put it simply, it is about the examination of intermediate steps in a process to make inferences on the hypotheses on how the process took place, and whether and how it generated the outcome of interest. It not only analyzes the micro-level (individual) of decision making, but it can also be used to make inferences on structural or macro-level explanation of historical cases. Process tracing can make use of histories, archival documents, interview transcripts, and other sources to observe evidence of the causal process of a hypothesized theory and an implication in the sequence. George and Bennett give a good example of process tracing metaphor in their book:

If one had a row of fifty dominoes lying on the table after they had previously been standing, how could one make inferences about whether the first domino caused the last to fall through a ‘domino process’, or whether wind, a bump of the table, or some other forces caused the dominoes to fall?

The authors stress the importance of examining close-up evidence on the intervening processes of each alternative explanation, because these fallen dominoes can be caused by unspecified independent variables in the initial condition such as spaces between dominoes, the possibility of the table shaking, or wind blowing them over.

Not only is there no study on interaction among stakeholders and shifts of power in the diffusion stage of the Saemaul Undong, but these critical matters are not always well explained by existing theories. Therefore, in this research, process tracing takes through inductive study. This involves “analyzing events backward through time from the

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67 Ibid. p. 7.
outcome of interest to potential antecedent causes, much as a homicide detective might start by trying to piece together the last few hours or days in the life of a victim. 70 This involves taking a lot of information throughout tracing the process that later may or may not become important and become part of hypothesized explanation.

There are limitations on process tracing as a methodology. It should be noted that because causal mechanisms are operationalized in specific cases, one should avoid from making generalization from this. In other words, the actors or institutions that took more influential roles in the diffusion of Saemaul Undong in Vietnam may not explain the success or the lack thereof when it comes to Saemaul programs elsewhere. Moreover, evidence that is not available at the time of the research would lower the probability of true causal explanation. What one can do in this case is “to predict what the unavailable evidence will indicate once it becomes available…[because] such predictions, if borne out, [would] provide strong confirmatory evidence” 71 Another element that would lower the probability of true causal explanation is any evidence that contradicts the process tracing prediction of explanation. In this case, the explanation may have to be modified once the evidence becomes convincing in other set of predictions. This modification may be serious or trivial, and one needs to generate and test the modified implication if this is too serious.

The purpose of process tracing is not simply a detailed description of a sequence of events or to uncover what has been done or what the performances were. Rather, the research aims to trace the process through which primary data can be constructed on the actual steps of decision-making involving a proposal until its actual implementation.

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70 Ibid. p. 24.
Process tracing is a key technique for capturing causal mechanisms in action. The interactions across actors and shifts of power across institutions is traced and analyzed for each case, thus revealing a mechanism through how diffusion took place.

Tracing multiple cases with important differences allows comparative studies of cases, throwing light on the allegedly homogeneous set of diffusion practices. My research intends to add rich color to the literature on how diffusion actually takes place at the practical down-to-earth level, and varies in the early stage, by processing the traces of diffusion in depth. It also investigates further why variations occur within the apparently homogeneous cases under the same program. Those variations would not reveal themselves unless the process-tracing method is applied to the initial stages of diffusion cases.

This research, if properly done, can spur actual policy debates among the practitioners of Saemaul Undong and can throw light on the literature on the neglected importance of investigating the initial stages of diffusion practices. Additionally, this research can add rich texture and color to the less-known details of cases in the process studies with emphasis on the initial stage dynamics of stakeholders in the international diffusion practices of aid programs.

What follows is a brief description of how the Saemaul Undong played a key role in the rural development process in South Korea in the 1970s and 1980s.

CHAPTER 6. SAEMaul UNDONg IN SOUTH KOREA: 1970-1979

Before President Park Chung Hee launched the Saemaul Undong on April 22, 1970, a comprehensive land reform of 1948 was the only policy that critically addressed
In the aftermath of the end of the Korean War, 1950-1953, South Korea achieved moderate success through two “five-year economic plans,” which sought export-oriented industrialization. But the plans mostly addressed the urban sector. The countryside remained neglected. Hence, the living standard gap between the rural and the urban sectors steadily increased. Between 1964 and 1970, Korea’s economy grew at an overall annual rate of 10 percent, in which the non-agricultural sector contributed 14.5 percent, whereas the agricultural sector did only at 2.8 percent.

Upon taking power in 1961, Park realized that there could be no national development without improvement of the farming villages. Park believed that the growing income and environmental disparities between the rural and urban areas and the ever-increasing labor shift from the farming villages to the industrialized urban cities would not be sustainable. Therefore, in order to address these problems, Park designed the Saemaul Undong model, in particular, with the following goals in mind: 1) to help the rural sector to catch up by raising the living standard of the rural communities and thus balance economic growth among different sectors, 2) to slow down urban migration, 3) to solve the growing food supply problem, and 4) to respond to the rising political opposition among the rural population. In other words, Park planned the Saemaul Undong, conceived at first as a community-level program, which would be driven on the residents’ spirit of self-help, diligence, and cooperation, rather than solely relying on government support.

For the first four years (or the first stage) of the Saemaul Undong, Park Chung Hee focused on three different projects. In descending order of importance, these are: 1)
to improve the living environment, 2) to increase household income, and 3) to change the
attitudes of the people.

With the view toward achieving identifiable and visible changes, the government
issued working guidelines for “10 Projects for Constructing Better Villages.” The
government freely distributed 335 sacks of cement to each of 33,267 villages in the
countryside. It suggested new projects such as paving and widening roads, building new
roofs, fences, and public wells, local river maintenance projects, and building small
bridges. In other words, instituting new projects that the local residents could perform by
themselves without extensive support from the government.\(^75\)

After one year, government evaluations were carried out. They showed that
almost half of the villages—approximately 16,600 villages—had exceeded the program’s
effects. Buoyed by the apparent success, the government designated these villages
as “predominant villages” and provided additional 500 sacks of cement and 1 ton of
reinforcing rod for further environment improvement. This was a vital strategy that
motivated the people to advance themselves further and even create competitiveness
within villages. In this new round of “self-help” campaign, the villages developed with
blinding speed with modern tiles and cement walls. New bridges were built above the
streams. The second project focused on raising agricultural income by implementing
agricultural roads expansion, agricultural land and seed improvement, and labor sharing
among farmers.\(^76\) Lastly, Saemaul Undong focused on changing the people’s attitudes on
development. Park Chung Hee made an effort to inculcate in the people a “can-do” spirit.
He remarked, “As the features of the villages improved day by day, the resident became

\(^75\) *Saemaul Undong in Korea* (handbook) Received from Director Ahn, Chul-kyoon of National Council of
Saemaul Undong, pp. 3-12.
\(^76\) *Ibid.* p. 11.
much more confident in the belief that ‘I can do it’ and ‘If I do it, then we can achieve anything.’ In an attempt to instill a spirit of independence and also to prevent corruption, Park exhorted his fellow Koreans, as the former Korean monarchs would his subjects, to change undesirable mentality and attitudes, rid themselves of decadent and or wasteful social customs, promote a diligent and frugal lifestyle, and build a cooperative environment. Moreover, Park established the Training Institute for Saemaul Leaders at the local level, which sought to promote these new values, organization and manpower, and ultimately sought to cultivate leadership.

The second stage of the Saemaul Undong fueled the expansion of the campaign. Initial success from the pilot stage gave Park a powerful incentive to further the movement. The priorities of the movement shifted in the second phase heavily to income-raising projects, attitude reform programs, and living environment improvement projects. To accelerate income generation, projects such as “straightening raised footpaths between rice fields, streamlining small rivers, pursuing combined farming, operating common workplaces, and identifying extra income sources other than farming” came to be included. Moreover, much effort went into “rationalizing” public thinking and attitudes through public education and public relations activities. Saemaul centers within villages, large-scale training, seminar and workshops were created to teach the Saemaul spirit—diligence, cooperation, and self-reliance—as well as to train capacity-building and institutional-building. Local Saemaul leaders were encouraged to share their practical experiences, skills, and knowledge with other neighborhoods. More than 500,000 people

77 Ibid. p. 3.
78 Ibid. p. 12.
were trained between 1972 and 1980. During this time, the most noticeable change was increased income and changed attitudes. The people became more confident with increased income, improved facilities, and better living conditions—the fruits of their own labor. As the apparent success of the movement became more visible, urban residents also came to pay attention to the success of the agricultural sector. And the government’s belief in the necessity of the Saemaul Undong expanding as a pan-national campaign grew stronger.

The third stage of the Saemaul Undong focused on qualitative expansion and building a “New Village identity,” that is, growing the hitherto rural-centered development plan to a nationwide campaign with broad participation. The movement focused on expanding the basic unit of implementation and scope of projects to overcome limitation of using villages as its basic unit. At the same time, the Saemaul Undong objectives for the rural sector were kept differently from those for the urban areas. In the rural sector, there was an effort to increase household income with non-agricultural sources of income. Therefore, Saemaul factories and industrial park that combined agriculture and manufacturing were established in rural areas. On the other hand, in the urban sector, the Saemaul Undong focused on material conservation, productivity increase, and healthier labor relations. Overall, the implementation of the projects was now in larger units by developing linkages among the several villages in the same region.80

Through Stages IV and V of the movement, the Saemaul Undong underwent fundamental change. It transformed itself from a government-initiated and supported

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80 Ibid. p. 15.
movement to more a private sector movement. Consequently, a division of roles between the government and private sectors became more distinct. The effort to clean the environment and cultivate better community continued in these latter phases, with stress on order, selflessness, kindness, and cooperation. But the purviews of the Saemaul Undong also expanded to building cultural centers and other public facilities such as credit union activities. In short, the movement became less and less rural-centric and spread more and more across sectors and the nation at large.

Throughout the entire decade of the 1970s, the Saemaul Undong improved the living conditions and environment of the rural and urban areas alike. Average rural household income increased eight-fold between 1970 and 1979, even at one point, in 1975, exceeding that of urban households.

Comparison of per capita rural income with urban income (in USD)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>URBAN HOUSEHOLD</th>
<th>RURAL HOUSEHOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>10.95</td>
<td>13.69</td>
</tr>
<tr>
<td>1965</td>
<td>14.60</td>
<td>16.42</td>
</tr>
<tr>
<td>1970</td>
<td>50.18</td>
<td>39.23</td>
</tr>
<tr>
<td>1975</td>
<td>127.74</td>
<td>141.42</td>
</tr>
<tr>
<td>1980</td>
<td>509.12</td>
<td>480.84</td>
</tr>
</tbody>
</table>


This was due to various income generation projects, introducing agricultural technologies, and the government supporting the agricultural household by fully protecting the domestic agricultural goods against imports, and buying the domestic goods.

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goods at higher prices. People, especially in the rural sector, experienced attitudinal change with increased self-esteem and pride at what they had achieved through "the Saemaul Spirit: diligence, self-help, cooperation." Building on the rural sector's capacity was also facilitated by continuous Saemaul training and education.

In sum, there were many critical elements to the success of the Saemaul Undong. They are:

1) The national government's strong commitment and leadership: It has been argued that no programs can be successfully implemented without the commitment of the leader. This strong commitment and leadership has been demonstrated through President Park Chung Hee, as he initiated, planned, and provided continuous support for the Saemaul Undong, not to mention made the Saemaul Undong a top priority of all the government agenda at this time:

A strong commitment from the top leader enabled effective vertical integration, linking all the levels of government, and created a holistic approach horizontally, mobilizing resources and coordinating plans among the relevant ministries.

According to Sooyoung Park, President Park was deeply invested in the movement. For example, Park personally checked the monthly progress report of the Saemaul Undong, invited villagers to cabinet meetings and presented his own ideology of "Saemaul" (New Village), and made surprise visits to villages and training centers for moral support and encouragement.

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82 Reed (2010), p. 2. WTO laws may deter the implementation of such measures today.
84 Ibid.
2) The grassroots' active participation: No program would be sustainable if it did not involve the local people—or the direct beneficiaries. The distinctive characteristics of the Saemaul Undong were that the citizens' participation was surprisingly voluntarily and their process was ironically democratic—despite being enacted under a military regime. No one forced anything on anyone. Rather, peer pressure born of visible transformation in other villages—becoming modern and clean, where neighbors live in far better conditions—pushed villagers to join the movement. People chose their village Saemaul leaders and also chose what to do with the raw materials provided by the government. In sum, the villages were changing according to the vision and hard work of the residents themselves, not by the dictate of the government.

