

The Sae-maul Movement has had a strong command element to its diffusion to the villages. The distinction between taxation and voluntary donations to Sae-maul projects, such as a village road or water system, and between corvee labor and voluntary work is indistinct at best. Yet out of this mandated structure has come greater village cooperation and perhaps as well a sense of village pride that might continue to some degree should the Sae-maul Movement end.

Perhaps most evident and of lasting importance is a shift in attitudes. Korea has become a nation of farmers, no longer one of peasants. The rural economy has been transformed from one of subsistence to market-oriented production. Barter has given way to cash and micro-regional labor markets have been turned into one national labor force. These changes are generally positive, but they represent a more complex environment in which the Korean Government will have a continuing and an even more pervasive role that it will have to manage with increasing care.

#### F. Macroeconomic Implications of Improved Technology

Although the impact of agricultural research can mostly be measured at the farm level, its economy-wide effect is generally indirect in nature, and more difficult to evaluate.

A readily measurable effect of the development of improved varieties of rice in Korea, excluding the past three successive years of extremely adverse weather, includes the government's saving of foreign exchange through the reduction in rice imports. Before 1975, the year Korea became self-sufficient in rice, imports of rice amounted to almost \$200 million (in current dollars) per year.

The improved varietal development may also have important indirect effects on employment and growth in the economy. In Korea, the process leading to these indirect effects must be understood in conjunction with government pricing and purchase policy. Around the time of the adoption of the improved rice varieties in the early 1970s, the government instituted a package program of farm income support consisting of farm producer price and fertilizer subsidies, as well as of subsidies of other materials and supplies and procurement quotas for rice and barley. These new policies clearly differed from the agricultural policies in the 1950s and 1960s. In the 1960s, there was a deliberate attempt to keep grain purchase prices and wages low. The idea was to stimulate industrial expansion through enhanced profit margins. Thus, industrial expansion was brought about at the expense of the agricultural sector and at great cost to the farmers.

During the 1970s, the important role played by agricultural research, along with the development of agricultural infrastructure and the increased use of agricultural inputs, was to increase per hectare yields of rice. Together with new government pricing and purchase policies, it contributed to substantial increases in food production and farm income.