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THE PERIODIC MARKET IN CONTEMPORARY KOREA: ITS CONTINUING ROLE IN RURAL DEVELOPMENT

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THE PERIODIC MARKET IN CONTEMPORARY KOREA:
ITS CONTINUING ROLE IN
RURAL DEVELOPMENT

A DISSERTATION SUBMITTED TO THE GRADUATE DIVISION OF THE
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DOCTOR OF PHILOSOPHY
IN SOCIOLOGY
DECEMBER 1984

BY
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ABSTRACT

The periodic market is different from ordinary markets in that it performs the dual functions of supplying consumer goods and collecting agricultural produce. Due to the recent changes in rural Korea, many scholars and policy makers believe that both functions of the periodic market have been replaced by other functional alternatives. The concern of this study is not only to deepen understanding of periodic marketing but also to find and utilize its development potentials.

Being exploratory and descriptive in nature, this study adopts qualitative research methods. Field study was carried on for one year from March in 1982 in a market area in the southern part of Korea.

The periodic market is shown to perform actively the acknowledged roles. Functional alternatives recently provided in rural areas, especially the NACF chainstores, only supplement the function of the periodic market as a supplier of consumer goods, or cater to different sets of population. It is projected that the activeness of the supplier function depends on the activeness of periodic rice market. The periodic rice market is still the most popular channel for consigning traditional varieties (ilban-mi) in the study area. The grain mill channel is preferred by an increasing number of farmers because of its convenience. However, its fairness in mediating rice transactions is argued to be maintained because of the active periodic rice market which serves as a safeguard.
The activeness of the rice market is undermined not only because of farmers' preference for other rice channels and the overall change in the socio-economic status of the market area, but also because of the extent of commercial farming of the area which is being occurred through cattle raising and dealing. This process, which eventually incorporates subsistence-oriented farmers into the market economy is revealed as an important latent function of periodic marketing. It is shown to work as a production incentive which over time results in a sizable production from the market area, on the basis of which local producers can engage more effectively in collective bargaining with middlemen.

The study acknowledges that with increased commercialization, the periodic markets will eventually disappear from rural area. As long as the development process is incomplete, however, utilizing the periodic market as part of the process is suggested. To this end, it is found that periodic markets which include cattle markets are most effective in providing small subsistence farmers with information, opportunities and incentives for entering commercial production.
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My interest in periodic markets was first developed when I was writing a paper for a course in Communication Policy and Planning, in 1980. The task was to discuss any communication problems which are liable to policy considerations. It was Prof. C.S. Park, now at Kyongpuk University, who suggested periodic markets as the topic. He had just finished a paper with Prof. Forrest Pitts on the historical development of periodic markets in the Kyongsang area in Korea. Prof. Park suggested that I think about the non-economic aspects of periodic marketing, which related to one of the major experiences of my childhood.

My father ran the only post office in my hometown and my family lived in a house built for night duties at the post office. On market days which came every fifth day, I used to be awakened up by the rattle of ox-carts on unpaved roads in front of the post office and the chatter of market-goers passing through an alley beside my house. On those days, I had to clean the waiting area in the post office more often because many more people came to the post office than on ordinary days. At that time in the 1960s, telephones were available only at the township area of my hometown. Those people who came only on market days made long-distance calls, sent telegrams, registered mail, and so on, all of which were not handled at the stamp-selling stands in their own villages.
There used to be long lines in front of the township office and the health center on market days. In the front yard of the township office on market days usually stood a jeep or a mobile van plastered with all kinds of posters, and a couple of nurses talked with people coming in and out of the van. The schoolground of the only junior high school of the township was also full of various activities, while in shady corners of the schoolground the elderly people got together with kettles of Korean wine, looking out at the marketplace.

I used to anticipate the market days although those days kept me busy doing errands in the post office and to the marketplace. First of all, free movies were usually shown in the yard of the township office, and I could hear the sound even in my house. As I remember now, those were rarely feature movies, but movies for public and official communications, such as enhancing anti-communism, teaching new ways of farming, preventive medicine and the like. Since only a few television sets were available throughout the whole township then, and the nearest theater was located in a neighboring township 20 minutes away by bus, anything shown on a silver screen could gather a large group of people, residents of the township seat as well as market participants from nearby villages who could stay until dark. During the daytime on market days, medicine peddlers were the main interest of people looking for fun at the marketplace. These peddlers were usually from outside, selling "miraculous medicines." The township people regarded buyers of the medicines as "country fellows." Still, those medicine peddlers were welcome by all because
of their acrobatic acts and magic performances, introduced as gimmicks for promoting their business.

I liked market days also because my grandfather and uncle used to bring presents from their farms or sometimes extra pocket money for me, when they visited my family to have lunch or exchange greetings on market days. They lived in a nearby village about 4 kilometers from the township seat. Markets and market days were attractions full of festivity and brought me a feeling for the outside world.

In 1965, my family except for my father, moved to Seoul for a better education for the children. I heard from my father who joined us every weekend about changes in my hometown: telephone services were extended to the village level; several bus lines were added; new military camps were built in nearby villages; my old primary school added a large building of classrooms, and so forth. Finally, he brought the news that periodic markets were no longer held. Instead, markets were there all day long, and every day of the week. It was progress, according to my father.

Fifteen years later I was able to begin to question his idea of progress, with a research grant from the East-West Center for field research on periodic markets in Korea. The original research design for the present study emphasized the diffusion of production-related information through communication at the marketplace, and its utilization for rural development. It was an application of the main theme of the diffusion of innovation theory, as it proposed that the periodic market is the most important and relevant medium for increasing the adoption rate of innovations.
As field data accumulated, I came to understand more about periodic marketing, and realized that the original conception about its development potentials was very limited. The communication function of diffusing production-related information is definitely relevant, but a broader examination of the role of the periodic market revealed more important issues in the market's potential for rural development. The content of relevant information that is communicated through the periodic market must be broadened to include marketing information, which influences farmers' production decisions. This is not a communication function separate from the main economic functions of the periodic market, but it is a latent aspect of the main functions.
CHAPTER I
BACKGROUND OF THE STUDY

1. Relevance of Studying Markets to Rural Development

The study of social change in sociology has recently undergone a tremendous change. Third World countries have received intensive concern not as a testing ground of Western experiences and theories, but as independent entities with their own dynamics. However, despite these recent attempts to understand the situation of the less developed nations, the relationship between urban and rural areas has not received due attention. The view still prevails that present-day cities are the future image of currently rural areas, that rural life is nakedly subject to the vicissitudes of urban life, and that rural people need indoctrination and stimulus from the outside to orient themselves into more modern and rational thinking patterns as a prerequisite for development. Accordingly, rural development has been equated with the adaptability and willingness of rural areas and people to accept innovations manufactured and introduced from outside of the rural areas.

Different individual propensities or characteristics of rural social structure which prevent rural development or which contribute to change are often discussed by the modernization schools of development. On the other hand, anthropological studies of rural societies concentrating on the small self-contained unit of study, report the working of rational economic principles in individual decision-making even in a subsistence economy.
In general, the modernization schools have viewed the rural economy only as part of the national economy, disregarding its own internal principles of operation, and the anthropological studies have attempted to focus on the structures and dynamics of the rural economy itself, which survive through stimuli from the national economy. These differences in basic assumptions and focal points result from differences in the unit of study. What appear to be irrational decisions and practices to outsiders can be, from a rural viewpoint, the most rational decisions in a given situation.

A recent attention to rural areas and agriculture within the orientation of dependency theory emphasizes the exploitive nature of urban influence which drives independent and self-perpetuating rural areas into becoming marginal sectors of the society. In this context, it is argued (Beckford 1979: 199-201) that subsistence farmers set out consciously to maximize profit and to minimize risk for subsistence and reproduction of generation. Thus, while the modernization schools tend to blame rural people for being traditional and irrational, the dependency theorists tend to blame local expropriators, or "cosmopolitan" farmers in collusion with outside capitalists, and external change agents.

It is not necessary to take an either-or position on rural development. It is possible to acknowledge the rationality of the present social and economic arrangements of rural society and still discuss rural development for the benefit of the national economy. In other words, a study of rural development should start with the recognition that the social and economic structure of rural society
and the ideas of rural people need to be changed not necessarily for their own good. For the sake of the national economy and urban people they must be transformed. Yet, however development is defined, rural people may not want such change. The matter should be approached with a full understanding of the rural structure and people. Unrealistic attempts at development are likely to leave rural people with unduly high expectations or deep frustrations for the future.

It is widely accepted in the literature that "rural" should be defined relatively, on a continuum of urban and rural, rather than as one of two discrete entities. This relativism has been easily translated to mean that "rural" is the undifferentiated state of "urban" and then, extrapolated to assume undifferentiation both in quality and quantity. Yet analyses of rural areas should take into account qualitative differences inherent in rural societies which result from the quantitative difference. One should not solely concentrate on the effectiveness of innovation diffusion, presuming rural societies to be the unresponsive, mechanical embryos of urban societies. Instead, social structures and institutions relevant to development should be analyzed in their full implications within rural societies, from the view point of rural people. Changes in rural structures and institutions should be understood not as a result of direct influence from outside, but as an outcome of conflict between the outside force to change the rural structure, and efforts to resist and cope with the changing forces within rural societies.

The recognition of inherent dynamism within rural societies is not new in the literature. Frequently dealt with as local change
agents related to rural development are various kinds of extension workers, clubs, and organizations formed by government or by non-profit organizations, and government offices. These are not truly indigenous agents, but external stimuli and forces in the rural location.

In an effort to search out genuinely indigenous change agents, anthropologists have identified a traditional form of credit union for support in emergency, clan meetings, and informal discussions at saranbang (1) or at favorite hang-out spots of villagers. Such informal organizations do contribute to convergence of villagers' opinions and encourage local participation in decision-making and local development efforts (Hyden 1980: 215 and Lee 1980). However, they lack the momentum to transform the prevalent production system to a better system because of the closed nature of rural society, which derives from its relative self-sufficiency in contrast to urban areas where subsistence depends on the influx of materials from rural areas.

Even in rural areas, however, the meaning and quality of subsistence have changed with the development of transportation, the division of labor, and communications which in turn have led to different and additional local demands. The outcome has been the market, according to the "orthodox view" of market origin (2). The market opened a rural society not only to other rural areas but to the urban society. It was the first interaction point between a rural society and the outside world. The marketplace provided the momentum or catalyst for change in rural society. Its momentum was different from that produced by other external stimuli because the outside
pressure was not directly imposed upon villagers, but was mediated and indigenized through the market place where participants were villagers themselves and peddlers with rural backgrounds.

In the present situation of partial rural development, farmers have attempted to maximize currently available resources for assuring the means of subsistence and reproduction, but any further attempts at productivity increase with an expanded production basis have been discouraged mainly by the absence of structural and infrastructural support. One way of increasing the production level is through increasing factors of production which involve land, labor, technology, and capital. Many experts feel that cultivatable land and mobilization of capital for purchasing more land, and labor, and for adopting technology have been utilized to their maximum in Korea: seasonality of labor demand is severe and seasonal labor shortages and seasonal unemployment continue; a greater investment in technology small-scaled farming in Korea is thought by some to be a waste of resources (3).

An alternative is to increase the productivity of land and labor by adopting crops with frequent yields or with a better investment return. That is, as the structural change in the current factors of production is costly and impractical, a change in mode of production into commercial agriculture--in other words, incorporating farmers into market principles--can be considered. This alternative presupposes a stable market for the crops produced. Even when market conditions are not stable, farmers' awareness and knowledge of them can influence production-related decisions.
In sum, the periodic market is an indigenous and spontaneous institution which has integrated economic, social and geographical aspects of rural society. A market area is the most basic unit of rural social system, within which regional unity and autonomy can be managed. The periodic marketplace is the focus of social change which results from the interplay between urban influences carried by outside peddlers, and local potentials for change sustained by farmers in an attempt to maximize family welfare. This study will examine the role of periodic marketing in mediating the national and rural economy, and in integrating farmers' economic decisions, values and norms of rural society.

2. Definition of Key Concepts

A periodic market is a market which occurs regularly one or more times each week or month, but less frequently than daily (Bromley 1974: i). The setting may be a rural area or a city in any country. This study is concerned with periodic markets in rural areas in a less developed country where the majority of the population has been engaged in agriculture. Periodic markets in rural areas originate and are sustained mainly because of a low demand density and little consumer mobility. Thus, changes in factors related to density of demand and consumer mobility have a direct impact on the change and development of periodic markets. For example, the increased transportation networks and population growth of surrounding areas normally transform periodic market places into local development centers with permanent markets. These changes in population and
transportation is not always spontaneous, and may be manipulated by
government policies or private investors. Still these belong to the
realm of "natural" causes and indirect influence from the government,
as opposed to government policies directly aimed at markets.

Terms such as "marketplace" and "market area" are used in this
study with specific definitions. A "marketplace" refers to a specific
area in a rural community where a periodic market is held on the
designated market day. The demarcation of marketplace is often not
officially delineated, but rather is based on common understanding
among market participants. A "market area" is used to refer to the
cluster of villages served by an individual periodic market. It is
not necessarily coterminous with the administrative units, and may be
delimited by transportation barriers, social customs, and so on. This
will be discussed later in relation to the particular market under
study.

Much more sophisticated is the definition of rural development.
The term "development" has intrigued and disappointed scholars in the
social sciences. A universal definition of the term seems possible
only at the expense of a substantial specificity and vice versa.
Discussions diverge in terms of quantitative versus qualitative
dimensions, ideological differences, and theory-orientation versus
policy-orientation. The term, "rural development" poses still
different problems. The classical sociological theories considered
rural society as a pre-industrial, pre-capitalist, or traditional form
which would soon be transformed to its industrial, capitalist or
modern counterparts. The classical sociological theorists developed
their theories mainly to explain industrial society, and agrarian society was dealt with as a residual category (Newby 1983: 76-77). Even in the recent efforts to reformulate the understanding of the process of development, rural development has not received due attention. The dependency and world-system perspectives have applied "a deductive approach to international conditions expecting [internal conditions] to conform to what is derived from the international conditions." (Portes 1975: 78-79). Frank (1979) and Wallerstein (1979: 123) postulate that rural society is already incorporated into the capitalist mode of production. Furthermore, the causes of underdevelopment in rural areas are mostly attributed to forces in the international capitalist system, ignoring the internal dynamics within the rural structure.

Frequently observed in the dependency and world-system literature in this context is the confusion between mode of production and economic system. The rural economy throughout the world may have been incorporated into profit-oriented exchange relations and subject to surplus extraction, as that literature argues. This contention does not, however, validate the assumption that the prevailing mode of production in rural areas is the capitalist. As pointed out correctly by Hyden (1980: 21), "a mode of production is a complex theoretical construct and it can not be reduced only to one or few of its parts." A distinction should be made, such as that "an economic system can include different modes of production." (Laclau 1971: 33).

Hyden (1980: 12-18) presents a convincing argument about the existence of a pre-capitalist or peasant mode of production in current
Africa, and its coexistence with the capitalist mode (1980: 19-23). He argues that the problems of underdevelopment stem from "the inability of capitalism to produce the same dynamic transformation of the material base" as it once did in the now developed countries. "Capitalism fails to break down the pre-capitalist barriers" that exist in most of rural Africa (Hyden 1980: 4). Thus, rural development is understood as transforming a pre-capitalist mode of production into the capitalist mode which presupposes dependence on marketing and other social classes, and inequality between regions and between classes (H. Kim 1980).

Fresh as it may be within Marxist literature, the social and economic logic of a rural society itself has long been acknowledged in the anthropological literature on primitive societies, but from a different perspective. It is called "subsistence-oriented farming" as opposed to "commercially-oriented farming". The meaning of these terms corresponds with what Hyden would mean by peasant and capitalist farming, especially when referring to modes and relations of agricultural production. The capitalist mode of agricultural production implies economies of scale in agriculture and the exploitiveness of market relations as used in a full-fledged stage of capitalist development.

In sum, this study defines rural development as the process of transforming a subsistence mode of production to a commercial mode of production. When it refers to agricultural development, it means the transformation of subsistence-oriented farming to commercially-oriented farming. They are used as such with the
understanding of the term, "mode of production" as "an abstraction identifying the basic logic and structures of given social formations." (Hyden 1980: 12)

3. Relationship between Periodic Marketing and Rural Production Mode

According to Kim (1977: 231), it is the farm production system which determines the forms of the marketing system. Thus, agricultural production patterns in Korea have been passing the stage of patronizing periodic markets, and demand other forms of marketing. However, Scott (1976) argues that the farm production system develops through the marketing system. Also, Bromley (1976), Sinha (1968), and Smith (1978) discuss the potential of periodic marketing for rural development which includes agricultural development, not the other way around.

Considering the field and timing of each study (Scott on Northern Nigeria, Sinha on Northeastern India in the 1960s, and Bromley with reference to Kenya), it appears to be the overall stage of agricultural development that determines the direction of impact between agricultural production system and periodic marketing. Then, what are the differences in the overall degree of agricultural development between Korea and the countries listed above? A classification is needed as to which stage of periodic marketing has significant implications for rural development.

Various ways of classifying the stages of agricultural development typically assume subsistence farming as the most incipient stage. As is the case in development studies, however, there is no
consensus on the other extreme. It may be industrialized farming, collective farming, or simply commercial farming. As noted earlier, this study views commercialized farming as a developed stage in agriculture for now underdeveloped countries. Understood as such, Korea stands closer to commercial farming than do Nigeria, India or Kenya. Certain parts of the latter countries have specialized in plantation and export cropping, forms of commercial farming. However, they involve professional middlemen or capitalists, and produce for export, not for local exchange or consumption. Markets developed in such conditions tend to be bifurcated: one as a large-scale bulking market, the other as a purely consumer-oriented market for farm laborers and farmers. Neither of these markets has a meaningful connection with the indigenous agriculture. The significance of periodic marketing in relation to the farm production system stems from its role in collecting agricultural produce from small-scale local producers.

Although the relationship between marketing and production is not particularly suggested, Forman and Riegelhaupt (1970) present five stages in the marketing system in relation to production methods. Even if they acknowledge the coexistence of different stages at the same time and claim only a linear progress along those stages, each stage is not clearly articulated enough to distinguish one from another. It is really difficult to show distinctively different stages in rural market development, except by pointing out the tendency of functional specialization of roles that each market and its participants play. That is, periodic markets perform both
produce-collecting and bulk-breaking functions and participants at periodic markets are frequently part-time farmers producing and selling at the same market. At the other end is one market purely oriented to selling to consumers of farmers and non-farmers alike, and another market collecting agricultural produce from farmers. Most rural markets in the less developed countries belong to the middle area where both types of market coexist.

A particular periodic market either disappears or comes to perform only consumer-oriented function as a daily market depending on the size of patronizing population which, in turn, is determined by the size of population in the market area and accessibility to nearby markets. In either case, the bulking function comes to be performed by middlemen or wholesalers who by-pass the local market. They deal directly with producers. However, when the size of production is small, producers are scattered and road conditions are bad, the periodic market continues with these producers even when the patronizing population is reduced.

Given the overall standing of commercialization of agriculture and trends in popularity of periodic markets of the aforementioned countries, it is reasonable to assume that subsistence farming is transformed to a more commercially-oriented farming through the periodic marketing system. In other words, the stage of rural development where periodic markets play a meaningful role as an outlet of agricultural produce is assumed to be the transient period in the process of developing a capitalist mode of agricultural production. After a certain point, it is assumed that periodic marketing cannot
sustain itself with the new mode of production, and gives way to an alternative marketing system. The latter assumption has been taken to heart among policy planners and scholars so that they see little use in studying periodic markets.

It is the first assumption that has been overlooked. Theoretically, any form of marketing that has existed under a subsistence-oriented agriculture could facilitate the transformation to commercialization. Empirically, however, almost all subsistence modes of production have had some form of periodic marketing. There is no magical power or myth involved in claiming this for the periodic market. The marketplace has been the only contact point with the outside world for peasants. Thus, where the political incorporation of peasants has not occurred, the market place and marketing is the only opportunity for peasants to acquire cash income, information regarding commercial value of their produce, and new farming knowledge, all of which have contributed to sustaining or improving their farm production level. In other countries where state intervention for rural development has been successful and persistent, frequently peasants are not provided with appropriate outlets for their additional surplus. It is through periodic markets by middlemen or wholesalers in such cases that the agricultural surplus is circulated to urban consumers.

This study recognizes that periodic marketing gives way its function of collecting agricultural produce from small farmers to an alternative marketing system when small farmers orient their farm production mainly to marketing. As long as the process is incomplete,
however, periodic marketing needs to be understood and utilized as part of the process. Nonetheless, the existing literature generally fails to point out the potential of the periodic market for commercializing farmers. The following review of the literature reveals some major issues in studies of periodic markets. Anthropological studies have mainly focused on the description of market transactions, and geographers, on the analysis of the location of marketplaces. Although the development potential of periodic marketing has recently begun to be noticed, the general trend of the diminishing importance or decreasing number of periodic markets in certain rural areas has retarded the accumulation of market studies.

4. Issues in Studies of Periodic Markets

Studies on periodic markets intersect various disciplines such as anthropology, economics, ethnology, geography, and sociology. There seems to be no recent sociological study which deals with markets in full-scale. The contribution of sociology to the literature on periodic markets has been primarily made as a by-product of interest in traditional societies and developing countries in the area of social change. As recognized by Dewey (1962: xix-xx) and Davis (1973), economists are occupied with the larger and economically authentic problems of underdeveloped areas, and the kind of information available about peasant marketing has not been sufficient and suitable for a rigorous economic analysis.

Until the 1960s, geographers and anthropologists were the major contributors to the study of periodic markets. Since then, periodic
markets have been studied predominantly by geographers, while the interest of anthropologists seems to have waned (4). The reasons for the rapid fall of interest may lie in the kinds of approaches geographers and anthropologists employ for the study of periodic markets, and the interpretation of changes in periodic markets.

For example, anthropological studies of social or cultural phenomena until the sixties were full of a structural functionalism of the Radcliffe-Brown tradition, concentrating on culturally primitive people living in small self-contained units. The unit was frequently the village. The main concern of this approach is the analysis of the role played by each phenomenon or role-occupant in the stably functioning unit (McCord 1980: 372). When the occurrence of the phenomenon diminishes, the theory assumes that the role of the phenomenon is superceded by other functionally equivalent phenomena. Consequently, the importance of studies about the phenomenon itself diminishes. Lockwood (1965: 67) expresses such a view, lamenting the short time to substantiate his otherwise inspiring contribution to periodic market studies. Also, as recent articles on anthropological studies in general have shown (Aronson 1970a and 1970b; Barnes 1972; Foster 1979; McCord 1980; Mitchell 1974; and Wolfe 1978), structural functionalism itself began to wane starting from the early 1970s.

Thus, two factors seem to account for the rapid fall of anthropological literature on periodic markets. One is the matter of theoretical perspective, and the other, the diminishing importance and fewer number of periodic markets. On the other hand, geographical studies on periodic markets have continued, although the volume is
limited. Geographers have focused on the origin, development, and change of markets. Since the monumental papers by Stine (1962) and Skinner (1964), numerous studies (Bromley 1971; and Hay 1971, among others) have accumulated to refine and replicate their studies in various regions of the world, most recently by Ghosh (1981). Still, empirical studies on periodic markets by geographers are not recently reported either, also because of the allegedly diminishing importance of periodic markets as argued by Park (1977), and the lack of substantial development in theoretical schemes to guide the empirical study.

Neither of the two dominant streams in the literature provides an adequate understanding of the roles of periodic markets within rural social structure. When the occurrence and activities of a phenomenon change, it is easy to devise a rough version of a functionalist explanation ex post facto that functions of the phenomenon are superseded by other functionally equivalent phenomena in order to meet system needs. Correspondingly, periodic marketing is regarded as insignificant, in the face of functional alternatives recently introduced to rural areas, even before its functions and the causes of its change have been appreciated.

Periodic markets are different from other traditional institutions found in rural areas in their span of influence on rural life. The economic functions of periodic markets are generally understood as distributing manufactured goods and agricultural produce from outside, and collecting agricultural produce cultivated in the area. Their diffuse functions include being the central place of
social and cultural activities for the surrounding area as well as being the center of economic activities. Based on field research undertaken in India in the early 1960s, Sinha (1967: 69) summarizes non-economic functions of periodic markets, as maintaining social entities within each community, creating a network of social ties, and originating and maintaining the process of social change. More specifically, the periodic market is seen not only as a local medium, but also as a most important node in the communication network of peasant society (Lockwood 1965: 53), which links rural villages to their local market towns, and in turn links the market towns to city markets (Dewey 1962: 3-4).

However, periodic markets have been regarded as a simpler form of marketing belonging to the past, which is transformed to a more complex form as rural society modernizes. This general conception stems from the simple image of a market as merely a place for economic transactions. Studies are mostly limited to the description of the activities of exchanging goods and services occurring at the marketplace. They do recognize that periodic markets have not only economic functions but also social and cultural functions unlike ordinary markets. Despite this recognition at a theoretical level, empirical substantiations of the claim are not sufficient, lasting only a section or a chapter of a study (Beals 1975: passim, Belshaw 1965: 78-81; Bohannan and Bohannan 1968: 188-193; Burrough 1978: 62-63; Mintz 1959: 25-27; Silverman 1959: 33-35; and Yang 1944: 11-13).

One of the reasons for the thinness of the literature on non-economic functions of periodic markets is the absence of
theoretical propositions which can guide empirical research.

According to Smith (1978: 11), without conceptual frameworks, periodic market places are likely to be regarded as "curious socio-cultural artifacts, worthy of description and catalogue but of little else."

This is especially true for the issue of social or non-economic functions of periodic markets. The issue is either referred to other works or treated with an insufficient understanding. In the latter case, studies tend to treat social or non-economic functions of periodic markets as independent qualities existing exclusively apart from economic functions. Some studies have gone so far as to conclude that it is the social function of periodic markets which maintains the marketing in an active operation, and that the reduced marketing activities is explained as the result of the distribution of functional alternatives which replace the social function (Park 1977: 243-244).

Comparing past with present, the richness and extent of social or non-economic functions may have waned. This does not necessarily mean that they outweighed the economic function in the past. The assumption that periodic markets in the past performed mainly social functions while periodic markets of today focuses on economic roles, does not hold. It should be noted that the social or non-economic functions are latent derivatives of the periodic market's manifest economic function. When the main function no longer remains tenable or when an emphasis is placed on latent functions above the manifest, the existence and operation of the institution under concern is likely to be distorted. Thus, static analyses of periodic markets have only
partially illuminated the empirical situation surrounding market activities, or have been based on an insufficient understanding of the functions of periodic markets.

The interpretation of changes in periodic marketing has similar pitfalls as it is based on the partial understanding of the market's functions. It is generally argued that the present periodic markets perform only economic functions because non-economic matters function through other institutions with equivalent functions, like newspaper, television, telephone and so on. Thus, permanent markets, chainstores, or supermarkets on the site or in nearby cities are recommended for the more developed and modernized way of supplying consumer goods, and agricultural cooperatives, for collecting agricultural produce.

From the functionalist standpoint of social change, the argument is plausible. Development is regarded as a change from functionally universal patterns to functionally specific ones. However, this view is based on two unstated assumptions: first, that non-economic functions are taken up properly by other functionally equivalent institutions; and second, that the substituting economic institutions serve all the economic functions once served by periodic markets for both rural and outside people. If these assumptions are not valid, would not the insufficient substitution threaten the functioning of the market area as a system?

One aspect of the non-economic role of periodic markets is the communication functions of disseminating information and innovation, and entertainment. We are told that those communication functions of
periodic markets have been replaced by a wide distribution of mass media accompanied by a higher level of literacy, and various types of extension workers. Especially for the case of radio and television, certain scholars regard the substitution of regional news with national and international news as an indicator of rural modernization, inheriting Daniel Lerner's dichotomy of local-orientedness versus cosmopolitanism. Cosmopolitanism may be needed to integrate isolate villagers as members of a nation and world. However, no other institutions have taken the role of regional centers in maintaining regional unity and belongingness as periodic markets once did.

Consider the style and content of entertainment and commercials broadcast through television, which is now so pervasively distributed throughout the Korean countryside. They not only convey cosmopolitanism and pride to be members of such a developed nation and world, but also provoke alienation and frustration as soon as rural people turn their eyes back to their immediate surroundings. That is, the content of communication is posing a rather serious problem, not to mention the sophisticated and subtle problem of media difference in disseminating information. A wide distribution of television sets is one example which shows an improper replacement for the role of periodic markets as local media. The number of television sets per 1,000 persons is an indicator of modernization to UNESCO and some scholars in the modernization school. However, it produces countless frustrated rural people isolated from their environment and neighboring villages of fellow farmers. That is, although mass media
have been alleged to have the communication function of periodic markets (Park 1982), they have not done so properly. The members in a given market area as a functional system suffer from insufficient substitution.

How about the economic functions of periodic markets? Have they been properly replaced by the NACF chainstores and markets in nearby cities? It may well seem so to those who supply goods to rural people. This refers back to the second underlying assumption of the functionalist explanation for reduced size and activities of periodic markets, that the substitution of new economic institutions is complete.

Even in the economic aspects, the uniqueness of rural periodic markets stems from the fact that the market is not only the place for purchasing goods but also the only outlet for the agricultural produce of small farmers. For those who have successfully commercialized their farming, marketing means dealing with middlemen directly at home, at a wholesale market, or through government channels. However, for those farmers oriented mainly to subsistence farming, small in their net produce but large in numbers, the periodic market is still the only outlet for their surplus after family consumption. Then, it is doubtful whether the chainstores and markets in nearby cities are functional substitutes for periodic markets even when the periodic market is seen as the place for economic transactions only.

A counter-argument comes from those who approach rural development with practical rather than theoretical concerns. Some scholars argue that the insufficient substitution of functions of
periodic markets is the inevitable result of the process of rural development. Hence, either those un-substituted functions of periodic markets must be abandoned in order to accept the development ethos and movement, or proper insitutions or mechanisms will be devised to supplement the insufficiency in the long run. This argument has considerable truth value. Attacks and counter-attacks revolving around definitional differences are useful only to the extent of broadening understanding of the concept under consideration.

However, a theoretical bias is noticeable in those arguments favorable to reduced periodic marketing. The research has been limited theoretically to the market as a traditional institution antiquated as a consequence of modernization forces, and empirically to the activities observable at the marketplace on market days only. Periodic markets have never been adequately analyzed in terms of their full implications for rural life. As Robert Merton has codified, an adequate functional analysis of periodic markets is not confined to what occurs at the marketplace on market days, but includes the location of participants in the market place within the rural structure; the meaning attached by those participants to market going; a distinction between the motivations and the objective results of market participation; and the latent functions of market operation and market participation (cf. Merton 1968: 109-114).

For example, for a farmer who brings a sack of rice to a market place on a market day, the market provides him an opportunity to sell his rice: manifestly an economic function of the periodic market. A careful analysis should not stop here. One must inquire about why the
farmer did not consign his rice to the government purchase program, the official channel of the government procurement of rice from farmers at an allegedly advantageous price to farmers; the difference between the meaning of the simple economic transaction to the farmer and its implication for social and economic relationships between rural producers and outside buyers; the distinction between the need to sell rice and what the farmer actually acquires by participating in market activities in addition to the rice sale, and so on. In other words, even the simple act of an economic transaction reflects both economic and non-economic aspects of rural life through periodic markets.

Furthermore, analyses attempting to account for changes in periodic markets have confined their focus to the market only in relation to outside societies. That is, they usually identify external causes for changes in the market, while neglecting to analyze local causes of the change and its consequences on rural society and economy. Any decrease in size and activities of a periodic market is accepted as a natural course of market development without due attention to the dynamics and consequences of the change in the rural economy.

Even if the functions of periodic markets are properly identified and understood with an adequate functional analysis, when the analysis ends with a solid description of periodic markets, anti-traditional sentiment among scholars, planners, and rural people themselves would accept the analysis as an obsolete piece of pure academic enterprise. The next step should be policy consideration.
As Merton (1968: 109) has put it, concerns with implications for political outlook and social engineering should be integral to an adequate and fruitful functional analysis.

Bromley contends that studies of periodic markets are getting increased attention from policy makers "because of their potential role in changing market relationships, and in the diffusion of information and innovation" (1974: i), and because of their implications for rural development (1976). Smith (1978: 23-24) has reviewed the literature on the potential contribution of periodic markets to development and calls for research carefully designed to evaluate the potential. The governments of Kenya and Papua New Guinea (Smith 1978:) have actually introduced periodic markets in the context of increased concerns with development and policy among the Third World nations.

What is required next is to put the social and economic implication of economic transactions of the periodic market into a larger context of rural society and economy. As the only commercial outlet of agricultural produce for small farmers, the periodic market has contributed to forming the present values and norms of rural society, especially in their economic aspect. It then can be easily inferred that rural development or change has always been connected to periodic market activities.

This line of thinking is adopted in the study of a Philippine market (Davis 1973) and of Nigerian markets (Scott 1976). Davis emphasizes the personalistic aspect of economic transactions in an open market and shows how the 'economically-irrational concessions to
sociability" contribute to the well-being of involved individuals and systems (Davis 1973: 281). Scott is more concerned with the relation between local marketing and agricultural production. He shows how seemingly routine or traditional decisions about production are related to market conditions. The emphases of these two studies are interwoven in the present study. This study will demonstrate that the periodic market is a most dynamic, indigenous institution of a rural area which has been and is still utilizable for transforming modes of production.

5. Organization of the Manuscript

Chapter two introduces Korea as the country in which a particular periodic market was studied, with a brief historical overview of market development and recent changes in its rural areas. The subsequent sections explain each step of the study, rationale of selecting a particular area, periodic market, and methods for the study. Finally, details of data collecting procedure are presented.

As this study places emphasis on policy considerations, chapter three explores how the government intervention has affected market activities and how government structures are currently arranged for the administration of markets in Korea.

Chapter four provides a more detailed description of the study area in terms of its stage of agricultural production and market activities in comparison to other rural areas in Korea. It describes the setting of the study, southern Korea, and discusses the relevance
of the particular setting in the context of the market studies literature. It is provided as a kind of a sampling frame so as to permit some generalization from this case study. The second portion of chapter four introduces the study market and its patronizing area as a social and economic unit.

A comparison of different outlets of manufactured goods is made in chapter five as to their operations and viability. Since rice is the most common agricultural produce in rural areas of Korea, chapter six explains the different rice marketing channels available in the study area, and discusses the importance of periodic markets as a rice outlet. Attempts have been made in the same chapter to show how the market conditions influence the farmers' decision-making in production. From the discussions in chapters five and six, it will become clear whether periodic markets have been replaced by other functional equivalents in distributing manufactured goods and collecting agricultural produce. That is, the manifest functions of periodic markets will be analyzed in those chapters.

Chapter seven discusses the role of periodic markets in collecting agricultural produce again, but focuses on livestock and vegetable crops which are secondary to rice in volume of transactions and in the proportions of farmers involved. This chapter reveals some latent functions of the economic transactions, in that their consequences are different from the farmers' motivation to engage in the transactions in such a way as to promote commercializing farmers. Other opportunities to become commercial farmers in the area are discussed in the same chapter to assess the importance of periodic
marketing in performing such function. At the end of the chapter is presented a summary of the points relevant to policy considerations.
Notes to chapter 1

1. Sarangbang is a Korean word best translated as livingroom or salon. The traditional Korean house has a separate room for the lady of the house, anbang, and for her husband, sarangbang. Guests for each are greeted and entertained in respective rooms to keep men and women separate according to Confucianist etiquette. This custom has disappeared in most urban areas but has remained in rural area as a convention. Nowadays, the sarangbang is used mainly as a storage room during summer time and as a place for informal get-together among village men during winter time, and it is open to women. Except for mutually agreed pronouns, all the romanization of Korean words throughout the text adopts the McCune-Reischauer method, which is officially used in Korea.

2. The counter argument in the literature attributes market origination to forces exogeneous to the rural economy.

3. The most effective utilization of a rototiller is possible with 4 hectares of land holding, while the national average is .1 hectare. Farmers who own rototiller in the field area relate that it is more economical to rent a rototiller or hire labor during the farming seasons than to purchase and maintain a rototiller, considering interest for the expense of the rototiller and expenditures on gas and repair altogether. But it is hard to hire labor during the farming season because everyone is busy and hard to rent a rototiller for its owner has to use it at the same time and is usually reluctant to lend it even for money "because the kind of machine knows who is its master."

