

# Rediscovery of Social Capital in Korea's Saemaul Undong: Focus on Bonds, Bridges, and Links\*

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## Abstract

This study explores the relationships between Korea's Saemaul Undong (new community movement) and social capital by answering research questions including what social capital existed in Korean communities, and how it was fostered in neighboring communities, and finally led to national economic development, focusing on bonding, bridging, and linking social capital. As Korea's Saemaul Undong has been recognized as a world-renowned community development model to eradicate absolute poverty, many less developed countries (LDCs) intend to initiate Saemaul ODA (official development assistance) projects. However, there have been, as yet, no notable achievements compared with the amount of aid having been poured. This has made ODA implementing organizations and academics shift their attention to social capital. This research, based on the framework of the social capital theory of Lin (2001), has been analyzed through literature review and semi-structured interviews with Saemaul generations including government officials, ordinary villagers and Saemaul leaders. According to the results, Saemaul Undong, based on resources of social capital such as cooperation, trust, norms and network already imbedded in the communities, helped expand the existing social capital to the neighboring communities and ultimately lead it to economic development. Hopefully, the results can generate insights for LDCs: what social capital can be created in those countries, how it can be developed to higher levels, and why it should lead to economic development.

**Key Words:** Korea Saemaul Undong, Official Development Assistance (ODA), social capital, bonding, bridging, linking, less developed countries (LDCs)

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## I . Introduction

Touching down in a small village in Rwanda with the Saemaul pilot project team in 2010, there was something strange and unexpected. Almost all the doors in the houses were locked, which differed from memory in other African countries: people cast suspicious glances. Our English-Kinyarwanda interpreter hesitated a little and said there might still be pain remaining from the tragic genocide in 1994.

Rwanda is not alone when it comes to national tragedy. The Korean War in 1950-53 devastated the entire peninsula, and the young country was one of the poorest and most miserable in the world in the 1950s. How was it possible that the country that was once in that terrible situation escaped from poverty and became the first recipient-turned-donor nation? There are various causes of this world-renowned success: political, economic, social, and cultural elements. Aid from international donors is certainly one of them. In addition, given that 'Saemaul Undong (SU)' has recently received well-deserved attention from around the world, particularly from less developed countries (LDCs), as a promising community development tool to eradicate absolute poverty, it is likely that SU, a new community movement, was an important driver of Korea's rags-to-riches achievement. How was this possible? Was it not the case that Korea was politically unstable and economically fragile from the 1950s through the 1970s, with no democratic experience, few natural resources, and limited international aid?

Many people in LDCs live on very limited financial resources, with insufficient money to save or to pay taxes, and enough only to survive. They cannot escape the poverty trap by themselves. That might be possible if people received sufficient money from the international community on a continuing basis, but that will never be the case. In fact, this approach could make their situation worse, as Dambisa Moyo (2009) asserted in her book *Dead Aid*. Many developing countries appear to have already realized that "physical" aid alone is no longer an answer, and may even trap them in a "vicious cycle" of poverty. How can Korea's SU play a meaningful role outside national borders?

Many of the relevant studies of SU have considered the roles of Saemaul leaders, the government, and the president's leadership as success factors for SU. Further, since the early 2000s, a number of researchers in Korea have turned their attention to the social capital elements of SU, which have rarely been explored. They have argued that three principles of SU—diligence, self-help and cooperation—are elements of social capital which were already embedded in Korean society in informal cooperative networks, *gye*, *dure*, or *pumassi*.<sup>1)</sup> In this

1) *Gye* (a type of rotating credit association), *dure* and *pumassi* (kind of mutual exchange of labor): its exact origins are unknown but it can be traced back to the period of Three Han States (300 B.C. - 300 A.D.).

sense, it is safe to say that SU was not something new but something familiar in Korea.

To date, a tremendous amount of money has been poured into building wells, schools, and hospitals in LDCs, but the results have not been as positive as originally expected, which suggests that “donor-led” or “physically-focused” aid cannot be an answer any more. However, it is also true that we cannot simply insist that people in LDCs need to “trust each other” or “cooperate with each other,” when they need money desperately. Nevertheless, the fact that poverty has not been eradicated despite the increasing volume of aid from international donors tells us at least that physical aid alone is no longer an answer.

In this context, even though people in LDCs appear to have realized that what they lack is not just physical aid but something more important—to change their attitude—and, in line with this, the role of social capital in SU is being highlighted, there are few studies that directly explore the relationship between social capital and SU. More studies are needed. This research attempts to identify what social capital Korean people thought existed in their communities and how it was used, analyze how social capital was fostered in neighboring communities, and explore how social capital finally led to national economic development. This paper focuses on bonding, bridging, and linking social capital. More ambitiously, this paper proposes a feasible direction for development in LDCs, by incorporating social capital elements into Saemaul ODA (Official Development Assistance) projects.

## II. Background information and relevant literature

Before the analysis, background information and related literature will be reviewed by concentrating largely on two sections: linkage between SU and social capital, and its application to LDCs, and conceptualization and measurement of social capital.

### 1. Linkage between SU and social capital, and its application to LDCs

There continues to be both positive and negative opinions about SU. Some suggest that the movement achieved rural development and contributed to the nation's remarkable economic growth, while others consider it a means to mobilize people to secure the political legitimacy of the Park, Chung-Hee Administration, which had a military origin. Those opposing views aside, it is widely agreed that SU contributed greatly to eradicating the prevailing poverty in rural areas in the 1970-80s.

