Introduction to Latin American (Political) Economies

Course Provider: Javier Pérez Sandoval

Class Time: Wednesdays 10am -12pm Hilary Term – Main Seminar Room
Tutorial Time: To be scheduled with individual student groups.
Drop-in Hours: Wednesdays 3pm-5pm (please email in advance).
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Introduction

By the turn of the 19th century, the writings of Alexander von Humboldt already presented a contrasting picture of Latin America. On the one hand, the region was acknowledged as one of abundant resources, a cornucopia of untapped potential. On the other hand, Humboldt also highlighted an immense inequality of fortunes between and within Europeans, creoles and indigenous peoples. Contemporary Latin American economies continue to provide highly contrasting images. Latin America is, for example, one of the most unequal regions in the world but, at the same time, it has seen the emergence of a *new* —albeit vulnerable— middle class.

What have been the overall trends in the unfolding of Latin American economic development? Why are Latin American countries so unequal? What are the causes and the consequences of uneven development? Why has the region failed to catch up? What are the main economic models and decisions which have shaped the region? What are the historical, current, and upcoming economic challenges facing the region? This course is designed to help you tackle these questions in order to better understand the complex matrix of social, political, and economic issues impacting Latin American polities.

Course Objectives

This course aims to provide students with a broad understanding of the general trends and patterns followed by Latin American economies throughout the 20th century. To that purpose, the course is centered around a comparative historical approach focusing on the political economy of development. As such, the readings and the discussions consider the interaction between the state, society, and the economic structure, assigning a particular relevance to the specificities of time and space. In doing so, we will cover the main economic models adopted by Latin American polities, identifying their tensions as well as their relative successes and failures.

By the end of the course, I hope you can:

1. Understand basic economic concepts and theories within the Political Economy of Development;
2. Identify the general trends and rationale behind the economic models adopted by several Latin American Countries;
3. Contrast different academic interpretations of Latin America's economic performance;
4. Discuss Latin America's main socio-economic problems, with particular attention to the consequences of different types of inequality;
5. Use a political economy framework to explore similarities and differences between Latin American countries;
6. Apply political economy concepts and historical lessons to understand Latin America's future challenges.

Course Audience

This course is intended and designed for those interested in the political economy of the social and economic development of Latin America. It is primarily directed towards individuals registered for either the M.Sc. or the M.Phil in Latin American Studies, as well as towards the M.Phil in Development Studies postgraduate readers. Other graduate students are welcome to audit the class, as long as they have their supervisor's and department's authorization, and they send me a request via email in advance.

A basic understanding of economic concepts is desirable **but not required**. A selection of special readings on economic and development concepts is available in the Canvas page of the course.

Course Structure

There are three core elements to this introductory course. First, the two-hour lectures. Second, the one-hour tutorials. Third, the materials for assessment (see below).

<u>Two-hour lectures:</u> We will meet every Wednesday of Hilary Term 2023 in the LAC's Main Seminar Room between 10am and 12pm.
Students will open the discussion with a short (15-20 min) presentation (details to be set early in term).
I will then lead the discussion for the remainder of the session. Students are encouraged to participate and engage in class. For each of our sessions you are all encouraged to read not only the 'core' material, but also —and importantly— the additional material listed.

<u>One-hour tutorials:</u> During Friday mornings of Week 4 and Week 6 I will hold tutorials in small groups. The specific pairing of students and the scheduling details will be set early in term.

IMPORTANT:
> Each student should write one essay for each tutorial.
> The topics and questions for our tutorials are included at the end of this syllabus.
> Tutorial essays should have approximately 2,000 words (+/- 10%). This total includes references and footnotes.
> <u>The essays need to be shared with the tutorial group 48 hours before our meeting.</u>
> The tutorials will take place in my office at the Latin American Centre.

Course Assessment

The successful completion of this course requires students to:

1. Completion of tutorial essays.

2. Write one 1,500 blog entry together with a classmate (groups of 2 max). The best entries will be sent to the *Oxford Politics Blog*. The goal is threefold: a) for you to apply the concepts we are studying to a topic you find interesting, while you also b) learn to work collaboratively as a team, and c) you gain experience in submitting an academic review*.

3. Summative Assessment The course will be assessed by a take home, open book examinations in accordance with the degree Handbook.

*IMPORTANT: > Students are expected to submit a jointly signed statement detailing the specific contributions of each group member. [Statement A]
> Students should accompany their submission with a statement of originality. [Statement B]
> Neither the statement of contributions [A] nor the statement of originality [B] count towards the word limit of the essay.
> You are encouraged to schedule office hours throughout Hilary Term to discuss the topics and the structure of your essay.
> The essays will be submitted to the Oxford Politics Blog editorial team for consideration. They are likely to provide feedback and require further modifications to the text.