3) Training and education: The Saemaul training had three components—cultivating leadership, teaching the Saemaul spirit, and practical and experience-based training. Saemaul leader was selected in each village, district, and province, from both genders. The leaders were chosen on a strictly voluntary basis. Therefore, they tended to be motivated, selflessness, dedicated, and prone to guiding their fellow residents in the right direction. The Saemaul spirit—diligence, self-help, and cooperation—was important to rally the spirit of the farmers. It was the Saemaul leaders' role to stimulate this spirit throughout the village. In the end, the Saemaul Undong was about bringing people together in a march toward a better life. Finally, successful experiences and new techniques from neighborhood villages were shared among the leaders. Not only would the village leaders share
their experiences with their fellow villagers, but also with residents and local leaders in other villages.

4) The social and political conditions necessary for such a program: The Saemaul Undong was launched at the right time. The Korean War had brought tremendous economic, social, cultural, and political destruction to both Koreas. South Koreans, suffering from acute poverty, were desperate to live better. Prospects for the agricultural sector looked gloomy, when government investment was almost solely focused in the urban area in the 1960s. Under such strains, the military leadership could conceivably have faced a coup or political upheaval itself if it continued to neglect the rural sector and the struggling farmers.

It is often said that the Saemaul Undong played a key role in South Korea’s economy as a national campaign, until the advent of the East Asian Financial Crisis of 1997. However, the focus of this paper is on the earlier stages of the Saemaul Undong, the developmental process of the rural sector, where success is most visible. Moreover, this developmental stage is what other developing countries aim to learn and emulate. Today, the Saemaul Undong is operated by the National Council of Saemaul Undong, one of the oldest NGOs in South Korea.

There is no doubt, in spite of controversial views on the late Park Chung Hee, that the Saemaul Undong played a pivotal role in developing South Korea’s countryside as well as modernizing the whole nation. Today, more than 50,000 people from 84 countries have visited South Korea to learn how the country transformed itself through the Saemaul Undong. I will now turn to how the Saemaul Undong was diffused to Vietnam.
CHAPTER 7. SAEMaul UNDONG AT THE INTERNATIONAL LEVEL

The Saemaul Undong has long become a national badge of honor in South Korea. Its impact on rural development is virtually unquestioned today. However, the international diffusion of the Saemaul Undong by the South Korean government has been met with inconsistent results. This may be due to the controversial legacy of President Park Chung Hee, who initiated the movement in the early 1970s. Park still today evokes contradictory images, those between a “visionary leader who brought South Korea out of poverty” and “the nation’s history of harsh dictatorship.” This may suggest that South Koreans who remain unfavorably disposed President Park, once they gained power, were reluctant to promote the virtues of the Saemaul Movement abroad. Indeed, during the decade between the late 1990s and 2000s when the South Korean government was led by the center-left liberal party, no effort to actively promote the Saemaul Undong abroad was made. In fact, during this period the government even erased the name of “Saemaul Undong” in official documents on foreign aid and ODA.

Nevertheless, as described in the previous chapter, the Saemaul Undong is widely considered as a successful development model that significantly reduced poverty and empowered the people in the rural sector in South Korea. Through “an organic connection of enthusiastic participation of farmers (from 34,000 villages) and government support,” the movement brought tremendous change to South Korea’s

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86 The interviewees requested to remain anonymous.
87 UNESCO (2012) "the Archives of Saemaul Undong (New Community Movement)" International Memory of the World Register, Retrieved on May 1, 2013.
underdeveloped rural sector. Over the past two decades, the model has been drawing
attention from the international community.

Today, the Saemaul Undong model is diffused to developing as well as the least
developed countries through three distributional channels—one directly from the
Saemaul Undong NGO offices in South Korea, another from a branch of the South
Korean government that handles grant-type of aid and technical cooperation, called
Korea International Cooperation Agency (KOICA). The third channel, which is marginal,
is the provincial governments.

**Distributional Channel 1: Saemaul Undong NGO offices in South Korea**

Having been transformed into a non-governmental organization, Saemaul Undong
offices are located in every province-level, city-level, and county-level region throughout
South Korea, under the umbrella of the National Council of Saemaul Undong, whose
headquarter is located in the capital, Seoul. Each branch office is self-sufficiently funded
and works independently. The funding comes from individual donation and/or sometimes
partially from the national budget. While the range of activities of the Saemaul Undong
differs in every branch office, the Saemaul branch in the city of Gumi and in North
Gyeongsang Province are considered as two of the most active offices promoting the
Saemaul Undong both domestically and internationally. Although the city of Gumi is
located in North Gyeongsang Province, both offices practice Saemaul Undong separately,
as they proudly consider themselves as the late President Park Chung Hee’s hometown.
These NGO offices started diffusion of Saemaul Undong as early as 1992 in China,

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88 In case of large-scale projects, mostly in the international level.
independent of the government. The National Council of Saemaul Undong has joined other multilateral institutions for further diffusion of the model—UN DPI (Department of Public Information) in 2000 and UN ECOSOC (Economic and Social Council) in 2002, for further cooperation, exchange, and contribution to the recipient communities. In 2004, the organization was conjoined by the UN ESCAP (Economic and Social Commission for Asia and the Pacific) to diffuse the methodology in developing countries such as Nepal, Cambodia, and Laos. Annually, the National Council of Saemaul Undong invites about 200 personnel from twenty countries and establishes approximately 15 villages in eight countries.

**Distributional Channel 2: National Governmental ODA via KOICA**

The Korea International Cooperation Agency (KOICA) is a branch of South Korea’s Ministry of Foreign Affairs and Trade. This public entity was established in 1991 with the view toward enhancing the effectiveness of South Korea’s grant aid programs and technical cooperation in developing countries. Vietnam was selected as the first recipient, and KOICA has led one Saemaul Undong project, which was from 2001 to 2003. KOICA has an advantage in leading Saemaul Undong projects because it has onsite offices with resident representatives in many developing countries. Hence, KOICA can

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92 Lim, K. (2011, November) "How to cultivate and Develop Global Saemaul Undong Model Village", 천문학자연과학회지 제23 권, 제 4 호, p. 96.

93 Lim (2011) p.97
create and conduct localized educational program, provide medical and technical services, and monitor each progress. In 2012, KOICA and the National Council of Saemaul Undong reached a MOU to strengthen their overseas practice on Saemaul Undong training and volunteer works. As of today, many Saemaul Undong projects jointly led by KOICA and Saemaul Undong NGOs are gaining momentum in Ethiopia, Tanzania, Rwanda, Nepal, Pakistan, Bolivia and other developing countries. At the end of 2011, South Korean Prime Minister Kim Hwang-sik announced that his office would lead Saemaul Undong ODA and formed a Task Force that combined 11 different ministries and organizations for holistic and systematic approach to global Saemaul Undong practice. By dividing the diffusion process among different department with expertise, South Korea is better positioned to reduce the ongoing inefficiency of redundant aid, smaller-scaled projects, and the lack of follow-ups.

**Distributional Channel 3: Provincial Governments’ Activities**

There are few provinces in South Korea that practice Saemaul Undong worldwide. These provincial activities are formed through sisterhood agreements between the host and recipient provinces. As of today, nine Saemaul projects have been conducted in Vietnam by four provinces in South Korea. These are separate from

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Saemaul NGO works because the projects were funded by the South Korean provincial government budget, while Saemaul NGO personnel may participate voluntarily. Saemaul Undong practices are usually led by governors who believe in the Saemaul Undong as successful rural development model. The most prominent Saemaul Undong activities are undertaken by the North Gyeongsang Province of South Korea, Gyeongsangbukdo. This province was the center of the Saemaul Undong in 1970s as well as the birthplace of the movement’s initiator, the late President Park Chung Hee. Gyeongsangbukdo launched South Korea’s first international diffusion practice to Vietnam in 2001.

CHAPTER 8. SAEMAUL UNDONG IN VIETNAM & CASE SELECTION

Although the political system and the level of economic development may be significantly different, South Korea and Vietnam share many similarities in both historical and social context. Both countries experienced direct colonization before World War II—South Korea by Japan, and Vietnam by France. They both experienced internal war that quickly grew into a major international war—Korean War (1950 – 1953) and Vietnam War (1955 – 1975), respectively. While the two Koreas still remain divided at the 38th parallel, Vietnam was also once divided by a provisional demarcation between the North and South at the 17th parallel (in the Geneva Conference of 1954). South Korea, as one of the world’s poorest countries in the aftermath of the Korean War, received enormous aid from the U.S., multilateral institutions and bilateral organizations to rebuild its demolished infrastructure. In slightly more than a generation, South Korea officially transformed itself into a democratic state with a dynamic economy. Moreover, South Korea adopted the Japanese economic development model, that of its despised former
colonial master, which advanced South Korea’s economic status rapidly. Today, South Korea has the world’s 15th largest economy.\textsuperscript{97}

In contrast, Vietnam experienced longer colonization and a war that lasted more than two decades. It was eventually unified in 1975, but under a communist system. Vietnam has suffered longer than South Korea in terms of warfare, which means the conditions for rebuilding its tattered infrastructure have been more challenging. Moreover, South Korea dispatched combat troops during the Vietnam War and fight against the Democratic Republic of Vietnam (Hanoi) alongside the U.S. South Korea established diplomatic relations with Vietnam in 1992 and opened an Embassy in Hanoi for the first time.\textsuperscript{98} Since then, South Korea has played an important role in Vietnam’s economic progress.\textsuperscript{99} South Korea currently accounts for the third largest Foreign Direct Investment (FDI) in Vietnam with annual investment of USD 480.8 million.\textsuperscript{100} As South Korea is now “Asia’s fourth-largest economy,”\textsuperscript{101} which is all more remarkable considering that the nation has built its economy from the ashes of the Korean War.

Vietnam recognizes South Korea as a post-war success story and seeks to learn from its development model. While Vietnam is experiencing rapid industrialization and

\textsuperscript{97} According to the statistical data by the United Nations, data downloaded from http://unstats.un.org/unsd/snaama/dnltransfer.asp?IID=2
\textsuperscript{98} South Korea withdrew its Embassy in Saigon in the early 1970s.
\textsuperscript{100} Wu, Jeffrey (2013, January 20) "Taiwan lags behind Japan, South Korea in Vietnam investment: envoy", Focus Taiwan News Channel, Retrieved on May 1, 2013, from http://focustaiwan.tw/news/aeco/201301200009.aspx
\textsuperscript{101} Yonhap News (2012, December 17)
modernization, agriculture still plays a major role in the national economy—the contribution of agricultural sector to GDP is about 30 to 40 percent.\textsuperscript{102}

Vietnam showed little interest in the Saemaul Undong until then-Prime Minister Do Muoi visited South Korea for the first time in 1995. This was a period of significant domestic and international change. Vietnam had some ten years of experience with \textit{Doi Moi}, the economic reforms that had been introduced in 1986. Agricultural policy reforms had begun in 1988. And the Cold War had ended five years before in short, the circumstances were conducive to seeking new ideas and models of development.

Prime Minister Do Muoi personally requested that he be led on a visit to successful Saemaul Undong sites. He made an unanticipated visit to North Gyeongsang province.\textsuperscript{103} He saw for himself how this rural province had built socio-economic infrastructure through the Saemaul Undong in the 1970s. He also saw similar elements of the rural sectors of South Korea in the 1970s and Vietnam in the 1990s. Later, he requested that the Saemaul Undong be taught to Vietnamese officials and planned for a bilateral pilot project in Vietnam.

According to Dr. Vu Cong Lan, the head researcher of the National Institute of Agricultural Planning and Projection (NIAPP),\textsuperscript{104} Vietnamese first heard about the success of South Korea’s Saemaul Undong through radio and newspapers in 1994. In 1998, Vietnamese high-ranking officials from the Policy Department (and other departments) proposed a pilot program to South Korea’s KOICA office in Vietnam. The


\textsuperscript{104} National Institute of Agricultural Planning and Projection (NIAPP) is an independent research institution that has partnership with the National Government of Vietnam for policy-making research.
following year, KOICA approved it. The first Saemaul Undong diffusion began in 2001 through a two-year pilot program by KOICA and the Ministry of Agricultural and Rural Development (MARD). However, from a NGO perspective, Saemaul Undong pilot projects in Vietnam started earlier than the official KOICA program. For example, in 1999, the National Council of Saemaul Undong initiated the first pilot program in three villages in Ha Tray Province and built a kindergarten, health center, and paved 1.3km of road in two years. In other words, Vietnam today has nearly 15 years of experience with the Saemaul model.

