

Local Particularities in Regional Social Innovation: A Case Study of Rural Stay Program in Mungyeong, South Korea

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Abstract

Rural decline threatens sustainable development, leading to lower life quality and environmental degradation. To revitalize regional areas and address youth unemployment problems, the Korean government established a Youth Village program to attract young people to rural towns and set up new businesses. A rural town, Mungyeong, was chosen as a case study to investigate its rural stay program, motivations, and outcomes. Based on the report review and preliminary interview with the program organizer, we identify the program's strengths, weaknesses, and critical success factors. The issues are then examined through a cultural lens to identify cultural and regional differences that may act as enablers or barriers to social innovation. The paper contributes an in-depth understanding of local challenges to develop an appropriate social innovation strategy. We anticipate that Mungyeong's lessons will apply to other regional social innovation projects.

Keywords: Rural Stay, Regional Revitalization, Social Innovation, Cultural Dimensions

Introduction

Despite rapid economic growth in recent decades, urbanization has left rural South Korea (hereafter, Korea) suffering from widening urban-rural disparity in living standards. Rural development is critical to achieving multiple Sustainable Development Goals, including but not limited to Goal 1: No Poverty, Goal 2: Zero Hunger, and Goal 8: Decent Work and Economic Growth. The rural area houses a sizable population vulnerable to climate change, poverty, and a lack of critical infrastructure. Furthermore, rural lands provide the primary food supply for urban

areas and play critical roles in preserving natural habitats and landscapes. Rural development can be addressed through regional revitalization, which is expected to increase job opportunities and improve life quality.

Successful implementations of such initiatives require collaborative efforts between the public and private sectors. However, in government-funded projects, the perspectives and expectations of diverse stakeholders are often overlooked, making it challenging to encourage participation. Additionally, local and cultural aspects significantly shape the success of social innovation and collaboration efforts. To navigate these challenges, the paper aims to answer two research questions: “What are the expectations and perspectives of different stakeholders in rural revitalization projects?” and “How do cultural and regional differences affect the implementation of social innovation practices?”

To answer the questions, we first aim to identify social innovators’ challenges and potential contributions to local social innovation projects. The regional revitalization initiative through a rural stay program in Mungyeong, Korea, is chosen as a case study. First, we explore the background of the program. Next, data is collected based on (1) two reports published by the program organizers and (2) an interview with an organizer about her challenges and where she needs help. We then derive the program’s strengths, weaknesses, and critical factors for its success from multiple perspectives. Finally, we reflect on the program’s challenges through a cultural lens, adopting Hofstede’s five cultural dimensions to identify local particularities that influence social innovation. By providing insights on the challenges faced and navigating them through softening strategies, we aim to aid social innovators in creating effective and sustainable service designs and innovations in similar contexts.

A case study of a rural stay program in Mungyeong

Mungyeong is a rural city in central Korea, located two hours from Seoul. It is well-known for its natural beauty, historical tourist attractions, agricultural products, fruit festivals, and cultural activities. Since a coal mine closed in 1990, Mungyeong’s population has decreased from 160,000 in 1970 to 70,000 in 2021 (Ministry of Public Administration and Security, 2022). The rural population share has decreased from 60% of the total population in the 1970s to 19% (9.7 out of 51.6 million) in 2018 (OECD, 2021). Rural cities are also affected by low nationwide fertility, with Korea’s total fertility rate (TFR) hitting a record low of 0.84 in 2020. Despite policies such as



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childbirth support and international marriage, government efforts to boost the birth rate in rural areas are failing.

In 2018, the Ministry of Interior and Safety established the *Youth Village* program to help young adults find new job opportunities and settle down in regional areas (Ministry of the Interior and Safety, 2021). From 2018 to 2020, one site was designated yearly, including Mokpo City in 2018, Seocheon County in 2019, and Mungyeong City in 2020. In 2021, project numbers increased to 12, with each area receiving approximately 400,000 USD in funding.

Since 2020, the Mungyeong *Youth Village* program has been run by a private youth team called the *Munlight Expedition Team*. The program invites young people to experience life in Mungyeong through a rural stay program. Applicants must meet Mungyeong's youth criteria which is the age range of 19 to 45, higher than the standard nationwide cap of 39. While other programs are reserved for youths from outside the region, this program is also open to locals. The program supports up to 3 million won for entrepreneurial projects, in addition to accommodation, co-working spaces, and offices renovated by previous cohorts (Figure 1). Within two months, young adults visit significant places in Mungyeong while working on projects based on their talents and interest, such as performance, art, craft, book publishing, product design, cultural content creation, farming, agricultural products branding, and culinary.

