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Rural Tourism Policy and Trends in Korea

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INTRODUCTION

- Rural tourism in Korea began in 1980s for an additional source of income other than agriculture.
 - Since 1980s, agricultural conditions have deteriorated due to external pressure to open agricultural markets
 - The income gap between urban and rural areas has continued to widen
 - farm household income to urban worker households widening from 80.5% in 2000 to 64.4% in 2015
- On the other hand, as people's disposable income increased and the five-day work week system was implemented, tourism demand increased.
- As the share of agriculture in the national economy has been declining, rural tourism is becoming increasingly more important for the development of rural areas.
 - proportion of agriculture value added in GDP : 1.8% (as of 2021)
- Although rural tourism has been passing through crisis of the COVID-19, it is facing a new opportunity in accordance with the social changes and people's increasing interest in 'Local' in Korean society.

RURAL TOURISM POLICY BY PERIOD

1st period (1980s~1990s) : Increasing Non-agricultural Income

- Government support projects for garden farms, rural tourism resort complexes, and rural bed and breakfasts (B&Bs) were introduced to expand income from non-farming sources as 'Rural Tourism Recreation Resource Development Project'.



Source: edaily, Jejudomin Ilbo



2nd period (2000s) : Rural Tourism Support for ‘Rural Village Community’

- Support projects for village-level rural tourism were implemented to support 'rural village community' as tourism business entity.
- Various central administrative agencies promoted local development projects to create tourism villages with their respective titles.
- Approximately 2,000 rural tourism villages were created across the country.

	Green Rural Experience Village	beautiful village	Rural Traditional Theme Village	Culture and History Village	Fishing Village Experience Village	Mountain Village Experience Village
Supervising department	Ministry of Agriculture and Forestry	Ministry of Government Administration and Home Affairs	Rural Development Administration	Ministry of Culture and Tourism	Ministry of Oceans and Fisheries	Korea Forest Service
Start year (End year)	2002 (2013)	2001 (2004)	2002 (2009)	2004 (2008)	2001 (2013)	2006 pilot project
Implementation period	1-2 years	3 years	2 years	2 years	1 year	-
Budget (as of the end of 2005, cumulative)	12.3 billion KRW	23 billion KRW	5.6 billion KRW	4 billion KRW	18 billion KRW	-
Scale of support	200 million KRW per village (50% national, 50% local)	1 billion KRW per village (The scale of local subsidy is different)	200 million KRW per village (50% national, 50% local)	3 billion KRW per village (National budget 2 billion KRW, local budget 1 billion KRW)	500 million KRW per village (50% national, 45% local, etc.)	- 5 pilot villages (2006)

Source: Ministry of Agriculture and Forestry, etc. Reorganization of submitted data (2006); Requested from NABO (2006).

3rd period (around 2010 to 2020) : reinforcement of rural tourism system, support for convergence

- Institutional foundation of rural tourism was reinforced, and the contents of rural tourism began to be enriched through convergence with other fields.
- Services began to be diversified by combining education, culture/arts, food/dining, oriental medicine, and ICT, while expanding the scope to local tourism.
- Since 2013, a rating system for rural tourism villages, garden farms and rural B&Bs has been introduced to evaluate and assign grades. (based on the <Rural Exchange Act>)
- Since 2014, convergence-type rural tourism has been promoted by supporting convergence industries (based on the <Act on Fostering and Supporting Rural Convergence Industries>)
 - Senary industry (the 6th-order industry) : Primary(1st) × Secondary(2nd) × Tertiary(3rd)

4th period (early 2020 ~ present) : rural tourism after the outbreak of COVID-19

- Since the beginning of 2020, rural tourism has been hit hard by the COVID-19.
- In response to the negative impact of COVID-19, The government provided **financial support** to alleviate damages to rural tourism operators, and also implemented a **discount policy for tourists** (support for travel cost) and **publicity** to promote for rural tourism.
 - MAFRA Selected and promoted small rural tourism villages as safe places to travel during the coronavirus;
 - Newly implemented a small-scale rural hands-on program support project (100 villages, April 2022).
- On the other hand, capacity building for human resources and content development were continuously promoted during this period to enhance the competitiveness of rural tourism.
- Rural tourism in Korea has been centered on rural tourism villages, but the village-level rural tourism model has its limitations.

