

College of Social Studies
Junior Economics Tutorial
Elements of Latin American Economic Development

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Introduction

This tutorial introduces elements of Latin American Economic Development along with some methods of contemporary economic analysis. We start by reviewing the concept of comparative advantage, and use it to help us understand the insertion of Latin American economies in the world economy in the late XIX century. We then consider the effects of the disruption of the international trading system caused by the Great Depression and the Second World War on the economic strategies of some representative Latin American countries. As an invaluable aid, we introduce the economic concepts of exportable, importable, and tradable goods, along with that of the real exchange rate. They will help us understand the subtleties of import substitution industrialization and some of the problems it encountered. Finally we turn to the economic reforms of the 1980s and 1990s, and compare the economic responses of different countries to a once again changed international economic order.

By taking this tutorial you will acquire some basic economic tools that are useful for the understanding and evaluation of economic policies in developing countries. Additionally, you will learn basic aspects of the economic development of Latin America over the last century. Given the shortness of the tutorial, this overview will be necessarily sketchy. The expectation, nevertheless, is that it will provide you with basic elements to study the economics of Latin America, in case you would wish to do so in future.

As for the writing, some guidelines follow. (a) Every paper should have a clearly defined thesis in the introductory paragraph. The thesis is an assertion the author makes about a particular issue. The thesis guides both the writer and the reader about where the essay is going. (b) Every paragraph must contain a single, self-contained point. (c) Paragraphs are arranged sequentially in a logical order, aimed at providing support to the thesis. While many of your paragraphs are likely to be descriptive (of data, of a policy, or of passages of a book), their connection to the thesis must be clear to the reader. (d) The conclusion should convince the reader that you have supported the thesis compellingly. (e) Economic essays often include statistical tables or graphs. If you will include any, please place them at the end of the paper. (f) You can find additional notes on the style of economic essays in my handout "Suggestions for writing research essays".