

## NOTES

1. Earlier comparisons were given at the Universidad de las Americas in Puebla, Mexico, and at the Academy of Social Sciences in Beijing, China. Earlier publications were William Ratliff, "El Traspaso de Hong Kong: Lecciones Asiáticas para América Latina," *Revista Occidental*, no. 3 (1997), and William Ratliff, "Development and Civil Society in Latin America and Asia," *Annals* (American Academy of Political and Social Sciences), September 1999. The current study is expanded from an address given at the First Foro Internacional de Participación Social in Cancún, Mexico, on 13 September 2002. Although the focus here is on what Latin American countries can learn from the Asian experience, Asians could learn some important lessons from Latin America as well, but those are matters for a separate article.
2. "Education is increasingly being perceived, and correctly so, as a pivotal factor in promoting economic development, and reducing poverty and income inequality. Beyond this, it is the natural incubator and safeguard of contemporary citizenship and democratic values." See Inter-American Development Bank, *Making Education a Catalyst for Progress* (Washington, D.C.: IDB, 1998), p. 13n. A study in 2001 sponsored by the Carnegie Endowment for International Peace and the Inter-American Dialogue commented that, when speaking of equity in a society, the only point of agreement among analysts is the essential role of education. All other "tools" in the development kit "rely on education for their success." See Nancy Birdsall and Augusto de la Torre, with Rachel Menezes, *Washington Contentious: Economic Policies for Social Equity in Latin America* (Washington, D.C.: Carnegie Endowment, 2001), p. 30. "Education is the key" to Chile's essential reforms writes reformer/former minister José Piñera, in *Camino Nuevo* (Santiago: Economía y Sociedad, 1993), pp. 41ff.
3. Of course in the international perspective of "one China," Hong Kong and Taiwan are part of China and so not "countries" at all. That certainly has been the case with Hong Kong since 1997, though the former British colony retains some significant individual characteristics under Deng Xiaoping's "one country, two systems" formulation. In all ways but international-political (which is very important), Taiwan is an independent country, indeed one of the most successful in the world.
4. Howard Wiarda, in *The Soul of Latin America* (New Haven: Yale Univer-

sity Press, 2001), p. 3, explains the differences between the United States and Latin America. “The United States was, to use Louis Hartz’s phrase, ‘born free.’ Unlike Latin America, the North American colonies had no feudal past. . . . In contrast, Latin America, colonized and settled in the sixteenth century, a full hundred years before the North American colonies, was pre-modern and felt the full weight of medievalism in the form of an authoritarian political regime from top to bottom, a feudal landholding system and mercantilism in the economic sphere, a rigid two-class society without a large or solid middle class, an educational system based on rote memorization and deductive, unscientific reasoning, and a religious pattern of absolutism and orthodoxy that buttressed and reinforced the state concept.” See also pp. 74–75. Also see Claudio Véliz, *The New World of the Gothic Fox* (Berkeley: University of California Press, 1994).

5. Octavio Paz, “Mexico and the U.S.: Ideology and Reality,” *Time* magazine, 20 December 1982.
6. Octavio Paz, “Reflections: The United States and Mexico,” in Robert Leiken, ed., *A New Moment in the Americas* (New York: Transaction Publishers, 1994), p. 78. Alvaro Vargas Llosa, “Latin American Liberalism: A Mirage?” *Independent Review*, winter 2002, p. 325.
7. In late 2002, Mexican political analyst Luis Rubio commented on the PRI’s “golden age of the ’50s in which no one moved without party authorization . . . and the people were irrelevant in the important matters of the state which the PRIistas dealt with as if they were their own.” Quoted in Mary Anastasia O’Grady, “The PRI’s Old Guard Threatens Mexico’s Future,” *Wall Street Journal*, 27 September 2002.
8. Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990), pp. 103, 6, and passim.
9. Wiarda, *Soul of Latin America*, p. 345, notes that the dominant tradition “of thought and social organization in Latin America should not necessarily be seen as simply an ‘emerging’ or ‘less developed’ version of the United States, fated inevitably to evolve in the American liberal, pluralist, democratic direction; instead, it is an alternative tradition within Western thought, with its own internal logic and political dynamics, often quite at variance with North American values and understandings.”
10. Former U.S. secretary of state George Shultz has written that the provision of universal and quality education enabling every child to “achieve