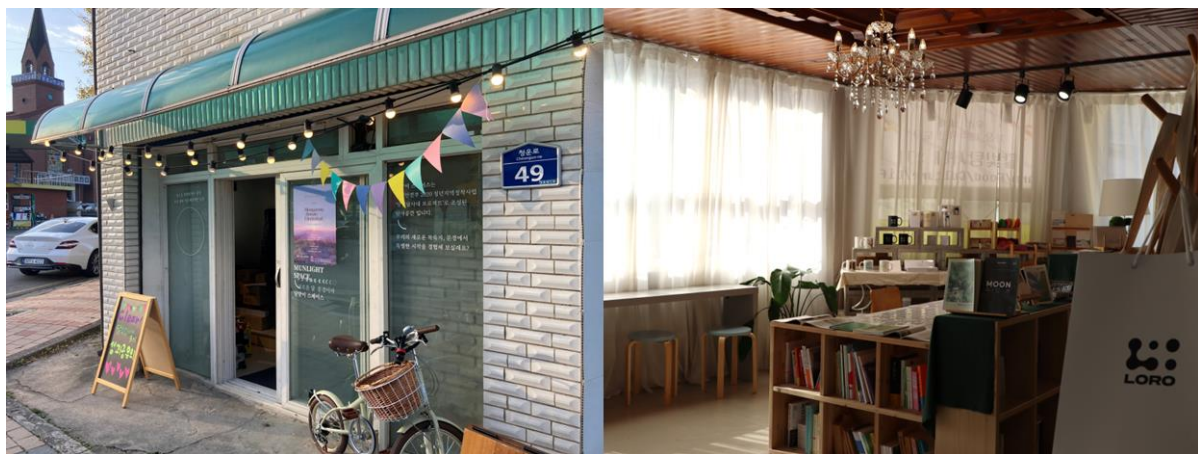


Figure 1. Co-working space entrance (left) and Design company office (right)



Program outcome

Based on surveys conducted by the organizers in 2020, among 81 participants, 39% settled down in Mungyeong after the program ended, whereas 63% positively considered a settlement in the future (Joo, 2021). In 2021, among the 41 participants, 49% settled down, whereas 77% are considering (Joo, 2022).

Participants' survey result

The following summarizes the surveys of 69 participants. Reasons for participation include self-development, taking on new challenges, a sense of community, experiencing rural life, and start-up support.

What participants liked about the program were self-growth, collaboration, local life experience, community-building, autonomy, risk-taking atmosphere, communication channels with residents, capability-building, and voluntary participation.

After the program, participants had more interest and positive associations with Mungyeong and rural regions.

"I get to know Mungyeong better, and because of the people I met here, I like Mungyeong more."

"Maybe, I should try doing something in Mungyeong."

"I feel the possibilities of moving to other places outside the Seoul region."

The rural stay experiences help with personal growth.

"I've become someone who published the book! And I realized that I could live well outside of Seoul."

"My fear of challenges disappears...."

"I live my life more independently. "

Regarding what could be improved, participants mentioned the need for a manual, project organization, fund usage, transportation such as electric bikes, and staffing.

"There are so many things I didn't know. But managers' hands are all full. So, it was difficult to ask for help."

Residents' survey result

The organizers interviewed two residents and asked about their impressions of the Munlight Expedition Team and how they impacted their neighborhood,



Mungyeong residents felt optimistic about incoming youths as they bring life and positive energy to the area. Many ideas are novel and have potential.

"It was fresh and energetic because many young people came in.... the neighborhood was really lively." (Resident 1)

"I had a chance to join a gathering. I was not able to participate until the end, but I think these novel attempts are amazing." (Resident 2)

Although it is exciting, they are concerned and have reservations about young people being able to live here.

"It was fascinating but also worrisome. It takes courage to return to their hometown and the countryside; however, most people cannot endure for long... I have seen many new things disappear. Mungyeong is not easy to run a business since there aren't many residents...." (Resident 1)

"There will be a time when they got a reality check, and I'm worried they will be shaken and exhausted." (Resident 2)

They are hopeful and wish this program could improve with a more tangible and broader impact.

"Since this is just the first time, I believe we will see more improvements afterward... I'm curious how far it could evolve... I hope to see activities and programs that more people can enjoy." (Resident 2)

Interview with the program organizer

We identified the critical concerns based on an interview with the organizer. Regarding what contributes to the program's success, the organizer states that the most critical factor is having mentors or experienced businesspeople.

"To help young people settle down, the role of a mentor is critical. This is a major difference from other places and strengths of Mungyeong."

Social support is also a unique thing Mungyeong can offer.

