

**MOBILIZATION OF UNUSED CAPITAL AND UNEMPLOYED LABOR
IN RURAL AREAS OF KAZAKHSTAN THROUGH RURAL SEMAUL
UNDONG PRINCIPLES AND MECHANISMS**

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Success story of Korean Rural Saemaul Undong is a good experience to developing countries to reduce income inequality between rural and urban areas. According to empirical studies most of countries during their transformation from middle-income to high-income status were stuck in middle income trap which resulted in stagnation or even recession. One of the reasons why Korea performed the trap well and achieved high-income economy is good policies to reduce inequalities and attitudinal change to work hard. Consequently, it is eligible to say that RSU also contributed a lot achieve great development.

Important thing is how to use and utilize Korean RSU for developing countries. As experience tells us that it is not fully successful for long term prospective to copy and paste RSU to developing countries. The reason is each country has its own historical, cultural, political and economical background which may be totally different from Korean case. However, it is still possible to implement RSU mechanisms and principles even not fully but step by step with different and appropriate approaches to each country. In this paper will be discussed some issues about applicability of RSU mechanisms and principles in case of Kazakhstan. Paper gives information about background and situation in rural areas in Kazakhstan as well as implementation process of RSU as pilot project which could have further development through state and public support.

Background of rural areas in Kazakhstan

Population of Kazakhstan totally 16 815 000 and land size - 2,724,900sq so, density of population is 6,12 people per km² and almost 40% of population live in rural area. As we can see land is very big and due to geographical position land is very convenient to agriculture. However, at the same time long distance between

villages and cities makes huge challenge to villagers such as weak road infrastructure, high cost of electricity, lack of water and access to heating power in severe winters because central heating in rural areas has been permanently turned-off, and that means that those citizens must use coal or wood for heating purposes, all these problems currently occur in some villages. Furthermore, these problems negatively affect to villagers production and competitiveness in market. These kind obstacles make people to suffer and survive.

Main agricultural products are grain (mostly spring wheat), cotton and livestock. In terms of economy the share of agriculture in gross domestic product is only 5.2% it cannot change significantly in the near and long term, due to the growth of the oil industry and the limited size of the domestic market of food, instability of agricultural markets and also one reason is very low level of agricultural technology. Due to centralized Soviet Union system country specialized only on producing raw agricultural products for partially domestic consumption and mostly exporting to Russia for processing. Which currently explain very weak production of domestic of food and light manufacturing inputs like leather and wool. Rural areas in Kazakhstan are very diverse in terms of land ownership and type of production.

In terms of land ownership, there are big farmers with huge amount of the land and livestock which are located far from villages. At the same time there are also big farmers that are settled among villagers in rural areas. Most of rural settlements have small amount of land for agrarian purpose and little number of livestock. Due to government supporting measures and programs these little farmers could take more land for agricultural purposes and expand their production but lack of the capital, knowledge and some infrastructural challenges as well as market accessibility make it very hard to little farmers expand production and generate income individually. So, some villagers work for big farmers within village or seasonally go to work outside of the village.

Type of products also very different due to geography of the territory and climatic differences of the regions, rural settlements has differently specialized among the villages for example in some villages people only concern about livestock production in some villages people focused on agricultural products and also some villages focus on both agriculture and livestock production.

In general there are approximately 6979 villages. All villages divided into three categories due to their number of population. First 344 big villages with

population 3000 – 5000 people, secondly middle villages with population 500 – 1500, Thirdly 2084 small villages with population up to 200 people.

Administrative territorial division

Kazakhstan has 14 regions head of each region appointed by president. Each region has several districts it varies between the regions. Heads of districts are appointed by head of the region with central government approval. At the same time each districts has several villages, number of villages in one district is also different. Heads of villages are appointed by head of district with approval of head of the region. So, we can say that Kazakhstan's administrative territorial division is more centralized which gives good opportunity to central government control.

Instruments of Korean Rural Saemaul Undong

In this chapter I will consider and focus on only few instruments of RSU. Firstly, role of village leaders and government role and incentives forward villagers in order to stimulate voluntary participation to work.

Village-level Leadership

Village-level leaders in RSU were Saemaul leaders which played role as a linkage between rural society and state. From the initial stage of the RSU, the government had emphasized the importance of leadership for successful rural development, and characterized Saemaul leaders as people who were sincere, persuasive, creative and devoted to the development of villages. The government offered various kinds of support and provided them with professional education (Whang, 1983).