Equality, Diversity and Inclusion (EDI) Statement

We must treat every individual with dignity and respect. We all come from different backgrounds and are diverse in a variety of ways. This diversity matters not only intrinsically —as it is fundamental to build and maintain a safe, equitable, and inclusive University— but it is also relevant instrumentally, as sharing our different experiences improves and complements our scholarly pursuits.

We must all strive to view EDI as a resource, a strength and a benefit. Given that this course deals with the politics and economics of Latin America, we are bound the discuss the ways in which inequality traverses or is woven into the distinct dimensions of our identity (including but not limited to sex, race, gender creed, political preferences, ideology, and language). We should all aim to have these conversations with respect, recognizing their contribution not only to equity and inclusion, but also to excellence and innovation.

We are all humans, which means we are all constantly learning, and we all make mistakes sometimes. It is important to recognize that incidents of bias or discrimination —whether intentional or unintentional— can sometimes occur. If at any point anyone experiences or observes a situation they think or they themselves find unfair, hostile, or inappropriate, I encourage students to reach out in the moment for support, or to alternatively speak to me once the incident has passed. Additionally, the University of Oxford has an Equality and Diversity Unit, you can find more information here.

Please let me know ways to improve the effectiveness of the course for you personally or for other students in the group. Finally, if any of our class meetings conflict with events ordained by your beliefs, please let me know so that we can make the necessary arrangements.

Drop-in Hours and Additional Information

Drop-in Hours: My office is located in the Latin American Centre. I will normally be there on:
>Wednesdays between 3pm and 5pm.
>Do email me with at least 24 hours in advance to book a meeting.

Further Details: >For your assignments, please use in-text referencing, either Chicago, Harvard, or APA styles. You can find more details in the links provided here. I strongly advice using a reference management software such as Mendeley, EndNote or Zotero.

>Please use either MS Word or LaTex for your assignments. I do not have a specific preference in terms of word processor or format as long as the documents you submit have a professional-looking presentation (i.e. Garamond or Times New Roman pt 12, with 1.5 line-spacing). Most importantly, however, I encourage you to look after your grammar, spelling, and punctuation.

Lastly, if at any point throughout the course you experience any inconvenience or have any question, do let me know with as much anticipation as possible. Below you will find suggested textbooks, and additional reference materials as well as the thematic weekly schedule of the course.

Key Reference Books

Armendáriz, B. and F. Larraín. (2017). *The Economics of Contemporary Latin America*. MIT Press.

Bértola, L. and J.A. Ocampo. (2012). *The Economic Development of Latin America since Independence*. Oxford University Press.

Bulmer-Thomas, V. (2014). *The Economic History of Latin America since Independence* (3rd Ed.). Cambridge University Press.

Coatsworth, John H. and Alan M. Taylor. (1999). *Latin American and the World Eocnomy since 1800*. Harvard University Press.

Franko, P. (2018). *The Puzzle of Latin American Economic Development*. Rowman and Littlefield Publishers

Reyes, Javier A. and W. Charles Sawyer. (2011). *Latin American Economic Development*. Routledge.

Additional General References on Latin American Politics and Economics

Fukuyama, Francis (ed.) (2008). *Falling Behind: Explaining the Development Gap between Latin America and the United States*. Oxford University Press.

Kingstone, Peter. (2018). *The Political Economy of Latin America: Reflections on Neoliberalism and Development after the Commodity Boom* (2nd Ed.). Routledge.

Kline, Harvey F. and Christine J Wade. (2022*). Latin American Politics and Development* (10th Ed.). Routledge.

Munck, Gerardo L. and Juan Pablo Luna. (2022). *Latin American Politics and Society: A Comparative Historical Analysis*. Cambridge University Press.

Ocampo, J.A. and Jaime Ros. (2011). *Oxford Handbook of Latin American Economics*. Oxford University Press.

Santiso, J. and J. Dayton-Johnson. (2012). *Oxford Handbook of Latin American Political Economy*. Oxford University Press.

Introductions to Economics and Political Economy

Economics:

Blum, M. and Christopher L. Colvin. (2018). *An Economist's Guide to Economic History*. Palgrave McMillan.

Chang, H-J. (2014). *Economics: The User's Guide*. Penguin Books.

Dasgupta, P. (2007). *Economics: A Very Short Introduction*. Oxford University Press.

Ghatak, Subrata. (2003). *Introduction to Development Economics*. Routledge.

Michael Parkin's 2018 three text-books series on *Economics*, *Microeconomics* and *Macroeconomics*, all three published by Pearson.

Political Economy:

Balaam, D.N. and Bradford Dillman. (2019). *Introduction to International Political Economy* (7th Ed.). Routledge.

Bernard Jr. P.M. (2022). *Comparative Political Economy: Theory and Evidence*. Routledge.