As SU has received attention from the world in particular LDCs, government agencies, several

research centers, and NGOs in Korea have implemented Saemaul ODA since 2010. However, there have been, as yet, no notable achievements compared with the amount of aid that has been poured into these initiatives. This has made the organizations re-think the way the initiatives have been implemented. Academics have also shifted their attention to other aspects: social capital in SU, such as voluntary participation or villagers' cooperation. So (2007) notes that diligence, self-help, and cooperation, the principles of SU, are elements of social capital.

It is correct that SU was initiated by the government. However, it would have not lasted for 10 years, removed absolute poverty for that short period, and eventually expanded into economic development, if there had not been voluntary effort and cooperation at the community level, or if the government had simply forced people to follow government policy without respecting local traditions.

Villagers' active involvement was primarily through traditional "community commitment," such as *gye*, *dure*, or *pumassi*. All these are informal, cooperative networks or organizations at the village level, which have important features of social capital imbedded in them (trust, norm of reciprocity, and cooperation). They originated largely in the family clan- and homogeneity-based communities in Korea, which was traditionally an agricultural society. The networks helped create strong bonds, based on relationships with close friends or neighbors. That was why, after the SU Inspection Team visited around 100 villages in 1973, they concluded that it was correct to implement SU at a community level. The team realized that the tradition of "community organizations" had been used effectively for Saemaul activities (Kim, 2008). In this context, it appears that SU made the most of the communities' informal networks.

There is some research into social capital as one of success factors for SU. First, Kim's (2008) study of a village in Icheon, Gyeonggi-do, reveals that, even though the government initiated SU, many villagers' voluntary activities were based primarily on informal community associations. Lim & Lim (2013) argue, in the case of a village in Pohang, Gyeongsangbuk-do, the success factors for SU in the 1970s were support from the government, the devotion of Saemaul leaders, and the participation of the villagers.

However, it may appear paradoxical to argue that people in LDCs need social capital rather than money, when they cannot even solve their most basic issues. In addition, it is true that social capital cannot solve their problems directly, and nor can it be an alternative to physical capital. Nevertheless, as people who have only enough money to survive usually depend on their very close friends or next-door neighbors, and people in those countries agreed that their miserable situation is caused by "they-do-not-trust-each-other," there appears to be the possibility of making their latent social capital revitalized (Woolcock, 1998).

Many studies identify the link between greater levels of social capital and increased economic

development. First, Putnam (1993) identifies the difference in the economic performance of northern and southern Italy and states that this is the result of the greater cooperation between voluntary associations in the north than the south. When it comes to research into LDCs, Grootaert (1999) analyzed Indonesian villages and concludes that the more social capital a household possesses the greater their wealth. Narayn & Pritchett's (1997) study of Tanzanian villages demonstrate that higher levels of association membership are associated with higher incomes. These studies show that social capital can play a big role in LDCs. What roles can SU play in these countries?

Each country has a different culture, history, and environment, and this may be one of major reasons why some of the development programs led by developed countries have been short-lived. SU is no exception. It has been effective in places that have a clan-based, homogeneous, and agrarian society. However, many countries have several ethnic groups; some have nomadic tribes; and some are still in conflict. Fortunately, many have a spirit or tradition similar to SU which put a priority on diligence, self-help, and cooperation, for example, *umuganda*<sup>2)</sup> in Rwanda and *shranadana*<sup>3)</sup> in Sri Lanka.

Some studies demonstrate the difference in outcomes between SU implemented through forms of cooperative traditions in recipient countries and countries where this is not the case. First, Ha & Oh (2012) argue that, in their research into Saemaul projects in Indonesian villages, one significant factor for successful programs is respecting local traditions. For instance, at least one person per household participates in the work of *gotong-royong*,<sup>4)</sup> and the Women's Association prepares meals using contributions collected under the rule of *arisan*.<sup>5)</sup> By doing this, villagers accepted SU without hostility, because the principles of SU were not foreign ideas, but similar to their usual ways of operating (Anwar, 2010).

Tree planting in Mongolia, in contrast, is very important to combat desertification, but most Mongolians have barely experienced cooperation mainly due to their nomadic existence, according to Marina, the president of Mongolia Saemaul Center (Kulkei, 2010). Tree planting is one of Saemaul projects implemented by the Korea Saemaul Undong Center in cooperation with the Mongolian Saemaul Center. More research is needed, but these examples still provide some lessons. Unlike the Indonesia's case, if social capital is weak or absent, as in Mongolia, we need

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2) Community service. By law, all able persons above 18 and below 65 are expected to participate in community works, such as cleaning streets, cutting grass, etc. (Lee & Lee, 2014).

3) Kind of custom making people participate in community labor. Persons contributing their labor are believed to acquire spiritual "merit" that will benefit them (Uphoff, 2000).

4) Cooperation, the principle of community conduct on Java (Ha & Oh, 2012).

5) A type of rotating credit association, in which each member contributes the same amount for the purpose of their association (Ha & Oh, 2012).

to think of different forms of social capital or different ways of its application that will be suitable for their contexts. For this, investigating relationships between SU and social capital can be one of important prerequisites.

