

## HUMAN DEVELOPMENT REPORT

### KUH DU E RI

Greetings from the people of Korea and our colleagues, staff and villagers of the Kuh Du E Ri Human Development Project. Kuh Du E Ri is a beautiful small mountain village which is located on the northeast side of Korea near the de-militarized zone-the DMZ. It has a population of 550 people and 86 families. About four years ago, 40% of the village lived in the mountains as "slash and burn" farmers. I don't know if you know that term or not, but they burned the mountain and planted crops, and harvested and moved about like gypsy farmers. But the Korean government decided to protect the natural forest so the people were moved out. When they were moved from the mountain to Kuh Du E Ri they had no land, but the government did provide them with small houses. Therefore, when we started this project, this village was one of the poorest villages in Korea and was also isolated by surrounding mountains.

In the Consult we discovered several major contradictions. One of the major contradictions was in their pattern of buying and selling. They sold crafts at a very low price and then had to buy their needed goods at a high price. Village income for one family was about \$2,000 and if you think of an average of five in a family that is \$400 per person. We estimated that they were losing about \$1,000 per family each year in just the buying and selling methods they were using. Another contradiction was that they had moved from the mountain without any land. That was a big contradiction.

When we started the project, our first concern was how we could solve these contradictions in the economic arena. So we started with the economic programs. I want to tell you of some of the sub-tactics of our economic programs. The first of the sub-tactics was the Common Village Treasury. This is like a small village bank. 100% of the 86 families in Kuh Du E Ri participate in the Common Village Treasury. Immediately after the consultation a Village Assembly was held and the Village Treasury was created complete with the election of a board of directors, establishment of a membership fee, and decisions as to which businesses would be launched. Most of the people had just moved from the mountain so there was very little in the way of organizational structure in the village. That is why we decided to organize the Village Treasury.

The second sub-tactic was the Common Village Store. In that same first Village Assembly we decided to capitalize the new Village Store through the Village Treasury with an initial investment of \$4000. Today the Village Store properties are worth \$20,000 and employs two people.

The third sub-tactic was the Common Piggery. The piggery was started with 10 pigs purchased by the Village Treasury and used a rented building to house the pigs. Today, there are three piggery facilities owned by the village and there are 100 pigs. Every week there are new baby pigs and the pigs are sold on the market. The four stakes decided to build the three buildings by designating which work would be done-the foundation by one stake, the cement block walls by another stake, and the roof by still another. One piggery was built by the four stakes in one week. With an original

investment of \$4000 the total properties of the piggery are worth around \$20,000. One day a businessman and a government special agent visited our village. As we walked around, the government special agent, a woman asked "What is that smell?" as if it were something very bad to smell. I said, "That is the smell of money. It will make us a rich village!" She did not seem to understand what we were talking about. When we reached the piggery she said, " Oh, now I understand what you meant when you said, 'That's the smell of money'".

Sub-tactic four is the Common Cow Barn. Before the project there were 200 cattle in the village owned by individual families. The Common Cow Barn was begun with 11 beef cattle and the cow barn buildings were built by the four stakes the same way as the piggeries. We have recently made advance payment on 14 milk cows and this month we expect to receive 14 milk cows from New Zealand.

These are just four out of more than ten economic programs we have going. I selected these as the major ones and now I want to talk to you about our key breakthrough and our learnings.

The key breakthrough for us in doing Human Development, especially in Corporate Patterns and in the economic programs, is the immediate establishment of the Local Economic Vehicle (the Village Treasury) which acted as a comprehensive financial organization. This allowed the village to operate like a corporation involving the total community consensus and total community engagement.

Our learnings in Kuh Du E Ri are: First, economic programs can support the social programs. Our project is one year old, but in the past year, we have built nine buildings. They are very big buildings and very nice buildings. Before the consult was held even, the village had decided to build a village hall. We asked a construction company for an estimate as to how much it would cost to build the nine buildings. They said it would cost about \$100,000, but if the villagers built it themselves it would cost only about one-tenth of that, that is \$10,000, because the village could provide the skills and labor free. Our buildings were completed in that way. Many people ask us how we built those buildings. We tell them, "We built these buildings ourselves in forty days!" Construction companies sometimes take several months to build such buildings, so when I tell this kind of a story, people do not believe us. They seem to imply that I am telling a lie. But it is true!

The second learning is, using the Village Assembly for the decision making, the stakes for the corporate work, and the guilds for management and personnel allows the whole village to become involved. The whole village is motivated by touching all the economic and social structures. The Agricultural Guild manages the piggery, cow barn and vinyl houses; the Industrial Guild manages the village truck and cement block factory; and the Commercial Guild manages the village store, the village treasury and the kerosene store.

The third learning is that common economic enterprises catalyze individual economic enterprises. Before the Common Piggery was created only one family raised pigs; now about 80% of the families have pigs. We have a special contract with the Purina company - a company that provides

livestock feed. Every week we pick up five tons of feed from the factory and then distribute it to the village. We make \$100 a week profit and provide the feed to the villagers at a cost lower than they can buy it in the city.

Our fourth learning was that economic programs are the motivational doors for social and human development. Economic programs excite and engage the men of the community especially, who then push the other aspects of the project and thus finally, involve the total community.

Our fifth learning is that when a community stands up and becomes a genuine model community, a support system is catalyzed almost automatically. We have had businessmen visit Kuh Du E Ri and, upon seeing what has happened, volunteer to donate in-kind materials.

Our sixth learning is that because of the Saemaul Undong (New Community Movement in Korea), our projects in Korea are spring boards into other nations. When a Malaysian official recently visited Kuh Du E Ri, he noticed the grid and name of Sungai Lui in the village hall; when he returned to Malaysia he looked up the ICA. This has also happened with visitors from Indonesia, the Philippines and many other nations.

Our seventh learning is that economic success breeds total community development. Last year, the family income in Kuh Du E Ri was \$2,000 per family. This summer, it is \$6400 per family. By next summer, it will be around \$10,000 per family. This rapid increase in income not only improves the physical well-being of the people, but because it occurs within a Human Development Project, provides for social and human development and motivates the people to care for their neighbors out of gratitude.

When we started the project and people looked at the vision chart, everyone in the village said it was impossible. Everyone now believes that it is possible! And after what has happened in our village, the government has decided to put in new dams for the irrigation system. The government will provide the skills and materials for the new dam and the villagers will provide the labor. I would guess that we can complete the dam this year. If we can complete the dam, the income will be two times what it is now. One of our contradictions, again, is that we have a lack of water. If we complete that new dam, the villagers will be able to put sprinkler systems to every farm there. Also, the government has decided to build 25 new houses as model houses in our village. It will be started in September. Also, the village itself has planted 5,000 trees. If you get the chance to come to Kuh Du E Ri next year, you will not recognize that this village was once a poor farm village. The villagers are saying that they are building one of the number one villages of the world. I believe that the Kuh Du E Ri villagers are showing this possibility of local people to the whole world.