

## A Study on the Status Analysis of Rural Community Business

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### ABSTRACT

In this study, the status of rural community businesses was investigated to comprehensively analyze the rural community businesses and provide policy data for vitalizing community businesses, such as supporting excellent businesses. In addition, this study made an attempt to predict the direction of rural community businesses and improve the future development and quality of life for local residents by analyzing the past and present status of rural community businesses. The results of this study showed that, first, the income business type of the subcategories of rural economy is the highest, accounting for 73.87% of all rural community businesses. Second, as a result of analyzing business targets, companies targeting the general public showed the highest ratio of 90.23% of the total. In addition, the most common business objective among the farming and fishing community companies was to generate income, activate farms, and create jobs, accounting for 50.45% or a little more than half of the total. The most active business area of the rural community businesses was the food and specialty products sales business, and production and sales business was the highest business type by content, accounting for 51.35% of the 19 business types by content. Third, the most common organization type was corporation. Among the four types of corporation, union, private organization, and other organization, the corporation type accounted for 94.95% of the total. Fourth, Jeollanam-do was the region where the highest number of farming and fishing community businesses was distributed with 26.58% of the total. It was also found that the region where the most rural community businesses were established and still most active is Jeollanam-do. In fact, analyzing the current status of city, county, and district also revealed the largest distribution of 4.05% in Gangjin-gun, Jeollanam-do. It is deemed important to find measures to establish rural community businesses in various regions and support existing companies to continue their operation.

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## 1. Introduction

Rural community businesses refer to the organizations that pursue to make contributions to the vitalization of rural communities by increasing income, creating jobs and providing various social services necessary for the rural communities through utilizing the local human and material resources

via grafting a corporate management method in which local residents or those returning to rural communities voluntarily participate. Under the policy basis of 'jobs are the best welfare', quality jobs have been provided to disadvantaged groups in rural areas, such as the elderly and multicultural families (Ministry of Food, Agriculture, Forestry and Fisheries 2013).

In order to be recognized as a rural community business, it must be selected as an eligible applicant through the deliberation process of the application committee of the rural community businesses. However, farming and fishing community companies that are receiving state funding through the Village Business Development Project (Ministry of Government Administration and Home Affairs), Social Enterprise Development Project (Employment Department), City / County Distribution Company (Ministry of Agriculture, Food and Rural Affairs) are not eligible for the application.

The candidate of the project is the organizations formed by voluntary participation of 5 or more residents in rural areas, and local residents should make up 50% or more of the organization member. The scope of the region includes the farming and fishing villages as defined in Article 3, Paragraph 5 of the 「Framework Act on Agriculture and Fisheries, Rural Community, and Food Industry」 excluding the fishing villages specified by Article 2, Paragraph 1 of the 「Fishing Villages and Fishery Harbors Act」, and the local residents refer to the local residents residing in 'Eup · Myeon'. However, if the city or province recognizes the needs to expand the scope of the region to facilitate the project, considering the characteristics of the project and residents' living zone, an exception can be made. Rural community businesses are classified into social service provision type, income business type, and complex type depending on the type of activity, and the evaluation index for each type is somewhat different.

The support project for rural community businesses has been carried out by the Ministry of Food, Agriculture, Forestry and Fisheries since 2011. However, with the reorganization of the Ministry of Food, Agriculture, Forestry and Fisheries into the Ministry of Agriculture, Food and Rural Affairs on March 23, 2013, the fishery affairs were transferred to the Ministry of Maritime Affairs and Fisheries. Since then, the Ministry of Agriculture, Food and Rural Affairs has solely managed rural community businesses, while the Ministry of Maritime Affairs and Fisheries, to which fisheries affairs were transferred, has not carried out fishing community businesses. Thus, it can be said that the fishing community businesses have been terminated since 2014.

Therefore, farming and fishing community businesses were only supported by the Ministry of Agriculture, Food and Rural Affairs, and the contents of the project were changed to supports for rural community businesses. Because this study includes farming and fishing community businesses supported since 2011, it is intended to include fishing community businesses that were supported by past projects by using the word 'farming and fishing community businesses' rather than 'farming community businesses'.

In this regard, this study made an attempt to comprehensively analyze the status of rural community businesses and provide fundamental policy data for vitalizing community businesses, such as supporting excellent businesses by investigating the status of rural community businesses.

In addition, this study made efforts to predict the direction of rural community businesses and improve the future development and quality of life for local residents by analyzing the past and present status of rural community businesses.

## 2. Theoretical Background and Previous Studies

The purpose of excellent rural community business support project by the Ministry of Agriculture, Food and Rural Affairs is to help vitalizing autogenous farming and fishing community businesses, including increasing income. It is supported under the project name of ‘Excellent Rural Community Business Project’, and such support project is based on the statutory provisions of Article 19, Paragraph 3 (Support for groups such as contributions to the job creation for farmers and fishermen) of the 「Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages」. Among them, the 「Act on Fostering and Supporting Agricultural and Fisheries Enterprises」 aims to better understand business owners by clearly presenting the definitions of organizations used in the law, stipulating farmers, agricultural corporations, agricultural companies, fishermen, fishery corporations, fishery companies, and agricultural and fishery companies.

The types of agricultural and fishery community businesses supported by the Ministry of Agriculture, Food and Rural Affairs are categorized by activity or organization type (the Ministry of Agriculture, Food and Rural Affairs, 2015). There are three types of farming and fishing community companies by activity - social service provision type, income business type, and complex type.

First, the social service provision type is an activity type that provides services, including welfare and transportation, to solve rural problems, such as lack of social service provision, due to insufficient resources or poor accessibility. For instance, there are types that provide services to every aspect of community’s life, such as providing alternative transportation services, visiting services for vulnerable groups, such as delivering food, operating welfare facilities for the elderly, and operating public catering facilities and small public baths. In addition, there also are types that provide education programs to local children and residents (operating small libraries, etc.) by linking children’s centers and schools in the region as well as some other types such as utilizing female marriage immigrants as a foreign language teacher, supporting women of multicultural families to settle in Korea, and visiting medical support programs for medically disadvantaged social groups.

The income business type includes the existing agri-food industry type, urban and rural exchange type, and regional development type. First, the agri-food industry type is a type that supports farming and fosters the food industry by utilizing local resources, while producing traditional local food, providing local food and school food supplies, producing eco-friendly agricultural products, operating farmhouse restaurants, and undertaking regional joint marketing. Second, the urban and rural exchange type promotes urban residents’ understanding of agriculture and farming or encourages urban residents’ visits and stays in rural areas. This applies to the companies operating well-being centers for urban residents, rural experience tourism networks, landscape and environment maintenance and conservation projects, village-based recreational corporations, and cultural workshops. Third, the regional development type promotes voluntary participation of local residents and organizations to improve the living environment and strengthen regional capabilities in order to create sustainable rural areas. This may include those operating local market revitalization corporations in towns and villages and regional development consulting centers in cities and counties.

Lastly, the complex (mixed) type is a type that simultaneously performs social service provision and income business types. This includes, for example, companies that manufacture traditional local

food and simultaneously run welfare facilities for the elderly, and companies that sell local food and support education for disadvantaged groups.