4. The American Anthropologist, Annual Review of Anthropology, and Ethnology did not carry a single study of periodic markets in the 1970s, not to mention a study with the kinds of approach anthropologists used up until the sixties. Smith (1974) in the Annual Review of Anthropology is a review of models for periodic market studies, which have been used by economic geographers.
CHAPTER II

PLAN OF THE STUDY

In stating the issues for this study, the previous chapter has discussed the absence of an adequate functional analysis of periodic markets. The potentials of market relationship in the process of rural development as recognized in the literature were also pointed out. In addition, approaches to periodic markets from rural people's point of view is called for in contrast to prevailing practices of imposing a conceptual scheme fabricated from a urban frame of reference.

1. Korea as the Study Area

With these concerns a market area in southern Korea was selected for the field study. As has been well-documented elsewhere, Korea has experienced rapid industrialization during the past 20 years, especially in the last decade. The rural population decreased from 45.9 percent of the total population to 25.8 percent from 1970 to 1981 (Ministry of Agriculture and Fishery 1982: 21). The contribution of the agricultural sector to the GNP also decreased from 27.0 percent to 17.9 percent during the same period of time (MOAF 1982: 304).

In such a rapidly changing society, the functions of periodic markets must have gone through many changes. As a matter of fact, periodic markets in rural areas of today are different from those of yesterday. With the increased transportation networks, population
growth in surrounding areas, population decrease in rural areas, and policy attention, periodic markets have become transformed to daily markets in some places or merged with nearby city markets. Also as the number of permanent stores has increased, activities at the periodic markets have been reduced. Some markets open periodically with only a few vendors in those places which have recently been merged with nearby cities.

1) Markets in Korea: A Brief History (1)

The earliest records about the existence of markets in Korea is Huhansŏ (or Books of Post-Han Period), but the date does not appear. Among the presently available historical records, scholars generally agree with the Samguksa (or Historical Records of Three Kingdom) which records AD 490 as the earliest time of market opening in Korea. Opening of markets in rural areas is not particularly recorded verbatim until 1770 in Dongkuk-munhŏn-bigo (or Notes on Literature of East Country), but can be inferred to be around the period of the Three Kingdoms (2).

Periodicity of markets in early periods can also be inferred from many historical documents. Pitts and Park (1982: 3) speculate AD 695 as the first appearance of the periodic market. However, it is not until 1860 that a specific record of periodic markets appears (3). Akyuchi reports names of markets, their location, kinds of marketing goods and schedule of each market, among others, based on the author's own national survey of market distribution. Other reports of national market surveys include Dongkuk-munhŏn-bigo of 1770, Mankiyou (or Summarized Compilation of Various Records) for
the period of 1801 to 1834, Chungbo-munhŏn-bigo (or Enlarged Notes on Literature of East Country) for the period of 1864 to 1906, and Sasekuk-chosa (or A Survey by Internal Revenue Service) of 1909. According to these records, the number of markets does not show a significant change until 1906: 1,053 to 1,075 for North and South Korea combined.

Paek (1933: 300) classifies markets in the Post-Han period into four types based on their location. These are markets at the boundaries of tribal states, markets at the center of tribal states, markets at the boundaries of villages, and markets near altars for ceremonial goods. From the establishment of the Three Kingdoms in the 5th century, markets were opened at the city level by government policy to accommodate the needs of government, while ordinary people are assumed to have used other markets spontaneously developed on places of transportation and population centers.

Until recently, both city markets and local markets were generally held periodically, except markets in the capital city. 1,053 markets were recorded in 1830 as periodic for both south and north Korea, excluding markets in large cities. Even markets in large cities seemed to be periodically held at that time, because it is not difficult to find periodicity in volume of trade and the numbers of vendors and customers in those markets of today, as observed in Taegu and Jinju.

A five-day cycle of periodicity has been predominant in the periodic markets of Korea. It is generally recognized as the influence of the Chinese pattern which is based on the lunar
calendar. Skinner (1964: 10-16) explains how market cycles were determined in China according to units in sexagenary cycle. In 1830, the percentage of five-day markets was 86%; 10-day markets, 12%; and 15-day markets, 1.7%. Thus, five-day was the basic cycle for 99.7% of the market at that time. The corresponding percentage from the census by Kim (1977: 13) for the markets in 1975 is 99.2%.

During the period of colonial occupation of Korea (1910-1945), the Japanese government published data on markets every five years. According to the statistics by Choson-chongdokbu during the period of 1911 to 1926, the proportion of periodic markets in Korea ranged from 90.2% to 98.4% of the total of 1,121 to 1,251 markets. At the time of independence from Japan in 1945, the number of periodic markets in south Korea alone was 549 (MOAF 1972: 4). It increased to 952 by 1975 (Kim 1977). The Ministry of Commerce and Industry (1981), on the other hand, lists 884 or 53% periodic markets out of 1,669 markets (excluding department stores and shopping centers) as of 1981.

Nationwide market statistics are available through the Ministry of Commerce and Industry's annual compilation of markets in Korea by location, establisher, manager, time of establishment, marketplace size, size of areas with stalls, and the number of stalls. This compilation is based on annual reports from county offices, which in turn are compiled by reports from township offices. One other source is the only national census of periodic markets in Korea administered by Prof. Sung-Hoon Kim in conjunction with the Research Institute of the Korean Rural Economy in 1975 (Kim 1977) (4).
The following table shows the number of different kinds of periodic markets by province. Defunct markets refer to markets which exist only as relic having a physical setting but without any significant economic activities. Since the land and facilities of a marketplace are in most cases the property of the county or province, those markets without noticeable economic activities are left idle until a new use of the land is implemented. In the meantime, from the time a market is declared as defunct, a few peddlers do come on its market days.

Table 1
Distribution of Periodic Markets by Province

<table>
<thead>
<tr>
<th>Province</th>
<th>Defunct</th>
<th>General Periodic Markets only</th>
<th>GPM with Cattle Markets*</th>
<th>Cattle Markets Only</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyōnggi</td>
<td>13</td>
<td>39</td>
<td>44</td>
<td>6</td>
<td>101</td>
</tr>
<tr>
<td>Kangwon</td>
<td>7</td>
<td>34</td>
<td>33</td>
<td>8</td>
<td>82</td>
</tr>
<tr>
<td>Ch'ungpuk</td>
<td>3</td>
<td>20</td>
<td>50</td>
<td>1</td>
<td>74</td>
</tr>
<tr>
<td>Ch'ungnam</td>
<td>8</td>
<td>57</td>
<td>52</td>
<td>1</td>
<td>118</td>
</tr>
<tr>
<td>Chōnpuk</td>
<td>7</td>
<td>32</td>
<td>35</td>
<td>2</td>
<td>76</td>
</tr>
<tr>
<td>Chōnnam</td>
<td>2</td>
<td>79</td>
<td>45</td>
<td>9</td>
<td>135</td>
</tr>
<tr>
<td>Kyōngpuk</td>
<td>10</td>
<td>90</td>
<td>116</td>
<td>3</td>
<td>219</td>
</tr>
<tr>
<td>Kyōngnam</td>
<td>15</td>
<td>90</td>
<td>116</td>
<td>3</td>
<td>219</td>
</tr>
<tr>
<td>Cheju</td>
<td>-</td>
<td>11</td>
<td>7</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Korea</td>
<td>66</td>
<td>452</td>
<td>500</td>
<td>33</td>
<td>1,047</td>
</tr>
</tbody>
</table>

Source: Kim (1977: 366)

* These cattle markets are also periodic and attached to the general periodic markets.
Periodic markets are classified into two types: general and livestock. It is possible for a marketplace to have general market only, livestock market only or both of them together. When there is livestock market only, it tends to be a wholesale livestock market or the central livestock market of the region. This study concerns itself with general markets, thus, the population of the study is 952 as of 1975 in Korea, 884 as of 1981 (MOCI 1981). On average, a periodic market covers 1.45 townships or 61.5 natural villages, or 12,356 farm people (Kim 1977: 251).

2) Factors contributing to changes in periodic markets

S. Kim (1980) and Park (1977) have attempted to take account of changes in periodic markets in Korea and a particular market in the middle part of Korea, respectively. Kim reports the changes in the number of periodic markets as 952 in 1975 (Kim 1977) and 934 in 1978 (Ministry of Commerce and Industry 1978). The number was 884 in 1981 (MOCI 1981). S. Kim (1980: 185) observes that periodic marketing is more consumer-oriented and the daily market components have grown larger because of overall industrialization and the urbanization process in Korea.

As to the factors contributing to these changes, Park (1977: 243-244) has a very limited account: periodic markets in the past were important because of their social functions; now with the development of transportation and communication systems, rural people are associated more closely with national and international ways of life. Thus the social functions of periodic markets have less importance to rural people of today, and so does the periodic market in general.
Park has correctly observed the reduced social roles of periodic market of today, which is not confined to Korea but includes periodic markets in other countries, too. However, the importance of social functions was over emphasized in this context, unlike the overall treatment of the social functions in Park's study.

On the other hand, Kim (1977: 230-231) listed factors accounting for changes in individual markets, such as population change, transportation and the like as well-established in the literature. As to the overall trend of decreasing size and importance of periodic markets in Korea, Kim points out the hypothesis that marketing system corresponds to the current stage of farm production system.

3) Farmers' dependence on periodic markets

Farmer's dependence on periodic markets can not be easily shown by numbers so as to summarize the degree of market dependence or commercialization of the Korean farm population. When provinces are compared, however, Kim's data renders a relative ordering of each province in terms of its market dependence. Kyŏng-Nam, where the study area is located, shows the highest amount of annual business at periodic market per farm household: $274.13 per year for Kyŏng-Nam, while the national average is $198.50 (Kim 1977: 255). Implications of the measure itself and the values are diverse. This measure includes both income from selling agricultural produce and expenditure for purchasing consumer goods. Although the components cannot be disaggregated, homogeneity and relative income equality among farmers could be assumed to make the expenditure for purchasing goods from periodic markets relatively standardized across market areas. It
could also be assumed that the amount of income from selling agricultural produce at periodic markets would vary depending on the degree of specialization of agricultural produce, the size of marketable produce, and availability of competing outlets like wholesalers, cooperative channels, or government channel other than periodic markets. The more specialized, the bigger the size or the more stabilized the alternative outlets, the more agricultural produce is transacted outside of periodic markets. If variations in the measure are presumed to reflect more variation in sales of farm produce to the market than in consumer goods purchases from the market, then Kyŏng-Nam shows the least commercialized and the most diversified farming, thus the highest in periodic market dependence, and Cheju province is the most commercialized and the most specialized farming area.

Among the possible agricultural outlets are periodic markets, various cooperative channels, wholesalers visiting villages or at larger markets, and government channels. Here, note the difference between market dependence as an index of commercialization as used in the rural economy literature, and dependence on the periodic market as an index of traditional and subsistence-oriented farming as used here. The former measure of market dependence is usually operationalized as the proportion of marketed crops over total produce, be it marketed in a periodic market or in any other outlet; the latter then can be measured as the proportion of crops marketed to the periodic market out of total marketed crop. Considering the availability of various market outlets in rural Korea, using periodic
market shows more subsistence-orientation in farming than using other outlets. In those countries where the overall level of farming is less commercialized than in Korea, even marketing through periodic markets would be a token of commercial farming. Nonetheless, it does not contradict the position of this study. An increased use of periodic markets contributes to commercialization up to the point when alternative outlets are required by the commercialized mode of production.

4) The recent changes in rural areas

The centralization of administrative power has well been established throughout Korean history. Accordingly, the rural economy and the fate of farmers' life in general have been influenced a great deal by the government rural policies. The commitment to rural development by the Korean Government was begun in the 1960s. The most active commitment has been expressed as the New Village Movement (NVM) since 1971.

During the last decade, the NVM has come to be identified with virtually all efforts directed toward change in rural areas, so much so that the concept itself and the movement have lost their vitality in recent years. Also, the movement is no longer government-sponsored as the authorities concerned have envisaged that the movement has the momentum for its own perpetuation with only a minimal amount of private investment. While the field research for this study was in progress, the Korean Government announced a series of new policies for rural development (Sep. thru Nov. of 1982). Major points of the policy are: defining the county as the major development unit;
increasing annual income of rural households by encouraging diversified cultivation; and improving the channels of the marketing structure for rural produce. This new policy was not yet in full implementation but in a trial stage with a few selected counties and villages.

The New Village Movement has been subjected to numerous evaluation studies by Korean as well as foreign scholars. Without resorting to a review of that literature, it still is easy to witness the kinds of changes that have taken place in Korean rural areas during the last decade—so much so that the image of rural life widespread in urban Korea is distorted and inflated. What has been overlooked by those evaluation research and policy planners is the question of whether the NVM has really contributed to self-sustaining rural development. This question becomes more serious as one discards an outsider’s position and takes the view of rural people, and as one associates with local people closely enough to get their frank opinion. There is no doubt that the NVM has been crucial to mobilizing local resources for achieving what has so far been achieved in rural areas. However, the NVM has been ineffective in terms of the return on investment that was made under the auspices of the NVM and of attracting voluntary participation of local people.

In this context, periodic marketing is already regarded by economic planners as an antique custom. They consider it as a kind of nearby grocery stores or a fair. This view is not confined to urban Koreans, but is shared by outsiders, impressed by the numbers of high-rise buildings Korea has achieved. Even rural people were
surprised when they were told the number of current periodic markets in Korea as of 1981 (884), although they are the ones who depend on periodic marketing. The fact is that periodic marketing flourished throughout the 1970's, and has been on the decline since the late 1970's, but the decline remains small.

One feature that distinguishes Korean farmers from those in other Third World countries is the system of rice purchasing by the government. That is, the main alternative to periodic markets for earning cash income has been through selling rice to the government, which began actively from 1961. Hence, the periodic market thrived even with the provision of a major alternative outlet for the staple grain. In addition, the fact that rural and urban people in Korea tend to overestimate the extent of reduced importance of the periodic market, despite its slight change, speaks of its span of influence as having been extensive and intensive on their lives until the recent past.

Despite all the achievement owing to the New Village Movement, the standard of living of rural people still bears no comparison to that of urban producers (not urban laborers, because farmers are not laborers but producers). The NVM might have contributed to hastening the urbanization process by absorbing rural areas into the central administrative system, thus making rural areas dependent on outside help. Once outside aid ceases the change loses its momentum. On the other hand, periodic markets do not requires outside help per se. Until a new production mode which needs a more specialized and professional distribution becomes prevalent, it is through periodic
markets that the current mode of production will develop and sustain itself.

Thus, the periodic market can be argued to be the main force which has sustained the recent rural changes in Korea, and because of the very change it has brought about, the marketing system has been in the process of yielding to other forms of marketing. That is, at an earlier stage of commercialization of agriculture, the periodic market was the source or origin of change. As the cycle of agricultural transformation is completed, this transformed production mode requires other forms of marketing. Park (1977: 244) pointed out the contribution of periodic marketing in commercializing agriculture in Korea, but was not specific as to the mechanism and procedure.

2. Plan of the Study

1) Objective of the study

This study will examine the roles and patterns of the periodic market in a rural area under development. A study of a changing periodic market in this context is different from the existing functional description of the market. While a major purpose of the latter has been a static analysis and description of economic functions performed at the marketplace, the former uses functional analysis only as a tool, taking a holistic approach to relations between market activities and the social and economic structure of rural societies. Then, it utilizes the implications resulting from the analysis for rural development.
Thus, the first objective of the study is to analyze the periodic market in the context of other establishments with similar functions as distribution channels of manufactured goods, and as collection channels of agricultural produce, in order to assess the indispensability or dispensability of periodic markets in performing such functions. The second objective is to analyze the role of periodic marketing in its influence on the rural economy by emphasizing its relation to the rural production system and rural society as a whole. The third objective is to draw policy implications of periodic marketing for rural development and national economy. Periodic marketing is treated as a structure within a rural social system, so that functions and changes in marketing are assumed to be interrelated with the rest of the rural system.

2) Selection of the study area

As a full understanding of the phenomenon under study is required and because of the kind of data required, Korea was chosen as I was familiar with its language and culture. Among the nine provinces in Korea, Kyŏngsang-Namdo was selected, mainly because of accessibility to the region in terms of research support and because of the relative underdevelopment of the region.

The particular market was chosen with more serious research considerations which included: a periodic market with relatively active traditional marketing, not just with consumer-oriented marketing; second, a periodic market whose market area is not specializing in cash crops in a large scale; third, only areas majoring in farm agriculture were considered, excluding rural areas
with fishery or forestry because the latter is insignificant in size of production and number of specializing areas in Korea. That is, fishery contributed a 2.0% share of GNP in 1980, while agriculture, fishery and forestry combined were 17.9% (MOAF 1982). The first and second criteria were considered in order to study the linkage between periodic marketing and agricultural production mode with one market. Ideally the market could have been studied at two different times in relation to its production pattern, or two markets located in subsistence-oriented and commercially-oriented farming areas respectively could have been studied to find a rough relationship between marketing and production mode. With the time and resources allowed for this study, I chose a periodic market located where a transition to commercialized farming is under way. It is near a regional center of commercial farming, so its impact on marketing has begun to show in the particular market under study, Dankei. The second and third criteria were considered to study a more general case so that more general inferences could be made to other markets.

3) Methods of the study

This study has chosen functional analysis as the major methodological tool in order to be holistic in its approach. It attempts to observe the structure of a periodic market in terms of its functions, dysfunctions, conflict with functional alternatives, and its relation to adjacent structures.

As critics have pointed out functional theory hardly renders "researchable" questions, but conjures up the dictum that "social structures have systematic effects on neighboring social structures
and possibly on individuals" (Skidmore 1979: 173). However, functions of the marketing system have not been properly understood nor have their implications on marketing. This study is to report the types and content of "systematic effects" of the periodic marketing system on what kinds of "neighboring social structures and individuals" and how they work. A functional explanation of the marketing structure of a sub-system should include all of its effects on all parts of the rest of the system. It must show whether the designated effects can be produced by other structures or not, and if not, why not. The logic of a functionalist paradigm requires the concept of boundary of each functional unit, which is not clear in the empirical situation. This study has chosen the concept "marketing system" to include market activities only; thus, the geographical boundary of the marketing system is the market place. The rural social system or rural society has all too often been tacitly assumed to refer to villages in studies of rural areas. "Market area" is used as the social system in this study because it allows economic relationship of the system in relation to outside world, and inputs exogenous to the system, which have been ignored in those studies which used villages as self-contained social systems (Dewey 1962: xx).

A theoretical functional analysis of a social phenomenon would identify roles and substructures of a system, and understand each part according to its prescribed roles under the system. However, this study focuses on role-occupants' understanding of the system and on their logic in incorporating the understanding for performing their roles. The nature of the marketing system will be understood from its
functions to rural society, but individual participants in the system are assumed to play their roles not by system necessities but by their own choice based on their interpretation of situation.

Thus, this study employs functional analysis as a methodological tool rather than as a theoretical scheme. This kind of study can not be reduced to a number of hypotheses which can be tested with quantitative data. It has to be subjected to a carefully designed qualitative research. In-depth interviews and participant observation are used for recording the structure of the marketing system, and participant observation for its process. For a comparison of the particular market with the others, official data and literature are surveyed.

4) Data collection

The data collection was carried on during one year from March of 1982 in Korea. The main field study was made from May to July, in September, and from November to January, with several short visits on market days mainly to check on seasonal variation of market activities. During the main field stays, I followed the life rhythm of most farmers: arrive at the marketplace in the morning of market days from one village, spend the day at the township seat, visit next village at the end of the market day, spend a couple of days per village and move to the next village until it is the next market day. When studying local government offices I stayed at the township seat after coming to the market place. Market days were spent observing market activities and confirming what farmers or officers said they would do on the coming market day. Relations of marketing to other
structures were observed during the intervals between market days, so to speak. In Seoul, visits were made to central government officers in order to acquire aggregate data on markets and rural area, and policy plans for the future of periodic markets and rural development.

My exposure to qualitative research was first made in 1977 when I was supervising a survey team in Korea. One of my duties was to make comparative case studies of two villages in order to supplement the main quantitative analysis of the survey. At the University of Hawaii, I audited a field research methods course offered in the Sociology Department. Then, before leaving for the field, I visited various People's Markets on Oahu several times to get the feel of that field setting.

Still, I was only a graduate student with two years of experience in survey research, as a research assistant. Qualitative research may need less formal preparation for the field, as it is usually adopted for exploratory and descriptive studies but I also know it demands a lot more time and concentration throughout the research period. Three months were spent in figuring out what and where I needed to observe. Visits to several periodic markets did not encourage me at all. People and interactions at the marketplaces looked so invincible.

Not knowing exactly what to observe beyond the intention of observing market operations and their functional alternatives, I decided to start living in the field area. I stationed myself in a city in Kyōngsang area, with all my luggage. On May 12, I took a bus which led to three periodic markets which were selected with the
criteria I specified in chapter one. I had visited six periodic markets by then and was fretful about finding the right one. None of the three markets were open on that day. The bus route extended over the Sobaek mountain range, along an unpaved road. (Later I found routing through Jinju is faster and has a paved road from the city.) Rain and fog made the unwelcome perfect. I first stopped at the Kahoe market and next at Dankei market. After talking to a township officer, I had a feeling the Dankei market would be the one. The next day was the market day of Muntae, and the Dankei market was the following day. The township officer found me a room for the night at a shop selling drinks and snack food, located at the marketplace. Local people called the house a "tourist hotel", and it became my lodging house later in the study. Even posted mail gets there by the nickname without a street number. May 14, 1982 was the first market day I began formal observation of the Dankei market. The day was spent mostly observing the number of market participants and the size of the marketplace, for manageability of studying it by myself. Only after two other markets were observed did I finally decide to study the Dankei market, and I then moved to that area.

I reported to the police office upon my arrival, to tell them about the purpose and the period of my stay, and to show them identification cards and the research proposal. This is a must for any researcher in Korea, as a stranger to an area is often suspected as a spy. Nonetheless, in subsequent days I was called in and escorted to the police office twice because the policeman who received my report obviously forgot to inform other policemen. More than half
of the list of characteristics for identifying spies matched me: the sudden appearance of a stranger, displaying ignorance of the area and the current price of everyday necessities, carrying a tape recorder and camera, and the like. Thanks to these incidents, though, my legitimate presence in the area seemed to get advertised.

During the course of field study, the research focus constantly changed. The biggest change, dropping the concentration on communication and searching for the development potential of the periodic market, was, however, made in a fairly early stage of the field research, not from reading or inspiration but from a casual conversation with farmers, similar to those I overheard as a child.

I had difficulty explaining to interviewees, during the first few days of the research, what I wanted to study mainly because there is no laymen's word for "communication" in Korean, and partly because I could detect their disguising by formal acknowledgement, a more sincere response of "ah, it's one of those [obsolete and useless to them]". This is not to say that the communication function of the periodic market is found to be negligible or that it cannot be utilized as a local medium for diffusion of innovation. Only after talking with government officials and scholars in Korea I found that I must prove the viability of the periodic market amongst its functional equivalents before suggesting any further development potentials of the periodic market, and that the recognition of the periodic market as a local communication medium would not bring any meaningful reaction from policy planners who are already drowning in "priority" strategies.
Then I decided to tell my subjects that the study was to find whether the periodic market has contributed to rural development and, if so, how. This was not very far from the original intention, as I set out the functional analysis specifically for finding development potentials of the periodic market. The revised introduction was simple enough to save time in introducing myself, fancy enough to attract people's interests, and abstract enough to continue my conversation and interaction with people. Several occasions of farmers' pointing out the importance of the rice and cattle markets cumulated after that.

The rice and cattle markets feed the rest of the marketplace. (Field Notes, May 24, 1982)

If villagers are to go to a market, they go to the market with the cattle market. These days, men go to the market to look around the cattle market, then their wives would go along with their husbands. So the markets with the cattle markets have a larger rice market and the entire market is more active than those without the cattle markets. (Field Notes, Nov. 18, 1982)

The government rural policy should place priorities on stabilizing rice price and supporting cattle breeding. (Field Notes, June 30, 1982)

[The cattle and rice markets are located at the most inner corners of the marketplace because] they are the sections every one visits on market days. If they are located outside, people would go back home right after their business there. With the present arrangement, people would shop for other things in and out of their ways of the markets [spontaneous shopping]. (Field Notes, January 6, 1983)

I was disappointed to admit only a secondary importance for the periodic market's authentic communication function, but it was a thrill to find another fact, which is more important and utilizable
for development: farmers' attachment to cultivating rice and raising cattle, and to the rice and cattle markets. I later found out that the importance of the cattle and rice markets is implied in most of the market literature I surveyed, although it is not well articulated or documented.

After I returned to Hawaii for data analysis and writing, I found that Scott (1976) had come to the same conclusion I had about periodic markets: that small farmers' production decision-making reflects market conditions. This was the thesis I came up with after almost six months of thinking and reading my field notes several times, an effort to prove that the periodic market has contributed, and will continue so, to inculcate farmers with market principles, which will eventually commercialize their presently subsistence-oriented farming. Scott's study was a disappointment because a tremendous amount of time could have been saved, and the research design could have been more refined, had I known of his study from the outset. On the other hand, my independent development of this finding may add to the credibility of my research report.

Within the marketplace where the sellers numbered approximately 100, few of them were strangers to me by the end of this study; this is especially true of the local market-vendors. Sellers from the city area kept their distance from me and only later teased and joked with me, and were less reliable as dependable informants.

One stallholder of miscellaneous goods was from Jinju and looked very sociable. At the first interview he was very cooperative. I passed by his stalls many times afterwards, just greeting or observing. One day
I was talking with a stallholder of dried food and fish when he barged in. He tried to get my attention several times but I just sent him back a minimal recognition as he looked tipsy. It was when I asked my interviewee about his average sales per market day, when he began to shout, "good heavens! What's the use of asking that question. Don't answer. She's going to report it to the revenue office. Once she asked me the same question, now it's you. Isn't the information from me enough?" I tried to persuade him what he said was not true, but my interviewee whispered to me to leave and come back later saying that he had been famous for drunken rowdiness [and probably the scene might have interfered with his business].

He followed me to my lodging house loudly talking to other vendors, "she says she is a student. Who knows, she might be an investigator or spy. What would a student learn from this kind of life?" My landlady finally calmed him down with her skills and experience in handling drunkards.

Two other similar incidents happened to me during the field stay: one again by a drunken neighbor and the other by the mother-in-law of my interviewee, accusing her daughter-in-law of chattering away the time with a stranger who was not even a buyer. The first was calmed down by my landlady again, and the second by my withdrawal.

Sellers residing in the Dankei area were closer and more cooperative. The house I lodged in during the field study operated a shop selling drinks and snacks, which is one of the 13 permanent shops bordering the marketplace. My landlady was the most valuable key informant throughout my field study. She was a 55 year old widow, who had lived in the area for 36 years. She used to suggest to me what to observe and volunteered to validate what I observed. Also, her house was perfect for "unobtrusive" observations of happenings around the marketplace. The house was a favorite hangout on non-market days for
middle aged women and men who lived around the marketplace, because it always had empty room(s), there was no man of the house with whom housewives would feel uncomfortable, and the Korean wine was sold at a low cost on non-market days. Most of the visitors were somehow engaged in commercial activities. I could hear their conversation even in my room.

My landlady was illiterate and famous for habitual swearing. Like other rural people, she respected the highly-educated but treated me as her daughter when we were alone or with her close friends. Otherwise, she used to call me "Dr. Kim" to trigger a conversation with others about me, in order to show off the kind of guest she had at her house. Whenever there was a chance, I was introduced to her friends and visitors as a well-bred and well-behaved young woman who was, furthermore, a Ph.D. candidate of an American university (cf. Whyte 1981). I first enjoyed her company and patronage as she seemed to lead me naturally into the community. After her introduction, people would ask me all kinds of personal questions, especially about my being single. She interrupted to answer those questions whenever she could. After spending a long enough time to study me, they would give me a chance to talk, saying, "now then, what's your story?"

Introducing me as a well-bred woman brought unexpected consequences. This limited me somewhat and I began to feel constraints about running around the place, asking questions, initiating conversations with strangers, and the like, all of which were necessary for data collection. I began to think of ways to convince my landlady that these were my duties; I did this as
unpretentiously as possible, so as not to hurt her good-intentions and also to restore my aggressiveness. I thought about telling her how adventurous I had been. In the meantime, however, my landlady appeared to have lost her interest in what I found out, as I usually asked what other people of the area knew already. People seemed to have expected to hear or learn from me what they did not already know. As I preferred to ask questions and listen to them rather than tell stories to them, they showed skepticism and, at the same time, some took pride in the idea that what they said could be incorporated into a thesis which would be written in English. My landlady sometimes asked me to stay at home with her, helping her do house chores, instead of running around remote villages under the scorching sun or on freezing winter days. "Ask me the questions. I can answer most of yours." Instead of laughing at her suggestion, I tried to persuade her of why I needed to visit villages and to get answers directly from the people under study.

As my stay in the area got longer, townspeople began to ask me whether I was still collecting data or had decided to settle in. Like many sociological subjects, they had been familiar with questionnaire surveys, the area having been swept by a number of young students who asked questions for days and then forgot them forever afterwards. Some of the village people asked me to show them the questionnaire and were surprised to find just white paper and pens in my bag. I tried very hard not to show my tape recorder, because I feared it might threaten people and make them uncomfortable. I had anticipated such problems, so the tape recorder was used only as a back-up, and I never
relied on it entirely. Generally speaking, people in the area were pleasantly surprised by my visit to such a remote area "all the way from Hawaii" and were pleased to have "something different" from their routine.

I cannot pin down the particular incidents or time when people began to consider me as someone like them. As the subjects of my study were within a township with 6,500 population, it is hard to point out the time when I began to feel relatively complete acceptance from the people. From the beginning, I did not feel any specific rejection either. The first awkwardness I carried around was just because I was in an area without any acquaintances. However, just by the fact that my subjects were rural Korean people I could overcome the initial barrier with my own rural background. I was not very much different from them, except for my educational level and accent. I dressed like them, ate the same kind of food, spoke the same language, and shared the same cultural heritage, not only the Korean but also the rural. As much as I did not feel an initial rejection, neither did I feel any significant change in their attitudes toward me. If my subjects kept certain practices and customs that I did not have, learning and practicing them might have been viewed as my effort to be like them, which would eventually impress them to accept me. However, there was nothing which came to me as a novel custom except dialects and accents. I picked these up gradually but there was no outstanding difference from the beginning.

The townspeople, the village leaders, and people with urban experience or intermediate levels of education were the ones who
suspected my identity or talked to me out of curiosity, rather than to assist a researcher. Appearance was important to them as they judge others by it, and this includes tone of voice, age, sex, maturity, and the like. I was very disadvantaged in each of these aspects. The most desirable relationship between a field researcher and her subjects is mutual respect. However, after spending a month in the field area, I began to notice that some of the people I had interviewed by then, now treated me as a high school girl or a college girl. Evidently, I looked about that old when compared to the local girls.

Looking young and unexperienced, and being female were no problem as long as they did not have any impact on my work, but they potentially could cause a problem for my credibility and trustworthiness as a researcher. Diamond (1970: 125-128) also discusses difficulties as a young female researcher in Taiwan with which Korea shares many cultural aspects. I felt the need to establish myself as a solid researcher with proper means. Carrying reference letters from professors and the township magistrate was considered and tried, but without a meaningful result. I cannot remember how presenting my name card came to my mind as the solution. The name card carried my name in Chinese characters, the title of "Ph. D. candidate at UW" my Seoul address in Korean, and my address in Hawaii in English. If people were to doubt what I said, they had every reason to doubt what was printed on my name card since name cards are easily printed at low cost. Still, people never raised doubts on the card's information. Some of them even looked
overwhelmed and honored to get one of my name cards. Anyway it worked much better than I expected.

Living in villages was little different from staying in the town. Villagers seemed to have been impressed with my understanding and command of their dialects and the special terms used for farming. That worked as "dropping names" would for townspeople. On market days, some of the villagers I had talked to in their villages would grab my arm and drag me to a snack shop to treat me to lunch or a bowl of Korean wine. On one market day when I was bed-ridden because of flu, two elderly villagers visited my lodging house to say hello, and found me sick. They rarely visited the marketplace as they were local Confucianist scholars, but they dropped by on their way home from a scholars' meeting in a neighboring town on that day, just to see me. My landlady showed full respect to them listening politely to their saying, "please take good care of Miss Kim; put on more briquettes to make the room warmer and serve her a ginger tea for her cough." The story of their visit circulated among her friends, which put me on a more recognizable status. I sent a Christmas card from Hawaii, and we have kept in correspondence since that time.

Most of the difficulties I suffered from during the field study are related in one way or another to my being a woman (cf. Rosalie Wax, Doing Field Work). Whenever I moved around, mostly by foot, extra precautions had to be taken to avoid sexual or verbal harrassment. Residents of the area were said to be all right because they would not risk their status in the area by attempting such behavior. Strangers to the area were warned by police officers and
also by my informants, that I was not to be harassed. But since I
could not tell residents from strangers, precaution prevented me from
timely movement and from visits during night time when a relaxed
conversation might be likely.

Verbal teasing by youngsters around the township seat and by
peddlers from cities frequently tired me mentally. Some of them were
just playful and my friendly acknowledgement made them blush and be
apologetic. Some others were persistent and malicious in verbal
harrassment. Since they did not mean any physical harm, it was all
right at the end. But to pass by them, pretending that I did not hear
anything or making friendly gestures was difficult. In some other
situations, if I were visiting the area with a questionnaire for a
short time, I could have expressed my disgust in many ways, even
reporting to the police. However, the only possibility was to sigh
deeply in my small den after returning to my lodging house. My good
will and deeds were accepted as normal, and just one small blow of my
resentment would ruin the patience I worked hard to earn in order to
barge into others' lives. After such emotionally difficult days, I
would leave the area for a couple of days to experience the decency of
city life: anonymity, cold courtesy, and cleanliness. It was very
important to have some place to escape from the field setting from
time to time, as the job of field observer demanded not only time and
concentration but positive thinking, understanding, good will, and
gregariousness. One cannot afford to cumulate the tensions from
conflict with difficult subjects as it ruins the rest of the day and
eventually the remainder of a field study.
As I returned with a fresher and more willing mind, those who used to tease me came to lose interest in me, or at least they appeared to. Once I approached a couple of them first, while they were playing a guitar in front of a restaurant. I commented about their playing skill, the shape of the guitar and their singing. I told them playfully as I was leaving that, "next time you gather like this, please call me if I am around." Also, I let other youngsters who respected me and were willing to help, know that those verbal teasing tired me and that I wished they would stop teasing me. I did so with a hope that the message would be relayed to them more persuasively than by my saying so directly.

In the end, such harrassment was a minor problem, considering the overall direct impact of my being a woman on data collection, especially about the cattle market. Farmers visited shops for drinks and snack food on market days to be relaxed, away from routine, and to discuss a variety of things with fellow farmers. It would have been ideal, if I were a man, to mingle with them at those bars, in order to gather more frank opinions (for the similar experiences, see Diamond 1970) especially about the operation of the cattle markets. Many women visited this type of bar to eat lunch on market days, but only two bars were the regular hangouts for the cattle dealers and farmers interested in cattle raising or dealing. Neither of these "bars" had any special facilities as a bar, but rather operated from the owners' place of residence. The bar my landlady operated was one of them.

Since the house had small rooms--one of which was mine--and each group occupied one room, it was hard to have easy natural access to them.
could take foods or drinks into the rooms and listen to them in that way. But for a woman to bring food or drinks, and especially to stay in those rooms under such circumstances, is to be defined mostly as a prostitute-like waitress, and the customer would have treated me as such.

My landlady used to ask me not to stay around the house on market days, unless I stayed in my room, because "these men are vulgar, they say whatever comes out of their mouth." However, I tried at the second bar which was right next door to my lodging house. The kitchen of the house was located at the center of the house, so I chose the kitchen to station myself, helping the housewife in her kitchen chores. It took only minutes for the cattle dealers and brokers to recognize my voice and presence, because the door from the kitchen to surrounding rooms was open. That was one of the most difficult moments I had in the field. Although I had a passion for "real" data, I had not prepared myself to confront such intensive attraction and embarrassing jokes from more than ten people at a time. They did not mean any harm, but only were playful, but it was a matter of degree: how much of those jokes and personal attention should be acknowledged and how much should be ignored? Asserting my status as a researcher did not help as they wanted me to have fun and be relaxed.