"Similar organizations are run by people from other regions. However, locals run the Mungyeong program. Therefore, you can connect necessary relationships for settlement."

The organizers struggle but are happy to host participants. Within a small organization, organizers take on multiple roles as needed.



“After-hour work and phone calls have become my life. I got used to it. It’s normal as visitors, they are new to Mungyeong and don’t know much and will have questions to ask”.

“Even if I’m in charge of administration, I’m also a designer. Sometimes I have to design a banner.”

Organizers want to continue supporting people who decide to stay after the program ends but can’t because they must move on and host the next round of participants.

“I wish we could work with participants who stayed. That way, we could still see each other every day. I felt bad we didn’t take care of them enough.”

However, their roles are understated by the city administration. They struggle due to a lack of proper financial support.

“I think the personnel working as organizers should receive a fair wage. Personnel wages should be appropriately received, separately from project fund.”

The project funds are allocated for activities. However, no continued funding exists for people who decide to stay and launch their businesses.

“We are considering using the budget to fund a business directly. However, doing business right away is not easy.”

“Since we are formed by a group of businesses, running the program without funding is still possible. For example, a design company can employ participants as designers for two months. The same goes for publishing and cooking businesses. We got funding to provide better offers to participants. Using funds means there is much paperwork to do.”

Lastly, organizers can only try and learn from their experiences. They are unaware about other related practitioners or academics showing a lack of nationwide as well as international coordinated efforts.

“As far as we know, we are the only one in Korea doing such a project. I would be delighted if you could share the case study from other places.”

Program outcome summary

The survey and interview results from participants, residents, and organizers show positive outcomes. Mungyeong has received upbeat energy, while the youths benefit from meaningful life experiences. Some youths settle down after the program, while others have a positive image of rural life and consider returning. The impact beyond Mungyeong has been demonstrated. However, many aspects can be improved,



including sustainability, ecosystems that nurture social support from residents, and helping youth entrepreneurs develop viable businesses.

Based on the results above, the strengths, weaknesses, and critical factors for the program's success from each stakeholder's perspective are summarized in Table 1.

STAKEHOLDER	STRENGTH	WEAKNESS	CRITICAL FACTOR
<i>Participant</i>	The program provides meaningful experiences	The program lacks organizing workforce	Personal relationships between participants and locals
<i>Organizer</i>	The program connects participants with locals	The program's autonomy is restraint	Mentors support for youth entrepreneurs
<i>Resident</i>	The program has exciting initiatives	The program has no clear expected outcome	Program's positive impact on the community

Table 1. Key aspects of Mungyeong's rural stay program

Critical issues and reflections

To better understand the initiative's challenges, we analyzed local characteristics and how they could be enablers and barriers to social innovation. Strategies for social innovation in the Korean context, which may differ from Western practices, can be appropriately employed by considering local particularities. We examine critical aspects of the program via a cultural lens, adopting Hofstede's five cultural dimensions (Hofstede, 1984). The scores for Korea are collected from Hofstede Insights (Hofstede, 2019). Cultural influences, whether they are barriers or enablers of social innovation, are analyzed (Figure 2).

Power distance: This dimension expresses the attitude that individuals in society are not equal. Influenced by Confucianism, Korea has a vertical structure where the elderly and those in higher positions should be respected. A study reports that in a small farming village, a younger producer has little influence due to authority given to more senior and experienced farmers (Baek et al., 2018). On the one hand, power



distance allows better control and planning. Conversely, asymmetrical power could be an issue when adopting a participatory approach to social innovation (Kim, 2022). Here, intermediary organizations and solid evidence can help empower those in weaker positions.

Collectivism: In a collectivist society, informal social ties can provide resources and support mechanisms (Yang, 2006). People are willing to work together for the greater good. An example is a public gold-collecting campaign in 1998, where Koreans donated valuables to help the country out of the economic crisis. When residents are fully engaged, youths can get help from local mentors. However, the workforce is limited, yet bringing in external resources can take time and effort. Successful social innovation cases emphasize the participation of multiple organizations, such as design experts (Jiang et al., 2020) or other intermediary organizations (Ho & Yoon, 2022). However, because local communities have a strong sense of *woori*, the Korean concept of 'we-ness,' incoming people are viewed as *nam*, the Korean concept of 'others.' Intermediary organizations with local ties are crucial to building trust and collaborations with those outside the community.

Harmony: We observe that consensus is highly valued. Koreans tend not to show sensitive emotions and avoid acting in ways that might jeopardize their belonging to the group. They tend to respond positively and avoid making direct refusals to a person, as that might cause that person to 'lose face.' With harmony, people avoid conflicts. However, forced harmony can lead to monotony, suppressing an individual's opinions and needs. Synergy and co-creation can be challenging. Here, softening strategies that avoid confrontations, such as small group meetings, emotional expression tools, and ensuring anonymity, can be helpful.