Rural community business is divided into six types by organization - agricultural corporations, voluntary associations, non-profit private organizations, commercial companies, civil corporations and unions. First, the agricultural corporations are the agricultural association corporations under Article 16 and the agricultural companies under Article 19 in accordance with Article 2, Paragraph 2 of the 「Act on Fostering and Supporting Agricultural and Fisheries Enterprises」. Second, voluntary associations are voluntary organizations operating by articles of associations and regulations. Third, non-profit private organizations are the organizations that mainly carry out public interest activities pursuant to the 「Assistance for Non-profit, Non-governmental Organizations Act」 and meet the requirements specified in paragraph 2. Fifth, a commercial company refers to a corporation established in accordance with the third volume of the Commercial Law. Sixth, civil corporations and unions are the corporations and unions established in accordance with the Part 3 Corporations of the Civil Law.

In 2011, when the agricultural and fishery community businesses were established and operated to some extent, Lee, Lee, and Yoon (2012) selected existing rural CB cases and conducted close investigation and analysis on them. In doing so, they made an attempt to examine business characteristics of the analyzed cases, investigate the success factors and obstacles in promoting the project, and deduce implications to ultimately suggest the direction for rural CBs. As examples of the targeted analysis cases, a total of six regions (or businesses) located in Gyeongsangbuk-do and Gyeongsangnam-do were selected for each of the three projects - comprehensive regional maintenance project, local industry development project, and agricultural and fishery community development project - conducted by the Ministry of Food, Agriculture, Forestry and Fisheries. The status and characteristics of rural CB projects in these case regions were analyzed, and the SETCB was used as an approach model to enable more structured analysis. Based on the results of the case analysis, the cases of the six projects were categorized, and the cases with common and different elements related to business structure were grouped for comparison and analysis to draw implications and suggest future development plans. The study results showed that, first, systematizing is necessary to revitalize stagnant rural communities, and it is an appropriate method, considering the homogeneity and equality unique to rural areas. Second, in order to make successful CBs, differentiating the region from other regions by making the most use out of the region's unique resources is necessary, and it additionally requires creative efforts and ideas. Third, rural CBs may become a driving force for momentous changes in the region. Fourth, for successful CBs, there always is a leader with competence and passion. Fifth, though the profitability of rural CBs is still insignificant, the effects of regional development from other aspects of rural CBs are significant.

In addition, case studies were conducted on the success factors of such regional community projects (community businesses) for rural community businesses. Lee (2012) analyzed the impacts of factors such as investment factors (human capital, social capital, financial capital, and ecological capital), strategic factors (product excellence, securing demand channels, and prior market research), management competency (working and management experience, technical experience in the same field, and business competence), teamwork (organizational structure), creativity, computer utilization ability,

and networking on the investment returns, household income, and regional development through case studies to identify the factors of rural community businesses that act as a success factor. He presented manpower (leader's ability), member education, capital finance, differentiated environmental and cultural resources, product competitiveness, teamwork, computers, and networking as the keywords he selected for each of the important success factors of rural community business operation among other regional community businesses.

Noh (2016) compared and analyzed the cases of agricultural corporations established in various forms in farming and fishing villages to find the activation factors selected by company leaders in order to explore the possibility of transforming agricultural corporations into social companies for rural areas that are capable of creating jobs and income for the elderly and those returning to rural areas or home at retirement age, and promoting the community and fostering such social companies.

As such, supporting rural community businesses, as a type of social economy, began relatively late compared to other social economy types. Also, it can be observed that there still are only about 200 businesses which are not yet actively vitalized and without a significant number of related studies conducted.

With the outflow of population and aging societies, the concern for loss of local history, culture, and traditional resources and expected obstacles to the succession and development of local communities necessitate policy implementation based on accurate status analysis. Therefore, this study carries a significant importance.

### **3. Research Design**

This study made an attempt to analyze the status of agricultural and fishery community businesses and collected data from such businesses for analysis. Each and individual rural community company was surveyed, and the rural community businesses were analyzed from various aspects such as by region, subtype, and year.

In this study, the following procedure was carried out to analyze the status of rural community businesses.

First, the Ministry of Agriculture, Food and Rural Affairs investigated businesses with the characteristics of agricultural and fishery community businesses and published to the media, and the findings from 2014 revealed that there are 967 of such businesses. However, 222 businesses were found to receive support under the 「Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages」.

Second, basic information about the 222 rural community businesses was collected through relevant literature.

Third, related websites having information on rural community businesses were used to collect information. Basic information of each rural community business was collected via the Ministry of Food, Agriculture, Forestry and Fisheries (<http://www.mifaff.go.kr>), Agricultural Manpower Portal (<http://www.agriedu.net>), Ministry of Government Administration and Home Affairs (<http://www.mogaha.go.kr>),

and Village Business Association (<http://hanmaeul.kr>).

Fourth, detailed information, such as operation status, support method, number of employees, and supporting entities, that were not available online was obtained by directly calling the rural community companies.

**Table 1.** Details of Status Investigation on Rural Community Businesses

Type	Items
Basic Information	Status of subtype
	Status of relevant ministry in charge
	Status of organization type
	Status of approval authority
	Status of year of establishment
	Status of region
	City, county and district status
Business Content	Status of business target
	Status of business purpose
	Status of business area
	Status of business information
Organization Status	Status of the number of employees
	Status of related organizations and support entities
	Status of support method
	Status of operation
	Status of year of disestablishment
	Status of report date
	Status of support by year
	Status of laws on which the establishment is based and other relevant laws
	Status of type of reference information source
Status of reference information source	

The status analysis research on rural community businesses was divided into three categories: basic information, business content, and organization status. The basic information includes detailed subtype, region, relevant ministry, organization type, and approval authority, and the business content includes the business target, purpose, area, and business contents. Similarly, the organization status includes the number of employees, related organizations and support entities, support methods, operation status, year of disestablishment, report date, support by year, and laws on which the establishment is based and other relevant laws.

## 4. Analysis Results

### 4.1 Status of Basic Information on Rural Community Businesses

#### 4.1.1 Status of Subtype

Rural community businesses can be divided into social service provision type, complex type, and income business type. 222 rural community businesses were identified in line with the 「Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages」. As a result of classifying and researching the companies according to their subtype, the income business type was most common with 73.87% (164 cases), followed by the complex type with 22.5% (50 cases), and the social service provision type with 3.60% (8 cases). The status of the subtype of agricultural and fishery community businesses classified into the three types is as follows.

**Table 2.** Status of Subtype of Rural Community Businesses

Type	N	%
Social Service Provision Type	8	3.60
Complex Type	50	22.52
Income Business Type	164	73.87
Total	222	100.00

#### 4.1.2 Status of Relevant Ministry in Charge

The ministry in charge relevant to rural community businesses is the Ministry of Agriculture, Food and Rural Affairs. Once a rural community company is certified as a village enterprise or a social enterprise, the company may become under the jurisdiction of more than one ministry. A total of 239 businesses were identified by statistics including the overlapping of such ministries. Among them, the Ministry of Agriculture, Food and Rural Affairs was in charge of 222 cases, accounting for 92.89% of the total, followed by the Ministry of Government Administration and Home Affairs (4.60%), and the Ministry of Employment and Labor (2.51%).

**Table 3.** Status of Relevant Ministry in Charge of Rural Community Businesses

Ministry in Charge of Rural Community Businesses	N	%
Ministry of Agriculture, Food and Rural Affairs	222	92.89
Ministry of Government Administration and Home Affairs	11	4.60
Ministry of Employment and Labor	6	2.51
Total	239	100.00

As a result of analyzing the relevant ministries in charge of rural community businesses, considering the overlapping ministries, out of a total 222 cases, the Ministry of Agriculture, Food and Rural Affairs had the highest number equivalent to 92.79% of the total. 4.50% of the cases were overlapped by the Ministry of Government Administration and Home Affairs and the Ministry of Agriculture, Food and Rural Affairs. 0.45% (1 case) showed an overlap among the Ministry of Government Administration and Home Affairs, the Ministry of Agriculture, Food and Rural Affairs, and the Ministry of Employment and Labor, and the Ministry of Employment and Labor had an overlap with the Ministry of Agriculture, Food and Rural Affairs for 2.25% of the total cases.