Clift, B. (2021). *Comparative Political Economy: States, Markets and Global Capitalism* (2nd ed.). London: Red Globe Press.

Patrick H. O'Neil's and Ronald Rogowski's 2018 three text-books series on *Essentials of Comparative Politics*, *Essential Readings in Comparative Politics*, and *Cases in Comparative Politics*, all three published by W. W. Norton & Company.

Journals and Other Useful Resources

The best and most recent work on the political economy of Latin America is published in journal articles. In addition, there are several media outlets and international organizations which regularly publish reports and data on Latin America and the Caribbean. Below you will find a non-exhaustive list (if you find other useful resources, do let me know so I can incorporate them to this syllabus).

Journals	Int. Organizations	News	Additional Sources
ECLAC Review	Economic Commission for Latin America	El País	Council of the Americas
Journal of development Studies	Inter-American Development Bank	Financial Times	Dani Rodrik's Website
Journal of Latin American Studies	Organization of American States	New York Times	Gerardo Munck and Juan Pablo Luna LAC Resource Site

Journals	Int. Organizations	News	Additional Sources
Latin American Politics and Society	UN Conference on Trade and Development	The Guardian	Matias Vernengo's blog
Latin American Research Review	UNDP Latin America	The Times	
World Development	World Bank's LAC Department		
World Politics			

*If you know any other relevant and reliable source of information, do let me know so I can incorporate it to this list.

Course Thematic Schedule

[DISCLAIMER: The course is NOT intended to provide a detailed account of any one specific country. However, several of the suggested readings below do offer in-depth, comparative discussions of one, two or more countries. If you want additional recommendations for particular topics or specific countries do get in touch by email].

Week 1 - Introduction: Overviewing Latin America's Economic Development and Political Economy

Learning Objective: In this first session I will outline the expectations of the course, along with its key goals. We will then take stock of Latin American economies to identify overall trends and patterns across the region. This 'diagnosis' will serve as the baseline of discussion for future sessions.

Core Readings:

- Armendáriz, B. and F. Larraín. (2017). Chapter 6.

OR

- Bértola, L. and J.A. Ocampo. (2012). Chapter 1 AND 6.

OR

- Bulmer-Thomas, V. (2014). Chapter 1 AND Chapter 12.

AND

- Thorp, R. (2012). "A Historical Perspective on the Political Economy of Inequality in Latin America" in Santiso, J. and J. Dayton-Johnson (eds) *The Oxford Handbook of Latin American Political Economy*. Oxford University Press.

- Ocampo, José A. (2013). *The History and Challenges of Latin American Development*. ECLAC. Available Here.

Other Suggested Readings:

- Adam, Christopher and Stefan Dercon (2009) "The Political Economy of development: An Assessment", *Oxford review of Economic Policy*, 25(2).p.173-189.

- Bose, C.E. and Edna Acosta-Belén. (1995). *Women in the Latin American Development Process*. Temple University Press. Introduction and Chapter 1.

- Coatsworth, J. (2005) "Structures, Endowments, and Institutions in the Economic History of Latin America", *Latin American Research Review*, 40 (3). p.126-144.

- Fukuyama, F. (2008). Introduction.

- Huber, E. (ed) (2002). *Models of Capitalism. Lessons for Latin America* University Park, PA: Penn State Press. Introduction and Conclusion.

- Mar Rubio, M.d., Cesar Yánez, Mauricio Folchi, and Albert Carreras. (2010) "Energy as an Indicator of Modernization in Latin America 1890-1925", *The Economic History Review*, 63(3), p. 769-804.

- Reyes, Javier A. and Charles Sawyer. (2011). Chapter 1.

Week 2 - Inequality: Dimensions and Impacts of Latin America's *Uneven* Development

Learning Objective: In this session we will look at one of, if not the most persistent problem facing Latin American development: inequality. We will pay special attention to unpacking the different dimensions of inequality and to identifying similarities and differences across the region.

Core Readings:

- ECLAC (2016). *The Social Inequality Matrix in Latin America*, Santiago de Chile. Chapters 1, 2 and 4. Available here.

- Sánchez-Ancochea, D. (2020). *The Costs of Inequality in Latin America:Lessons and Warnings for the Rest of the World*. Taurus. Chapters 1 and 2.

AND

- Souza, P. (2018) "A History of Inequality: Top Incomes in Brazil, 1916-2015", *Research in Social Stratification and Mobility*, 57. p.35–45.

OR

- Castillo Negrete Rovira, Miguel d. (2017) "Income Inequality in Mexico 2004-2015", *Latin American Policy*, 8(1). p 93-113

OR

- Alvaredo, F., Cruces, G., Gasparini, L. (2018) "A Short Episodic History of Income Distribution in Argentina", *Latin America Economic Review*. 27(1).p.1-45.