his or her utmost potential” would be “revolutionary.” George P. Shultz, “Introduction” to Edward P. Lazear, *Education in the Twenty-first Century* (Stanford: Hoover Institution Press, 2002), p. ix. On the nature of the change, see Timothy Brown, “Realistic Revolutions: Free Trade, Open Economies, Participatory Democracy and Their Impact on Latin American Politics,” *Policy Studies Review*, summer/autumn 1998.

11. Vested interests include political power and all that comes with it. Some years ago I was deeply puzzled yet marginally hopeful when I learned that Douglass North had been consulting with Venezuelan president Rafael Caldera. Later I learned that North had ticked off a list of things Caldera should do to improve Venezuela’s national economy, to which the president had frankly responded in traditional Latin American terms: “If I were to do all the things you are recommending,” he said, “I would not survive in office long enough to enjoy the benefits.” Quoted in Bruce Bueno de Mesquita and Hilton L. Root, “The Political Roots of Poverty,” *National Interest*, no. 68 (summer 2002).
12. For a study that treats widespread primary education, equality, and development, or their absence, in the Americas, see Elisa Mariscal and Kenneth Sokoloff, “Schooling, Suffrage, and the Persistence of Inequality in the Americas, 1800–1945,” in Stephen Haber, ed., *Political Institutions and Economic Growth in Latin America* (Stanford: Hoover Institution Press, 2000), pp. 159–218.
13. Nobel economist Gary Becker is one of the main analysts of human capital. In *The Economics of Life* (New York: McGraw Hill, 1997), pp. 74–76, he and Guity Nashat Becker argue that “human capital is the foundation of a modern economy.” They continue that East Asian countries have paid much closer attention in recent decades to basic education and other aspects of developing human capital than even the United States, let alone Latin America. See also Gary Becker, “The Age of Human Capital,” in Lazear, *Education*, pp. 3–8.
14. For example, Latin American countries historically have tended to rate higher than Asian countries in political rights and civil liberties. See Nelly Stromquist, “Investment in Education and Women in Latin America and East Asia,” in James McGuire, ed., *Rethinking Development in East Asia and Latin America* (Los Angeles: Pacific Council on International Policy, 1997). These have had little impact on developmental policies, however, and have been far from equally shared.

15. David Chapman, *Management and Efficiency in Education: Goals and Strategies* (Manila: Asian Development Bank, 2002), pp. 3, 21. Even the reforming Asian countries would have been more successful if they had had secure property rights, as discussed by Peruvian Hernando de Soto in his book *The Mystery of Capital* (New York: Basic Books, 2001). Just as Latin America is filled with uneducated people who are in many respects “dead” human capital, so the whole “developing world” is filled with “dead” financial capital that impedes economic growth and progress.
16. See Ratliff, “Development and Civil Society in Latin America and Asia.”
17. For a while in the 1990s, Peru under Alberto Fujimori was tentatively called a Latin American “jaguar,” but in 2003 Peru is again sliding downhill.
18. Nancy Birdsall, David Ross, and Richard Sabot, “Education, Growth and Inequality,” in Birdsall and Frederick Jaspersen, eds., *Pathways to Growth: Comparing East Asia and Latin America* (Washington, D.C.: Inter-American Development Bank, 1997), pp. 95ff. Roman Mayorga, in *Closing the Gap* (Manila: Asian Development Bank, 1997), point 17, notes the near universality of primary education in East and Southeast Asia and its absence in South Asia. Another study, Don Adams, *Education and National Development: Priorities, Policies, and Planning* (Manila: Asian Development Bank, 2002), reviews the successes in reforming countries but adds (p. 7) that “not all countries have enjoyed this growth, and there are sharp disparities across the region and within countries.” Indeed, it warns that “the level of prosperity of the high-growth countries may not continue.” The UNESCO Institute of Statistics reported on 29 August 2002 that illiteracy levels in the year 2000 were: East Asian men, 8 percent; Latin American men, 11 percent; Latin American women, 13 percent; and East Asian women, 20 percent. Other regional rates of illiteracy were sub-Saharan Africa, 40 percent; Arab states and North Africa, 40 percent; and South Asia, 45 percent. I consider these illiteracy figures more suggestive than exact.
19. Since the death of Mao Zedong in 1976, China has undertaken successful economic and other reforms. One of the greatest challenges of the current government, however, has been education and the legacy of Chairman Mao. For example, the first post-Mao census, in 1982, revealed that half the population was illiterate or semiliterate. Deng Xiaoping reportedly acknowledged in 1989 that “our greatest failure in the past ten years was

