Economics 4794
Economic Development of Latin America
Spring 1990

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Office Hours: M 10-12 am.
F 11 - 12 pm.
by appointment., if unavailable at these hours

Texts and Readings:
1. Latin America's Economic Development: Institutionalist and Structuralist Perspectives;
   James L. Dietz & James H. Street, eds. Lynne Rienner Publishers,
   Boulder, 1987

2. Latin American Political Economy: Financial Crisis and Political Change;
   Jonathan Hartlyn and Samuel A. Morley, Eds. Westview Press,
   Boulder, 1986

3. The Economics of Central America; John Weeks. Holmes & Meier
   Publishers, New York, 1985

4. The Other Path; Hernando de Soto; Harper&Row Publishers.
   New York, 1989

5. Kinko's Packages 1 and 2; These packages contain additional readings
   and articles and are required reading material for this course.

Course Description:
This course will focus on the economic development of Latin America in the
20th century, with emphasis on different economic schools of thought, as
well as important contemporary economic issues such as land reform, and
the debt crisis.
Throughout the course, we will focus on different theoretical schools of
thought, and how this theory applies to the economic experience of various
Latin American countries. The material is thus organized by topic, rather
than by countries, because often one topic applies to several countries,
though in different degrees of intensity. In each case, the countries which
most typically exemplify the theoretical model studied will be focused on
under each topic. The reading is thus organized in the sequence of topics,
rather than by book or authors.
Because of this focus on both theory and economic experience, the bulk of the reading material is quite large and drawn from a variety of contemporary sources. The average reading requirement per week is about 80-100 pages. The Kinko's Packages contain both contemporary articles which are used as reading material, Package 1, and clippings taken from The Economist, and The Christian Science Monitor over the last year, Package 2, are included in this estimate. Package 1 contains articles which are listed in the reading schedule in this syllabus. The articles and clippings in Package 2 should be read as appropriate, when we are covering either the country or the topic in question. The items on Cuba, Colombia, Paraguay, and Brazil-Ecology are not officially part of any topic, but are included for your interest and perusal.

**Course Organization:**
This is a high input class, so be prepared to work along steadily. The mode of teaching in this class is by mini-lectures and discussion. Attendance and keeping up with the reading is essential to making this class worthwhile for everybody. Please do your part.

**Graded Assignments:**

**Reaction Papers:**

**Format:**
Each student will write a total of two reaction papers. These papers are to be a maximum of five, double-spaced, typed pages of text. A bibliography and either footnotes or endnotes for each paper are required and can be added to the maximum of five pages text.

**Paper Topics:**
The course is divided into several general topics which will be covered in readings from a variety of sources. For one paper topic, you may pick one of the general course topics and modify it to your special interest. For your other paper, I would like you to pick a specific country, and a topic about that country which interests you.

**Contents:**
Your papers and all essays will entail a critical assessment of some topic or issue. Your paper thus needs to describe the issues and the pertinent information, and then offer some analysis of the material.

**Due Dates:**
Reaction Paper 1 is due on **Friday, March 16, 1990**
Reaction Paper 2 is due on **Friday, April 20, 1990**

**Exams:**

**Midterm exam:**
The midterm exam consists of one essay, written in class, chosen from a list of study-questions handed out to you two weeks prior to the exam. On the exam you will have a choice of two essays, from which you will pick one as your midterm essay. There are no surprises on the exams.

The midterm exam will be on **Monday, March 5, 1990**
Final exam:
The final will consist of two essays, chosen at random from a list of study­questions handed out to you at least two weeks before the exam. Again you will be given a choice of two out of three from which you can pick your two essays.

The final exam is on **Monday, May 14, 1990 at 3:30 - 6:30 p.m.**

Grading:
Your grade will be an average of your midterm essay, the two final exam essays and your two reaction papers. Each graded assignment carries equal weight. Failure to hand in a reaction paper on time will result in a grade of zero.