I could have gone so far as to mingle with them drinking Korean wine and appreciating their dirty jokes. Perhaps they would bother me only at the beginning, but I wondered if later they would treat me as someone supposed to be there listening to them. However, I could not
afford to lose villagers from my study who would label me as a "westernized bitch" upon hearing about the incident. Even my mere presence at the bar itself circulated to many villagers. The incident and my lodging at the bar-operating house worked as an initial barrier when studying the two adjacent villages where the Confucianist scholars lived.

I did not enjoy any reputation or glory as a researcher in the area, except when I was asked to be a private tutor for children of the vice-magistrate of the township. I was not introduced to the area by high government officers or local power elites as most survey researchers in Korea have been. That method of introduction may ease the local acceptance by public officers and village leaders for a short visit to fill out questionnaires, but my concern was not with the particular people in office or of rank, but rather with ordinary farmers who enjoyed talking to those who would not interrupt to ask different questions, and people who would not force them to talk. I did wish I had some connections with high government officials on a couple of occasions, not to force villagers' cooperation with my study but to see that their concerns would be taken care of, and perhaps to make their small dreams come true.
Notes to chapter 2

1. This section is a summary of Kim (1977: 51-182) who presents an extensive review of market development in Korea. Historical reviews of market development were first done by two Japanese scholars under the auspices of the Japanese Governor General in Korea from 1924 to 1934. Mun, Jōng-Chang compiled a comprehensive historical review of market development in Korea in 1941. All the above materials are written in Japanese. The original historical records reviewed by these scholars are written in Chinese as were all the official records of Korea until 1909. Kim (1977: 51-182) summarizes all the above material along with recently published works on market development.

2. Park (1977: 42) notes, without a citation, a type of market exchange at rural markets in one of the Three Kingdoms, but no original source about rural markets in that period can be located. Park seems to have used the term, "rural" in this context as places other than the capital city, including cities.

3. Park (1977: 44) also notes a fixed schedule of five-day for markets in the 10th century, but it is not adopted here for the same reason given under fn.2.

4. A precaution is taken in using Ministry of Commerce and Industry's and Kim (1977)'s data regarding their reliability and validity. Kim collected most of his data from agricultural extension workers at the township level. When the same items are compared between MOCI (1981) and Kim (1977 for 1975 census), they are remarkably constant despite five to six years' lapse of time. The MOCI data is not publicly open to circulation because "it is old and dead data" according to a related officer. The officer asked me not to circulate it in fear of criticism, especially from mass media, about its inaccuracy. On the other hand, a county officer in charge of market administration of his county could not recall when was the last time he received reports on markets from township offices and when he sent the data to the central government. Around 20 periodic markets were critically examined on those aspects which are contained in Kim's data. This did not provide a bright picture for Kim's data either, but the differences were systematic. Numbers provided in the following tables are more accurate when compared relatively than taken absolutely.
CHAPTER III
THE ADMINISTRATION OF PERIODIC MARKETS

1. Government Intervention and Its Attitude toward Periodic Markets: A Brief Overview

Periodic markets in rural Korea are not different from the general character of periodic markets in any rural society in terms of their definition, origin and factors causing changes. However, Korea is unusual in that periodic markets have been subject to direct government regulation throughout her history. As briefly mentioned in the historical review, markets in Korea were opened not only at the centers of population and transportation, but also by government policy. Until the early 19th century, no records are available for markets spontaneously developed. The origin and change of the spontaneously developed markets can only be inferred to be similar to the cases reported and studied in other countries. The following briefly reviews historical records (1) regarding market policies of Korea.

The main purpose of government initiation of market opening at the city level throughout the Three Kingdoms period down to Yi dynasty, from 5th century to early 20th century, was to facilitate the supply of goods for government use. Correspondingly, market administration developed from the Three Kingdom period mainly for securing government supply and partly for establishing fair
transactions and encouraging exchange of surplus and necessities (Kim 1977: 66). While the government kept a strong commitment to city markets, its attitude towards local markets was indifferent during the periods of the Three Kingdoms, Unified Silla, and Koryo Dynasty, and suppressive during the Yi dynasty.

The indifference to local markets is shown in the absence of any records about them except for numbers and locations. Government concern for opening local markets appears first in 1433 (Sejong-sillok, vol 59, re-cited from Kim 1977: 261-263), during the fourth king period of the Yi dynasty. The same document records the first opening of a local market in Cholla region (southeastern part of Korea) in 1469 which was soon abolished by local government officer's order condemning its disorder. The existence of local markets in the 16th century (in the 15th year of Chungjong King) can be inferred from the same record by a local officer's pretentious report on his successful suppression of market openings in his jurisdiction despite the persistence of local markets in other areas. Opening of local markets in Kyongsang and Ch'ungch'ŏng areas was noted in the same era (the first year of Myongjong King). All of these remarks are followed by accusation of market-goers as lazy farmers, the marketplace as a center of immorality of men and women being together over wine and meat on market days, and as origin of profit-oriented norms and deviants.

Thus, it seemed that while local markets began to open around 1470 from Cholla region and spread to Kyongsang and Ch'ungch'ŏng regions, government strongly opposed local markets because they
believed markets diffused farming energy and time, disturbed traditional values and norms and encouraged burglars. Underlining these concerns seems to be Confucianism, which despises commercially-oriented activities.

Despite the suppressive policy, local markets developed out of people's needs. Local markets are assumed to be officially recognized late in the 17th century, considering the date of first publication of government records on the number of local markets in the 18th century.

However, during the period of Yi dynasty market activities stagnated throughout the country except for a few city markets opened with a particular group of government-authorized vendors, primarily for government supply. The stagnation can be generally explained as due to the low level of transportation and purchase power, the narrow material base, and the majority of people having a self-sufficient mode of living. Most of all, government administration of markets did not encourage market development. The government was deeply involved with controlling the market economy not because of its commitment to the commercial economy or people, but for the interests of government itself. For example, although tax exemption was officially stipulated for transactions in local markets during the Yi dynasty, the government did not take any measures to maintain the policy. Later, tax was collected from local market activities as a source of income for regional offices. In some cases, local office-holders opened markets for the purpose of tax collection. In other cases, markets and sellers were heavily exploited by the local office for the interests of the
office-holders. Jong, Yak-yong describes severe taxes levied on market activities in his Mokminsimso (or A Book for the Mind who Guides People re-cited from Kim 1977: 111-115). The tax was very heavy even for transactions at city markets, and government favoritism for particular groups of merchants thwarted the market economy in city markets also.

The ineffective administration of markets by the government during the Yi dynasty resulted not only in the stagnation of market activities, but also in the closing of local markets. According to a survey made by Sasekuk (internal revenue service organized under the authority of the Japanese Government), the number of markets in 1909 was 849, while that in 1830 was 1,060.

The rise and fall of local markets continued to depend on the government market policy also in the Japanese colonial period (1910-1945). Colonial governments have naturally and commonly controlled the market economy in the process of colonization of a country. The Japanese colonial government investigated the distribution of markets in Korea during 1913-1917 along with the notorious "Land Census" (2). Even before the annexation, the penetration of Japanese commercial capital into Korean markets had been active in port cities. At the time of stationing of the colonial government-general in Seoul in 1910, opening and changing markets were allowed only after consultation with the Japanese government. In 1914, the colonial government-general announced and implemented Sichang-Kyuchik, or Market Regulations, the first market law in Korea. The law stipulated complete control of local markets by
local offices of the government. Along with an active utilization of urban markets, the Japanese colonial government encouraged the opening of local markets in order to appropriate the surplus produce more effectively from the farmer. The number of markets, as a result, increased from 849 in 1909 to 1,458 in 1938: a 77.2% increase in local markets alone. The increase might be due to the increased material well-being of rural people, as in some cases of spontaneous development of markets, as Japanese scholars under the colonial government argued. The argument does not hold when considering the highly concentrated development of markets in particular regions, as is shown in Table 2.

The number of markets in the resource-rich regions of Kangwon, Pyongan and Hamkyong increased 3.38 times while the national average

<table>
<thead>
<tr>
<th>Province</th>
<th>1909(t1)</th>
<th>1938(t2)</th>
<th>t2-t1</th>
<th>t2/t1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamkyŏng</td>
<td>24.4%</td>
<td>47.7%</td>
<td>64.2%</td>
<td>3.384</td>
</tr>
<tr>
<td>Pyŏngan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kangwon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the Rest</td>
<td>75.6%</td>
<td>52.3%</td>
<td>35.8%</td>
<td>1.184</td>
</tr>
<tr>
<td>Total</td>
<td>849</td>
<td>1,458</td>
<td>609</td>
<td>1.772</td>
</tr>
</tbody>
</table>

Source: Constructed based on table IV-3 (Kim 1977: 146)
was 1.77 times during the period of 1909 and 1938. These areas, made of five provinces out of 8, are so mountainous that transportation had been the poorest and population low until the end of the Yi dynasty in 1910. As can be observed from the table, 64.2% of the increase in the number of periodic markets is mainly contributed by the increase in the three regions. It appears to be the result of increased mine workers transferred to the three regions and improved transportation networks, which were brought about by the colonial government for better appropriation of the rich underground resources in those regions. In other words, the most remarkable market development in local markets was not spontaneously achieved as in other countries, but was brought about by government intervention even during the Japanese colonial period, just as the market stagnation during the previous historical periods was also due to government intervention.

During the period of 1911 to 1935, five-year data on the number of periodic markets show a steady increase in the number except from 1916 to 1921 (Kim 1977: 146). The slack is the result of the independence movement which spread throughout Korea in 1919, using days and places of periodic markets as starting points. Right before Independence in 1945, the number of periodic markets reduced again mainly because of a stagnated economy resulting from Japan's deep involvement in World War II.

The Market Regulations continued to be effective even after the Independence from Japan in 1945. Many local markets were newly opened by local administrative officers with rights conferred by the Market Regulations after 1945. The rationale for opening local markets was
for regional development and increasing local tax income (Kim 1977: 195). The number of local markets in South Korea alone increased from 510 in 1943 (Ch'ongdokbu) to 668 in 1950, 826 in 1960, and up to 994 in 1970 (MOAF 1972). From 1945 to 1970, the state government never made a regulation or law to abolish the periodic markets because of the lack of a substitute market infrastructure in rural areas and anticipated complaints from farmers and vendors, except for establishing a market law in 1961, which was based on the Market Regulations of the Japanese occupation. Markets could develop with minimal government intervention during the years 1945 to 1970, compared to other historical periods.

During the same period, however, government officers and economic planners openly expressed their negative attitudes toward periodic markets, pointing to disorderliness and disturbances at the market place. It is also pointed out that because of the festive atmosphere of, and time and energy spent on transportation to and from the market place, market days are usually spent as holidays, taking away precious productive activities of the farmer. It is commonly viewed in Korea that the periodic market is a legacy of traditional (read: backward) societies with low income and poverty (Pitts and Park 1978: 10) while the rest of Korea has taken off in development. Being modernistic, materially well-off, and mechanized may best characterize the common understanding of development for the majority of Koreans.

The negative attitude toward periodic markets was finally brought into official consideration of changing market periodicity from every five days to every ten days, closing less active markets
and making larger periodic markets permanent (Maeil Kyŏngche Shinmun Aug. 18, 1972). This suggestion by the Ministry of Agriculture and Fisheries was hotly discussed but not implemented. The current market law, revised in 1981, recognizes the need for periodic markets in rural Korea as an outlet for the agricultural produce of small farmers and as a supply center for everyday necessities. However, it recommends a gradual change of periodic markets into small-scale permanent markets for a "modernization of marketing" (MOCI 1981b: 27). More recently in 1983, the Ministry of Agriculture and Fisheries announced a gradual integration of livestock markets at the township level to one or two at the county level by 1986 as a way of developing tourist spots and of closing "inactive" livestock markets. Although this policy is not directly aimed at periodic markets, it has the tremendous effect of reducing periodic markets to the extent of closing a substantial number of them, as will be discussed in subsequent chapters on the role of grain and cattle markets within the market under study.

2. Government Structures for Market Administration

All periodic markets, except periodic livestock markets, are legally under the control of the Market Law. The periodic market is under the administrative control of the Ministry of Commerce and Industry. Mayors and county magistrates have the authority to open periodic markets, as long as the marketplace is "convenient to use and properly located" for local people, and the marketplace is over 1,000 square meters in size, and equipped with office structures, drainage,
water supply, toilets, and a dumping ground according to the
Enforcement Ordinances and Regulations of Market Law (MOCI 1981c). The actual administration and control of periodic markets is under local authorities such as county office and township office. The principal reasons for public control of marketplaces are maintaining order, establishing fair economic activities, taking care of facilities, and collecting "market tax" (3).

The periodic livestock markets are in most cases affiliated with periodic markets as a sub-market. Only 33 livestock markets out of 533 were held separately from ordinary periodic markets in 1975 (see table 1). Livestock markets are usually located at one corner or across the street from periodic markets for sanitation and the particular facilities needed for transactions. The livestock market, despite the close connection with periodic markets, is legally under the control of the Ministry of Agriculture and Fisheries, and the Livestock Law. Again, mayors and county magistrates can open a livestock market with permission from governors. The actual supervision and operation is under local branch offices of the Livestock Cooperatives, which are available only at the county level.

Thus, periodic markets are under the supervision of the Ministry of Commerce and Industry, and the cattle markets, under the Ministry of Agriculture and Fisheries. On the other hand, the wholesale markets of agricultural produce and fisheries located in urban areas are under the control of the Ministry of Agriculture and Fisheries. In other words, the relevant authorities for the same agricultural produce are different in the case of initial or small-scale bulking
place and in the case of wholesaling; and different for activities occurring at the same place in the case of livestock and agricultural produce. As S. Kim (1980: 244) argues this may be due to the misunderstanding of the role of periodic markets as regular markets only supplying industrial goods and agricultural produce.

The addition of the NACF chainstore complicates the situation even further. The National Agricultural Cooperatives Federation is directly under the Ministry of Agriculture and Fisheries and heavily subsidized, hence sanctioned by the government. The National Agricultural Cooperatives Federation has a central office in Seoul, nine province offices, cooperatives in major cities and in 140 counties, and 1,500 primary cooperatives at the township level. The major functions of the National Agricultural Cooperatives Federation are cooperative marketing of agricultural produce, agricultural finance and credit, various extension programs for increasing agricultural productivity, and the sale of farming inputs such as fertilizers, insecticides, and farm machinery. As the National Agricultural Cooperatives Federation assumes the role of collecting agricultural produce and distributing farming inputs, providing NACF-related channels to distribute consumer goods has been seen to replace the role of periodic markets completely (4). Thus, NACF stores were open in 1970. The number of NACF chainstores, mainly located at county seats and township seats, reached 1,439 in 1981 (NACF 1982).

Figure 1 shows each economic institution with its function and supervising authority at the highest echelon.
BY FUNCTIONS OF THE MARKET

Collecting
Agricultural Produce
MOAF: Wholesale Markets
: Local NACF Office
: Livestock Markets
MOCI: Periodic Markets

Supplying
Manufactured Goods
MOAF: NACF Chainstores
MOCI: Periodic Markets

BY TYPES OF MARKETS

MOAF

NACF

Wholesale markets
Chainstores

NLCF

Livestock markets

MOCI —— County/Township office —— Periodic markets

Figure 1

Government Structures in Market Administration
3. The Local Market Administration

1) Minimal involvement with a general supervision

Since the previous market law up to 1981 limited the authority of mayors and magistrates to making proposals to open markets and reserved the right of final veto to governors, market ordinances at the county level were similar within a province as to the kinds of items included. Those market ordinances were kept in effect even after the revision in 1981, which stipulates mayors and county magistrate as the highest echelon in market supervision at the local level. These market ordinances contain routine items such as the name, location, and purpose of each market, levying market tax, transferring the ownership of market stalls, and supervising markets at the township level.

After the tax collection is entrusted to an individual, everything else is up to the dynamics of the marketplace. The county office and township office intervene minimally in market activities. The most active control regarding market activities is regulating bootlegging. It had been a custom to brew wine at home until around 1970s in Korea, especially in rural areas at times of banquets. Private wine-brewing is now prohibited in Korea, and especially the traditional Korean wine (makkolli) is supposed to be brewed and distributed through registered dealers. The regulation is not particularly related to market activities but is a reinforcement of the nationwide rule, and has affected bars at the marketplace. Since the implementation of the rule, township offices have the right to enter any suspected household and search without warrant on any day.
But they rarely enforce the right on market days. Even if they do, it is before the opening of the market day. Targets are usually operators of snack and drink shops in and around the marketplace. For those shops, it had been not only the taste of food but also the taste of house wine which attracted many customers.

It was observed that three out of the 19 stalls and snack and drink shops still serve home-made wine along with commercial wines. My landlady once was caught by an inspection team and fined 100,000 won ($125). The fine is said to vary according to the amount of private wine. Still she did not stop brewing but just took extra care during fermenting periods. On market days she openly offers the house wine at a slightly higher price than the legitimate wine or a mixture of the two at the same price. Among the customers are township officers, but she says "it is only a particular group of people who do the inspection and fining. Although they [township officer-customers] work at the township office, they are different." One officer interviewed at the township office casually mentioned that "we go out on market days and cruise around the marketplace. When we hear a certain restaurant has a tasty wine we go there to taste it, and when different dishes are said to be added to the menu, we go and try them." (Field Notes, May 19, 1982)

Police officers and township officers are brought in when disorderliness, theft, fraud or strangers are reported. During the field study period, only one case of stranger-reporting and one fight were reported to the offices, the stranger being the researcher herself. The fight was not related to marketing, but developed from a
trivial argument in a drinking party toward the end of the market day.

2) Collection of market tax

The most active administration of markets practiced by county offices is collecting market tax and repairing market facilities with the tax revenue. During the field observation, one market structure was renovated, and several others were said to be renovated in the following year. Methods of collecting market tax are regulated differently by province and by county mainly in terms of how the tax collector is designated. Kyongsang-Namdo, the province in which Dankei market is located, has a rule of entrusting the tax collection to the highest bidder at an annual public bid. The following practice was recorded from interviews with the tax collector for Dankei during the past six years and confirmed by an officer at the Sanchong county office, within which Dankei is located.

(1) Selecting a market tax collector

The bidding is held in December every year at the county office. The eleven townships in the county are divided into northern and southern parts and each half takes a day for the bidding. Three to four people enter for one market. The person who makes the highest bid becomes the collector for one year beginning from the first of January of the following year. The bid is estimated on the basis of the total market tax collectible during a year, and a minimum pay for the collector himself for his service in collecting market tax and maintaining market facilities, which are the main duties of the tax collector. The total market tax is estimated by the average number of vendors per market day multiplied by average market tax and by 72
market days a year. Since the number of vendors fluctuates by peaks and lows in farming season, weather, and the status of an individual market, bidders should be familiar with the operation of markets they are bidding for. They also have to live near the markets to attend market on every market day to collect the market tax and maintain market facilities. Thus, bidders are residents near markets and patronizers of the markets. The information held by bidders about market is more accurate than that of county offices as they are always in touch with the markets, while the county offices have official and indirect contact with them.

Three to four bidders for each market make bids secretly on a piece of paper. Although no minimum or opening bid is officially announced, bidders for the same market cannot collaborate to underbid because of the information the county office has for each market. Rather, the relationship among bidders for the same market seems to be competitive, and the county office "takes advantage of the relationship".

Sometimes county officers nullify even the highest bid in order to increase the bidding price. Then they approach the highest bidder at the first bidding privately and tip him to increase a few more hundred wŏn at the second bidding. Although the few more hundred wŏns is nothing [one dollar is approximately equivalent to 800 wŏn], it is often a couple of hundred wŏns that makes the difference." (Field Notes, May 24, 1982)

(2) Market tax rate and revenue

On one market day a notice of market tax collection was posted at the marketplace. It was issued by the township office in May of
Market stalls are classified into three ranks, and spots for market vendors are also classified into three ranks according to the popularity of the location, which in turn is determined by the volume of customer traffic. According to the notice,

<table>
<thead>
<tr>
<th>per pyŏng at</th>
<th>stalls</th>
<th>vending spots</th>
</tr>
</thead>
<tbody>
<tr>
<td>the busiest corners</td>
<td>100W</td>
<td>60W</td>
</tr>
<tr>
<td>the 2nd busiest corners</td>
<td>60W</td>
<td>40W</td>
</tr>
<tr>
<td>the 3rd busiest corners</td>
<td>40W</td>
<td>20W</td>
</tr>
</tbody>
</table>

That is, stallholders are supposed to pay from 40 to 400 wŏn depending on the number of stalls they hold and the location of the stalls. Likewise, vendors are supposed to pay from 20 to 90 wŏn (the maximum occupancy seems to be 1.5 pyŏng). In fact, according to informants' reports, the actual market tax stallholders pay ranges from 160 to 500 wŏn; the range for market vendors is from 100 to 200 wŏn; and the rice brokers pay 200 to 300 wŏn. Most of the sellers pay from 100 to 300 wŏn.

The job of market tax collection seems to be a lucrative one in rural areas, especially when it involves just collecting tax six days a month and collecting garbage from the market place six times a month. The annual income estimated by the collector himself is:

20,000 wŏn, at the most, can be estimated as the average market tax I can collect from a market day throughout a year. It makes 1,000,000 wŏn by multiplying 20,000 wŏn by 50 market days for the annual market tax I collect. During the past six years, the amount has fluctuated between 1,000,000 and 1,200,000 wŏn. Although the annual bidding price is between 500,000 and 700,000 wŏn, the actual cost is almost
800,000 won because I have to 'say hi' to county officers and because of meals and transportation visiting the county office twice and Jinju revenue office once a year for business related to the job. The difference is my income. (Field Notes, May 24, 1982)

It was easy to find that the collector's estimation of his annual revenue was unduly low. The particular market day I accompanied the market tax collector on his last round was about an average spring market day. He collected 20,000 won from the last round alone, and he earlier said he had already made one round. When I noted the amount of money, he responded, "I visited again those sellers who were not present at the first round, while I usually pass them by." The actual amount of market tax collected for an average spring market day seems at least 20,000 won. Then this should be multiplied by at least 70 market days a year as most stalls operate even on slack market days, which makes 1.4 million won. As the county office has 620,000 won as the annual market tax revenue from the Dankei market (see Table 4), the collector actually makes up to 780,000 won a year, or about 65,000 won a month.

(3) Relations between the tax collector and peddlers

The tax collector usually makes three to four rounds of the marketplace; the first round is about 11 am and the last, around 2:30 pm, corresponding to the fluctuation of market transactions. That is, the major peak of market transactions begins to wane from 11:30 am when the cattle and rice markets are about to close and from 2:30 pm when sellers from distant places begin to pack their goods to leave. The first round is to collect tax from vendors and rice brokers who finish their business early or move around. The last round is
targeted to those stallholders who remain at the marketplace usually until 4 pm, and those who live near the marketplace and may stay as late as 6:30 pm.

The tax collector complained about the job throughout the interviews, and to whomever was around him. The reason seems to be that he has lived in metropolitan cities and settled down at Dankei only after he spent all his fortune on a luxurious way of life, and that collecting a couple of hundred won from 70 to 150 sellers in the marketplace and collecting garbage is not regarded as his type of work. He said he has tried to persuade stallholders to pay their market tax once a month by multiplying the market tax per day by 6 times, offering a 15 to 20% discount off the total, but failed because stallholders of "such small-scale businesses" consider even the daily amount as a large sum of money. Stallholders commented regarding this that they miss market days often enough to make the monthly payment too costly.

More significantly, he seems to try to curtail prospective competition at the annual bidding for market tax collection by spreading his complaints about the small income, the cumbersomeness of collecting small bits of money and the indecency of garbage collection.

For Dankei market, three persons including me have made bids. The other two are not so eager as me because they can always do their own farming. They wanted to make it profitable so their bids are higher than mine. Tell you my bidding price? crazy! I wouldn't even tell it to my wife. (Field Notes for a tax collector, May 24, 1982)
The tax collector remarked that he does not collect the tax from farmers selling small sums of farm produce, or from those who come to the marketplace quite rarely or only when there is a farm surplus. However, villagers complain about strictness of the tax collection on them. One villager says, "the whole lot I bring may make only 1,000 wôn, still he collects 100 to 150 wôn from me." The tax collector says "collecting tax from vendors near the entrance to the marketplace really depends on their behavior. I make sure to collect from those who try not to pay."

There seems to have been no overt conflict between sellers and the tax collector, but the conflict is felt. Conflict between the tax collector and stallholders and regular vendors is almost non-existent but it is felt between the collector and rural producers and irregular vendors. Those vendors visiting occasionally from outside usually argue with the collector because he obviously charges them much more compared to regular vendors of the same volume and of similar goods. The collector comments that,

they are much better-off than sellers of this market. Look, they are the ones who attempted to make a fortune by buying a truckload of goods [by regulating supply of goods] but failed because of their miscalculation. That's why they are visiting this remote marketplace from cities to throw away the goods. This kind of fortune-seekers should be charged highly. (Field Notes, May 24, 1982)

The Dankei market has not been subject to any direct administrative control either for activating or for discouraging its activities. Farmers and sellers do not feel any connection between
periodic marketing and administrative system either, except for
sellers by paying market tax.

The previous discussion has shown that the administrative
attention on periodic marketing has been focused only on keeping
orderly market activities and collecting market tax. It has
maintained the status quo at the most. The most recent consideration
is to abolish cattle markets at the township level, which would effect
the gradual closing of the township periodic markets in general. It
seems obvious that the government has regarded periodic marketing
merely as a form of marketing for bringing in consumer goods to rural
people, and assumed that its role of collecting agricultural produce
is replaced by other functional alternatives, more modern and
manageable for administration. The following chapters illuminate
periodic marketing in the light of its relations to the rural economic
and social arrangements, in an attempt to examine whether the
prevalent assumptions among government planners on the present
periodic marketing are tenable.
Notes to chapter 3


2. It was notorious for it resulted in usurping lands from farmers by taking advantage of farmer's illiteracy, avoidance of office visits, and understanding of ownership of lands.

3. Market fee is the exact term, as it is paid as rent by traders and vendors who make profit using the property of county. The term, "market tax" is used instead as it is the term used by traders, vendors, customers, and collector alike. The direct translation of the Korean, changse is also market tax.

4. This was the background of the MOAF's proposal for reducing periodic market activities in 1972 (Park 1982: 2).
CHAPTER IV
MARKET AREA AS A SOCIAL AND ECONOMIC UNIT

I. Socio-Economic Characteristics of the Area
   1. Physical and Geographical Setting

   This study has chosen Dankei periodic market located in the township seat of Shindung, Sanchŏng county in Kyŏngsang-Nam province. This area is 32 kilometers away from Jinju, one of the 10 biggest cities, and 133.2 kilometers from Pusan, the second largest city in Korea.

   Kyŏng-Nam is surrounded by sea on its east and south but is a mountainous area. On its north and west side is the Sobaek mountain complex which separates Kyŏng-Nam from Kyŏng-Puk, Chŏn-Puk, and Chŏn-Nam. When a diagonal of right and left moves down from the Sobaek mountain complex, shades of mountain zone, plain zone, and coastal zone can be drawn, each with corresponding produce. The mountain zone includes Mt. Chiri (1,915m) which is one of the two biggest and most popular national parks in Korea. The Nakdong and Nam rivers web Kyŏng-Nam province, through the alluvial Kimhae and Jinju plains. The fisheries along the coastline contain a variety of fish as cold and warm currents meet at the forepart of the coast. Along the coastline are several recently planned industrial complexes, which include the Masan Free Export Zone. Kyŏng-Nam is virtually self-sufficient in terms of indigenous resources and has been nearly so because of geographical insulation from other areas.
Jinju is an old city which has served as a regional center of one third of the province to the westward. It has been the center of one of the three major Confucian schools of thought in Korea and still contains more regular schools in relation to the size of population than the national average. An industrial emphasis was added to the city by the Daedong Farm Machinery Co., which is the first and the biggest of the kind in Korea. Agriculture is still the major industry of the city. Because its climate falls in between the temperate and sub-tropical zones, and because of the Nam river plain, double-cropping and large scale greenhouse farming are widely practiced in the Jinju area. Especially, the amount of pineapple yield from the Jinju area is the second largest in Korea.

All these glories fade away as one goes to the north-eastern side of Jinju, which includes Sanchŏng county. It spreads from the back-drop of the Sobaik mountain complex to the borders of the Jinju plain. Three tributaries of the Nam river in the county form plains that are not wide enough for large-scale agriculture, which can be inferred from the name of the county, Sanchŏng, which means "green mountain". The Shindung area chosen for this study is located from 70 to 400 meters above sea level and mostly at 120 meters above sea level (from Shindung township office), thus preventing agricultural mechanization. The Shindung is one of the eleven townships of the county. "Dankei" is the administrative name for those blocks at the township center, and the name of the market periodically held at one corner of the township center.
2. Agricultural Profile of the Area

As this study focuses on the relation of periodic marketing with agricultural production, a brief overview of each region (Kyŏng-Nam, Sanchŏng county, and the Shindung area) in terms of various indices of agricultural production is presented in comparison to those of national characteristics in Korea. Table 3 summarizes relevant statistics.

As shown in the Table, Sanchŏng is predominantly an agrarian area having more than 80 per cent farm population. The percentage for Kyŏng-Nam is much lower than that for Sanchŏng or Shindung, because of the densely populated cities of Masan, Ulsan, and Changwon, which were established as industrial cities with special emphasis by the government. As these cities are located along the coastline while Sanchong is inland, employment opportunities in non-agricultural sectors are limited in the Sanchong area. Those who seek such opportunities move to cities. Especially for Sanchŏng, cities like Pusan, Daegu, Masan, Ulsan, and Changwon are all within two to three hours by bus. One source reports that Sanchong county has the third annual population decrease in Korea (Ppurikip'un Namu, 1983). The following table shows 86.6% and 94.6% full-time farm households for Sanchŏng and Shindung respectively. The MOAF (1980: 10) defines a fulltime farm household as a farm household none of whose members have engaged in non-agricultural work for more than 30 cumulative days a year.

The average amount of cultivated land per farm household in Kyŏng-Nam is significantly lower than the national average: in fact,
Table 3. -- Agricultural Characteristics of Shindung Area compared to those of Korea, Kyŏng-Nam and Sanchŏng county

<table>
<thead>
<tr>
<th></th>
<th>Korea</th>
<th>Kyŏng-Nam</th>
<th>Sanchŏng</th>
<th>Dankei</th>
</tr>
</thead>
<tbody>
<tr>
<td>farm population(%)</td>
<td>25.0†</td>
<td>42.3‡</td>
<td>31.6§</td>
<td>30.3</td>
</tr>
<tr>
<td>cultivated land per farm HH (a)</td>
<td>107.0</td>
<td>91.1</td>
<td>91.8</td>
<td>92.9</td>
</tr>
<tr>
<td>full-time FHH (%)</td>
<td>73.1</td>
<td>65.4</td>
<td>86.6</td>
<td>94.6</td>
</tr>
<tr>
<td>double-cropped paddy field (%)</td>
<td>22.5</td>
<td>61.1</td>
<td>59.1</td>
<td>73.6</td>
</tr>
<tr>
<td>arranged paddy field (%)</td>
<td>23.6</td>
<td>23.2</td>
<td>15.5</td>
<td>19.9</td>
</tr>
<tr>
<td>rototillers per FHH</td>
<td>.15</td>
<td>.15</td>
<td>.17</td>
<td>.14</td>
</tr>
<tr>
<td>cattle per FHH</td>
<td>.75</td>
<td>.87</td>
<td>.93</td>
<td>.85</td>
</tr>
<tr>
<td>draft cattle per FHH</td>
<td>.64</td>
<td>.62</td>
<td>.90</td>
<td>.85</td>
</tr>
<tr>
<td>FHH in sericulture (%)</td>
<td>7.0</td>
<td>9.9</td>
<td>43.2</td>
<td>31.9</td>
</tr>
</tbody>
</table>

Source: Compiled from Ministry of Agriculture and Fishery (MOAF), Agricultural Census of Korea 1980. vol.9 & 10, except for the followings.

1. MOAF (1902), Yearbook of Agriculture and Forestry Statistics.

2. Kyŏng-Nam province (1902), Statistical Yearbook of Kyŏng-Nam.

3. This figure is calculated from Sanchong county (1902), which shows statistics measured at the same time with the above MOAF (1900). The former does not have farm population, while the latter lacks the total population of Sanchŏng county. Thus, it is the percentage of farm household, for which statistics are available from the former.
it is the very lowest when cities are excluded. The percentage of arranged paddy field and the average land-holding per farm household show the relative backwardness and small scale of farming in the Sanchong area. However, the small size of land-holdings is compensated for when the value of agricultural yield is compared, because of the high proportion of double-cropping in the region.

Farm produce from the Sanchong area includes food crops such as rice and barley, commercial crops such as beans, potatoes, radishes, cabbages, peppers, onions, garlic and other vegetables and fruits of a temperate climate zone. All of these are produced for domestic markets and none of this produce is specialized on a large scale. They are produced for local periodic markets or at the most for markets in Jinju city. Husbandry is also not of any significance, as the difference between the total head of cattle (which include draft cattle, milk cow, and beef cattle), and that of draft cattle is negligible for the Sanchong area, as shown in Table 3.

The one and only agricultural product that stands out for the region is sericulture. Kyŏng-Nam is the fourth largest cocoon-producing province (11.9%) in Korea; and Sanchŏng is the third (21.9%) within the province, and the eighth highest county in cocoon production among the 139 counties in Korea (MOAF 1980).

Sericulture, as the major and only economic specialization of the area, does not make the area significantly different from other rural areas in Korea, when the production scale and the characteristics of sericultural farmers are examined. The agricultural census of 1980 (MOAF 1980) shows that the average size of
mulberry fields owned by sericultural farm households is 1,009 square meters for Shindung, 1,151 square meters for Sanchōng, 1,011 square meters for Kyōng-Nam and 1,311 square meters for the national average. Among these figures, Shindung's is the lowest for Sanchōng and Kyōng-Nam's is the lowest for Korea. A greater number of sericultural households are needed in order to produce more than the average, as the level of technology used in sericulture is quite standardized. In other words, although the amount of cocoon production for the region is noteworthy, it is not the result of a large-scale and technologically advanced commercial enterprise, but an outcome of many smallholding sericultural farmers working with traditional methods.

Still, the contribution of sericulture to rural income is substantial. Kyōnghyang newspaper (Kyōng-Nam ed. June 15, 1982) estimated five million dollars for the spring purchase of cocoon and silk worm "seeds" in Kyōng-Nam province, which works out to an average of $170 per sericultural farm household in the province. In addition, silk-reel mills provide an off-the-farm employment opportunity, although this is available primarily to women in non-farm households.

3. A Profile of Other Industries

Scholars and planners for rural development in Korea generally believe that provision of extra-farm employment and encouragement of mixed or diversified farming are needed in order to increase farm household income because of limited acreage of cultivated land per farm household. Hence Saemaul (new village) factories were
established at as low as at the township level, although the number is negligible.

Sanchōng county (1982) has 40 companies with 3 to 207 employees, the latter being the silk-reel mill which hire rural people for spawning (see chapter 7 for more detail). Excluding the mill, the number of employees ranges from 3 to 59. From the total of 770 employees, 207 (26.9%) belong to the silk-reel mill, 269 (34.5%) are employed in 13 mining related factories, and the rest are distributed among grain mills, Korean wine breweries, and factories producing miscellaneous construction materials. All of the 40 companies are individually owned, and most of them can be called Saemaul, or New Village, factories. The fact is that the Saemaul factories are not necessarily newly established, but more often are an additional name given to already existing factories located in the rural area. Even this re-naming could not be done for the Shindung area, for family-operated grain mills at the village level are the only factories there.

As sericulture is one type of agriculture, even the "extra-farm" employment available to this area is agricultural. This makes the research area purely an agrarian society approximating to an ideal type. No special crops are cultivated, and the silkworm breeding is small-scaled and traditionally practiced.

