Latin American Development

Latin America is a relatively poor region in spite of its abundant natural resources. The region has the most unequal distribution of income in the world, and is the source of a large number of immigrants to the United States. Throughout the semester we will discuss whether Latin America’s underdevelopment is rooted in its colonial experience, in subsequent foreign intervention, or in the region’s flawed policies. We will also discuss current hotly debated issues like poverty reduction, and the challenges of globalization.

Readings:

Textbook:


All other readings will be posted on Blackboard.

Course Requirements and Evaluation:

The course -like all TAP courses- has a seminar format, which implies that you are responsible for the assigned articles and readings before each class so that you are well prepared for class discussion. Your grade will be determined on the basis of quizzes, class participation, essay assignments and a final exam.

Class participation and Quizzes: The quizzes together with class participation will amount to 35% of your grade. Quizzes will be given every week and will
consist of questions related to the assigned readings. You will be allowed to drop your two lowest quizzes grades.

**Essay Assignments:** 30% of your grade will consist of essay assignments. You will write two essays throughout the semester. There will be specific instructions for each assignment that will be discussed two to three weeks in advance.

**Final Exam:** The final exam will count for 35% of your grade. Your final exam is scheduled on Monday Dec. 12th, from 1:30 to 3:30 P.M.

**Course Outline:**

**Part One. Introduction**

This section will serve as an overview of the region’s economic development. In particular, we will discuss the importance of Latin America in the world economy, as well as the relative importance of the individual countries. We will also dedicate some time to introduce the students to basic economic concepts and indices such as real GDP per capita, economic growth, the Human Development Index, as well as to theories of economic growth, including the contributions of the New Institutional Economics.


   Reyes and Sawyer, chapter 1.

2. *Growth Theories and Latin America*

   Reyes and Sawyer, chapter 2.

**Part Two. History Matters**

This section discusses Latin American economic history and its lingering effects on the region’s development process. We sample some important recent works on the topic including recent surveys on the importance of history to economic development. This section gives particular attention to the role of institutions in shaping the region’s path of growth.

3. *Why History Matters*

4. The Colonial Inheritance
Reyes and Sawyer, chapter 4, pp. 97-106.

5. Conquistadores and the Differential Paths of Growth in the New World

Reyes and Sawyer, chapter 4, pp. 106-109


Reyes and Sawyer, chapter 4 pp. 109-122

Part Three. Contemporary Challenges
This section focuses on contemporary policy debates and introduces the student to the economic theories of international trade, as well as to those that address the link between primary commodities and economic growth. The section gives particular attention to the Latin American transition from industrialization to the Washington Consensus and to the challenges and benefits of globalization.

9. Latin America and Primary Commodities
Reyes and Sawyer, chapter 5

10. Import Substitution in Latin America
Reyes and Sawyer, chapter 6

11. The “Lost Decade” and its aftermath
Reyes and Sawyer, chapter 9, pp. 240-249
12. *Latin American Trade Policy*

Reyes and Sawyer, chapter 7

13. *Latin America’s Protectionism in the Long-Run*


Part IV. The Social Deficit

This section discusses the social aspects of development. In particular, it surveys the recent theoretical literature on the links between income distribution and growth, and discusses the long term trajectory of income distribution and poverty in the region.

14. *Poverty and Inequality in Latin America*

Reyes and Sawyer, chapter 12

15. *L.A. Poverty and Inequality in the Long-Run*


16. Conclusion

Note: It is the University policy to allow students to honor their religious holidays. Students should submit in writing by the end of the second full week of classes their documented religious holiday schedule for the semester so as to arrange for any necessary make up work in advance.