

## **A Comparative Study of Development Plans in Iran and South Korea during Last Four Decades with Emphasis on Economic and Political Development**

**Reza Ghaderi<sup>1</sup>**

*Ph.D. Student of Sociology, Naraq Branch, Islamic Azad University, Naraq, Iran*

**Alireza Mohseni Tabrizi<sup>2</sup>**

*Professor of Sociology, Faculty of Social Sciences, University of Tehran, Iran*

**Mohammad Hossain Pouriani<sup>3</sup>**

*Faculty Member, Naraq Branch, Islamic Azad University, Naraq, Iran*

*Received 26 August 2019*

*Revised 2 September 2019*

*Accepted 4 September 2019*

---

**Abstract:** *This study aims to a comparative study of development plans of Iran and South Korea over the past four decades with an emphasis on economic and political development using comparative historical; research method. Theoretical framework is derived from Amartya Sen, Shils and Adrian Leftwich theories. Results of this study depict that under development approach of South Korea, priority has been considering development infrastructures, caring about educations and training workforce, caring about proper relationship between government and private sector, modification of monetary and financial systems appropriate to development, export promotion and development strategy. On the other hand, in Iran, the timing of the process of restoring stability and peace to the political arena is always a major obstacle to economic growth. The changes in political and ideological management, the definition and management of the economic system, the leap from the private economy to the state, have imposed massive fluctuations on the economy. For this reason, comparing the two countries studied, it can be concluded that Iran did not succeed in the process of economic-political development. In Iran, despite certain conditions, especially after the Islamic Revolution, events such as the Iran-Iraq war; foreign pressures; the imposition of economic sanctions; the reduction of relations with foreign markets; and so on, appeared as barriers to development and caused Iran's failure in her developmental programs, while South Korea has been successful according to the accurate plans.*

**Keywords:** *development, development plans, economic development, political development, Iran, South Korea.*

---

### **Introduction**

From 1960s, Iran and South Korea started a flattering plan in national development. At the end of mentioned decade, both countries have been left pre-capitalism phase completely behind and stepped rapidly toward industrialization. Iran's oil incomes at the end of mentioned decade put the country at distinguished level and it seemed that Iran can compete with its Korean counterpart which is suffering from lack of underground reserves even at the worst situation. At the best possible situation, it is supposed that Iran becomes second Japan and surpasses France during less than two decades, but although this country has oil and gas resources and considering prices of these materials within seventies and implementation of numerous industrial plans in Iran, South Korea could operate more successful than Iran. At the end of seventies, leaders of both countries have been vanished off the political scene. With this different that South Korea could accomplish successful industrialization pathway within two decades but Iran has given up hastily under pressure of lateral complications and has defeated in industrialization pathway whereas most of its development plans were discarded. The involved fact is approach of specialists and authorities of other countries who by relying on experiences and exploiting pre-tested and approved methods which helped predecessors to get rid of tourbillon of problems have been able to solve problems more rapidly and less costs. Then it seems that methods and patterns of

---

<sup>1</sup> Email: 19reza77@gmail.com

<sup>2</sup> Email: mohsenit@ut.ac.ir (Corresponding Author)

<sup>3</sup> Email: mhpouryani@yahoo.com

solving Iran's economic problems are quite clear and consisted of specified attempt to take these strategies, accepting expert points of view and avoiding careless activities within economy domain. In other words, if chronic inflation due to breach of financial discipline by state, dependence of central bank in codification and implementation of monetary policies, relying on careless importing in order to control inflation, issuing unsuitable acts, deficiency in implementation of included policies in article 44 of constitution law, applying pressure on banking resources to maintain economic schemes, money based approach in job creation, increase in government presence in economic affairs, escalation of dependence of budget to oil incomes and unsuitability of business environment may be a summarized and abridged list of existing problems of Iran's economy. Although there are similarities between Iran and South Korea at Pahlavi era, but economic planning consequences in these two states were not the same. Both countries started modernization (renovation) and industrial development from 1960s and both had authoritarian regimes and member of anti-communism coalition fronts and were under support of US. However, South Korea placed at the row of industrial countries after its success in economic planning, but erroneous policies of second Pahlavi made Iran to be dependent to oil incomes as before (Amjad, 2008: 8). One of the necessities to conduct present study is assessment of development experience in South Korea and estimating levels of people involvement and guidance in this process and comparing results with Iran development practices.

### Statement of the Problem

Economic development has basically a political nature and perhaps before being a related issue to economic policies, strategies or methodology, it has relationship with political dynamics, government nature, social forces conditions, relationship between government and social forces, international ground and roles of foreign powers. South Korea considers political development as objective tool to escalate country placement at the circle of international system. Furthermore, it should be noted that South Korea where its latest presence in Security council of UN dated 1996 – 97 period, in 2007 has announced its request to be one of ten members of security council of UN and submitted its request formally to UN in 2013 (Sardashti, 2013). In Iran after revolution of 1979 due to political challenges of parties and armed movements against governing regime suspended political stability. Increase of terrorism movements and aiming high rank authorities reinforced political instability domination where this hostile atmosphere greatly took calmness from Iran's political environment and put rapid access to political stability against numerous problems. Because of these reasons Iran's oil dependent economy faced to problems at high level due to managerial problems. Inside international sphere also, recognition of new state in Iran where leads to imposing unilateral economic and political sanctions from different dissenting countries with governing system were affected Iran's economy which at that time was severely dependent on imports (Asgharpour et al, 2013).