- Rural tourism villages are operated by providing accommodation, meals, and hands-on programs such as crop harvesting, making food and crafts, mainly for group tourists such as schools and companies, but there have been criticisms that the services provided by tourism villages were quite typical and not of high quality.
 - Overall satisfaction with rural tourism : 74.8 points / Satisfaction with rural tourism compared to other travel experiences : 73.3 points. (rural tourism survey by Rural Development Administration, end of 2020)
- Due to the profit structure which highly depends on big group of tourists, rural tourism villages faced a serious crisis in the time of COVID-19.



Changes in rural tourism policy at a glance

- Changes in rural tourism policy are in line with those in the representation of ruralism.
- They have evolved from simply focusing on production to pursuing balanced and multi-faceted dimension of productivity, community and conservation.

Classification	Periods	Purposes	Representation of ruralism		
			Productivity	Community	Conservation
1st period rural tourism	(1980s~1990s)	Increasing Non-agricultural Income	Production	Supporting production	-
2nd period rural tourism	(2000s)	Rural Tourism Support for Rural Village Community	Cultivation + Experience	Dwell + Experience + Exchange	Experience + Recreation
3rd period rural tourism	(around 2010 to 2020)	Reinforcement of rural tourism system, support for convergence	Multi-faceted products	Dwell/Life + Relationships	Ruralism restoration + Conservation
4th period rural tourism(after COVID -19 outbreak)	(early 2020 ~ present)	Alleviating negative effects of COVID-19 and increasing the competitiveness of rural tourism.	Multi-faceted products	Dwell/Life + Relationships + Recent trends	Ruralism restoration + Conservation + Attractive endowments

GOVERNMENT SUPPORT FOR RURAL TOURISME

Rural Tourism Policies Promoted by Central Government

- Projects that the MAFRA implement include
 - Local-level rural tourism;
 - Support for various activities concerning rural tourism vitalization;
 - * development of rural tourism resources for rural tourism villages, information provision, promoting to urbanites and foreigners, capacity building, etc.
 - Support for activity cost of 'Samujang'(manager of rural tourism villages);
 - Training for village leaders;
 - Support for rural festivals;
 - Support for horseback riding tourism
- MAFRA also carries out projects that support convergence-type industry including tourism
 - Such as the creation of rural convergence industrial districts, support for the establishment of rural convergence local networks, rural convergence industry promotion and online system management, rural convergence industry promotion and marketing support, and regional rural convergence industry vitalization support.
- Projects to discover, manage, and preserve agricultural heritage (national/international), which is an important resource for rural tourism, are also promoted.

Support Project	Support Details	Budget (2023)	Beneficiary	Classification
Support for Vitalization of Rural Tourism (local-level rural tourism)	Developing and operating local stay-type travel products (experiences, tours, meals, and lodgings) that link local rural resources with general tourism resources	1,200 million KRW (50% national, 50% local) Program expenses, public relations expenses, operating expenses, etc.	mayor	Rural industry
Support for Vitalization of Rural Tourism	Developing rural tourism resources for rural tourism villages, support for information provision, expansion of attracting urban residents and foreigners, support for capacity building (first aid training), support for rural lodging service safety enhancement projects, etc.	9,637 million KRW (100% government fund)	Urban-Rural Exchange Support Center, etc.	Rural industry
Vitalization of rural tourism (Support for Samujang activity cost)	Supporting Samujangs with competence for the operation of rural tourism villages	11,958 million KRW (40~50% of national expenses, 30~50% of local expenses, beneficiary 0~20%) * KRW 2,010,580 per month, per Samujang	Samujang of Rural Tourism Village	Rural industry
Village Leader Training	Leaders, Samujang, etc. of rural tourism villages	340 million KRW (50% national, 30% local, beneficiary 20%)	Village leader, Samujang, etc.	Rural industry
Support for rural festivals	Support for village festivals based on rural life, scenery and traditions	360 million KRW (50% national, 50% local)	Rural community	Rural community
Horseback riding Tourism vitalization support	① Horseback riding support for youth ② Horseback riding (outside riding facility) program support	6,275 million KRW (30~50% of national expenses, 30~50% of local expenses, beneficiary 30-40%)	① Students, etc. ② Equestrian facility operator	Horse industry

