



Miracle on the Han river

(South Korea rapid growth from 1953-1997)



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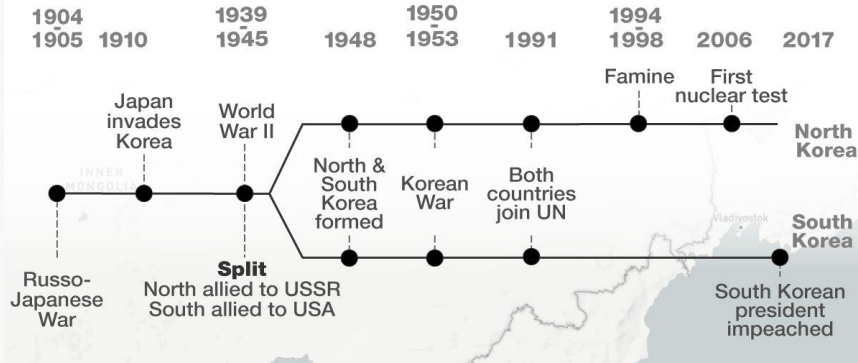
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Overview

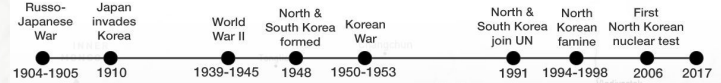
History of Korea before a revolution



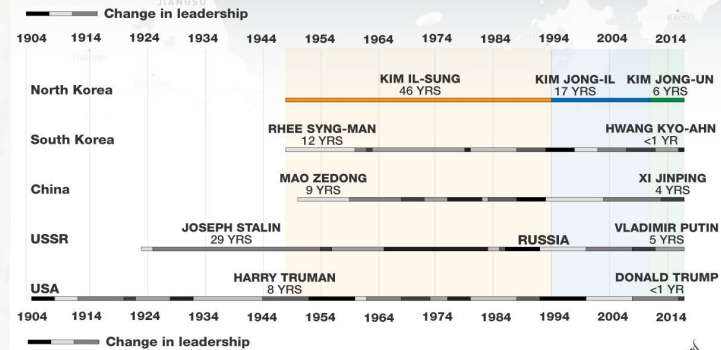
Two Koreas: History at a glance



A history of the Koreas



WORLD LEADERS



Source: World Bank, Al Jazeera



Main factors that contributed to South Korea rapid growth

Accumulated in
Human capital



Manufactured
exports



Foreign direct
investment



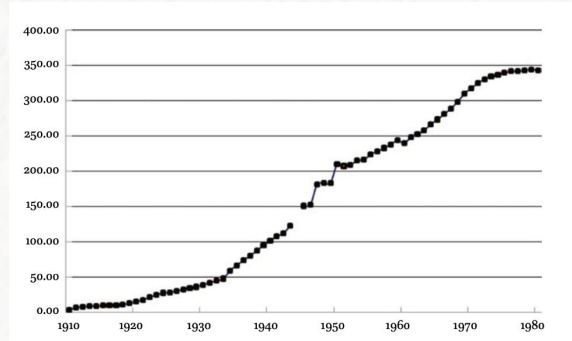
Encourage the
competition



02 Key issues and Challenges

Expansion in Education

Accessibility to school in South Korea



- ❖ **Enrollment rate** of primary school, secondary school and higher level **increased significantly**
- ❖ South Korea to have **the most educated labor force compared to other countries at the same level of income**

1945-1960

Land Reform

- ❖ Increase in the percentage of lands **owned by peasants**
- ❖ **Eliminated the conflicts** between landlords and farmers
- ❖ **Increased the productivity** of the agriculture sector.

Challenges

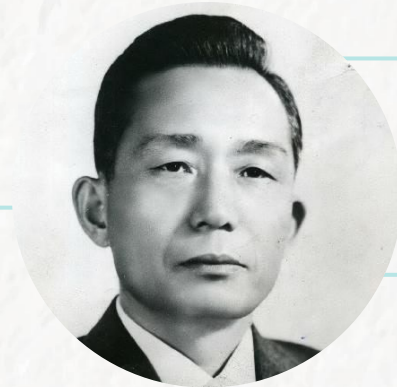
- ❖ Relied much on the foreign aid
- ❖ Small investment in infrastructure.
- ❖ Less international trade and investment

1961

Park Chung Hee as a president of republic of Korea

First Five year Economic plan:

- ❖ Improvement in **light industry**
- ❖ Change from import substitution to **import oriented**
- ❖ Attract **Foreign investment**



Encourage education and technical skills

- ❖ Rapidly expand **two-year technical college**, and **supported students to study abroad**.
- ❖ Top ranked universities graduated in the country and overseas later **joined the ranks of the bureaucracy**.

Rebound the relationship with Japan

- ❖ Japan became the **major foreign investor** in South Korea

President Park wants to make South Korea **stand by themselves** and be able to **compete with North Korea**.

Second Five year Economic plan

- ❖ Increase more **FDI** and improve **infrastructure**
- ❖ Change from light industry to **heavy chemicals industry** focus
- ❖ South Korea's shipbuilding industry ranked second as **the world's largest shipbuilder** in the 1980s.
- ❖ These progress allow South Korea to me more **independent from the US**

Create a competition among Chabols

- ❖ The successful Chabols will **get the support from the government**
- ❖ However, the one that fail will **no longer gain a benefit from the government**
- ❖ the government **did not allow** any of the chaebols to have **monopoly power**
- ❖ the competitions between the chaebols **drive the overall outputs of the economy.**

Challenge: **Uneven development**



The urbanization causes the development in the rural area to be slower compared to big cities

The government then launched a policy, **the New village (Saemaŭl)** in 1971-1972 aimed to **educate farmers to modernize farming techniques and their accommodations**

03 Government strategies, Policies

Key factors?

DAC

Development Assistance
Committee

ODA

Official Development
Assistance

SDGs

Sustainable Development
Goals

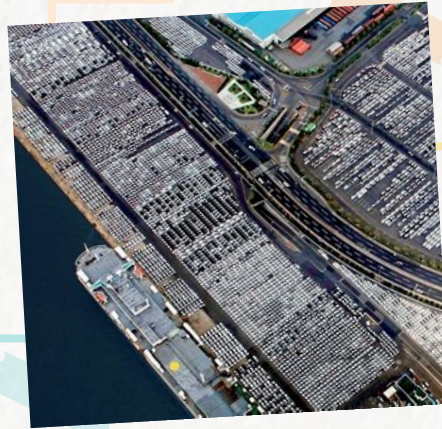
How South Korea got better?

Trade Policy

- Shifting from import substitution to focus on export expansion.
- Reducing its tariff from 40% to 13%.

ODA

Expanding ODA will offer assistance South Korea's notoriety and contribute to valuable discretion and worldwide peace and solidity.



Exchange with creating nations

Incrementing the wage of citizens.

04 Lessons Learned

- Government should promote more competition between firms while stabilizing the monopoly power and make sure that education could reach people in rural areas
- Promote transparency of the government organization and provide good
- light industries alone would not be sufficient to sustain the economic growth of the country



Conclusion



Park Chung Hee

Park's intention is to reduce the poverty where the declarations of the independence and democracy were made.

First five-year economic plan, the application for low-interest loans encouraged small enterprises

Second five-year economic strategy focuses on attracting foreign direct investment

Governance under Park Chung Hee's military regime is one of the most important aspects of South Korea's economic growth.

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