**Table 4.** Status of Relevant Ministry in Charge of Rural Community Businesses

Ministry in Charge of Rural Community Businesses	N	%
Ministry of Agriculture, Food and Rural Affairs	206	92.79
Ministry of Government Administration and Home Affairs, Ministry of Agriculture, Food and Rural Affairs	10	4.50
Ministry of Government Administration and Home Affairs, Ministry of Agriculture, Food and Rural Affairs, Ministry of Employment and Labor	1	0.45
Ministry of Employment and Labor, Ministry of Agriculture, Food and Rural Affairs	5	2.25
Total	222	100.00

#### 4.1.3 Status of Organization Type

89.19% of the businesses responded to the inquiry related to organization type, whereas 10.81% did not respond to the inquiry.

**Table 5.** Response to Organization Type From Rural Community Businesses

Response	N	%
Y	198	89.19
N	24	10.81
Total	222	100.00

As a result of analyzing the organizational type of the responded rural community businesses, corporations showed the highest ratio of 94.95%, followed by private organizations (3.54%) and unions (1.52%), indicating that most rural community businesses are established as a corporation.



**Table 6.** Status of Organization Type of Rural Community Businesses

Organization Type	N	%
Corporation	188	94.95
Union	3	1.52
Private Organization	7	3.54
Total	198	100.00

#### *4.1.4 Status of Approval Authority*

Approval authorities are government departments and local government agencies that approve agricultural and fishery community businesses. As a result of analyzing the data of rural community businesses, it was found that 100% of the total cases had Ministry of Agriculture, Food and Rural Affairs as the approval authority.

**Table 7.** Status of Approval Authority of Rural Community Businesses

Approval Authority	N	%
the Ministry of Agriculture, Food and Rural Affairs	222	100.00
Total	222	100.00

#### *4.1.5 Status of Year of Establishment*

90.09% of the companies responded to the inquiry related to the year of establishment, while the remaining 9.91% did not response.

**Table 8.** Response to Year of Establishment From Rural Community Businesses

Response	N	%
Y	200	90.09
N	22	9.91
Total	222	100.00

As a result of dividing and analyzing the status of the year of establishment of rural community businesses for each 15 years, the rural community businesses established between 2006 and 2015 showed the highest ratio of 72.00% (144 cases), followed by 26.00% established between the years of 1991 and 2005. This indicates that rural community businesses began to be established in earnest in the 2000s.

**Table 9.** Status of Year of Establishment of Rural Community Businesses

Year	N	%
1961-1975	1	0.50
1976-1990	3	1.50
1991-2005	52	26.00
2006-2015	144	72.00
Total	200	100.00

As a result of dividing the period of 2006-2015, which had the highest establishment ratio among the other periods surveyed, into each year and analyzing, the highest ratio of establishment was found in 2009 with 18.75% (27 cases), followed by 15.97% found each in 2008 and 2010 and 13.19% in 2011.

**Table 10.** Status of Year of Establishment of Rural Community Businesses Between the Years of 2006 and 2015

Year	N	%
2006	13	9.03
2007	12	8.33
2008	23	15.97
2009	27	18.75
2010	23	15.97
2011	19	13.19
2012	16	11.11
2013	9	6.25
2014	2	1.39
2015	0	0.00
Total	144	100.00

#### 4.1.6 Status of Region

As a result of investigating the status of agricultural and fishery community businesses by region, it was found that no such business was established in Seoul, Daejeon, Busan, Ulsan, Daegu, Sejong, and Gwangju. On the other hand, Jeollanam-do showed the highest ratio of 26.58%, followed by Gangwon-do 18.92%, Jeollabuk-do 15.77%, Gyeongsangbuk-do 11.71%, Gyeongsangnam-do 10.00%, Chungcheongbuk-do 6.31%, Chungcheongnam-do 4.95%, Gyeonggi-do 4.05%, Jeju-do 1.35% and Incheon 0.45%.

**Table 11.** Regional Status of Rural Community Businesses

Region	N	%
Seoul	0	0.00
Incheon	1	0.45
Daejeon	0	0.00
Busan	0	0.00
Ulsan	0	0.00
Daegu	0	0.00
Sejong	0	0.00
Gwangju	0	0.00
Jeju	3	1.35
Chungcheongnam-do	11	4.95
Chungcheongbuk-do	14	6.31
Gyeonggi-do	9	4.05
Gangwon-do	42	18.92
Gyeongsangbuk-do	26	11.71
Gyeongsangnam-do	22	10.00
Jeollanam-do	59	26.58
Jeollabuk-do	35	15.77
Total	222	100.00

#### 4.1.7 Status of City, County, and District

As a result of analyzing the status of the distribution of establishments by city, county, and district, Jeollanam-do showed the largest number of cities, counties and districts where rural community businesses were established as well as the largest number of cases. Gangjin-gun in Jeollanam-do showed the highest ratio of 4.05% (9 cases). The distribution status for each city, county and district is as follows.

**Table 12.** Status of Rural Community Businesses in City, County and District

Region		N	%
Incheon	Ganghwa-gun	1	0.45
Jeju	Jeju-si	3	1.35
Chungcheongnam-do	Hongseong-gun	1	0.45
	Cheongyang-gun	2	0.9
	Taean-gun	1	0.45
	Nonsan City	4	1.8
	Buyeo-gun	1	0.45
	Asan-si	2	0.9

Region		N	%
Chungcheongbuk-do	Chungju-si	2	0.9
	Yeongdong-gun	4	1.8
	Cheongwon-gun	1	0.45
	Jeungpyeong-gun	1	0.45
	Jecheon-si	2	0.9
	Okcheon-gun	2	0.9
	Danyang-gun	1	0.45
	Eumseong-gun	1	0.45
Gyeonggi-do	Icheon-si	1	0.45
	Yangpyeong-gun	4	1.8
	Anseong-si	1	0.45
	Yangju-si	1	0.45
	Pocheon-si	1	0.45
	Namyangju-si	1	0.45
Gangwon-do	Gangneung-si	3	1.35
	Samcheok-si	2	0.9
	Yanggu-gun	3	1.35
	Yangyang-gun	2	0.9
	Yeongwol-gun	2	0.9
	Wonju-si	1	0.45
	Inje-gun	8	3.6
	Jeongseon-gun	7	3.15
	Cheorwon-gun	1	0.45
	Chuncheon-si	2	0.9
	Pyeongchang-gun	4	1.8
	Hongcheon-gun	1	0.45
	Hongcheon-eup	1	0.45
	Hwacheon-gun	4	1.8
	Hoengseong-gun	1	0.45
	Gyeongsangbuk-do	Gyeongju-si	1
Goryeong-gun		1	0.45
Gumi-si		1	0.45
Bonghwa-gun		2	0.9
Sangju-si		8	3.6
Andong-si		2	0.9
Yeongju-si		2	0.9
Yeongcheon-si		2	0.9
Uljin-gun		2	0.9
Uiseong-gun		2	0.9
Cheongsong-gun		1	0.45
Chilgok-gun		1	0.45
Pohang-si		1	0.45

