

## S U M M A R Y

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# SUMMARY

Keywords: Growth, Stability, Industrial Structure

When the economic recession triggered by the various economic shocks affected the regional economies, many local governments, which excessively reinforced economic growth as their polity goals, have experienced tremendous difficulties caused by severe fluctuations. It tells us that, when evaluating regional economic performance, we have to consider economic stability as another important factor that composes regional economic performance with economic growth. However, most previous studies usually paid too much attention on economic growth and its driving forces, not the factors related to economic stability. Thus, in this study, I assess the regional economic performance in perspectives of both growth and stability.

Among the various factors affecting economic performance, industrial structure has been recognized as an element that can affect economic growth and stability at the same time in previous literature. However, these past approaches have a limitation that, when investigating the effect of industrial structure on regional economic growth and stability, industrial structure was measured and analyzed by simplistic methods. Because of the sophisticated attributes of industrial structure, applying one simple measure may cause serious misunderstanding about regional industrial structure.

In order to overcome these difficulties in measuring industrial structure, I review the previous studies on measuring industrial structure and analyze the pros and

cons of traditional measurements for industrial structure. Also, I introduce some new measures which were recently devised to get over the limitations of previous methods. After that, I analyze the attributes of industrial structure in 16 regions, South Korea, using two traditional measures and three new measures. In addition, I also investigate the relationship between the results by each measure and regional economic performance – growth and stability.

The results show that the industrial structure of regions have an important role in determining growth and stability. More specifically, the level of absolute diversity in structure was found to be a factor that can positively affect both growth and stability simultaneously. This implies that, although the high specialization on a few specific economic sectors is important, overall industrial structure is also significant in regional economic performance. Therefore, building up the policies or strategies for stable growth in regions should be based on the consideration about the attributes of regional industrial structure.