4. The Degree of Agricultural Commercialization of the Shindung Area

The above picture of the Shindung area is presented to show that
the present research is undertaken in a less-commercialized farming area. The degree of commercialization is hard to show in exact numbers not only because of the absence of comparable and valid indexes across different countries but also because of the author's disagreement with the popular index of commercialization, which is the proportion of total produce that is marketed. According to this measure, owners of large landholdings and farmers with a smaller number of family members are likely to be commercial farmers compared to their counterparts, regardless of their mode of production. As discussed in the definitional considerations, commercial-orientation and subsistence-orientation are understood as modes of agricultural production which can not be grasped without a holistic and systematic approach to the unit of analysis. A rough guideline to determine each mode is whether farming is mainly oriented to subsistence and reproduction of the generations, or to profit-making.

The degree of commercialization of the Shindung area was experienced in the field in such a manner that when I intentionally asked different people the same questions to identify "commercial farmers", almost all the residents could tell me who they are, what they do, and where they live, and those answers were consistent. My question was usually phrased as "Do you know of any person in the Shindung area, cultivating special crops ("cash crop" is less familiar to rural people)?" Thus, the number or proportion of commercial farmers is so few that farmers in the area are able to list them consistently.
The following definition of commercial farming is inferred from the common characteristics of those "commercial farmers" after visiting and interviewing them: cultivating food crops only to the extent necessary to feed family members and utilizing all the remaining resources for cash crops, be it vegetables, fruit or cattle-breeding. Although it is not attempted in this study, the degree of commercialization can be quantified based on this definition as the proportion of resources (usually acreage of land) invested in cash crops out of the total resources of a farm household.

6. Self-Image

People in the Shindung area pride themselves on the long history of Dankei as one of the two largest local centers of administration within Sanchong county. It is the place where the last distinguished scholar of Confucianism lived until he died in 1979, and his offspring and followers have inherited the academic tradition. Also noteworthy are some current national political figures who originated in this area.

Some contemptuously refer to these facts as the reason why the area is so underdeveloped compared to neighboring townships. That is, the pretentiousness of scholars and noblemen has prevented them from changing traditional ways of life; and the successful politicians are too big and famous to form any substantial political patron-clientele relations which would benefit local people. Others even stereotype themselves as "Dankeians" who stand out as individuals but are too selfish to work for the collective good. The self-image is different
as one moves to inner villages from Dankei. They distinguish themselves from "Dankeians," who are perceived as shrewd, profit-oriented city bums, while they are the simple, land-oriented farmers. People in Dankei also acknowledge the distinction although they sometimes look down upon village people as country bumpkins.

What they all have in mind regarding being underdeveloped is that there are no special crops, no paved roads even for the township center, and old, one-story buildings along the main road of the township seat. The distinction between townspeople and village people is not particularly valid in this area. The academic tradition and being the hometown for a few national politicians are special characteristics. The latter has not brought about any changes because of the reasons mentioned above, but the academic tradition seems to have had a negative impact on commercialization of agriculture, as heads of farm households in the area are mostly older, and have lived in the area for many generations. Korea has been subject to the Confucianist doctrine in almost every facet of its culture. The Shindung area seems to be even more deeply imbued with Confucianism, as it was the residence of the last scholar of Yi Dynasty Confucianism.

II. The Market at Dankei

1. Relation With Other Markets

1) Classification of markets

Skinner (1962: 6-9) has suggested a hierarchy of markets in analyzing periodic markets in China. These are standard markets, intermediate markets, and central markets. The more accessible a
A market within a region, the more likely that it becomes a central market. Competition between markets occurs only within each type of market. A central market has mostly wholesalers and is the end point of collecting agricultural produce and the first breaking point of distribution. It has several intermediary markets within its sphere of influence. A standard market, on the other hand, is the final point of distribution, the initial point of collecting agricultural produce, and is under the influence of a central market and intermediary market.

The hierarchy of markets is not just a conceptual device for classifying markets, but it has the heuristic value of identifying the flow of produce and area units of social, cultural and economic identity. The integrity and interaction of patrons in a higher ordered market may not be so closely knit as at a lower market, still the market area or region is distinguishable from other neighboring areas or regions. The general correspondence between administrative units and market units does not warrant the idea that administrative units are social, cultural and economic units, or that market units are administrative units. Rather, the administrative units are demarcated according to the borderlines of market units, and thus constitute themselves as social, cultural and economic entities. The current inconsistency between the two units is due to transportation networks developed by government plans which do not take the natural division of areas into account, but are based on economic efficiency and military uses.
A fair exclusiveness of sphere of influence can be observed within one type of market. The market region of a central market includes the area covered by the central market, several intermediary markets and standard markets. An intermediary market has several standard markets under its span of influence. A market region forms a relatively self-contained economic unit of supply and demand, and thus carries its own social and cultural heritage different from that of other market regions. These market regions are then integrated to Seoul and/or Pusan market channels. Market areas and market regions have some overlapping areas of influence. Where these areas belong is more likely determined by transportation accessibility and social custom than by economic or rational decision of seeking a better profit, although the latter plays a part.

Villagers primarily use standard markets for meeting their routine needs, but use the intermediary or central market for purchasing in quantity, for items not available from the standard market, and for selling agricultural produce in quantity and for which no middlemen are available from the local market. It was observed in the field that the status of the intermediary market is not so distinctive as that of central markets and standard markets these days. Where to go between the intermediary and central markets is determined mainly by the correspondence between urgency of marketing needs and the market day of respective markets, and partly by transportation availability.

According to Kim (1977), in Kyŏng-Nam province markets with more than $25,000 in daily economic transactions are found at Pusan, Masan,
Ulsan, Samchŏnpo, Chinhae, and Jinju. All these markets except Jinju are along the coastline. The markets at Pusan, Masan, and Ulsan are consumer-oriented and located in populous cities, while markets at Chinhae and Samchŏnpo are fishery producer-oriented. The markets of Jinju function as the only "central" market of the western part of the province which covers about one third of the area. It is both consumer-oriented in terms of its coverage of the population of Jinju, and producer-oriented in terms of its being the last bulking point for agricultural produce collected from local markets and directly from producers.

2) Wholesale market of agricultural produce at Jinju

Jinju has one of the 62 agricultural/fishery produce wholesale markets which were established under a government plan of "one wholesale market in every city". The market is under the supervision of the Ministry of Agriculture and Fisheries but operated by the NACF Jinju office. The wholesale market occupies one block within the Jinju market. The agricultural produce collected at the wholesale market is vegetables and fruits, which are consigned by large producers to the eastern part of the province, and distributed to consumers at Jinju, along the coastline at the southern part of the province, and to villagers in the mountaineous area at the north and eastern part of the province. The market sells agricultural produce on behalf of large producers or collecting-middlemen by auction to distributing-middlemen or wholesalers. Thus, Jinju is the final point of collecting agricultural produce, true to its meaning.
One transaction starts from unloading the produce to the market, and proceeds to auction to bidders or agents who are registered to the cooperatives. After a contract price is decided, the market subtracts 7% of the total as a fee for using the market and pays the producer the remainder. Then the market announces the sale price of the produce to wholesalers or retailers. The price is determined by adding the contract price the market has paid to the producer and profit to the market. The market pays 3 per cent of the contract price to the agent as the fee for consignment purchase. Once the produce is sold to wholesalers or retailers, it is the bidder's responsibility to collect the money from the buyer.

The market is operated by five staff members from the NACF Jinju office and eleven registered bidders. Anyone who feels confident may register as a bidder, but natural selection is made according to their experience and career. The eleven registered bidders in the market have nine to twelve years of education, four to thirty years of experience, and are from 30 to 55 years of age. The average income of a bidder is around $375 a month and the most experienced bidder makes up to $500 a month. The value of daily transaction made through the wholesale market varies from $1,250 during the months of January to March, to $3,750 during April to December. The peak season is from early November to late December when the pickling of Chinese cabbage for winter is practiced nationwide. The daily transactions during this season amount to $11,250 a day.

Surrounding the wholesale market building are small producers selling their own produce and private brokers mediating between such
producers and buyers. Those small producers are mostly from the county surrounding the Jinju area and have smaller farms than those who consign to the wholesale market and who are from more distant areas. They are also 'traditional' farmers in that they do not feel comfortable with auctioning of agricultural produce, as auctioning is usually associated with stocks and confiscated assets. These small producers sell their produce directly to consumers and peddlers, or consign their produce to private brokers whose main functions are mediating between producers and buyers, and measuring and grading the produce. Their roles are quite similar to those of rice brokers, which will be dealt with in chapter six, except for the kind of produce they are dealing with. Those small producers who consign the sale of their produce to the brokers, instead of selling it by themselves, seem to be those who have less commercial experience and whose produce, like green peppers, needs a large buyer. Small producers apparently do not use the wholesale market because, as they sell directly to buyers without passing through collecting-middlemen, the wholesale market, the bidder and distributing-middlemen, they can get a higher price for their produce without paying fees and commissions. Large producers cannot sell to individual consumers and peddlers because of the large amount of perishable produce. In addition, farmers feel more comfortable with brokers than with bidders, as noted above.

Vegetable and fruit sellers at Jinju and periodic markets in the surrounding area make their purchases from the Jinju market, except for large wholesalers at the Jinju market who purchase directly from
producers. Although vegetables are cultivated in nearby villages, vegetable-peddlers of periodic markets use the Jinju market because they can purchase what they plan to from one place and the market has whatever is available at that season. Vegetable cultivation at the village-level is restricted in kind and quantity periodically and persistently.

Five of the seven regular peddlers of vegetables and fruits at the Dankei market make a purchasing trip once in every five days to the Jinju market. The other two smaller scaled vendors sell their own produce (fruits) and what remains after consignment to a larger channel. Three of the five who purchase vegetables from the Jinju market live at Dankei and make the trip on the same days, so I accompanied them on their trips to Jinju. The quantity of vegetables and fruits they purchase from the market is not so large that they can purchase a whole lot from a producer; i.e. from an agent of the wholesale market. They buy usually from distributing-middlemen who have purchased from the wholesale market and stored the produce in one corner of the market. Small producers, private brokers and wholesalers at the Jinju market are also regularly used. Except for winter time when vegetables are rare and expensive, the vegetable sellers usually purchase $250 to $300 worth of vegetables and fruits once in five days with which they attend three periodic markets including Dankei market. These sellers make the purveyance trips on the same days in order to share a rented truck for transporting purchased produce from Jinju to their houses at Dankei. Each pays around $6 for the truck rental.
3) Market hierarchy of the region

In the market region centered at Jinju are intermediate markets at Samka, Sanchōng and Daebyŏng. Dankei market belongs to the scale of a standard market but approximates to an intermediate market. The former two intermediate markets are near Dankei and are used frequently by people in the Shindung area. They are visited for limited purposes: Sanchōng market is located at the county seat where all types of government offices reside, and both markets are famous for large and active cattle markets. Samka market has the largest livestock market in the region.

The earliest record of the existence of Dankei is dated around the fifth century and notes it as the center of a regional unit of that time. While Shindung township ranks as the sixth township in its area of paddy field and the size of population in the county, weather-dependent and subsistence-oriented ways of traditional agrarian life are preserved in the area. The origin of Dankei market is not found in written records but elderly people and local officers estimate it as after the beginning of the Yi dynasty which was in the 15th century. This makes sense because it was during the early period of the Yi dynasty when the area acquired its name of Dankei. It is customary in Korea to refer to a township jurisdiction by the name of its market, even when they are different.

As pointed out earlier, market statistics are notoriously inconsistent (see fn.4 of ch.2). Only the most accurate because of the ease of measurement are presented. The activeness and span of influence of each market can be inferred by the statistics on the
marketplace area, the number of stalls and annual market tax revenue, which are presented in Table 4.

<table>
<thead>
<tr>
<th>markets</th>
<th>area of marketplace (sq.m)</th>
<th>area with stalls (sq.m)</th>
<th>number of stalls</th>
<th>market tax revenue (dollars)</th>
<th>cattle market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jinju</td>
<td>16,469</td>
<td>12,591</td>
<td>953</td>
<td>n.a.</td>
<td>no</td>
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<tr>
<td>Sanchŏng</td>
<td>5,515</td>
<td>5,958</td>
<td>156</td>
<td>5,355.00</td>
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<td>Samka</td>
<td>2,219</td>
<td>1,847</td>
<td>75</td>
<td>n.a.</td>
<td>yes</td>
</tr>
<tr>
<td>Dansŏng</td>
<td>6,091</td>
<td>9,95</td>
<td>143</td>
<td>1,875.00</td>
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</tr>
<tr>
<td>Dankei</td>
<td>5,855</td>
<td>700</td>
<td>144</td>
<td>775.00</td>
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<td>Muntae</td>
<td>2,210</td>
<td>382</td>
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<td>Chahwang</td>
<td>3,250</td>
<td>428</td>
<td>88</td>
<td>150.00</td>
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<tr>
<td>Kahoe</td>
<td>2,074</td>
<td>454</td>
<td>41</td>
<td>n.a.</td>
<td>no</td>
</tr>
</tbody>
</table>

Source: MOCI (1981) except market tax revenue which is from market records at Sanchong county office.

Traders at the Dankei market purchase their goods for sale mostly from the Jinju market except when they have dangol (1) or regular wholesalers or relatives wholesaling at other markets, and except when they make special trips in preparation for peak market days. Sellers at fish stands purchase fish mainly from Jinju and Samchonpo. Among the 81 sellers who responded to interviews,
including both stallholders and vendors, 37 (45.7%) live in the Shindung area; 17 (21.0%) sellers are from Jinju; 13 (16.1%) are from Samka; 7 (8.6%) are from Muntæ; 2 are from Sanchōng; one seller each is from Kahoe, Chahwang, and Dansŏng; and two, from other areas.

Regarding itineraries, 26 sellers (32.1%) of the 81 visit Samka market; 19.8% visit Muntæ market; 9.9% visit Kahoe market; 8.6% visit Chahwang market; four sellers visit Sanchōng market; and only one has a stall at the Jinju market, along with the one at the Dankei market.

2. The Dankei Market Area

1) Factors in determining a market area

As defined earlier "market area" in this study refers to a cluster of villages primarily served by a particular periodic market. The concept of market area is based on the assumption that people patronize certain markets on a regular basis. It is conceivable that an individual visits different markets for different purposes because of the hierarchy in the market system. Thus, this study uses "market area" for standard markets and intermediary markets, and "market region" for central markets. The market area of a standard market and of an intermediary market overlap mainly because of difference in kinds and quality of goods and services available between the two markets. Market areas of standard markets are found to overlap in the study area, unlike the claim of Kim (1977) who asserts overlap only when immediacy of consumer's needs arises. However, visiting other standard markets for purchasing consumer goods is rare as rural people
have been accustomed to a five-day rhythm in market availability and unexpected shopping is not so frequently needed in rural areas.

It is the level of rice price and the activeness of the cattle market within a standard market which lure villagers from other market areas. Still not all villagers of a market area visit all the markets surrounding the area except for those who are trying to start cattle-breeding, cattle-dealing or grain-dealing as a part-time job aside from farming. Because of the intimacy among market participants in rural markets, strangers are easily noticed and closely watched by local market participants. Thus even those who cross the border of a market area for better terms of a deal have their regular markets, where they can relate to local people smoothly.

The fact that rural people rarely shop at different markets just for a better price may be due to the lack of price information at nearby markets. According to my field observation, the reasons are more complex. First of all, price differentials between markets are compensated for by transportation costs and time. Secondly, not all the fringe benefits of shopping from dangol traders are available. Those benefits include being allowed credit, being specially treated to a discount or bonus and receiving aid in carrying heavy items by the dangol traders. Finally, but the most frequently reported, is that shopping around different markets for a cheaper price is perceived as being disgraceful and mean by villagers. A kind of "reciprocity of favor" is presupposed between villagers and traders, although it is less strong for townspeople and the young and business-oriented traders. The reciprocity seems to be the underlying
principle of personal interaction in rural life in general and in market relationships. Thus, the market which villagers in the market area visit is termed the "market of in-laws" compared to other markets.

As discussed above, social customs also contribute. Except for selling a large quantity of agricultural produce, monetary considerations rarely intervene in determining which market to attend. Furthermore, a market area is not delineated by the location and characteristics of a particular market alone. The sphere of influence of neighboring markets must be taken into account. The change in the size and sphere of influence of particular markets is not only dependent on population and transportation, which are well established principles in the literature, but is observed to be more due to the competition among neighboring markets. For example, population, transportation or infrastructure have not gone through a noticeable change in the area shown on the figure, except for Sanchong and Dansong which are located along the national road system that leads to the National Park at Mt. Chiri, to which more people from distant areas come for sightseeing. Still, Saengbiryang market was abolished around 10 years ago, and the markets at Muntae and Kahoe have been decreasing in their size and span of influence. The transportation condition for Muntae market is much better than that for Dankei in that it is located at an intersection of the national and county road systems, so that people from different directions can come easily. However, Dankei market is much bigger than Muntae market as is shown numerically in Table 4. When local residents are asked
The Dankei Market Area and Neighboring Markets
about this trend, the absence of a cattle market is reported to be the main reason (2).

Among the seven markets shown in Figure 2, those at Muntae and Kahoe are the only ones without cattle markets. Saengbiryang market did not have one either. As the Muntae and Kahoe markets are being reduced, Dankei and Dansŏng markets have become more active, absorbing people from those market areas. People from Saengbiryang now use mostly the markets at Samka and Jinju rather than at Muntae or Dansŏng because the latter requires payment of a bus transfer charge. It can be predicted, based on this trend, that the markets at Muntae and Kahoe will soon disappear, not due to decreasing importance of periodic marketing nor transportation and population change, but to the absence of cattle markets and, correspondingly, the increasing sphere of influence of nearby periodic markets. When the government implements the "one cattle market per county" policy, Sanchŏng market is likely to be the one with the cattle market and the cattle market of the remaining markets will be closed. Although the policy aims at the cattle market only, its consequences involve reducing or even closing periodic markets as has been the trend in the area. Although people of the Shindung area talk about the reduced size of Dankei market since the late 1970s, people from nearby townships, especially Kahoe and Muntae, report that the Dankei market has become slightly more active.

2) The market area as a social unit

Figure 2 shows the location of neighboring markets of the Dankei market, and the main road networks. The shaded area in the figure was
found to be the market area for Dankei from interviews with villagers and market participants, and encompasses those villagers who visit Dankei market primarily to be tuned in to the current prices of rice and cattle. The number of villages in the primary market area of the Dankei market is 38. This consists of 23 villages of Shindung township, 9 villages from Shinan township, and two villages each from Chahwang and Kahoe townships. The number is a conservative estimate as not all market participants were interviewed. It may not be overestimating to include all the villages of Kahoe township since the Kahoe market remains at the level of nearby grocery stores and the alternative to the Dankei market for people of the Kahoe township is the Samka market which is farther away. The above villages are only included as the ones in the Dankei market area, however, mainly because villagers from neighboring townships, but who patronize the Dankei market, mention that they are in "Dankei community" except for administrative affairs, and market sellers of the Dankei market list the above villages as their service areas.

The population of each village ranges from 121 to 655, its average being around 250. Except for the township area, each village is separated by rice fields, streams, or hills. Seventeen villages out of the 38 villages are located within 2 kilometers' distance from the main road where buses are available. Travelling between villages is usually done by walking along a footpath between rice fields. Neighboring villages are visited mostly for attending wedding receptions, funerals, birthday banquets, and ancestral ceremonies for friends and relatives, except for emergencies. Visiting neighbor
villages other than these times is most likely to solicit a comment, like "you have such a good fortune these days as to give you time and opportunity to pay us a visit." In other words, the village is rural people's primary community where immediate subsistence and social interaction is managed, and interaction with people from other villages is occasionally made.

People use the market day as an occasion for meeting people from other villages for casual greetings, keeping in touch with each other and relating routine messages. At least one telephone is installed in every village, and 25.8% of the total households in the Shindung area have a telephone. However, 51.7% of the 343 telephones are concentrated on Dankei area, which means 46.7% of households in Dankei have telephones, and only 17.6% of households in other villages. Eight villages out of 23 in the Shindung area have only one telephone in each village. The house with a telephone has installed a large microphone paid for collectively by the village, so that telephone calls for the villagers can be announced through the microphone. Then, the wanted person runs to the house to receive the call. Talking over the telephone is not comfortable or relaxed for either callers or receivers. Frequently the connection is bad because of antiquated connection lines. Once the village phone is connected, a caller can ask the receiver to tell the person he wants to meet to appear at the coming market day.

Market day is the surest time to meet people from remote villages, even without such special arrangements. One man at the marketplace said he came to the market primarily to meet a person from
a remote village even without making an appointment. "Even if I cannot meet him, I am not wasting my time. I can shop for things for my wife and ask people from the village where the person I want to talk to lives, to tell him to call me back about the business (Field Notes, November 9, 1982)."

Later on the same day, he said he had met his friend. Generally, people from remote villages tend to come out on market days more frequently than those in nearby villages because of the absence of alternative channels for shopping near or within the remote villages.

In three remote villages where I stayed, villagers said or I observed that about half of the villagers go to market on each market day except during the farming seasons and busy days for family business. People in less remote villages visit the market less often. Villagers interviewed in these villages estimated three to four times as the frequency per month (one month has six market days), and 20 to 40 per cent as the proportion of villagers visiting the market for each market day. The five day interval between market days is enough to cumulate consumption needs of a household and business to use and visit public facilities that are available only at the township seat where the marketplace is located. Along the mainroad and next to the marketplace are veterinary clinic, newspaper distribution centers, the Shindung branch office of the National Agricultural Cooperatives Federation, the township office, the agricultural extension office, a supervisory office for veterans and reserve army, the NACF chainstore, post office, police office, primary health care center, pharmacy, a photograph studio, two grain mills,
and primary and secondary school. These are all located within one kilometer's distance from the marketplace.

The administration of rural people must have benefitted from the operation of periodic markets, as various forms of communication between villagers and the government offices occur mostly on market days. Villagers, especially those who are connected to public offices through various group activities, such as village leaders, women's club leaders, New Village Movement leaders, agricultural cooperative members and the like, associate market days as the days for visiting public offices. A township officer explained that business trips to villages and staff meetings are not scheduled on market days because of the amount of civil services requested on the market days.

Sanchong County (1982) reports statistics on the distribution of mass media in the area. Among 15,193 households in the county, 24.6% subscribe to newspapers; 82.8% of the households in the county have a radio set; and 68.6% have a television set. The corresponding figures for Shindung township are 15.4% for newspaper, 84.7% for radio set, and 54.3% for television set. Most of the television and radio stations are located in Seoul, thus carry international and national news. Local network stations are available for all the radio stations and for one out of the three television stations. Among the 11 newspapers available to the Sanchong area, only three are local newspapers and the rest have a single page set aside for the local edition. These local broadcasters and newspapers cover news down to a county level, but carry mostly news released from government offices and about crime.
Thus there is an absence of any local communication medium oriented to integrate the social and economic aspects of the region. Villagers may be well-informed of current issues at the international and national politics, but are not provided with any formal channel to cover news of neighboring villages and townships. This is performed through word-of-mouth by visitors either within villages or across different villages through the marketplace.

3. The Marketplace

1) Means of transportation and access

From Jinju to Shindung township there are three types of road networks: national, local, and county road networks, which extend 20km, 6km, and 6km respectively. The national road has been paved and the 6km of local road were being paved while the field study was carried on. The county road passing through the main street of Shindung township had been the main road linking Jinju to Daegu en route to Hapchon until the national highway from Daegu to Masan en route to Jinju was built in the 1970s.

Transportation between Shindung and other areas is available mainly through privately owned and operated buses. Buses are operated in two classes: the regular class which does not have fixed stops but stops wherever passengers want to board and to get off; and the express class which stops only at predetermined bus stops, usually at township centers and major intersections. The regular class has a lower fare but the difference is minimal. For example, the fare for the regular class from Dankei to Jinju (32km) is 460 won or 57.5¢,
while the express class costs 490 won or 61.3¢ for the same course. The nominal difference implies almost the same kind of facilities and services. Actually, each type caters to a different set of passengers, not a different class. Those who have to board and get off at non-regular stops use the regular class, and those who can board and take-off at regular stops or prefer faster transportation use the express class. For some rural people, 30 won or 4¢ makes a significant difference so they take the regular class when they have a choice.

Both the express and regular buses operate on time schedules. The schedule is kept consistently and punctually except for times of emergencies like unsurpassable road conditions because of heavy rainfall during summertime, slippery roads due to heavy snow or rain during wintertime, and rarely because of mechanical problems. Transportation is heavily dependent on weather conditions since the area is mountainous and the road is unpaved.

Recently gathering popularity among rural people is the taxi as a means of transportation. When used by individuals, it is generally restricted to emergencies and carrying packages unsuitable for the bus. However, when a group of four to five is gathered for the same destination, they always compare the total taxi fare divided by the number of people in the group to the bus fare, the longer time of an inconvenient trip, waiting time for the next bus, and walking distance to a bus stop and from a bus stop to their destination. Five cabs are available on call at the township center. From Dankei to Jinju by taxi costs $10. The fare is roughly computed by the distance after a
minimum charge for a certain distance, but dependent on the road condition. Since not many passengers are available, even a one-way trip to a place is charged as round-trip as the cab must come all the way back without a passenger. Except for emergencies, the taxi is used mostly on market days by villagers who live far away from the main road where the bus is available. Roughly measured, 11 villages out of the 23 total villages in the township, comprising 31.6% of the township population, are located at least 2 kilometers and up to 6 kilometers away from the main road.

Rototillers had been very popular as a transportation means in rural areas for travelling from the village to paddy fields, market places, bus stops or township centers. Their use was prohibited several years ago, mainly because, although they were supposed to be driven only along certain paths, they intruded into national road networks, and even national highways to the point of obstructing regular traffic, and because the misuse may cause mechanic problems for the expensive machinery when the driver overspeeds beyond the engine power.

Still rototillers are used as a transportation means where policemen are not seen in rural areas. In the field area, rototillers are heavily utilized for transporting market goods, usually rice on market days. Rototillers are not used primarily as a transportation vehicle, but people ride when empty spaces are available after loading goods. On the way back home the rototillers come back with shopping packages and villagers again when space is available. Since as fellow farmers they all know the limits of the rototillers, the owners or
riders never beg for unreasonable loading on the rototillers. When marketing goods or shopping packages are too heavy or bulky, villagers take a bus or taxi by group, or even walk to the marketplace. Still, they ride the rototillers only to and from the point where the township center begins, because of the prohibition on people riding rototillers.

2) Location and size

The marketplace in Shindung township is located right next to the border of Shindung township with Shinan township and at the beginning point of the main road of the township. As listed in Table 4, the area of the marketplace is 5,855 square meters; the total stall area is 700 square meters; the number of stalls is 144 (MOCI 1981); and the area of the livestock market is 1,620 square meters (Kim 1977). Among the nine periodic markets in Sanchong county, the amount of annual market tax revenue from Dankei was fourth in 1982 ($168.25 a year lower than the third place market) and in 1983 (a corresponding difference of $87.50).

3) Market structures, stalls and neighboring permanent shops

In the marketplace are forty market structures arranged in a grid pattern. The canopy-shaped structures are roofed with galvanized iron and supported by nine wooden pillar sets. Thirty-five of those market structures were established by the county and the remaining five were privately built and owned by people residing adjacent to the marketplace. The county-owned structures were then sold to traders. The original price is not known: one person recalls it as less than $125.00 at 1950s prices, but the current price of one stall located at
the most favorite spots, the busiest corners, is from $750 to $875 and the least popular stall is priced around 50,000 won or $62.50.

About ten years ago some stallholders installed wing-like shutters on the outside of their stalls which can be used as an extended roof protecting goods and customers from rain and sun when they are open, and which close in the stalls to be locked when they are closed. Those stallholders are traders dealing with heavy or bulky items for which transportation is costly and difficult, such as traders in dried goods, plastic ware, hardware, farming tools, wallpaper or bamboo crafts, and traders dealing with innumerable small items from buttons to mosquito-killers for which packing and spreading over an entire lot is too cumbersome. The original shape of roof-sheltered open lots remains only at eight structures; the rest are completely or partly enclosed by shutters. Among the eight are four structures reserved for grain transactions. Thus, even on non-market days, the marketplace is no longer an open field nor a place with shelter for people to get together as described by Sinha (1967) for an Indian market.

The area of each structure occupies 6 pyŏng or 19.44 square meters and each structure can accommodate up to four stalls. The maximum number of stalls in the marketplace is 156. As business thrives stallholders can expand their business by purchasing additional stalls, preferably adjacent ones. Or when stallholders have to reduce their operations due to slow business or intention to move to another area, stalls are put up for sale. Currently the supply of stalls outweighs demand. When they are located on less
FIGURE 3
The Dankei Market Place
popular spots, it takes a long time to find prospective buyers; perhaps they never will be sold. Some stallholders have left without waiting for a sale. Thus there are some empty and locked stalls. Empty stalls are used frequently by neighbor stallholders for extra space to demonstrate their goods, or by market-vendors and small farmers selling their surplus produce. A number of structures were completely or partly locked on most market days during the field study. Some of the stalls open on bigger market days immediately before two traditional holidays, kuchöng (Chinese New Year) and chusŏk (Korean Thanksgiving) (3) and after farming seasons.

Out of 156 possible stalls, 16 stalls are empty, 11 stalls (4) are locked most market days, and 16 stalls are reserved for grain transactions. The remaining 113 stalls are owned by 59 stallholders or traders. The number of one-stall holders is 10; two-stall holders, 45; and four-stall holders, 4.

Stalls of similar goods are zoned together. Villagers understand the location of each zone within the marketplace as follows: cattle market and grain market are at the innermost side of market so that rural people who come for these markets may not leave the marketplace without passing through other stalls; fish stands are clustered near the stream as they need a lot of water for cleaning and also produce waste; and bars and snacks are along the sides of the marketplace because they also produce waste.

As shown on Figure 3, most houses bordering the marketplace have shops on the marketside of the house. Some other houses have accommodated shops which open both on market days and non-market days,
the latter for townspeople and village people passing through the
township center. The number of shops formed in this way is 13: five
for snacks and drinks; two beauty shops; a repair shop for electric
gadgets; one hardware shop; one general store; one selling eggs only;
and two blacksmithies which open on market days only. Altogether,
there are 71 stallholders and shopkeepers in the marketplace.

4) Livestock market

Dankei cattle market is the third most active among the seven
cattle markets in Sanchōng county, next to Sanchōng and Dansōng. The
latter two cattle markets use both auction and broker-mediating
methods for buying and selling cattle. The livestock market is
located along the Dankei stream, fenced from the main marketplace by a
1.6 meter height of brick wall. At one corner of the marketplace
there is a small office building, which is occasionally manned by one
officer from the Livestock Cooperatives at the county branch office on
market days to supervise livestock transactions and issue proper
transaction documents. The cattle marketplace is equipped with
approximately 100 poles and bars around which cattle is haltered.
Almost all the livestock is transacted in the marketplace, but
puppies, cats, dogs and chicken are usually sold along the wall
outside of the place when other livestock, such as cattle, pig, and
goat, fill the marketplace.

The livestock marketplace has been the last male preserve in the
marketplace. Women can enter the livestock market but have never been
observed or heard to be involved in cattle transactions, although they
may reflect their opinion by discussing with their husband. Judging
from the observation in villages, pig-raising seems to be left to women as pigs are fed by all kinds of waste from the kitchen; thus, women are "allowed" to sell pigs. On the other hand, an ox is a man's companion for plowing and pulling carts. The caldron for boiling cattle feed is mostly fixed onto the heating system for the sarangbang (see fn. 1 of ch. 1). Also cattle are fed with grasses and hay which are gathered and prepared by men. Another distinction between pigs and cattle is that pigs can be sold anywhere by anyone, but cattle must be sold within the livestock market through livestock brokers registered at the county livestock cooperative office.

The operation of the cattle market is described further in chapter seven, but more detailed information on the dynamics of price fluctuation and determination, and conflict between cattle brokers and cattle-dealers could not be gathered from cattle brokers as they were difficult to reach (5). They spend the mornings at the marketplace doing their business and afternoons in the bars together with cattle-dealers and friends.

This chapter has presented a detailed description of socio-economic characteristics of the Sanchŏng area and introduction of the Dankei market area as an economic and social unit. The market area as an economic unit will become clear as the following chapters discuss economic functions of the periodic market. This chapter has shown that the market functions socially as a local communication medium and as the locus for inducing "community consciousness" among rural people through interaction at the marketplace. The marketplace also permits interaction with the outside world by being an outlet for
the community's surplus and an entrance for outside stimulus. The marketplace and its town is the most urban place in the area, yet it is a place where villagers are not looked down upon as "country bumpkins." The marketplace is the nearest reference to an outside world for villagers because of the absence of other opportunities for associating with people from other villages and from outside, and its status as an institution in the rural area. Thus, the market area of the marketplace and its patron villages is the basic focus for rural society.
1. **Dangol** is a Korean word, meaning regular customer or regular seller. It seems to be identical to **suki** of David (1973) in its linguistic meaning and social, cultural, and economic connotations.

2. The importance of cattle market along with grain market to periodic marketing in rural areas will be discussed in detail in the next chapter.

3. **Chusŏk** and kuchŏng are the biggest holidays in Korea especially in rural areas. Both follow the lunar calendar which is kept by most rural people as it is believed to have a direct relationship with the timing of various farming schedules. Korean thanksgiving day, called chusŏk which falls on August 15 by lunar calendar and which is the beginning of harvest season, is a national holiday. People purchase new clothes and shoes to dress up on those holidays and foods and other things for ceremonies of commemorating ancestors are purchased. Thus, markets are biggest for two to three market days preceding the holidays, but a couple of market days immediately following may have the lowest transactions of a year.

4. Among the eleven, one stall makes traditional wooden plows, two stalls are owned by one clothier, another two stalls are owned by a wallpaper trader, four stalls are used as storage for the fertilizer stall, and the remaining two stalls are never seen open. The wallpaper stalls and fertilizer storage stalls are said to be privately constructed structures.

5. See the section on data collection in chapter two for difficulties experienced in the field as a woman researcher.
CHAPTER V
THE PERIODIC MARKET AS A SOURCE OF CONSUMER GOODS

Periodic markets allow farmers to play roles as producers, by collecting local agricultural produce, and as consumers, by bringing in manufactured items and other agricultural produce mainly from outside. This chapter examines the latter role. The first section describes market activities regarding the distribution of consumer goods. Subsequent sections survey commercial establishments in the rural area other than periodic markets, in order to examine the current functional alternatives to periodic markets.

1. The Periodic Market
   1) Roles at the marketplace

   The classification of customers of periodic markets is not so simple as in the case of permanent markets. Buyers are at the same time sellers, peddlers are frequently agricultural producers, and the proportion of non-farmers is very small. Thus, the conventional classifications into farmers and non-farmers (Smith 1978:12), customers and traders (Dewey 1962: 75-77), or farmers and traders (Park 1977: 12) do not seem accurate. The ambiguity and overlapping of role-division among market participants is one of the unique characteristics of periodic markets. In order for an institution to perform its functions, each function necessitates a set of role-occupants. When it is a periodic market where functionally
specific roles in marketing are not yet developed, the diffused functions of periodic marketing foster a myriad of different role-occupants.

Concentrating on its economic functions, a standard periodic market like Dankei market is the final point of distribution, the origin of collecting agricultural produce and the place of horizontal transactions directly linking producers to consumers. A periodic market primarily starts with horizontal transactions, but the opening of rural areas to the outside world has brought about vertical trade in the marketplace. Whether a farmer-producer is involved in horizontal or vertical transactions is mainly determined by volume and kind of produce. In addition, the periodic market comes to perform other functions because it is the place of a natural assemblage of people, and because of the absence of alternative services. Each aspect of these economic functions entails different sets of role-occupants. Individuals may combine two or more of these roles to increase their profit, as recognized by Davis (1973: 137), which makes classification of roles simpler than that of persons.

First, the horizontal transactions involve farmer-producers and their consumers, be they farmers or non-farmers. Second, collecting agricultural produce for vertical transactions includes farmer-producers, local brokers, and middlemen. Also, the cattle market performs both horizontal and collection functions. Third, distributional side of vertical transactions occurs between traders and consumers. Finally, auxiliary functions derived from the main functions are selling services and commodities, which brings about
restaurants, bars, beauty shops, repair shops, public baths and the like. Since this function involves operators of service shops and patrons, they are treated as traders and consumers respectively. Not only the role occupants but also the kinds of merchandise involved in each function are different. Figure 4 summarizes market roles.