lack of sufficient education development,” and despite considerable progress the problem continues. See Jasper Becker, *The Chinese* (New York: Free Press, 2000), p. 212 and passim.

20. Jeanne S. Chall, *The Academic Achievement Challenge* (New York: Guilford Press, 2000), pp. 86–91. A useful study for Latin American (as well as American) educators, though it is sometimes insufficiently critical of China’s conditions, is Harold W. Stevenson and James Stigler, *The Learning Gap: Why Our Schools Are Failing and What We Can Learn from Japanese and Chinese Education* (New York: Summit Books, 1992).
21. Nancy Birdsall and Juan Luis Londono, “No Tradeoff: Efficient Growth via More Equal Human Capital Accumulation,” in Birdsall, Carol Graham and Richard Sabot, eds., *Beyond Tradeoffs: Market Reforms and Equitable Growth in Latin America* (Washington, D.C.: IDB, 1998), pp. 126, 127–28, 113–14. In *Making Education a Catalyst for Progress*, p. 13, the IDB notes that learning in Latin American schools “remains strikingly deficient in all but a few elite institutions. The region’s educational institutions are among the worst rated by international leaders and the investment community.”
22. Birdsall and Londono, “No Tradeoff,” p. 116, figure 1a, pp. 115, 121. Also see Birdsall, de la Torre, and Menezes, *Washington Contentious*, p. 30.
23. “Cramming Them In: Education in Latin America,” *The Economist*, 9 May 2002.
24. Corporation for Development Research (Santiago, Chile) and Inter-American Dialogue, *Lagging Behind: A Report Card on Education in Latin America* (Washington, D.C.: Inter-American Dialogue, November 2001), pp. 5–8.
25. See Colin M. MacLachlan’s forthcoming *The Past against the Future: A History of Modern Brazil*, chapter 5, “Development, Wealth and the Income Pie,” chapter 8, “Historical Stages and Confronting Residual Problems,” to be published by Scholarly Resources in 2003.
26. See Birdsall and Londono, “No Tradeoff,” p. 136. Martin Carnoy, *Globalization and Educational Reform* (Paris: UNESCO, 1999), esp. p. 55.
27. Interview with Ricardo López Murphy, 1 October 2002, in Buenos Aires.
28. *Economist*, “Cramming Them In.”
29. Barbara Eyzaguirre and Carmen Le Foulon, “La Calidad de la Educación