**Table (1): Comparison of economic development status of Iran and South Korea regarding economic development indices**

2014	South Korea	Iran
GDP based on purchase power	1.342 Trillion USD	839.43 Billion USD
DP per capita based on purchase power	27000 USD	123000 USD
Under poverty line population	2 %	18.7 %
Unemployment rate	2.3 %	10.5 %
Human development index	929 %	750 %
Inflation	3 %	25 %
Agricultural sector's value added	3 %	10 %
Industrial sector's value added	37 %	45 %
Service sector's value added	60 %	45 %
Export and service shares of GDP	53 %	33 %
Number of internet users (as per 100 persons)	77	32
Number of mobile holders (as per 100 persons)	94	60
Required time to create a new business	17 Days	28 Days

(UNDP, 2014), (World Bank, 2014)

According to Table one, it is possible to clearly point that a significant difference is observable between economy indices of Iran and South Korea. We are witness of almost double time greater GDP of South Korea where this country is without Iran's huge oil incomes. Moreover, South Korea is ranked within group of the countries with "very high level of human development" but Iran is classified as a country with "moderate" level of human development. Other indices such as number of mobile, internet users and shares of economic sectors from GDP also point to difference between status of development capability in two countries (Ghassemali, 2015). Answering the following questions is priorities of this study; firstly what are reasons of South Korea success in development plans in spite of numerous limitations, but Iran did not obtain expected success in development? Secondly, what lessons for Iran are included in South Korea experiences and how can these experiences be implemented in Iran?

### **Objectives**

1. Explaining Iran's and South Korea's strategies of achieving political – economic development and identifying differences of these two countries in regard of this context as well.
2. Identifying effective factors on South Korea economy – political development plans including facilitating factors and inhabiting ones.
3. Identifying effective factors on Iran's economic – political development including facilitating factors and inhabiting ones.
4. Identifying scientific strategies in compliance to existing situations of both countries.

### **Research Questions**

1. What are effective strategies on economic – political developments of Iran and South Korea?
2. What were Iran's and South Korea's strategies to achieve economic – political development? What are differences between those strategies?
3. What are effective factors on South Korea economy – political development plans including facilitating factors and inhabiting ones?
4. What are effective factors on Iran economy – political development plans including facilitating factors and inhabiting ones?
5. What are derived applicable strategies from these experiences? And due to existing situation of Iran; which ones are suitable to be operational?

### **Political Processes (Political Development) in South Korea**

Korea land has about five thousand year history and this country always has been interesting, been under aggression and captured by different ethnic groups, neighbors and nations (Thomas, 2006 : 916). In August 1945, it was agreed by USA and USSR that Korea to be divided into two influence regions at 38th parallel north and Japanese forces surrendered to USA and USSR at the sides of this latitude. Therefore domination of Japan on Korea lasted 30 years and after WWII and Japan's defeat, Korea became independent (Nami, 2007: 76). Republic of South Korea was formally recognized in 15, August, 1948 and general assembly of UN recognized Republic of Korea as the only legal representative of Korea peninsula. Communists also found their independent state in 9, September, 1948 by announcing Democratic People Republic of Korea at the northern region of peninsula (Bernel, 2008:324). Syngman Rhee was elected as the first president of South Korea after foundation of this country and was supported by USA government through military, economic and political aspects. Syngman Rhee governed South Korea for 14 years. American advisors accompanied him during land reforms. In June, 1950, North Korean forces invaded South Korea and made UN Security Council to react against North Korea and to invite world's free nations to counteract with Communists attack. In presidency election of 1960, once again Syngman Rhee who has been passed difficult economic and social crises was elected as president of South Korea. Electing Syngman Rhee was faced to students and people demonstrations and he ultimately resigned and removed presidency. In 1961, General Park Chung-hee took over ruling of country by support of military and governed South Korea in a seemingly democratically (with democracy) way for 18 years. At the beginning of his governing, he takes the strategy of treatment and agreement with oppositions and stand strongly against communists and economic crises. In October 1979, president Park Chung-hee was murdered by chief of South Korea security organization and before termination of this year, General Chun Doo-hwan the chief of South Korea military intelligence

organization took ruling of country. In 1987, hundred thousands of South Korea workers went on strike and occupied factories; requesting democratic (with democracy) regime and freedom of speech and thought. In July 1987 forced to step back and Roh Tae Woo was sworn in as president. Ultimately, since it was supposed that international Olympic games in 1988 to be held in South Korea, then authorities of this country decided to hold free elections in December 1987 and two major opposition political parties named Democratic United Party (DUP) under leadership of Kim Young-Sam and Peace Democratic Party under leadership of Kim Dae-jung who obtained Noble peace prize due to his endeavors to establish peace inside Korea peninsula, participated in this free election. Economic crisis which was challenging from December 1997 in country was completely resolved in 2001 and the country entered a new era of economic prosperous. In presidency election of 2002, Roh Moo Hyun from Millennium Democratic Party (MDP) with 48.9 percent of ballots became victorious (Jaafari, 2005: 339).

From 1948 after foundation of independent state in South Korea, this country has passed several periods of challenge and evolutions as are summarized and pointed below: First republic 1948 – 1960 under ruling of President Syngman Rhee along with severe intend to totalitarianism. Second republic 1960 – 1961 a democratic period under ruling of Chang Mioun who removed by military coup. Third republic: 1961 – 1972 a period of totalitarianism under ruling of Park Chung-hee. Fourth republic: 1973 – 1979 a severely totalitarianism period when was ended by President Park's murder. Fifth republic: 1980 – 1987 a period of totalitarianism under ruling of President Chun Doo-hwan. Sixth Republic: 1988 – 1992 a period of moving toward democratic regime (with democracy) under ruling of President Roh Tae Woo. Seventh Republic: 1992 – 1997 period of reforms under ruling of Kim Young-Sam. Eighth Republic: 1997 – 2000 under leadership of Kim Dae-jung. Ninth republic: 2000 – 2002 under leadership of Park Dae-june. Tenth Republic under leadership of Roh Moo Hyun. During all periods after South Korea independence, there was great tendency to establish democracy in country but within five years except a 9 month period between 1960 to 1961, South Korea was not favored by a democratic (with democracy) political regime (Nami, 2007 : 81).