Case Selection

I chose Vietnam as my case study because I was searching for a recipient country that has a relatively long history with the Saemaul Undong, in order to be able to trace process the case in detail from a pool of various projects. This would allow me to compare and contrast the different developmental processes of various Saemaul projects. I made contacts and collected initial data of Saemaul Undong in Vietnam from October of 2012 to January of 2013, from research in the United States and South Korea. There were many challenges in collecting data out of the country. I was not able to find any detailed description besides few newspaper articles and few reports online. Saemaul projects in Vietnam are relatively older than other countries like nations in Africa, so people who were once involved in the project are either retired or they fall in the generation of not active email users. Moreover, contacting personnel through international call was not effective, due to 14-hour difference between Seoul and Boston. I was only able to collect all the information about Vietnam project once I arrived in
Seoul for 10 days. I went to the National Council of Saemaul Undong to collect data in person. Due to the administrative rigidity in Vietnam, I asked the officials from the National Council of Saemaul Undong to provide focal contacts, and build up further contacts and rapports once I was in Vietnam. From collecting all kinds of Saemaul projects in Vietnam\textsuperscript{105}, I was able to learn that within the class of apparently homogenous diffusion cases of Saemaul Undong, qualitative differences in the nature of the cases existed. The differences emerge clearly as one investigates ways in which the cases were initiated by or took the most active role by different types of actors.

This paper examines three cases in mutually exclusive but collectively exhaustive ways, so that neither the selection nor the collection of cases is random but structured in a comprehensive way to encapsulate all possible kinds of cases in the diffusion initiatives of the Saemaul Undong in Vietnam. By type, a particular case generates important implications and quality differences in the assumption that recipient communities are expected to benefit from different types of diffusion processes. For example:

1) The first case is that sought by the national government of Vietnam, the recipient country. The Vietnamese government took the leading role to adopt the Saemaul Undong model. The best illustrative example of this is the Saemaul project in Khoi Ky village. I will hereafter call this case the "Khoi Ky" Project.

2) The second case is that proposed by the donor country—the Saemaul NGO in South Korea. The best example of this is the project undertaken by Saemaul NGO office in Gumi city of Gyeongsangbuk province. The recipient commune in

\textsuperscript{105} As of today, there are 31 Saemaul projects done in Vietnam: Refer to Table 1 in Tables and Figures section.
Vietnam is called Lien Phuong. Therefore, I will call this case the “Lien Phuong” Project.

3) The third case is that proposed by both donor and recipient countries. It is a project based on a province-to-province MOU, a bilateral agreement. The project has been carried out with equal contribution from both sides. One example of this is a Saemaul project in La Bang village. From now on, I will call this the “La Bang” Project.

In next chapter, I will discuss about the methodology I am going to use in this research and hypotheses to test, based on existing literature and common knowledge.

CHAPTER 9. CASE 1: THE KHOI KY PROJECT

The Khoi Ky Project is considered the first Saemaul project in Vietnam. It was first proposed in 1998 and was implemented in 2001 for two years. It is the only government-to-government agreement to launch a pilot program in two Vietnamese villages—the Khoi Ky and Vihn Tranh communes. As it has been proposed and initiated from the national government of Vietnam, it is officially categorized as a Vietnamese project rather than South Korean KOICA project or ODA.106

I plan to examine only the Khoi Ky commune because of its location near Hanoi. The Khoi Ky commune is located in the Dai Tu district of Thai Nguyen province. It is approximately 150 km north of Hanoi. The Khoi Ky commune is composed of six villages with a total population of 1,900. The area heavily relies on local agricultural production, mainly rice and tea leaves, but also peanuts and corns. Annual production of

rice is 3.8 tons/ha and tea is 1 ton/ha. The average household income was USD 366 a year before the pilot project.\textsuperscript{107}

[Map: Khoi Ky, Dai Tu district, Thai Nguyen province, Vietnam]

There were two main purposes to this project: 1) to test Saemaul Undong's transferability in Vietnam\textsuperscript{108} and 2) to use the data from this project to formulate a national policy for the agricultural sector, as Saemaul Undong has been considered as an alternative model for rural development in Vietnam.\textsuperscript{109}

Below is a list of actors and organizations that officially participated in this Saemaul project:

From Vietnam:
- Ministry of Planning and Investment
- Ministry of Agriculture and Rural Development (MARD)

\textsuperscript{107} Ibid.
\textsuperscript{108} Chung, Ki Whan KREI, Personal Interview, on February 2, 2013
\textsuperscript{109} Lan, Vu Cong, “Head of International Cooperation and Project Management Division of NIAPP”, Personal interview, January 30, 2013
- National Institute for Agricultural Planning and Projection (NIAPP)
- Local governments including province government and district government
- People’s Committee members from province level, district level, and commune level
- Villagers

From South Korea:
- Korea International Cooperation Agency (KOICA), part of Ministry of Foreign Affairs and Trade
- Korea Rural Economic Institute (KREI)

The project consisted of two parts\textsuperscript{110}: 1) construction of infrastructures and diffusing advanced agricultural technology to improve living standards and to increase household income and 2) training and education via dispatching Saemaul specialist to Vietnam, and also inviting Vietnamese to South Korea to teach how the Saemaul Undong can be applied in the Vietnamese context, while also providing vocational training for villagers.

The Saemaul Undong in South Korea not only involved continuous support of the central government, but also villagers contributed a portion of their earnings to the movement, thereby developing a sense of ownership of the project. Having the feeling of ownership and contributing physical and capital investment to the project increases responsibility thereby making the project sustainable. Seeing this importance, KOICA demanded that not only should the Vietnamese government take part in this Saemaul project, but villagers, too, should also contribute in this project. Below is a more detailed description of each project:

\textsuperscript{110} KOICA, (2003), p. 622.
### Financial Input in Khoi Ky Project in 2001-2002, UNIT: USD

<table>
<thead>
<tr>
<th>PROJECT (PLANNED)</th>
<th>KOICA</th>
<th>VN GOVT</th>
<th>COMMUN</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Infrastructure Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Dike</td>
<td>29,113</td>
<td></td>
<td>45,642</td>
<td>109,498</td>
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<tr>
<td>Canal</td>
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<tr>
<td>Road</td>
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<tr>
<td><strong>II. Community Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Community Centers</td>
<td>15,533</td>
<td></td>
<td>3,866</td>
<td>19,399</td>
</tr>
<tr>
<td>Community beautification</td>
<td></td>
<td></td>
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<tr>
<td>Renovating village institution</td>
<td></td>
<td></td>
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<tr>
<td><strong>III. Improve Living Environment</strong></td>
<td>15,693</td>
<td></td>
<td>6,233</td>
<td>21,926</td>
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<tr>
<td>Kitchen</td>
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<tr>
<td>Toilet</td>
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<tr>
<td>Bath booth</td>
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<tr>
<td>Drinking well</td>
<td></td>
<td></td>
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<tr>
<td><strong>IV. Agricultural Development</strong></td>
<td>10,000</td>
<td></td>
<td>13,968</td>
<td>23,968</td>
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<tr>
<td>Improving irrigation</td>
<td></td>
<td></td>
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<tr>
<td>High yielding variety</td>
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<td></td>
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<tr>
<td>Agricultural inputs</td>
<td></td>
<td></td>
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<tr>
<td>Improve tea quality</td>
<td></td>
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<tr>
<td><strong>V. Socio-cultural Development</strong></td>
<td>3,300</td>
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<td></td>
<td>3,300</td>
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<tr>
<td>Education</td>
<td></td>
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<tr>
<td>Cultural activities</td>
<td></td>
<td></td>
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<tr>
<td><strong>VI. Health Care</strong></td>
<td>600</td>
<td></td>
<td></td>
<td>600</td>
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<tr>
<td>First aid bags</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bicycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>VII. Training &amp; Agricultural Extension</strong></td>
<td>9,800</td>
<td></td>
<td></td>
<td>9,800</td>
</tr>
<tr>
<td>TOTAL</td>
<td>74,239</td>
<td>55,442</td>
<td>58,810</td>
<td>188,491</td>
</tr>
<tr>
<td>RATIO OF ACTUAL TO PLANNED INPUT</td>
<td>110.5%</td>
<td>65.0%</td>
<td>87.7%</td>
<td></td>
</tr>
</tbody>
</table>

Although the Saemaul pilot projects had been more successful in the Vihn Tranh commune than Khoi Ky\textsuperscript{112}, still 80 to 90 percent of villagers said that the pilot project had

\textsuperscript{111} Chung, Ki Whan (2012, December 20) "Saemaul Undong Modeled Pilot Project; Community-Based Rural Development in Vietnam", p. 11. (unpublished: personally received from Dr. Chung of KREI on February 2, 2013)

\textsuperscript{112} KOICA, (2003), p. 630.
made a positive impact on their livelihood. Physical infrastructure such as canal, dam, and road pavement had overachieved its target because the local government prioritized this part, as it was already one of their domestic projects in the rural sector. However, the prioritizing of physical construction decreased the local government’s financial contribution in other areas of the Saemaul project. When I asked to visit the Khoi Ky commune in January 2013, the local government declined my request for a site visit. KOICA has not followed up since 2003, due to differences of interest and politics between the two countries. From interviews, it is believed that it is difficult to find any traces of the original pilot project; therefore, I believe that this pilot program was designed by the Vietnamese government to draft its national policy.

II. Testing the Hypotheses

**Hypothesis 1:** Politicians, unlike the common belief that their role is limited to rhetoric, not only initiate the sister agreement or MOU but also can make substantial differences in the degree of diffusion to the extent they show continuous commitment on the particular cases they initiated.

Politicians in this project proved to be the almighty, holistic director, especially in the socialist context, who direct from initiating to designing and implementing national policy. It was not widely reported in the media, but this first Saemaul project was initiated by former Prime Minister Do Muoi after his visit to South Korea in 1995. He saw the resemblance between Vietnam at that time and South Korea in the 1970s, and he

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114 Choi, Su Young “Policy Advisor of KOICA”, Personal interview, January 29, 2013. My reliance on KOICA for these sources needs further third-party verification.
promptly arranged a group of senior officials in Vietnam to appeal to South Korea for cooperation on Saemaul Undong diffusion.\textsuperscript{115}

This is a significant step that differentiates from customary subsidy-oriented development assistance because the main goal was to establish a ground step for current Vietnamese National Target Programme on the New Rural Development (NTP-NRD)\textsuperscript{116}. NTP is a nationwide policy and targeted program and NRD is one of many focuses in NTP that targets 2010-2020, where the national government set new standards for the rural villages to conform to. The goals are similar to those of the Saemaul Undong in South Korea: 1) to improve living standards and household income, 2) to conserve the environment, 3) to educate the farmers, 4) to maintain Vietnamese cultural values, and with additional socialist values, 5) to strengthen local officials' political competence. The government targets 20 percent of all communes and 50 percent of all villages in Vietnam to conform to the new rural standards by 2020.\textsuperscript{117} According to Dr. Vu Cong Nan at NIAPP, without continuous effort and grave responsibilities of the former prime minister and other senior officials at the national level, who are the driving engines of everything in the socialist state, today's NTP-NRD would not exist.

In 2011, the direct investment capital for NTP was USD 1.3 million, of which the national government subsidized USD 1.2 million and the local governments contributed

\begin{enumerate}
  \item Lan, Vu Cong, “Head of International Cooperation and Project Management Division of NIAPP”，Personal interview, January 30, 2013.
  \item Lan, Vu Cong. “Head of International Cooperation and Project Management Division of NIAPP”, Personal interview, January 30, 2013
\end{enumerate}
Politicians at the national level act as a holistic tool that initiates, orders, and determines sustainability of the Saemaul model. Vu Cong Nan even recalled the book that was created by NIAPP and KREI on Saemaul research and evaluating the pilot project, “the bible.”

Hypothesis 2: Local administrative officers in charge make substantial differences in the degree of diffusion to the extent that they are obliged by their role assignment to remain continuously committed to their task.

It is necessary to compare the two pilot projects in Khoi Ky and Vihn Tranh communes in order to examine the role of local administrative officers in the diffusion project. In the Vihn Tranh commune, it is recorded that the local government financially supported 102.3 percent and villagers contributed 161.7 percent in respect to its original plan. This led the Saemaul project in this area to be overachieved with 100 percent satisfaction from the villagers. Nevertheless, in the Khoi Ky commune, the local government financially supported only 65 percent and the villagers contributed only 87.7 percent relative to its original plan. KOICA assesses that this poor activity and outcome in the Khoi Ky commune is attributed to local government officials and administrators’ bureaucratic practice and a prevailing lack of interest. For example, it is recorded that the governor and vice governor of Vihn Tranh constantly visited the commune and even actively participated in night meetings with the villagers. These local governors’ enthusiasm positively influenced the villagers’ attitude by setting a good model.

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120 Chung, Ki Whan of KREI, Personal Interview, on February 2, 2013
Moreover, they also let the villagers decide what to do, and empowered the villagers. Through this process, despite the villagers in Vihn Tranh having lived in a socialist system for years, were still able to practice a form of democratic system within themselves and became more creative and, therefore, more involved with the Saemaul project.

