

A Consulting Case of Rural Development Project in Korea

ByungJin Kwak
School of Consulting
Kumoh Nat'l Institute of Technology
Korea
Email: kwakbj47@hanmail.net

Kyung-Soo Noh
School of Consulting
Kumoh Nat'l Institute of Technology
Korea
Email: ksnoh21@kumoh.ac.kr

Ho-Kyun Shin
Corresponding Author
School of Consulting
Kumoh Nat'l Institute of Technology
Korea
Email: hkshin@kumoh.ac.kr

Received May 23, 2011, Revised Nov. 4, 2011, Accepted Nov. 15, 2011

ABSTRACT

With digital convergence era, spreading trends in terms of green management in the agricultural sector has rapidly developed with various fusion technologies. Consulting industry has not neglected to take actions into flow of rural development as

alternative engines of green growth policy. Thus, this study intends to introduce a successful consulting case of rural development project in Korea. This study summarizes how the actual consulting project afferent to reduce the waste of time centered on the background, difficulties and key success concepts. Some contributions of this study are first the article is a good benchmarking practice for other local governments and Non-Government Organizations. Second is to prove that the consulting practices are also applicable in the agricultural section as well. Third, the study improves the general prejudice with respect to rural development projects caused by aging tendency of farming population. In the future studies, more focus on the role of consulting firms and their continuous support would advance the literature.

Keywords: Agricultural sector, Consulting case, Consulting project, Rural development project

INTRODUCTION

The 21st century poses new challenges to mankind. Alvin Toffler describes three types of societies based on the concept of “waves”, each wave pushes the older societies and cultures aside. He heralded the age of Knowledge Based Information Society through agrarian and industrial revolution. Now, those who live in the new society must prepare for new challenges and tribulations

With the introduction of computers in the mid 1940s, business paradigm has changed in the way of emphasizing on effectiveness-centered rather than on the initial efficiency-centered. New Innovation techniques and methods then followed.

With digital convergence era coming through combination of 6T, green management has become one of the major trends based on the sustainability.

Currently, many industrial sectors of the green management area in Korea show an increasing rate of interest in new growth energy. Especially, technology, which has developed from manufacturing technology to information technology and now to convergence technology. This trend is now spreading to the agricultural sector and has rapidly developed due to assimilation with various fusion technologies.

According to this flow of rural development, consulting industry, as well as manufacturing and service sectors, is interested in the development of alternative engines focused on green growth policy. It includes keywords such as 21st century well-being culture, tourism, and 6th industry in agriculture with the convergence technology. Thus, this study intends to introduce a successful consulting case of rural development project in Korea, driven by the Ministry of Food, Agriculture, Forestry and Fisheries. A local government and Non-Government Organization had submitted proposals. This study summarizes how the actual consulting project afferent to reduce the waste of time centered on the background, difficulties and key success concepts.

BACKGROUND OF THE CONSULTING PROJECT

Since 2004, the Korean Government had enacted the Special Act Article 38 to improve the quality of life of farmers by developing the rural areas. This was undertaken through promoting projects in accordance with the enforcement procedure(Rural Renewal Development Act Article 24 and Article 39) depending on the region, supporting 4 to 7 billion won by 2017. Since 2004 to 2010, a total of 301 rural development projects(17,538 hundred million

won supported) had been selected out of business promotion. The three steps for selection are as follows: The first step is to assign a preliminary plan approval, which takes steps to start the business with budget. The second step is to perform the basic plan for the business over a five year course. The last step is to encourage sustainable rural development. Urban-rural exchanges activate persistent operation of each areas and creation of business models improve farm income. It appears that about 70 percent of the project selected in 2004 & 2005 had been completed by 2009 & 2010 respectively. Most of these projects are almost complete in the hardware section, but had shown insufficient in the software part.

Since 2004, these government-sponsored projects have supported organizations that apply for the rural development fund wherein excellent proposals are accepted. This project was also submitted in 2004 to get a fund support for D county from Non-Government Organization called by Rural Development Committee. Due to a lack of requirements, the government rejected a proposal applied for the project to receive fund. It was resubmitted and in 2006, the government rejected D county's proposal for the second time.

At the request of D county, a consulting firm(the author of this paper as CEO) has performed consulting services for them to receive approval from the Ministry for Food, Agriculture, Forestry, and Fisheries. Starting January 2008, the consulting firm carried out the project called 'Rural Development Project in D county'. Urban-rural exchange activation, historical and cultural tourism, tourist farms, and a concrete action plan to increase farm income comprised the main contents of the ongoing rural development project.