The following sections discusses the distribution-related and auxiliary service aspects of periodic marketing only, as the next chapter describes production-related marketing. Involved in such

<table>
<thead>
<tr>
<th>Types of transactions</th>
<th>functions</th>
<th>roles</th>
<th>items covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>horizontal</td>
<td>cattle market</td>
<td>producer</td>
<td>cattle and pigs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>broker</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>consumer</td>
<td></td>
</tr>
<tr>
<td>general market</td>
<td></td>
<td>producer</td>
<td>vegetables, fruit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>consumer</td>
<td>grain, small livestock</td>
</tr>
<tr>
<td>vertical</td>
<td>collection</td>
<td>producer</td>
<td>cattle, pigs,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>broker</td>
<td>rice, mochi rice, beans, red bean, dried peppers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>middlemen</td>
<td></td>
</tr>
<tr>
<td></td>
<td>distribution</td>
<td>traders</td>
<td>clothes, dried foods,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>consumers</td>
<td>kitchen utensils,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>hardware, vegetables,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>fruit, fowl, sundries</td>
</tr>
<tr>
<td>auxiliary services</td>
<td>traders</td>
<td>repair shops,</td>
<td>repair shops, bars and snacks, beauty shops</td>
</tr>
<tr>
<td></td>
<td>consumers</td>
<td>bars and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>snacks, beauty shops</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4
Market Roles by Types of Transactions and Functions
functions are traders and customers, among those in the categories shown in Figure 4.

(1) Consumers

Consumers are those who buy goods for their own consumption. A pure consumer-type in the marketplace is the non-farmer, only 15 per cent of the population of the area and mostly residing in the township seat. Another type of consumer is the farmer who visits the marketplace with or without any agricultural produce to sell but to purchase goods and services. Also traders, peddlers, brokers and middlemen who come to the marketplace primarily to do their own business belong to the category of customer when they take part in shopping for their own consumption.

(2) Traders

The number of most regular market traders is 111, which include stallholders, market vendors and permanent shop owners at the marketplace. The number reduces down to less than 80 on a market day during farming seasons. More than 65.2 per cent (75) of the 111 sellers are part-time farmers. The figure may be larger as only those twelve fish sellers who reside in Dankei out of the 20 provided information. All these traders can be classified either as stallholders and vendors according to facilities they operate with, or part-time farmers and non-farmers. Finally, classifying traders into the traditional and modern is attempted to show the coexistence of a traditional and a modern form of marketing at the marketplace.
Table 5

Stalls and Stallholders of the Dankei Marketplace

<table>
<thead>
<tr>
<th>kinds of stalls</th>
<th>stalls</th>
<th>traders</th>
<th>average area (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>snacks and drinks</td>
<td>29</td>
<td>14</td>
<td>10.01</td>
</tr>
<tr>
<td>kitchen utensils</td>
<td>8</td>
<td>3</td>
<td>12.96</td>
</tr>
<tr>
<td>hardware</td>
<td>5</td>
<td>2</td>
<td>12.15</td>
</tr>
<tr>
<td>footwear</td>
<td>6</td>
<td>3</td>
<td>9.72</td>
</tr>
<tr>
<td>clothiers</td>
<td>19</td>
<td>11</td>
<td>8.39</td>
</tr>
<tr>
<td>fabrics</td>
<td>11</td>
<td>6</td>
<td>8.10</td>
</tr>
<tr>
<td>dried foodstuffs</td>
<td>15</td>
<td>8</td>
<td>9.11</td>
</tr>
<tr>
<td>miscellaneous goods</td>
<td>10</td>
<td>5</td>
<td>9.72</td>
</tr>
<tr>
<td>others*</td>
<td>8</td>
<td>6</td>
<td>6.69</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>58</td>
<td>-</td>
</tr>
</tbody>
</table>

* Others include stalls for cooking oil (2), jars (2), bamboo crafts (2), vegetables (1), wall paper (1) and fertilizer (4).

a. Stallholders and market vendors

The market section of chapter 4 has presented a detailed description of market structures and stalls. Stallholders occupy one to four stalls. Table 5 shows the number of stalls and the number of stallholders by kinds of goods sold.

Market vendors carry similar goods with those of stallholders, but they generally operate on a smaller scale. Market vendors are those who do not own stalls but sell at spots or wooden stands of the
marketplace by spreading sales items upon them. They are divided into the regular and irregular visitors of the Dankei market. Among the 40 regular vendors are 20 fish-sellers; four vegetable and fruit sellers; two kitchen utensil sellers; three vendors of miscellaneous goods; one clothier; one hat repairer; four small farmers selling their own produce; two vendors selling ginseng; one vendor of water hose; and two cosmetic stands. As described in the market tax section, middlemen who bring goods in rented trucks constitute a separate group of market vendors. They purchase goods directly from producers or manufacturers, with the most popular items being fruit, vegetables and fishery produce. However, they are not significant in number and meaning in periodic marketing. Only one or two truck vendors are present on market days that are at least slightly bigger than the average market days.

b. Farming and non-farming sellers

Non-farming sellers are of two kinds: those who have chosen merchandising as an occupation, and those who have been forced to choose it as they do not own enough land for cultivation. The former has a relatively larger operating capital and stalls in other markets. The latter category of non-farming sellers are those who have extremely small landholdings or no land at all to cultivate, and cannot, by themselves, support their subsistence and reproduction. The opportunity for becoming an agricultural laborer is not available in the field area, as is the case in most of rural Korea, because the degree of agricultural commercialization is insufficient and the number of absentee landowners and large holders is insignificant.
Thus, they start retailing at the marketplace instead of commuting or migrating to urban areas for extra-farm employment opportunities.

On the other hand, a farmwife who is also an itinerant seller of agricultural produce in city areas notes,

*rural people of these days all know that periodic marketing has been reducing and the number of sellers at the marketplace has been just enough to feed all of us. While many people have moved to cities, the greater number of sellers means that more people have to fight over a smaller pie.* (Field Notes, November 19, 1982)

However, periodic markets have provided alternative sources of income to farmers as vendors, or at least an opportunity to learn business skills in rural area. This function of the periodic market still continues to be performed today in rural areas through transactions at rice and cattle markets, as will be discussed more in the next chapters.

c. "Traditional" and "modern" traders

Neither of the above groups of traders (farming vendors or non-farming sellers) are knitted closely enough to show any group solidarity or characteristics. A more distinct division was observable between "modern" and "traditional" traders, which is recognized by sellers and buyers alike, but which is not recognized at a group level.

The "modern traders" tend to have less sympathy toward rural life and periodic marketing even though they are of rural origin. They use periodic marketing only as a stepping stone for later business at larger markets. In order to survive in the marketplace,
they have to adopt "rural" ways of practicing business; allowing prolonged credit, bartering, and haggling over prices, and listening to customers' trivial talk, showing at least superficial interest in the customer's affairs, and putting up with "the overall low cultural level".

However, villagers know that the modern traders are different from the traditional traders, in that they are outsiders knowing less about rural life but more about profit-making. They are just traders to the customers, and since they are young and business-oriented, customers do not feel comfortable about "just fooling around" not purchasing anything as they would do with the "traditional" trader. The ways the 'modern' trader makes dangol (regular customer-trader relationship) are mostly based on price-differentials, which entails more severe competition with traders of similar goods although he may keep a seemingly closer relationship with them at the surface.

An exemplary division between the traditional and modern traders is observed between fabric stallholders and clothiers. It is clothiers who behave and look most like city traders among groups of traders in the Dankei marketplace. The way goods are displayed is not different from that found in city markets: several racks of clothes displayed in front of stalls, more valuable goods inside the stalls, and clothes of fancy and new designs on hangers hanging along pillarets and rafters in the stalls. Two stallholders specialize in underwear and socks, and two other clothiers have a thin display because they have "just started the business for the first time
without any commercial experience and they have been engaged in farming throughout their life.

Like other sellers of similar goods, clothiers are zoned together along an alley leading to the grain market which is visited virtually by all the market participants. Two clothes stalls are located separately but close to the stalls handling similar goods, fabric. Fabric stalls are located at more inner corners of the marketplace next to stalls of foodstuffs. They are different from clothiers although the material they handle is similar.

The difference is in line with the difference between the traditional and modern traders. All the five fabric stallholders are part-time farmers, the youngest of them is in her late fifties, and all of them are either from Dankei or reside within 2 kilometers of Dankei. By contrast, five among the 13 non-farming traders are clothiers, all of the eleven clothiers are in their thirties, and none of them are residents of the Dankei area. While clothiers carry manufactured underwear, socks, and clothes of western style, the fabric stalls carry fabrics for bedding and Korean traditional costume. Naturally older customers visit fabric stalls.

These stallholders carry their merchandise in a couple of big bundles for which hand tractors for Dankei residents or bus for other residents are used. Their stalls become a roof-sheltered open lot on non-market days. All of the clothiers carry their goods to and from the marketplace. The two beginners, and two stallholders of underwear and socks can carry their bundles by bus because they are small, but the rest of the clothiers use market trucks. The traders come by bus,
synchronizing with the time of the market truck's arrival, and send their lots ahead with the truck and go back home by bus. Both fabric stallholders and clothiers buy goods from Jinju, but trips to Daegu or Pusan are made in preparation for the peak times of business.

All but one of the fabric stallholders have been in the business at least 15 years. The other fabric stall-holder said she recently started the business to get extra income during slack farming seasons; it was found out later that she has been in the business for five years. All the six fabric dealers said they started the business to earn "pocket money" during the slow farming season. One female fabric stall-holder with 20 years' experience of the same merchandising also describes the motivation for starting the trading job as such.

Still we [fabric traders] had our times. These days, after paying 200 won for market tax, bus fares, and lunch [which add up to 1,000 to 1,200 won or $1.50], there's nothing left. I am just continuing with a minimum purchase of goods for sale, usually purchase on request, because not many people wear traditional costume and make bedding by themselves. For me, it's better to move around places than to stay at home nitpicked by housekeeping. (Field Notes, May 2, 1982)

The way they handle their customers shows that this is not an excuse. They invite passing-by acquaintances to come in and ask after the person and his family. After a while they ask, "is there anything you need?" or "this is a rare collection, would you like to take a look?" Or the stallholders may never bring business in during the conversation. Casual greetings and showing interest in familiar regards seems to work as a way of keeping alive the dangol relationship. The customer may not purchase anything this time but
the stallholder makes sure the customer comes to her rather than to the other fabric stallholders next time the customer should need something.

On the other hand, the seeming aloofness from business itself of fabric stallholders can be interpreted as a reflection of attitudes of most rural people, especially older ones, about getting involved seriously in commercial activities. Confucianism seems to be responsible for the traditionally negative attitude. It seems more plausible in the study area where the tradition is still alive. They are engaged in the business but it seems to be hard for them to let themselves become totally immersed in it.

The characteristics of modern traders are shown, roughly speaking, among clothiers, and traders of footwear, kitchen utensils and miscellaneous goods. Traditional traders can be observed among stallholders of fabrics, dried foodstuffs, hardware, blacksmith, and bamboo crafts. Thus, the distinction is shown in kinds of goods traders sell, ways of treating customers and attitudes toward merchandizing. As implied above, the characteristics of traditional traders are mostly observed among stallholders only because vendors tend to have limited space for demonstrating their goods, thus less space for accommodating casual customers; and limited time as they move around places and they have a shorter period for business.

d. Lack of formal organization among traders

The only group activity observed among traders is by operators of the 24 snack shops and bars. They have to enroll at the county office in order to get a license for the shop operation. They are
subject to call by the county office whenever county-wide instructions and orders must be delivered. One regular meeting is held annually for operators of bars, restaurants, and snacks in the western part of the county at a township office. The attendance is mandatory, as renewal of the license is given only at the end of the meeting. The meeting consists of giving health-related talks, and speaking of the ethics and duties of such operators. The annual grouping of neighbors in the same business seem to have contributed to solidifying their informal relationship. They go on picnics twice a year, once in spring and once in fall, on non-market days.

2) Seasonal variation of the market

The activeness and fluctuation of market can be measured most accurately by the amount of transactions per market day. Like all the questions asking rural people for monetary estimation, this measure has serious problems in validity and reliability. Furthermore, this does not involve any fixed asset like acreage of land, which makes the estimation even more difficult. Alternative ways were tried during the field observation, although they may not approximate the validity of the amount of market transactions. They are the number of market participants, the number of sellers especially of vendors, and the total market tax collected per market day. A more informal and unobtrusive one was measuring the number of Korean wine barrels the registered brewery delivered to bars in the marketplace on market days (1).

The tax collector does not keep any record of the tax collection but from his six years of experience he could recollect seasonal
variations in market activities more vividly and accurately than anyone else in the marketplace. That is, more sellers come on bigger market days, which individual sellers know from their experience, thus a larger amount of market tax is collected on those days. He estimates that

only 50 market days out of 72 market days a year have any meaningful size of market activities. Those other 22 market days include rainy market days, especially during the summer rainy season (2), a couple of market days immediately following big traditional holidays (3), and market days during early summer and fall farming seasons. (Field Notes, May 24, 1982)

Market days in spring are less crowded than those in fall because the fall is the end of a farming year and farmers have more money than any other season from consigning harvested rice to the government. The tax collector also notes that the average market tax collected per market day differs significantly by the season: the spring market days produce 17,000 to 18,000 won per market day; and the fall market days bring in 25,000 to 30,000 won, according to the collector.

The market census was planned for one of the busiest market days, one of the slowest market days, and an average day. After the first census was completed on June 14, the collector reported that only 10,800 won was all he could collect all day long. One vendor commented it was the slowest market day during the last eight years of his business at the Dankei marketplace. June 14 is right after the barley harvest and the time of transplanting paddy from seedbeds to plowed fields where barley had been harvested. That particular day
was after rain, which made the day perfect for transplanting. The first market census on June 14 employed nineteen to twenty-three years old boys with high-school education who lived in Dankei area, to tally all the people entering the marketplace by gender and time, and into three age groups: children, adults and elderly people. The age grouping was attempted as such, since local people said the number of market participants is inflated by school children, and elderly people who have no purchasing power, and since a finer grouping is possible with questioning each person which needs much more time and resources. As shown in Table 6, the total number of people who entered the marketplace on the market day was computed to be 2,506. All the observers and interested people showed skepticism about the validity of the number, pointing out those who entered the marketplace several times and that several entrances by one person is rather a norm.

The census planned for the busiest market day was cancelled because the large flux of people was expected to cause confusion in tallying. Another census was carried out by targeting one of the average market days. At the second market census on September 4, the same observers were instructed to tally the first entrance of a person, differently from other entrances of the person using colored pens. Observers from outside can not follow such instructions because all the market participants are strangers to them, and it is hard to tell whether a particular stranger is being observed twice or three times. By using observers from the area, who have lived in the area
19 to 23 years, the distinction was possible although it may not have been perfect.

In Table 6, the "net" category shows the number of people who entered the marketplace only once, while the "grand" shows the total number of market entrances. Informants later agreed that it was an average market day. The total number of market participants turned out to be 5,183. That is, an average market day has more than two times the number of people on the slowest market day. Local informants all showed skepticism, citing such statistics as 3,000 as the number of eligible voters in Shindung township, and 6,500 as the total population of the township. After subtracting the number of children and elderly people from the net market population on September 4, 1982, 2,742 (63.9%) remained as the day's net market population. Still local people did not believe it as the surveyed number, probably because they regarded only residents of Shindung township as the potential market participants disregarding people in those villages which fall in the Dankei market area but belong to neighboring townships. They insisted on a figure around 1,000 as the most likely number of people who came to the market on that day.

However, my observers commented after the second census that they had always thought people come in and out throughout market days once they come to market, but found that only townspeople residing close to the marketplace, sellers residing nearby who come in and out to pick up additional goods from storage at their house and to eat meals, and townspeople fooling around at the marketplace looking for fun or trouble make several entrances.
Table 6
Percentage of Each Gender of Market Participants by Time and Season

<table>
<thead>
<tr>
<th>Gender -9:00 -10am -11am -12pm -1pm -2pm -3pm -4pm -5pm</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>June 14, 1982</strong></td>
<td></td>
</tr>
<tr>
<td>male 51.4 49.7 50.5 55.1 52.9 46.3 24.5 46.0 43.5</td>
<td>48.9</td>
</tr>
<tr>
<td>female 48.6 50.3 49.5 44.9 47.1 43.7 75.5 64.0 56.5</td>
<td>51.1</td>
</tr>
<tr>
<td>Total 533 497 289 214 210 285 274 113 181</td>
<td>2,506</td>
</tr>
</tbody>
</table>

| **September 4, 1982: NET**                              |       |
| male 54.3 45.8 44.2 50.6 60.6 52.2 43.9 32.3 47.4        | 49.0  |
| female 45.7 54.2 55.8 49.4 39.4 47.8 56.1 67.7 52.6       | 51.0  |
| Total 488 688 719 464 599 590 380 266 99                 | 4,293 |

| **September 4, 1982: GRAND**                           |       |
| male 54.3 47.1 44.8 51.5 61.8 54.5 49.8 40.6 57.0        | 51.2  |
| female 45.7 52.9 55.2 48.5 38.2 45.5 50.2 59.4 43.0       | 48.8  |
| Total 556 784 817 526 717 794 496 342 151                | 5,081 |

Source: Compiled by the author.
Although there have been disagreements on the seasonal variation in the absolute number of market participants, the trend as related by the tax collector seems accurate. The number of sellers ranges from 80 to 150 by market size. The number fluctuates mainly due to the number of vendors. The most crowded period is during the three months after the harvest because rural people sell their own harvest during this time. The number of regular vendors is approximately 40, 15 of whom are fish-sellers.

3) Gender difference

It is said that after the Korean war the majority of sellers began to be women; now almost all street vendors and stallholders are women. During interviews with villagers, all those asked said men do not go to the market anymore except when they have to visit the grain or cattle market. When the composition of gender of street-vendors and stallholders was measured in January 1983, at least 26 (27.1%) out of 96 stores were operated either by men or by men and women together. Fish-sellers are predominantly women. All the 20 fish stands were operated by women; while at one stand both husband and wife were present. Five out of six fabric stalls are operated by women, and one stall by both a man and woman together. Stalls for other goods do not show any gender skewness in their operators. When market participants were tallied in June and September, 48.9% in June and 51.2% in September (see Table 6) were men. In other words, although a shift from men to women seems to have taken place for sellers, a balance is still kept between men and women for market participants in general. The consistency of the interview responses
seems to be based on more women going to market these days compared to numbers in the past.

Gender difference is found not only in the sex distribution of market participants and sellers, but also in the kinds of shopping, and patterns of time and money spending at the marketplace. First, men rarely go to the market only to shop for groceries and family necessities. That is said to be women's shopping. Men may shop for those goods at the market after taking care of their own business: carrying and selling rice, visiting the cattle market for sales or to learn the current price, or visiting government offices. Cattle markets are still preserved only for males. No laws or taboos are posted prohibiting women entering the cattle market, but when women attend, they attract attention. Still the number of women is increasing in the cattle market selling or buying livestock other than cattle or just accompanying their husbands. The grain market shows more women than men and even a few brokers are women, while livestock brokers are exclusively male. A female seller of grain may ask village men or the village miller to carry her sacks on his hand tractor to the market, but she handles selecting a broker and making deals with middlemen. It is generally women who bring small sacks of rice, from whose sale they obtain cash for shopping or other uses. Roughly speaking, women make up less than half of the participants at the grain market.

Although the number is small, male customers almost exclusively are observed shopping for farming tools and at blacksmith shops. A market-vendor of knives and sickles who visits only on those market
days before barley harvesting and rice harvesting says "Iron is something only properly traded by men. They know what is a tool and what is metal. Inside of the market is for women. They haggle over a penny or for one more bean. But metal is not like that. Only the 'right' owner makes the best use of it." Both around the market-vendor and at blacksmith shops one sees mostly men, and customers of blacksmith shops are exclusively male. Haggling over price is rarely observed. Not only the customers but also passers-by watch the blacksmith's work carefully and comment on how excellent those hand-made tools are. Prices are cheaper for manufactured tools but both blacksmiths and customers say it is nonsense to compare qualities and durability of the two. Since the manufactured tools are standardized women can shop for their husbands, but hand-made tools are purchased by men. "We know the quality of metal just by looking and touching it, and we can order and choose according to our taste," says a farmer in his 50's.

Second, men and women are different in ways of spending a day at the marketplace. It is true that more people go back home right after their business at the marketplace compared to former days. Operators of snack bars especially attribute slack market activities to people being more rational and economical than they were before: that is, they finish their business and return home immediately. When villagers were interviewed at their villages or on their way to market, most of them responded that they would get back as soon as they finished their scheduled activities. Some even showed contempt for those who just fool around at the marketplace. A few others said
“market-going is the only real pleasure you can get from this dull rural life. How can I make it all the way back home with a sober mind. I always get tipsy on market days because I greet my friends over a bowl of makkolli (Korean traditional wine) or my friends drag me to bars to treat me. Just a bowl of makkolli with one friend adds up to make me tipsy by the end of the market day." It is usually women, younger people or townspeople who plan their business at the market and return home without hanging around the marketplace. Men, older people or village people linger. Unless it is a peak farming season, men and women alike spend extra time chatting with their regular sellers, friends and relatives of neighboring villages. However, it is men who visit bars around the cattle and grain market and spend the rest of the market day in drinking and chatting with friends.

On a typical early winter market day, villagers begin to leave for the market early enough to arrive at the marketplace by 8:30 am. Among those who have planned to go to market, even the last one would leave the village sufficiently early enough to make the rice market operation. The grain market starts any time between 9:30 or 10:00 am and closes by 1 pm. The cattle market starts any time from 7:00 am and closes by noon. As visiting the grain and cattle markets is the most frequently mentioned reason for going to market for men and women alike, most people leave their villages early enough to attend the grain and cattle market. Others going to market for different purposes leave around the same time because it is easy to make a team
of four to five to call a cab, or to find companions even when they decide to walk to the market.

After their respective business women usually hurry to return home before lunch so they can save money by not eating lunch out, and use the rest of the day for doing other chores. When the bus is not scheduled at convenient times for them or when it is hard to collect four to five people heading for the same destination to call a cab, they have to wait and usually make one more round of the marketplace. Thus, more women tend to go to market when things to be done at the marketplace can be handled by both men and women to save time and money. Still no women among interviewees discouraged their husbands from going to market when their husbands say they plan to go to market, but men tend to discourage their wives because "the marketplace is not good for nice women," or "heavy things should be carried by men from home and back."

The proportion of each gender among market visitors was tallied by time, as summarized in Table 6. First of all, the overall proportion of each gender of market participants is almost the same. The proportion remains similar in different seasons. Men tend to enter the marketplace slightly more often than women, but the difference is negligible. Second, viewing from the time of the day, men tend to enter the marketplace more during the morning, and their entrance frequency begins to wane from early afternoon, but the difference is not significant. Still, the decreasing proportion must be due to the different types of the major market transactions in the
morning and in the afternoon along with the gender difference in marketing behavior.

The cattle and grain markets close by 1 pm. In other words, the transactions in agricultural produce finish by that time. Afternoon market activities occur solely between traders and customers, while market activities in the morning assume farmers as both producers and consumers. As described earlier, women in the marketplace are usually involved in purchasing consumer goods and groceries. The nature of market activities in the afternoon, correspondingly, presumes a greater number of women.

2. The National Agricultural Cooperatives Federation (NACF) Chainstore

As the NACF assumes the role of collecting agricultural produce and distributing farming inputs, providing NACF-related channels to distribute consumer goods might have replaced the role of periodic markets. The chainstore was first introduced in 1970. The chainstore business has always been deficit-generating to the NACF, according to its staff in Dankei. It operates as a service to rural people and as a part of the NACF's master plan of establishing a market channel that governs all material flow to and from rural areas.

The following Table shows the number of the chainstores in each province by year. Seoul and Pusan areas did not have chainstores until 1980, and in 1981 opened 10 stores in each area. From the figure of 1,419 as of 1981, it can be noted that every township has an NACF chainstore.
Table 7

Number of Chainstores by Province and Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Kyŏng Gi</th>
<th>Kang</th>
<th>Chung Puk</th>
<th>Chung Nam</th>
<th>Chŏn Puk</th>
<th>Chŏn Nam</th>
<th>Kyŏng Puk</th>
<th>Kyŏng Nam</th>
<th>Cheju</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>44</td>
<td>33</td>
<td>20</td>
<td>24</td>
<td>22</td>
<td>40</td>
<td>39</td>
<td>30</td>
<td>3</td>
<td>255</td>
</tr>
<tr>
<td>1975</td>
<td>143</td>
<td>68</td>
<td>69</td>
<td>91</td>
<td>71</td>
<td>152</td>
<td>175</td>
<td>144</td>
<td>17</td>
<td>931</td>
</tr>
<tr>
<td>1981</td>
<td>163</td>
<td>93</td>
<td>99</td>
<td>180</td>
<td>165</td>
<td>236</td>
<td>237</td>
<td>227</td>
<td>191</td>
<td>1419</td>
</tr>
</tbody>
</table>

Source: NACF (1982:134)

1) The chainstore in Dankei

Goods retailed through the NACF chainstores are classified into eight groups: food products and snacks, cloth goods, kitchen utensils, stationery, sanitary items, durable goods, building materials and facilities, and miscellaneous household necessities. Most popular items are Korean hard liquor (soju), noodles, and ramen. They are not only cheaper in the store but the most sold items in Korean rural area all-year round. The sale items are classified as "network" goods and local goods. The former are made available through direct contract between the central NACF office and manufacturers, and the latter are purchased by local NACF offices. The annual sale of network goods is set up by NACF province offices for each local chainstore; and the annual sales of local goods are projected by an NACF local office and permitted by the province office. The local goods generally bring a
higher margin and their price is not standardized across local offices because they reflect local market prices. Officers related that such differences may harm the trustworthiness of the overall NACF business and that is why the sale of local goods is limited to 30 per cent of the total annual sale.

The NACF chainstore of Dankei is located next to the new bus stop, about 150 meters from the marketplace. It was established in 1972. The store's summer hours are from 8 to 7, and 8:20 to 6:30 in winter, every day of the year except for Labor Day and the Korean thanksgiving. The store is run by one officer in charge and two sales girls. The busiest times of day are from 10 to 11 in the morning with housewives of the township seat area and from 4 to 5 in the afternoon with students. Business is more active in summer because of soft drinks. Traditional holidays and market days are the peak, with market days showing twice the sales of ordinary days.

A regular inspection is made once a year in November without previous notice to examine the correspondence between bookkeeping and inventory, the amount of delayed outstanding fees, and overstocking. An irregular inspection is made once or twice, and "what is being inspected is not known," according to the officer in charge. The target sales figure for 1982 was 66.3 million wôn ($82,875) and the actual sale was 45 million wôn ($56,250) for the Dankei chainstore. When the target sale is not met, no disciplinary action is taken but the store receives a written warning. "I might be penalized as the officer in charge if there are many warnings during turnovers, but no other action has been taken so far." Other than the regular and
irregular inspections and encouragement to meet the target sale, the province office does not intervene in operations of the local chainstore.

The network goods are stocked from a distribution center: for Dankei, from Pusan. Since the store has to pay for transportation and rental fee of a truck, the network goods are stocked only once in three months. Network goods can be stocked with forty days of credit. When some items are out of inventory, they are locally purchased from Jinju even if at a higher price. Eleven per cent accrued interest is charged afterwards. The local goods are mostly purchased by cash, and payment is made as soon as possible if the purchase is made on credit. That way, the manufacturers or wholesalers deliver goods free. Furthermore, the store can use its truck for its own use for the rest of the day, especially for the itinerant sale for the NACF village branch shops and directly to villagers.

The retail prices of both network goods and local goods are set locally by the local NACF office generally at a level slightly lower than the local market price. The local market price includes the price at the periodic market and at permanent stores. The average margin is 7 per cent. Even when the chainstore price is initially set lower than the local market price, a few items—especially network goods like sugar, soap, and electric appliances—frequently become more expensive because of dumping by local wholesalers to retailers and peddlers. Since the network goods are distributed to the chainstore through contracts made between high echelons at a fixed
price, local dumping does not apply to the price of network goods. Temporary dumping is ignored but when it becomes extended, a price adjustment is granted by the local NACF office.

No promotional activities for the store are taken except occasional speeches at monthly village meetings held in every village and distributing pamphlets introducing the business. There are differences between townspeople and country people according to sales girls. Country people speak with a heavy accent and a louder voice, and look different in their appearance. Still they are more meticulous about defects and measures of items and they make official complaints directly to the local NACF office, if any. Also its head officer emphasizes treating country people properly at the daily staff meeting. Durable goods and electric home appliances are mainly purchased by country people, but townspeople and "enlightened" country people go to Jinju to buy them, according to the sales girl.

2) Relations with the periodic market

Retailing at the chainstore is done in two ways: selling to customers visiting the store or selling through branch shops at the village level. The importance of the latter can be seen from its 55.4% to 59.8% share of the daily total sales of the chainstore. Credit up to one month is allowed for village branch shops and public offices. 13 per cent of accrued interest is charged to outstanding fees afterwards. In principle, all other customers are not allowed credit transactions. Occasionally, credit is extended to regular customers not only because they are regular customers but also "we know people go to the periodic market because of credit." Haggling
over price is not observed at the store as "people understand that a market and a department store are different." Occasionally, people ask for discounts on the basis of having no more money. When the salesgirl asks them to bring the difference later, they just take the goods jokingly saying "don't be so stingy". She makes sure the difference is collected for those who ask for too many discounts and who use the strategy regularly. "Whenever I do, they usually do not visit the store for a while but finally come back as they would find the price is better here." Among village people, village leaders may be able to ask for credit, but no one else. I got unexpected discounts for purchasing ordinary items for an ordinary amount. "That's all right. I know you," was the answer to my puzzled response. (Field Notes, November 30, 1982)

Types of chainstore customers are various public offices, schools, and the post office for their office supplies, students and people of those offices, and township residents. Students and younger people like to buy from the chainstore or just browse because of its modern way of arranging goods and its latest goods advertised through television and newspaper. Items for personal grooming, sanitary goods, and cosmetics are usually subjects of curiosity to them. These are also available from other stores and the market, but market items are usually of poorer quality compared to those of the chainstore and other stores, and other stores do not provide a relaxed atmosphere to browse compared to the chainstore. Also prices marked to the lowest unit of currency (instead of rounding up which is the common practice
for other stores and the marketplace) look more attractive and modernized.

Staff in charge of the chainstore are keenly aware of their competitive status against permanent stores and the periodic market. Still, they do not even think of outbidding the periodic market. They strongly object to the idea of replacing the periodic market with the chainstore firstly because its facilities as a kind of department store are not capable of catering to all the needs which have been served by the periodic market, and secondly because the chainstore cannot absorb the role of the periodic market as an outlet of smallholders' produce, small in volume but large in the number of lots. The head officer continues, "especially for this area with no special crops or no large-scale farming, where else would farmers go to sell the little bits of what is left after their consumption?"

Staff of the chainstore frequently survey the market price to adapt their price, and market vendors also check the price at the store. Thus, the chainstore works as a safeguard of general market prices for those items both the chainstore and market carry. Staff of the store, however, acknowledge that the store is no match for the periodic market for certain items because the store carries a limited variety. Interesting is the plan of the chainstore operation as reported by the officer in charge: the chainstore plans to move from its present location to a place right across from the local NACF office in 1983, and the new location is already purchased with the money from selling the present building.
The reason for moving is to get closer to the periodic marketplace. Village people these days do not make extra trips to the chainstore from the marketplace just for 10 to 20 won (4). The present location of the chainstore is too far from the marketplace for market goers just to drop in. It has to be accessible and solicit many people from the outset, and the sales follow. Other places I have served have the chainstore close to the marketplace. They have 4 to 5 times more sale on market days than on to ordinary days. But here, it's almost the same. So I proposed to move and it is finally decided so. (Field Notes, Jan. 5, 1983)

As described earlier, the NACF chainstores were originally introduced for the purpose of discouraging periodic market activities, and modernizing economic transactions. Credit, haggling over prices, and offering discounts are not allowed in principle, but are occasionally practiced at the local chainstores. Customers who use the chainstore are village people through the branch shops and townspeople. Village people rarely visit the chainstore on non-market days. Even on market days they seldom shop at the store for those items available at the marketplace.

The staff, the chainstore, retailers, periodic market peddlers know they are struggling to attract more or less the same group of people. However, the chainstore staff do not seem to feel competitiveness against the periodic market at all: they rather feel so with retailers. Market vendors selling the same sorts of goods as the chainstore does also show a nonchalant attitude about the chainstore, although they are sensitive to the price level at the chainstore. Only when acquainted customers ask for a discount, they would show cynical responses, still playfully: "you always go to the chainstore and now you ask for a discount."
3. NACF Village Branch Shops

Branch shops are operated in 17 out of 23 villages in the Shindung area. Goods for sale are delivered by the NACF chainstore or transported by a village representative. Delivery by the chainstore is made primarily by means of trucks borrowed from the suppliers of local goods to the store for the rest of the day after unloading the supplies. Or when orders from village shops are accumulated enough to make ends meet, the chainstore rents a truck, which is $50 to $56 a day. The delivery is approximately once a month but on an irregular schedule. Otherwise village shop operators make individual purveyance by rototillers or by hand-carrying sacks whenever needed on market days. When the delivery is made by the chainstore, many village shops are visited even after prior orders are filled. As the delivery is not often made by the chainstore, shop operators are asked to stock up extra amounts of goods.

The transactions between the chainstore and village shops are occasionally on cash, but mostly on credit. The 7 per cent of the chainstore's average margin is divided into 30% and 70% for village shops and the chainstore respectively, when the chainstore entrusts the sale to the village branch shops. That is, $1,000 worth of sale by the chainstore to village shops bring $49 to the chainstore and $21 to village shops.

Credit sales at village shops are the prime cause of declining business for some village shops because collecting overdue credit from neighbors, who are often times close friends and relatives, is extremely difficult unless payment is made voluntarily. The retail
price of individual items is not the same across different village shops. One shop may sell it at the chainstore price or at a higher price depending on ease of recruiting shop operators. Most frequent practices are alternating shop operation monthly by each household in the village, or entrusting the operation to a particular household with a work incentive. The former may or may not pay a minimal fee to the household in monthly charge. Among the villages observed, more remote or more cooperative villages tend to alternate shop operation voluntarily. Residents of remote villages all benefit from operating a shop in their village, thus recruiting or alternating shop operators does not pose any problem.

Profit from the shop operation goes either to shop operators as fee or to a village collective fund, which is used for collective construction for the benefit of the village and for tours to nearby cities or to Seoul during slow farm seasons. The shop is started mostly by village women's clubs. Korean housewives are all familiar with the practice of collecting one spoonful of rice from every meal, which is a long standing traditional method of thrift. The club members observe the practice faithfully as it has been the most practical way of raising funds. The fund thus raised in most of villages is used to start a village shop. Occasionally it is the case that a certain amount of money is invested by a number of households and the profit is shared by them or used for a group tour for the members. In either case the operating capital or profit is small but it works because of the convenience it offers to villagers. Otherwise they have to make trips to the town even for trivial everyday
necessities. The items sold at the shops are household necessities like soap, seasonings, cooking oil, drinks, snacks, and food items.

Operating capital ranges from $100 to $200; the monthly sale ranges from $120 to $370; and the monthly profit, from $10 to $30. The peak sale seasons are during farming seasons when soju and seasonings are in great demand for feeding hired labor, and during winter time when almost every household makes house wine with various fruits and soju.

Not many items of the shop are in competition with the periodic market, because most popular items from the shop like soju, soft drinks, noodles and ramen are primarily sold at the chainstore and general stores at the town. The other items like cooking oil, detergent, seasonings, and first aid medicine are sold by peddlers at the periodic market in conjunction with many more household necessities in a great variety.