However, in the Khoi Ky commune, the traditional authoritative behavior and lack of enthusiasm on the part of local administrators had a negative impact that actually cut the villagers’ and local government’s financial and physical contribution to the pilot project. Therefore, compared to Vihn Tranh commune, both input and output suffered.

The KOICA staff recognizes similarities in political culture between South Korea and Vietnam at the community level, namely, that it is common to see people practice autonomy under the guidance of a village headman. However, in a socialist country, this power of village headman is lessened by ruling officials, such as the People’s Committee of district and province level. Hence, villagers in Vietnam are accustomed to play a passive role in community activities. NIAPP, KOICA, and KREI officials consider Vihn Tranh as an extraordinary case of the ruling officials showing tolerance and a progressive attitude to the people. Because of the extraordinary case of Vihn Tranh, the national government chose it to be the role commune for local workshops, and the villagers shared their experience with neighboring communes in 2003.

Through this comparison, one can see a substantive difference in output depending on how much the local authorities are obliged to involve themselves in local activities. This variable not only affects the outcome of a project, but also the attitude of

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122 Ibid. p. 629.
123 Ibid. p. 633.
the direct beneficiaries. Local authorities are different from national leaders. They
directly influence and control the villagers while the national officials are focused on
more of a holistic approach such as overall consideration and making national policy. The
director of MARD emphasizes that the local authorities should rally their people to carry
out local projects even without the national government’s investment. He should also
recognize that building the villagers’ capacity is equally important and that this comes
from empowerment at the grassroots level. In sum, local authorities in this project proved
to be the determinants of the diffusion level, and the more they try to maintain their
socialist order and system at the commune level, the less they will be able to carry out
South Korea’s rural development model.

Hypothesis 3, which addresses the role of NGOs in the diffusion process, will be omitted
in this chapter because there was no NGO involved in the Khoi Ky project.

**Hypothesis 4:** External factors to the Saemaul diffusion agreement—such as the similar
nature of top down system of the two countries or minor actors whose names were not
prominent in the diffusion agreement or MOU—in fact make substantial differences or
produce significant impact on the degree of diffusion.

Top-down politics regardless of one’s political system is common in Asia. South
Korea and Vietnam—one representing democracy and the other socialism—share many
cultural, historical, and social characteristics. Because of this, both countries anticipated
Saemaul in Vietnam style—renamed as NTP-NRD—to be quite successful, despite the
different political systems. The effectiveness of the top down approach was evident just a
year after the implementation of the NTP-NRD. At the end of 2011,

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124 Duong Van To’s quotation from Tan (2012, July 31)
The objectives of building new rural areas have been integrated into resolutions of Party Congresses at all levels and created a movement among the Party and people. Moreover, the organization, apparatus, and contingent of carders of the program have been completed from the central to local levels and become more professional as they have gained experience in program implementation and resource mobilization and the picture on new areas have become clearer.125

The national government formulated 19 criteria on building a new rural area, each in standardized score of living standard and income level. Its program considers farmers as key subjects and emphasizes the community internal forces. The national government has “pledged to stand side by side with farmers to help them throughout the process to implement the program with a focus on financial support, production methods, and direction for rural development.”126 The Vietnamese no longer needs KOICA or KREI to assist them as they have found their way to revitalize the agricultural sector. The list of this 19-criteria for each commune is mounted on the wall of each community center, to motivate each commune to reach its goal.

The minor actors—whose names were less prone to appear in the initial project agreement—in the Saemaul pilot project are NIAPP and KREI. Both are independent research institutions that worked in partnership with each government. They are the ones who actually taught South Korea’s Saemaul Undong to the Vietnamese, investigated the Saemaul Undong, transformed it to fit the Vietnamese way, created the blueprint of this pilot project, evaluated it afterwards, and designed and proposed Vietnamese national rural policy to senior officials of the national government. Their roles and work should be differentiated from the trainees at the Saemaul Undong training center managed by the National Council of Saemaul Undong (NGO) in South Korea. This is one-on-one training

126 Hoa, Thu (2012, April 12)
between Vietnamese researchers and South Korean researchers over years. This is how Vietnamese were able to design a customized policy and program that was very much aided by continuous assistance from South Korean researchers.

The Khoi Ky project was a holistic approach of Saemaul Undong in Vietnam that was originally designed to reform its national rural policy. With impressive achievements as listed above, Vietnamese officials still need to acknowledge that the Saemaul Undong is about “lionizing the role of the farmer and championing rural communities.” They need to further strengthen communication to raise this awareness and redefine the objectives of NTP-NRD based on the villager’s perspective. In sum, they should let the people make decisions on their future.

CHAPTER 10. CASE 2: THE LIEN PHUONG PROJECT

There are numerous Saemaul diffusion projects led by South Korean non-governmental organizations, mainly by Saemaul Undong offices—the “headquarter” National Council of Saemaul Undong or a city branch. These projects tend to be smaller in scale, as most of NGOs only rely on independent fundraising. On the other hand, the National Council of Saemaul Undong and Gyeongsangbukdo (North Gyeongsang Province) Saemaul branch, as bigger organizations, receive partial funding from the government.

I visited the Gumi Saemaul office in South Korea in December 2012 and met Director Chung. Thereafter I visited the Lien Phuong commune, a beneficiary commune, and met local officers, doctors, and villagers in January 2013. The Lien Phuong

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127 Brennan & Duc (2012, November 16)
The Lien Phuong commune is in the Tuong Tin district, which is located about 35 km south of downtown Hanoi. The local population of the district is about 208,000 in 12.7 km². It is comprised of 29 small communes and villages.

The Lien Phuong commune received numerous Saemaul diffusion projects led by the Saemaul office in Gumi in South Korea, as it was the first international diffusion project undertaken by the Saemaul Gumi office, which was in 2001. Since 2001, the Gumi Saemaul office was able to conduct the Saemaul project until 2010, almost annually, in Lien Phuong and other neighborhood communes of Hanoi.

According to Director Chung, the main purpose of the Saemaul diffusion project from Gumi Saemaul office is to engage in people-to-people diplomatic activities between
Vietnam and South Korea. Below is a list of actors and organizations that officially participated in this type of Saemaul project:

From Vietnam:
- Secretary of the Communist Party, Representing Hanoi
- People’s Committee members from province level, district level, and commune level
- Director of the Health Center (MD)
- Villagers

From South Korea:
- Gumi Saemaul office
- GCS Viet-Korea Cooperation Center
- Vice Mayor of Gumi city

Below is procedure of how NGO-led Saemaul diffusion is initiated:

1. Gumi Saemaul contacts GCS Viet-Korea Cooperation Center once they accumulate enough funding for an international project, and if they decide Vietnam is an appropriate recipient country.
2. GCS Viet-Korea Cooperation Center sends a letter of notice to People’s Committee of the district level with the amount of aid.
3. People’s Committee of Hanoi finds the poorest commune based on the existing statistical data; contacts People’s Committee of a chosen district (Tuong Tin).
4. The designated district level of People’s Committee draws out a feasible proposal with the available funding.

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128 Chung, Dae-suk, “Director of International Division in Gumi Saemaul”, Personal Interview, January 24, 2013
129 Choe, Y-Kyo, “Director of VKCC”, Personal Interview, February 28, 2013
5. The proposal requires approval signature within the People’s Committee members—from the commune level to province level.

6. The signed proposal goes to the People’s Aid Coordinating Committee (PACCOM), the government administration of international NGOs’ operation.

7. The signed proposal goes to Gumi Saemaul office in South Korea via GCS Viet-Korea Cooperation Center.

8. The designated money goes directly to GCS Viet-Korea Cooperation Center and Director Choe (of GCS) hands over the fund to the assigned commune directly. The “processing fee” claims about 15 percent of the total fee.

9. Implementation of Saemaul diffusion project: delegation from South Korea visits the site after the project.

10. The evaluation form comes from Gumi Saemaul office to GCS; Director Choe conducts one-time evaluation and sends the form back to Gumi.

As of today, the Gumi Saemaul office has achieved the following: established a health center and a reading room, conducted cow banking, sent materials and supplements to the health center and reading room several times, and invited Vietnamese local officers and selected villagers to Gumi in South Korea for Saemaul sessions. The Gumi Saemaul office provided 100 percent of the financing, yet it did not visit the site during the diffusion process except in the beginning of the project to sign the MOU and at the end of the project for a ribbon-cutting ceremony. The villagers contributed human labor during the construction of health center and reading room, but not financially. The work of the villagers was calculated as labor cost and was subsidized as financial contribution. The local government did not financially contribute in this

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130 Chung, Dae-suk, “Director of International Division in Gumi Saemaul”, Personal Interview, January 24, 2013
131 Choe, Y-Kyo, “Director of VKCC”, Personal Interview, February 28, 2013
They regard the Saemaul project as an aid project. From the Gumi Saemaul office’s standpoint, the target country and the contents of international projects changed every year based on the amount of fund available for use. Therefore, this NGO-led type of Saemaul diffusion projects remained as one-time contribution and one-time donation of goods, without follow-ups or evaluation.

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Project Name</th>
<th>Budget (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Saemaul Health Center MOU fund</td>
<td>1,227</td>
</tr>
<tr>
<td>2002</td>
<td>Saemaul Health Center and medical supply</td>
<td>17,272</td>
</tr>
<tr>
<td>2003</td>
<td>Saemaul Reading Room</td>
<td>4,545</td>
</tr>
<tr>
<td>2004</td>
<td>Saemaul Reading Room expansion</td>
<td>2,272</td>
</tr>
<tr>
<td>2005</td>
<td>Medical supply and cow banking(^{134})</td>
<td>1,818</td>
</tr>
<tr>
<td>2007</td>
<td>Medical and book supply</td>
<td>2,500</td>
</tr>
<tr>
<td>2009</td>
<td>Medical supply</td>
<td>12,318</td>
</tr>
<tr>
<td>2010</td>
<td>Medical supply</td>
<td>4,545</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>46,500</td>
</tr>
</tbody>
</table>

I was able to visit the health center and the reading room built by the villagers and funded by the Gumi Saemaul office. On the other hand, visiting Vietnamese sites was more challenging. I was required to submit an official letter of request to each commune I planned to visit, citing legitimate reasons and submitting interview questions ahead of

\(^{132}\) Hanha, “People’s Committee member of Lien Phuong”, Personal Interview, January 29, 2013

\(^{133}\) Chung, Dae-suk, “Director of International Division in Gumi Saemaul”, Personal Interview, January 24, 2013

\(^{134}\) Gumi Saemaul office or VKCC buys 30 cattle (approximately USD 400-500 per cattle) and distribute each to a farming household and recover the amount after three years. Farmers either sell new cattle or sell the originally received cow at this point. This is uniquely sustainable that the NGO can repeat this in a different village every three years.
time. Furthermore, as I was chaperoned by local government officials throughout my visit, it was difficult to observe with confidence how these places operate daily. Doctors, nurses, and children I came across were more than willing to meet and greet me. Everything seemed to be pre-arranged to greet and welcome the outsider, especially one from the donor country. The two-floor health center cost approximately USD 15,000 for physical construction. The doctors said the health center is used accordingly. It is mostly used for basic needs and for emergency such as childbirth or seasonal vaccination. The patients have to pay for medicine so that the health center can continue its operation. While the local government officers knew or at least were familiar with the word “Saemaul Undong,” the villagers, children, and doctors did not know what Saemaul Undong meant. Even those who had heard of the term believed it is a name of a donor or sponsor from either China or South Korea. This indicated that the Saemaul Undong had not been diffused as originally intended.

II. Testing the Hypotheses

**Hypothesis 1:** Politicians, contrary to the common belief that their role is limited to the rhetorical, not only initiate the sister agreement or MOU but also can make substantial differences in the degree of diffusion to the extent they show continuous commitment on the particular cases they initiated.

In contrast to the Khoi Ky project, this NGO-led Saemaul diffusion project received minimal intervention from politicians. Politicians from neither country chose to take a proactive role. Nor did they play a key role in this NGO-led Saemaul diffusion

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135 A 24-hour notice letter is required for foreigners to visit a specific place (such as commune/district) and interview people in Vietnam. Also, local officers must be present with the visitor all times.
136 120 babies per year, according to a Dr. Tuyen at the health center, *Personal Interview*, January 29, 2013
137 Mostly students in elementary school, according to Dr. Tuyen at the health center, *Personal Interview*, January 29, 2013
project. They rather remained as rhetorical figures that visited the site before and after the launch of the project for public relations such as the ribbon-cutting ceremony. People's Committee members remember meeting the vice mayor of Gumi city, Mr. Nam, in the Lien Phuong commune when Gumi Saemaul officials came to sign the MOU.¹³⁸

Likewise, the Secretary of the Communist Party of Hanoi, Mr. Tien, visited South Korea in 2004 upon the Gumi Saemaul office’s invitation for Saemaul training sessions in Gumi city. It may appear, at first, that these friendly gestures by politicians from both countries have led to the building of amicable relations that facilitated the extension of the Saemaul diffusion for almost ten years. However, through process tracing, it was determined that the arbitrator between two countries was not a politician, but, in fact, an international non-governmental organization located in Hanoi. This will be described in hypothesis 3 below.

