



Cornell University

Southeast Asia Program

The Political Economy of Development in East Asia and Latin America

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Themes and Goals

This unit uses an inter-regional comparison of East Asian and Latin American economies to illuminate the nexus of politics, economics, and social change as they developed in select countries from both areas. Focusing on Japan, South Korea, and Taiwan from East Asia and Mexico, Brazil, and Argentina from Latin America, the unit illustrates the ways in which different development strategies yielded widely divergent results. Where East Asian economies have often been called “miraculous” or characterized as ferocious “tigers” or “dragons,” Latin American economies have typically been cast in somewhat less flattering terms, producing academic theorizations on “dependency” and “bureaucratic authoritarianism” which aim to understand the origins of the region’s relative lag. Mindful of both similarity and variation, the unit helps students explore the causes and consequences of different approaches to economic development in both regions.

By examining East Asian and Latin American development from a comparative perspective, this unit will explore:

- How international events, such as imperialism and the Cold War, affect economic development.
- How such international events affect class stratification.
- The role of education, technology, and natural resources in economic development (For example, East Asian development focused on education and technology due to a relative lack of natural resources, while resource-rich Latin America focused less on education and technology).

Students might be asked the following questions over the course of the unit:

- How do we measure successful economic development? Is per capita GNP sufficient, or are such factors as political stability and social equity also important?
- How can we account for the stalling of Latin American economies, on the one hand, and the exponential growth of East Asian economies, on the other? Why did Latin American economic development stall?
- Why did analysts fail to predict Latin America's relative stagnation and East Asia's striking growth?
- How might policy planners today go about making better predictions and designing better programs for development?
- What are the reasons for and characteristics of "successful" economic development? Should East Asian development be considered "successful"?

Audiences and Uses

This unit is designed to be useful to a wide variety of undergraduate courses, including but not limited to:

- Political Economy of Development
- Development in East Asian Countries
- Economic Development of Developing Countries
- Development in Latin American Countries
- Politics of East Asia
- Politics of Latin America
- Politics of Developing Countries
- Sociology of Economic Development
- Globalization and East Asia
- Globalization and Latin America
- Introduction to East Asia
- Introduction to Latin America
- Modern History of East Asia
- Modern History of Latin America
- East Asian Social Development

Instructors and students need not have substantial knowledge of Latin America or East Asia. The following textbook provides an excellent general introduction to economic terms and theories:

Handelman, Howard. 2003. *The Challenge of Third World Development*. 3rd. Ed. Prentice Hall. (esp. Ch. 1 "The Causes of Underdevelopment" and Ch. 10 "The Political Economy of Third World Development"). See also the excellent "Glossary" (pp. 299-305) for a cogent treatment of difficult terms.

You may also wish to consult the following textbook for a more programmatic discussion of economic principles:

Taylor, John B., *Principles of Macroeconomics*, Houghton-Mifflin, 3 rd. Ed.

Instructors can adopt the entire unit or select sections based on interest and the amount of time available. The unit is divided into four sections as outlined below. With the exception of the case studies in Section D, most of the readings compare both regions in the same article so that students do not lose comparative perspective. If one wishes to give a broad comparison of the two regions, Section A should suffice. The purpose of the unit is not only to compare the two regions, but also to begin exploring the causes for their relative difference. With this in mind, instructors are encouraged to incorporate some of the issues raised in Section B. Section D is useful for those who would like to know about specific countries or industries. It can also provide the basis for individual student research projects.

- Section A compares economic development in East Asia and Latin America using World Bank statistics.
- In Section B, scholarly arguments are presented to explain the different performances of both regions. This section is fairly technical; a basic understanding of economic theories is strongly encouraged.
- Section C discusses the origins of the 1997 economic crisis in East Asia. This section should elucidate some of the more distinctive features of East Asia's postwar economic boom.
- Section D presents options for case studies of various countries and industries both in East Asia and Latin America.