Region		N	%	
Gyeongsangnam-do	Geochang-gun	3	1.35	
	Namhae-gun	2	0.9	
	Miryang-si	1	0.45	
	Sacheon-si	1	0.45	
	Sancheong-gun	3	1.35	
	Yangsan-si	1	0.45	
	Uljin-si	1	0.45	
	Jinju-si	2	0.9	
	Changwon-si	2	0.9	
	Hadong-gun	3	1.35	
	Hamyang-gun	2	0.9	
	Hapcheon-gun	1	0.45	
	Jeollanam-do	Gangjin-gun	9	4.05
Goheung-gun		6	2.7	
Gokseong-gun		2	0.9	
Gwangyang-si		2	0.9	
Gurye-gun		1	0.45	
Naju-si		1	0.45	
Damyang-gun		1	0.45	
Muan-gun		1	0.45	
Boseong-gun		3	1.35	
Suncheon-si		3	1.35	
Sinan-gun		3	1.35	
Yeonggwang-gun		2	0.9	
Yeongam-gun		2	0.9	
Yeongyang-gun		1	0.45	
Wando-gun		5	2.25	
Imsil-gun		1	0.45	
Jangseong-gun		2	0.9	
Jangheung-gun		5	2.25	
Jindo-gun		1	0.45	
Hampyeong-gun		1	0.45	
Haenam-si		1	0.45	
Hwasun-gun		6	2.7	
Jeollabuk-do		Gangjin-gun	1	0.45
		Gochang-gun	1	0.45
		Gunsan-si	1	0.45
		Gimje-si	3	1.35
		Namwon-gun	3	1.35
	Buan-gun	1	0.45	
	Sunchang-gun	1	0.45	
	Wanju-gun	8	3.6	
	Iksan-si	3	1.35	
	Imsil-gun	1	0.45	
	Jangsu-gun	1	0.45	
	Jeongeup-si	7	3.15	
	Jinan-gun	4	1.8	
	Total		222	100.00

## 4.2 Status of Business Content of Rural Community Businesses

### 4.2.1 Business Target Status

As a result of analyzing the business targets of rural community businesses, it was found that the majority of such businesses target the general public. In other words, the businesses targeting the general public showed the highest ratio of 87.39%, followed by businesses targeting farmers (4.95%) and local residents (3.15%).

**Table 13.** Status of Business Target of Rural Community Businesses

Business Target	N	%
Farmers	11	4.95
Urban to Rural Returnees	3	1.35
Local Residents	7	3.15
Disadvantaged Groups (Children, the Elderly etc.)	4	1.80
Disabled	1	0.45
Union Members	1	0.45
General Public	194	87.39
Agricultural Experience Village	1	0.45
Total	222	100.00

### 4.2.2 Status of Business Purpose

The results of analyzing the business purposes of rural community businesses showed that the most common purpose of such businesses is income generation for farmers, activation of agriculture, and job creation since the companies operate for the purposes of regional development of farming and fishing villages. Other purposes such as maintaining and promoting the health of the general public, developing and prospering villages, encouraging urban and rural exchanges, promoting education and cultural welfare and economic revival, enhancing welfare for local residents, contributing to the maturity of the tourism industry, promoting world-class development, pursuing rural community, and increasing support, right, and interests for farmers were also observed.

### 4.2.3 Status of Business Area

The business areas of rural community businesses, in operation, are categorized into Others, Support Business for Farming and Fishing Villages, Agricultural and Rural Education, Culture and Art Business, Social Welfare, Food and Specialty Products Business, General Products and Services, Experience and Tourism Business, Publishing, Video, Broadcasting and Information Service, and Environmental Restoration. Food and Specialty Products business accounted for 62.61% of the total, whereas the business area with lowest ratio of 0.45% (1 case) was observed among Culture and Art Business,

Environmental Restoration Business, Publishing, Video, Broadcasting and Information Service, and Support Business for Farming and Fishing Villages.

**Table 14.** Status of Business Area of Rural Community Businesses

Business Area	N	%
Others	1	0.45
Support Business for Farming and Fishing Villages	1	0.45
Agricultural and Rural Education	5	2.25
Culture and Art Business	1	0.45
Social Welfare	9	4.05
Food and Specialty Products Business	139	62.61
General Goods and Services	7	3.15
Experience and Tourism Business	57	25.68
Publishing, Video, Broadcasting and Information Service	1	0.45
Environmental Restoration Business	1	0.45
Total	222	100.00

#### *4.2.4 Status of Business Content*

As a result of analyzing the status of business contents of rural community businesses, the processing and sales business was found to have the highest ratio of 59.01%, followed by 18.02% of farming and fishing village and other experience program operation, and 2.70% of each of social welfare, food and service, and cultivation and sales.

**Table 15.** Status of Business Content of Rural Community Businesses

Business Content	N	%
Processing and Sales	131	59.01
Housekeeping Service	3	1.35
Education Project for Farming and Fishing Village	1	0.45
Farming and Fishing Village and Other Experience Program	40	18.02
Support Business for Digitization of Rural Areas	1	0.45
Wholesale	4	1.80
Village Development Project	2	0.90
Food Manufacturing	5	2.25
Social Welfare	6	2.70
Newsletter Publication and Agency	1	0.45
Product Development	4	1.80
Lodging Business	1	0.45
Distribution	3	1.35
Food and Service	6	2.70

Business Content	N	%
Cultivation and Sales	6	2.70
Resident Education	1	0.45
Eco-friendly Agriculture	5	2.25
Solar Power Plant Operation and Leisure	1	0.45
Compost Production and Sales	1	0.45
Total	222	100.00

### 4.3 Organization Status of Rural Community Business

#### 4.3.1 Status of Number of Employees

Rural community companies were investigated to see if they have permanent employees working at the companies. 66.22% (147 cases) of the companies responded to the investigation question, while the remaining 33.78% (75 cases) did not respond.

**Table 16.** Response to the Number of Employees of Rural Community Employees

Response	N	%
Y (Responded)	147	66.22
N (Did not respond)	75	33.78
Total	222	100.00

As a result of analyzing the number of employees for the 66.22% businesses which responded to the investigation question, businesses with 1-20 employees were most common, accounting for 80.27% of the total businesses that responded. 7.48% of the 66.22% businesses had 0 employee, followed by companies with 21-40 employees and 101 or more employees each of which made up 3.40% of the companies responded.

**Table 17.** Status of the Number of Employees of Rural Community Businesses

Number of Employees	N	%
0	11	7.48
1-20	118	80.27
21-40	5	3.40
41-60	2	1.36
61-80	4	2.72
81-100	2	1.36
101 or more	5	3.40
Total	147	100.00



#### *4.3.2 Status of Support Method*

The support method refers to the method how rural community businesses receive supports. As a result of investigating the support method of rural community businesses, it was found that all of the 222 companies received financial support, and 1.80% of the companies received dual supports as a rural community business and as a social enterprise.

#### *4.3.3 Status of Support by Year*

A rural community business must be an organization that is voluntarily established by local residents or urban to rural returnees, while showing locality and public interest and having a corporate management method capable of maintaining independence and sustainability. And if the business has an organizational structure of a corporation or union by the commercial law or corporation, agricultural and fisheries corporation, or a non-profit private organization by the civil law, the business is eligible to receive support for the necessary expenses for planning, development, marketing, and promotion for business vitalization. However, ordinary expenses such as personnel expenses, facility construction, and repair / renovation are excluded, except for the personnel expenses incurred within 1/2 of the total project cost if the business is considered as an intermediate support organization. The maximum support amount is 50 million won, and the actual amount of support is determined according to the business plan. The support period is up to two years, and additional support period of 1 year may apply to rural community businesses that are evaluated to show excellent performance after the initial support period.