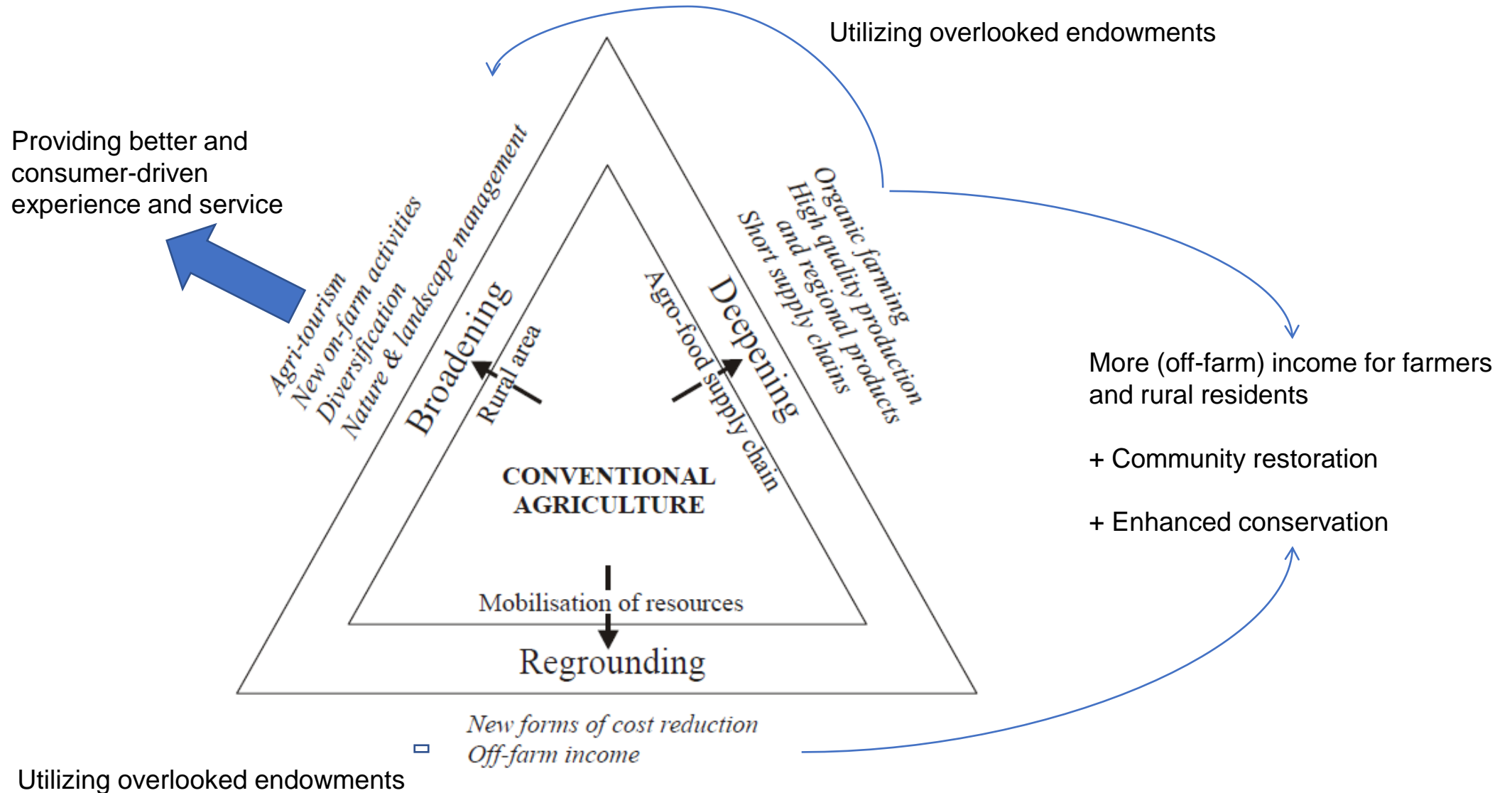
Rural tourism support measures by regional/local governments

- Particularly in the stream of decentralization, some of the administrative affairs promoted by the central government have been transferred to local governments, and the extent of decentralization is expected to expand further.
 - According to the fiscal decentralization plan (Oct. 2018), it was decided to transfer local projects promoted by the central government, such as MAFRA and Ministry of Culture, Sports and Tourism, from 2020, therefore tourism development led by regions will continue to expand.
- The measures promoted by regional(local) governments differ from region to region. In general, measures to support businesses experiencing financial difficulties in the context of COVID-19 have been emphasized, while measures to qualitatively improve rural tourism in preparation for post-COVID19 were also promoted.
- One of the recent movements that regional/local governments are paying great attention to is expanding demand for 'workation'.