## 2. Conceptualization and measurement of social capital

The aphorism, “it’s not what you know, it’s who you know” describes well what social capital is, and the fact that it is accumulated through what people actually experience in person. Various scholars, from John Dewey, Lydia Hanifan, Jane Jacobs, Pierre Bourdieu, James Coleman, and Ronald Burt, to Robert Putnam, Francis Fukuyama, Gary Becker, and Elinor Ostrom, in different areas, have defined social capital. Even though each emphasizes different elements of social capital, most agree that social capital consists of trust, norms, particularly reciprocity, and networks, or resources derived from those elements, that facilitate collective action (Inaba, 2013).

Social capital can be classified across several dimensions. For example, Putnam (2000) divides it into two: bonding and bridging social capital. These bonding and bridging forms are similar to Granovetter’s strong and weak ties respectively (Granovetter, 1973). Linking social capital is from Woolcock (1998), who uses the term “linking social capital” to explain extra-community networks at the micro level. Uphoff (2000) classifies social capital as a structural dimension that is relatively objective and observable in such categories as rules, precedents, and networks, and a cognitive dimension that contains relatively subjective and unobservable components such as norms, values, and beliefs.

Among the several dimensions, this research focuses on bonding, bridging, and linking social capital, as it intends to argue that Korea’s SU acted as a catalyst by strengthening bonds within communities, improving bridges between communities, and creating links between communities and the government. First, bonding social capital is the term for informal ties among people, such as family or close friends within a network. It tends to be inward looking, so people in the group feel they have similar social identities (Szreter & Woolcock, 2004). For this reason, bonding social capital can be a good place to begin relationships in places where trust is lacking even among close neighbors or friends. However, it also has negative dimension, as Portes and Sensenbrenner (1993) demonstrate in their examples of Chinatown in San Francisco and Koreatown in New York; where tightly knit clan based communities restrict access to the outside society. Nevertheless, it can still be a good start for creating a tiny part of relationships or trust in places or countries where mistrust or hatred has been an obstacle to taking a step forward.

Bridging social capital is the term for relations among people from different groups or communities who are not personally close. It tends to be outward looking, so people in those

groups or networks establish relationships with and respect for people of different ages, ethnic groups or social class (Szreter & Woolcock, 2004). Therefore, bridging social capital can help make people open to heterogeneity and bring people into the broader collective action, which is necessary in LDCs to link the development at the community level to the national level.

While bonding and bridging social capital are likely to be horizontal, linking social capital is vertical. Linking social capital is, defined by Szreter & Woolcock (2004), as "relationships between people who are interacting across institutionalized power or authority gradients in society." Linking social capital is particularly important for the poor or marginalized in LDCs who are unlikely to be able to change their situation without links to formal institutions, regardless of how thick their ties of bonding and bridging social capital are (Woolcock, 1998).

Several studies explore bonding, bridging, and linking social capital. Babaei et al. (2012) demonstrate the significant effect of bonding, bridging, and linking social capital on empowerment among squatter settlements in two communities in Tehran. Hawkins & Maurer (2010) demonstrate that bonding is more important for immediate support, and bridging and linking social capital are more important for longer-term survival and wider community revitalization.

Social capital is also divided into micro, meso, and macro levels depending on how it is observed. The micro level focuses on close connections such as family or friends; the meso level is concerned with specific organizations or communities; and the macro level is concerned with national and international relationships (Krishna & Shrader, 1999). It is also categorized as operating at the individual or collective level, depending on whether it stresses the individual or groups of individuals who have the common goal of social cohesion (Yip et al., 2007).

The measurement of social capital differs for different definitions of the term. However, survey instruments such as questionnaires, in-depth- or focus-groups interviews, and ethnography, including observation of activities in specific communities, have been used widely to understand the relationship between social capital and poverty or economic development in LDCs. The most common indicators for measuring social capital are membership in voluntary associations, trust, solidarity, and reciprocity. For instance, Krishna (2003) measures social capital in the Indian state of Rajasthan through interviews, observation, and questionnaires. Narayan & Pritchett (1997) use indices of associational activity and trust to measure social capital in rural Tanzania.

### III. Research framework and methodology

To explore the relationship between social capital and SU, this paper employs Lin's (2001) theory of social capital as the theoretical framework, and qualitative research methods including

literature review and interviews as the methodology.