### **Economic Development in South Korea**

The first step in development of every community is consensus of experts regarding undesirability of existing situation and their total agreement of necessity to change situation. Being developed is related to agreement among three expertise domains: Power owners, wealth owners and thought owners. These experts should achieve amicable coexist and form common goals and public benefits to make decision for general path of community (Nagheebzadeh, 1390: 339). Consistent economic growth and development requires political freedom, eligibility of government and political stability within a system based on democracy because eligibility of government is basis of political stability, decrease in investment risk, attracting national and foreign investments and increase in economic growth (Hossainzadeh, 2011). Economic development of South Korea can be divided into three periods as: from 1962 to 1979 includes rapid economic growth and industrial oriented strategies toward exports, industrial policy based on heavy industries and chemical industries including iron and steel, electronic and chemical machineries. From 1980 to 1996 South Korea aims to maximum level of growth through stabilizing prices and implementation of structural plan. Import liberalization along with monitoring imports and import resources diversification program inhibited existing imports stream and imbalanced in bilateral trade. From 1997 up to this date: There are liberalization acceleration and implementation of liberalization policies which lead to monetary crisis of latest years of 1990s. After monetary crisis, South Korea administration accelerated attraction of foreign direct investment. Macro policy in South Korea up to 1990s can be named “industrial policy”. During this period, priority of state was supporting national capitalism and driving that towards country industrialization along with avoidance of economic merging with globalization, but gradually within 1990 decade the above mentioned policy replaced by liberalization and government fulfilled its role suitably in transiting to open doors economy (Nagheebzadeh, 2011: 337). But what is worth talking and important in connection to economic development in South Korea is state's “import development strategy”. According to this principle; Park Chung-hee exactly in contrast to other third world's leaders selected export development strategy so as to achieve economic growth in South Korea. Considering shortage in natural resources and small and limited national market, this country could not be successful by taking import replacement strategy;

therefore take approach of extraterritorial and set to exploit international facilities as much as possible to achieve its economic development (Shahandeh, 2010).

### **South Korea's economic development plans**

#### ***First economic development five-year plan***

Unorganized economic, social and political situations and intense dependence to foreign supports resulted in that General Park Chung take governing power through a very calm and without bloodshed coup in 1962. In contrast to other dictators, he put economic growth at the top of his plans and could transform South Korea from a poor agricultural based country with lots of foreign loans to a country on the way of industrialization and better status of returning loans.

#### **Results of first five-year plan**

Considering pre-determined goals of plan, accomplishment of those goals are as follows:

1. Level of GNP at the fix price of 31% concluded higher than expected amount and reached to 18060 million USD.
2. Population of country was 2 million less than pre-determined level in plan.
3. Share of agricultural sector supposed to reach 36.9% from 34.8 %. Furthermore, share of industry and mine sector also was less than pre-determined figure.
4. share of exports was increased almost 100% more than planned level as it was pre-determined to be 138 million USD but the results shows 250 million USD.
5. Materialized rate of investment was less than pre-determined level (21.6%).
6. National savings was also less than pre-determined planned level (11.8% against 13%).
7. Unemployment rate reduced to half of the pre-determined rate (materialized unemployment rate was 7.1%).

#### ***Second five-year economic development plan (1967 – 1971)***

Second economic development plan also similar to the first plan started with focus on growth in industry sector priority. In this national plan, agricultural sector had less priority because at that period, all South Korean authorities believed that the only solution for development is expansion of industry sector.

#### **Results of second five-year plan**

Considering predicted qualitative and quantitative objectives in this plan, South Korea obtained some results as: 1 – level of gross national products at fix price escalated to 30900 million USD and it means more than 32% relative to predicted figure. 2 – Population of country a little bit less than predicted figure of plan. 3 – gross national production per capita reached to 941 USD (ten times more than its amount at the beginning of first five-year plan). 4 – Share of agricultural sector reduced to 27% from 34.4%, industry and mine sector also resulted in less levels relative to predicted levels. 5 – Exports at country level had growth of 140% relative to predicted growth where reached to 1130 million USD from 550 million USD. Export growth shows its significance when compare to 250 million USD at the end of first plan (more than 350% increase). 6 – Materialized investment rate was 5.2 % more than planned figure and this rate reached to 25.1%. 7 – National savings rate was also a little higher than predicted level and reached to 14.6%. 8 – Unemployment rate also went descending and reached to 4.5%.

#### ***Third five-year economic development plan (1972 – 1976)***

Third period was concurrent with “President Park’s” changes and reforms. Codifying concealed constitution and making presidency period for a life time were the major political issues in this era. Protests and students demonstration were throughout this period. Within that period of time, concurrently with government organizing activities, the role of government in donating financial aids was more important than organizing activities. During that times Park regime faced to crisis then after global recession occurred. Because of the crisis, imports of South Korea had enough growth to reach predicted level. However, increase in imports value was used as an instrument to prove Park regime eligibility (Shariatti, 1995: 105).