Type of support measures		Main contents of support
Improvement of tourism convenience		<ul style="list-style-type: none"> - Construction and operation of integrated online platform - Installation and operation of unmanned tourist kiosks, unmanned souvenir shops, etc.
Development of Tourism content/product		<ul style="list-style-type: none"> - development of offline/online programs - Development of hands-on program kits (visiting version of hands-on classes), etc.
Public relations/Promotion		<ul style="list-style-type: none"> - Installation and operation of PR center (including sales booth) - Distribution of promotional materials - Online content creation and publicity
Education/ Training	Training of experts	Expansion of human resources through expert training
	Reinforcing the capacity of relevant actors	village leaders, hands-on farm operators, etc.
Funding	Individual entities	Funding for business entities
	Villages	Support for personnel expenses of Village Samujangs
Facility improvement support		Support for improvement of facilities

CHANGES IN TOURISM TRENDS RELATED TO RURAL TOURISM

Transition to more sustainable rural tourism [원고 10-11쪽, 4.1. 관련]



#1 _ Demand-driven micro-tourism era : multi-sectoral, territorial convergence approach

- With the transition to a demand-driven tourism market, the scope of rural tourism is also expanding.
- In the era of micro-tourism, where demand is increasingly individualized and segmented, convergence with various fields such as culture, history, food, health, and education, etc. is advanced to meet people's more sophisticated needs.
- Territorial convergence is connecting with each other within a certain local area so that travelers can experience more diversified and integrated services.

Local culture × Food × Art
convergence
: Kitchen of Haenyeo
(Jeju-si, Jeju-do)



Source: Kitchen of Haenyeo



Source: every corner of Korea, Chosun Ilbo, brunchstory



(Mitan-myeon, Pyeongchang-gun, Gangwon-do)





Source: Rural regeneration workshop with young activists. hosted by Korea Rural Economic Institute (2023.4.26.), Wowmitan presentation.

#2 _ Diversity and creativity created in local areas by meeting with external perspectives

- The diverse activities carried out by young people who have entered local areas in search of alternative ways of life or economic opportunities have created spaces and cultural styles that have not existed before in rural areas, creating a new rural cultural landscape.
- These places are not only an opportunity to expand the contents of rural tourism, but also important spaces to improve the quality of life of local residents.

Re:place

(Sanyang-myeon, Mungyeong-si,
Gyeongsangbuk-do)





#3 _ Pursuing different lifestyles: 'try living' travel

- In Korea, a society with a very high urbanization rate (approximately 91% as of 2021), people who are tired of the competitive and dense urban lifestyle sometimes travel in the form of a relatively long stay in search of an opportunity to experience/live different ways of living.
- 'Try living in the local area' is a form of local tourism where people stay quite close to the area for a certain period of time (one month try-living, two weeks try-living, etc.) living like a quasi-resident of the area.

2023 생활관광 프로그램

- 1 **속초**
속초오실 (2박 3일)
- 2 **통영**
술기로운 섬 생활 (2박 3일 ~ 3박 4일)
- 3 **함양**
여행을 일상처럼, 할양 온데이 (3박 4일)
- 4 **충주**
충주로oh7 (2박 3일)
- 5 **청주**
청주 문의와유 (2박 3일)
- 6 **해남**
망골마실 (2박 3일 ~ 3박 4일)
- 7 **전주**
자유여행 반 플키지 반 '반반 전주' (2박 3일)
- 8 **사천**
발주부전의 고향 비토섬 (2박 3일)
- 9 **영동**
영동군 통류스데이 (2박 3일)
- 10 **예산**
대흥 천년 마을에서의 '더 느린여행' (2박 3일)
- 11 **나주**
나주읍성 살아보기 (3박 4일)
- 12 **남해**
속속들이 남해여행 (2박 3일)
- 13 **군산**
백투더오션 (2박 3일 ~ 3박 4일)



#4 _ Pursuing a different way of working

- There is a growing preference for a more flexible working environment rather than the traditional way of working in the office nine-to-six.
- Amidst these changes, new forms of 'tourism×work' called workcation or workstay are emerging.
- Public sector is also showing willingness to promote the workation projects in terms of revitalizing the rural areas.
- Workation market is also expanding in the private sector as well.

Wave Salon

(Gangneung-si, Gangwon-do)



Jilgraeng-i

(Jeju-si, Jeju-do)



Farmnd, 'Rustic Town'

(Gokseong-gun Jeollanam-do)



#5 _ Value-oriented tourism

- Tourism that has the meaning of experiencing the values such as social and environmental sustainability that one supports is emerging as well.

