
Abstract

The Korean government perceives regional imbalances to be serious and long-standing social problems that need to be resolved. Despite numerous attempts by previous administrations to implement policies to address interprovincial inequalities, these unfortunately failed. Instead, the gap between the Seoul metropolitan area and other urban areas has widened, as have regional gaps. The current administration is trying to attain balanced development between regions. Many research institutions and researchers have conducted studies to determine the cause of these inequalities. To reflect this research trend and to assist in resolving these problems, this study aimed to analyze the effects of local government finance management on regional economic growth. This study performed a literature review to identify the factors affecting regional economic growth. The subject of this study, which covered the period 2010–2018, was the primary local government of Gyeonggi-do. Unlike previous studies, we applied a qualitative approach called the policy Delphi and quantitative research method. Our results showed that local governments should recognize finance management and knowledge-based industries as important contributors to regional economic growth. A panel analysis further confirmed that knowledge-based industries and the financial management of local governments have a significant impact on regional economic growth. Our results suggest that local governments could revive their local economies if they implement efficient financial management systems and policies that foster knowledge-based industries.

Keyword Interregional Disparity, Regional Gap, Knowledge-Based Industry, Financial Management