Grading scale:
Though you will receive a letter grade, each letter has a numerical correspondence, which will then be averaged out:

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<thead>
<tr>
<th>Grade</th>
<th>Numerical Correspondence</th>
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<tbody>
<tr>
<td>A</td>
<td>95 percentage points</td>
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<tr>
<td>A-</td>
<td>92</td>
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<tr>
<td>B+</td>
<td>88</td>
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<td>B</td>
<td>85</td>
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<td>D-</td>
<td>62</td>
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<tr>
<td>F</td>
<td>50</td>
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<td>not handed in</td>
<td>0</td>
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Although attendance and participation are not an explicit part of the grade, a good record will be used in your favor if your grade is marginal, say 90 points. If your attendance and participation record is good, you will receive an A-, if not a B+.

Grading Criteria:
The following represents a set of criteria according to which your essays and papers are graded. The degree to which your essay or paper corresponds to the highest order criteria determines your grade. For example, and "A" on content/diagnosis, but a "B" on organization usually ends up being an "A-" or a "B+".
**Diagnosis of Issue or Problem**  (Did the the paper or essay identify relevant issues and problems and explain the causal relationship that led to these events?)

A  Key strategic issues are identified and linked with relevant internal and external factors; analysis is supported by strong evidence *and* logical arguments.

B  All aspects of key strategic issues are identified and the causes and consequences are *either* logically explained, *or* supported by evidence.

C  The major strategic issues are identified, but no supporting evidence or logical argument were presented to convince the reader that the analyses are correct.

D  The problem diagnosis covers the correct topic areas, but is vague and without supporting facts. The essay or paper gives a bundle of information and does not distinguish important from unimportant points.

F  Few or no aspect of the strategic issues or problems are correctly identified, non-issues or non-symptoms are incorrectly assumed to be the problem.

**Organization of the Presentation**  (Logical order and flow)

A  Essay or paper followed a logical order. All conclusions and recommendations were derived logically from evidence given. Each point was clearly linked to previous sections. Issues within each section were logically organized.

B  Essay or paper followed a generally logical order, but the reader was not able to anticipate what would come next. Most of the conclusions were derived from the evidence given. Topics were all covered, but some seemed out of sequence.

C  Essay or paper was hard to follow in parts. Topics were internally logically organized, but the flow of the overall essay or paper lacked a logical sequence. All important topics were covered at some point in the essay or paper.

D  Essay or paper was illogical. Most conclusions did not follow logically from the evidence given. Some claims were not supported. Some subjects were omitted. The essay or paper was difficult to follow. Transitions from one point to the next were haphazard.

F  The essay or paper did not follow any logical order. There were several internal inconsistencies among section of the essay or paper, and the evidence was not always provided to support claims. No clear transitions were made between points of the essay or paper.
Pictures:
Yes, the rumors are true! I do take pictures of all of my students, paste them on index cards, and keep them as a mnemonic device to aid me in learning everybody's name. If you have any serious qualms (religious or otherwise) which would make this practice unacceptable to you, feel free to let me know, and I will keep an index card for you sans picture.

Reading Schedule:

**Topic I: Introduction**
*January 22*

*Dietz and Street:*
- Chapter 1 - Latin America's Economic Development
- Chapter 2 - The Reality of Power and the Poverty of Economic Doctrine
- Chapter 3 - From Growth to Basic Needs

**Topic II: Institutionalist and Structuralist Perspectives**
*Jan. 24 - Jan 29*

*Dietz and Street:*
- Chapter 4 - Economic Development: An Institutionalist Perspective
- Chapter 5 - The Ayres-Kuznets Framework...
- Chapter 6 - Raúl Prebisch...
- Chapter 7 - Latin American Structuralists...