### **Results of third five-year plan**

Considering conducted planning; results of this plan are as: 1 – level of gross national products at fix price escalated about 18% more than predicted figure and reached to 49000 million USD. 2 – Population growth was more than predicted figure and reached to 35,849,000. 3 - Gross national production per capita reached to 1367 USD where has 13% Increase relative to predicted figure. 4 - Share of agricultural sector decreased to 23.5% relative to related figure to 1971 equal to 26.8% where this figure was more than predicted figure. 5 – Materialized investment rate was 8 % more than planned figure. 6 – National savings rate reached to 23.9% where predicted figure was 21.5%. 7 – Unemployment rate also still went descending and reached to 3.9%. Annual average economic growth was 11.2% and 20.1% for industry sector, 5.8% for agricultural sector and 8.5% for service sector.

### ***Fourth five-year economic development plan (1977 – 1981)***

Some issues can be pointed to as results of the fourth five-year economic development plan:

### **Results of fourth five-year plan**

Considering conducted planning; results of this plan are as: 1 – level of gross national products at fix price was 65000 million USD where was 1880 million USD less than predicted figure. 2 – Population growth was at desired level where it was less than predicted growth. 3 - Gross national production per capita reached to 1678 USD. 4 - Share of agricultural sector decreased to 15.8% and share of industry and mine sector decreased to 29.5% and service sector increased to 54.7%. 5 – National savings rate descended to 21.7%. 6 – Investment rate was 8 % more than planned figure. 7 – Unemployment rate had a very desirable change and increased 3.1% relative to predicted figure. Annual average economic growth has been 9.2% and 4% for agricultural sector, 20.1% for industry sector and 7.6 for service sector. Export also had increased 16% as per annum, however import growth annual rate was equal to 12% which indicted relative improvement in trade balance of country. Although these increases occurred, oil crisis of 1979 and global increase in price of this vital material faced economy of South Korea to crisis of 1980 whereas for the first time after beginning of economic development plans in this country its growth reached to 5.2%.

### ***Fifth five-year economic plan (1982 – 1986)***

Economic crisis of 1980 brought high inflation rate and unbalanced status of payments in country. Based on these consequences the fifth economic development plan was designed to solve economic problems resulted of crisis.

### **Results of fifth five-year economic development plan**

In this plan, economic management and control by government replaced by economic efficiency which is obtained through freedom of activities, creation and innovation from private sector as well as market mechanism. After two years; some changes occurred in the world where affected South Korea and resulted in : 1 – at the end of this plan gross national product reached to 105,176 million USD equal to average annual growth of 8.5%. 2 – Gross national production per capita reached to 2554.05 USD. 3 – Population reached to 41,180,000 at the end of plan. 4 – Developing and expansion of free zones. Eleven free zones has been developed in South Korea since 1986 where had relatively successful operations. Factories of free zones are liable to procure at least 30% of required raw materials from national resources and Government consider to increase this share to 60%.

### ***Sixth five-year economic development plan (1987 – 1991)***

According to predictions of sixth development plan, it is said that per capita income reached to 3970 USD and South Korea economy had annual economic growth of 7.2%. Another goal of development plan was decrease of unemployment rate in regard of population growth when it is about 3.7% and remained stable; population growth rate was 1.19 and at the end of sixth development plan reached to 44.194 million. Result of completed plan in regard of GDP was more than predicted figure as well as GNP equal to 9.4% and economy growth rate was 9.9%. Annual export growth in accordance to plan surpassed predicted figure and reached to 9%. Share of forming fixed gross capital escalated from 29.4% in 1987 to 38.2% of total expenditures in 1991. Share of savings also increased 36%.

### ***Seventh economic development plan up to this date (1991-2016)***

In 1994, industrial exports of South Korea reached to 100 billion USD out of which 45 Billion belonged to small and medium industries. South Korea People's income per capita reached to 10,000 USD per annum. Imports value during 1995 reached to 135,153 million USD and its exports value in the same year reached to 125,365 million USD. South Korea trade policies are oriented in the following pathway: 1 – Credential direct support of exporting selected commodities. 2 – Establishing a suitable system for related commodities to exported ones. 3 – Determining priorities of exports. 4 – Omission and decrease levied taxes on exports incomes. 5 – Expansion and increase of related activities to those companies which produce exportable commodities. 6 – Reinforcement of sales networks in abroad and finding new markets. 7 – Suitable organizational designing to support exports and arranging export system. 8 – Balancing exportable productions and national consuming products where this policy implemented since 1980s. 9 – Applying structural changes in industry domain so as to produce technological products. Based on future plans of South Korea, this country has three major economic goals as: 1 – Upgrading growth potential, 2 – Promoting internationalization and 3 – Improving life environment. Regarding upgrading technology, South Korea government as implications of pure neoclassic economists shows is a motivational impartial regime that determine the roles of aggression and leadership as follows: 1 – Augmentative investment in research and develop factor by increasing up to three to four percent of gross national product in 1998 and those research and develop projects which are implemented efficiently by government. 2 – Upgrading strategic information industries including micro personal computers, multimedia and next generation of switching systems. 3 – making research foundations based on state's resources completely specified and task oriented along with supporting private corporations to conduct common research with those, universities and other private corporations in order to more efficient technological development. 4 – Developing an information network to serve trade and distribution of services as well as support mechanization of small and medium companies.

### **Development Plans in Iran**

Codifying five-year development plans after the end of imposed war and in 1989 started by ratification of the first such plans. In the followings we would have a review on five-year plans in Iran:

#### ***First five-year development plan (1989 – 1995)***

This plan provided in order to revamping of imposed war destructions. After revolution and non-stable situation at the first years after this revolution and Iraq attack to Iran almost immediately made long term and medium term planning impossible. But by termination of war and existing necessities of as rapid as possible revamping; the first five-year development plan was prepared in five core chapters by macro economy bureau of economic affair deputy office of ministry of planning and budget and proposed to economy council when at the end of 1989 parliament ratified the first instrument of development and the same year was announced as the first year of development plan (research center of parliament, 2000).