In addition, a rural community business in which 20% or more farmers and fishermen are female, the village in which a rural community business is located is designated as a color village, a rural community business that has a business plan established by local residents via holding a field forum to foster a color village, or a rural community business of which a representative or member completed community-related education to strengthen the capacity of the company can receive additional points.

In this regard, the status of financial support for rural community businesses were analyzed by year, and the result showed that the companies received unvarying support from 2011 to 2015. During the period, the companies received most support in 2013, equivalent to 20.74% of the total 299 cases.

**Table 18.** Status of Support for Rural Community Businesses by Year

Year	N	%
2011	58	19.40
2012	60	20.07
2013	62	20.74
2014	64	21.40
2015	55	18.39
Total	299	100.00

#### 4.3.4 Operation Status

The operation status of rural community businesses was investigated. 86.04% of the rural community businesses responded to the investigation question and the remaining 13.96% did not respond.

**Table 19.** Response to the Operation Status by Rural Community Businesses

Response	N	%
Y (Responded)	191	86.04
N (Did not responded)	31	13.96
Total	222	100.00

Among the 191 businesses responded to the operation status investigation, 96.34% reported that they are operating, whereas 3.14% and 0.52% of them, respectively, were not operating and suspended.

**Table 20.** Operation Status of Rural Community Businesses

Operation Status	N	%
Y (Operating)	184	96.34
N (Not operating)	6	3.14
Suspended	1	0.52
Total	191	100.00

#### 4.3.5 Status of Disestablishment Year

As a result of analyzing the 222 rural community businesses, it was found that a total of 2 companies were disestablished, and each 50.00% (1 case) of the companies were closed in 2013 and 2014 respectively.

**Table 21.** Status of Disestablishment Year of Rural Community Businesses

Year	N	%
2013	1	50.00
2014	1	50.00
Total	2	100.00

#### 4.3.6 Status of Report Date

As a result of analyzing the status of the report date of the rural community businesses, some cases of report date status were duplicated since businesses eligible for the support project can operate as a rural community business and there is an additional support period of 1 year to the

basic support year of 2 years for those selected companies. For this reason, some cases have a duplicated report date. In other words, the report date is the date of delegation. Among the total 290 cases analyzed, the highest reporting (application) ratio of 22.07% was found in 2013.

**Table 22.** Report Date Status of Rural Community Businesses

Year	N	%
2011	60	20.69
2012	55	18.97
2013	64	22.07
2014	56	19.31
2015	55	18.97
Total	290	100.00

#### 4.3.7 Status of Related Organizations and Support Entities

A concrete analysis on the organizations and supporting entities related to the rural community businesses, identified the Ministry of Employment and Labor, Ministry of Government Administration and Home Affairs, Kooksoondang, Shimcheung Senior Welfare Center, and Sikyak Dongwon as the supporting entities. Among them, the Ministry of Government Administration and Home Affairs showed the highest ratio of 62.07% (18 cases), followed by the Ministry of Employment and Labor with 27.59% (8 cases).

**Table 23.** Status of Organizations and Support Entities Related to Rural Community Businesses

Organizations and Support Entities	N	%
Ministry of Employment and Labor	8	27.59
Ministry of Government Administration and Home Affairs	18	62.07
Kooksoondang	1	3.45
Shimcheung Senior Welfare Center	1	3.45
Sikyak Dongwon	1	3.45
Total	29	100.00

#### 4.3.8 Laws on Which the Establishment is Based and Other Relevant Laws

Laws on which the establishment is based and other laws relevant to rural community businesses are the 「Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages」 and the 「Act on Fostering and Supporting Agricultural and Fisheries Enterprises」. These laws were enacted in order to make contributions to the vitalization

of rural communities, such as increasing the income of farmers and fishermen.

**Table 24.** Status of Laws on Which the Establishment is Based and Other Laws Relevant to Rural Community Businesses

Laws	N	%
Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages, Act on Fostering and Supporting Agricultural and Fisheries Enterprises	222	100.00
Total	222	100.00

#### 4.3.9 Status of Type of Reference Information Source

A total of 7 types of reference information source were used among the 23 types of reference information sources to survey rural community businesses. A total of 192 reference information sources were used. As a result of analyzing the reference information sources utilized, web information showed the highest ratio of 58.85%, followed by articles (25.52%) and related organizations (11.46%).

**Table 25.** Status of Type of Reference Information Source of Rural Community Businesses

Type	N	%
Article	1	0.52
Brochure, pamphlet, leaflet	1	0.52
Report	4	2.08
Domestic Conference and Seminar Materials	2	1.04
Web information	113	58.85
Related organization	22	11.46
News	49	25.52
Total	192	100.00

#### 4.4 Status by Subpart of Rural Community Businesses

##### 4.4.1 Status by Year of Establishment

In order to closely analyze the status of the year of establishment for each subtype of rural community businesses, the businesses established during the years between 2006 and 2015, when the highest number of rural community businesses was established, were analyzed. 25% of the social service provision type businesses were established each in 2006, 2007, 2008 and 2011, and the establishment of the complex type businesses showed the highest ratio of 22.50% in 2010, followed by 17.50% in 2008 and 12.50% each in 2007, 2009 and 2012. Similarly, the establishment

ratio of the income business type was the highest in 2009 with 22%, followed by 15.00% in 2008 and 14.00% in 2010 and 2011.

**Table 26.** Status of the Year of Establishment of Rural Community Businesses by Subtype

Year	Social Service Provision Type		Complex Type		Income Business Type	
	N	%	N	%	N	%
2006	1	25.00	2	5.00	10	10.00
2007	1	25.00	5	12.50	6	6.00
2008	1	25.00	7	17.50	15	15.00
2009	0	0.00	5	12.50	22	22.00
2010	0	0.00	9	22.50	14	14.00
2011	1	25.00	4	10.00	14	14.00
2012	0	0.00	5	12.50	11	11.00
2013	0	0.00	2	5.00	7	7.00
2014	0	0.00	1	2.50	1	1.00
2015	0	0.00	0	0.00	0	0.00
Total	4	100.00	40	100.00	100	100.00

#### 4.4.2 Status by Region

As a result of investigating the regional status by the subtype of rural community businesses, it was found that no farming and fishing community business was established in Seoul, Daejeon, Busan, Ulsan, Daegu, Sejong and Gwangju. For the social service provision type businesses, Chungcheongbuk-do, Jeollabuk-do, and Jeollanam-do each had the highest ratio of 25%, and Jeollanam-do had the highest ratio 36.00% for the complex type businesses, followed by Gangwon-do 28.00%. Similarly, Jeollanam-do had the highest ratio of 23.78% for the income business type, followed by Gangwon-do 17.07%, Jeollabuk-do 15.85%, Gyeongsangbuk-do 14.02%, and Gyeongsangnam-do 13.41%.