Villagers who invested money or rice in the shop operation exclusively use the shop for items available at the shop as it works to their own good. Non-investors have a choice between the shop and the periodic market and show no distinctive pattern. Market vendors selling similar items with the shop are aware of alternative channels like the chainstore and the village shops but do not feel competitiveness against them. They believe that they have more varieties even for the same kind and the regular customers would not betray them. They comment "country fellows may have to use their own shops but we have much more varieties and enlightened customers whose demand is much higher than them." As noted by the chainstore staffs,
both the chainstore and village branch shops have contributed to stabilizing prices but not thwarted business of market vendors.

4. General stores

General stores are located along the main street of the township and within a village. There are less than five village general stores, which are different from the NACF village branch shops. Because of the latter’s low profit margin and low cost of purveyance and the cooperative nature of shop operation, general stores within villages are no match for the branch shops. Thus, the number and operation of the village general stores have been meager unless they have decisive advantages over the branch shops: for example, franchise for selling cigarettes, a wider variety of alcoholic beverages, owner’s connection with villages, and the like. It was observed at one village that the NACF village branch shop is used mostly by village women and also as a women’s informal gathering place, while the village general store is used by village men as their night time and slack season hangout. Male villagers explain that the NACF branch shop has a stiff atmosphere which rarely permits relaxed drinking with friends.

General stores located along the main street of the township are 14 in number and are of two kinds: ones located at regular bus stops and those elsewhere. Since buses are sparsely scheduled and delays from schedule are not infrequent, the former serves as a waiting room. Also the former usually sells bus tickets on contract with bus companies. Not only the commission from ticket selling, but also sale
of store goods to those passengers buying tickets and waiting at the store contributes to the business of those general stores. And these stores are the last available shop for outsiders visiting the place to buy small gifts for people they visit and their own necessities.

General stores primarily carry cookies, candies, soft drinks, liquors, frozen sweets, *ramen* and little bits of almost everything. Most items are delivered by wholesalers at Jinju, but store owners contract directly with Jinju for items which need an immediate supply and for which regular delivery is not available. Operators of general stores which sell bus tickets have an advantage over the others. Because of the contract with bus companies they themselves and their baggage are exempted from bus fare. Thus they make frequent trips to Jinju even for items for which regular delivery is available in order to save the delivery charge.

The operator of the general store located across from the entrance to the marketplace and at the main bus stop was interviewed for details of its operation and relation to periodic marketing.

The operator's father was a part-time farmer and stallholder at the Dankei marketplace, selling hardware and farm machinery. After education, military service and experience of city life, the operator settled down at his hometown with the inheritance of those stalls. Years spent in the hardware stall operation did not bring any secure income and the activeness of business and atmosphere at the periodic marketplace began to subside. At the beginning of 1982 he bought the shop and sold the market stall. (Field Notes, June 5, 1982)

The operating capital of the store is $5,000, the average monthly sale is around $5,000 and 10 per cent of the sale is the average profit margin. The operator is assured that his store is the
biggest in the township. "Other general stores or even the store across the street are no match to mine. I don't have any competition or any hard feeling, although I sometimes think that if not for the store [across the street] its customers automatically come to my store. Customers sometimes appeal to price differences for the same item between stores. In such cases, I go to the quoted store to talk it out until a solution is reached. When the talk is no use I reduce the price but never sell at cost."

Sales fluctuate by time and season. Peak times of a day are before school in the morning, after school in the afternoon by school children, and after dinner. Summer is the peak season because of cold drinks and frozen sweets. Market days produce at least one-third more sale than ordinary days, but the informant's friends said he makes at least two to three times more sales on market days.

When asked about competition with similar business at the marketplace on market days, the store operator did not understand the question, saying no one at the marketplace is selling the kind of goods he sells. Even after explanation he still interpreted the question in such a way as to answer that:

I'm out of my mind on market days. So many people around my store doing their business, waiting for the bus with so many baggages, drinking and shopping at my store. I have to be vigilant to keep eyes on strangers and kids to prevent shoplifting, to make sure every passenger has a bus ticket and to answer all kinds of questions those country fellows ask. (Field Notes, June 5, 1982)
In other words, even the similar business at the marketplace on market days is not perceived as competition. Rather, periodic marketing contributes to the business of general stores, as it brings more people to the town.

5. Door-to-Door Peddlers

The first type of door-to-door peddlers in rural area are small-scale producers who sell their surplus to acquaintances. The number of such peddlers and their area of business are limited. They occasionally circulate, but only around the township seat area. This does not compete with periodic marketing, but complements or even is supported by the marketing as chapter seven will detail.

The second type is stallholders or vendors of nearby markets. On their way home from marketplaces in the late afternoon, they visit villages by the truck rented for carrying all their goods to and from neighboring markets. Items sold as such are mostly perishable goods like fish, vegetables, fruit, seaweed, and clams. They can visit at most two villages in one trip because after one market only two to three hours remains until dark. Upon arriving at a village, they ask village leaders to announce their business through the village amplifier when the visit is the first time or is irregular. They make their visits regular depending on the success of their business at individual villages.

The third type of door-to-door peddlers are from cities. Household visits are made only at the township seat area, but at the village level one visit to the village leader's house is enough for
them. The presence of an outsider is so obvious in rural villages that their business at the village depends on the cooperation of village leaders. Townspeople and village people alike take precautions against these peddlers and their products because most often their price is too high or the products are too coarse. Still they keep coming and making business with new ideas and new products. Village people are the victims more often than townspeople as the persuasion by the peddlers is made in front of a group of villagers. In such a setting, as long as they make one of the group the first consumer, others in the same group are likely to follow easily, and it becomes a fashion in the whole village.

Family planning studies in Korea report many coarse contraceptive-related products sold in rural area by those peddlers. While the field work was in progress, the most fad-like purchase was ordering portraits of the elderly by themselves, or of the dead by their children. Peddlers allegedly from Seoul visited virtually all villages with a pictured sample of the portrait. Once a person signs on contract with contract money, picture of the person is taken at an extra charge or an old picture is carried to the portrait studio. The rest of the money is paid when the portrait is delivered. The portrait is specifically for funeral or memorial service for the deceased. Until portraits are delivered no one knows the built-in fixture of hairstyle, color, clothes, face shape and most of all the deadly color tone of the portrait. The frame of the portrait has everything else fixed but the face which is drawn according to each customer. The price varied from $10 to $20 by village.
Full-time peddlers rarely visit villages because of low demand and transportation cost and time. When they do visit, it is at a long interval so that demand accumulates. Peddlers selling manufactured goods are seldom seen these days primarily because of the NACF village branch shops which serve most immediate needs. Thus these peddlers are rare compared to past days in the rural area. The Shindōng area, with an active periodic market and being not so remote an area, does not produce or invite door-to-door peddlers. Even the occasional visits by peddlers from urban areas are avoided by villagers because of gimmick-like products and the itinerant nature of their business which does not provide any guarantee or after-service. By one trial after another villagers learn that city people are beyond their capability in market ability and commercial skills.

6. Relationship Among Suppliers of Consumer Goods

In sum, the NACF chainstores, their village branch shops, general stores and door-to-door peddlers supplement the function of the periodic market as a supplier of consumer goods, or cater to different sets of population. Such consumer goods as alcoholic beverages, soft drinks, and snacks are mainly circulated through general stores for townspeople, and through the NACF village branch shops for village people. As far as these items are concerned, the village branch shops and general stores have replaced the role of the periodic market as these items are not frequently found at the marketplace.
When villagers visit the township seat on market days, they rarely shop at the chainstore mainly because of their vested interest in business of its village branch shops which carry most of the items available through the chainstore. Townspeople have a choice between general stores and the chainstore for purchasing those goods, and the decision is usually made considering price differentials and shopping expediency. Thus, the chainstore is not in competitive relation with its village branch shops regarding village people, but it is so with general stores regarding townspeople.

On the other hand, the door-to-door peddlers of consumer goods are in no way of competing with other commercial establishments because the items they carry are sufficiently different from those available elsewhere, and because the frequency of their visits and the amount of goods circulated through this channel are negligible compared to those of other channels. Nearby city markets, door-to-door salespersons, or the chainstore are used for purchasing durable goods which are not available at the marketplace. When the sales items are other than those so far mentioned, the periodic market is the only place which make them available to rural people.

Among the alternatives, the NACF chainstore is most widely considered as the functional alternative which would replace the role of the periodic market in supplying consumer goods. As pointed earlier, the NACF chainstores were introduced with the specific purpose of replacing the periodic market and modernizing economic transactions in rural areas. However, practices of traditional methods such as allowing credits, bargaining, and offering discounts are
occasionally observed in the chainstore. Park (1982) summarizes very well the current status of the chainstores vis-a-vis the periodic market. That is, NACF chainstores have not substituted any part of the market activities but have contributed to lower the general price level and to better services of peddlers and other merchants to compete with the lower prices and modern setting of the store.

However, it is projected that the activeness of the periodic market as a supplier of consumer goods depends on the activeness of rice market. The operation and change in rice market is discussed in the next chapter.
Notes to chapter 5

1. None of those methods could not be applied on every market day, because they involved unnecessarily too long a time or too many resources, and because it seemed to cause annoyance to those checked out.

2. As Korea is in the continental climate zone, 74.8% of the annual precipitation is concentrated on four months from June to September. Since the Sanchong area spreads from the backdrop of a mountain complex to a plain zone, the amount of annual precipitation ranks the fourth highest. The percentage of precipitation during the four months is 79.99%. The market tax collector notes that four consecutive market days are usually ruined because of rain during the summer time.

3. See fn.3 of chapter 3 for traditional holidays.

4. This should be qualified. If the relationship of an individual at the marketplace is exclusively of a business nature, like between a customer and a salesgirl at the chainstore, all he wants would be saving money at the moment. Then, people would make extra trips to save money. But the market relationship between rural people and vendors reflects the norm of reciprocity as observed in village life. It is not monetary considerations which would bring an immediate return but more personal and social concerns which may bring additional cost at present but work as a safeguard for reciprocity and continuing business that plays a major role in decision-making. Probably the officer commented as he did with that understanding.
CHAPTER VI
PERIODIC MARKETING AS AN OUTLET FOR RICE

The previous chapter has described the operation of consumer-oriented aspects of the Dankei periodic market, and argued for its continuing importance compared to other functional equivalents. This chapter illuminates the periodic market as an outlet for rice in terms of its operation and impacts on farm household economy and production. As this study focuses on agricultural production and marketing in a semi-subsistence farming area with currently active periodic market, outlets of the most typical agricultural product, rice, in the area must be discussed. As chapter four has described, the major agricultural produce of the study area includes rice, barley, sericultural products, draft cattle and pigs. Sericultural produce in its various aspects may distinguish the area from the other rural areas in Korea, but the total product is channeled without any connection to periodic marketing.

Except for limited areas with poor natural endowment, the most popular and typical crops in Korean agriculture are rice and barley, the staple grains. Marketing channels for grain are basically of two types in Korea: the free grain market and the government channel. Almost all the marketed barley is circulated through the government channel as the double-price system, discussed shortly, for barley is
far more advantageous to farmers compared with that for rice (1). Thus, rice is the most often found agricultural produce sold through the free market system, which includes periodic markets. Strictly speaking, the government channel and free rice market are not competing, as it may seem on the surface, but are complementary, as each channel circulates different varieties of rice: chōngbu-mi (government rice) and ilban-mi (traditional rice). Understanding of their difference must precede further discussions on rice marketing and production.

1. Rice Varieties

According to a leaflet from the Agricultural Extension Office at Sanchong county for the 1983 rice year, cultivation of 36 rice-varieties is encouraged in the area: 18 of them are so-called Tongil rice (Tongil rice is the unmilled state of the chōngbu-mi), and the rest are ilban rice (2). Three to four new varieties are added each year, and those varieties with inferior yields, and some which prove to be insect- and weather-vulnerable, are dropped from the following year's list. However, farmers conventionally divide different varieties of rice into the above two groups for good reason. The two varieties contrast in almost all aspects from seeding to consumption among farmers. Extension workers and various pamphlets argue for each variety from each group, outlining their strengths and weakness in different aspects, so that it is hard to judge which is stronger or better. Since it is farmers who decide which variety to plant and which outlet to use, the following description is mainly
based on farmers' reports with frequent reference to what extension workers have to say.

Both farmers and extension workers agree that Tongil rice has a higher yield: 400kg per pyŏng (324 square meters) for traditional varieties, and 480kg for the Tongil (these figures are remarkably consistent, even though they are from farmers). On the other hand, farmers believe traditional varieties are easier to cultivate. Farmers invariably complained that the Tongil varieties need more fertilizer, thus are more liable to insects, and hence need more insecticide. Since traditional varieties are stronger under natural conditions, they can be cultivated even in highlands, without covering the seedbed with vinyl, without irrigation facilities, and in shady areas. All these strengths add up to less labor.

Not only the process of cultivation, but also the market condition of traditional rice is much better mainly because of taste. It is strongly believed among consumers and producers alike that traditional varieties are tastier than the new hybrids. Actually, ilban rice is more expensive than chŏngbu rice. The former was about 16.7% more expensive than the latter as of February, 1983, and the price differential between the two becomes bigger toward the end of summer.

My family including myself do not eat the Tongil rice. Actually no one eats Tongil rice among farmers. It has a bad taste. It may cost us some income, but at least that much we deserve. Although urban people [who can not afford to buy Ilban rice] always take pity on us, they don't know what they're missing (Field Notes, December 2, 1982),
is what farmers say. Correspondingly, market channels are different for Tongil varieties and traditional varieties.

2. Rice Channels in the Shindung Area

Currently available rice outlets in Korea are: consigning to the government; entrusting rice sales to grain mills by storing unmilled rice at village level grain mills, which form a producer-grain miller-rice collector chain; consigning to periodic markets after milling at grain mills; and consigning unmilled rice to rice collectors. Not all of these channels are available in all the rural area or throughout the year. Certain areas may not have periodic markets; certain villages are too remote for rice collectors to visit; and the government purchase occurs only during a pre-determined time right after the harvest. According to NACF (1976), 97.7 per cent of marketed Tongil varieties is circulated through government purchase, and the grain mill channel and periodic markets seem most popular for traditional rice. The grain mill channel seems to be getting more popular according to field observation. Actually, it is the only channel for traditional rice which is available throughout the year in those rural areas without periodic markets.

In the Shindung area where farming is diversified at the subsistence level and oriented predominantly to producing staple grain as in most rural areas in Korea, rice is the major item produced for vertical trading. Many channels of rice outlets were observed in the research area. Those are 1) the government channel, 2) the rice market in the marketplace, including street rice brokers who are
marginal to the operation of the free rice market, 3) middlemen collecting unmilled rice, and 4) grainmillers. The first half of this chapter will describe local rice outlets, and the second half discusses the importance of the rice market compared to other outlets in rice marketing itself and in rice production.

1) Government Purchase

In Korea, rice alone has contributed well over 45% of annual agricultural income per farm household (MOAF 1982: 166). On the other hand, the weight of grain price on the urban consumer's price index was 136.9 (3) in 1980 (Nam 1982): a 25% increase in grain price results in a 3.53% increase in urban household expenditures. As the impact of rice price differentials is significant for both urban consumers and rural producers, the Korean Government has been meticulous about its grain policy, especially for rice. First, government procurement of grain started in 1946 mainly for price regulation, and food supply to the army and government offices. The program for government acquisition of rice includes direct purchase, barter for fertilizer, taxes on farmland in kind, and imports. It was only after 1961 that direct cash purchase from farmers was activated.

As shown in Table 8, the proportion of government rice purchase out of total rice produced increased steadily until 1979 and dropped in 1980 due to the drastic reduction of the harvest that year. Only since 1971 has the proportion of government rice purchase reached 10% of the total produced. The proportion of cash purchase out of total government acquisition of rice from farmers has been 85% to 93% during the years from 1974 and 1981, except for 1980. Again, until the
### Table 8

**Trends in Government Rice Purchase**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Rice (A)</th>
<th>Gov't Rice (B)</th>
<th>Cash (C)</th>
<th>Year Produce</th>
<th>B/A</th>
<th>Purchase</th>
<th>C/B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>4444.9</td>
<td>746.9</td>
<td>16.8</td>
<td>667.9</td>
<td>39.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>4669.1</td>
<td>801.9</td>
<td>17.2</td>
<td>684.2</td>
<td>85.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>5215.0</td>
<td>1046.1</td>
<td>20.1</td>
<td>873.4</td>
<td>93.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>6005.6</td>
<td>1402.8</td>
<td>23.4</td>
<td>1313.7</td>
<td>93.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>5797.1</td>
<td>1355.5</td>
<td>23.4</td>
<td>1261.7</td>
<td>88.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>5564.8</td>
<td>1300.6</td>
<td>23.4</td>
<td>1156.1</td>
<td>75.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>3550.3</td>
<td>545.7</td>
<td>15.4</td>
<td>409.8</td>
<td>75.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>5063.0</td>
<td>915.3</td>
<td>18.1</td>
<td>779.4</td>
<td>85.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Beginning of the '60s the rice acquisition took forms other than cash purchase.

Second, the government has tried to maintain the consumer rice price at a level lower than a producer-supportive price, by adopting the double-price system. The release price has been lower than the purchase price since 1970, ranging from 82.5% to 99.0% of purchase price until 1980 (Nam 1982: 171). Proportions and price levels of government rice purchase are determined by various factors which are beyond the scope of the present inquiry.

Both of the government grain policies have worked smoothly mainly due to the introduction of high-yield varieties during the intensive implementation of the New Village Movement. For government purchase, unmilled rice is directly consigned to the government after
the harvest. Township offices schedule the purchase by each village after receiving guidelines from the county office. Then the purchased rice is transported to, and stored at, village level NACF storehouses, milled by NACF-appointed grain millers, and sold to retailers. Government purchases are made in a standard manner throughout the rural area, hence the operation of this channel in the field area is similar to the above description.

At the time of the government purchase, unmilled rice is graded and priced by variety, the degree of dryness, and the amount of straw and chaff mixed with the rice. Different varieties have different taste; drier grain yields less broken bits after milling; and cleaner grain needs to go through fewer milling steps.

2) The periodic rice market

At the periodic market, rice is collected by middlemen at predetermined stalls at the marketplace, in an area called the rice market. The name itself, 'rice market' instead of grain market, reveals the importance of rice among different kinds of grains sold in the market section.

Both horizontal and vertical trades are observed for rice transactions in the market as noted in Figure 4 in chapter five. Whether a farmer becomes involved in horizontal or vertical trading of rice is determined mainly by his volume of rice. Small lots of rice tend to be sold to local consumers and rarely involve rice brokers. This is because the commission to a rice broker for mediating a transaction and measuring rice is proportionately higher when the volume of the transaction is smaller. Also middlemen at the rice
market do not prefer many small transactions unless the quality of rice is exceptionally good. The local consumers are non-farmers who constitute only 15 per cent of the population of the area, and mostly reside in the township seat. Only when farmers do not have regular customers do they use the rice market.

One type of regular customer is non-farmers who operate shops near the marketplace. My landlady, who was not engaged in farming at all, used to go out to the rice market around 9 am on those market days when she needed to buy rice. She selected a certain quality of rice from rice sacks stored at the rice market section, then negotiated with the owner. When she could not find the right rice or the right amount (as farmers do not like to break a sack for separate sales), she asked a rice broker who is also her friend to refer her to someone with the right amount or quality of rice. Or, as she operates a snack bar, farm housewives occasionally visit her house with rice to sell. Another group of non-farmers have a kind of contract with particular farmer-producers who bring and sell rice whenever it is requested. The contract is usually with relatives or friends in farming. That is, even when the rice transactions occur outside of the rice market, farmers do not sell rice as vendors, waiting for customers to come. When a consumer cannot find a farmer-producer who will consign or sell directly to him, he buys it through a rice broker in the way vertical transactions of rice are made.

The vertical transactions of rice involve farmer-producers, rice brokers and middlemen. Grain brokers mediate between small farmers and grain middlemen from the cities. When small farmers bring grain
to the marketplace, they choose where to store their produce among spots in the four market structures designated for grain transactions. By choosing spots to store their produce, farmers are deciding in favor of particular brokers as each rice broker has his own territory in the grain section. Once it is stored, it is under the control of an individual broker for quoting its quality and price, and negotiating with middlemen. Rice brokers receive fees in kind from sellers and pay a market tax for using spots in the market structures.

The amount of rice marketed varies regularly by season and price. The largest amount is marketed during October in the lunar calendar, which is generally from late November to early December, because it is after the harvest and the government purchase of rice, and when most households need money for ceremonies for distant ancestors held during the month. Using the time of government purchase of rice as a reference point, larger amounts of rice are marketed from right after harvest to before the government purchase, and again after the government purchase. During the purchase, the amount of market rice is small as farmers are busy preparing rice for consignment to the government according to detailed government instructions.

A smaller amount of rice is marketed in spring and summer, and a larger amount in fall and winter. From May to the harvest, while the rice price is highest, the smallest amount of rice is consigned. Whatever is available at the market at that time is consigned by large
farmers who can save rice from the preceding harvest to obtain the highest price of the year. A producer usually brings a sackful of rice but a few bring up to seven to ten sacks or as little as two doe’s (a doe is 1.6 kg). Those who bring less than a sack are usually female, and they exchange rice for money to shop at the marketplace.

(1) Rice middlemen and brokers

Rice collectors or middlemen come from Jinju and Busan. They carry fluted awls to prod stored sacks of rice for sampling. After finding rice to buy they approach the respective rice brokers. A rice broker says, "even when they know the ongoing price, they usually ask us about our bid and bluff by quoting a lower price as if it were the ongoing price in nearby markets."

Rice collectors from Pusan are usually retailers and those from Jinju are a kind of wholesaler mediating between the broker and retailers at major markets in Jinju. Collectors from Pusan can afford to pay a higher price than those from Jinju because the former is directly linked to consumers. Thus, they are lenient about rice prices offered by rice brokers, which is favorable to farmers. According to a broker, rice collectors from Jinju are well aware that they can not compete with those from Pusan. When the number of rice collectors from Pusan is smaller, or "when they look like chicks [look unexperienced in rice collecting from rural markets]", collectors from Jinju interfere with the former's business. "They either use a decoy to make them get drunk or intercept transactions by offering a higher price than the price at which the transaction is about to be
It may be a loss for the moment but is an investment for the future because the collectors from Pusan having such experiences do not easily return to fight against what amounts to a trust among collectors from Jinju.

According to the broker's memory, the number of rice collectors has varied from two to thirteen over the past thirteen years, depending on the prevailing price of rice: the lower the price, the more collectors come.

A rice broker's income comes from a fraction of a *doe* (1.6 kg) of each farmer's lot brought for sale. When a producer brings rice in a sack, it is measured by *doe* after a middlemen and the producer agree on a price quoted and negotiated by a broker. After making as many standard *doe's* as possible from a lot, any fraction of one *doe* is given to the broker as the fee mainly for measuring and for mediating a deal on behalf of the producer. No matter how many sacks of rice one farmer consigns for sale, a rice broker receives less than a *doe* as commission. Or, those farmers who bring only several *doe's* have to give up even nine tenths of a *doe* as commission. The interviewed broker earns 15 to 17 *doe's* per market day, which is used for family consumption or sold to middlemen for cash. It corresponds to 17,750 won ($22) to 19,890 won ($25) according to the current rice price at the time.

However, two to three persons must help me to carry rice from rice-mills [located at the township seat] or from the bus stop to the rice market, and to do errands. My family usually helps me, but when a lot of material comes in I have to hire a person just for
carrying rice and storing at my spot. Either way, after paying the market tax and for lunch, income per market day must be divided by two to three, which barely makes an average wage for one day's labor. (Field Notes with a rice broker, Jan. 6, 1983)

Rice brokers, middlemen and retailers are all registered with the revenue service of Jinju. Rice brokers used to pay income taxes but have been exempt for the past four years because of low income. Theoretically, anyone who wants to become a rice broker can become one by reporting to the revenue service and obtaining a corner at the rice market.

But he cannot make any deals. My father was a rice broker in this marketplace for more than ten years and I used to accompany him. So people know my face and me as the son of my father. That's how I could make a living here despite my young age (40 years old) and short experience (twelve years). (Field notes, January 6, 1983)

Rice brokers have only one "hometown" periodic market they do business at and do not make a circuit. There are seven male brokers and four female brokers, and one of the male brokers specializes in dealing in grain other than rice. They all attend every market day even when the amount of rice marketed is small.

(2) Dynamics among participants at the rice market

Although the operation of the rice market may seem to be willfully controlled by rice brokers, a balance of strain is observed among rice brokers, farmer-producers, and rice collectors. First of all, the current price of rice seems to be arbitrarily determined by rice brokers. A few farmers actually have criticized them as being in collusion with middlemen to give a lower grade and quote a lower price
on rice as a favor to middlemen. According to a rice broker, he visits markets at Jinju from where most middlemen come, and at Sanchōng once during the interval between market days at Dankei, to find out the most current price and qualities of rice available at the time. The periodic market at Dansōng is sometimes visited for the same purpose. (The Dansōng market is bigger and closer to Jinju than is Dankei.)

Rice price is like stock price so every hour counts. In case I can't visit Jinju market to find out the more current rice price, I make a phone call to a rice retailer at Jinju market to update the price right before the Dankei market opens. I've made a friend with the retailer so he provides this convenience for me. (Field Notes, January 6, 1983)

Among Jinju, Sanchōng and Dankei, the rice price is the highest in Jinju, naturally because it is the market for retailing and final bulking of rice before heading to more urban consumers. The Sanchōng market usually collects rice at a higher rice price than the Dankei market because rice from the Sanchōng area is considered to be of a better quality. When one doe (1.6 kg) of rice is priced at 1,200 won ($1.50) at the Sanchōng market, it is $1.47 to $1.46 at the Dankei market. The price differential ranges mostly from 3.8¢ to 12.5¢. Dankei prices one sack (80 kg) of pure "traditional" rice at 56,000 won ($70) while at Jinju one sack of a mixture of "traditional" and "government" rice is retailed at 58,000 won ($72.50).

Rice brokers have to be alert to the current price and classifying grades of rice for both rice collectors and rural producers. In the relationship between rice brokers and middlemen,
rice grade and price quoted must be in line with the current practice because this is the basic criterion on which rice collectors determine the level of expertise of a rice broker. On the other hand, the rice broker has to retain more customers for more commission, but the rice and cattle markets are the only places within the periodic market where the dangol relationship is unstable. Once a customer (rural producer) finds out that his produce was designated poor quality and assigned a lower price from a rice broker, he switches to another broker.

The rice broker interviewed does not acknowledge any competition among rice brokers, and another female rice broker also agrees that there is no competition among them to secure more customers. Since the rice market is active only for three hours, during which time it is always crowded and busy, they claim that no tactical play can intervene. Also they refrain from encroaching on one another's realm of business because of seniority among them. It was observed, however, that a more delicate way of soliciting rural producers is practiced. Persons who seem to be attached to rice brokers as family members or as hired laborers approach farmers who bring sack(s) of rice at the entrance of the marketplace with casual greetings like "so you've come out today. All that rice to sell?" and offer help to carry the sacks or ask directly whether the farmer wants them to take care of it. Such an indirect way of soliciting customers is more common than direct calling out for customers as in the periodic marketplace in general.
The degree of competition for acquiring customers seems more intense as the number of dealers is greater for rice transactions than for other transactions, but the competition is indirectly expressed among rice brokers. Rice brokers do not seem like sophisticated city traders to farmers, but are viewed as local residents and fellow farmers. Thus, farmers feel less need to secure a dangol dealer for a fair treatment. They cumulate experiences with different rice brokers who have been in the marketplace at least ten years. Farmers feel freer to choose those who bring them most favorable terms, for the relationship between rice brokers and producers is understood as purely of an economic nature.

Rice prices quoted by rice brokers are generally believed to be objective by farmers. Still, farmers suspect that the relationship between rice brokers and collectors works to the advantage of collectors. It occurs not at the time of classifying grades of rice or price quotation, but in the process of measuring rice after an agreement is reached between a rice producer and broker on the one hand, and between a broker and collector on the other about the terms of a deal. Rice brokers carry a hexagonal container made of wood and reinforced with iron at its corners, and a round stick to level the top of the container. An expert rice broker, according to Kim (1977: 302), said .08 hop (128 gram) more than one doe (1.6 kg) could be contained in the container of one doe depending on one's skill in using the box and the stick. That is, middlemen could get up to 54 doe's (86.4 kilograms) paying only for 50 doe's (80 kilograms) when this meets the mutual interest between the middlemen and rice broker.
Farmers commented about the brokers' way of measuring rice that they pour rice into the container in such a way as to "make each grain stand up", which may amount to more than a doe of rice for the one-doe container.

One farmer, an expert in the working of the grain market, notes that rice brokers may inflict a loss on farmers in favor of middlemen in order to secure more middlemen as regular collectors. When farmers bring extra rice as a fee for the rice broker, in addition to the number of doe's they intend to sell, often it is the case that the number of doe's measured by rice brokers is fewer, with a fraction of one doe going for their fee. It is said that more skillful and experienced rice brokers make fewer doe's out of the same amount of rice, which works to the advantage of the middleman. The middleman later finds out that he actually got more than he paid for, and a dangol relationship between the middleman and the rice broker begins. Thus, farmers tend to select those rice brokers with whom they are somehow related or try to make a dangol relationship with a broker.

Even so, it is wise to change the dangol from time to time. Their skill of measuring rice is really a talent. It is hard to detect any sign of fraud even when I keep my eyes wide open during the measurement. (Field Notes, December 2, 1982)

Still, to an outside observer rice brokers seem to be giving favors to farmers just judging from the way they measure: the surface after leveling off the top of the container looked concave. After getting negative responses from informant farmers, the informant rice
broker was asked for his comment on my observation and those farmers' description.

Since it is the rice collectors who are holding the hilt, we have to be attentive to what they're looking for. If they act in collusion to manipulate the price or not to come, it is we [brokers and farmers] who suffer. We have to give them an edge, but we are not undoing village people for our own profit. Most of us are farmers, anyway. (Field Notes, January 6, 1983)

(3) Factors in price quotations

The actual process of determining opening rice price and the day's price fluctuation in the local rice market is observed to be more complicated than being simply a reflection of neighboring major rice markets. It has its own factors and dynamics. Sacks of rice begin to be stored at the rice market as early as 8 am, and by 9 am most of the day's lot is stored. It is around 9:30 when rice brokers begin to quote the price of the day which depends on the current rice price in adjoining markets, the number of rice collectors, and the amount of rice being stored for sale. Farmers agree that the rice price thus quoted is usually fair and proper. A range of rice prices is formed depending on the origin of particular rice (certain areas are traditionally known as sources of good rice: they are usually the places where sunshine hours are longer), and the proportion of broken bits of rice. The rice price tends to decrease towards the closing of the rice market—usually after 11:30 am, when a large amount of rice is consigned, and when more rice is being consigned after naming of the opening price.
Large consigners do not store all the rice they want to sell at a time. They use rice-millers at the township seat to mill rice for periodic market consignment even when they are from remote villages. These millers provide free transportation of unmilled rice from villages to their mills upon call. After the milling, large consigners store a part of the rice at the rice market and the rest at the mill on the morning of a market day in order not to lower the day's opening price by bringing it to the market all at once.

Although middlemen and rice brokers know about this practice, they do not bother to visit the mills to check on the amount of rice being stored there. It is because those mills at the township seat have their own lines of commercial transactions which may or may not involve the same middlemen as those at the market. Because of the independent channels the mills have, the amount of rice stored at the mill on a market day does not influence the opening price of the day at the market. When the price is favorable, a large consigner approaches middlemen or rice brokers to see whether they want more at that price. Sometimes large consigners bring more rice without such a tactful approach when the price is favorable, which results in a decrease of the prevailing price. Even when the situation is reversed: that is, when already consigned rice is withdrawn because of a low opening price, the rice price never goes up within a day once the opening price is determined. Once the opening price is accepted as the price of the day by middlemen, deals are made fairly quickly. All deals are finished by noon or at the latest by 1 pm.
(4) Street rice collectors

Although small in number and not so significant as regular rice collectors in volume of rice collected, street rice collectors do perform a role as rice outlets. They collect all kinds of grain, dried peppers and garlic along with rice. These rice collectors operate with less capital than the regular ones and are usually connected to rice retailers or directly to consumers in Jinju. Their business is known as illegal because they are registered as rice retailers but not as middlemen. Their rice collection is made outside of the marketplace, spread along the main street of the town, but concentrated at one corner across from the market entrance. Still, this is not a rice outlet independent from the rice transactions at the marketplace, although it is operated by a different set of rice collectors outside of the marketplace, because their customers are farmers who bring rice to the rice market on market days.

These street rice collectors offer the same price range to variously graded rice as negotiated at the rice market on each market day. Still, their terms look more favorable to farmers as the deals do not involve rice brokers, thus they pay no commission. They also operate for a longer period of time than the rice market and specialize in collecting small lots of rice which are avoided by the regular rice collectors. Rice brokers are in direct competition with the street rice collectors as they have to share the same set of customers. Each blames the other for exploiting the "miserable" farmers. Street rice collectors blame rice brokers for manipulating the ways of rice measurement in favor of themselves and regular rice...
collectors. Rice brokers, on the other hand, charge street rice collectors with the illegality of their business and the use of non-standard containers as the measure. Street rice collectors carry a kind of plastic bowl which looks to contain approximately one doe as does the standard wooden container used by rice brokers. They do not use a wooden stick to level the top of the container but use the edge of their bare palm to make the top flat. Each street rice collector adopts a different ways of handling any fractional rice from the bowl, but they usually ask farmers whether they want it back or to be priced for the nearest round-off. Rice brokers and some farmers point to the street rice brokers' use of the plastic bowl and palm as a proof of their fraud in measurement: "they would look fair with the standard container. Why don't they use it if it brings as much profit as they make with the plastic bowl!"

Most farmers do not prefer nor plan to use this channel except those who are late for the rice market with small lots or those who want a faster transaction. During the operating hours of the rice market, farmers have trouble making their way to the rice market because of the street rice collectors who practically grab farmers' rice sacks and run toward their corners of business. Because of the nature of their business of always being on the road to attract customers and the illegality of the business itself, they were extremely uncooperative to any kind of question from non-customers. In any event, they do not seem to have any meaningful role other than being an additional intermediary in rice transactions for farmers' expediency or inconvenience.
3) Grain mills

Aside from the main business of milling, grain mills perform the role of connecting rural producers to middlemen and wholesalers. There are no records on how and when this rice channel was formed. It probably dates from the time when milling was established separately from household work as a specialized job. Rice collectors who visited periodic markets for milled rice might have stopped at grain mills when they needed rice in quantity. For areas without a periodic market, outlets for rice are limited to the government channels and grain millers unless the area is famous for tasty rice-varieties. In the latter case wholesalers collect directly from producers regardless of the distance they have to travel.

When farmers bring millers sacks of unmilled rice, they tell the millers whether or not it is for sale. The millers process unmilled rice into polished rice, then store it until it is sold to their regular rice-collectors. The sale takes time, depending on the current price and on the amount of rice already left at the mills for sale. As the grain mills do not have official permits for mediating rice deals, millers allegedly do not charge farmers for the mediation but only for the milling. The practice of grain millers functioning as one kind of rice broker was hard to record in the selected field area, not to mention in other areas with no acquaintances, probably because of the vulnerability and clandestine nature of the current operation of free rice markets.

Each natural village in the 23 village of Shindōng used to have one grain mill. Only fourteen of them are currently active and six of
them were visited for data collection. Each grain mill has a mutually understood territory of operation and it is well observed except for the grain mills at the township seat. Grain millers at the village level complain that the township millers visit villages with trucks soliciting farmers to their mills by offering free transportation and a discounted fee for milling. On the other hand, a grain miller at the township seat argues that most of his customers are from the area and he visits villages only when farmers call him to transport unmilled grain to his mill.

Why should I bother to visit villages stealing customers while each village has its own grain mill. I don't want to raise their eyebrows. We have to see each other at the marketplace and at monthly meetings of millers at the county. It's just that people prefer to mill their rice at my mill. Because of modern facilities at my mill, the percentage of crushed grain is almost nil which makes the rice get a higher grade. Village grain mills have to use their own power generator because of weak electricity there, and irregular frequency of its motor spinning crushes grain in the process of polishing. Just look at the four village grain mills recently shut down. The remaining few will soon be closed too. (Field Notes, January 10, 1983)

The township grain miller has invested $25,000 (20 million won) just for the facilities while a grain miller at a village paid around $4,250 (3.4 million won) for all the facilities, building and auxiliary services.