#### ***Second five-year development plan (1995 – 1999)***

This plan was focus on economy liberalization. After termination of the first five-year plan in 1994, attempts to codify the second five-year plan was started. Second plan designed to be implemented from 1995 up to the end of 1999 where had not any notable different with the first plan and this plan also based on economic liberalization and privatization.

#### ***Third development plan (2000 – 2004)***

This plan introduced under title of focusing on structural reform. The third development plan was ratified by reformist government and ultimately approved by board of ministers in September 20, 1998. The third development plan was designed and codified based on strategy of economy reform by relying on “competitive economy development” approach through moving towards economic liberalization along with formation of comprehensive system of social welfare and legal and fundamental reforms as well as removing monopolies in order to develop grounds for private sector contributions and lessening government supervision. Hence, third development plan also was entitled “structural reform plan” and this issue was accounted as rely and center point of third plan. This act was approved by parliament in

26 chapters and 199 articles on April 30, 2000 whereas every chapter included general policies and operational plans so as to fulfill determined goals (context of second five-year development plan).

#### ***Fourth development plan (2005 – 2009)***

Under this plan context, an long term instrument of Iran's development have been addressed. Fourth five-year development plan had been codified for 2005 up to 2009 whereas the most important feature of this plan was its preparation and ratification under twenty year scope instrument after communicating plan's general policies by great leader of Islamic revolution. This plan also designed in 15 chapters and 161 articles and approved by parliament on August 2, 2004. Macro objectives of this plan to be known as: A: Growth of knowledge oriented national economy under interaction with global economy, B: Environment protection, regional preparation and balance, C: Health development, human security and social justice, D: Preserving Islamic – Iranian culture and entity, E: Maintaining national security and government renovation and upgrading effectiveness of sovereignty. According to conducted assessments, fourth plan have totally 96 objectives and by accomplishment of these 96 objectives; the plan my completed its macro mission and achieve its six macro objectives (research center of parliament, 2007).

#### ***Fifth development plan (2010 – 2013)***

In this plan, triple objectives of: Two fundamental indices: 1) progress and justice, 2) caring about religion believing and self- believing – plotting ethnic pattern and Islamic – Iranian map were preludes of entering inside main goal circle and main goal was: accelerating movement towards sample and model Islamic community through justice oriented and people contributions approach in all domains (research center of parliament, 2012). Moreover, within introduction section of fifth plan petition to parliament, principles of preparation and codification subject of plan were described as accessibility to plotted position for country under twenty year scope instrument in region, complete accomplishment of dictated policies by great leadership, considering guide lines of Islamic – Iranian development at different dimensions of cultural, social and economic, social justice, comprehensive attracting contributions of people and developing suitable atmosphere for accomplishment of economic and social high jump.

#### ***Sixth development plan (2017 – 2021)***

Sixth development plan act includes 124 articles and 128 clauses when was ratified by Islamic council parliament on March 4, 2016. Important issues of sixth development plan are summarized into following five terms : 1 – Water and environment issues, 2 – development of Mokran and Arvand coastlines and regeneration of insufficient urban tissues (city margins and worn tissues), historic tissues and rural regions as addressed issues, 3 – some issues including mines and mine industries, agriculture, tourism, transit and rail transportation, innovative technologies, development and practices of sciences and technologies and implementation of fundamental change instrument of educations, public culture and Persian – Islamic lifestyle and energy issue, 4 – improving quality of business environment, efficiency and virtual media, employment, just payment system and removal of discrimination, maintaining financial resources required by national economy, empowerment of the bereaved ones and the poor (with priority of household head women), prevention and reduction of social harms, organizing and consistence of insurance and pension funds.

### **Theoretical Foundation and Framework**

**Shils's theory of expansionism :** In 1960, Shils in his book under title of “ Political Development in the New States ” stated that he believes all developing governments have a common goal where is modernization or dynamism, democracy and egalitarianism, because of this keep a distance from scientific governing norms of international economic life. But Shils specifically subtilizes that collection of demands drive new states towards a pattern of modernization which is merely western democracy unless it undergoes some reforms to become adaptable with unfamiliar geographical environment, from this point of view; every political system moves towards establishing a regime featuring superiority of civil law, representative agent function and imposing unconditional political liberties. Sprout of this principle is existed within any community where potential certainty of those is



goal of all political development processes (Nagheibzadeh, 2005: 48). Shils believes that existence of profound gaps between public and elites in third world's communities caused real political commitments faced to some problems, thus this gap developed a huge barrier between state and people and itself is obstruction of development in these countries. Because of this fact, such countries move towards centralism. However Shils thought of this situation as a temporary one but it is not denied by him as well. He named five categories of political systems as: A) Political democracy, B) Supported democracy, C) Neo-oligarchy or modernist oligarchy, D) Totalitarian oligarchy and E) Traditional oligarchy processes (Nagheibzadeh, 2005: 50). As mentioned before, Shils believes that all regimes will move towards development. He fancied the starting point of movement is from traditional oligarchy to political democracy under an evolutionary movement and also believes that historic changes provide grounds of democracy accomplishment during times and later or sooner traditions and conventions are replaced by rationality and law and traditional institutions also are replaced by civil institutions and new political structures, social gaps between elites and people will eliminate and both of those involve in their social roles. In other words, all communities move towards western type development.