Bat-Meong

(Sangdong- eup, Yeongwol-gun, Gangwon-do)

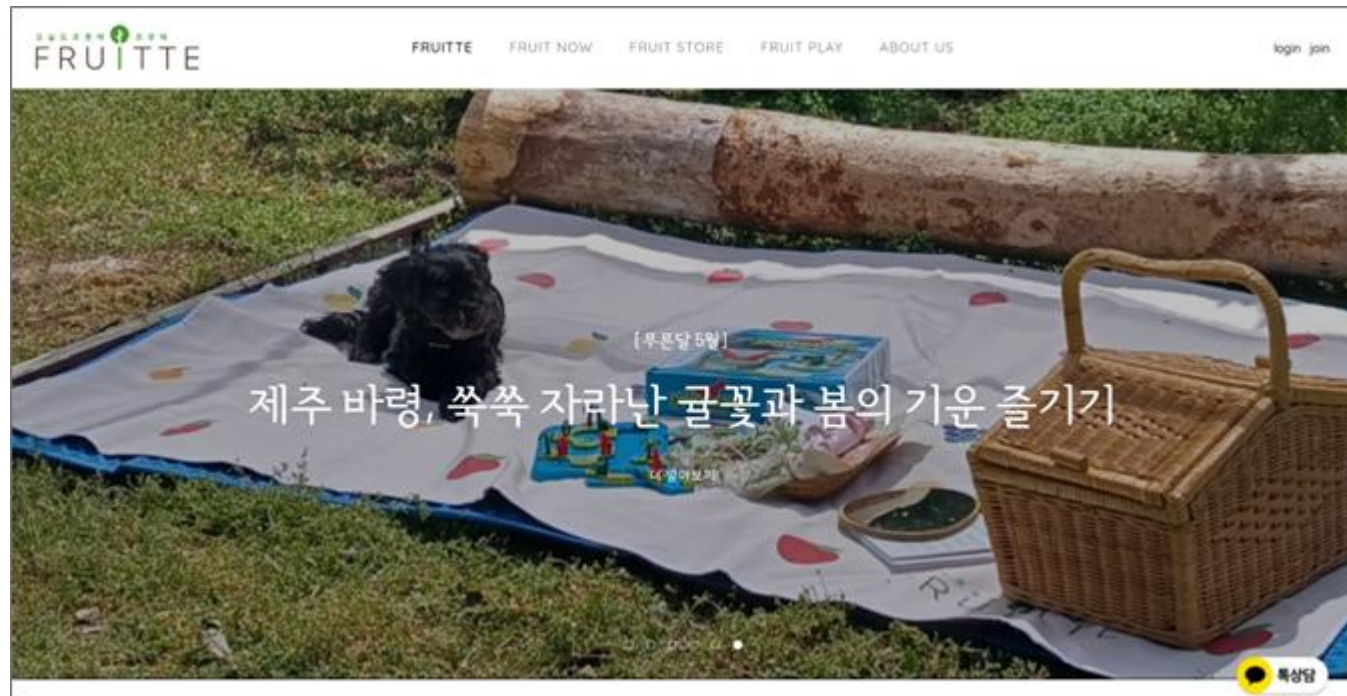


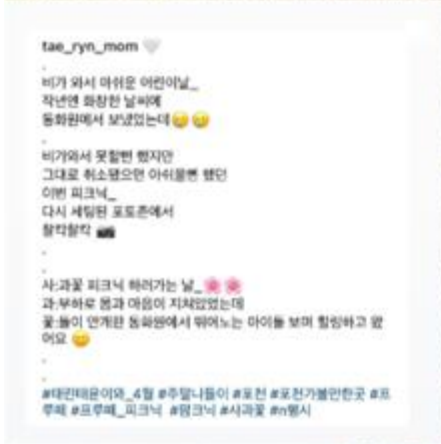
Source : (left) Gangwon-do Minilbo, (right) Monthly Chosun Newsroom

