

ABSTRACT

The purpose of this paper was to review the economic development strategies followed by Taiwan to attempt to identify possible lesson-learned that could be of service to developing countries such as Honduras that are currently striving to achieve economic growth and fight poverty.

During this investigation, we reviewed the macroeconomic framework and economic development strategies of Honduras, especially those contained in the Poverty Reduction Strategy Paper (PRSP) most recently prepared for Honduras. In the case of Taiwan, we made a brief description of the macroeconomic structure and also a summary of the different strategies implemented from 1950 to the present. We made especial emphasis on the development strategies applied during the early stages of the Taiwanese economic development as they relate more to the current economic situation of Honduras.

We found that among the lessons learned from the Taiwanese experience and that could be applied to the effort of Honduras to improve its economic development status are the promotion of agriculture and land reform, investment in human capital especially in terms of education, and the principle of comparative advantage in terms of trade.

Honduras is currently at a turning point with the implementation of the United States-Central American Free Trade Agreement (CAFTA), the Highly Indebted Poor Initiative (HIPC), the Interamerican Development Bank debt relief negotiation, and other financial strategies. The country could use the current opportunities to guide its economic strategy toward the reduction of poverty and economic improvement.