- Chilena en Cifras,” *Estudios Públicos* (Santiago Chile), spring 2001, p. 148. See also Carnoy, *Globalization*, p. 67.
30. Joaquín Lavín and Luis Larrain, *Chile: Sociedad Emergente* (Santiago: Zig Zag, 1989), p. 103.
  31. Different forms of state funding of education have occurred throughout Chilean history. The market reformers of the Pinochet government developed private schools that were funded equally with government schools through a per-student subsidy. See Patricia Matte and Antonio Sancho, “Primary and Secondary Education,” in Cristian Larroulet, ed., *Private Solutions to Public Problems* (Santiago: Editorial Trineo, 1993). Analysts are not in full agreement as to how successful the promotion of private schools was in advancing quality and equity. Carnoy, in *Globalization*, is critical, while Matte and Sancho are supportive.
  32. See comments of ex-minister Sergio Melnick in José Piñera, “Educación: Buenas Intenciones, Malas Ideas,” in Piñera, *Libertad, Libertad Mis Amigos* (Santiago: Economía y Sociedad, 1997), p. 95.
  33. Sergio Molina, “Educational Reform in Chile,” and Eduardo Aninat, “Economic Growth, Social Equity, and Globalization,” in Andrés Solimano, Eduardo Aninat, and Nancy Birdsall, eds, *Distributive Justice and Economic Development: The Case of Chile and Developing Countries* (Ann Arbor: University of Michigan Press, 2000), p. 168. Carnoy, *Globalization*, has many comments on Chile’s system, including the promotion of private schools during the Pinochet period.
  34. Eyzaguirre and Le Foulon, “La Calidad de la Educación Chilena,” pp. 184, 183; Arturo Fontaine Talavera, “Equidad y Educación: Cinco Proposiciones,” *Puntos de Referencia* (Santiago, Chile), January 2002, p. 1; Harald Beyer, “Falencias Institucionales en Educación: Reflexiones a Propósito de los Resultados del TIMSS,” *Estudios Públicos* (Santiago, Chile), fall 2001, p. 8.
  35. Organization for Economic Co-operation and Development (OECD) and Statistics Canada, *Literacy in the Information Age: Final Report of the International Adult Literacy Survey* (Paris: OECD, 2000), pp. 13–25. The United States ranked 10, 13, 12, respectively, in the three categories. Also see Eyzaguirre and Le Foulon, “La Calidad de la Educación Chilena,” p. 168.
  36. Beyer, “Falencias Institucionales en Educación,” pp. 17, 20.

37. Robert J. Barro, "Education as a Determinant of Economic Growth," in Lazear, ed., *Education*, pp. 20–21.
38. See test procedures, scores, and so on, on the TIMSS web site. Also see two detailed Chilean commentaries on the test results: Beyer, "Falencias Institucionales en Educacion" and Eyzaguirre and Le Foulon, "La Calidad de la Educación Chilena." See also Inter-American Dialogue, *Lagging Behind*, p. 6.
39. See Birdsall et al., *Beyond Tradeoffs: Market Reforms and Equitable Growth in Latin America*; Birdsall et al., *Pathways to Growth*; Chapman, *Management and Efficiency in Education*; and Fundación de Investigaciones Económicas Latinoamericanas (FIEL) and World Bank, *La Experiencia del Asia Oriental* (Buenos Aires: FIEL, 1994).
40. North, *Institutions*, p. 9; Birdsall, Ross, and Sabot, "Education, Growth and Inequality," p. 113; López Murphy, *La Experiencia del Asia*, p. 95.
41. Carnoy, *Globalization*, pp. 16, 26–28, notes the strong support for higher education but reports also (p. 46) that "Chile and Argentina are investing heavily in low-performing schools, with positive results."
42. Ricardo López Murphy commentary in *La Experiencia del Asia Oriental*, p. 16. Also see World Bank, *The East Asian Miracle* (Oxford: Oxford University Press, 1993), p. 15. In the 2002 interview, López Murphy also noted the extreme difficulty of withdrawing that support for universities once it has been made because of the power of the privileged classes, particularly in Argentina. Often the best a political leader can do at this time is to make it very difficult for universities to increase their funding and focus new spending on basic education for all, including the poor.
43. North, *Institutions*, p. 80; Birdsall, Ross, and Sabot, "Education, Growth and Inequality," pp. 122–24; Jorge G. Castañeda, *Utopia Unarmed* (New York: Knopf, 1993), p. 458.
44. Calculation from 1988 cited in Birdsall, Ross, and Sabot, "Education, Growth and Inequality," p. 124, n. 66. Even if the calculation is not exact, it gives a good approximation of the consequence of investing public money more heavily in universities rather than primary schools in developing countries.
45. Birdsall et al., *Washington Contentious*, p. 31.
46. Birdsall, Ross, and Sabot, "Education, Growth and Inequality," pp. 123, 124.