Other Suggested Readings:

- Amarante, Verónica (2016) "Income Inequality in Latin America: A Factor Component Analysis", *The Review of Income and Wealth*, 62(1).

- Barrientos, Armando (2021) "Inequalities in Income Security in Later Age in Latin America", *The Pan American Journal of Public Health*, 45.

- Hoffman, K. and M.A. Centeno (2003) "The Lopsided Continent: Inequality in Latin America", *Annual Review of Sociology*, 29. p.363-90.

- Lustig, N. (2017) "Fiscal Redistribution and Ethnoracial Inequality in Bolivia, Brazil, and Guatemala" *Latin American Research Review*, 52(2). p. 208–220.

- Paixao, M. and I. Rosetto (2020) "Mestizaje, Racial Discrimination, and Inequality in Latin America", *Oxford Research Encyclopedia*. Available Here.

- Sánchez-Ancochea. D. (2000) "Beyond a Single Model: Explaining Differences in Inequality within Latin America", *Kellogg Institute*, working paper, n 434. Available here.

- Vommaro, Pablo and Pablo Baisotti. (2022). *Persistence and Emergencies of Inequalities in Latin America: A Multidimensional Approach*. Routledge.

- Woo-Mora, G.L. (2022) "Unveiling the Cosmic Race: Racial Inequalities in Latin America", *World Inequality Lab,* working paper. Available Here.

Week 3 The *Origins of* and the *Explanatory Approaches to* Latin American Development
Learning Objective: During our third session we will do two things: First, we will look at the historical colonial and post-colonial roots of Latin American (under)development. Second, we will discuss the different types of explanatory approaches that have been put forth to account for the region's economic trajectory.

Core Readings:

- Bértola, L. and J.A. Ocampo. (2012). Chapter 3.

OR

- Franko, P. (2018). Chapter 2.

OR

- Armendáriz, B. and F. Larraín. (2017). Chapters 1 and 2.

AND

- Prados de la Escosura, L. (2009) "Lost Decades? Economic Performance in Post-Independence Latin America" Journal of Latin American Studies, Vol. 41.p. 279-307. Available Here.

- Cortés Conde, Roberto (1992) "Export-Led Growth in Latin America: 1870-1930", Journal of Latin American Studies [Quincentenary Supplement: The Colonial and Post Colonial Experience Five Centuries of Spanish and Portuguese America], Vol. 24. p.163-179.

AND

- Mahoney, James. (2010). *Colonialism and Postcolonial Development: Spanish America in Comparative Perspective*. Cambridge University Press. Chapter 1.

OR

- Pérez Sandoval, J. (2021). The Origins of Subnational Democracy: How Colonial Legacies and Labor Incorporation Shaped Regime Heterogeneity within Latin American Countries. Doctoral thesis. University of Oxford. Chapter 5.

Other Suggested Readings:

- Acemoglu, D. and J. Robinson. (2012). *Why Nations Fail? The Origins of Power, Prosperity and Poverty*, London: Profile Books. Chapters 1, 3, 12 and 13.

- Acemoglu, D. Simon Johnson and James A. Robinson, (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation", *American Economic Review*, 91(5).p.1369-1401. Available Here. [See also their 2012 reply to critiques here.]

- Bates, Robert H. John H. Coatsworth, and Jeffrey G. Williamson, (2007) "Lost Decades: Postindependence Performance in Latin America and Africa", *The Journal of Economic History*, 67(4). p. 917-943. Available Here.

- Bértola, L. (2011) "Institutions and the Historical Roots of Latin American Divergence" in Ocampo, J.A. and J. Ros (eds) *The Oxford Handbook of Latin American Economics*, Oxford: Oxford University Press.

- Bulmer-Thomas, V. (2014). Chapters 4 and 5.

- Cárdenas, E., José Antonio Ocampo, and Rosemary Thorp (eds.) (2000) "The Export Age: The Latin American Economies in the Nineteenth and Early Twentieth Century", in *An Economic History of Twentieth-Century Latin America*. Palgrave.

- Dobado González, R and Héctor García Montero. (2010) "Colonial Origins of Inequality in Hispanic America? Some reflections Based on New Empirical Evidence" *Journal of Iberian and Latin American Economic History*, 28(2). p. 253-277. Available Here.

- Engerman, S. and K. Sokoloff (1997) "Factor Endowments, Institutions and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States" in Haber, S. (ed.) *How Latin America Fell Behind: Essays on the Economic Histories of Brazil and Mexico*, 1800-1914, Stanford: Stanford University Press.

- Francis, Fukuyama. (2008). Chapters 4, 5 and 7.

