**Econ 387/686: Economic Development of Latin America        T. Gindling**

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**Spring 2024                                                                           TuTh: 1:00-2:00**

**UMBC                                                                                    and by appointment.**

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**Readings:**

Patrice Franko, (2018) The Puzzle of Latin American Economic Development, Fourth Edition, Rowman & Littlefield Publishers, New York.

Additional readings for this class can be downloaded (the links are given below) or will be handed out in class.  These additional readings include articles from scholarly journals in the fields of economics and economic development, data, reports from international agencies that advise countries on economic development policies, and short excerpts from books.

 Undergraduates Graduate Students

**Grading:**        Midterm Exam (March 14)         37% 25%

                        Final Exam (May 16, 1-3 PM) 37% 25%

                        Research Project                                    21% 21%

                        Class Participation                                   5% 4%

 Graduate Research Paper N/A 25%

**Research Project:** You must choose ONE of the following research projects:

1. Bi-weekly Report on One Latin American Country (required for graduate students): You must choose a specific Latin American country and, every other week on Thursday, give to me a short (1-3 paragraphs) description of a news story in that country **related to a topic covered in class during the previous two weeks. Each report must have three elements: (a) a summary of the story; (b)** **a short analysis of the story using your knowledge of economics (from this class or from other classes), and (c) a citation for the source of the story (see the discussion on citing sources and the format of the bibliography later in the syllabus).** You may use any reputable news source to gather your information. Reputable sources include newspapers, magazines, academic journal articles, articles or reports from national or international organizations and non-governmental organizations (NGOs), etc. If your source is a web site, you MUST include the author (if available) and the name of the journal or organization publishing the article. Some sources of information that students have used in the past include: *The Wall Street Journal, The Financial Times of London, The Economist, The Washington Post, The New York Times*, and newspapers from Latin America. Reviewing an article from an academic journal will result in a higher grade. Such journals include: *Latin American Research Review, World Development, Economía*, and others*.* If you choose to do the weekly reports, you must let me know which country you have chosen by Tuesday, February 6. Your first report will be due Thursday, February 8. You must give each report to me (on paper)by the end of class on the day it is due. You are not required to submit a report on March 14 (mid-term exam) nor March 21 (spring break). You will submit 7 reports on: February 8 and 23, March 7 and 28, April 11 and 25, and May 9.

2. Research Paper (required for graduate students): A 15-25 page paper related one Latin American country and one of the topics that we will discuss in this class. The papers are discussed in detail on the last three pages of this handout. **If you choose to do the paper, by April 16 you must hand to me a sheet of paper with the topic, the name of the country that you will study and at least three of the papers or books that you will use in writing your paper (in a correct bibliographic format).** **The final papers are due on or before the last day of class (May 14).**

**Do Not Plagiarize: See beow for a required statement on all research projects in this class.**

**Plagiarism:** The act of taking another person’s writing, conversation, song, or even idea, and passing it off as your own. Plagiarism is a academic misconduct. Penalties range from receiving a zero grade on the report submitted to being expelled from the university.

All reports and papers submitted in this class must include the following signed statement on the top of the first page: ***All sources used to write this report are acknowledged. I have not copied from any source, have written this report personally, and have not used any form of AI (for example, Chat GPT). Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.***

Note that this statement will not count towards the page count for the research project.

**Citing sources for the Bi-weekly reports and paper in a bibliography**

You must present the source of your Bi-weekly report in a bibliography. You may use any generally accepted method in your bibliography.  I suggest that your bibliography refer to books and article in the following manners:

**For books:**

Author(s), year published, *Title of Book*, publisher, city of publication.

For example:

Mitch, David, 1992*, The Rise of Popular Literacy in Victorian England: the Influence of Private Choice and Public Policy*, University of Pennsylvania Press, Philadelphia.

**For journal articles:**

Author(s), year published, "Title of Article," *Journal*, Volume, page numbers.

For example:

Gindling, T. H. and David Newhouse, 2014, “Self-employment in the Developing World,” *World Development*, Vol. 56, pages 313-331.

**For working papers (also called discussion papers)**.

Author(s), year published, “Title of Paper,” Organization that published the working paper,

(Day and month of publication--if available).

For example:

Dickson, Lisa, T.H. Gindling and James Kitchin, 2017, “The Education and Employment Effects of DACA, In-State Tuition, and Financial Aid for Undocumented Immigrants,” IZA Discussion Paper No. 11109 (October).

**For newspaper, magazine or other sources found on the internet:**

Author (or organization), year published, “Title of article or web page,” *Title of journal,/magazine/newspaper/organization*, day and month of publication (or when you accessed the article), complete web address.

For example:

Winter, Brian, 2019, “Latin America's Decade-Long Hangover,” *Americas Quarterly*, April 9.

