



A Study on Applying Farmer Basic Income in Gyeonggi Province

Current Korean rural areas are collapsing due to income gap between rural areas, aging rural population, and sharp decline in agricultural income. This study suggest the direction and specific implementation plan of farmers' basic income driven in Gyeonggi-do in order to revitalize the rural area and economy. For the purpose of doing so, this study reviewed the previous studies on basic income and basic income of farmers and did analysis of statistics and surveys for the rural areas of Gyeonggi-do and for the needs of the farmers.

Basic income is the system that everyone (universal), individually (individual), with or without work (unconditional) receives a certain amount of money to guarantee basic economic freedom and survival. However, the public opinion against securing large amounts of money through taxation and against the laziness of receiving money without working hinder the full scale implementation in Korea.

But basic income system is politically easier to implement than other social security systems because most of the people get back more than they pay as taxes. And the basic income test cases around the world shows that even a small amount of basic income payment promotes individual economic activity against the laziness argument.

Despite all these facts, Korea is not able to realize the full-scale

implementation due to national sentiment against it. Therefore, Categorical basic income (age-based pension, amount of children) that applies only to certain classes of people, or participant income that is paid under certain activities are more realistic incremental implementation leading to the full scale implementation in Korea. Farmers' basic income is paid to the people called farmers, that is a kind of categorical basic income or is paid on condition of public interest activities in rural areas. that is of participant income.

Most farmers' basic income proponents argue that farmers play a public role in food sovereignty and ecological preservation. They said that farmer income continues to fall compared to the urban population and emphasize that external impacts such that free trade agreement is creating an even worse rural environment despite of the public role of the farmers. Direct payment system for farmers in Korea exist as a device to prevent the farmer income decrease but does not play its role, but rather encourages the polarization of farmer income. They proposed the farmers basic income to compromise these all negative rural environment.

Most of them proposed payment of 30-500,000 won per month, but the argue about whether payment should be done per farmer or farmer family differs. They propose full scale farmer basic income when implementing farmhouses basic income but partial step by step implementing when implementing farmer basic income due to financial problem.

Most of them agree to improve the agricultural direct payment system and reduce unnecessary agricultural budgets leading to a budget expenditure restructuring as the financial sources. Additional resources such as FTA profit sharing system and rural welfare tax are also proposed. Some commentators argue that farming related projects have

been made up of initiatives of unnecessary construction development and are insisting on a rescheduling of these developments. And most of them argue to raise the share of farm income subsidy in the agricultural budget as the financial sources.

In case of preservation of farm household income overseas, farm income is preserved by guaranteeing agriculture product price through agricultural subsidy. In that respect, it is no different from Korea's direct payment system. However, it is consist of the certain amount payment for small farmer and payment under various conditions such as environmental conservation and the incremental payment in the form of price preservation. In recent years, payment under various conditions such as environmental preservation increased to reduce the share of payments for the purpose of price preservation. However, the shares of these payment in farm income are in the range of 20% up to 50% and is very effective in preserving farm income and the agricultural budget proportion is large enough to reach 80%. These contrast against Korea.

Looking at the current domestic farm income preservation project, it can be divided into three types. There is a direct payment system improvement that guarantees a certain amount of payment to small farmers. Typical case of the public direct payment system is promoted in korea national congress. In this case, farmer house with less than 0.5ha is uniformly paid 1 million won having a form of basic income.

Many local governments also provide farmers with farmer allowance, a kind of participant income in return for protecting rural environments and promoting ecological agriculture. The Chungnam-do Agricultural Environment Practice Project is a representative case. It is a representative example of participatory income by supporting an equal amount of money to individual farmer house regardless of their income.

Both the direct payment system improvement and participatory income are financed through the consolidation of various types of direct payment funds. Therefore the direct payment system improvement and farmers' basic income are linked. But attempts to secure farmers basic income without the relation with direct payment while satisfying individuality and unconditionality of basic income is rarely found in municipalities.

On the other hand, if you look at the current state of rural and farmers in Gyeonggi-do, Household income is only 74.8% as of 2018. In the case of consumer spending, the urban worker household has reached 33.8 million won, but farmer household of Gyeonggi-do has less than 25 million won. It is only 91% in absolute terms.

This is related with the fact tha urban workers' households continue to increase while the income of households in Gyeonggi-do is still not recovering to 2007 levels. In the case of disposable income, In 2006, it reached 93% of the urban workers' household, but it has declined to 78% as of 2018.

In 2018, the share of full-time farming house in Gyeonggi-do was 66%, is very low compared to 74% of the country. the share of full time farmers is 73%, much lower than 80% of Korea.

Since 2003, Gyeonggi's farm household income accounts second after Jeju-do, but in terms of absolute amount, It is not even at the 2006 level. Also, since income outside the agriculture activity is higher than farm income, agricultural dependence, also accounted for 22% in 2018, much lower than the country's 31%, and agricultural profitability is significantly lower than the national average.