- Kay, C. (1999). *Latin American Theories of Development and Underdevelopment,* London. Routledge. Chapters 2 and 5.

- Williamson, Jeffrey G. (2015) "Latin American Inequality: Colonial Origins, Commodity Booms or a Missed Twentieth-Century Leveling" *Journal of Human Development and Capabilities*, 16(3).

Week 4 Looking Inwards: Import Substitution Industrialization: Failed or Unfinished?

Learning Objective: Moving chronologically, in this fourth session we will unpack the rationale behind the distinctive approach to industrialization followed in the region. We will pay particular attention to domestic and international drivers of change, and we will discuss the political and economic consequences of this model.

Core Readings:

- Bértola, L. and J.A. Ocampo (2012), Chapter 4.

OR

- Bulmer-Thomas, V. (2014). Chapters 8 and 9.

OR

- Franko, P. (2018). Chapter 3.

OR

- Reyes, J. and C. Sawyer. (2011). Chapter 6.

AND

- French-Davis, R., O. Muñoz and G. Palma (1995) "The Latin American economies, 1950-1990" in Bethell, L. (ed) *The Cambridge History of Latin America. Vol. 6. Latin America since 1930: Economy, society and politics*. Cambridge University Press.

- Rodríguez, O. (2001) "Prebisch: The Continuing Validity of his Basic Ideas", *ECLAC Review*, 75: 39-65. Available here.

- Tafunell, Xavier. (2007) "On the Origins of ISI: The Latin American Cement Industry 1900-1930", *Journal of Latin American Studies*, 39(2).p.299-328.

Other Suggested Readings:

- Armendáriz, B. and F. Larraín. (2017). Chapter 3.

- Amsden, A. (2001). *The Rise of "the Rest". Challenge to the West from Late-industrializing Economies*. Oxford University Press. Chapters 6, 7 and 8.

- Fishwick, A. (2019) "Labour Control and Developmental State Theory: A New Perspective on Import-substitution Industrialization in Latin America", *Development and Change*, 50(3).p. 655-678.

- Grinberg, Nicolás. (2022) "From Populism to Neoliberalism: The Political Economy of Latin American Import Substitution Industrialization: Argentina, Brazil, Mexico and Colombia in Comparative Perspective", *Latin American Perspectives*. 49(2). p. 183-206.

- Irwin, D. (2021) "The Rise and Fall of Import Substitution", *World Development*, 139.

- Kaufman, R. and B. Stallings (2010) "The Political Economy of Latin American Populism", in Dornbusch, R. and S. Edwards (eds) *The Macroeconomics of Populism in Latin America*. Chicago University Press.

- Lyne, M. (2015) "Rethinking the Political Economy of Import Substitution Industrialization in Brazil: A Clientelist Model of Development Policymaking", *Latin American Politics and Society*, 57(1), p. 75-98

- Mukherjee, Soumyatanu. (2012) "Revisiting the Debate over Import-substituting versus Export-led Industrialization", *Trade and Development Review*. 6(1).p.64-76. Available Here.

- Robert Kaufman, Adolfo Meisel, Andrés Álvarez, and Carlos Andrés Brando.(2019) "On the Nature and Endings of Latin America's Industrial Policies: Interview with Robert Kaufman and Adolfo Meisel". *Revista de Estudios Sociales*, 68 p.69-73. Available Here.

- Silva, Eduardo. (2007). "The Import-Substitution Model: Chile in Comparative Perspective", *Latin American Perspectives*. 34(3). p.67-90.

Week 5 A House of Cards: The Debt crisis and Macroeconomic Debates about Stabilization

Learning Objective: The core discussion during week five will centre around debt and the challenges of stabilization. This will allow us to highlight the weaknesses of the ISI model, and it will pave the wave for discussing market-oriented reforms in the next session.

Core Readings:

- Armendáriz, B. and F. Larraín. (2017). Chapter 4.

OR

- Bulmer-Thomas, V. (2014). Chapters 10 and 11.

OR

- Franko, P. (2018). Chapter 4 and Chapter 5.

AND

- Adelman, Jeremy. (1998) "Tequila Hangover: Latin Americas's Debt Crisis", Studies in Political Economy. 55(1) p.5-35.

- Ocampo, José A. (2014) "The Latin American Debt Crisis in Historical Perspective" in Joseph E. Stiglitz and D. Haymann (eds.) *Life After Debt: The Origins and Resolutions of Debt Crisis*. Palgrave MacMillan.

- Stallings, Barbara and Robert Kaufman (eds.) (1989). *Debt and Democracy in Latin America*. Routledge. Chapter 1 (by Rudiger Dornbusch) and Chapter 12.

Other Suggested Readings:

- Golub, Stephen S. (1991) "The Political Economy of the Latin American Debt Crisis", *Latin American Research Review*. 26(1). p. 175-215. Available Here.

