Purpose: This course explores Latin America’s economic development, with an emphasis on the current situation. The first half starts by providing a brief historical introduction and some economic tools to understand issues of growth, trade, and exchange rates, and then it addresses central issues of economic development, such as poverty, import substitution, land ownership, and foreign direct investment. The second half examines a few case studies and deals with the new stage in the process of economic development of Latin America started in the 1980s, when import substitution was abandoned in favor of the “Washington Consensus” policy prescriptions.

Requirements: The final grade will be based on the following assignments:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Date and time</th>
<th>Weight</th>
</tr>
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<tbody>
<tr>
<td>First test</td>
<td>10/10 in class</td>
<td>25%</td>
</tr>
<tr>
<td>Research outline</td>
<td>11/12 at the beginning of class</td>
<td>15%</td>
</tr>
<tr>
<td>Second test</td>
<td>12/5 in class</td>
<td>25%</td>
</tr>
<tr>
<td>Research paper</td>
<td>12/16 at 4:00 pm</td>
<td>25%</td>
</tr>
<tr>
<td>Class participation</td>
<td>Ongoing</td>
<td>10%</td>
</tr>
</tbody>
</table>

Country specialists: Student’s participation in class is essential to facilitate the understanding of the material. To make class discussions more interesting, each student will become a “country specialist”. Country specialists will devote some outside-class time to learn about a particular country (with emphasis on the economy and current events). In class discussions, each specialist will contribute his or her expertise to help assess the relevance of the topic discussed to particular countries.

Research project: The research project is an essential component of this class. Selecting a country to specialize in is a useful first step, as you will be able to base your project on that country. The most important element of the project is the research outline. In it you should specify what is the problem you are addressing and why it is important, explain what point you will make and how you are going to proceed in your argument, and present an annotated bibliography with the main readings you will use. In order to write a good proposal, you should plan to start your research early in the course to have enough time to find a good topic and material.


Honor code: All the assignments and tests for this course are bound by the Wesleyan Honor code. Please read about Wesleyan’s honor system at http://www.wesleyan.edu/deans/honorsystem.html. Of particular importance to this course is the issue of plagiarism. Please make sure you cite correctly all the ideas borrowed from other authors in your research project.

Policy on late assignments: All tests must be written and all assignments must be handed in at the dates and times indicated on this syllabus. Please do not request a personal exception from this policy, or an incomplete, except in the event of a grave medical or family emergency.

Topics and Readings

I- INTRODUCTION

Sept. 3 A road map to the course; geography and data sources

II- HISTORY AND ECONOMICS TOOLS

Sept. 5 From conquest to independence

Sept. 10 Development and economic growth

Sept. 12 From liberalism to nationalism
- Chasteen (2001), ch. 6-8

Sept. 17 Institutional aspects of development

Sept. 19    Cold war and beyond; Trade policy and exchange rates management

- Chasteen (2001), ch. 9-11
- Perkins et al. (2001), ch. 18, pp. 677-700

III- TRADITIONAL DEVELOPMENT ISSUES

Sept. 24    Perspectives on Latin American economic development

- Sheahan, John (1987), Patterns of development in Latin America: poverty, repression and economic strategy, Princeton: Princeton University Press, ch. 1


Sept. 26    Poverty

- Sheahan (1987), ch. 2


- Perkins et al. (2001), ch. 4, pp. 115-129

Oct. 1       Employment and earnings

- Sheahan (1987), ch. 3

- Perkins et al. (2001), ch. 4, pp. 281-294


Oct. 3       Trade, industrialization, and growth

- Sheahan (1987), ch. 4

Oct. 8       Wrap-up and review for the test
Oct. 10      First test
Oct. 15      Fall break
Oct. 17      Land ownership
              - Sheahan (1987), ch. 6
Oct. 22      Inflation
              - Sheahan (1987), ch. 6, pp. 99-110 and 125-129
Oct. 24      External deficits and IMF stabilization programs
              - Sheahan (1987), ch. 6, pp. 110-120

IV – CRISIS AND REFORM

Oct. 29      The debt crisis of 1982
              - Sheahan (1987), ch. 6, pp. 120-124
Oct. 31

The economic reforms of the 1990s

V – CASE STUDIES AND CONTEMPORARY ISSUES

Nov. 5
Bolivia

Nov. 7
Rural livelihoods and the environment

Nov. 12
Research outline due today at the beginning of class

Nov. 12
Cuba
- Sheahan (1987), ch. 10, pp. 237-57
Nov. 14  Colombia

- Sheahan (1987), ch. 11, pp. 271-88 and 309-10


Nov. 19  Argentina 1

- Sheahan (1987), ch. 8, pp. 179-188 and 194-203


Nov. 21  Argentina 2


Nov. 26  Two recent views on financial globalization


Nov. 28  Thanksgiving recess

Dec. 3  Foreign Direct Investment

- Sheahan (1987), ch. 7


Dec. 5  Second test

Dec. 16 (Mon)  Research paper due today at 4:00 pm (econ box)