If you look at the farm household income of Gyeonggi-do farmers by category, agricultural income falls, Income from nonfarm and employment is increasing, and transfer income from both public and

private subsidies is also on the rise, playing a role in mitigating the decline in agricultural income.

In addition, the economic status of farmers by crop size shows that more farmers have less than 1ha of arable land. The number of households with large farmland over 2ha is decreasing. Especially, farmers who own a farm arable land more than 1.5ha have agricultural income on the rise. But it is particularly noteworthy that the agricultural income is continuously decreasing for the rest 75% of farmer households with less than 1.5 ha arable land.

Such declines in agricultural income, polarization of agricultural income, and the increase in the share of farmers having non agricultural income have the effects of reducing the proportion of crop arable land conserving rural environment, so as to threat the agriculture industry with the role of ecological preservation and food sovereignty. We try to improve the deteriorating situation of farmers / farmers / farmers in Gyeonggi-do by promoting the farmer basic income.

For more sophisticated promotion of farmers' basic income in Gyeonggi-do, we conducted survey for the farmers to examine the level of consciousness of basic income and the economic situation of rural area and requirements of farmers. The result is summarized as follows.

Agricultural non-house farming was the highest, accounting for 59.6% of the land. And rice production have the highest share of 44.2%. The monthly household income is the highest with less than 2-3 million won, at 23.1%, households share with less than 1 million won were as high as 20.2%. 59.6% of households with income less than 3 million won in total were in the majority. 73.9% of the farmhouse with one family member engaged in farming have the income less than 3 million won, 60% with 2 people, and 42.8% with 3 or more people. These shows that farmers have very poor income, especially rice farmers have.

Awareness of basic income accounted for 63.5%, showing many farmers know about basic income. Awareness of basic income account for 58.2% for men and 80.0% for women show that gender gap is large. In addition, the awareness account for 65.9% of farmers receiving direct payments, while for 52.4% of non-receiving farmers, implying the difference by the direct payment receipt. Up to 49.2% of farmers responded with no distinction between farmer basic income and farm allowances. This is related to the fact that only 50% of farmers knows the farmer or farm household allowance. This shows necessity to promote the farmer basic income and imply the non farmers in rural area who do not receive the direct payment, don't have interest for the farmer basic income. In addition, This shows half of the farmers don't distinguish farmers' basic income from the farmer allowances implemented by various municipalities for the purpose of environmental protection and food sovereignty.

The overwhelming majority of the 82.7% of the farmers was in favor for the farmer basic income, with only 6.7% opposition. The rate of favor of farmers receiving direct payment was higher than that of farmers who did not receive it. The favor rate for farmer's basic income was much higher than for the case where it was not recognized. These facts imply farmers' basic income is more affordable for poor farmers who perform farmland farming that receives direct payment.

In relation to the basic income payment method of farmers, the ratio of favor for the payment unit of farmer or of farmer household neither had an advantage to the same rate. Basic income is based on individuality principles and this survey results raise the need to publicize the fact that basic income should be done in the farmer unit.

More than half of the respondents believe that less than 1% is appropriate for the tax burden for the farmer basic income. But 62.5%

of the respondents are willing to pay more than 0.5% for the tax. This shows that farmers are very active in promoting the farmers basic income even with the tax burden and that the possibility of expansion of basic income in Korea is high.

Favor rate for the amount of basic farmer income earned by farmers was highest for less than 80 to 1 million won and for less than 20 to 400,000 won with equal favor rate of 14.6%.

74% overwhelmingly of the respondent are willing to participate and were very active in preventing fraudulent receipts of farmer basic income. The overwhelming majority, up to 71.2%, agrees that the basic income of farmers is paid in local currency. Especially the favor rate was as high as 91.7% in the smaller municipal unit, Goon.

Considering these all results, Gyeonggi-do farmers' basic income will be promoted. Basic income has been promoted for the group of elderly, children, young people. The next step for basic income is to provide basic income to farmers among the economically active population. Farmers' basic income is not fully universal, but universal within farmers. It will be integrated into the national basic income in the future. We need farmers' basic income because of agricultural income reduction especially for small farmer household and of widening income gap between urban and rural households. It is also necessary for economic reasons, such as widening the gap between countries and increasing income inequality. It is also necessary for the public interest of agriculture, establishing food sovereignty, responding to the climate crisis, and preventing local annihilation.

Gyeonggi-do farmers' basic income should be paid by individual farmers, not by farmers. Target of payment will be farmers who are registered in the agricultural management body, farmers in fact and agricultural workers who are engaged in agriculture, his or her spouse,

a retired farmer, who are difficult to identify on paper. We exclude the disqualified person including absentee so that the local council (the town council, the town hall committee, and the city council) should judge the farmer to receive the payment. Payment will be 600 thousand won a year. And we make the burden ratio of Gyeonggi-do between 30% -50%. In the second half of 2020, the total financial burden will be around 13.8bn. The resources of farmers' basic income is budget increase, use of budget with B/C ratio less than 1, and local subsidy project receiving insufficient evaluation.

Keyword famer basic income, basic income