- Griffith-Jones, S and O. Sunkel (1986) *Debt and Development Crises in Latin America. The End of an Illusion*. Oxford, Clarendon Press. Chapters 2 to 8.

- Krueger, Anne O. (1987) "Origins of the developing countries' debt crisis: 1970 to 1982", *Journal of Development Economics*, 27(1-2) p. 165-187.

- Pazos, F. (1985) "Have Import Substitution Precipitated the Debt Crisis?" *Journal of Inter-American Studies*, 27 (4).

- Remmer, Karen L (1990) "Debt or Democracy? The Political Impact of the Debt Crisis in Latin America" in David Felix (ed) *Debt and Transfiguration? Prospects for Latin America's Economic Revival*. Routledge.

- Roos, Jerome E. (2021) *Why not Default?: The Political Economy of Sovereign Debt*. Princeton University Press. Chapters 1 and 2.

- Stallings, Barbara (1990) "Debtors Versus Creditors: Power Relations and Policy Response to the 1980s Crisis" in David Felix (ed) *Debt and Transfiguration? Prospects for Latin America's Economic Revival*. Routledge.

- Taylor, L. (1988). *Varieties of Stabilization Experience*, Oxford, UK: Clarendon Press. Specially Chapters 1 through 4.

- Weeks, J. (1989). "Losers pay reparations, or how the Third World Lost the Lending War", in *Debt Disaster? Banks, Governments and Multinationals Confront the Crisis*, Geonomics Institute for International Economic Advancement Series.

Week 6 Looking Outwards: Market Oriented Reforms and the Washington Consensus

Learning Objective: In week six we will discuss the triggers, dynamics, and implications of liberalizing efforts which encompassed the adoption of so called market-oriented reforms.

Core Readings:

- Armendáriz, B. and F. Larraín. (2017). Chapter 10.

OR

- Bértola, L. and J.A. Ocampo (2012), Chapter 5.

AND

- Armijo, Leslie E. and Philippe Faucher (2009), "'We Have Consensus': Explaining Political Support for Market Reforms in Latin America", *Latin American Politics and Society*, 44(2).p.1-40. Available Here.

- Goldfajn, I, L. Martínez and R. Valdés (2021) "Washington Consensus in Latin America: From Raw Model to Straw Man", *Journal of Economic Perspectives*, 35(3): 109-132. Available Here.

- Massey, D., M. Sanchez R. and J.R. Behrman (2006) "Introduction: Of Myths and Markets", *The Annals of the American Academy of Political and Social Science*, Vol.606. p .8-31 (and read any other articles from the special issue you consider interesting).

Other Suggested Readings:

- Cohen, Joseph N. and Miguel Angel Centeno (2006), "Neoliberalism and Patterns of economic Performance, 1980-2000", *The Annals of the American Academy of Political and Social Science*, Vol.606. p .32-67.

- Dominguez, Jorge I. (1998), "Free Politics and Free Markets in Latin America", *Journal of Democracy*, 9(4). p. 70-84.

- Liverman, D. and S. Vilas (2006) "Neoliberalism and the Environment in Latin America", *Annual Review of Environment and Resources*, 31: 327-363.

- Moreno-Brid, Juan Carlos, Esteban Pérez and Pablo Ruíz Napoles (2005), "The Washington Consensus: A Latin American Perspective fifteen years Later", *Journal of Post Keynesian Economics*, 27(2). Available Here.

- Ocampo, J.A. (2004) "Latin America's Growth and Equity Frustrations during Structural Reforms", *Journal of Economic Perspectives*, 18(2). p. 67-88.

- Perry, Nathan and Carlos Shönerwald (2012), "Institutions, Geography, and Terms of Trade in Latin America: An Evaluation of the Washington Consensus", *International Journal of Political Economy*, 41(1). p. 66-94.

- Sanchez, Omar (2003), "Globalization as a Development Strategy in Latin America", *World Development*, 31(12)p. 1977-1995. Available Here.

- Teichman, Judith A. (2001) *The Politics of Freeing Markets in Latin America: Chile, Argentina, and Mexico*. The University of North Carolina Press.

- Williamson, John (2014), "The Strange History of the Washington Consensus", *Journal of Post Keynesian Economics*, 27(2). p. 195-206.

- Weyland, Kurt (2010) "Latin American Neopopulism", *Third World Quarterly*, 24(6). p. 1095-1115.

Week 7 There and back again: (New) Commodity Boom and its Aftermath

Learning Objective: In this session we will reflect on the economic dynamics of the first decade of the 21st in Latin America. We will pay particular attention to identifying continuities and discontinuities in the shape of regional political economies.