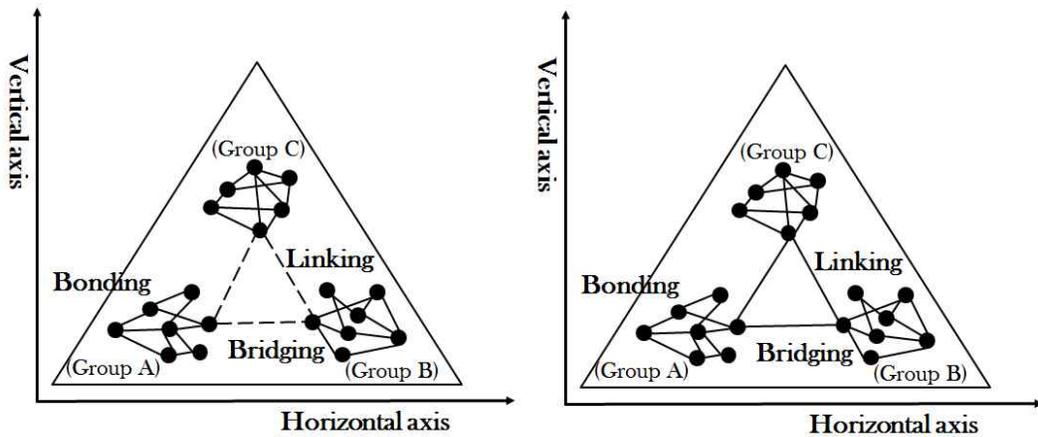
## 1. Research framework

According to Lin (2001), the theory of social capital focuses on resources embedded in social networks, and describes how access to and use of the resources benefit individuals. The theory identifies three levels of social capital: macro-, meso-, and micro-structures in society. For the macrostructure, in particular, forms a pyramid in terms of accessibility to and control of resources. The closer a position is to the top the better able it is to access and manipulate valuable resources, due to the position's intrinsic resources and its access to other resources, primarily at lower levels. Social interactions in meso- and micro-structures are more likely to take place among individuals at similar levels.

This research seeks to explore what social capital existed in communities, and how it expanded and finally led to economic development. The social capital theory is an appropriate approach for the research, because it explains the horizontal relationships between individuals in communities (bonding social capital), the horizontal relationships between largely heterogeneous communities (bridging social capital), and the vertical relationships between communities and the government (linking social capital). This analysis provides the foundation for understanding the types of social capital LDCs can create, how to develop lower levels of social capital, and why social capital may lead to economic development.

〈Figure 1〉 *types and relationships of social capital: before and after SU* illustrates these relationships. Lin (2001) explains that, bridges from Group A to Groups B and C increase resource heterogeneity for the members of Group A. The differences between the two relationships lie on two axes, horizontal and vertical. On the horizontal axis, Groups A and B's relationships provide limited access to and use of social capital compared with Group C's relationships. In contrast, on the vertical axis, Group A's connection to Group C is much more beneficial to the members of Group A. This is because the higher the group's position, the more it possesses an advantage in the acquisition and mobilization of social capital.

Fig. 1. Types and relationships of social capital: before and after SU (modified from N. Lin, 2001)



Each dot in a Group indicates an individual, Groups A and B represent communities, and Group C represents the government. People in Group A usually had strong ties to each other, largely due to the clan-based and agrarian society. However, ties that were too strong within Group A made it difficult for the members to have connections with people in Group B, who had different cultural norms. Lastly, the lines between Group A and Group C, and between Group B and Group C, are relationships between communities and the nation, which rarely occurred for rural communities before SU. These relationships all began to change with introduction of SU. The broken lines between communities, and between communities and the government, became solid as bridges strengthened between communities, and links between communities and the government were created. This process is what this research will explore.

Social capital must first be defined before these relationships are analyzed. This research employs Putnam's (1993)<sup>6)</sup> definition, modified to take account of SU's characteristics. This research centers on "communities," rather than "social organizations," since SU was implemented at the community level in order to take advantage of the social capital embedded in communities. Therefore, in this study, social capital means "community features, such as trust, norms, and networks that achieve community development by facilitating coordinated action." The research questions, what social capital existed, and how it was fostered and led to economic development, are answered by concentrating on the social capital resources of trust, norms, networks, and coordinated actions, and its bonding, bridging, and linking dimensions.

6) Social capital is features of social organizations, such a trust, norms and network, that can improve the efficiency of society by facilitating coordinated actions (Putnam, 1993: 167).

## 2. Methodology

This research explores SU in the 1970-80s, launched by Korea's late President Park Chung-Hee. The methodology employs a literature review, in-depth interviews, and a wide range of academic discussions. The literature review includes government documents and other Saemaul-related studies. Documents by the Ministry of Home Affairs in particular assist in understanding how the government used community social capital in the early phases of SU, and in turn, what social capital SU created. However, it cannot be denied that government publications have limitations such as putting forward the perspective of the state or Saemaul leaders, who were strongly influenced by the government. Therefore, the researcher has interviewed ordinary people who can relate their experience of SU at that time.

Interviews were conducted with Saemaul participants who are now in their 60s to 80s. Interviewees, most of whom have never left their villages and continue to live there, included Saemaul Club heads, ordinary villagers, and government officials in charge of Saemaul or related divisions during policy implementation, as shown in <Table 1>. People in as many different positions as possible were interviewed, to reduce the likelihood of bias. Interviews were conducted from March to May 2016. Each interview took around 40 minutes to one hour.

Interviews, which are qualitative instruments for investigations, help to explore the "small life-worlds" of the interviewees (Flick, 2005). People who have lived for a long time in particular communities, been long-term members of organizations, or experienced something in person, produce social capital. Social capital is not a universal resource, but something rooted in the cultural traditions of specific contexts. Unless we listen to people who have actually created the "traditions," we may not be able to understand the real meaning of the social capital that has been created.

Nevertheless, there is no doubt that qualitative research has limitations also. There may be no exact figures or findings cannot be generalized, and the measurement of social capital is especially difficult because of its intrinsic nature. However, the purpose of qualitative research methods is not to build a representative model that can fit every case, but to find out *what* exists in a specific context.