Although comments between village millers and town millers are different, it can be inferred that town millers may visit neighbor villages or households on their way to villages on call whenever the
amount of rice initially requested by callers is less than a truckload, for economy in making a truck trip to remote villages.

Grain millers at villages and the township seat alike receive milling fees in kind. It is one doe for 25 doe's of milled rice. The milled rice is usually used for family consumption, for sale at the marketplace, or for sale through the mills. The mills are expected to provide free transport of polished rice to the marketplace or to freight service at the township seat when rice is consigned to family members and relatives of farmers in urban areas.

The mediating role of grain mills in rice transactions is facilitated by a group of middlemen or wholesalers who come mainly from Pusan and Jinju. It could not be confirmed, but each circle of middlemen or wholesalers for different grain mills in the area seems to overlap. They do not visit the area just for collecting rice from particular grain mills, but for collecting rice from the periodic market at the same time. Thus, their visits are usually made on market days. When the price for ilban rice soars, usually during the summer, they visit grain mills on non-market days even for less than ten sacks of rice.

The price farmers receive for rice consigned to the periodic market and through the grain mills is different, but the procedure of price formation is consistent across different grain mills. At the marketplace, rice price is formed within a certain range according to qualities of rice. The median price from the range invariably applies to different qualities of rice when rice is sold to middlemen through grain mills. Thus, farmers with not so good qualities of rice and
those who do not want to fight with middlemen or rice brokers over grades of rice at the marketplace consign rice through the grain mills.

All grain millers interviewed in the area denied that they received a commission for mediating transactions, despite farmers' suspicions. One grain miller talks about a type of commission which is not granted as such by other millers but acknowledged by farmers.

Rice bags fresh from the milling machine usually weigh more because each grain is a little bit swollen due to the warm temperature. About one doe's weight is reduced per sack of rice after it cools down. Middlemen who collect rice from my mill of course know this, but they do not bring it up and consider the difference as my commission. (Field Notes, November 24, 1982)

That is, 80 kilograms of rice are measured for each sack right after milling and the grain miller receives the amount of money equal to the price per sack multiplied by the certain number of sacks. When the grain miller pays back the farmer who consigned the rice, the cost of one doe of rice is subtracted from each sack. For example, when ten sacks of rice are sold at $70 per sack, the grain miller receives $700, but pays the farmer $686 only, which is the value of nine sacks and forty doe's of rice. As two doe's per sack were already paid as fee for milling rice, the grain miller actually receives three doe's per sack when the rice is sold to middlemen directly from the mill.

Grain-millers prefer that farmers consign to them directly rather than to the marketplace, because of the additional benefit (about $4.50 instead of $3.00 worth of fee per sack), and also because of the free transportation of rice to the marketplace they are expected to provide.
The lessening of rice weight after milling also works for grain millers in a slightly different manner. Whether measured by weight or volume (doe), when one sack of rice is made to contain exactly 80 kilograms or 50 doe's at the grain mills, it will definitely weigh less or make fewer than 50 doe's at the marketplace because of the settling down process. Even when one sack of rice is said to be made of 83 kilograms or 52 doe's, it will be reduced at the marketplace. When farmers return from the marketplace and complain to grain millers about the difference in the measure, the grain miller would say it is because of the manipulation by rice brokers. Farmers come to believe that because they also have "seen and heard" at the grain mill how the rice is made into a sack by grain millers who are supposed to have no stake in manipulating the rice measurement, compared to rice brokers. Actually, more sacks brings a higher commission to grain millers, according to the way the milling works.

4) Middlemen collecting unmilled rice

This channel is also for traditional rice but was observed only at one village. Middlemen who visit the village are either retailers in nearby cities, or rice collectors connected to the village grain mill. They visit each household to check whether and how much each farmer can consign to them. They transport rice collected in this manner to their destination either as unmilled rice or after its processing at the village mill.

One sack of milled rice (80 kg) roughly equals 120 kg of unmilled rice. Even the unmilled rice can be graded according to the location of its paddy field (the better comes from more sunny
corners), and dryness. Depending on the grade and ripeness, a farmer notes that the 120 kilograms of unmilled rice makes up to 56 doe's (89.6kg) of milled rice. Paying for only 50 doe's of rice, the middlemen then get up to 56 doe's and earn more money by selling chaff and bran as fodder. In other words, farmers lose six doe's worth of rice and have to purchase chaff and bran to feed their livestock. Although farmers of the village know the cost, they use the channel because it costs anyway to mill, transport, and transact rice at the marketplace, and because of unpredictable rice price on the coming market days. The village mill usually provides free transportation for the milled rice to the marketplace with a tractor-trailer. However, the village is 6 kilometers from the marketplace which makes a second trip by tractor-trailer to the marketplace already late. Farmers use their own tractor-trailer or rent one when consigning a large volume of rice, for which they pay 3,000 won ($3.75).

The village mill does not have its own rice collectors as mills in other villages do "because the transportation condition is not good" according to a village farmer. However, it does not seem to be due to the "bad" transportation as the village is located along the main road of the township. It is located at the borderline of two market areas of Dankei and Kahoe. Kahoe market has been shrinking as the result of conflict in the sphere of influences between the two markets, as discussed in chapter four. Seemingly caused by the absence of a cattle market is an ever-shrinking rice market at the Kahoe market. The Kahoe market is actually only two kilometers away from the village but villagers rarely go to that market for consigning
traditional rice. Farmers residing in the Kahoe market area are also forced to use Dankei rice market now for better terms, otherwise they have to wait for outside rice collectors of unmilled rice who offer much worse terms to farmers. The unmilled rice collectors are reported to have visited the village and the Kahoe area since 1981.

3. Importance of the Periodic Rice Market Compared to Other Rice Outlets

Marketing rice itself involves a series of decisions by farmers. These are whether to cultivate government varieties or traditional varieties, and in case of traditional varieties, which outlet to use among the government channel, the grain-mill, the periodic market, and the collector of unmilled rice. First of all, these considerations are contingent upon availability of each channel in the area concerned. All rural areas in Korea are given a chance to sell to the government purchase program, but each area has a different set of outlets for traditional rice. In the research area are found the above four channels. Figure 5 summarizes the currently available rice outlets in the field area.

![Marketing Channels for Rice](image)

**Figure 5**
Marketing Channels for Rice
1) Choice between ilban and government rice: Comparison of government purchase to other outlets

The decision as to which varieties to cultivate precedes that of selecting a rice outlet, as different varieties of rice have different terms in the market. The most profitable production decision seems to lie in cultivating government varieties only because they have higher yields, and to consign the entire amount produced to the government channel as it acquires rice at a higher price than it releases. Most farmers, however, try to cultivate government varieties as little as possible and utilize other channels than government purchase for their traditional rice. Even farmers in the Shindūng area who exclusively adopt government varieties—thus, choosing government outlet, and who use the government channel for consigning traditional rice are found to decide as such, not because of "a higher purchase price," but because of other production-related reasons.

Generally speaking, government rice is circulated through government channels. This does not mean that Tongil rice is entirely purchased by the government nor are traditional varieties exclusively circulated through non-government channels. Consigning traditional rice to the government channel occurs, despite free channels available with better prospects, for several reasons. Farmers know the government varieties have a higher yield than traditional ones, but weather conditions and physical surroundings of the particular paddy field may prevent expanded cultivation of the government varieties. Even when the natural preconditions are met, most farmers do not adopt
the government varieties exclusively but plant only so much as to bring in enough money from its yield to let them pay credits and loans due in the coming autumn. Such loans and debts are most likely made without options for extension, or with penalties for late reimbursement as is the case for government credit.

Farmers know the government purchase is made at the lowest rice price in a rice year, naturally because it is at the time when supply is plentiful, and the government varieties are only circulated through the government purchase program. The traditional varieties are purchased at the same price as Tongil rice at the time of the government purchase. However, price differentials between the two begin to show already at periodic markets shortly after harvest, and reach their peak just before the next harvest. Then it is irrational to plant the government varieties exclusively or to consign the entire produce to the channel which offers the lowest price.

The decision to grow only government varieties is not irrational, however, when credits and loans farmers have to pay back by the harvest amount to the value of entire produce. It is better to reimburse the interest-incurring and penalty-adding debts quickly rather than waiting for the price of traditional rice to go up. On the other hand, commercialized farmers adopt the government varieties exclusively and consign the entire produce to the government to make a large sum of money at once which they invest in cultivating special crops or in cattle breeding.

Because of traditional rice consigned to the government purchase and of the best quality Tongil varieties, rice processed through the
government channel is frequently sold illegally as traditional rice by retailers at a higher price. Even so, top-quality Tongil rice collected and processed by private middlemen which is also sold illegally as traditional rice, is said to be tastier probably because of a shorter period of storage and processing. The government is partly responsible for the unpopularity of "government rice": not only is the storage period longer, which ruins taste but also "Korean rice" is mixed with "foreign rice" imported and stored far even longer times. The latter becomes the "government rice" notorious for bad taste and strange smells which eventually brings about public distrust toward all the non-traditional rice. As consumers are well aware of fraud by rice retailers and middlemen, a bitter experience with traditional rice is attributed to the sellers but not to the rice itself. However, the same encounter with government rice would make consumers condemn the taste of government rice in general.

Previous discussions have shown why most farmers choose traditional varieties despite the strong recommendation of the agricultural extension workers. Closely related to the decision is the selection of a rice outlet for traditional varieties. As shown by Figure 5, the available outlets are consigning to the government purchase, or to rice collectors buying unmilled rice, or selling at the periodic rice market, or through grain millers as milled rice.

The government channel seems to have competed with, or threatened the functioning of periodic markets, especially in collecting rice. It has been active for more than the past two decades and the double-grain price system has operated for more than a
decade. Periodic markets have survived throughout these periods. If the government did not accept the consignment of traditional varieties, periodic marketing would be more active with enlarged activities as a rice market. However, rice transactions through the periodic market would not be much reduced even if the government increased the amount of annual rice purchase from farmers.

The political debates on percentage of the government purchase of rice out of the annual rice yield, and the annual rise of rice price for the purchase are widely circulated through mass media every year. While they usually report that farmers want to consign more rice than the government has allotted, farmers in the area where the field study was carried on did not worry about a possible limitation in the volume of government rice purchase. They said "however much I want to get rid of they take 'em all". This was confirmed by the area's township office. The township officers visit each village under their jurisdiction in spring to ask each farmer how much rice he plans to consign in the coming fall. The amounts are added up and reported to the county office. The reported amount usually becomes the year's allotment for the area. "It is a headache during the purchase time. Farmers say one thing and always do other things. It's a real pain in the neck to hit the target because they make all kinds of excuses for not consigning as they said they would, saying that the harvest is ruined because of the weather, insects, and so on."

On the other hand, several farmers in a township without periodic markets but with a permanent market located in Kyŏnggi province (near Seoul) told a different story. They have learned not
to plant too much Tongil variety. They can not consign the rice either to grain-millers connected to wholesalers from Seoul who purchase only traditional rice, or to the government because of the limited volume of Tongil rice that is purchased. When asked about awareness of an almost unlimited volume of government rice purchase in the study area they proudly answered,

They get the larger share since they are poor and the government has to take care of them. But we [living within 50 min, by bus from Seoul] have those urban consumers nearby. Still, we don't worry about the limits on government purchase that much. Once we have problems in getting rid of the government rice, we would not plant them next year. Actually I am not going to cultivate Tongil at all unless the government people (officers) meddle with me. (Field Notes, February 13, 1983)

In other words, the periodic market does not compete with the government channel as each channel circulates different varieties of rice almost exclusively. Or in the area without a periodic market, the grain mill channel is preferred for consigning traditional rice because the government purchase is scheduled at the time of the lowest price of a year, available only for a short period of time (three days to one week) and limited in its total volume of purchase. Thus, not all applicants can consign as much as they want to. Since even the unfavored government channel is limited, the favored grain-mill channel becomes choked with over-consignment by farmers. Still, the government channel and the grain-miller are not competing rice outlets because of the different varieties of rice they handle.
As pointed out in passing, a few farmers choose the government channel for consigning traditional rice even when they have a choice. It occurs only when they need a large sum of money at once around the harvest time. The market and grain mill channels cannot be utilized in such cases. Consigning a large volume of rice to the periodic rice market can inflict a loss on all including the farmer, because it may lower the contract price of the market day below the government purchase price. Or, the rice collector who visits the village grain mill may not want that much rice, or may not visit the mill at all when the farmer wants to sell his rice.

2) Choice between the periodic rice market and grain mills

Some competition was observed rather between periodic rice markets and grain mills. As reviewed earlier, the grain mill channel is gaining popularity in rural areas as a substitute for the market and actually has taken over the latter's role in those areas without periodic markets. NACF (1976) shows that 19.2% of the traditional rice is circulated through the grain mill channel and 11.4% through the periodic market as the national average. On the other hand, Chu et al (1980:29) reports widely different percentages of traditional rice consigned to a particular channel by area: the periodic market circulates from 0% to 51.3% of its study areas' traditional varieties, and the grain mill handles from 0% to 83.9% of the produce. However, a prevalence of the periodic market over the grain mill channel is still observed in the present study area.

A farmer's decision as to which channel to use depends on price differentials and the convenience of each channel. A farmer with
better rice rarely uses the grain mill channel as it does not differentially price according to rice quality. Farmers also use the periodic rice market when they want to be tuned in to the fluctuations of the rice market. Since rice is the main source of their income, most farmers want to be well-informed about rice prices in order not to be cheated even when they have to rely on the grain mill occasionally for its time-saving. The grain mill is preferred during the farming seasons, because it saves time from market trips, and when the rice is of poor quality.

Farmers have such a choice, however, only when both of the services are available, and on a continuing basis. First of all, not all the villages in the field area have grain mills, and not all the grain mills perform the role of mediating rice transactions. Furthermore, even those grain mills linked to rice collectors cannot guarantee continuous service because it is all up to rice collectors whether or not to collect rice from the mill continuously. Rice collectors usually visit on market days but occasionally on non-market days when the rice price of the area is favorable to them. Their supposedly regular visit on a certain market day may not be known to village millers, not to mention villagers, even until the early morning of the market day. Farmers who need to exchange rice for money on the market day do not know which channel they are going to use until they are informed, except those who have already decided to go to the rice market.

It does not happen very often that rice collectors fail to visit the village mills without previous notices. Farmers and grain millers
have some idea when it is not certain whether rice collectors will visit the village or not. It can be inferred from the rice market of the periodic market: the number of rice collectors who visited the previous market days has been few or "the way rice transacted on the day tells somehow the worse is yet to come." Local rice brokers also relay the information on nearby rice markets.

On a couple of occasions in November, rice collectors gave very late or no notice of their passing through the villages where I stayed. The grain millers waited until the last moment, then began checking with all the farmers who entrusted the rice for sale on whether to wait for the next market day or to transport the rice to the marketplace. They carried the lots of those consigners who had decided to use the market. The rice price opened the day at 20 won less for one dox compared to its price on the previous market day, and began falling rapidly to make up to 40 won difference as other grain millers arrived with additional loads which were to be collected at the mill.

The fluctuation of rice price of the local rice market reflects basically that of other nearby rice markets. Still, farmers must sell their rice when they need to even if it is at a lower price. If not for the periodic market, farmers would have no alternatives but turning to users for the amount of money they could have made through the periodic market. It is foreseeable that, without periodic markets, rice collectors may consolidate to skip their visits of remote farming areas or apply unfair price to farmers from those areas. Chu et al (1980:54) concludes that, after comparing three different rural areas,
farmers from areas with a periodic market are less likely to be subject to unfair rice transactions even when they use the grain mill channel, compared to farmers in areas without a periodic market. It is because the former can obtain up-to-date rice prices every five days.

3) The periodic market and collectors of unmilled rice

The situation is similar when the periodic rice market and unmilled rice collectors are compared. The latter are found available only at one village and are reported to have started very recently. They may become more popular than the present grain miller channel as they represent a more "specialized" commercial farming.

Most rural villages in Korea have had grain mills. In other words, processing of agricultural produce is made on the production site because the farming is mainly oriented to subsistence. Even after transportation conditions were improved, and the modern practice of farming was introduced, subsistence oriented farming remained in most rural areas up until now. Milling is still possible with decades-old equipment in village mills as the production size is small and as the share of rice they mill is only for family consumption and for exchanging with money at the marketplace for purchasing family necessities. 41 to 49 per cent of marketed rice is acquired and milled through the government (Chu et al 1980:95). It is known that old milling equipment produces more broken bits of rice. A more capitalized rice collector may well operate a grain mill to process unmilled rice collected from rural villages for a better quality.
rice. The old grain mills at the village level have no incentive to
invest in new facilities but merely operate on the basis of old
equipment. The big grain mills at the township level or the unmilled
rice collectors linked with a large modern miller may eventually
replace the role of collecting rice of the periodic market first, then
of the grain mill channel. It may be a natural course in market
development, but it certainly works to the benefit of the wholesalers
and to the loss of the farmers.

4) Comparison to other areas

Findings of Chu et al (1980) are significant for this study as
they render comparisons with different rural areas with different sets
of rice outlets. Among the three study areas of A, B, and C, A is
famous as an area with tasty rice, close to Seoul, and has the
government purchase, unmilled rice collection, and a not-so active
periodic market; B has government purchase, unmilled rice collection
and grain mill channel; and C has the government purchase, unmilled
rice collection, periodic marketing, and grain mill channel. The
percentages of government rice consigned to the government channel are
quite consistent across the three areas: 85.5%, 88.2%, and 84.2%
respectively (Chu et al 1980: 29). For traditional rice, the most
widely used channel for A area is rice collectors (74.0% of the area's
produce); for B area, grain millers (79.9%); and for C area, the
periodic market (44.6%) and grain millers (35.0%). The following
table shows the popularity of each rice channel by rice varieties and
by areas.
Table 9

Percentage of Rice Consigned to Different Outlets by Area and by Rice Variety

<table>
<thead>
<tr>
<th>area</th>
<th>rice variety</th>
<th>Gov't Purchase</th>
<th>Periodic Market</th>
<th>Grain Mill</th>
<th>Rice Collectors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>gov't rice</td>
<td>85.5%</td>
<td>3.3%</td>
<td>NA</td>
<td>11.2%</td>
</tr>
<tr>
<td></td>
<td>ilban rice</td>
<td>15.1%</td>
<td>10.1%</td>
<td>NA</td>
<td>74.8%</td>
</tr>
<tr>
<td>B</td>
<td>gov't rice</td>
<td>88.2%</td>
<td>NA</td>
<td>8.6%</td>
<td>3.2%</td>
</tr>
<tr>
<td></td>
<td>ilban rice</td>
<td>4.1%</td>
<td>NA</td>
<td>79.9%</td>
<td>16.1%</td>
</tr>
<tr>
<td>C</td>
<td>gov't rice</td>
<td>84.2%</td>
<td>5.1%</td>
<td>9.1%</td>
<td>1.6%</td>
</tr>
<tr>
<td></td>
<td>ilban rice</td>
<td>.9%</td>
<td>44.6%</td>
<td>35.0%</td>
<td>17.3%</td>
</tr>
</tbody>
</table>

Source: Constructed from tables 4-9 and 4-10 of Chu et al (1980: 29-31).

*Ilban rice refers to traditional varieties.

Chu et al (1980: 34) reports that pre-harvest sale of rice crops is not observed in C area, while 58.9% of farmers from A and B areas have pre-sold rice during the past two years for need of cash. That is, with an active periodic rice market, farmers of C area can always get cash with rice, but only as much as is needed at the time so that they can wait for a better rice price. The pre-harvest sale involves borrowing money from rice collectors on rice in the paddy field, and farmers reimburse the loan with the year's harvest. Several risks are involved for farmers: unfavorable weather may ruin the year's harvest, which results in multiplied interests in the following year; the rice collectors may not price the harvest according to the on-going market.
price, and even if they do, the price is lowest in the year at harvest time; and farmers become dependent on the rice collectors whenever cash is needed, which puts them in an unfavorable bargaining position. Chu et al (1980: 45) also points out that as the number of rice collectors is small, and the collectors are the main source of price information, collusion among the collectors in applying unfair rice price is possible, thus, farmers are disadvantaged in rice transactions in areas A and B.

It is generally admitted that the grain mill channel is more advantageous than the unmilled rice collectors among farmers in the field area. Chu et al (1980: 54) reveals that there are two types of grain mill channels. The grain mill channel in the B area works like collectors of unmilled rice in that it lends money to farmers on rice in the paddy field, and specializes in commercial rice transactions as middlemen between farmers and rice collectors. On the other hand, the grainmills in the C area and in the Shindung area merely mediate rice transactions only. Both the C area and field area have active periodic rice markets. Again, as farmers can make cash anytime they want, the other channels like collectors of unmilled rice or the grain mill channel work only as supplemental alternatives to the periodic rice market without putting farmers in a disadvantageous position.

As for consumer goods, the importance of the periodic market in collecting rice varies by rice varieties. Government rice is collected mainly through the government rice purchase program. Among the currently available rice channels for ilban rice in the Shindung area: the periodic rice market, the grain mill, and collectors of
unmilled rice, the first is still popular but it is foreseeable that the grain mill channel is getting so popular that it will eventually replace the role of the periodic market in collecting ilban rice. The periodic rice market still performs a significant role and its operation has important implications for farmers' bargaining position.

It is pointed out with the comparison of other rural areas with different sets of channels for ilban rice that the active periodic rice market serves as a safeguard of fair rice price for farmers against any collusion among rice collectors from outside, by providing up-dated rice price every five days, and by being the dominant alternative to other outside channels. As the Shindung area does not have a comparative advantage in rice, the amount of its produce is likely to remain at the present level, and thus the present periodic rice market must remain active. Although the grain mill channel is preferred by an increasing number of farmers because of its convenience, it must be known to them that its fairness in mediating rice collectors and farmers is maintained because of the active rice market.

The activeness of the periodic rice market changes not only as a result of farmers' preference for other rice channels, but as a result of change in the socio-economic status of the market area resulting from such external factors as competition with other market areas for sphere of influence, government market policies, and changes in population and the transportation network. The extent of commercial farming of the area also contributes to changes in the periodic rice market. The latter is viewed as an internal factor in this study.
because the change to commercial farming is observed to occur through periodic marketing itself in the Shindung area, which is another reason not to discourage the present periodic marketing as will be argued in chapter 7. When a majority of farmers comes to be engaged in commercial farming, the importance of the periodic market will decline as the changed mode of production necessitates different forms of marketing, and farmers at the point of development should be ready to deal with new forms of marketing.
Notes to chapter 6

1. Commercial farming is accomplished in Korea as far as barley is concerned. Frequently observed are farmers who sell their entire yield of unpolished barley to the government and purchase processed barley for their own consumption. However, it is a costly commercialization, as it is realized only through the double grain price policy of the government. Recently the government has decided to reduce the subsidy for barley to the point of discouraging barley cultivation (Joongang Ilbo June 28, 1984).

2. Tongil means unification, and ilban, private. The latter is named as such because it is circulated through non-government channel, while "government rice", or chōngbu-mi is circulated from farmers' consigning particular varieties of rice to the government, to be processed and packaged by the government. Many rice-varieties are called Tongil rice, and "government rice" is made of many more varieties. But "Tongil rice" is used as a general term for "government rice" by consumers and producers alike, and for non-traditional varieties by farmers.

3. Items included in urban consumer's price index are those for each of which more than 1/10,000 of average expenditure of a household in nine major cities in Korea is consumed. The number of items has been 349 since 1975. The 349 items are weighed according to the proportion in the average expenditure to make the total weight 1,000.
CHAPTER VII

PERIODIC MARKETING AS A MEANS OF COMMERCIALIZING FARMERS BY COLLECTING SECONDARY AGRICULTURAL PRODUCE

The previous three chapters have argued for the continuing importance of periodic markets in serving as a social center, supplying consumer goods, and collecting the primary agricultural product, rice, despite the operation of their functional alternatives. In addition to these manifest functions, an unacknowledged role of the periodic market has been found in the process of analyzing its functions. The market activities presented in this chapter, cattle transactions and sales of small garden produce, are not a recently introduced phenomenon, but have been practiced throughout the market's existence. When the implications of these activities are illuminated under the current circumstances of the rural economy and social structure, they are found to have a significant development potential in the semi-subsistence farming area. Cattle transaction and sales of garden produce are analyzed in this chapter in relation to the current economic arrangements, and barriers to commercial cropping in the study area. The findings have clear policy implications, which are added in the chapter's conclusions.
1. Barriers to Commercializing

In the Shindung area, a few farmers are recognized as commercial farmers who cultivate food crops only to the extent of feeding family members, and utilize all remaining resources for cash crops, especially vegetables and fruit. From their experiences, it was learned that most commercial crops have a three to five year cycle of balancing accounts, depending on the indispensability of the crop in the general diet, if the government does not intervene. That is, speculative investments by large-scale farmers, manipulation by middlemen, weather and insect problems may inflict losses on small cultivators, but a natural working of supply and demand for particular crops can bring a substantial income compensating for losses once in three to five years.

The government has controlled the price of agricultural produce strictly in times of supply shortage by importing, and has attempted to protect producers in times of oversupply by purchasing the surpluses. The former influences both large and small producers. However, the latter benefits only the large producers from specialized farming areas where agricultural cooperative channels for the crops are established. For small producers, finding an outlet and negotiating terms are done on an individual basis.

Even the established commercial farmers in the field area get pessimistic toward harvest time about getting fair treatment from their middlemen, compared to producers in specialized farming areas. For a twenty-three year old farmer who tried special crop farming for
the first time, just being able to sell the produce seemed to be all that mattered.

I am trying this demanding job just to show my father that we also can make it if we work real hard. It requires lots of reading hard books and advice from senior commercial farmers in cultivating the crop and finding its outlet. I wonder if I could ever manage even this far without having the experienced commercial farmers nearby [about 1.5 kilometers away]. It is so risky. Only if I succeed this time, my father would continue special cropping after I leave here to find a job in Seoul. Even if I succeed, finding a right market channel with a right price is a problem. I can't find any time to shop around during this cultivating period. I've talked about it with the established commercial farmers and just hope I can sell to those middlemen who visit Byokkye [where the commercial farmers live and their number is big enough to deal with outside middlemen collectively]. (Field Notes, June 28, 1982)

He continued that different crops would be tried next time even when he succeeded this year, because "several neighbors have shown interest, and I don't want to compete with my relatives [neighbors]. If the same crops are cultivated again, there will be a severe problem in marketing the produce [because of oversupply from the area]."

For small farmers, farming is not yet a business. Farming, especially grain farming which small farmers are used to, has only one turnover a year, except in the double cropping-area. With the current standard of living and with the current level of income from farming, one failure is fatal to the existence of a farm household in Korea. No guarantee or insurance is available in adopting an innovation. Thus, they would want to try those special crops which are said to have been lucrative in the previous harvests.
Specializing in particular cash crops on a continual basis has advantages in improving productivity, enhancing cultivating skills and stabilizing market conditions, since the supply can be predicted. However, small farmers select certain crops without proper knowledge of market conditions for the crops and of cultivating skills, with the intention of making ends meet by those crops in a year or two. Thus, they tend to choose crops which were in severe shortage in the previous year: that is, those crops for which the government would do its best not to replicate the previous year's supply problem, or for which skilled middlemen make arrangements with established cultivators based on better market knowledge. The seemingly speculative spirit and ignorance of specialized market knowledge of small farmers result not from their nature. It is an inevitable response of farmers who have just begun commercial farming on their small plots, in an environment where the government tries to keep the price of agricultural produce unrealistically low at the expense of the rural producer.

Rural producers not only confront spontaneous risks of investing capital but also have to be speculative about government responses to changes in supply. Small farmers have no opportunity to be informed about market conditions for special crops as the market is not available to them. Even vegetable peddlers at the Dankei market, who are also residents of Dankei, would not take small produce from local farmers. They usually go to a wholesale market at Jinju because of the variety and quantity of vegetables and continuity of supply at the
city market. Unless the local price is exceptionally low, the local peddlers prefer shopping expediency.

The risks involved in specializing in and marketing cash crops have made farmers cling to rice cultivation. The market conditions for rice are more stable, and even when the price is unfavorable rice can be consumed as staple food for family members and always can be sold in small lots at nearby markets. Rice, hemp and cotton cloth were the primary exchange media in Korea throughout its history. The mass production of cloth destroyed the value of hand-woven cloth as an exchange medium. Rice, not yet replaced by food-factory produced rice, still has considerable value as an exchange medium. As the monetization of economic transactions becomes widespread and perceived to be favorable to rural producers themselves, rice appears to be the surest item to "purchase money." On the other hand, other cash crops are frequently not guaranteed to retrieve even their production cost and can not feed family members. Cash crops also create storage problems.

An outstanding example of farmers' bitter experiences with over-commercialization and the consequences of adopting a short-sighted government-induced program for increasing rural income is sericulture. Sericulture involves two types of cocoon, one for silk and the other for reproduction. The typical flow of production in Korea begins with the distribution of silkworm "seed" cocoons twice a year by silk mills to those farmers who have mulberry fields and proper equipment to breed silkworms. The farmer then feeds mulberry leaves from his trees to the traces of silkworms until they grow to
the stage when they make a silk cocoon around themselves. Both cocoons and silkworm "seed" cocoons should be alive at the time of consignment, which is twice a year, but the silkworm "seed" cocoons are more susceptible to timeliness. To purchase silkworm "seed" cocoons from farmers, agents from silk mills visit each village on a strict time schedule during the period of harvesting cocoons for seed. Cocoons for silk or for "seed" cocoons are specialized separately by village and those villages for silkworm "seed" cocoons are located near main roads for prompt transportation.

The cocoons for silk are purchased under the supervision of the National Agricultural Inspection Office at township seats during a pre-arranged week. A cocoon purchasing team is sent from the county, where the lowest branch offices for the National Agricultural Inspection Office and the Sericultural Cooperatives reside, and stays at the township throughout the period. The team is made up of one government cocoon inspector, one officer from the Sericultural Cooperatives or the Agricultural cooperatives, and one to five silk-reel workers for clerical work, depending on the size of the purchase.

The cocoon yield per township is estimated on the basis of the amount of silk worm "seed" distribution, and the entire lot is purchased. Exceptions are large-scale cocoon producers who contract directly with silk mills without passing through the purchasing team. There was one such person in the Shindung area who seemed to be always out of town on business trips and carried rumors about significant connections to "government" for his success in sericulture. The
purchasing team was anxious to acquire his produce, but it was later found out that he went to a silk mill at a different county apparently because of better terms. Thus, while sericulture is widely practiced in the area, it is strictly a matter between the silk mills and silkworm breeding farmers. Periodic marketing has little to do with sericulture.

Silk-worm breeding has a long history in Korea, but it was encouraged on a massive scale about two decades ago in the southern part of the country, when Japan proposed importing as much Korean raw silk as could be produced, as partial restitution for normalizing diplomatic relations between the two countries. When most rural households finally got involved in sericulture with the promise and subsidy of the Korean government, Japan began to apply a quota system and reduced its importing share to the point of driving many farmers in Korea to bankruptcy. This did not make newspaper news at the time because of repression in Korea, but was observed frequently during the author's earlier field studies in 1975 and 1976.

Sericulture in the Shindung area went through the same history, according to the township magistrate and senior sericulturalists. The mulberry fields are concentrated in the northeastern part of the township where the terrain is neither too mountainous nor so level as to make cultivating other crops more economical. For example, Pyŏngji ri (the lowest administrative unit) was selected as a "special sericultural zone" in the early 60's, and 1,000 mulberry tree seedlings were distributed to each household in the ri without charge. It was not just the clogged outlet of raw silk but also
labor-intensiveness in the way cocoons were bred in Korea which contributed to the stagnation and small-scale of the sericulture in the area, according to farmers. That is, breeding silk worms requires intensive labor for a short period of time, while the chronic labor shortage during the farming season has been aggravated by rapid urbanization. In the field research area, farmers responded to this measure by curtailing the time spent on sericulture.

Government efforts have been made to rectify the situation. Domestic markets for raw silk have been expanded and government subsidy is proposed for transforming traditional methods of breeding silkworms to a modern method which requires less labor. As often is the case, the improvement of infrastructure and the subsidy benefitted large-scaled sericulturalists only. Smallholding farmers are not willing to venture because of their past experiences. A silk-reel worker on the purchasing team said that the Sericultural Cooperatives have closed their branch offices in several counties because of the rapidly decreasing number of sericultural farm households in respective counties. Kyŏnghyang newspaper (Kyŏn-Nam ed. June 5, 1982) reported a 64 per cent decrease in sericultural farm households in Ulju county in 1982 compared to the previous year. Farmers interviewed in the research area also responded that they operate only on a one or two box scale (one box brings about $400 a year). They continue,

just because it is what I have been doing, and better than doing nothing. If not for the mulberry tree, I would have stopped breeding silkworms a long time ago.
Even though I think about cultivating something else on the mulberry field, still I can't. The mulberry tree is terrible, it ruins the soil for several years to come. (Field Notes, November, 18 & 21)

Recommending sericulture to small farmers turned out to be shortsighted not only because of the inability to predict changes in market conditions, but also because of its consequence on aggravating the labor shortage during the farming season. After the silk mills purchase silk worm "seed" cocoons (actually cocoons for spawning), the cocoons are cut in half and female and male butterflies are put into contact by hand, for which rural people are employed. The spring purchase of cocoons for the research area in 1982 was between June 8 and June 14. The recruitment of rural workers for the spawning began from late May. Anyone reporting to a manager at the silk mill, which is 12 Km away from the township, was hired on the spot. The work must be done during a short period of time as the cocoons are living things, constantly maturing, and the nature of the job does not require sophisticated skills. No written contract is made as to terms and period of employment. The workers can take days off, but they do not fear being replaced, and work on a voluntary basis in order to be on good terms with the manager.

June is the time in southern Korea when barley is harvested, barley fields are plowed to convert to paddy fields, and rice-shoots are transplanted from seedbeds to paddy fields. That is, it is one of the two busiest periods in farming, the other being the harvest in fall. Female labor is crucial for the transplanting because of labor shortage during the peak season and also because male farmers are
reluctant to do the transplanting. They consider that plowing is manly work, harvesting is acceptable, but transplanting is work for women. Even when their own paddy field is being transplanted, they plow in another's field, even if they have to hire an extra person for the transplanting. The extra wage can be compensated for by the wage they get from plowing.

People working at the silk-reel mill are mostly women. As the time is the farming season, men are busy with farming, and they consider mill labor as female work. Working roughly for 9 hours for transplanting, a female worker receives $4.40 to $5 a day and three meals, and occasional snacks and drinks. Working at the silk-reel mill from 8 am to 5 pm, the wage is $3.25 a day without meals and it does not include 50 cents a day costs for commuting. Despite the lower wage, women in Dankei prefer working at the silk-reel mill to working in the field. Officers at the NACF township branch publicly express their discontent that those female workers ignore "their earthly mission of farming" and aggravate the labor shortage problem during the farming season.

Most of those female workers are from non-farm households in the township seat, who either work in their own stores or are housewives of non-farmers. They take one or two days off from the silk-reel mill when they are asked to be part-time workers for transplanting by close friends or relatives. They said they prefer the silk-reel mill work because it is more long-term, in a more modern setting (within a building with machines around), sanitary, involves a lighter workload, and is not tedious by the nature of the work of putting male and
female butterflies into contact, refrigerating male butterflies afterwards for revitalization, and putting them into contact again. By contrast, transplanting involves stooping over all day long under the scorching sun in a muddy field with blood-sucking leeches, and can not be continued day after day because of backaches.

Although working at the silk-reel mill is limited to females from the township seat nearest to the mill within the township, it has been definitely the major alternative for rural income in this area. Picking mulberry leaves is another alternative related to sericulture, and is again for females. It pays $3.25 per day without meals. The employers in this case are large-scale silk-worm breeders. The impact of such employment is negligible, as the number of large-scale sericulturalists is meager and the period of working is only three to four days at a time.

