

Democratic Transition and the End of Water Pricing in Korean Agriculture in Comparative Perspective

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(a) Purpose of study or research hypothesis

Explore the impact of qualitative shifts in institutional frameworks or policy on water pricing

(b) Key issue(s) or problem(s) addressed

Institutional frameworks, policies, and water prices are foundational elements of water security and resilience. Ten years ago, I co-authored a report for the OECD (*Agricultural Water Pricing: Japan and Korea*) where we found a clear contrast between the otherwise similar farm systems in the two countries. Agricultural water prices for state-directed systems in Korea were set at a beneficiary pays cost-recovery level under Japanese colonial administration and subsequently under authoritarian governments. Coincident with the advent of a multiparty parliamentary democracy in 1987, the agricultural water price was reduced in the larger irrigation systems covering most of Korea's rice fields a number of times until it reached zero in 2000.

(c) Methodology or approach used

This presentation will, time allowing, explore the effects on water de-pricing of democratization as well as other factors, such as WTO accession, a rice self-sufficiency policy, and the aging of farm populations and infrastructure. If possible, with the assistance of Korean colleagues, I will update the situation over the past decade. I will also introduce comparable instances outside Korea where significant institutional or policy shifts have had a dampening effect on price adjustment mechanisms, such as Hong Kong's water supply pricing, as well as contrasting with Japan, which has had to deal with the same "other factors" but has maintained agricultural water prices at or near beneficiary pays levels.

(d) Results or conclusions derived from the project

Major shifts in the larger institutional framework, especially at the constitutional level, can have perverse effects on water security and resilience either unintentionally or because they give greater emphasis to other types of security, such as grain self-sufficiency or maintaining social order.

(e) Implications of the project relevant to congress themes

Water security and resilience are embedded in a larger institutional and policy framework and sometimes have some tough competition there.

Keywords : Korea, water pricing, democratization, water security, agriculture, aging populations and infrastructure