Hypothesis 2: Local administrative officers in charge make substantial differences in the degree of diffusion to the extent that they are obliged by their role assignment to remain continuously committed to their task.

Local administration officers—People’s Committee members of Hanoi,¹³⁹ of the Tuong Tin district, and of the Lien Phuong commune—decide on the location and work of the Saemaul diffusion project. They not only have the power to sign on the project proposal, but they also can restrict the outsiders’ activities—South Koreans NGOs—once they consider third party involvement to be intrusive.

Therefore, according to Director Choe of VKCC, one of the reasons that The Saemaul projects end as one-time donation without continuous or in-depth evaluation is

¹³⁸ Hanha, “People’s Committee member of Lien Phuong”, Personal Interview, January 29, 2013
¹³⁹ Ha Tay province has been incorporated into Hanoi.
that the People's Committee draws an upper ceiling on the foreigners' activities. It is these local administrators' responsibility to keep the aid project in their own hands, as the government enforcement is vital in a socialist country.

The People's Committee heavily relies on the orders of higher officials (especially People's Councils) as they were elected by the Councils. Local government is used to receiving aid and they do not have further interest than the aid project itself. Because of this responsive attitude, there is a lack of support to build autonomy among the communities. Staff from South Korean NGOs mentioned that it is impossible to diffuse “Saemaul” attitude in Vietnam the way it was disseminated throughout the village population in South Korea in the 1970s. Reforming people's attitude is a sensitive step in a socialist country as it may cause domestic revolution.

**Hypothesis 3:** Was the NGO-led Saemaul diffusion independent from either government? Has the project led by NGOs been more effective in terms of addressing the needs of Vietnamese communities than projects led by other actors?

There are two South Korean NGOs involved in this project—one is the Saemaul Undong office in South Korea and the other one is a branch of a South Korean international NGO named Global Civic Sharing (GCS) in Vietnam, which is called “Viet-Korea Cooperation Center” (VKCC).

The Gumi Saemaul office is independent of the South Korean government as it raises fund within its own district or city specifically for international Saemaul diffusion. However, since there is no Saemaul Undong office overseas, the Gumi Saemaul office would have to collaborate with and entrust certain responsibilities to VKCC, in view of the lack of information as well as the language barrier.

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The staffs requested to remain anonymous.
GCS is a non-profit, international development organization based in South Korea that provides development aid to disadvantaged communities in developing countries. It stresses sustainable development through educational and technology support, rather than fulfilling immediate needs through goods and fund. GCS’s program in Vietnam is operated by its branch VKCC, where it focuses on capacity building through vocational training and income generation through cow banking.

According to the chairman of GCS, Mr. Kang, the range of work that GCS does in Vietnam may overlap with the Saemaul Undong theme. However, GCS has no intention of diffusing the Saemaul development model in Vietnam. However, from my observation in Vietnam, VKCC is an influential key actor—or “the link” between Vietnam and South Korea—in the diffusion process of the Saemaul Undong.

VKCC operates on three levels: 1) contacting Vietnamese People’s Committee once Gumi Saemaul has collected appropriate funding to initiate the Saemaul project, 2) directly delivering money and materials from South Korea to the recipient commune in Vietnam, 3) conducting evaluation of Saemaul project on behalf of the Gumi Saemaul office.

The Saemaul NGOs in South Korea began to involve VKCC in their diffusion process for transparency and efficiency. According to staffs at the VKCC, before VKCC became involved with the Saemaul offices, the funds and donation given to Vietnam for

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143 Kang, Moon-kyu, the chairman of GCS, Personal Interview, February 4, 2013
Saemaul project disappeared and Saemaul officers would learn about this several years later due to the language barrier and lack of information on Vietnam.¹⁴⁴

Since VKCC has an office in Hanoi and is obligated to operate only within the Hanoi area according to its working contract, all the Saemaul diffusion projects that go through VKCC remain in Hanoi. When Director Choe notifies the People’s Committee of the district level with potential Saemaul project, he first contacts those Committee members whom he has been closely working with—a coterie created by Director Choe’s personal networking.¹⁴⁵

Through process-tracing interviews, it was found that Director Choe of VKCC is the most influential figure in the process of NGO-led Saemaul projects, especially when coming to a decision on the recipient community. Choe is also the one who conveys the message of Vietnamese local administrators to Gumi Saemaul officials—usually when the health center needs additional medical supplies. When Gumi Saemaul sends money to VKCC, Mr. Choe buys the medical supplies by himself and carries them to the health center, to avoid any accidental loss of money.¹⁴⁶

This shows how the Saemaul NGOs entrust VKCC and the gravity of VKCC’s responsibility in the process of Saemaul diffusion in Vietnam. Lastly, VKCC conducts evaluation on behalf of Gumi Saemaul officers. Often, the Gumi Saemaul staffs cannot come to Vietnam due to lack of financial resources to travel, and even if they come, it is difficult to conduct an effective evaluation due to the language difference.¹⁴⁷

¹⁴⁴ The interviewer requested to remain anonymous.
¹⁴⁵ Choe, Y-Kyo, “Director of VKCC”, Personal Interview, February 28, 2013
¹⁴⁶ Choe, Y-Kyo, “Director of VKCC”, Personal Interview, February 28, 2013
¹⁴⁷ Chung, Dae-suk, “Director of International Division in Gumi Saemaul”, Personal Interview, January 24, 2013
In sum, the diffusion process of NGO-led Saemaul projects may be independent of the South Korean government, but it is wholly dependent on the Vietnamese local government as all the international project must pass through People’s Committee and PACCOM. The government has the power to decide and control the degree of diffusion in the socialist state. Therefore, the aid project may be effective from the Vietnamese perspective, yet it may be less satisfying from the donor country’s standpoint as all facets of the diffusion process, from what to do and how much of it to do, are controlled by the recipient country.

**Hypothesis 4:** External factors to the Saemaul diffusion agreement—such as the similar nature of top down system of the two countries or minor actors whose names were not prominent in the diffusion agreement or MOU—in fact make substantial differences or produce significant impact on the degree of diffusion.

As described above, the nature of the socialist government makes substantial differences in the degree of diffusion. For example, the local government has control over the disclosure of information so it can decide on what to ask for in an aid project. They can also control and restrict foreigners’ activities. The difference between the national government and local government is that while the national government from the Khoi Ky project showed passion to learn and develop their own method, the local government from the Lien Phuong project just followed orders from the top officials and was reluctant to learn and transform their behavior, even though many had received Saemaul training sessions in South Korea. In this aspect, NGO-led Saemaul diffusion is more about one-time unilateral donation than the sharing of the Saemaul development model and spirit.
The “supposedly” minor actor in the diffusion process—VKCC—was more active than the Gumi Saemaul office. The VKCC staffs were more involved from the start, from preparing the project proposal to analyzing the impact of the Saemaul project. On the process of choosing a beneficiary district, bias based on VKCC Director Choe’s personal network came to the fore, as he would give notice of the South Korean aid project to only a Committee of a district familiar to him.

In sum, the NGO-led Saemaul diffusion project showed the necessity of re-defining, re-prioritizing, and differentiating what the Saemaul Undong development model is at the international level. This type of project reflected the rising voice within Saemaul Undong NGO offices in South Korea to revamp the system for more efficient international activities. Currently ongoing Saemaul projects are not so different from what other international NGOs are doing.148 The project also indicated the importance of having an expert in the targeted country, as the director of VKCC took on all the tasks that a properly trained Saemaul specialist would.

CHAPTER 11. CASE 3: THE LA BANG PROJECT

My third and final diffusion case is that made possible through a sisterhood agreement between two respective provinces in South Korea and Vietnam. The most noticeable projects of this nature are pursued by Gyeongsangbukdo (North Gyeongsang Province) in eastern South Korea. There are few Saemaul diffusion projects undertaken

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148 International NGOs such as Oxfam and Development Workshop, bilateral governmental organization such as JICA, and religious organizations share similar projects in the rural sector of Vietnam, according to an interviewer who requested to remain anonymous.
by provinces in South Korea.\textsuperscript{149} Amongst the few, Gyeongsangbukdo has the strongest pride in promoting the Saemaul Undong, as the province is the birthplace of the late President Park Chung Hee, who initiated the movement. This province is still considered a leading actor of the Saemaul Undong both on the domestic and international front. It is widely recognized within South Korea as taking the most active role in Saemaul projects. Of all the provinces in South Korea, Gyeongsangbukdo spends the highest share of the local government budget annually on Saemaul projects.

From 2005 to 2007, Gyeongsangbukdo led a series of Saemaul project in the La Bang commune of the Dai Tu district, Thai Nguyen province, which is located in the same district as the Khoi Ky commune as described in Chapter 5. It is about 3.5 hours north of Hanoi by bus. The population of the La Bang commune is approximately 3,750, and is composed of five minor ethnic groups.\textsuperscript{150}

[Map: La Bang, Dai Tu district, Thai Nguyen province, Vietnam]

\textsuperscript{149} They are Gyeongsangbukdo, South Chungcheong Province, Gyeonggi Province, Jeju Province, and Seoul (special self-governing capital), according to Lee, Kyungwon, "Director at Gyeongsangbuk Saemaul office", personal interview, February 4, 2013

\textsuperscript{150} Tung, Tran, “Section Chief of Dai Tu district”, Personal Interview, February 1, 2013
A Saemaul pilot project was first requested by the former Prime Minister of Vietnam, Phan Van Khai, to the governor of Gyeongsangbuk-do, Lee Eui-geun, in 2003. La Bang was chosen to be the recipient commune because its economic and agricultural structures were very similar to those of South Korea in the 1960s.\textsuperscript{151} The main purpose of this particular project was to provide the basic social infrastructure to the La Bang commune so that the villagers could have better living standards with increased income. The La Bang project was led and heavily subsidized by the government of Gyeongsangbuk-do.\textsuperscript{152} Therefore, it is categorized as a local government activity.

\textsuperscript{151} Jae-sung, Hwang (2006, June 16)
\textsuperscript{152} Gyeongsangbuk province financially subsidized approximately 74 percent of the Saemaul Meeting Hall construction in La Bang commune, according to: Lee, Kyungwon, “Director at Gyeongsangbuk Saemaul office”, personal interview, February 4, 2013
Nevertheless, it was still implemented in cooperation with the Gyeongsangbukdo Saemaul Office. This NGO contributed partially, with individual donations and the donation of goods such as clothes, home appliances, and school supplies, as well as voluntarily assisting Vietnamese when they visited the North Gyeongsang Province for Saemaul training sessions.\textsuperscript{153}

Below is list of actors and organizations involved in this La Bang Saemaul project:

From Vietnam:
- Prime Minister of Vietnam
- Thai Nguyen province governor
- Dai Tu district country governor
- Local administrators of Thai Nguyen province
- People’s Committee of province level, district level, and commune level
- Villagers

From South Korea:
- Governor of Gyeongsangbuk province
- Gyeongsangbuk Saemaul office
- Saemaul Academy in Kyungwoon University

Below is a table of the Saemaul project contents in the La Bang commune:\textsuperscript{154}

\textsuperscript{153} Lee, Kyungwon, “Director at Gyeongsangbuk Saemaul office”, personal interview, February 4, 2013
\textsuperscript{154} based on resources received from Lee, Kyungwon “director at Gyeongsangbuk Saemaul office”, February 4, 2013
<table>
<thead>
<tr>
<th>Year</th>
<th>La Bang Saemaul Project Content</th>
<th>Cost (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Saemaul Meeting Hall</td>
<td>115,000</td>
</tr>
<tr>
<td>2005</td>
<td>Agricultural Machine &amp; Cement</td>
<td>176,000</td>
</tr>
<tr>
<td>2005</td>
<td>Road Improvement &amp; Facility Replacement</td>
<td>Unknown</td>
</tr>
<tr>
<td>2005-2006</td>
<td>Health Center</td>
<td>100,000</td>
</tr>
<tr>
<td>2005-2006</td>
<td>Saemaul Undong Training Session (40 officials and village leaders)</td>
<td>32,000+</td>
</tr>
<tr>
<td>2006-2007</td>
<td>Elementary School</td>
<td>Unknown</td>
</tr>
<tr>
<td>2007 ~</td>
<td>Voluntary Services/Saemaul Training</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

While the cost of design and supervision, and other administrative processes were covered by the North Gyeongsang Province, the Thai Nguyen province would cover other extra costs. The villagers of the Lang Bang commune would provide their land and their labor.