### **Development as Freedom in Amartya Sen's View**

Idea in regard of development as a tool as well as a goal is included in scrutinized statement of Amartya Sen regarding development as freedom (Sen, 2002: 22). For Amartya Sen "extending freedom is a political goal as well as main tool of development" is viewed. These issues can be called respectively "constructive role" and "instrumental role" of freedom within development process. But development needs the followings at the first stage: "eliminating main anti freedom resources. These resources include poverty, dictatorship, trivial economic opportunities and systematic social bereavement, lack of public facilities and non-indulgent behavior or severity of non-democratic states (ditto: 37). Furthermore, some instrumental freedoms make people able to live more liberally and cause development through their connections with and supporting each other. He classified five contexts of this type of freedoms: 1 – political freedoms which enable people to create such governments or governmental policy that preserve advantage of a respondent government. 2 – Economic capabilities which include some opportunities for people to utilize resources for consuming, production and interchange. 3 – social opportunities which point to orders and arrangements provided by communities for some applications such as health care and education as well as those orders and arrangements which have fundamental value but are tools of providing effective contribution in political and economic survival. 4 – Transparent guarantees which are in fact those related guarantees to social and public deposits which are obtained through "revelation and transparency" that can limit corruption and usury. 5 – Security which is an important tool of development and generate institutionalized social security network that can protect people against falling into miserable poverty and hunger.

### **Adrian Leftwich's, theory on politics, economy and democracy**

Main orientation in Leftwich contexts is discussions of relationship between politics and economy as well as development. He believed that democratic government is not result or consequence of development but is necessary condition of development and accelerate development process. Any kind of development is inevitably a political issue and not a managerial or operational one because at different stages of development, the issue of how using new resources and new distribution methods has vital importance. For Leftwich, the features of expansionist governments are: 1 – existence of expansionist elites : it means that all of this type of governments are administrated by expansionist elites and these elites characterized by their decision to promote development. 2 – Relative independence of elites and Governmental Institutions: dependence in this context means that government can have relative freedom in responding demands of harmonic groups (either social classes or regional and local groups) and do not affected by these demands. 3 – Existing of strong and efficient bureaucracy: third distinction of expansionist governments includes the issue that purpose of elites in promotion, development and relative independence on behalf of the government is establishing a very strong and efficient bureaucracies which can drive and administrate typical problem of economic and social development. 4 – Weakness of civil society: is one of the conditions of emergence and establishment of expansionist governments. It means that civil society experiences weakness, contempt or governmental control. 5 – Power and independence: it means that relative power and independence of expansionist

governments was generated at the beginning of their modern development history and established before their national or foreign capitals became important or such governments became influencers (Leftwich, 2005).