<https://www.americasquarterly.org/content/latin-americas-decade-long-hangover>

**Note: if you cannot identify the author or organization that provided the information on the internet, then DO NOT USE that information in your report.**

**Reading List**

**Economic Development of Latin America (Econ 387/686)**

**T. Gindling**

**I. Introduction**

Bulmer-Thomas, Victor, 2014, "Latin American Economic Development: An Overview," in Victor Bulmer Thomas, *The Economic History of Latin America Since Independence*; *Third Edition*, Cambridge University Press, Cambridge, England, Chapter 1.

Miroff, Nick, 2014, "In Latin America Right in Retreat as Left Wins More Elections,” *The Washington Post*, January 27.

<http://www.washingtonpost.com/world/in-latin-america-right-in-retreat-as-left-wins-more-elections/2014/01/26/a2bb43bc-804b-11e3-97d3-b9925ce2c57b_story.html?tid=hpModule_04941f10-8a79-11e2-98d9-3012c1cd8d1e&hpid=z15>

## Encarnación, [Omar G.,](https://www.thenation.com/authors/omar-g-encarnacion/) 2018, “The Rise and Fall of the Latin American Left,” *The Nation*, May 9. <https://www.thenation.com/article/archive/the-ebb-and-flow-of-latin-americas-pink-tide/>

# Freeman, Will, 2023, “The Coming Crisis for Latin America’s Left-Wing Leaders,” *Americas Quarterly*, September27.

# <https://www.americasquarterly.org/article/the-coming-crisis-for-latin-americas-left-wing-leaders/>

**II. Measuring Economic Development**

Franko, chapters 1 and 10.

 Lustig, Nora, Luis Lopez-Calva and Eduardo Ortiz-Juarez, 2013, “Deconstructing the Decline in Inequality in Latin America,” World Bank Policy Research Working Paper No. 6552, Washington, July.

[wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/07/31/000158349\_20130731085829/Rendered/PDF/WPS6552.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/07/31/000158349_20130731085829/Rendered/PDF/WPS6552.pdf)

Hailu, Degol and Sergei Suarez Soares, 2009, “What Explains the Decline in Brazil’s Inequality?” International Policy Center for Inclusive Growth One Pager no. 89, Brasilia, July.

<http://www.ipc-undp.org/pub/IPCOnePager89.pdf>

**III. Colonialism and Independence: Primary Product Exporters**

Franko, chapter 2.

**IV. World War II to the 1970's: Structuralism, Dependency Theory and Import Substitution Industrialization**

Franko, chapters 3 and 8.

### Vincent Ferraro, "Dependency Theory: An Introduction," in The Development Economics Reader, ed. Giorgio Secondi (London: Routledge, 2008), pp. 58-64

<https://resources.saylor.org/wwwresources/archived/site/wp-content/uploads/2011/08/HIST363-1.3.2-Dependency-Theory.pdf>

**MIDTERM EXAM (March 14)**

**V. The 1980's: Debt Crisis and The Lost Decade**

Franko, chapter 4

Jeffrey Sachs (1985), "External Debt and Macroeconomic Performance in Latin America and East Asia", Brookings Papers on Economic Activity 2, pp.523-573.

<http://www.earth.columbia.edu/sitefiles/file/about/director/pubs/BPEA1985_2.pdf>

**If you have not studied the basics of international finance, read Chapter 9 in:**

**Case, Fair and Oster, Principles of Macroeconomics,**

[**https://omeka.urbeuniversity.edu/files/original/c61471e9878ffe19597d640cb97f817bd7e678f6.pdf**](https://omeka.urbeuniversity.edu/files/original/c61471e9878ffe19597d640cb97f817bd7e678f6.pdf)

**VI. The 1990s: Structural Adjustment.**

John Williamson (1990), "The Progress of Policy Reform in Latin America," Policy Analysis in International Economics 28, Institute for International Economics, Washington, April, pages 1-33.

[https://books.google.com/books?id=xOZgDwAAQBAJ&pg=PP4&dq=The+Progress+of+Policy+Reform+in+Latin+America+institute+for+international+economics&hl=en&sa=X&ved=0ahUKEwjI7rPKzsvjAhUnhuAKHdjpCZEQ6AEIKDAA#v=onepage&q=The%20Progress%20of%20Policy%20Reform%20in%20Latin%20America%20institute%20for%20international%20economics&f=false](https://books.google.com/books?id=xOZgDwAAQBAJ&pg=PP4&dq=The+Progress+of+Policy+Reform+in+Latin+America+institute+for+international+economics&hl=en&sa=X&ved=0ahUKEwjI7rPKzsvjAhUnhuAKHdjpCZEQ6AEIKDAA%23v=onepage&q=The%20Progress%20of%20Policy%20Reform%20in%20Latin%20America%20institute%20for%20international%20economics&f=false)

Franko, chapters 5 and 7.