According to the head of the La Bang commune, the Saemaul project helped to transform a neglected area where they could not even think about hygiene and sanitation. It used to be a completely deteriorated commune back in 2005, where houses would barely shelter people from rain. Today, the La Bang commune is entitled “Wealthy Commune” by the local government and is no longer eligible to receive government subsidy. When I visited the commune in January of 2013, the overall condition was spectacular, especially when compared to other villages I have visited. The streets were clean and the houses and buildings—the health center and elementary school—were well built with signs of excellent maintenance. This impressive result was also complemented

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155 Done by setting a bank account in Dai Tu of Vietnam.  
156 Jae-sung, Hwang (2006, June 16)  
157 Ibid.
by the current NTP-NRD (National Target Programme-New Rural Development), which created a synergy effect to further improve the commune and make it sustainable.

It is difficult to assess the impact of the Saemaul project solely because 1) it is impossible to acquire a post-project evaluation done by Vietnamese government officials due to their policy and political characteristic, 2) the evaluation undertaken by Gyeongsangbukdo was not done by a comparative study of measuring poverty or health index with numerical value. For instance, the evaluation reflected the satisfaction level of villagers and local officers within the range from 0 to 7 on the Saemaul project: it was not an accurate form of evaluation. It was only verbally confirmed that the diffusion project was considered as “very successful” by both parties.

II. Testing the Hypotheses

**Hypothesis 1**: Politicians, contrary to the common belief that their role is limited to the rhetorical, not only initiate the sister agreement or MOU but also can make substantial differences in the degree of diffusion to the extent they show continuous commitment on the particular cases they initiated.

As in the Khoi Ky project of 2001, the impetus came from the central government, namely, when the former Prime Minister Phan Van Khai personally requested Governor Lee for his support on Saemaul pilot program in 2003. He was concerned about Vietnam’s development process particularly in the agricultural sector. While the country is primarily an agrarian society, recent industrialization has been putting pressure on the rural economy and a rapid shift of population to urban centers has been aggravating the situation. Phan Van Khai is known to be the key figure of Vietnam’s reform and

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openness policy during the period of 1997-2006.\textsuperscript{159} When he gained verbal agreement with Governor Lee, he introduced the Governor of Thai Nguyen to Governor Lee. The two provinces signed a Memorandum of Understanding (MOU) in 2003, a bilateral agreement that does not imply a legal commitment. Later, in 2005, the provinces signed a legal protocol and sisterhood pact, and the Saemaul project started the same year.\textsuperscript{160} This crucial role of the Prime Minister is not openly reported—although it is very much worth highlighting.

Most importantly, and more than anyone, Governor Lee of Gyeongsangbukdo had a tremendous impact in the diffusion of the Saemaul project. His ready willingness to support a rural commune in Vietnam came from his strong belief and pride in the Saemaul Undong.\textsuperscript{161} Lee started working for the government under former President Park Chung Hee in 1978. Under the Park regime, Lee was in charge of the ongoing Saemaul Undong movement in the late 1970s.\textsuperscript{162} According to interviews, Governor Lee was a genuine believer in the Saemaul Undong. He had witnessed how this rural movement reduced poverty significantly even in the most neglected villages in South Korea. This strong belief is reflected in his career. After serving as governor of Gyeongsangbukdo for fifteen years, Lee became the Chairman of the National Council of Saemaul Undong in 2008.\textsuperscript{163} He emphasized the importance of reestablishing Saemaul Undong of the 21\textsuperscript{st}

\textsuperscript{159} He is the first Prime Minster to visit the United States and issued a joint statement with President Bush in 2005. He also attracted many powerful foreign investors for Vietnam's economic growth.
\textsuperscript{160} Duyen, Vice Secretary of La Bang commune, Personal Interview, February 1, 2013
\textsuperscript{163} Choi, Jae-wang, (2008, October 20)
Century, which should concentrate on international activities—the diffusion of the Saemaul Undong.

Governor Lee visited the La Bang commune in 2003. The site triggered memories of South Korea during the 1970s, and Lee saw the potential of applying the Saemaul model in this commune. He also knew it would be better to support and focus on one specific commune rather than branching out to other communes in Vietnam. Therefore, he brought the idea of sisterhood pact that would not only extend the Saemaul diffusion period in the Thai Nguyen province, but also legally ensure a portion of annual North Gyeongsang government budget for this Saemaul diffusion project.164

This is what differentiates this particular project from the NGO-led Saemaul project in Lien Phuong. Saemaul NGOs often face difficulties in terms of locating and securing sufficient funding for international activities. This often makes NGO-led project a one-time construction project. However, securing a partial government budget to a specific project is promising in terms of concentration, effectiveness, and sustainability. For example, in 2005, USD 940,000 of the local government budget was reserved for Saemaul initiatives. This was approximately 0.5 percent of the total annual budget.165 According to my interview with Director Ahn at the National Council of Saemaul Undong, “the most important factor regarding Saemaul projects—domestically and internationally—is the willingness and passion of the head of local government. If he or she has no interest, then the Saemaul Undong would never take off and be diffused. The amount of government budget reserved for Saemaul activity also heavily depends on the

164 Lee, Kyungwon, “Director of Gyeongsangbuk Saemaul office”, Personal Interview, February 4, 2013
165 According to the resources received from Lee, Kyungwon, Director of Gyeongsangbuk Saemaul office, February 4, 2013
willingness of the governor. Saemaul Undong is a powerful brand representing the North Gyeongsang province.\textsuperscript{166} It can be a powerful tool that can link the province to the international community.\textsuperscript{167} So, each year when the province’s budget is calculated, the Saemaul Undong is always on the top priority list. As of today, there are 33 Saemaul diffusion projects undertaken in Vietnam by Saemaul NGOs and South Korean provinces.\textsuperscript{168} Gyeongsangbukdo contributes to 18 percent of these projects. Including Gumi city, which is in Gyeongsangbukdo, the two local governments represent more than 39 percent.\textsuperscript{169} This illustrates how the enthusiasm of leaders can make a difference in the diffusion process.

**Hypothesis 2:** Local administrative officers in charge make substantial differences in the degree of diffusion to the extent that they are obliged by their role assignment to remain continuously committed to their task.

Although the impetus may come from the national-level politicians, the provincial authorities initiate the demands. The Thai Nguyen province officers took the initiative once the two provinces signed the sisterhood pact. They prepared for the project and developed its own proposal based on consultation with the People’s Committee and designated the La Bang commune as the location of the pilot project.\textsuperscript{170} They decided what is needed in the commune—without any third party’s intervention—and directly requested the Gyeongsangbukdo office for what was needed. South Korean officials and

\footnotesize{\textsuperscript{166} Gyeongsangbuk province is the hometown of late President Park.  
\textsuperscript{167} Ahn, Chul-kyoon, “Director of International Cooperation Department of National Council of Saemaul Undong”, personal interview, January 21, 2013  
\textsuperscript{168} Refer to Table 1 in Tables and Figures section  
\textsuperscript{169} According to the resources received from Lee, Kyungwon, “Director of Gyeongsangbuk Saemaul office”, February 4, 2013  
\textsuperscript{170} Duyen, Vice Secretary of La Bang commune, Personal Interview, February 1, 2013}
staffs from Gyeongsangbukdo government or Gyeongsangbukdo Saemaul Office visited the project site only for MOU signing or ribbon-cutting ceremony.\textsuperscript{171}

This gave more opportunity to Vietnamese local authorities to control the content of the projects after one another. This has both advantages and disadvantages. First, local people have the best knowledge about their commune. Their consensus on what is the most needed for specific village development can be a better guide than outsiders’ opinion. For example, 70 percent of the La Bang population is involved in tea production, and today, the cost of local tealeaves has risen 3.5 times, while tea growers’ income has tripled or even quadrupled to more than USD 19,000 per year per hectare.\textsuperscript{172} This would not have happened if the Vietnamese local authorities did not constantly request the authorities in Gyeongsangbukdo to share their advanced technology on tea cultivation over several years.\textsuperscript{173} This was one of the critical factors that contributed to increasing La Bang tealeaves production. On the other hand, a potential disadvantage of having no intervention from outside sources in the process is that it can leave the rural sector short-sighted and poorly guided. Corruption may be carried on without any attempt to address it. Also, if Saemaul experts did not become involved in designing and overseeing the process, it would be difficult to assess whether the project has been implemented in a “Saemaul” way, which is a common nagging question in the case of Vietnam.

Today, as Vietnam implemented NTP-NRD in 2010, it is the local government’s responsibility to manage, intervene in, and annually assess the progress of each

\textsuperscript{171} according to the pictures taken at the Saemaul Meeting Hall and at the elementary school
\textsuperscript{173} Tung, Tran, “Section Chief of Dai Tu district”, personal interview, January 29, 2013
La Bang commune was nominated as an exemplary village with the distinction of "Best Village" in the province, one that had completed 12 out of 19 targeted goals of NTP-NRD. These goals include social infrastructure indicators such as education system, post office, income level, head count of poverty, production level, health index, safety, etc.\textsuperscript{175}

The La Bang commune aims to reach all 19 goals by 2015. Local officials I have interviewed seemed to be very proud of their commune and were very confident that they would remain as the leading commune of NTP-NRD. The Section Chief of the district told me, "Villagers can now pay for their children’s education, feel more secure than ever, and no longer live in poverty".\textsuperscript{176} They boasted how La Bang motivates other communes and villages to be like them.

**Hypothesis 3:** Was the NGO-led Saemaul diffusion independent from either government? Has the project led by NGOs been more effective in terms of addressing the needs of Vietnamese communities than projects led by other actors?

Although the project was a government-organized project, the Gyeongsangbukdo Saemaul NGO still participated in the project. But its activity was not independent of the government. NGO members would have to report all their plans and activities. They considered this as cooperative operation with the Gyeongsangbukdo authorities.\textsuperscript{177}

\textsuperscript{174} Who also served as Vice Governor of Thai Nguyen province
\textsuperscript{176} Tung, Tran, “Section Chief of Dai Tu district”, personal interview, February 29, 2013
\textsuperscript{177} according to Lee, Kyungwon, “Director of Gyeongsangbuk Saemaul office”, Personal Interview, February 4, 2013
In La Bang, Saemaul NGO members would provide voluntarily vocational and Saemaul Undong training to villagers. A few members even made financial contribution to the project. All the Saemaul NGO members who went to the La Bang commune were self-supported.

So why are NGO people this active? There are about 251 Saemaul Undong NGO branch offices throughout South Korea, and these are still considered as very powerful and influential civil society organizations, especially in the rural sector. Serving as a president or vice president at a local Saemaul NGO has become a ritual for many politicians and high-ranking public administrators in the rural sector in the lead-up to running for public election. Therefore, certain Saemaul NGO people would commit themselves in major projects financially and physically to become recognized as a public figure.

**Hypothesis 4:** External factors to the Saemaul diffusion agreement—such as the similar nature of top down system of the two countries or minor actors whose names were not prominent in the diffusion agreement or MOU—in fact make substantial differences or produce significant impact on the degree of diffusion.

Two factors outside the government attributed to the success of the La Bang commune. One is the Saemaul Academy at Kyungwoon University in South Korea, and the other is current NTP-NRD program in Vietnam: Kyungwoon University works as a partner to Gyeongsangbukdo in international Saemaul training, in which it is financially supported by the province.

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When the Vietnamese officials and villagers visit South Korea, they would be registered at the Saemaul Academy. Saemaul Academy is distinctive in a way that the program only accepts representatives from one country at a time, to provide them a customized Saemaul training for a week. As of today, 53 Vietnamese representatives have received the training on three occasions, from 2006 to 2009. Moreover, the visitors from Vietnam would be registered to homestay with local Korean farmers. This provides the Vietnamese the opportunity to be exposed to new agricultural technology. Mr. Tran Tung mentioned that the Vietnamese visitors were amazed at some South Korean farmers who were selling agricultural goods—like melon—online. A South Korean expert was later invited to La Bang to introduce this online shopping mechanism.

