To what extent does local context matter for the success of policies? I use newly digitized historical data from Korea to investigate the effect of social cohesion on public good provision and agricultural productivity. Korea's structural transformation in the 1970s was accompanied by a 50% growth in agricultural output per capita. During this period, the Korean government delegated the authority for public good provision to local communities—a development practice known as Community-Driven Development. The role of pre-existing Korean village characteristics in this context has not been explored. First, I exploit cross-sectional variation in social cohesion that stems from family clan homogeneity. I find that homogeneous villages provision more public goods and have higher agricultural productivity. Then, I use time variation in market access created by the construction of a bridge. The effect of clan homogeneity is amplified with increased market access. I provide suggestive evidence that this initial gap in productivity by pre-existing conditions closes by the 1980s. The combination of social cohesion, decentralized public good provision, and national transportation together explain 30% of agricultural productivity growth between 1969 and 1979.