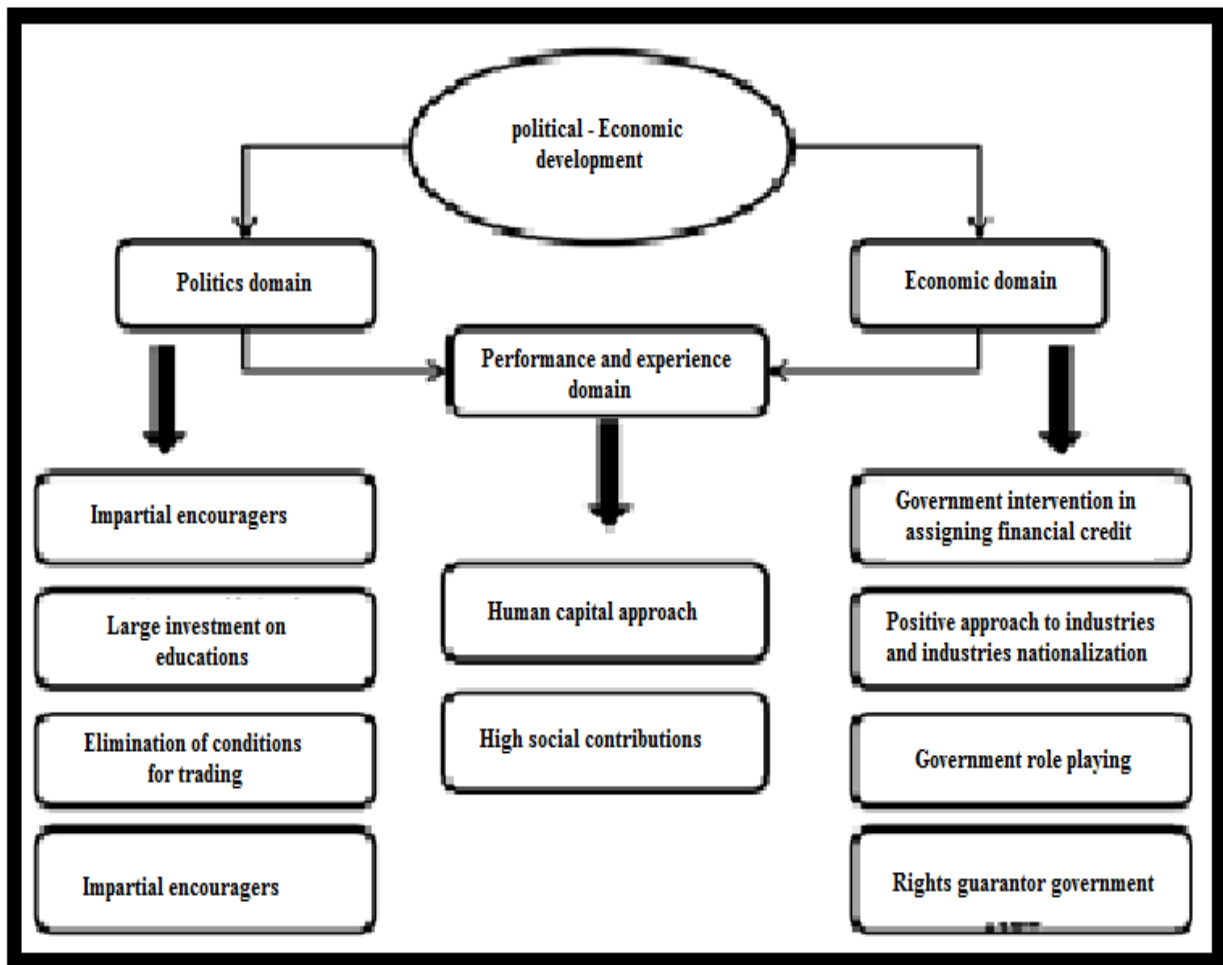


Figure (1): Conceptual model

### Research Methodology

Considering research subject that is about a comparative study regarding economic and political plans and achievements of Iran and South Korea, comparative – historical methodology has been used. Comparative analysis means description and stating similarities and differences of existing conditions or consequences amongst large scale social units such as regions, nations, communities and cultures. Choosing macro and large units which usually have limited volumes in this methodology makes issue of units’ volumes or under assessment samples a fundamental and important point; as it is said quantitative comparative study deals with large items (large N) and qualitative comparative study deals with limited items (small n) (Khanifer & Mosslemi, 2018 : 354). Statistical population of this study is considered peoples of Iran and South Korea. Analysis unit is country. Data collection tool is also using library resources along with taking notes, therefore necessary evidence and documents are derived from texts under library method (Sarookhani, 2004: 74). Along with primary references; secondary ones also were referred as complementary tool for data collection. Secondary references included books and conducted works which were published after occurrence of subject of study and were used to make primary references complete under bilateral reference to both references (Khanifer & Mosslemi, 2018).

### Findings

Literature and data analysis and assessments indicated that: South Korea government made development possible in country through two approaches. First one was through taking macro economy policies with objective of affecting industrial activities public environment and secondly, through a set

of policies which directly make development of some specified industries possible. Government made public the large investments on infrastructures such as roads, highways, electricity, water, dam and public transportation. According below mentioned Tables; comparison of two countries is clearly shown.

**Table (2): Similarities and differences of Iran and South Korea**

No.	Similarities	Differences
1	Start of flattering plans from 1960 in both countries	Oil reserves in Iran and lack of any underground reserves in South Korea
2	Interest in modernization process and economic development in Iran and South Korea	Iran never has been colony but South Korea has experience of being semi-colony (Japan)
3	Dictatorship regimes in Iran and South Korea	Financial and social damages of WWII in Iran and South Korea, where those damages did not corrupt Iran but corrupted South Korea by Japan, USSR and US.
4	Having agricultural based economy in both countries	Focus on policy making and performance in South Korea
5	Supporting west and specifically USA , being anti-communism and government leadership in both countries	Caring about infrastructures of development in South Korea from beginning
6	Consequences of WWII and presence of foreign occupants in both countries	Focusing on educations and workforce in South Korea
7	Adherence to traditional culture – rituals and ceremonies – ethnocentrism – common oriental values and norms in both countries	Caring about correct relationship between government and private sector in South Korea but lack of constructive interactions between government and private sector in Iran
8	Experience of rapid social and political changes in both countries	Modification of monetary and financial system and performing suitable monetary and financial policies in compliance to development in South Korea
9	Oil income at the same level as year of starting the development plans	Encouraging strategies in orientation of development and export in South Korea (By preparing industries to enter competition in foreign and international markets)
10	Number of educated people during implementation of plans	Intense support of new founded industries and gradual elimination of supports and entering into global market in South Korea, but in Iran supports are not intense but always there is concern of entering global market

**Table (3): Comparison of economic situations of South Korea and Iran**

No.	South Korea		Iran
1	Economy ranking	Eleventh to thirteenth economy of the world and fourth in Asia	Eighteenth economy of the world
2	Per capita income	USD30000 for South Korea's People	USD6000 for Iran's people
3	Driving motor of development	Driver and goal oriented government – endogenous and exogenous expansionist	Incompetent and agent government
4	Strategic policy	Government's positive and active intervention in cooperation with private sector and guiding private corporations by assigning budget and attributing credits	Governmental economy and compelling private sector to follow policies of public sector
5	Strategic view of government	Fulfillment of export objectives	Government approach to more imports so as to organize national economy situation
6	Monetary policies	Subtle monetary discipline – precise implementation of developmental plans – inflation control from 16% to 2% through implementation of plans	Being unable to complete developmental plans (fourth and fifth development plans) during implementation of sixth development plan. Disability to control inflation and

			moving towards increase in level of inflation
7	Objectives	Achieving high level of economic growth by focusing on investment in research and training – production quality	Disability in establishing policies and implementation of plans
8	Administrative independence	Robust and efficient bureaucracy – Meritocracy – sense of unity and common identity	Insufficient and large bureaucracy – discipline of relationships instead of meritocracy and specialism – coalition of bribery and rent seekers
9	Cooperation moral	Public and private cooperation between government and private sector through private risk socialization system	Lack of cooperation and unity to drive objectives of development plans
10	Priority of government's plans	Fight with corruption and taking strategic action against embezzlement – focus on general educations and people's knowledge to achieve development	Priorities are merely remained in written statements
11	Components of social capital	Contribution and social solidarity cause increase of social capital in South Korea where prepare pathway to development	Lack of strong contribution of people, weak solidarity among people cause decrease of social capital and decrease of social capital ultimately lead to hindrance in development approach