The second factor that contributed to the success is the current Vietnamese nationwide NTP-NRD program. The implementation of NTP-NRD had a significant impact in terms of management, sustainability, and transmission of rural development on the national level. In this way, the Saemaul Undong of the 1970s in South Korea is very much aligned to the general objectives of the NTP-NRD. NTP-NRD is a holistic, cross-sectoral, and integrated approach that “requires participation of diverse stakeholders, policy improvements and numerous actions,” under a socialist orientation. Below is a table of general targets of the program in order to define new rural commune, district, and province:

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180 Tung, Tran, “Section Chief of Dai Tu district”, personal interview, February 29, 2013  
In its multi-sectoral approach, the financing for the program comes from various sources, mostly from national and provincial state budget resources and from the business and cooperative sector. The Ministry of Agriculture and Rural Development (MARD) takes the key responsibility of implementation and monitoring with other relevant ministries. The program sets up a Provincial Steering Committee for each province and steering committees at each district and commune level. The local government designs innovative ways of intervention to expand the rural program into a nation program. It is known to be “implemented through a developed and decentralized process” for capacity building for provincial and district level authorities. The Saemaul pilot project in the La Bang commune gave such incitement to the commune, that immediately following the last official diffusion project in 2007, the commune was able to maintain and further

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182 Asia and the Pacific Division Programme Management Department (2010, September) p. 47.
183 (the governmental budget resources take approximately 40 percent and the business sector takes approximately 30 percent of total finance for the program), Ibid. p. 48.
184 Ibid. p.15.
develop with active participation by the local authorities and villagers under the national program.

The most recent major Saemaul Undong diffusion project in Vietnam is that in the La Bang commune. South Korean representatives claim that there will be no more Saemaul Undong diffusion practice (except for smaller cases such as voluntary activities led by Saemaul NGOs for fostering a friendly relationship) in Vietnam because the recipient country is no longer identified as a less-developed country. Moreover, Vietnam’s rural sector has been so ably guided by the national and local government; the country is in transition to a market economy.

In the final chapter, I will summarize what was observed based on the cases in Vietnam under the four hypotheses, what was significant in the diffusion process, what was missing, and what should be done to complement the future roadmap of Saemaul Undong diffusion practice from South Korea’s perspective.

CHAPTER 12. SUMMARY OF THE STUDY

So far I have described three Saemaul diffusion projects in Vietnam that were, respectively, led by the central government, local government, and a regional NGO office in South Korea. Within this context, I have observed how each actor that was involved—politicians, the local authority, NGOs and other external factors—with his influence degree of diffusion. Saemaul diffusion from 2001 to 2010 also corresponds to the chronology of the Vietnamese policy toward rural development; namely, in the initiating, designing, and implementing process of the NTP-NRD. From these three cases, I draw

185 Interviewers requested to remain anonymous
the following conclusions on the influence and limitations on the role of actors and organizations:

1) Politicians: Politicians from the recipient country proved to be the most influential and powerful at the point of initiation as well as the extension of the Saemaul project, especially when they have the means to exercise control over the project. Because it is the senior officials’ responsibility to oversee the project, they are highly committed in the process of diffusing the aid project. They retain leverage that differentiates the development project from customary subsidy-oriented assistance through empowerment of the local stakeholders and incorporating the project to their own national policy. Two former prime ministers of Vietnam frankly asked South Korea for aid projects when they sensed the urgent need of rural development in Vietnam. As was the case in the Khoi Ky project, when the national government takes the step of overseeing the implementation of the budget, the local administration and villagers also follow in their footsteps and contribute—financially and physically—to the project. This induces the aid project to become a participatory process.

However, when politicians are not involved in the diffusion of the aid project as stakeholders, as was the case in the NGO-led Lien Phuong Project, politicians from both the donor and recipient countries are relegated solely to the role of public relations, whose only job is to sign the contract and appear with their staff at the ribbon-cutting ceremony. They do not take any other responsibilities. It appears that politicians from the two countries merely visit each other’s region as a formality and with no significant purpose. However, it appears that their numerous visits have built up amicable bilateral
relations and trust over time, which has facilitated the implementation of the Saemaul project over a long period, as in the Lien Phuong Project.

2) Local authority: The impetus for an international aid project may come from the national level, but once the initiation phase begins, the decision making takes place at the local level, by the local government of the recipient country. This has proved to be the case no matter who initiates the aid project. Local authorities—People’s Committee at the provincial, district, and commune level—decide which commune to be recipient and what the needs of that commune are. These local authorities conduct an internal examination and design the aid project proposal, after which they submit the proposal to the donor country. Due to the strict socialist top-down system, the local authorities in Vietnam have the power to cut off the aid project when foreigners become too involved in the process. According to South Korean staffs and officials,¹⁸⁶ this dynamic often puts a cap on the scope of the project. For example, the Saemaul Undong diffusion is prone to ending up as a one-time relief project rather than being diffused and extended as a sustainable model. Saemaul Undong stresses on modifying the farm community’s individual and collective attitude; that is, instilling in each person a positive, “can-do” spirit. However, under such restrictive conditions, it is almost impossible to diffuse the “New Village” attitude, as such efforts often run up against a wall of socialist tradition.

The attitude of the local authorities directly bears on that of the villagers, which has a direct impact on the likelihood of success of the aid project. The observed attitude and behavior of the local authorities ran the gamut: The authorities either abided by

¹⁸⁶ Most of Korean officials and staffs I have interviewed professed this view.
entrenched bureaucratic practices without much interest in learning the foreign development model or they were very much interested in learning and stayed closely involved in the process with enthusiasm. Either way, the behavior of local authorities directly influences those of its villagers. Ultimately, it has a direct impact on the success and sustainability of the aid project.

This I perceived from a comparison of the Khoi Ky and Vihn Tranh communes. The more interest the local authorities have, the more contributions they make. For example, the Vihn Tranh governor and vice governor constantly visited the commune, even at night, to meet the villagers and South Korean experts. This spurred the villagers' brainstorming sessions and led to greater creativity in the process. Development, after all, is at the core about encouraging the people to think in new ways and changing their attitude. Practicing democracy within a small community imbued the villagers with a strong sense of stewardship. It certainly bore on the positive attitude of the villagers and the 100 percent of satisfaction at the project professed by both the villagers and local administrators. In contrast, the Khoi Ky local authorities remained in their traditional bureaucratic mold and showed a lack of interest in the project. They made little effort to meet their financial term as set in original plan. This kind of apathy was also reflected in the villagers' attitude. The villagers contributed even less labor than as set in the original plan and ultimately did not maximize the potential of the Saemaul project.

My examination of the local authorities parallels the role of "street-level workers" described by Michael Lipsky, in his book *Street-level Bureaucracy: Dilemmas of the Individuals in Public Services* (1980). Lipsky emphasizes the important role of street-level workers in public service. In his book *Street-level Bureaucracy: Dilemmas of the*
Individuals in Public Services, Lipsky describes “street-level bureaucrats” as people who work in street-level bureaucracies such as “schools, police, and welfare departments, lower courts, legal services offices, and other agencies whose workers interact with and have wide discretion over the dispensation of benefits or the allocation of public sanctions.” They are the real implementers of public policy as they interact with citizens on a daily basis. However, they are often overburdened by various challenges such as limited resources, the need to meet ambiguous agency goals, and following organizational hierarchical structure that restrict their daily performances. The effect of such common constraints are undermining their potential task and, in fact, even the rerouting the intended direction of policy. What needs to be done, Lipsky asserts, is to improve the process to bring these street-level bureaucrats’ performances more in line with agency goals, delivering public policy without distorting or undermining its original intention. Particularly, the cases of the Khoi Ky and Vihn Tranh communes directly reflected Lipsky’s assertion on the role of street-bureaucrats. The local authorities in Vietnam are “street-level bureaucrats,” who manage the villagers’ daily activities and have substantial impact on the degree of Saemaul diffusion that they directly impact the villagers’ attitude and their level of participation in the project.

3) NGOs: Saemaul Undong in South Korea, which started as a government-led movement, officially became a non-government organization-led movement in the late 1990s. The Republic of Korea National Council of Saemaul Movement, the umbrella

188 Ibid. pp. 41 & 165.
organization of the movement, is a member of the UN Department of Public Information (UNDPI) and United Nations Economic and Social Council (ECOSCO). While the Saemaul Undong council is a representative NGO with an extensive history, my observations from Vietnam pointed to some systemic weaknesses and limitations of NGOs in its international operation. On the other hand, some of their work in Vietnam showed competency compared to other projects undertaken by different actors.

The problems associated with Saemaul NGO activities in Vietnam include the lack of financial resources, absence of regional expertise, and poor organization.

Since all international activities are self-funded by each regional NGO offices, there is always the issue of money. Financial resource in aid project is critical because it has a direct influence on the project’s efficiency and sustainability. As observed, most projects led by the Saemaul NGO of Gumi city are short on funding; in several cases, the NGO did not even have the funds for NGO personnel to visit the site during the diffusion process or for project assessment. It seemed that NGOs are prone to initiating an international project once they collect just enough money to proceed on the first step, for example, of constructing a building, even without any further guarantee of the funding for the next step.

The lack of expertise and long-term funding on the part of the NGO usually meant that the projects initiated were a short-term or even a one-time relief operation without much “Saemaul Undong” significance attached to them. The Saemaul Undong council in South Korea does not have any staffs with international specialty, so it has been difficult to communicate with or even collect data about the recipient country. This may have

empowered the local authorities to take control over the project. Letting the recipient country to draft proposals without any intervention during the process is different from a collaborative or participatory aid project. The Saemaul Gumi NGO handed over their task to another South Korean NGO located in Vietnam, VKCC, for communication with Vietnamese officials. This kind of lack of oversight and expedient delegation of power proved deficient, from the initial delivering of the funds for the project to and post-project assessment.

The Saemaul NGO in South Korea also lacked field experts who could diffuse the core lessons of the Saemaul Undong on-site. The Saemaul Undong in the 1970s in South Korea was about the process of participation and empowerment of the farmers. In South Korea, the national government distributed materials and let the villagers decide what to do with them, and later the government would reward successfully transformed villages, thereby making the process competitive and effective. This core lesson was not reflected in the Saemaul NGOs' work in Vietnam. Even if the Saemaul NGOs provided “Saemaul Undong” training sessions in South Korea, this would be very different from on-site training in terms of integrating the ideas and knowledge at the local level and making the development aid sustainable.

Lastly, I observed that the Saemaul NGOs in South Korea are often not well coordinated in international activities. There seems to be no global manual with basic guidelines for international Saemaul diffusion practices. This also corresponds to the poorly defined role of Saemaul NGOs. For example, the Saemaul NGO’s role in a provincial sisterhood project is different from that in the NGO-led Lien Phuong project.
In spite of the weaknesses and limitations above, some of the smaller-scale projects carried out by NGOs, such as cow bank, vaccination, and then provision of medication, proved to be competent and viable, and which are still in operation today. This is because the projects demanded that the villagers pay for what they get. The villagers had to save money to repay for the endowment in three years for the cows, and the health care centers charged villagers for vaccination shots and medications so that the health center staffs can buy more medicine and continue serving the people. In other words, in this instance, the villagers had become partial stakeholders.

My examination of Saemaul NGOs in Vietnam parallels the roles of NGO as aid providers in the secondary source literature. According to research by UNRISD, NGOs may be less successful at more complex intervention, but they perform better when they have built up expertise, as in delivering local-level services. NGOs face limitations, as they cannot provide a broader framework for action such as policy direction. NGOs are often not very good at coordinating with each other or even with the state for determining the operational scale and costs. When comparing works done by NGOs and the state, whichever with more money for the project seem to provide better quality services.

4) Other elements: First, I observed that long-term collaborative study by research institutions from both countries would likely yield the most effective form of foreign aid. There are the real workers formulating Vietnamese national policy, especially the NTP-NRD. And national policy is the ultimate goal of development assistance. The recipient country must stand by itself for further development. Furthermore, research by scholars

seemed to be more effective than short-term Saemaul Undong training sessions held in South Korea either by the National Council of Saemaul Undong or the local university.

Second, I observed that inherent socialist characteristics, such as strict top-down command, seem to hinder reform and further advancement. Moreover, changing the local authorities’ behavior or the villagers’ attitude proved to be a tall task in view of the cultural differences and political impediments.

CHAPTER 13. A Roadmap for Future Saemaul Undong Diffusion Projects

All the Saemaul diffusion projects to Vietnam are categorized as foreign aid, not ODA. South Korea officially joined as a DAC member of the OECD and became a donor country in 2009. In December 2010, South Korean Prime Minister Kim Hwang-sik announced that he would form a special task force for Saemaul Undong diffusion, and specifically for ODA. Kim also increased the portion of ODA budget for the Saemaul Undong. Prime Minister Kim recognized the importance of branding South Korea's unique development model, and the need to disseminate it to developing countries more efficiently and systematically.191

What should be recognized, in addition, is that today’s developing countries may face greater challenges than South Korea in the 1960s. Today, there are more complicated and stringent requirements imposed on the developing countries by the advanced world. According to UNIDO (UN Industrial Development Organization), “poorer developing countries may find it much harder under current conditions to foster industrial development and structural change than earlier generations of states that hauled

themselves out of poverty, like the so-called Asian tigers.” The new challenges that today’s developing countries face include “integration into global value chains, the shrinking of policy space in the present international order, the rise of the Asian driver economies, new opportunities provided by resource-based industrialization, the accelerating pace of technological change in manufacturing, how to deal with jobless growth in manufacturing, creating adequate systems of financial intermediation, and how to respond to the threats of global warming and climate change.” Moreover, many developing countries are bound by multilateral and bilateral trade agreements that provide insufficient attention to the developing countries’ particular financial needs and are drafted and customized by the rich countries. The developing countries’ lack of experience in multilateral and bilateral negotiations and lack of knowledge of how they would be affected by the rich countries’ demands often place these developing countries in a vulnerable position. Therefore, these new challenges require new thinking by policymakers, scholars, and international development experts so that change that would actually allow for the socioeconomic development of the third world can take place.