Semi-structured interviews were in particular employed to help interviewees recall past event, speak more freely, and establish a close rapport with the researcher. The role of the researcher was as a listener rather than the one leading the discussion. The interview content was derived from the World Bank's (2004) "Measuring Social Capital: An Integrated Questionnaire,"<sup>7)</sup> and

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7) The questionnaire largely consists of six sections: groups and networks, trust and solidarity, collective action and cooperation, information and communication, social cohesion and inclusion, and

adapted to fit the researcher's definition of social capital. Social capital is measured collectively rather than individually as combating poverty in LDCs requires people to act together, not alone. Lastly, this study focuses on communities in Gyeongsangbuk-do because it is known as the birth-place of SU, and the SU restoration region, through its initiation of Saemaul ODA projects in LDCs in 2010.

Table 1. Interviewees

No.	Year of birth	Position*	Community**	Interview date
1	Oo Lee 1941	Head of Saemaul Club	OO-dong, Gumi-si (immigrated in 1970)	Jun. 24, 2011 (special lecture***)
2	Oo Yu 1941	Ordinary villager	OO-dong, Gumi-si (immigrated in 1970)	Mar. 22, 2016
3	Oo Lee 1942	Village head and head of Saemaul Club	OO-ri, Hayang-eup, Gyeongsan-si (from birth to the present)	Mar. 10, 2016
4	Oo Kim 1951	Ordinary villager	OO-ri, Owaegwan-eup, Chilgok-gun (from birth to the present)	Apr. 10, 2016
5	Oo Ye 1951	Government official - began in the township office in Cheongdo in 1974 - since retired	Iseo-myeon, Cheongdo-gun (from birth to the present)	May 19, 2016
6	Oo Park 1950	Government official - began in the county office in Cheongdo in 1969 - since retired	Cheongdo-eup, Cheongdo-gun (from birth to the present)	May 19, 2016
7	Oo Jeong 1947	Government official - began in the Agricultural Extension Office in Chilgok in 1967 - since retired	Chilgok-eup, Chilgok-gun (incorporated into Daegu in 1981)	Jun. 27, 2011 (special lecture***)

\* Position during the SU period.

\*\* *-ri, -dong*: the smallest administrative unit.

\*\*\* Researcher's personal experience, English interpretation at Gyeongsangbuk-do Saemaul Academy for International Saemaul Training Program.

## IV. Analysis and discussion

The literature review and in-depth interviews demonstrate that, bonding, bridging, and linking forms of social capital existed before SU and were strengthened after SU. Some forms of social capital were created directly by SU.

## 1. Bonding social capital

Bonding social capital in SU explains the development process from trust-based intra-village networks, village norms, to strengthened unity. At the beginning of SU, the government attempted to incorporate diverse informal organizations including *gye*, *dure*, or *pumassi* into Saemaul associations, such as the Saemaul- Women's Club, Youth Club, Farming Club, etc. This was because those organizations already contained social capital resources such as cooperation, trust, and norms that merged with the community's long history. Therefore, they provided people with a sense of belonging, or membership that helped unify people in the pursuit of the single goal of community development.

*Gye*, for example, which exist in almost all countries, played a significant role in helping people in rural areas earn a living, particularly the poor who mostly depended on their crops, because their limited credit history and the high interest rates meant they had almost no access to ordinary commercial banks. Moreover, most villagers belonged to at least one organization, which shows how important the associations were. Relying on social connections in several informal community organizations was almost the only way they could possibly make a living. In addition, according to Geertz (1962), these networks had social purposes such as get-togethers with friends, neighbors, and even all the villagers, which promoted harmony, beyond its economic purposes.

Through the repeated practice of trust-based mutual help, people naturally learned the advantages of collective action. They could achieve more than they would be able to by acting alone, and this led eventually to a much higher level of trust, which could be recruited to promote community development. That is to say, people's attitudes changed from the thought that "others will cooperate makes me cooperate" to a view that "why I should cooperate makes me cooperate" (Uphoff, 2000). The material below shows how village networks took the lead in community development by encouraging the villagers to engage in community work:

"The Saemaul Women's Club persuaded people to save even a spoonful of rice per meal by visiting each household ... After a year, nine bags of rice were collected ... it became seed money ... which was not that big, but the enthusiasm of the women fired all the villagers with eagerness for community development ..." (Ministry of Home Affairs, 1973: 225-232)

What was more important was that no one was forced to participate in community works, but they all did so voluntarily. Saving rice was just one example; villagers also cleaned the roads and repaired fences. That was possible largely because there strong community norms existed that had been down through the generations. A "norm" is an agreement made among all the villagers

on community-related matters. Based on the norm, once a community had made a decision at a town meeting, all the villagers complied with it. Taking an another example of *gye*, its operation *per se* would have been impossible if someone did not contribute his or her share, or took all the money after receiving his or her share. However, almost no one violated the norm and *gye* still operates in many countries.

The norms were not legally binding, but there was social pressure forcing people to follow them. First, if someone did not follow the norm, there were several sanctions such as fines, bullying, exclusion from community work or associations, or eviction which was the most severe punishment (Ha & Oh, 2012). In addition, it also prevented the violator from joining other associations. In an agrarian society, land is interwoven with their lives and dependence on social connections is almost the only means to make a living, so it is easy to understand the impact of violating the norm. Second, norms were formed from people's experience and first-hand knowledge over generations, and villagers had lived in the same village almost their whole lives, whereas the government had barely engaged with the village. Therefore, the norm of reciprocity tended to be compulsory and last longer than official law.