**Table 27.** Regional Status of Rural Community Businesses by Subtype

Region	Social Service Provision Type		Complex Type		Income Business Type	
	N	%	N	%	N	%
Seoul	0	0.00	0	0.00	0	0.00
Incheon	0	0.00	1	2.00	0	0.00
Daejeon	0	0.00	0	0.00	0	0.00
Busan	0	0.00	0	0.00	0	0.00
Ulsan	0	0.00	0	0.00	0	0.00
Daegu	0	0.00	0	0.00	0	0.00

Region	Social Service Provision Type		Complex Type		Income Business Type	
	N	%	N	%	N	%
Sejong	0	0.00	0	0.00	0	0.00
Gwangju	0	0.00	0	0.00	0	0.00
Jeju	0	0.00	0	0.00	3	1.83
Chungcheongnam-do	0	0.00	2	4.00	9	5.49
Chungcheongbuk-do	2	25.00	5	10.00	7	4.27
Gyeonggi-do	1	12.50	1	2.00	7	4.27
Gangwon-do	0	0.00	14	28.00	28	17.07
Gyeongsangbuk-do	1	12.50	2	4.00	23	14.02
Gyeongsangnam-do	0	0.00	0	0.00	22	13.41
Jeollanam-do	2	25.00	18	36.00	39	23.78
Jeollabuk-do	2	25.00	7	14.00	26	15.85
Total	8	100.00	50	100.00	164	100.00

#### 4.4.3 Status by Business Target

The analysis on the status of business targets by the subtype of rural community businesses revealed that among the social service provision type businesses, businesses targeting the local residents had the highest ratio of 50%, followed by those targeting the general public and the disadvantaged groups each of which accounted for 25%. Of the complex type businesses, the general public was found to be the most common business target with 92%, followed by the urban to rural returnees (4%) and the disadvantaged groups (2%) and union members (2%). Similarly, 89.02% of the income business type businesses were found to be targeting the general public, and 6.71% and 1.83% of the income business type, respectively, targeted farmers and local residents.

**Table 28.** Status of Business Target of Rural Common Businesses by Subtype

Business Target	Social Service Provision Type		Complex Type		Income Business Type	
	N	%	N	%	N	%
Farmers	0	0.00	0	0.00	11	6.71
Urban to Rural Returnees	0	0.00	2	4.00	1	0.61
Local Residents	4	50.00	0	0.00	3	1.83
Disadvantaged Groups (Children, the Elderly etc.)	2	25.00	1	2.00	1	0.61
Disabled	0	0.00	0	0.00	1	0.61
Union Members	0	0.00	1	2.00	0	0.00
General Public	2	25.00	46	92.00	146	89.02
Agricultural Experience Village	0	0.00	0	0.00	1	0.61
Total	8	100.00	50	100.00	164	100.00

4.4.4 Status by Business Area

The result of analyzing the status of business areas by the subtype of rural community businesses showed that social welfare was the most common business area for the social service provision type business with 75%, followed by culture and art business (12.50%) and food and specialty products business (12.50%). Among the complex type businesses, culture and art business had the highest ratio of 62.00%, followed by food and specialty products business (20%) and agricultural and rural education (6%). Similarly, food and specialty products business had the highest ratio of 78.05% for income business type, followed by experience and tourism business (15.85%), and agricultural and rural education (1.22%).

**Table 29.** Status of Business Area of Rural Community Businesses by Subtype

Business Area	Social Service Provision Type		Complex Type		Income Business Type	
	N	%	N	%	N	%
	0	0.00	1	2.00	0	0.00
Support Business for Farming and Fishing Villages	0	0.00	0	0.00	1	0.61
Agricultural and Rural Education	0	0.00	3	6.00	2	1.22
Culture and Art Business	1	12.50	0	0.00	0	0.00
Social Welfare	6	75.00	2	4.00	1	0.61
Food and Specialty Products Business	1	12.50	10	20.00	128	78.05
General Goods and Services	0	0.00	2	4.00	5	3.05
Experience and Tourism Business	0	0.00	31	62.00	26	15.85
Publishing, Video, Broadcasting and Information Service	0	0.00	1	2.00	0	0.00
Environmental Restoration Business	0	0.00	0	0.00	1	0.61
Total	8	100.00	50	100.00	164	100.00

4.4.5 Status by Number of Employees

As a result of analyzing the number of employees by the subtype of rural community businesses, it was found that 66.67% of the social service provision type businesses had 1-20 employees, followed by businesses with 101 or more employees (16.67%) and 81-100 employees (16.67%). Among the complex type businesses, 85.71% of the businesses had 1-20 employees, followed by businesses with 0 and 41-60 employees each accounted for 5.71%. Businesses with 1-20 employees was found

to have the highest ratio of 79.25% for the income business type, followed by 0 employee (8.49%), and businesses with 21-40, 61-80, 81-100 employees each made up 3.77%. The status of the number of employees by subtype showed that businesses with 1-20 employees are most common in all of the three subtypes.

**Table 30.** Status of the Number of Employees of Rural Community Businesses by Subtype

Number of Employees	Social Service Provision Type		Complex Type		Income Business Type	
	N	%	N	%	N	%
0	0	0.00	2	5.71	9	8.49
1-20	4	66.67	30	85.71	84	79.25
21-40	0	0.00	1	2.86	4	3.77
41-60	0	0.00	2	5.71	0	0.00
61-80	0	0.00	0	0.00	4	3.77
81-100	1	16.67	0	0.00	1	0.94
101 or more	1	16.67	0	0.00	4	3.77
Total	6	100.00	35	100.00	106	100.00

#### 4.5 Regional Status of Rural Community Businesses

##### 4.5.1 Status by Subtype

As a result of investigating the regional status by the subtype of rural community businesses, it was found that no farming and fishing community business was established in Seoul, Daejeon, Busan, Ulsan, Daegu, Sejong and Gwangju. In Incheon, 100% of the businesses were a complex type business, whereas 100% of such businesses were a income business type in Jeju. In Chungcheongnam-do, income business type accounted for 81.82%, followed by 18.18% complex type, whereas 50% income type, 35.71% complex type, and 14.29% social service provision type made up the rural community businesses in Chungcheongbuk-do. Similarly, income type businesses accounted for 77.78% in Gyeonggi-do, and complex type and social service provision type each accounted for 11.11%. Gangwon-do's rural community business was made up of 66.67% income type and 33.33% complex type. Income business type was the most common subtype found in both Gyeongsangbuk-do and Gyeongsangnam-do. Jeollanam-do, where the largest number of rural community businesses exist, had 66.10% income business type 30.51% complex type, and 3.39% social service provision type rural community businesses. Lastly, 74.29% of the rural community businesses in Jeollabuk-do were income business type, along with 20.00% of complex type, and 5.71% of social service type. The analysis showed that income business type is the most common subtype in all regions investigated.