**VII. The 1990s: International Capital Flows, Financial Crisis and Dollarization**

Franko, chapter 6.

Andrew Berg and Eduardo Borensztein, 2000, “Full Dollarization, The Pros and Cons,” International Monetary Fund Economic Issues No. 24.

<http://www.imf.org/external/pubs/ft/issues/issues24/index.htm>

**VIII. The New Century**

Franko, chapter 14.

Zettelmeyer, Jeromin, 2006, “Growth and Reform in Latin America: A Survey of Facts and Arguments,” IMF Working PaperWP/06/210, September.  <http://www.imf.org/external/pubs/ft/wp/2006/wp06210.pdf>

Woodrow Wilson International Center for Scholars Latin American Program, 2007, The ‘New Left’ and Democratic Governance in Latin America, Washington, August, Chapters 1, 2 and 3 (pages 3-31).

<http://www.wilsoncenter.org/sites/default/files/NewLeftDemocraticGovernance.pdf>

Lustig, Nora and Daryl McLeod, 2011, “Inequality and Poverty under Latin America's New Left Regimes,” Society for the Study of Economics Inequality Working Paper, August. http://www.ecineq.org/milano/WP/ECINEQ2011-208.pdf

**Description of the Paper**

A. Topic:

A 15-25 page paper related one Latin American country and one of the topics that we will discuss in this class (i.e. trade policy in Colombia, inequality in Peru, exchange rate policy in Argentina, etc.). By one month before the final class you must hand to me a one paragraph description of the country you plan to study, as well as a short bibliography (including at least three articles and/or books).

B. Structure:

The structure of the paper should be as follows.

   i. Briefly describe the economy and history of the country you are studying (2-3 pages).

 ii. Discuss the policies the government has enacted or plans to enact to address the policy issue you plan to study (4-5 pages).

 iii. How did these policies affect economic growth, income inequality and poverty? (1-2 pages)

iv. Lastly, analyze these policies from the point of view of a development economist and present your own opinion and analysis of the policies used by the government (2-3 pages).  Your opinion and analysis should be based on your knowledge of economics.

C. Possible Sources:

You may consult books, newspapers, magazines, or scholarly journal articles.  I strongly encourage you to cite scholarly journal articles.  Some scholarly journals which may help are: World Development, Latin American Research Review, Journal of Developing Areas, Journal of Development Studies, Economic Development and Cultural Change, and Journal of Development Economics.  Another good source of articles are the World Bank, IMF and InterAmerican Development Bank Working Paper series.  Possible sources of data include CEPALSTAT, the World Development Report of the World Bank, the UN Statistical  Tables, the UN Human Development Report, and the IMF World Financial Outlook (all of which are published yearly).

D. Citing Sources:

You must cite the sources for the information used in your paper.  It is necessary to always cite sources not only for direct quotes but also when you are paraphrasing data or arguments that are not your own.  The paper must also include a bibliography.  The bibliography should contain only those articles and books that you consulted (read) in writing the paper.

You may use any generally accepted method of citing sources in your paper. I suggest citing sources by including after the information: (Authors, date of publication), with the full citation in the bibliography.  Below are two examples, the first citing the source of a direct quote, the second citing the source of an argument which I paraphrase.

Example One: According to one authority, "bad writing does not get read" (McCloskey, 1987, p.5).

Example Two: Many economists write very badly (McCloskey, 1987).

You may use any generally accepted method in your **bibliography**.  See earlier in the syllabus for the accepted bibliographic format.

E. Spelling and Grammar:

Points will be subtracted from your grade for bad spelling and grammar.  I suggest that you write your paper using a word processor and use the "spell-checker."

F. Length of the Paper:

The paper must be between 15 and 25 double-spaced pages.  The margins (top, bottom, left and right) cannot be more than one inch.  The font used must be 12 point or smaller.

G. Grading:

If your paper fulfills all of the above requirements, you will receive a minimum grade of 85%. Your grade will be higher if you cite and use articles from professional journals, and if your paper is well-written and well-reasoned.

Points will be subtracted from your grade if you do not fulfill the above requirements.  For example: if you do not include a bibliography, 10 points will be subtracted from your grade; if you do not cite the sources of the information you use, up to 25 points will be subtracted from your grade.

If your paper is too short, between 10 and 25 points will be subtracted from your grade.  Your paper is too short if you have fewer than 15 pages, use a larger font than required, or have margins that are larger than required.

If you do not include all of the sections described in B, points will be subtracted from you grade.  For example, if you do not include a brief description of the economy and history of the country you are studying, 5 points will be subtracted from you grade.  If you do not include your own opinion and analysis of the policies used by the government, 10 points will be subtracted from you grade.