PROJECT ANALYSIS

This consulting project was designed to analyze and address the issues of rejected proposals because of incomplete requirements. In order to meet the desired requirements, concrete action plans with realistic examples were demonstrated and practical challenges were presented. The current situation was analyzed based on difficulties of rural villages in order to check out the major application requirements for the rural village development projects. The following list shows the major difficulties for rural villages derived from the interview analysis by the related key interest groups.

- 1) Lowered proportion of agricultural policy after transferred to metropolitan city of region based residents.
- 2) The lack of requirements for promoting rural co-development intended for Administrative units of three or more.
- 3) Areas of 12 natural villages make it impossible to prove a single district.
- 4) Business Promotion Council's difficulties for fundraising which includes business expenses and visiting advanced counties
- 5) Poor composition of empathy in the area due to lack of arbitration for the gap among stakeholders' opinions
- 6) Limitation exposure for large amount of money of government support for business persistence
- 7) Reduction of agricultural land capacity due to residents' acceptance of land

KEY SUCCESS CONCEPTS OF CONSULTING

As described earlier, a consulting project focusing on current situation analysis for rural development was performed. The following information provided the appropriate success concepts and specific details were used to acquire the business.

Reverse discrimination suffered by rural village that had transferred to metropolitan city.

Since the case village was administratively switched into Daegu metropolitan city from Dalseonggun Gyeongbuk province, business approval for metropolitan city became impossible. This caused difficulties in the Urban-rural complex. For example, difficulties in the Urban-rural complex's characteristics can be solved through the practical experience of consulting by steps as follow.

1. At first, the citizen needs to pay taxes as metropolitan citizen and raise the problem of difficulty in small rural village. Therefore, they can specifically present the reality of reverse discrimination.
2. Homogeneity problem was proved among the related groups (fraternity, supporters, and agricultural successors etc.). When they embarked on the rural co-development, they tried to fulfill the basic requirements of proving that three or more administrative sections are one by activating organizations such as fraternity, supporters association and agricultural successors.
3. Composing an organization to support Business Promotion Council's activities. In order to promote the business, we organized Business Promotion Council which represents the citizen. We helped BPC support the financial problem and difficulties in performing the business by organizing consultation body as well.

4. An arbitration for the gap among stakeholders' opinions
To form a consensus, we work out a plan and prepared measurements for members who have passive attitude with the project due to a lack of promotion will. Thus, they played roles as adjustments controllers who lead members into a common interest and understanding. In addition, we made fraternity play the coordinating role in terms of reconciliation.
5. Continuous push with the government policy supporting business. Due to the uniqueness of rural development, sustainability with aging society in rural area appeared as the limitation. Moreover, the problem of wasting the national budget, approximately millions of won, highlighted, so it became reality. To solve the problem of fraternity in securing long-term finances by fundraising, the fraternity and supporters association have developed programs that aim at discovering and training the next successors of agriculture. In addition, training policy for long-term agricultural successors had been planned and worked on.
6. Solving reduction problem of agricultural land capacity and fallow farmland. Reduction of agricultural land capacity and lowered income caused by construction of infrastructure raised increased concerns and worries of residences. Set-aside, as well as productive farmland's can be efficiently utilized by making it tourism farmland as benchmarking case is written in advance. This is concretely explained not only with the ideal plan but also with the achievable cases. Impression-experiencing and learning farmland, as described above, has developed for 20 years and the writer operates a total of 1.6ha. Thus, this model became one of the representative models that

realizes high value-added farmland in Korea by operating programs such as rose, oriental medicine, fruit-bearing trees section and experiencing and learning program.

7. Achieving the feasibility of projects by visiting advanced organizations to give a conversion of stereotypes. We encouraged continuous interests and participation to residences and stakeholders of the rural areas to make a sustainable development and business practices. We also implemented training and business trips to develop organizations in spreading people's sympathy. As a result, a common consensus was drawn to induce.

CONCLUSION

This case study is based on the two-time rejected proposals and the project report called the 'Rural Development Project in D county' performed by the author's consulting firm. Minister for Food, Agriculture, Forestry, and Fisheries sponsored the funds so as to receive government funding, who performed the project called 'Rural Development Project in D county'. Moreover, this study attempts to introduce successful consulting case of rural development project in Korea, driven by The Minister of Food, Agriculture, Forestry and Fisheries, proposals of which were submitted by the local government and the Non Government Organizations. This study summarizes how the actual consulting project attempts to reduce the waste of time centered on the background, difficulties, and key success concepts.