Besides attracting labor to silk mills with the convenient and decent nature of work, sericulture distracts farmers from the major cultivating during the annual cocoon purchase periods in spring and summer, both of which fall so close to transplanting and harvesting of staple grains. In response to farmers’ complaints about the labor-concentrated nature of silk-breeding, the township magistrate emphasizes lucratively and labor-saving nature of specialized silk-breeding which involves modern facilities. Hardly any farmers show interest in investing time and capital on sericulture anymore because of their previous experience of being cut off from marketing its produce. They recall the days when the mulberry tree was called the "money-making tree", and now regard it as a white elephant.
Although silk breeding is one form of commercial farming, sericulturalists are different in various ways from those who have recently emerged as commercial farmers. Successful commercial farmers in the Shindung area have at least high school education, have lived in urban areas for more than 15 years, and most of them belong to the upper-middle class within the area. In other words, they have had financial and educational resources, and experience in urban life, which are crucial in dealing with sophisticated middlemen. As sericulturalists were provided with a specially created marketing channel from the beginning, they did not need to deal with outside middlemen, did not have the chance to learn marketing conditions, and ended up being passively victimized by changes in the market that were beyond their control.

The new commercial farmers are also unique in that they are not really absorbed into rural life: they are isolated from others in the village. Neighbors rarely visit them, and they do not visit neighbors. It may be due to their busy schedule of cultivating commercial crops with new information, searching for better market channels and more lucrative crops, and keeping in touch with government officers and urban referents. They may have leadership in knowledge, but do not bother to interfere with other farmers' operations. Their frame of reference is urban. They mingle with extension officers, attend workshops frequently, subscribe to a newspaper and magazines, and rarely visit the periodic market, though they may use market days to meet people.
These commercial farmers have validated the flourishing diffusion of innovation theories; yet they are not rural villagers but deviants, strictly speaking. Although they originated in the area and now live there again—in other words, are indigenous change agents—they cannot be utilized as change agents for other local people because of their unique characteristics. They have an impact on local people to the extent of being consultants and exemplary cases, but villagers consider them as "outsiders" with whom a casual discussion about farming is not easy.

2. Cattle Transactions

1) Cattle raising and marketing

Farmers in the area consider full-scale growing of commercial crops as something to be attempted only by those who are highly educated, who have a close connection to the agricultural cooperatives or township officers for financial and technical assistance, and who have urban experiences. Yet except for elderly people, all the farmers interviewed believe that they have to find income sources other than staple grain farming even for the basic level of subsistence and supporting their children, if they want to manage without debt. "Cultivating grain alone, one cannot make ends meet," is the most often heard remark from villagers and public officers alike. Most of them consider cattle raising as the alternative.

A farmer who recently started cattle raising made the following remark, which seems to be a representative opinion of small farmers in the study area.
Three of my children study in Jinju. As they grow education expenses become enormous and cattle raising seemed to be the only viable way of raising income at my age (38) and in this area. It was too late to learn all the chemicals and I was too much of a country fellow to find a proper channel for marketing the produce of special crops, even if I succeeded in cultivating them. There's one commercial farmer in this village who recently moved in from another province. He was successful in that province, so he said he wanted to try here where the altitude is high and soil is not so fertile. Didn't you see the all torn-down vinyl house? It's his cucumber seedbed. Even those who are supposed to have a green thumb go bankrupt. There's nothing we can do here except cattle raising. (Field Notes, November 17, 1982)

Livestock in Korea consists of draft cattle, pigs and chicken. Raising animals has always accompanied farming in Korea although it has been subsidiary. Beef cattle were first introduced only after 1955. Dairy cattle were introduced after 1920 but spread widely only after 1962 with the opening of a dairy processing company (Park 1977: 176). Both beef and dairy cattle tend to have been raised by specialized breeders, but beef cattle are recently distributed widely to small farmers due to the government encouragement. The proportion of farm households which raise one to two head of cattle is 93.9% in the case of Korean draft cattle and 73.7 per cent for beef cattle, while it is 22.2 per cent for dairy cattle (MOAF: 1980).

As of 1981, 37 per cent of Korea's pigs and 92 per cent of the chickens are raised by specialized or industrialized stock-breeders who raise more than a hundred head of pigs or 1,000 chickens (Nam 1982: 201). Chickens, the only fowl Koreans eat, are rarely marketed as livestock, but chicks are sold by large chicken-breeders, then
raised and consumed in farm households. Many farmers raise pigs as they are easy to breed and productive: pigs farrow twice a year and each time usually produce eight to ten piglets. Still, pig-breeding is not so popular among small farmers because of its price-sensitivity. High productivity and price manipulation by specialized breeders, together with unreliable government statistics on livestock, contribute to the extreme susceptibility of pig-breeding to market prices. While the supply of pigs is great, the demand for pork is low in Korea probably because of the prohibition on pork diets in folk medicine and in Chinese medicine. The price of pork is around one-third that of Korean beef.

Draft cattle have traditionally been utilized as an adjunct to farm labor, and thus are raised in almost all farm households. Korean draft cattle is also preferred to imported beef cattle for beef, as it is considered to be tastier. The value of draft cattle as a labor substitute and for its meat, along with the recent increase of meat demand, have increased the cattle price: a six month-old calf is priced between $875 and $1,125. This is a significant amount of income considering that the national average annual income per farm household was $5,793.30 as of 1981 (MOCI 1982: 162).

The marketing channels of cattle look fairly simple, as shown in Figure 6. Cattle consigned by small farmer-producers are sold to collectors through cattle brokers who are temporary employees of the livestock cooperatives. The collectors ship old cattle for auction and slaughter to a central wholesale market, and calves and young cattle to another cattle market for sale to other small farmers.
Livestock cooperatives purchase old cattle from villages where cattle breeding and consignment are done in quantity, and sell them on the wholesale market. Small farmers who want to raise cattle buy one either from the cattle market or from the livestock cooperatives. The latter are used mainly by members of the cooperative who have already invested in the cooperatives, hence are eligible for subsidies.

![Diagram of marketing channels for cattle]

Figure 6
Marketing Channels for Cattle

However, the actual working of the livestock market is complex as cattle sales at the rural livestock markets involve many personnel and steps, and are not confined to collecting cattle for meat. Small farmers visit the cattle market not only to sell or purchase calves or cattle but also to replace their cattle with other cattle for profit. This sort of profit-making transfer is also sometimes performed illegally by professional cattle brokers.

Cattle markets can be classified as standard, intermediate, and central markets depending on the number of cattle consigned and sold per market day, and the location. The standard cattle market mainly serves the function of supplying cattle for raising and labor, and collecting calves and old cattle. Both vertical and horizontal
transactions are carried out. In general, rural cattle markets specialize in draft cattle. The intermediate market is usually located in a more populous area where more cattle can be collected from the area, and where cattle collected from remote areas stop for both vertical and horizontal transactions. However, the collectors at the intermediate market are from the central market. The central market is directly connected to the meat consumer market, and is thus located in an urban place. Most cattle collected at the central market are for meat. This study is concerned with the standard cattle market and especially its horizontal transactions, including transactions between local farmers, and those which involve local farmers and cattle dealers or middlemen.

Currently in Korea, there are 547 livestock markets under the supervision of 49 agricultural cooperatives and 88 livestock cooperatives (Kim 1977: 317). According to Kim's census and classification, 90 per cent of the cattle markets in Korea belong to the category of the standard market and only 1.2 per cent of them are central livestock markets which open every day. Kyŏngnam, where this study was set, shows slightly less active cattle transactions judging from Kim's estimate (1977: 322-325): 78 head of cattle are transacted per market day while the national average is 83. On the other hand, 41.1% (218) of the 533 active livestock markets are concentrated in Kyŏngpuk and Kyŏngnam, which implies a higher proportion of standard cattle markets in these areas.

2) Operation of the cattle market

The cattle marketplace is required to be equipped with an office
structure, drainage, water supply, and a structure to contain livestock. The structure is usually poles only or poles and iron bars linking the poles. People at the cattle market are brokers, sellers, buyers and bystanders. Among the sellers, buyers and bystanders are full-time farmers who sell and buy, and cattle dealers who are part-time farmers.

The cattle transaction has traditionally been made through a cattle broker's mediation. Recently practiced are auctions at central wholesale markets. Kim (1977: 344) and an officer at the Sanchong livestock cooperatives report that the auction method has been adopted at some intermediate cattle markets. The officer also related that the mediating method frequently works to the advantage of cattle brokers or cattle dealers under the present size of the cattle market because intersubjectivity across different cattle brokers and across different market days cannot be compared, given the small number of transactions. "At least 50 transactions should be made on each market day for the comparison." On the other hand, the auction method requires costly facilities and training of auctioneers, which makes its adoption at standard cattle markets impractical.

A farmer brings cattle to the marketplace for sale, ties the cattle to the bar or pole, and approaches a cattle broker of his choice to let him know that the animal is for sale. Depending on his knowledge about market conditions, the farmer may be able to negotiate with the broker, however roughly, about its prospective price. Otherwise, the grading and quoting of a price is completely under the control of the cattle broker. Another farmer who wants to purchase
cattle either shops around the cattle marketplace to find the one he prefers or approaches a cattle broker of his choice, and tells the broker the type he wants and the amount of money he can afford to pay. In the former case, the buyer negotiates with the cattle broker who is in charge of the particular cattle he has chosen after inspection and comparison. In the latter case, the buyer inspects and compares different cattle the broker shows him while negotiating a price at the same time. In either case, the buyer usually does not show any strong preference for a particular animal, as it may put him in a weaker bargaining position.

The price of cattle is supposed to be determined by weight but cattle brokers and villagers of the study area list much more complicated and delicate standards, mostly about appearance and health. One cattle broker mentioned 15 criteria, among which are straight horns, straight backbone, smoothly rounded rib cage, big stomach, lustrous and whitish fur, and the like. When questioned about the reasons for the emphasis, farmers replied that "when you take a daughter-in-law, would you prefer a bad-looking or unhealthy girl? Whether she is heavy or not doesn't matter very much as long as she is good-looking and healthy, right?" Regarding cattle as members of the family can be witnessed from the ways farmers take care of them, and also a countless literary descriptions of rural life.

A scale is used only when a price negotiation is stalemated, but both seller and buyer show interest in further bargaining. Its use is rarely observed. One party might suggest paying or receiving a certain amount, such as "you insist on receiving $1,500 for the
cattle. I'd pay that amount if it weighs more than 300 kilogram. By that point the person is assured that the cattle is worth the amount if it is heavier than 300 kilogram. The other person may or may not take up the offer, depending on his willingness to sell it below the price if the cattle weighs less, and on his certainty of the cattle's weight. When both parties agree, each puts up a deposit, usually 100,000 won ($125). If the cattle weighs more than 300 kg, the deposit becomes a part of the payment; if less, a discount the size of the deposit is made from the price. Cash is paid as soon as an agreement is reached on the terms of a deal.

Whether or not a farmer sells his cattle, he has to pay the entrance fee whenever he brings in cattle to the marketplace. The entrance fee is used for maintaining facilities and cleaning the place. The seller pays the entrance fee to the cattle marketplace, and the buyer pays the fee for mediating a transaction with the cattle broker. The commission for mediating a cattle transaction is graded by weight of the cattle: 2,500 won for cattle weighing up to 230 kilograms; 4,500 won for cattle weighing from 231kg up to 350kg; and 6,000 won for cattle heavier than 350kg. Brokers keep 20% of the commission and 80% goes to the livestock cooperatives. The money is used to encourage and subsidize stock raising.

The cattle brokers are usually local residents of the area where the cattle market they attend is held. Like rice-brokers, cattle brokers have business in only one "hometown" cattle market. One becomes a cattle broker by registering at the county cooperative.
However, most cattle brokers in Sanchong county have 20 to 30 years of experience. A replacement is made only when one quits or dies.

Twenty-three cattle brokers are registered in Sanchong county, serving in seven cattle markets in the county. Each transaction is accompanied by an official document specifying seller, buyer, characteristics of the cattle and the final price. However, it is possible for a broker not to issue the form, thus taking all the commission for himself. The brokers are not allowed to be involved in selling their own cattle because it is the brokers who grade, measure and offer the price. Still it is practiced to the knowledge of the cooperative officers. Actually it is through dealing their own cattle that brokers make most of their money.

The Dankei cattle market usually has 50 head of cattle per market day, and up to 40 head of cattle are transacted in a day. There are six or seven regular brokers. Assuming average weights for all cattle bought and sold, the maximum monthly income for each broker can be computed:

\[
\text{commission per head} \times \text{head of cattle per market day} \times \text{brokers' share per market day} \times \text{market days per market} \times \text{number of brokers per month} = 36,000\text{W}
\]

Although the brokers work only at one marketplace, they have to make trips to neighboring cattle markets on non-market days in order to be tuned in to the current price, which takes a lot of their time away from any productive work. For this reason, the county cooperative office takes a nonchalant attitude toward the brokers'
active involvement in dealing their own cattle, says an officer at the cooperative. It is occasionally reported that a broker demanded more than the standard commission from buyers, and did not return 80% of the commission to the cooperatives. The cooperative plans to improve the situation merely by reducing the number of cattle brokers, which should increase the net income per cattle broker.

3) Starting cattle raising and becoming a cattle dealer

This section focuses on farmers who begin to raise and deal cattle for extra income, excluding natural breeders who produce and sell one calf a year. As cattle-raising has been subsidiary to farming, and marketing cattle is only a once-a-year matter for natural cattle raisers, who still comprise the majority of farmers, the market price of cattle is not so well-known to farmers or standardized across different markets as is the price of rice. The lack of objectivity among cattle brokers was noted earlier in quoting prices. This can be sustained because of farmers' infrequent visits to the cattle market. Only five years ago in the field area a few farmers realized that being knowledgeable in the cattle market price itself can bring in additional income as the brokers cannot cheat those who are tuned into the market price.

A farmer explains how he started cattle raising:

Cattle have always been the farmer's companions. I don't spend that much time with cattle as I used to because I own a rototiller. But I've always had an interest in raising livestock as a pastime. Then I realized that cattle raising is the only income source other than rice in this remote and mountainous area. So, I began raising cattle. It was hard to make a large sum of money at the beginning. I sold my entire
year's rice produce at one time, and borrowed money from the agricultural cooperatives [the NACF township office] and friends. (Field Notes, November 18, 1982)

Becoming a cattle dealer was next. While raising several cattle, he frequently went to the cattle market waiting for the price to go up. Then he found out that being knowledgeable about the market price produces a more steady and continuous income than waiting for a better price. Since then he visits at least two to three different cattle markets around the area as each market has a different price range.

Also, I have come to have an eye for healthy and prospective cattle which may look haggard at the time. I buy those cattle with the money from selling one of my best cattle, breed it for a while and so on. With more than two years' experience I am almost professional.

It is illegal for cattle dealers to buy directly from farmers outside of the cattle marketplace, as the sale is not reported for tax purposes.

I visit far remote villages to buy cattle and calves. Either selling them directly at the cattle market or selling after raising a while makes money. I know it's illegal, but it benefits both farmers in the remote villages and cattle dealers. Farmers cannot easily come to the cattle market from there because of the long distance to the market. (Field Notes, November 18, 1982)

The farmers in the remote villages are mainly natural breeders who sell mostly calves. The interviewed cattle dealer argues that his visits work to the advantage of both the cattle dealers and farmers. When asked about the possible monopoly and manipulation of price by cattle dealers, he argues:
it depends on the farmer's luck. As I said, cattle have no standard price. One dealer may quote one price, and the other may quote another. If the dealer knows a cattle market where the price is stronger, the farmer may be able to get more than he would at this cattle market. (Field Notes, November 18, 1982)

Even when farmers want to sell calves only, they have to bring the calves and cattle together to the marketplace because young calves will not move without their mothers.

Especially for those in remote villages, just imagine walking back and forth at least 20 kilometers each way to the marketplace with cow and calf. Also the animal may get sick on the way. So, we visit the remote villages with rented trucks. There's no guarantee the farmer would find a negotiable price at the market on the day he visits. Then he takes them back and has to bring them again on the next market day, or has to sell at a lower price than it is worth. Cattle brokers, all residents of this area, know who are from remote villages, thus wait until closing to make those farmers willing to sell at a lower price. So it's not that bad to sell to cattle dealers who visit their villages. (Field Notes, November 18, 1982)

Hearing of the unstable market prices and the likelihood of being ill-treated by cattle brokers, even farmers without cattle or who breed cattle only in their spare time come to visit the cattle market frequently to learn how cattle brokers and cattler dealers grade and quote prices, and to follow the fluctuation of cattle price. Thus, they would rather go to the periodic markets that also have cattle markets, which is why the periodic markets with cattle markets remain active.

On rare occasions one finds farmers who just enjoy being in the festive atmosphere at the cattle marketplace, or who criticize
participants of the cattle market as such. The former are usually elderly people who come to the marketplace anyway for fun and enjoy market days as "country bumpkins' birthdays." The latter are mostly those who have income sources other than farming and cattle raising. A high official at the township office also shows a negative attitude toward the cattle market. "The county livestock cooperative should collect cattle directly from farmers. It would bring more income to farmers because no cattle brokers or dealers would be involved."

(Field Notes, January 10, 1983)

Cattle dealers and cattle brokers are different. Both of them are farmers and cattle raisers at the same time, but the cattle dealers are those who specialize in raising cattle. Raising cattle makes the producer feel the need for market information. The need is greater than for cultivating rice because of the unstable and inconsistent cattle prices across the cattle markets. The next step is utilizing the knowledge of market conditions by becoming a cattle dealer. However, they have to go through cattle brokers for selling and buying cattle at the cattle marketplace.

An officer at the county livestock cooperative estimates the number of cattle dealers as half of the market participants of the cattle market. "There's no legal limit to discourage their business as long as they transact cattle through cattle brokers. They actually help to stabilize and standardize market prices of cattle." He agrees with the township officer's suggestion that the livestock cooperative should provide a direct purchasing channel for farmers, but considers it impossible for the time being until specialization of cattle
raising is achieved. "Consigning several cattle from a village at a time is needed for the cooperative to afford the truck rental for cattle pick-ups." (Field Notes, March 8, 1983)

Aside from cultivating rice, cattle breeding is the most common farm activity in the field area. Table 3 of chapter four shows 89 head of cattle per 100 farm households in the field area. The Shindung area does not have special crops, and engaging in commercialized farming is discouraged because of poor agricultural infrastructures, such as irrigation, marketing information and marketing channels for its sale. Improving the production base for increasing rice productivity cannot be realized because of the lack of required resources. Under the circumstances, farmers' desire to increase income for maximizing family welfare is not likely to be realized.

Cattle breeding specifically aimed at marketing the livestock, has been gaining popularity recently in the area, with the increasing cattle price due to increasing meat demand, the government emphasis, and with farmers' awareness of the lack of alternative opportunities for increasing income. Unlike other productivity-inducing programs recommended by the government, cattle breeding is voluntarily adopted by farmers because they do not need to worry about marketing their produce as the cattle market is available on the spot, because marketing cattle does not involve sophisticated procedures or one-sided negotiations as in marketing other produce to outside middlemen, and breeding cattle does not involve additional capital investment. All that is required to make the transformation from a
traditional cattle-raiser to a commercial cattle-raiser is to acquire marketing knowledge and to be tuned into the price fluctuation of the cattle market. With this information, farmers can transfer the animal they have been traditionally raising to another animal with profit. This time they must be equipped also with better knowledge on proper care and diet for cattle in order to enhance its marketability. When the new animal is mature enough for marketing, it can be transferred to another one with profit again. As this procedure is repeated, eventually enough profit accumulates to purchase additional cattle.

The voluntary participation by farmers in cattle raising is possible because of the local cattle market, as it is the local institution which has served as an outlet of animal husbandry produce, in which participants are all fellow farmers among whom relating to one another is easy and possible on an equal basis, and, still, which operate on the basis of principles of the market economy. Thus, the periodic cattle market provides an opportunity for farmers to be incorporated to the market principles which eventually lead them to commercialize farming.

3. Consigning Small Garden Surplus

Although the scale, popularity and implications are less significant than in the case of cattle breeding, another potential of periodic marketing for bringing farmers into market principles stems from its role as an outlet of small garden surplus. Farming in the area is diversified, as agriculture has been oriented mainly to subsistence. An average farm household in the Shindung area
cultivates rice and barley in its paddy field, raises cattle and at least a couple of pigs and chickens, and cultivates five to six different fruit and vegetables on its upland. These are usually persimmons, chestnuts, peppers, potatoes, green onions, onions, Chinese cabbage, garlic, red beans, sesame, and the like. Virtually all the farmers in the area are engaged in garden farming although the scale varies and is mostly very small, being oriented primarily for family consumption. Any surplus of garden produce after immediate family needs has traditionally been shared with neighbors. It is only when the surplus exceeds the amount to be shared out that small farmers begin to think about selling or barter.

Thus, the garden farmers producing at a commercial level or in the process of transforming are different from the commercial farmers discussed earlier who planted commercial crops deliberately in order to increase farm incomes. These are ordinary farmers who have been engaged spontaneously in small scale garden farming and begin to consider marketing their produce only when they have enough surplus for sale.

Small garden farmers with a surplus begin to visit acquaintances outside their own villages when they are not well-informed with marketing knowledge (or commercial-minded) enough to sell at the marketplace. These producers do not sell their produce within their own village partly because similar crops are cultivated in the same area, and partly because it is socially isolating to sell the surplus instead of sharing it. It is only after they are established as part-time farmer-peddlers outside their own village that they can even
think about selling their produce within their villages.

The following anecdote shows evidence of a norm prevailing among small-scale producers regarding commercial activities within their village.

A farmer was interviewed while he and his family members were bundling onions and carrying the bundles to a nearby path for middlemen to pick up on the following day. He is well-established as a "commercial farmer" even to neighboring villages. As neighbors came by and greeted him, he asked for help to carry the bundles. Neighbors commented playfully, "so, no help, and no free onion. Is it what you're saying?"

When asked about hiring neighbor help, the farmer said, "this job doesn't need one full day's worth of hired labor. My family can manage by ourselves since the field is small. When neighbors pass by, I would call for their help. Sometimes it is only a way of greeting. I share onions with neighbors whether they've helped or not. They do the same thing to me [sharing what they have harvested]. It is not anything like I or they have to share, but I would be puzzled if I get nothing from someone when I was expecting something [because of reciprocity, family ties or closeness]. Sharing onions is not a big thing [no monetary loss is involved] to me because I can not sell onions of a tiny size, big size, or strange shape [because of their low commercial value], and this kind is left for family use anyway.

Some have come to my house asking for onion to buy. I don't know whether they really meant it or not. Anyway I didn't sell them, but gave some free. (Field Notes, June 16, 1982)

Despite the prevailing norm pertaining to subsistence relations of production, villagers have managed to commercialize their produce. The onion producer is one example of those who broke the normative boundary and established themselves as commercial farmers. Producers of dried red peppers and garlic belong to this category too. Still, they are different from those commercial farmers explained earlier.
That is, they used to cultivate garden produce for family consumption and it was an unexpected good yield which made them consider marketing it. It is periodic marketing through which they have transformed to orient their production for marketing, expanding their production bases gradually with small profits.

The township seat area is a favorite place for peddling small produce as more people depend on purchasing groceries than on cultivating. These peddlers, usually farm housewives, carry their surplus to the township seat area and drop by their regular suppliers of manufactured goods and acquaintances, or are called in by those interested in their produce. Throughout all the incidents I happened to observe, the farmwives looked timid and hesitant. They appeared to be uncomfortable with the itinerant vending of their own produce. A farmwife once remarked that she rarely goes to the rice market to sell rice or barter rice for other goods.

I feel like pricing myself highly whenever I want an exact measuring. Just looking at polished rice, I tend to forget how much sweat and blood I have put in to get it, and feel like it's free. So whenever an extra is asked at the time of bartering, it's hard to refuse. The peddlers seem to know this and even try to manipulate me with it. (Field Notes, December 2, 1982)

It is, however, a different story when the producers visit their regular vendors who operate stalls at the marketplace or stores at the township seat. The small farmers are customers of these people who purchase regularly from their store instead of from others. In order to keep the customers, the storekeepers and vendors have to compensate by buying produce the rural housewives have brought. On rare
occasions, this type of transaction results in barter. In general barter is avoided by rural producers. It is recognized as unfavorable to them because they do not have proper measuring devices and it is hard to be exact in measuring whether or not some extra is asked by the buyers. Barter is likely when rural producers have obtained credit from stallholders or store operators. By supplying agricultural produce, they can have the corresponding monetary value credited to the total amount of their debt. When small farmers need cash they ask for a cash transaction or go to someone else to whom they are not debtors.

More courageous garden producers, and those who become so through peddling, use the marketplace to sell their own produce. A regular vegetable vendor at the marketplace was interviewed during a slack time of a market day. She grumbled that she could not sell potatoes on that day because a farmwife had sold her potato produce very cheaply during the morning. Both of them live in the township seat area and are part-time farmers. The vendor complained that the farmwife violated the market order by reducing the price to an unrealistic level for vendors. I was able to talk to the housewife later in a relaxed setting since she was a close friend of my landlady. She was not even aware of the complaints by the vendor and other vegetable sellers. She was just happy that she could sell so much so fast.

How could I sit down along with other vendors and engage in trade? You know I have no experience. So I dumped my potatoes just along the wall of my house [her
house fence borders the marketplace and right in front of the house are vegetable sellers] and waited inside. People came by and said 'good potatoes,' then I asked whether they wanted to buy. Would you believe I sold them all like that!" Later she distributed a small sum of her potatoes to her friends saying "It is not so much this year. I had much more this year than last year. It was too good and too much for just consuming like this, so I sold some. Next year I'll give you some more." (Field Notes, June 14, 1984)

My landlady predicted that the farmwife would make a temporary structure in front of her house for the following potato harvest. "Anyway, her potatoes have been well-known for their taste among her friends." The farmwife sold her potatoes hesitantly and actually not making any profit. She regarded the cash she got from the potatoes as extra money and profit, but did not count her production cost at all. Still she feels awkward before her neighbors for the fact that she had sold her own produce instead of sharing it as she had done in the past. If the farmwife becomes a part-time farmer and vendor of her potatoes, regular sellers at the market would drop potatoes from their shopping lists for purchasing vegetables from the Jinju wholesale market.

The farmwife in the example above could sell her potatoes easily because her house happens to be right at the marketplace. Another farmwife who brought a few basketfuls of perishable greens was observed on another market day. She was overactive but tried to look casual in greeting her friends and neighbors, who looked surprised to see her vending on the marketplace with her own produce: "I harvested this yesterday. It looked too fresh and tasty to store, and was too much for my family to eat alone." She brought her children along with
her apparently not for assistance as the lot was small. She seemed to need companions in order to pretend that she was not so eagerly committed to vending, by talking or scolding her children while no interested customers were around.

Some of the garden farmers are already at a sufficiently commercial level to regularly market their produce either at the Dankei market, at the Jinju market, or to collectors. Their typical motivations for beginning small-scale commercial cropping are either that they inherited upland suitable for particular vegetables or fruit and have merely continued what their ancestors cultivated, or that they began to expand the subsistence level of cultivation by selling their surplus at the Dankei market. Still they are not recognized as "commercial farmers" among farmers in the area, probably because their mode of production is not so much profit-oriented or deviant from other rural people as the acknowledged "commercial farmers". They are distinctively different from the recognized commercial farmers in socio-economic characteristics: their frame of reference is the rural village, their education and financial resources are at an average level, they have spent their life primarily in the area, they hardly adopt new ways of cultivating, once they reach a marketing level they continue on that same level, and any change in production modes is gradual and slow.

Nonetheless, the functioning of periodic markets as an outlet of small garden surplus contributes to shifting garden farmers from subsistence to a commercial level which results in increasing
household income, and at least sustains the present production level of garden produce.

4. Policy Considerations

The interests of the state government in rural and agricultural development lie in a stable supply of agricultural produce for urban consumers, and in expanding the domestic market through increased purchasing power of rural people. Farming in Korea has traditionally been oriented to cultivating staple grains and garden produce at a subsistence level, unlike other Asian countries in the tropical or sub-tropical climate zone where export-oriented tropical cropping or double cropping have been practiced. Reviewing the process of agricultural development in Korea, M. Kim (1980) and Yu (1979) argue that capitalist or industrial farming cannot be the goal of Korean agriculture because of the high proportion of farm population on a limited acreage of farm land which results in the marginalization of land ownership.

Planners and scholars have agreed that a substantial increase of rural income can be achieved in Korea through utilizing opportunities other than cultivating staple grains. These opportunities vary by geographic location. In the field area, where natural endowments are poor and the area as a whole is not strategically important for policy considerations, the available opportunities are limited. This study has presented an argument in chapter 1 that commercialization of farming is the most practical way of increasing the productivity level and purchasing power of rural people.
Generally speaking, barriers to commercializing farming can be attributed to 1) farmers' unwillingness to change, 2) inadequate means of production, and 3) inadequate relations of production to sustain commercial farming. The psychological explanation is disputed as untenable throughout this study, especially in this chapter. This chapter and chapter one have discussed structural constraints in changing the current means of production from various perspectives. In the study area, the real barriers are observed to lie in inadequate relations of production. This is related primarily to unstable market conditions, improper provision of marketing channels for increased surpluses and new products, and prevalent norms belonging to subsistence-oriented farming.

The present study of the local periodic market has revealed the potential of commercializing farmers through the periodic cattle market. In the study area where special cropping is prevented because of limited marketing opportunities for such produce, cattle raising is the most viable alternative for commercializing farmers. However, the government policy is to close the periodic cattle market at the township level and retain only a couple of them in each county.

Under the present system of cattle breeding, when the cattle market is closed cattle collectors from urban areas are likely to travel through each village, as the cooperative cannot afford to visit scattered villages. These cattle collectors are like collectors of unmilled rice in the consequences of their business on the rural farmers' bargaining positions, as discussed in detail in chapter six. As long as the farmers are tuned into the cattle market price, the
location of cattle sales does not matter. However, it is unlikely
that farmers would be provided with current market information if the
local cattle markets are closed. As has been shown, the market price
of cattle is far less stable than that of rice, so the potential for
exploitation is much greater.

My hometown in Kyŏnggi province, which I described in the
preface, was visited during the field study in order to project the
future of rural townships without the periodic cattle market.
Livestock, mostly pig, raisers of the township consign their stock to
collectors. They have no idea whether they are getting a fair price
or not, even though the area is located only 50 minutes away from
Seoul by bus and newspapers carry livestock prices. The prices they
get are lower than the newspaper price. Still, they just hope that
the difference is minimal.

The newspaper price is the wholesale price at the Seoul
central market and the collectors may consign what they
buy here to somewhere else, not directly to the central
market. Also, the price of livestock depends not only
on its weight [the newspaper price is by weight].
Certain pigs are tastier than others. The criteria are
all subjective. So who knows? Anyway, it is
convenient that I don't have to go to the livestock
market with the filthy animal, (Field Notes, October
14, 1982)

said an upper-middle class farmer of the area. This farmer's area
does not have as many cattle as in field area. A farmer replied that
"we don't need cattle anymore because of rototillers. People raised
cattle for a while but quit because the cattle market is too far from
here." (Field Notes, February 13, 1983)
If a particular area has opportunities for extra farm income other than cattle raising and dealing, closing the cattle market may not have a great impact. The field area, a rural area with semi-subsistence farming typical of Korea, cannot afford to lose the cattle market, as cattle raising has been shown to be the only viable way of gaining substantial extra farm income. If the cattle market were kept open until most farmers in the area participate in commercial cattle raising, then the cooperative channel could be utilized efficiently. Even if that channel did not develop, farmers would have stronger bargaining power with a greater number of fellow farmers in cattle raising and with a better knowledge of the workings of the cattle market. In the mean time, the farmers in the field area who are beginning to realize the prospects of cattle breeding and who are knowledgeable about market prices need to be provided with the current cattle market.

A further concern of the farmers is the potential of a government decision for a sudden and massive import of cattle or meat when they are well on the track of raising cattle. There have been so many instances in Korea where farmers are encouraged or forced to specialize in certain crops or raise certain livestock. It has been done with the catch phrase: "all for the farmers" increased income and well-being." Urban-oriented officers in the township and NACF offices have blamed farmers for not following recommendations, and have had a hard time understanding the stubborn village people who would not do the things which are supposed to bring them benefits. First of all, the recommended course usually required additional investment in money
and time which farmers do not have. Second, farmers have accumulated experience in being betrayed by government policies which only encourage production but neglect to provide appropriate market outlets. Furthermore, the government may decide to import the same crop or meat whenever a bad harvest is expected, sometimes even based on inaccurate forecasts. One farmer even questioned whether the current encouragement of livestock breeding by the government is aimed at the 1988 Olympics. That is, whether the picturesque presence of the grazing animals here and there is aimed at tourists, and whether the government would then decide to import cattle and meat after the Olympics.

Small garden farmers who have produced enough surpluses for sale also begin to be concerned with marketing channels. Without the periodic market they would have to become door-to-door peddlers because their produce is too small to submit to cooperative channels. However, becoming door-to-door peddlers is discouraged because of the rural custom of sharing surpluses with neighbors and relatives. The periodic market provides an outlet for these small garden producers to sell their surpluses. Earlier, this chapter has demonstrated how a small garden farmer comes to be involved in marketing her small surplus and, thus, commercializes farming of the produce.

Periodic markets allow farmers to play roles as producers and as consumers. Chapter 5 has described the role of the periodic market as a supplier of consumer goods and its continuing importance despite the presence of functional equivalents in the study area. Unlike ordinary markets, the periodic market has the role of collecting rice, as
described in chapter 6, and it has advantages over other rice outlets to farmers mainly in their bargaining position and their awareness of rice market conditions. Furthermore, the cattle market is found to encourage farmers to be incorporated into market principles which would eventually work as an incentive to commercialize farmers.

This study has demonstrated the importance of the periodic market with a cattle market in a resource-poor and semi-subsistence farming area. As it has focused on a case study of a particular area, further research is needed to validate findings of this study in other market areas without special cropping opportunities. The findings of this study have rendered the following hypotheses which can be tested quantitatively.

1) A periodic market with a cattle market tends to have an active rice market, as compared to a periodic market without a cattle market.

2) Rice producers in a periodic market area with an active periodic rice market tend to have a stronger bargaining position compared to those in an area without a periodic rice market, or without an active periodic rice market.

3) The periodic market with a cattle market tends to play a significant role as a supplier of consumer goods, compared to a periodic market without a cattle market.

4) A periodic market with a cattle market in a semi-subsistence farming area contributes to incorporating farmers into the market economy as producers through cattle raising and dealing, as compared to an area without a cattle market.
A related issue discussed by Hyden (1980: 232) is whether to approach farmers as producers or as consumers in incorporating them into the market economy. Hyden argues that attracting farmers to purchase consumer goods is a more viable method of increasing productivity levels, for purchasing consumer goods requires increased income, and, thus, increased agricultural production. Observations in the study area showed that this is true only for farmers who are already commercially oriented. Commercialized farmers would use farm subsidies for purchasing one more head of cattle, but other subsistence-oriented farmers seemed to use it directly for a better subsistence.

Whether intended or not by the government, widely diffused mass media have contributed to increasing the consumption level of farmers. However, the increased consumption needs are not translated to increased productivity, but rather farm subsidies are spent on purchasing consumer goods and upgrading reproduction of the next generation through education. Farmers noted in the study area that "it's everybody's secret that the farm subsidy is not meant for increased farming input but for comforting farmers. There's no doubt that even the government knows, although it always takes the urban people's side, that we barely manage to live with farming."

As shown in chapter 3, the government structures related to periodic market administration are organized and operate under the assumption that periodic markets are just one variety of market form. The study has also pointed out the negative attitude of planners and
scholars toward periodic marketing, and their presumption of the insignificant role of periodic markets in rural economy and society.

Based on the findings of this study, government planners should reassess the importance of the rice and cattle markets within each periodic market before abolishing periodic markets or providing market alternatives to discourage those periodic markets with active rice and cattle markets. The government policy should be oriented even to encouraging such periodic markets during the present stage of rural development. In general, what is needed in the future government rural policy is stabilization of agricultural markets, and development and support of strategically practical and relevant farming priorities for each rural area, instead of standardized development priorities throughout rural areas. The market area, as the spontaneous social and economic unit in the rural area, is the appropriate unit of concern. The periodic market, as the economic and social center of the market area, should be utilized as a positive, indigenous medium for rural development through the gradual commercialization of small-scale agriculture.
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