“... we went to collect gravels from the river one day ... actually didn't even know what it was for ... (researcher: why did you join?) well, there was no reason ... we had to, it was kinda mandatory ... we used to do that ....” (Interviewee No. 2)

Gravel-collection may seem slight trivial, but it is important to know that people followed it almost without thinking. Moreover, SU, by starting with these kinds of small, easy, and observable acts that required collaboration, such as cleaning roads or planting cash crops, developed much stronger solidarity among people and encouraged them to work collectively much more than previously. These activities appear simple but, through this, people witnessed how small behavioral changes made a big difference. This helped bring the whole community together more powerfully, as demonstrated below:

“... once people who were even strongly against SU at the beginning saw what they did ... finally completed the bridge, they slowly started getting over their despair, and realized how good solidarity and cooperation were ... the power of unity was fearfully huge ...” (Interviewee No. 4)

Based on resources of social capital in a community level, SU helped to strengthen existing bonds by uniting villagers and increasing solidarity, which resulted eventually in villagers coming together to pursue the common goal of community development beyond poverty elimination.

However, there is some argument that Korea's excessively strong bonds made it difficult to build generalized reciprocity, unlike Japan, the U.S., and Germany, according to Francis Fukuyama (1995). Costa and Kahn (2003) note that homogeneous communities display more bonding social capital but less bridging and linking social capital. This might mean communities or countries such as Korea, where almost homogeneous people or clan members live together, may face obstacles in increasing bridging and linking social capital. However, SU reduced this negative effect, and this issue is discussed in the following section.

## 2. Bridging social capital

Bridging social capital in SU includes competing with- and sharing-with neighboring communities, responses to negative externalities, and inter-village collective action. Korean rural society largely comprised clan-based and agrarian communities, which greatly helped to create strong bonding social capital. However, bonding had negative externalities, which blocked the creation of bridging and linking social capital. There was almost no chance to contact neighboring villages, and people in rural areas had almost no experience of communicating with the government.

Bridging social capital in the form of connections between communities is needed for national development, because economic development produces better results only when communities or regions are closely linked and cooperate with each other. For instance, well-paved farm roads create greater economic development when they connect farms and factories that process farm produce (Ministry of Home Affairs, 1977: 69-72).

The principle of competition in SU helped to overcome the negative externalities of strong bonding social capital. At the beginning of SU, after the government had distributed cement to every village across the country, it evaluated the results, dividing communities into basic-, self-help-, and self-reliant categories. The government then provided more support to villages with greater achievements and participation of villagers. The principle increased the solidarity of villages that performed well, and motivated basic villages. For instance, Saemaul leaders of villages that had performed poorly usually visited advanced communities and benchmarked their success activities. Government officials also played a role in putting each village in competition with their neighbors.

"... the government-led SU wasn't that welcomed by people, so it was kinda hard to persuade villagers ... we told Saemaul leaders and the village head to visit OO village, they got the prize from the president, so you should see their paved and clean entrance road ..." (Interviewee No. 5)

This gradually stimulated people to become motivated through the expectation that “if we work harder, we can obtain more” as well as the obligation that “we won the prize, so should work harder.” One village interviewee recounted that, on the day their village received the presidential grant, all the villagers gathered in front of the town hall and, celebrated with food, playing the gong and the *janggu* (a traditional Korean double-headed drum), which gave people courage and confidence.

More importantly, village heads or Saemaul leaders from each village gathered in a township office, and discussed the issues of paving roads to connect villages, improving small rivers or re-arranging farm roads between villages, and constructing irrigation facilities on farms on village boundaries (Interviewee No. 6). The discussion, and the process of coming up with new ideas, created an opportunity to reduce the negative externalities of bonding social capital. Villagers were ready to accept something different from their usual way of things and began to create bridging social capital.

“... all the village heads gathered in the township office ... the official said we would repair roads that connected village to village ... divided sections and assigned them to each village ... provided guidelines on how to use sand ...” (Interviewee No. 3).

“... just two or three villages started paving the village entrance road together because they actually got some benefits from the road ... like easier transportation ... and particularly the collaboration between communities began almost at the end of the 1970s, when many communities already saw some kinda results, they knew what work-together was like ...” (Interviewee No. 6).

People began to understand each other through engagement in inter-community work and making relationships outside their village. Trust developed from intra-community to inter-community, a change that was possible only because people had already experienced visible results from their small changes and the government encouraged them with support. In addition, the strong traditional spirit remained, which made people unite and cooperate.<sup>8)</sup> The ground appeared to be prepared for the next step, linking social capital.

A number of studies have pointed out that SU's effectiveness in Korea was attributable to the nation's homogeneity and clan-based communities. This is a possibility, but they are not necessary conditions. For example, the Gal Oya Irrigation Project in Sri Lanka demonstrated that

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8) This is from the interview with one villager. Her personal view was that one of the most important factors bringing people together was our tradition; the cooperative approach was naturally ingrained in people, not taught.

even in a place where mistrust and animosity between two different ethnic groups existed over generations, people established a joint irrigation committee and worked together to address the issue (Uphoff, 2000). Narayan & Pritchett's (1997) research into social capital in Tanzanian villages demonstrated that social capital rose more in organizations with heterogeneous members. These examples suggest that there is the possibility of building bridging social capital in LDCs even when they lack bonding social capital or different ethnic groups live together, and it is critical for them to combat poverty collectively and connect with national actions.