Core Readings:

- Bacha, Edmar L. and Albert Fishlow (2011), "The Recent Commodity Price Boom and Latin American Growth: More than New Bottles for an Old Wine?" in José Antonio Ocampo and Jaime Ros (eds.) The *Oxford Handbook of Latin American Economics*. Oxford. Oxford University Press.

- Pérez Caldentey, Esteban and Matías Vernengo (2010), "Back to the Future: Latin America's Current Development Strategy", *Journal of Post Keynesian Economics*, 32(4).p. 623-644. Available Here.

- Sánchez-Ancochea, Diego (2019), "The Surprising reduction of Inequality Duing a Commodity Boom: What do we Learn from Latin America", *Journal of Economic Policy Reform*, 24(2). p.95-118.

- Svampa, M. (2019) *Neo-extrativism in Latin America*, Cambridge University Press (Cambridge Elements Series). Chapters 1 and 2.

Other Suggested Readings:

- Bizberg, Ilán (2021), "The Political Economy of the Post Commodity Boom Crises in Latin America" in Aldo Madariaga and Stefano Palestini (eds.) *Dependent Capitalisms in Contemporary Latin America and Europe*. Palgrave MacMillan.

- Gachet, Iván, Grijalva, Diego F, Ponce, Paúl, and Rodríguez, Damián. (2017), "The rise of the middle class in Ecuador during the oil boom", *Cuadernos de Economía*, 36(spe72). p.327-352. Available Here.

- López-Calva, Luis F. and N. Lustig (2010) *Declining Inequality in Latin America. A Decade of Progress?*, Washington, DC: Brookings Institution and UNDP. [Specially Chapters 1 and 3].

- Sankey K, Munck R.(2016), "Rethinking Development in Latin America: The Search for Alternative Paths in the Twenty-first Century", *Journal of Developing Societies*, 32(4).p. 334-361.

- Veltmeyer, Henry (2012), "The Natural Resource Dynamics of Postneoliberalism in Latin America: New developmentalism or Extractivist Imperialism?", *Studies in Political Economy*, 90(1). p. 57-85.

- World Bank (2013) *Economic Mobility and the Rise of the Latin American Middle Class*, Washington, DC: World Bank Latin American Department. [Particularly Chapter 5].

Week 8 Looking Ahead: Regional Challenges for the 21st Century

Learning Objective: We will close our course by succinctly recapitulating the main take away messages of each previous week and by discussion the enduring, current, and upcoming challenges faced by Latin American economies.

Readings:

- For this week please read at least four of the following materials:

- Armendáriz, B. and F. Larraín. (2017). Chapter 11.

- Blyde, Juan, Antoni Estevadeordal, and Mauricio Mesquita M. (2012) "Global and Regional Integration and the Caribbean: 1990-2010" in Javier Santiso and Dayton-Johnson (eds). *The Oxford Handbook of Latin American Political Economy.* Oxford. Oxford University Press.

- Eaton, Kent (2017). *Territory and Ideology in Latin America: Policy Conflicts between National and Subnational Governments*. Oxford University Press. [Particularly Chapters 1, 2, and 6].

- Ferreira, F. and M. Schoch (2020) "Covid-19 in Latin America: A Pandemic Meets Extreme Inequality", *World Bank Let´s Talk Development Blog*. Available Here.

- Franko, P. (2018). Chapter 13 and Chapter 14.

- Fired, Brian J, Paul Lagunes, and A. Venkataramani, (2010) "Corruption and Inequality at the Crossroad: A Multimethod Study of Bribery and Discrimination in Latin America", *Latin American Research Review*, 45(1).p. 76-97.

- Gallagher, Kevin P. and Roberto Porzecanski (2010). *The Dragon in the Room: China and the Future of Latin America*. Stanford University Press. [Specially chapters 1,2, and 7].

- Gustafson, B. (2017) "Extractivism: A Review Essay", *Latin American Perspectives*, 45(5). p.222-228.

- Herrera, Joel Salvador. (2019), "Cultivating Violence: Trade Liberalization, Illicit Labor, and the Mexican Drug Trade", Latin American Politics and Society, 61(3). p. 129-153.

- Jenkins, Rhys. (2012) "Latin America and China—a New Dependency?", *Third Worldly Quarterly*, 33(7). p. 1337-1358.

- Mercille, Julien (2011) "Violent Narco-Cartels or US Hegemony? The political economy of the 'war on drugs' in Mexico", *Third World Quarterly*, 32(9).

- Moncada, Eduardo (2016) Cities, Business, and the Politics of Urban Violence in Latin America. Stanford University Press. [Specially Chapters 1, 2 and 6].

- Niedzwiecki, Sara. (2018). *Uneven Social Policies: The Politics of Subnational Variation in Latin America*. Cambridge University Press. [Specially chapters 1 and 2, and 5 through 7].