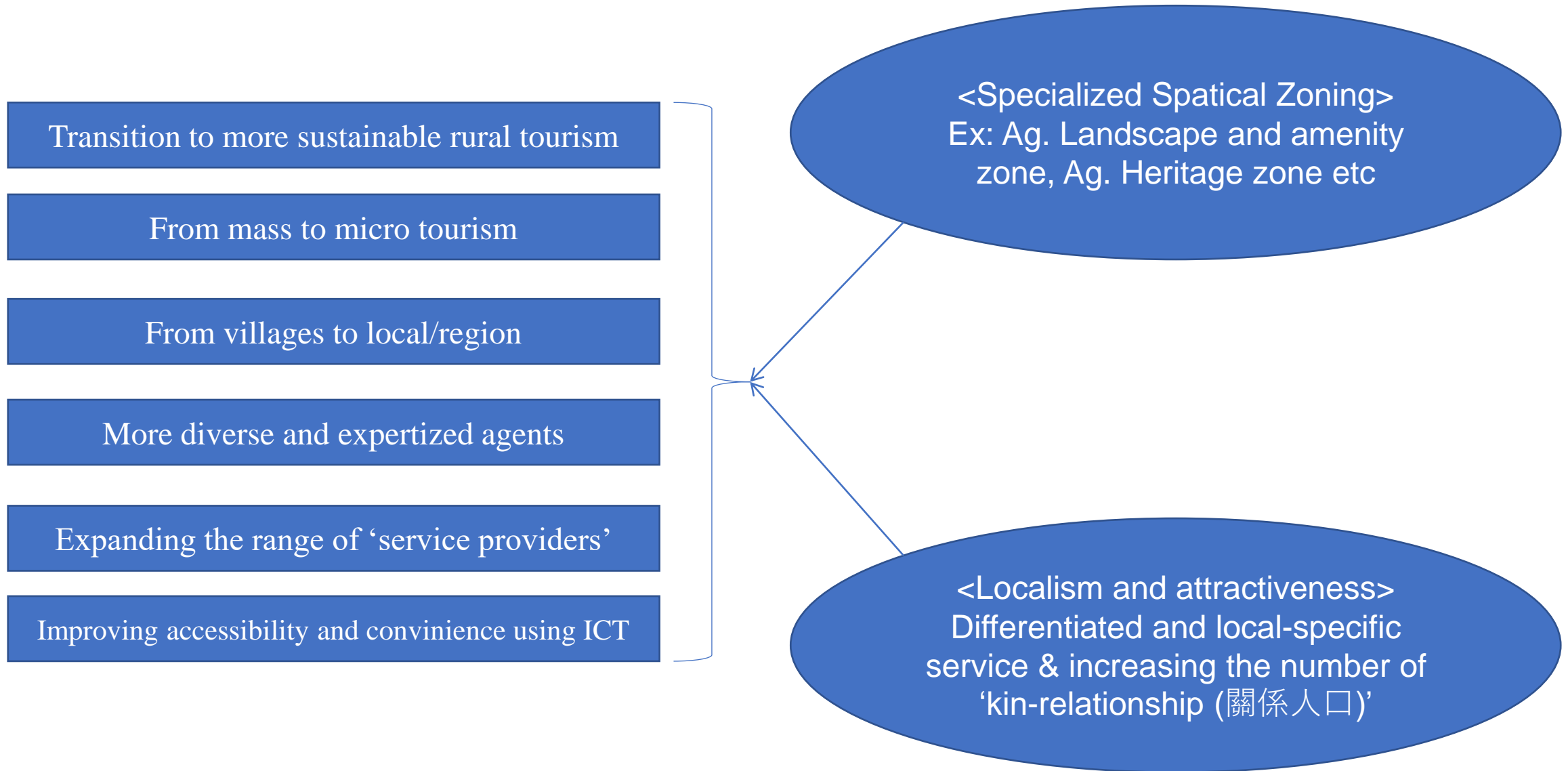
#6 _ preference for private Farm tourism

In rural tourism using farms, contents are being developed in response to the demand for more private and not-so-massive tourism while making it more convenient for consumers to access through digital technology.

Fruitte operates a farm tourism online platform that connects farms and consumers. They curate and consult with small farms to create farm picnic/farm camping.







CONCLUSION

- As people seek a variety of lifestyles, tourism demand is changing to more individualized experiences, 'try living' alternative lifestyles, and value-oriented experiences that they support.
- In order to meet these changes in demand, rural tourism in Korea, which was centered on rural tourism villages, is expanding into more local/regional-level tourism that fuses different sectors/services and connects various resources that exist in the region.
- The creativity and diversity that is created when outsiders' perspectives and differences meet the ones of region is significantly important in creating tourism environment that attract people enhancing the overall attractiveness of the region.

Thank you!