So far, the Saemaul Undong has been well received in the recipient countries as foreign aid particularly in the development of farming and fishing villages. However, the overall diffusion process was far from effective because these projects were implemented

193 Ibid.
without interdepartmental liaison. This led to the projects being dispersed with overlapping aid funds. In the absence of a central division that oversees international Saemaul Undong activities of the South Korean government, local government, and Saemaul NGOs, inefficiency was almost preordained. Fortunately, the task force team that the South Korean government formed in 2010 is now in liaison with 11 other associated departments and institutions in South Korea with expertise in ODA, rural development, Saemaul Undong, and specialized skills in farming and fishing, with the Prime Minister’s Office as the head office for Saemaul Undong ODA.

As of today, Rwanda and Laos are chosen to be demonstration project locations and the investigation team formed by the South Korean government has already conducted field survey. Prime Minister Kim announced that the Saemaul diffusion projects in these countries would start in late 2012.

Based on my observations in Vietnam, I would argue that the Saemaul Undong diffusion process should be managed by the South Korean national government via bilateral aid in ODA, while providing the recipient communities with incentives to remain fully involved in the process. KOICA should execute the diffusion project as this organization can best deliver direct assistance through its regional offices in many developing countries, with regional experts. The diffusion work should still be implemented in collaboration with the National Council of Saemaul Undong, as NGOs already have wide-ranging experiences in Vietnam.

195 Ibid.
Analyzing the success and failure of past practices at the micro-level would help South Korea deliver “glocalization” to the target regions. KOICA’s collaboration with the National Council of Saemaul Undong would deepen the significance of “Saemaul Undong,” intensify rural development expertise, and reduce duplication of aid since smaller projects that were NGO-led. This would increase efficiency. The newly inaugurated President of South Korea, Park Geun Hye, is the daughter of the late President Park Jung Hee. Should the new South Korean leader revive the legacy of her father, it is anticipated that the Saemaul Undong may become a global model of development aid diffusion. With impetus from the government, South Korea’s “New Village Movement” of the 1970s would be diffused more effectively than ever to agricultural sectors in developing countries for implementing sustainable projects that promote the recipient countries to stand and grow independently. The lessons of the Saemaul Undong, as manifested in both the positive and negatives cases in Vietnam are clear: the key to success lies in empowering the villagers and encouraging the recipient government to become stakeholders in a long-term national policy of rural development.
# TABLES AND FIGURES

## Table 1. Saemaul Undong projects in Vietnam

<table>
<thead>
<tr>
<th>Actor(s) in South Korea</th>
<th>Project</th>
<th>Location in Vietnam</th>
<th>Project length</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOICA (national government)</td>
<td>road, dike, canal construction, community building, kitchen renovation</td>
<td>Khoi Ky (Thai Nguyen), Vihn Tranh commune</td>
<td>2001-2003</td>
</tr>
<tr>
<td>NCSU/MOSPA</td>
<td>Road improvement, cow-banking, kitchen improvement</td>
<td>Hatay Province, Kim Ahn commune</td>
<td>2001-2005</td>
</tr>
<tr>
<td>NCSU/MOSPA</td>
<td>Kindergarten &amp; middle school construction, cow-banking, kitchen improvement</td>
<td>Quoc Oai district, Dai Thanh commune</td>
<td></td>
</tr>
<tr>
<td>NCSU/MOSPA</td>
<td>Health center construction, reservoir construction</td>
<td>Quoc Oai district, Huoi Tek commune</td>
<td></td>
</tr>
<tr>
<td>Gyeonggi-do (province)</td>
<td>Reading room construction</td>
<td>Dai Thanh, Huoi Tek, Kim Ahn communes</td>
<td>2002 (9/25-10/2)</td>
</tr>
<tr>
<td>Gyeonggi-do (province)</td>
<td>Reading materials supply</td>
<td>Dai Thanh, Huoi Tek, Kim Ahn communes</td>
<td>2003</td>
</tr>
<tr>
<td>The city of Gumi SMU</td>
<td>Health center construction, health materials supply</td>
<td>Hanoi Lien Phuong commune</td>
<td>2001-2002 (10/30-12/9)</td>
</tr>
<tr>
<td>The city of Gumi SMU</td>
<td>Reading room construction, health materials supply</td>
<td>Hanoi Dax commune</td>
<td>2003-2004 (10/15-7/24)</td>
</tr>
<tr>
<td>The city of Gumi SMU</td>
<td>Reading room construction</td>
<td>Hanoi Lien Phuong commune</td>
<td>2004 (7/20-7/24)</td>
</tr>
<tr>
<td>The city of Gumi SMU</td>
<td>Saemaul Undong training in South Korea</td>
<td>Hanoi</td>
<td>2004 (12/1-12/5)</td>
</tr>
<tr>
<td>The city of Gumi SMU</td>
<td>Rehabilitation center construction</td>
<td>Hanoi Dax commune</td>
<td>2005 (6/22-25)</td>
</tr>
<tr>
<td>The city of Gumi SMU</td>
<td>Reading room construction</td>
<td>Hanoi Lien Phuong commune</td>
<td>2005 (6/22-25)</td>
</tr>
<tr>
<td>The city of Gumi SMU</td>
<td>Health and reading materials supply</td>
<td>Hanoi Dax commune</td>
<td>2007 (10/30-11/3)</td>
</tr>
<tr>
<td>Gyeongsangbuk-do (province)</td>
<td>Saemaul community center construction</td>
<td>Thai Nguyen, La Bang village</td>
<td>2005 (Feb-Oct)</td>
</tr>
<tr>
<td>Gyeongsangbuk-do (province)</td>
<td>Agricultural machines/cement supply</td>
<td>Thai Nguyen, La Bang village</td>
<td>2005 (7/8-7/14)</td>
</tr>
<tr>
<td>Gyeongsangbuk-do (province)</td>
<td>Road improvement</td>
<td>Thai Nguyen, La Bang village</td>
<td>2005</td>
</tr>
<tr>
<td>Gyeongsangbuk-do (province)</td>
<td>Health center construction</td>
<td>Thai Nguyen, La Bang village</td>
<td>2005-2006</td>
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<tr>
<td>Gyeongsangbuk-do (province)</td>
<td>Saemaul Undong training in South Korea</td>
<td>Thai Nguyen, La Bang village</td>
<td>2005 (6/13-6/19)</td>
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<tr>
<td>Gyeongsangbuk-do (province)</td>
<td>Elementary school construction</td>
<td>Thai Nguyen, La Bang village</td>
<td>2007 (1/20)</td>
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<tr>
<td>Seoul</td>
<td>Elementary school construction</td>
<td>Thai Nguyen, Sun</td>
<td>2004-2005 (July-March)</td>
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<table>
<thead>
<tr>
<th>Province/SMU</th>
<th>Activity Description</th>
<th>Location/Details</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>The city of Yongin SMU</td>
<td>Elementary education materials supply</td>
<td>Hanoi Man So Ahn, Sun Tguyen villages</td>
<td>2005 (5/15-5/19)</td>
</tr>
<tr>
<td>Gangwon-do SMU</td>
<td>Elementary school construction</td>
<td>Hanoi Man So Ahn village</td>
<td>2003-2004 (Nov-July)</td>
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<td>Gangwon-do SMU</td>
<td>Elementary school students exchange program</td>
<td>Hanoi Man So Ahn village</td>
<td>2004 (4/24-5/5)</td>
</tr>
<tr>
<td>The city of Chuncheon SMU</td>
<td>Elementary school renovation</td>
<td>Hanoi Man So Ahn village</td>
<td>2004 (6/9-6/13)</td>
</tr>
<tr>
<td>Busan SMU</td>
<td>Low-income family supporting</td>
<td>39 households in Vietnam</td>
<td>2001</td>
</tr>
<tr>
<td>Daejeon SMU</td>
<td>Cow-banking</td>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>Yeonchun SMU</td>
<td>Book supply</td>
<td></td>
<td>2007 (1/30-2/3)</td>
</tr>
<tr>
<td>Jongro SMU</td>
<td>Book supply</td>
<td>Hanoi Sun Tguyen villages</td>
<td>2007 (2/28-3/2)</td>
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</tbody>
</table>

(Source: Lee, Kyungwon. "Director at Gyeongsangbuk Saemaul office", received on 4 February 2013)

**Figure 1. South Korea ODA Distributional Channel**

![Figure 1](http://www.koicacambodia.org/koreas-oda-framework/)

Tables 2. ODA from South Korea

<table>
<thead>
<tr>
<th>Net ODA</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Change 2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current (USD m)</td>
<td>816</td>
<td>1,174</td>
<td>1,321</td>
<td>12.6%</td>
</tr>
<tr>
<td>Constant (2010 USD m)</td>
<td>933</td>
<td>1,174</td>
<td>1,242</td>
<td>5.8%</td>
</tr>
<tr>
<td>In Won (billion)</td>
<td>1,040</td>
<td>1,356</td>
<td>1,463</td>
<td>7.9%</td>
</tr>
<tr>
<td>ODA/GNI</td>
<td>0.10%</td>
<td>0.12%</td>
<td>0.12%</td>
<td></td>
</tr>
<tr>
<td>Bilateral share</td>
<td>71%</td>
<td>77%</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

South Korea's ODA by sector

Top 10 Recipients of South Korea's gross ODA (USD)

1. Vietnam 82M
2. Afghanistan 59M
3. Mongolia 36M
4. Bangladesh 36M
5. Sri Lanka 34M
6. Indonesia 30M
7. Cambodia 27M
8. Philippines 27M
9. Laos 26M
10. Angola 24M

(Sources: http://www.oecd.org/dac/korea.htm)
### Table 3. ODA for Vietnam

<table>
<thead>
<tr>
<th>Receipts</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net ODA (USD million)</td>
<td>3,732</td>
<td>2,940</td>
<td>3,514</td>
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<tr>
<td>Bilateral share (gross ODA)</td>
<td>57%</td>
<td>64%</td>
<td>61%</td>
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<tr>
<td>Net ODA/GNI</td>
<td>4.0%</td>
<td>2.9%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Net Private flows (USD million)</td>
<td>1,746</td>
<td>3,216</td>
<td>3,762</td>
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<thead>
<tr>
<th>For reference</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>86.0</td>
<td>86.9</td>
<td>87.8</td>
</tr>
<tr>
<td>GNI per capita (Atlas USD)</td>
<td>1,030</td>
<td>1,160</td>
<td>1,260</td>
</tr>
</tbody>
</table>

#### Top 10 Donors of Gross ODA (2010-11 average; USD millions)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Donor</th>
<th>Amount (USD millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Japan</td>
<td>1,234</td>
</tr>
<tr>
<td>2</td>
<td>International Development Association</td>
<td>976</td>
</tr>
<tr>
<td>3</td>
<td>Asian Development Bank Special Funds</td>
<td>306</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>290</td>
</tr>
<tr>
<td>5</td>
<td>Australia</td>
<td>129</td>
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<td>6</td>
<td>South Korea</td>
<td>124</td>
</tr>
<tr>
<td>7</td>
<td>Germany</td>
<td>116</td>
</tr>
<tr>
<td>8</td>
<td>United States</td>
<td>102</td>
</tr>
<tr>
<td>9</td>
<td>Denmark</td>
<td>69</td>
</tr>
<tr>
<td>10</td>
<td>United Kingdom</td>
<td>59</td>
</tr>
</tbody>
</table>

#### Bilateral ODA by Sector (2010-11)

- **Education**
- **Health and population**
- **Economic Infrastructure & Services**
- **Production**
- **Programme Assistance**
- **Action relating to Debt**
- **Other social sectors**
- **Multisector**
- **Humanitarian Aid**

(Sources: OECD-DAC, World Bank; [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats))
Figure 2. Saemaul Undong NGO Organization Structure

(Source: http://saemaul.net/organization.asp)

Figure 3. Global Civic Sharing Organization Structure

(Source: http://www.gcs.or.kr/english/sub1_3.php)
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