47. Ibid., p. 125.
48. Gary S. Becker, in “The Age of Human Capital,” in Lazear, ed., *Education*, p. 5, comments that investments in human capital are also necessary in poorer nations “if they are to have a chance of growing out of poverty.” See also Hall, “The Value of Education,” pp. 30–31, 38. In late 2002 the Inter-American Development Bank announced the publication of a study entitled *How to Cultivate Entrepreneurs*, which it said “compares what East Asian and Latin American countries do to encourage the creation of new businesses.” For two months between November 2002 and January 2003, I tried unsuccessfully to get this publication from the IDB web site and IDB offices in Washington, hardly an example of efficiency for developing nations.
49. *Declaration of Santiago*, Second Summit of the Americas, 18–19 April 1998; *Declaration of Quebec*, Third Summit of the Americas, 22 April 2001. I was in Santiago during the summit, and it was widely acknowledged off the record that education was the focus only because the Clinton administration could not get “fast track” through Congress, making it impossible to focus mainly on economic expansion in the hemisphere.
50. Carnoy, *Globalization*, p. 55, argues that, before the 1990 reforms, “pupil performance in low-income municipal schools declined relative to both private schools and higher-income public schools” as a result of decentralization, reduction of central government support, and the promotion of private schools. Matte and Sancho, in “Primary and Secondary Education,” argue that many other factors were involved and that private education plays an essential role in educating the people. Although they are in favor of market economies, they not only accept but encourage public expenditures on private schools. The elimination of all (or virtually all) state support, forcing everyone to pay even a minimal amount, can greatly reduce the number of poor children going to school, as has happened in recent years in China.
51. Birdsall et al., *Washington Contentious*, p. 31; Birdsall, Graham, and Sabot, eds., *Beyond Tradeoffs*; IDB, *Making Education a Catalyst for Progress*, which begins, “This is education’s moment in Latin America and the Caribbean”; Ernesto Schiefelbein, Laurence Wolff, and Paulina Schiefelbein, *Cost-Effectiveness of Education Policies in Latin America* (Washington, D.C., 1998); *The Economist*, “Cramming Them In.”
52. In the most colorful language, Argentine humorist and political commen-



tator Enrique Pinti condemns national political leaders of recent years for their stupidity, incompetence, and corruption, but when the audience shouts its agreement, he adds, "But we voted them in, didn't we?" Enrique Pinti, monologue in "Candombe Nacional," Teatro Maipo, Buenos Aires, Argentina, 29 September 2002.

53. Edward P. Lazear, "Introduction" to Lazear, *Education*, p. xx.
54. Ratliff, "Development and Civil Society in Latin America and Asia."
55. Paz, "Reflections: The United States and Mexico," p. 78.
56. This view harks back to *Ariel* (1900), the book by Uruguayan José Enrique Rodó that played with the characters from Shakespeare's *The Tempest*. Rodó contrasted glorious humanistic Spanish culture, represented by Ariel, to the debased materialism of U.S. culture, represented by Caliban. This is probably the most frequently published and widely read book in Latin American history. The failure of reforms to meet often unrealistic expectations during the 1990s has raised Rodó's stock once again because many hold the United States responsible for the reforms and their failure.
57. See Lawrence Harrison and Samuel Huntington, eds., *Culture Matters: How Values Shape Human Progress* (New York: Basic Books, 2000). Also, with a focus on Argentina, Mariano Grondona, *Las Condiciones Culturales del Desarrollo Económico* (Buenos Aires: Planeta, 1999).
58. Pinti, "Candombe Nacional."
59. Whenever Latin American countries swoop into one of their periodic downswings, a perennial joke arises: Father: "Son, what do you want to be when you grow up." Son: "A foreigner."
60. In essence this means "getting the politics right" in our analyses, as Bueno de Mesquita and Root discuss in their "Political Roots of Poverty."