**Topic III: Import Substitution Industrialization**
*Jan. 31 - Feb. 9*

*Dietz and Street:*
- Chapter 8 - The Import Substitution Strategy...
*Hartlyn and Morley:*
- Chapter 2 - Political Regimes and Economic...
- Chapter 3 - Bureaucratic-Authoritarian Regimes...
- Chapter 6 - Argentina
- Commentary B

*Dietz and Street:*
- Chapter 9 - Challenges and Opportunities...
- Chapter 10 - ISI Policies, Tariffs and Competition

**Topic IV: Transnational Corporations and Technology Transfers**
*Feb. 12 - Feb. 14*

*Dietz and Street:*
- Chapter 11 - Transnational Corporations...
- Chapter 12 - How to Divest in Latin America...
- Chapter 13 - The Technological Frontier...

**Topic V: Central America**
*Feb. 16 - March 2*

*John Weeks:*
- Chapter 1 and 2 - Political, Social, Economic Profile
- Chapter 3 and 4 - Growth and External Sector
- Chapter 5 and 6 - Agriculture and Manufacturing
- Chapter 8 - Economic Crisis in Central America

*Kinko's Package:*
"Central America's Elusive Recovery"

*John Weeks:*
- Chapter 7 - Nicaragua

*Hartlyn and Morley:*
- Chapter 13 - Nicaragua

*Kinko's Package:*
"Is There Hope for Nicaragua"
("Employment in Costa Rica") - *If there is time*
MIDTERM EXAM - MARCH 5, 1990

Topic VI: Land Reform in Latin America

March 7 - March 16

Kinko's Package: Powelson and Stock:
Introduction and Nicaragua
El Salvador
Bolivia and Peru
Mexico
Ten Short Stories

Topic VII: Unemployment and the Informal Economy

March 19 - April 4

Dietz and Street: Chapter 14 - The Employment Question...
Chapter 15 - Unequal Development...

Hartlyn and Morley: Chapter 9 - Peru
Commentary C

Kinko's Package: "Peru on the Brink"

Hernando de Soto: The Other Path - Whole Book!
Read over Spring Break

Topic VIII: Inflation and Monetarism

April 6 - April 13

Dietz and Street: Chapter 16 - Latin American Experiments...
Chapter 17 - Values in Conflict...

Hartlyn and Morley: Chapter 8 - Chile

Kinko's Package: Inflation in Latin America:
"A New Chance for Argentina"
"What Policymakers Can Learn from Brazil and Mexico"
"Hyperinflation in Latin America"
"How to Turn Mexico's Debt and Inflation into Growth"

Topic IX: The Latin American Debt Crisis

April 16 - April 27

Dietz and Street: Chapter 18 - Debt and Development...

Hartlyn and Morley: Chapter 4 - Latin American Adjustment...
Chapter 5 - On Financial Blowups...
Commentary A
Chapter 7 - Brazil
Chapter 10 - Mexico

Kinko's Package: IMF Survey
"LDC Debt and Public-Sector Rescue"
"Disarming the Debt Bomb"
"Latin America's Debt: Which Way Now?"
"The Debt Crisis at a Turning Point"
"What's Good for U.S. Banks is Disaster for Brazil"
"Going Beyond the Brady Plan"
"Maquiladoras: Mexico's Tiger by the Tail"
Topic X: Women in Economic Development April 30 - May 2
Kinko's Package:
"Women in Development: An Alternative Analysis"
"How is Structural Adjustment Affecting Women"
"The Impact of Recession and Structural Adjustment on Women: Ecuador"
"Women and the Debt Crisis"

Topic XI: Summary and Wrap-Up: Third World Survey May 4
Kinko's Package:
"The Third World: Trial and Error"

FINAL EXAM - MONDAY, MAY 14, 1990 - 3:30 - 6:30 P.M.
Student Information Sheet:
Please provide the following information:

Name: ____________________________________________________________

Year in school: _________ Major: ________________________________

Address: _________________________________________________________

Local phone number: ________________

Travel or living abroad experience, particularly in Latin America:

Other course experience in Latin American Studies:

Econ. classes taken:

Professional goal after graduation:

Goals for this course: