The Role of Government in Economic Development: A Comparative Study between Bangladesh and South Korea

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Abstract

In East Asia the government of each country has played a decisive role in state development by engineering economic miracle. South Korea has dramatically been transforming its economy and managing development of the most important public and private enterprises since 1960s. South Korean government provided a favourable institutional framework by prioritizing industrial growth, within which the private sector could flourish. All these unique features are obviously the basis of Asian version of capitalism. The unique Asian variety of capitalism is mostly linked with the industrial policy debate where the government plays an active and paternal role in guiding the economy and society. This paper tries to explore the development strategies and economic policies adopted by the government of South Korea to ignite change in favour of radical economic transformation and its efficacious performance to create a sense of urgency to bring about a hospitable environment for growth and competitive advantage. Against this backdrop this paper also figures out the lessons to be learned by Bangladeshi Government from Korean experience to emulate and also to address the country’s economic potentials in order to catch up the economy of the Asian Tigers.