**Table 31.** Status of the Subtype of Rural Community Businesses by Region

Region		Social Service Provision Type	Complex Type	Income Business Type	Total
Seoul	N	0	0	0	0
	%	0.00	0.00	0.00	0.00
Incheon	N	0	1	0	1
	%	0.00	100.00	0.00	100.00
Daejeon	N	0	0	0	0
	%	0.00	0.00	0.00	0.00
Busan	N	0	0	0	0
	%	0.00	0.00	0.00	0.00
Ulsan	N	0	0	0	0
	%	0.00	0.00	0.00	0.00
Daegu	N	0	0	0	0
	%	0.00	0.00	0.00	0.00
Sejong	N	0	0	0	0
	%	0.00	0.00	0.00	0.00
Gwangju	N	0	0	0	0
	%	0.00	0.00	0.00	0.00
Jeju	N	0	0	3	3
	%	0.00	0.00	100.00	0.00
Chungcheongnam-do	N	0	2	9	11
	%	0.00	18.18	81.82	100.00
Chungcheongbuk-do	N	2	5	7	14
	%	14.29	35.71	50.00	100.00
Gyeonggi-do	N	1	1	7	9
	%	11.11	11.11	77.78	100.00
Gangwon-do	N	0	14	28	42
	%	0.00	33.33	66.67	100.00
Gyeongsangbuk-do	N	1	2	23	26
	%	3.85	7.69	88.46	100.00
Gyeongsangnam-do	N	0	0	22	22
	%	0.00	0.00	100.00	100.00
Jeollanam-do	N	2	18	39	59
	%	3.39	30.51	66.10	100.00
Jeollabuk-do	N	2	7	26	35
	%	5.71	20.00	74.29	100.00

## 4.5.2 Status by Year of Establishment

The results of investigating the status of the year of establishment of rural community businesses by region showed no record of such establishment in Seoul, Daejeon, Busan, Ulsan, Daegu, Sejong and Gwangju between the years of 2006 and 2014. Jeju showed the highest establishment in 2009 (66.67%), followed by 2012 (33.33%). The establishment in Chungcheongnam-do was the highest in 2009 with 66.67%, followed by 22.22% each in 2006 and 2012. 20.00% of the rural community businesses in Chungcheongbuk-do were established in 2008, 2009, 2010, and 2013, and 10.00% in 2006 and 2007. 33.33% of the rural community businesses in Gyeonggi-do were established each in 2008 and 2012. The highest number of the establishment of rural community businesses in Gangwon-do was observed in 2010 with 21.74%, followed by 17.39% in 2009 and 2012. 40.00% of the rural community businesses in Gyeongsangbuk-do were established in 2009, followed by 26.67% in 2006. In Gyeongsangnam-do, 21.43% of rural community businesses were established each in 2008 and 2009, and 14.29% each in 2010, 2011 and 2012. 21.43% and 19.05% of rural community businesses in Jeollanam-do were established, respectively, in 2008 and 2010. Lastly, 27.27% of Jeollabuk-do's rural community businesses were established in 2011, 18.18% in 2013, and 13.64% each in 2007 and 2008.

Table 32. Status of Year of Establishment of Rural Community Businesses by Region

Year		2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Seoul	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Incheon	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Daejeon	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Busan	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ulsan	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Daegu	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sejong	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gwangju	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jeju	N	0	0	0	2	0	0	1	0	0	3
	%	0.00	0.00	0.00	66.67	0.00	0.00	33.33	0.00	0.00	100.00
Chungnam	N	2	0	1	3	1	0	2	0	0	9
	%	22.22	0.00	11.11	33.33	11.11	0.00	22.22	0.00	0.00	100.00

Year		2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Chungbuk	N	1	1	2	2	2	0	0	2	0	10
	%	10.00	10.00	20.00	20.00	20.00	0.00	0.00	20.00	0.00	100.00
Gyeonggi	N	0	0	2	0	1	2	0	1	0	6
	%	0.00	0.00	33.33	0.00	16.67	33.33	0.00	16.67	0.00	100.00
Gangwon	N	2	3	3	4	5	2	4	0	0	23
	%	8.70	13.04	13.04	17.39	21.74	8.70	17.39	0.00	0.00	100.00
Kyeongbuk	N	4	1	0	6	2	2	0	0	0	15
	%	26.67	6.67	0.00	40.00	13.33	13.33	0.00	0.00	0.00	100.00
Kyeongnam	N	1	0	3	3	2	2	2	1	0	14
	%	7.14	0.00	21.43	21.43	14.29	14.29	14.29	7.14	0.00	100.00
Jeonnam	N	2	4	9	6	8	5	5	1	2	42
	%	4.76	9.52	21.43	14.29	19.05	11.90	11.90	2.38	4.76	100.00
Jeonbuk	N	1	3	3	1	2	6	2	4	0	22
	%	4.55	13.64	13.64	4.55	9.09	27.27	9.09	18.18	0.00	100.00

#### 4.5.3 Status of Business Area

As a result of analyzing the business areas by the region of the rural community businesses, the food and specialty products business was the most common business area in all regions except Chungcheongnam-do, where experience and tourism business was the most common business area.

**Table 33.** Status of Business Area of Rural Community Businesses by Region

Item	Others	Support Business for Farming and Fishing Villages	Agricultural and Rural Education	Culture and Art Business	Social Welfare	Food and Specialty Products Business	General Products and Services	Experience and Tourism Business	Publishing, Video, Broadcasting and Information Service	Environmental Restoration	Total
Seoul	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Incheon	N	1	0	0	0	0	0	0	0	0	1
	%	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Daejeon	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Busan	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ulsan	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Daegu	N	0	0	0	0	0	0	0	0	0	0
	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Item	Others	Support Business for Farming and Fishing Villages	Agricultural and Rural Education	Culture and Art Business	Social Welfare	Food and Specialty Products Business	General Products and Services	Experience and Tourism Business	Publishing, Video, Broadcasting and Information Service	Environmental Restoration	Total
Sejong	N 0	0	0	0	0	0	0	0	0	0	0
	% 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gwangju	N 0	0	0	0	0	0	0	0	0	0	0
	% 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jeju	N 0	0	0	0	0	3	0	0	0	0	3
	% 0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	100.00
Chungnam	N 0	0	0	0	0	5	0	6	0	0	11
	% 0.00	0.00	0.00	0.00	0.00	45.45	0.00	54.55	0.00	0.00	100.00
Chungbuk	N 0	0	1	0	2	7	0	4	0	0	14
	% 0.00	0.00	7.14	0.00	14.29	50.00	0.00	28.57	0.00	0.00	100.00
Gyeonggi	N 0	0	0	0	1	5	0	3	0	0	9
	% 0.00	0.00	0.00	0.00	11.11	55.56	0.00	33.33	0.00	0.00	100.00
Gangwon	N 0	0	1	0	0	23	2	16	0	0	42
	% 0.00	0.00	2.38	0.00	0.00	54.76	4.76	38.10	0.00	0.00	100.00
Kyeongbuk	N 0	0	0	1	1	18	1	5	0	0	26
	% 0.00	0.00	0.00	3.85	3.85	69.23	3.85	19.23	0.00	0.00	100.00
Kyeongnam	N 0	1	0	0	0	17	2	2	0	0	22
	% 0.00	4.55	0.00	0.00	0.00	77.27	9.09	9.09	0.00	0.00	100.00
Jeonnam	N 0	0	2	0	4	38	0	14	0	1	59
	% 0.00	0.00	3.39	0.00	6.78	64.41	0.00	23.73	0.00	1.69	100.00
Jeonbuk	N 0	0	1	0	1	23	2	7	1	0	35
	% 0.00	0.00	2.86	0.00	2.86	65.71	5.71	20.00	2.86	0.00	100.00

#### 4.6 Status of Year of Establishment of Rural Community Businesses

##### 4.6.1 Status by Subtype

The results of analyzing the status of the subtypes of rural community businesses by business area, income business type showed the highest ration all years between 2006 and 2013, except 2014 when the complex and income business types each accounted for 50% of the establishment.

