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**The Asian Crisis: Impact on the World Economy**

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# I. ASIAN CRISIS: A RADICAL APPROACH

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After the crisis erupted in East Asia, there have been many studies on the causes of the crisis such as Corsetti, Presenti and Roubini (1998), Krugman (1998), Fischer (1998), Radelet and Sachs (1998), and Park and Rhee (1998). In considering the different explanations of the crisis, it is necessary to point out the two main tendencies that divide the standard economic interpretations of the actual events.

It is clear that when a financial crisis of such magnitude erupts, the theoreticians turn to be very accusative on the original causes. No one wants to be to blame. There are explanations that rely on economic policy mistakes. Almost all the arguments in the Western countries blame the so called Asian economic model, the "crony" capitalism, implying great government interference in economics, macroeconomic disorder and corruption.

Simultaneously, they give relative less importance to the influence of the actual process of globalization and liberalization of markets, actually pushing Asian