Uncertainty Avoidance: Issues with the organizer's autonomy are observed—high uncertainty avoidance benefits from reliable outcomes. While the program organizers received relatively high freedom, strict budget regulation is still imposed. To achieve autonomy, the organizer must alter the organization's nature and raise funds from non-government sources such as donations and corporations. With limited funds in a small city, there are concerns about whether the program wastes taxpayer money. The program's ambiguous impact raises doubts among local officials and residents. To get them onboard, risks must be reduced, and outcomes must be assured through case studies and credible sources.

Long-term orientation: In Korea, good interpersonal relationships are critical. '*Jeong*,' a foundation of how Koreans form relationships, is defined broadly as an affectionate attachment or empathy for others (Yang, 2006). *Jeong* can be seen in actions like shop owners giving extra food or elders initiating conversations with



youths, making them develop *jeong* with local people. *Jeong* is often bounded by unspoken rules and requires mind-reading, commitment, and reciprocity, and can be developed over time through shared experiences such as social dining and drinking. Thus, relationship building is high maintenance and requires personal effort from stakeholders. In this case, asking personal networks for introductions to people inside Mungyeong can provide a shortcut to relationships that would otherwise take months or years to develop.

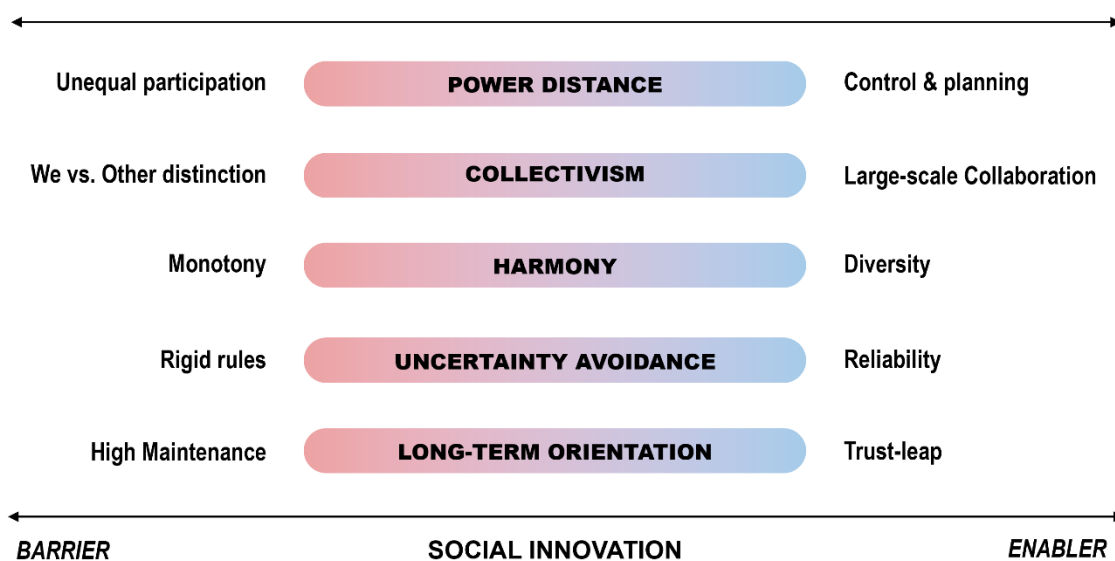


Figure 2. Barriers and enablers of social innovation that influence Mungyeong’s rural stay program

To conclude, the paper addresses two research questions. Regarding the first research question—“What are the expectations and perspectives of different stakeholders in rural revitalization projects?”—the paper identifies the strengths, limitations, and success factors of the Mungyeong rural stay program from the perspective of participants, residents, and organizers. Regarding the second question—“How do cultural and regional differences affect the implementation of social innovation practices?”—the paper examines the issues further via a cultural lens and identifies enablers and barriers of cultural influences for social innovation in Mungyeong. As a brief implication for social innovation, softening strategies are proposed for social innovators to investigate further.

Although the research gives us insight into social innovation in Mungyeong, this study has potential limitations. The first limitation is the small number of participants



among residents and organizers. Secondly, some results collected from secondary data sources published by the organizers may be biased. Future research could conduct more extensive user research with broader stakeholders, including youth participants, residents, organizers, and local administrators. Such research could provide a deeper understanding of the program and its organization and contribute to identifying specific strategies and essential roles related to successful social innovations in local contexts.

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