**Table 34.** Status of Subtype of Rural Community Businesses by Year of Establishment

Type	2006		2007		2008		2009		2010		2011		2012		2013		2014	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Social Service Provision	1	7.69	1	8.33	1	4.35	0	0.00	0	0.00	1	5.26	0	0.00	0	0.00	0	0.00
Complex	2	15.38	5	41.67	7	30.43	5	18.52	9	39.13	4	21.05	5	31.25	2	22.22	1	50.00
Income Business	10	76.92	6	50.00	15	65.22	22	81.48	14	60.87	14	73.68	11	68.75	7	77.78	1	50.00
Total	13	100.00	12	100.00	23	100.00	27	100.00	23	100.00	19	100.00	16	100.00	9	100.00	2	100.00

#### 4.6.2 Status by Business Area

The results of analyzing business areas by the year of establishment of the rural community businesses showed that the food and specialty products business is the most common business area for all years, except 2014 when 100% of the business targets were experience and tourism, as it was also the most common business area observed through simple statistical analysis on the business area.

**Table 35.** Status of Business Area of Rural Community Businesses by Year of Establishment

Business Area	2006		2007		2008		2009		2010		2011		2012		2013		2014	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Others	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Support Business for Farming and Fishing Villages	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	6.25	0	0.00	0	0.00
Agricultural and Rural Education	0	0.00	1	8.33	1	4.35	0	0.00	1	4.35	0	0.00	0	0.00	1	11.11	0	0.00
Culture and Art Business	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	5.26	0	0.00	0	0.00	0	0.00
Social Welfare	1	7.69	1	8.33	2	8.70	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Food and Specialty Products Business	10	76.92	7	58.33	11	47.83	21	77.78	12	52.17	12	63.16	10	62.50	5	55.56	0	0.00
General Goods and Services	1	7.69	2	16.67	1	4.35	0	0.00	1	4.35	0	0.00	0	0.00	0	0.00	0	0.00
Experience and Tourism Business	1	7.69	1	8.33	8	34.78	6	22.22	9	39.13	6	31.58	5	31.25	2	22.22	2	100.00
Publishing, Video, Broadcasting and Information Service	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	11.11	0	0.00
Environmental Restoration Business	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	13	100.00	12	100.00	23	100.00	27	100.00	23	100.00	19	100.00	16	100.00	9	100.00	2	100.00

## 5. Conclusion

### 5.1 Conclusion

This study made an attempt to understand the details of the past and present of rural community businesses by organizing and analyzing the various status of farming and fishing community businesses. Furthermore, the study strived to contemplate the future directions of rural community businesses.

#### 5.1.1 Analysis of the Basic Information, Business Contents, and Organization Status of the Rural Community Businesses

First, the most common subtype identified was the income business type, accounting for 73.87% of all rural community businesses.

Second, as a result of analyzing the business targets, companies targeting the general public showed the largest ratio of 90.23%. In addition, the most common business objective among the farming and fishing community companies was income generation, farming activation, and job creation for farmers, with a ratio of 50.45% or a little more than half of the total. The most active business area of the rural community businesses was the food and specialty products sales, and the production and sales business was the highest business content, accounting for 51.35% of the 19 business content categories.

Third, the Ministry of Agriculture, Food and Rural Affairs was identified as the ministry in charge and approval authority.

Fourth, corporation was the most common organization type. Among the four types of corporation, union, private organization, and other organization, the corporation type accounted for 94.95%.

Fifth, the year of establishment was mostly in the 2000s or later, showing an especially high ratio of 72.00% in the years between 2006 and 2010.

Sixth, Jeollanam-do was the region where the largest number of farming and fishing community businesses were distributed, showing a ratio of 26.58%. In fact, Jeollanam-do was found to be the region with the largest number of rural community businesses established and still most active most. Also, when analyzing the status of city, county, and district, Gangjin-gun, in Jeollanam-do was found to have the most distributed rural community businesses with a ratio of 4.05%.

Seventh, among the 147 companies responded, most or 80.27% of the companies answered that they have 1-20 employees.

Eighth, majority of the farming and fishing community businesses surveyed were in operation.

Ninth, as a result of analyzing the status of the support year and report date, the year with the highest ratio of 21.04% was 2014.

Tenth, laws on which the establishment is based and other laws relevant to rural community businesses were found to be the 「Special Act on Quality Improvement of Life of Farmers and Fishermen and Development Promotion of Agricultural and Fishing Villages」 and the 「Act on Fostering and Supporting Agricultural and Fisheries Enterprises」.

### *5.1.2 Status of Rural Community Businesses by Subtype*

The results of analyzing the status of rural community businesses by the subtype are as follows. First, when analyzing the year of establishment only for the mid-to-late-2000s, when the largest number of rural community businesses were established, 25% of the social service provision type businesses were established each in 2006, 2007, 2008 and 2011, and 22.50%. The highest number of establishments was observed in 2010 for complex type (22.50%) and 2009 for business income type (22.00%).

Second, as a result of analyzing the business targets by the subtype, the most common business target for social service provision type was local residents (50.00%) whereas 92% of the complex type and 89.02% of the income business types targeted the general public.

Third, status of business area showed that 75.00% of the social service type businesses was involved in social welfare, whereas the most common business area for the complex type was

experience and tourism (62.00%) and food and specialty products business was for the income business type (78.05%).

Fourth, the regional status by the subtype indicated that each of Chungcheongbuk-do and Jeollabuk-do had the highest ratio of 25.00% for the social service provision type, and the highest ratio of 36.00% for complex type businesses and 23.78% for income business type both were found in Jeollanam-do. It showed that Jeollanam-do had the highest number for all of the three types.

Fifth, in terms of the number of employees, most companies had 1-20 permanent employees in all types. 66.67%, 85.71% and 79.25% of the social service type, complex type, and income business type businesses respectively responded to have 1-20 employees.

### *5.1.3 Regional Status of Rural Community Businesses*

The results of analyzing the status of rural community business by jurisdiction, first showed that no rural community business was established in Seoul, Daejeon, Busan, Ulsan, Daegu, Sejong, and Gwangju. Examining Jeollanam-do, Gangwon-do, and Jeollabuk-do, where the largest number of establishments were observed, income business type was found to be the most common type with a ratio respectively of 66.10%, 66.67%.

Second, as a result of analyzing the establishment year by region, the status of establishment between the years of 2006 to 2014 was recorded in Seoul, Incheon, Daejeon, Busan, Ulsan, Daegu, Sejong and Gwangju. Examining Jeollanam-do, Gangwon-do, and Jeollabuk-do, where the largest number of establishments were observed, Jeollanam-do and Gangwon-do each had the highest establishment ratio, respectively of, 19.05% and 21.74 in 2010. Similarly, Jeollabuk-do, showed the highest establishment ratio of 27.27% in 2011.

Third, as a result of analyzing the business area of rural community businesses by region, the food and specialty products business was found to be the most common business area in all regions, except Chungcheongnam-do where the most common business area was experience and tourism business.

### *5.1.4 Status of Rural Community Businesses by Establishment Year*

First, the results of analysis on the subtype of rural community businesses by the establishment year indicated that the income business type was the highest subtype for all years between 2006 and 2013, except 2014 when each of the complex and income business types accounted for 50% of the total.

Second, as a result of analyzing the business area by the establishment year, the food and specialty products business was the most common business area in all establishment years except 2014 when the experiences and tourism business was the most common business area.

## *5.2 Suggestion*

This study made an attempt to examine the characteristics of rural community businesses by

analyzing the status of rural community businesses. As a result, it was found that the number of farming and fishing community businesses established in metropolitan cities and self-governing province was near zero, and the status of establishment has also been decreasing since 2010. However, considering the finding that the ratio of businesses in operation is significantly higher than that those businesses not in operation or disestablished, it can be analyzed that the established businesses are well maintained.

In conclusion, it is deemed important to find measures to establish rural community businesses in various regions and support existing companies to continue their operation.

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