The following attributes comprise the expected effects of the case.

First, this study could be a good benchmarking practice for other local governments and Non-Government Organizations, that may attempt to promote rural developing projects sponsored by Ministry for Food, Agriculture, Forestry, and Fisheries. This study could be a role-model, for organizations facing difficulties in the planning stage.

Secondly, one of the paper's utmost contributions is that the needs for professional consulting practice in business process can be emphasized in agricultural section as well.

Thirdly, the findings of this study can relieve a negative view of rural development projects caused by aging tendency of farming population. Furthermore, having high-end industry through scientific farming, tourist farms etc., the study gives a greater opportunity to increase value in the agricultural sector. Further study of this case and future research should focus on the role of consulting firms and their continuous support in the further business process.

Lastly, this consulting case can be a good benchmarking practice for many other Asian countries, especially those of societies based on the agriculture. It can be utilized by those countries as a political guideline in the agricultural sector.

REFERNCES

- Broehl, Wayne G., *The Village Entrepreneur: Change Agents in India's Rural Development*, Harvard College, 1978.
- Caski, C. and Tuck, L., *Rural Development Strategy: Eastern Europe and Central Asia*, World Bank Technical Paper No. 484, 2000.
- Chambers, R., *Challenging the Professions: Frontiers for Rural Development*, Intermediate Technology Publications, 1993.

- Christensen, G., Lacroix R., Competitiveness and Employment: A Framework for Rural Development in Poland, World Bank Discussion Paper No. 383, 1997.
- Daegu Gyeongbuk Development Institute, Dalseonggun Long-term Development Plan: 2005-2015, Dalseonggun, 2005.3
- Glasmeier, A. and Howland, M., Service-Led Rural Development: Definitions, Theories, and Empirical Evidence, *International Regional Science Review*, 16(1-2), 1993, 35-57.
- Gow, D. D., Collaboration in Development Consulting: Stooges, Hired Guns, or Musketeers?, *Human Organization*, 50(1), 1991, 241-264.
- Harries, J. (ed.), *Rural Development: Theories of Peasant Economy and Agrarian Change*, Development Studies Institute, London School of Economics, 1992.
- Jang, Byung-gwan, Landscape Plan and Management for Aligning Rural Villages, Leader Training Education Material for Redesign Rural Villages, 2008.6
- Jung, Gwang-yong, Collection of Rural Amenity Environment Planning Contest, Rural Development Administration, 2010.
- Kim, Dae-sik, Current State and Development Direction in Rural Plan, An Article of Symposium for Rural Development, *Journal of Korean Society of Rural Planning*. 13(1), 2011, 34-58.
- Korten, D. C., *Community Organization and Rural Development: A Learning Process Approach*, Wiley-Blackwell, 1980.
- Midmore, P., Rural Policy Reform and Local Development Programmes: Appropriate Evaluation Procedures, *Journal of Agricultural Economics*, 49, 1998, 409-426.
- Moseley, J. M., *Local Partnerships for Rural Development: The European Experience*, CABI Publishing, 2003.

- Mosse, D., 'People's Knowledge', Participation and Patronage: Operations and Representations in Rural Development, 2001.
- Park, Jae-dong, Utilizing Method of Farming Experience Tourism, Leader Training Education Materials for Redesign Rural Villages, 2008.
- Won, Gwang-hee, Development Direction for Rural Development, An Article of Symposium for Rural Development, Journal of Korean Society of Rural Planning, 6(2), 2011, 147-159.
- Woori Management Consulting, 2007 Dalseonggun Business for [Daeny Village Area] Proposal, Dalseonggun, 2006.12.
- Yeo, Hwa-sun, Kim, Dong-chan, Kim, Chung-hee, Master Plan for Rural-Village in Embong-Myun, Asan-Si, Journal of Korean Society of Rural Planning, 14(3), 2008, 89-97.
- Yoon, Won-keun, Directions and Tasks of Rural Planning System in Korea, Korean Journal of Agricultural Extension, 11(1), 2004, 111-123.
- Uphoff, N., Grassroots organizations and NGOs in rural development: Opportunities with diminishing states and expanding markets, Cornell University, 2002.