### 3. Linking social capital

Linking social capital in SU describes the process from vertical-connections, the highest level of collective action, to national economic development. Linking social capital is the relationship between the government or outside organizations and local communities. It may be termed "synergy" or "embeddedness" (Evans, 1996; Woolcock, 1998). Linking is the most significant social capital in LDCs as it provides access and connection to power structures and institutions, which subsequently assists in combatting poverty and achieving long-term economic development (Hawkins & Maurer, 2010).

A close look at the relationship between communities and the government during SU demonstrates that, central government guided but did not dictate the tone of SU. Each community held town hall meetings to discuss the Saemaul activities their villages needed. The local government in particular worked in the front lines, doing what communities were unable to deal with by themselves because of limited finances or knowledge. For example, they dispatched officials or specialists to provide guidelines on how to improve nutrition, raise milk goats, make and use methane gas, and operate a day care center during the busy farming season (Special lecture by Oo Jeong)."

"... our dream didn't end in vain, the surveying experts from the local government carried out a detailed survey [for small river maintenance] ... checked it with extra care ..." (Ministry of Home Affairs, 1973: 377-382)

This involvement of local government officials provided information but, more importantly, created relationships between villagers and officials through the opportunity to talk to each other. In other words, even though conversations were not formal communications, but casual discussions that may have not helped in making methane gas or raising milk goats, they allowed officials and villagers to gain a better understanding of each other's views (Lam, 1996).

Saemaul leaders played an important role during the period in creating links between communities and the state. They were elected at town hall meetings by consensus from among people who were respected by the villagers. Significantly, they were neither dispatched from nor chosen by the government, which meant that neither the government nor the Saemaul leaders could do just what they wanted; they had to listen to what the villagers thought. Their major job was pushing forward with Saemaul activities through the establishment of cooperative relationships between their village and the government and neighboring communities. In a word, Saemaul leaders were a representative of the villagers, a mediator, and a catalyst (Korea Saemaul Undong Center, 1999: 29-46).

“... right after the announcement that the 1986 Asian Games would be held in Korea ... I visited a township office, Gumi City Hall, and the Development Division of Gyeongsangbuk-do dozens of times and begged them to select our village as a Housing Improvement Pilot District ... finally we received 10 million KRW [around USD 850] of presidential grant ...” (Special lecture by Oo Lee)

As noted above, the leaders' efforts boosted villagers' morale and infused them with hope. Moreover, some selected Saemaul leaders who showed great performance in their villages were invited by the central government to the report on “Monthly Economic Trends” and presented their successful achievements in front of high-ranking officials. The government listened to their opinions and reflected them in SU policy, which empowered villagers and increased their commitment to the state. Villagers saw their own proposals being treated seriously by government officials for the first time, and they saw definite results in the response from the government (Ostrom, 1990: 167-173). The Saemaul leaders' role, the government's response, and the empowerment of villagers all acted together to form the highest level of collective action.

“... The President visited our village [Munseong-ri, Pohang] and mentioned ‘this village did a great job ... more importantly, their enlightened approach should be a model for others’ right in front of mayors and governors from across the country, which gave the villagers more courage ...” (Ministry of Home Affairs, 1973: 213-223)

The creation of links between communities and the government brought positive results in Saemaul projects. Absolute poverty in rural areas was largely eliminated as the average income per rural household grew to approximately USD 566 in 1974, in increase of 40.3% over the previous year. It was the first time rural household income had surpassed urban household income (Maeil Business News Korea, Jun. 5, 1975). Furthermore, linking social capital achieved

national economic development far beyond poverty reduction by achieving rapid economic growth which increased by 7-10% per annum until the 1980s, along with assistance from international donors (The Korea Economic Daily, Oct. 30, 2009).

#### 4. From bonding, to bridging, to linking social capital

The research results suggest that SU acted as a catalyst for transforming specific reciprocity into generalized reciprocity by employing existing social capital to build better communities. In this sense, one can say that social capital was not newly born through SU but historically produced. Existing social capital helped SU penetrate the community and people naturally adopted SU. SU assisted existing social capital to continue and evolve and created new features of social capital, such as bridging social capital with neighboring communities and linking social capital with the government. Ultimately, the processes allowed top-down policy to filter down to the grass-roots movement by integrating different levels of social capital into the national level and allowing empowered people to engage in the policy making process.

In this sense, there are three major factors about how SU worked in Korea to achieve remarkable economic development. First, the well-publicized “three spirits” of SU—diligence, self-help, and cooperation—were not completely new, but similar to communities’ historical social resources, so SU was accepted relatively easily. Second, the government helped people expand their specific reciprocity to generalized reciprocity by using the principle of competition. Communities competed against each other to get ahead and this raised communities that were just getting by to higher levels by sharing success stories. Lastly, SU created new connections between communities and the government through empowerment for villagers and commitment to the nation, which ultimately led from community development to national development, the highest level of social capital.