According to the survey Saemaul leaders were all in their 40s but averaged four years younger than the average among the general rural populace. In both education and income levels, they were in higher brackets and they enjoyed better financial status than did other rural dwellers. They were all engaged in farming, but most of them had experience serving in the military, public organizations, engineering jobs, or other businesses. In brief, they tended to have personal background that made them more open to innovation, modernity, development, and motivation to develop. Saemaul leaders were elected by the residents of the corresponding regional community. Government provided training programs to all Saemaul leaders in order to make their leadership more effective.(Seok-Jin Eom)

Attitudinal change through small self-help projects to villagers

In RSU main goal was attitudinal change and community development emphasizing on spirit of diligence, self-help and cooperation. Korean government in initial stages of the program provided materials to the villagers to improve their living conditions and basic infrastructural needs like roads and bridges which are visible things to motivate people. At the same time villagers provided voluntary labor. In practice, those villagers who used provided material properly they received more materials from government. However, that who didn't use materials properly did not receive anything. So, after they tried hard to improve situation with the spirit of compete. This kind of government tricky policy was very important instrument to attitudinal transformation of villagers.

Model of application RSU instruments to Kazakhstan's villages

As has been discussed before rural areas in Kazakhstan have great potential. However, villagers face a lot of challenges. In order to solve these problems we have to use all possible solutions analyzing weak and strong points of community.

Firstly, most of rural settlements in Kazakhstan inherited cooperation spirit from USSR central government system and villagers are more close to each others in terms of family relations and tight social inclusion rather than urban people. People could easily rely on each other's and provide mutual service just for free. Idea is rural settlements should use this social capital as comparative advantage in order to produce high quality and low price products to the market. Villagers should work as a team or as a big enterprise. To achieve this type of cooperation villagers need social mobilization and attitudinal change from laziness to hardworking to achieve mutual community benefit like it was in Saemaul Undong. Only government intervention or external factors as NGO's can through additional incentives, trainings and subsidies accelerate this social transformation.

Secondly, in previous chapters has been mentioned about great importance of leadership in implementation of the RSU. In case of Kazakhstan current role of village leaders could take big and respectable farmers in the villages. There will be several factors and motives to take responsibility of leadership to rich farmers. Firstly, sometimes big farmers could not economically use all land and all livestock efficiently. To be more precise due to labor cost, capital cost and also to risk farmers do not maximally utilize resources that they have. In result, some arable land do not used fully, sheep wool do not shaven and even some times cow and horse milk doesn't produced. However, if farmers give opportunity to villagers to use some unused resources in terms of cooperation big farmer and villagers can gain benefit and work together. Secondly, mostly big farmers who gained success

in the village by producing good products he will wish the same success to villagers who was always with this farmer like a family. In fact he will take leadership in village and he will try to teach, train and motivate villagers to diligence, self-help and cooperation.

Thirdly, government should make support to these big farmers if they eager to raise their villages living condition and villagers' income. As, we know that in Kazakhstan even in village level head of village is official who is appointed by head of district and approved by head of region. This is more centralized system giving good opportunity to support farmers from central government and make easily to implement more systematic policy. For example fiscal policy like tax incentives or priority in government procurement for such cooperation would be appropriate instruments to big farmers to cooperate with villagers.

Finally, in order to achieve this kind of model and achieve government supporting measures we have to show good theoretical applicability of RSU mechanisms and successful case study.

Implementation process of pilot project

Before implementation of the project it is important to set appropriate place (village) where people eager to cooperate and improve their living conditions as well as income status. It is important to find out village with very close social cohesion. Mostly good social cohesion and capital is in small villages (third type of villages).

Secondly, it is important to find out big farmer who will be ready to share with his unused capital and act as a loyal leader to the villagers. It needs initially to make survey and within villages and try to convince and explain farmers about total idea and vision of the project that is based on success of RSU. Arrange terms of support from Korean side through trainings, literature materials and education even possible financing.

It is important to keep in touch with local government and try to set and prioritize important projects to the villagers as well as arrange mass media involvement in order to spread small project implementation over the country.

If project would be successfully implemented it will give these results:

Additional income source to villagers and big farmer;

Attitudinal change to self-help and cooperation;

People will be involved to work through cooperation;

Leaders will easily teach villagers how to gain productivity and market competitiveness through trainings and meetings;

Spread successful experience to other villages through mass media;

Give clear proposal to government and convince of further support to acceleration of the cooperation spirit as well as spreading to all country;

In long term vision villages could be specialized clusters like in Italy and China (Town-village enterprise).

Conclusion

To sum up, this little proposal gives picture of possible applicability of some mechanisms of Korean RSU like leadership and government support and intervention. Leadership take place as endogenous development, which is explained as acting big farmers as village leader within village. This village leader will have quite same responsibilities as RSU village leaders but at the same time they will get benefit from cooperation jobs. Secondly, government intervention will take place as exogenous development. It will make incentives to big farmers to lead and cooperate with villagers at the same time government will encourage these villagers through subsidies and other material support. This is main concept of the project. However, in initial stage it is quite hard to receive serious government support or intervention until good theoretical survey of implementation is complete and approved. Moreover, to achieve central government involvement would be very difficult without clear and successful case study. In order to realize even one successful case study it is important to select one the most appropriate village and start to work with this villagers especially convince big farmers and villager to cooperation through trainings and explaining successful Korean RSU stories and at the same time request support from local government.

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