### Discussion and conclusion

By matching and comparing development processes (economic – political) in Iran and South Korea that are instructive and thought worthy in many aspects, it can be stated that both Iran and South Korea concurrently ; that is since early 1960s started their flattering plan in economic development domain when both countries had many similarities with each other ; some of these similarities include approaches to modernization and economic development processes, having dictatorship regimes, a type of economy which was based on agriculture, supporting west and alliance with US, both countries are characterized to be anti-communism and development leadership was by government. In addition to these similarities, Iran had some strong points whereas South Korea was in lack of those and those strong points must make achieving to development for Iran easier compared to South Korea. Although Iran and South Korea had similarities and Iran had strong points compared to South Korea, but consequences of economic planning were not similar in these countries where South Korea surpassed its rival and in contrast to Iran achieved to be ranked as an industrial country. Therefore, the question is why one of these two countries (South Korea) in spite of many limitations and weaknesses on its way, could complete development plans successfully but other country had failure in this way? Perhaps the most important answer to this question seems to be related to several involved factors in this domain which lead to development in South Korea but Iran ignored in policy making or implementation or both in regard of development plans. To state some of such issues; it can be pointed to efficiency increase of workforce, focus on applicable industries at the beginning of development pathway, caring about development infrastructures, caring about educations and training workforce, focus on proper relationship between government and private sector, modification of monetary and financial system and implementation of monetary and financial policies appropriate to development. When specified endeavors devoted to encouragement and extending exports ranked as priority in South Korea, Iran ignored this priority. South Korea favored by encouragement system. One of the requirements of this strategy is preparing industries for competition in foreign and international markets. According to this strategy, governments support new born or new running industries while considering advantages of their products and gradually decrease such supports; it is resulted in produced commodity being able to obtain required strength and quality to be presented in global markets. This policy is not implemented in Iran, it means that before new running industries obtain enough growth, concerns of joining to free market and global trade is existed whereas none of developed countries behaved the same. The most important point within this strategy is temporary support of industries to make sure that these industries obtain required readiness to enter global markets. Industry support in Iran for some industries such as car making industry is changed to a permanent support and this permanent support, not only was not successful in preparing these industries for entering global markets but leads to insufficiency of those

industries. South Korea's government considers political development also to be under escalating its ranking at international system. Since South Korea is properly aware of its strong and weak points and focuses on political and economic development concurrently, it is expected that South Korea can improve its international ranking and adapt appropriately with changes in international arena. It seems that any development will not be achieved unless its grounds would have been prepared. What should be accounted and be orientation of development is human, education and human's trainings which must be priorities in development plans. Humanity, cultural, economic, political and social development causes growth, promotion and development of communities. Economic and political development is not achievable unless its requirements and necessities were the same development plans are implemented properly.

### **Suggestions**

Considering above conclusion which is shown by comparing literatures of both countries, South Korea has achieved economic development via acquired political development through planning. Thus, Iran comparing South Korea has not achieved desired level of political – economic development. The following suggestions are pointed in order to Iran's development:

- Expansion of production culture in society instead of consuming culture through applicable and objective patterns.
- Establishing relationships amongst government and civil society and private sector based on expansionism government.
- Expansion of economical co-operations with other countries and using and applying "theory of perfect industries".
- Endeavors in orientation of eliminating foreign political and legal challenges and obstructions against foreign economic co-operations.

### **References**

1. Asgharpour, Hossain, Ahmadian, Kasra, Moniei, Omid (2013). "Impact of political inconsistency on Iran's economic growth Non-linear approach, research and economic policies seasonal, 21th year, No. 68.
2. Amjad, Mohammad (2005). Comparing assessment of development in Iran and South Korea (1962 – 1978), Tehran: Islamic revolution documents center.
3. Badiie, Bartaran (2006). Political development, translated by: Ahmad Nagheibzadeh, Tehran: Ghoomess Publications.
4. Sarookhani, Bagher, Research methods in Human sciences (Fundamentals and principles), Tehran: Human sciences and cultural studies research center, thirteenth edition.
5. Saei, Ahmad (2005). Development in opposed schools, Tehran: Ghoomess.
6. Shahandeh, Behzad (2000). South Korea politics and economy, Tehran: Faculty of law and political sciences.
7. Khanifer, Hossain, Mosslemi, Nahid (2018). Principles and fundamental of qualitative research methods (New approach and applicable), Tehran: Negah danesh publications.
8. Ghavam, Abdulali (2011). Political development challenges, Tehran, Ghoomess Publications.
9. Keenzi, Mac (2010), South Korea in seeking its rank in global arena, Translated by : Mana Messbahee
10. Goodarzi, Davood (2002), Economic development strategies (Case study: Iran and South Korea), Master degree dissertation, Tehran university, Faculty of law.
11. Report of "Abridged conversation about third plan petition", Parliament research center, October 2009.
12. Report of "general evaluation of development plans after revolution", Parliament research center, 2010.
13. Report of "roots of failures in first and second plans", Parliament research center, July 2009.
14. Report of "general evaluation of development plans after revolution", Parliament research center.

15. Leftwich, Adrian (2005). Politics and development in third world. Translated by: Alireza Khosravi and Mehdi Mirmohammadi, Mottaleat cultural institute.
16. Messgarian Haghighi, Davood (2004). Government role playing in South Korea, Tadbeer seasonal, No. 37, September.
17. Context of second five-year development plan act.
18. Momeni, Farshad (2005), Government and market under experiment, South Korea development and seeking to find scientific advice learning method from others experiences, a set of articles of politics and economy in east Asia seminar by emphasizing on China, Japan and South Korea, Tehran : Aallameh Tabatabaeei university.
19. Nagheebzadeh, Ahmad (2011). History of international relationship diplomacy from Westphalia up to this date, Tehran, Ghoomess Publications.
20. Sen, A. (2002). Development as Freedom, (Oxford,Oxford University Press).