We need to think about how to apply the lessons of SU in Korea to LDCs. It cannot simply be replicated, because actions that generate social capital in one context may be asocial in another. Rather than answers, SU may generate important insights. Firstly, despite the occasionally negative effects of strong intra-community social bonds, they are a fundamental and necessary step in the process of moving from relationships among people to bridging social capital—relationships among communities or organizations. Secondly, as Putnam (1993) noted, “a society that relies on generalized reciprocity is more productive than a distrustful society.” Poverty cannot be eliminated by one community’s effort alone; it requires the collective action of all communities and access to the state. Lastly, linking ties with the state are essential for long-term prosperity. Without them, it would be difficult to make the transition from survival to

development. The combination of bonding, bridging, and linking social capital greatly contributed to the economic development of Korea, and SU acted as the “right” catalyst.

## V. Closing remarks and challenges

This research has analyzed the relationship between Korea's SU and social capital by focusing on bonds, bridges, and links. The discussion has identified that SU maintained and strengthened the existing bonds embedded in informal community organizations, improved bridges by overcoming negative externalities, and ultimately created links by making relationships with the government. This process was possible only because Korean society already had social capital resources such as trust, community associations, norms and cooperation, which expanded to the national level.

It will not be easy to change people's mindset toward trust or collective action, particularly in countries where people do not trust next-door neighbors, and certainly do not trust their government. However, as mentioned earlier, many countries still keep their own traditions of cooperation even after enduring civil war, foreign invasion, or colonization. If SU is introduced in a manner that respects national traditions, as was the case in Indonesia, it may help to revive traditional approaches and shift communities from barely surviving to working collectively, and eventually result in national development, although results may not be apparent for some time.

This research is not arguing that trust is all that people in LDCs require. Further, social capital cannot be created overnight, but takes a long time to build because it reflects a country's history and culture. However, the author of this paper is convinced that when people trust each other and work together, the results are greater than physical aid alone can produce. Furthermore, when social capital at a community level is developed to the national level, it can achieve economic development, as SU's catalytic role demonstrates.

Even though this research may be useful in exploring the relationship between SU and social capital, which has rarely been discussed before, there are still limitations. They are largely issues inherent in social capital. The first one is methodology. This research uses interviews, which assisted in explicating how people really sensed and recognized social capital at that time. However, the numbers and the type of interviewees are insufficient to explain fully the relationship between SU and social capital. Second, this paper considers bonding, bridging, and linking social capital, but if more dimensions such as structural and cognitive social capital were analyzed, they would add deeper insights to the study. Lastly, since the definition of social capital itself is ambiguous, some limits on its measurement cannot be avoided. However, despite some

challenges, this research may be the first step in the analysis of the relationship between SU and social capital.

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이은진(李銀珍): 경북대학교 대학원 행정학 박사과정을 수료했으며, 경상북도 새마을 아카데미에서 아프리카와 동남아시아 등 저개발국가 대상 국제새마을교육에 참여하였다. 주요 관심 연구 분야는 국제개발협력, 새마을운동 ODA, 사회적 자본 등이다(opalej@hotmail.com).

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## 국문요약

새마을운동과 사회적 자본의 관계:  
 결속형(bonding), 가교형(bridging), 연계형(linking)을 중심으로

이 은 진

본 논문은 새마을운동과 사회적 자본과의 관계를 분석하는 것이 그 목적으로, 특히 결속(bonding), 가교(bridging), 연계(linking)형 사회적 자본에 초점을 둔다. 새마을운동이 절대 빈곤 감소를 위한 지역발전의 모델로 전세계적, 특히 저개발국의 관심을 받으면서 많은 저개발국에서는 새마을 ODA(공적개발원조) 프로젝트가 시행되어 왔다. 그러나 지금까지의 원조 규모에 비해 성과가 미미하다는 평가와 함께, 저개발국 또한 물질적 원조만이 더 이상 해결책이 될 수 없다는 것을 인지한 듯하다. 이에 원조 시행기관뿐 아니라 학계에서는 새마을운동의 성공 요인 중 사회적 자본 측면에 초점을 두기 시작했다. 본 논문에서는 Lin(2001)의 사회적 자본 이론을 연구틀로 하면서, 사회적 자본의 요인을 정부 문헌을 포함하여 새마을운동 관련 선행 연구 분석과 함께, 새마을 시대를 실제로 겪었던 당시 공무원, 마을 주민, 그리고 새마을 지도자 등과의 인터뷰를 통해 분석하였다. 결과적으로 새마을운동은 신뢰, 규범, 네트워크, 협동 등 마을 저변의 사회적 자본 요인을 기반으로, 마을 간 가교형 사회적 자본, 국가와 마을 간의 연계형 사회적 자본 형성에 촉매제가 되었으며, 이는 경제발전으로까지 이어졌다. 이러한 결과는 가까운 이웃과의 관계에서도 신뢰가 부족한 저개발국에서 어떠한 사회적 자본 요인이 생성될 수 있으며, 어떻게 발전되어야 하는지, 그리고 왜 국가발전으로까지 이어져야하는 지에 대해 시사점을 줄 수 있을 것이다.

주제어: 새마을운동, 공적개발원조(ODA), 사회적 자본, 결속형(bonding), 가교형(bridging), 연계형(linking), 개발도상국