- Pereira, J. and E. Viola (2020) "Close to a Tipping Point? The Amazon and the Challenge of Sustainable Development under Growing Climate Pressures", *Journal of Latin American Studies*, 52: 467-494.

- Rojas Hernández J. (2016) "Society, Environment, Vulnerability, and Climate Change in Latin America: Challenges of the Twenty-first Century", *Latin American Perspectives*, 43(4):29-42.

- Schneider, Ben Ross (2012), "Contrasting Capitalisms: Latin America in Comparative Perspective" in Javier Santiso and Dayton-Johnson (eds). *The Oxford Handbook of Latin American Political Economy.* Oxford. Oxford University Press.

- UNDP Working Series on COVID-19 in Latin America. Available Here.

- Webber, J. R. (2017) "Contemporary Latin American Inequality: Class Struggle, Decolonization, and the Limits of Liberal Citizenship", *Latin American Research Review*, 52(2). p 281–299.

Suggested Prompts for Tutorial Essays

Week 1 Introduction: Overviewing Latin America's Economic Development and Political Economy

- In terms of development, Latin America has failed in the last two centuries. Discuss.
- Does it make sense to talk about Latin America as a unit when discussing long term performance?
- What can other countries learn from Latin American experience?
- What does it mean to study Latin America from a political economy perspective?

Week 2 Inequality: Dimensions and Impacts of Latin America's *Uneven* Development

- Why is Latin America one of the most unequal regions in the world?
- To what extent are elites responsible for Latin America's problems?
- 'Latin America will always be unequal'. Discuss
- 'We cannot understand income inequality in Latin America without considering race/ethnicity or gender'. Discuss

Week 3 The Origins of and the Explanatory Approaches to Latin American Development

- Why were some Latin American countries more successful than others in the implementation of export-led growth in the 19th and early 20th century?
- 'The export-led model of the late 19th century and early 20th century delivered inequality and nothing else'. Discuss.
- What explains the demise of the export-led growth model in the first half of the 20th century?
- 'Economic development cannot take place without industrialisation'. Discuss.
- Can the commodity lottery explain differences in performance among Latin American countries during the period of export-led growth (late 19th century-early 20th century)?

Week 4 Looking Inwards: Import Substitution Industrialization: Failed or Unfinished?

- Was ISI a failed experiment or an unfinished one?
- Why were East Asian New Industrializing Countries more successful than Latin American ones in the second half of the 20th century?
- Discuss the theoretical arguments in favour and against import substitution industrialization. Which are the most convincing ones for you?
- 'Import substitution industrialisation was more successful in large than in small countries'. Discuss with reference to at least two countries.
- 'Not all countries adopted policies of import substitution industrialization in Latin America in the 20th century'. Discuss.

Week 5 A House of Cards: The Debt crisis and Macroeconomic Debates about Stabilization

- Did heterodox adjustment plans succeed in curtailing inflation in the 1980s? Illustrate your answer with at least two cases.
- Why were the 1980s a "lost decade" in Latin America?
- Why did most Latin American countries experience high levels of inflation during the 1980s?

Week 6 Looking Outwards: Market Oriented Reforms and the Washington Consensus

— Discuss the performance of the Washington Consensus based on the following table. What other data would you need to better determine the degree of success of this policy model?

Latin America's Growth, 1950–2002

	1950–1980	*1980–1990*	*1990–1997*	*1997–2002*	*1990–2002*
GDP growth					
Weighted average	5.5	1.1	3.6	1.3	2.6
Simple average	4.8	1.0	3.9	1.7	2.9
GDP per capita					
Weighted average	2.7	−0.9	2.0	−0.3	1.0
Simple average	2.1	−1.2	1.9	−0.3	1.0
GDP per worker					
Weighted average	2.7	−1.7	1.0	−1.3	0.1
Simple average	2.4	−1.9	0.9	−1.2	0.0
Total Factor Productivity[a]					
Weighted average	2.1	−1.4	1.1	−1.1	0.2
Simple average	2.0	−1.4	1.9	−1.1	0.6

Source: Ocampo (2004, p.70)

— What were the main drivers behind the adoption of the Washington Consensus in Latin America?
— Compare and contrast the implementation of the Washington Consensus in at least two Latin American countries.
— Does the Washington Consensus deserve its current bad name?

Week 7 There and back again: (New) Commodity Boom and its Aftermath

— 'Recent protests in Latin America constitute the best demonstration that the 2000s were a failure.' Discuss.
— 'Neoliberalism is dead in Latin America'. Discuss.
— "Contrary to the generalized view among analysts, journalists, and academics, during the 1990s and 2000s most Latin American countries made only limited progress in modernizing their economies. In most nations economic reforms have been incomplete, and thus it is not surprising that they have not transformed Latin America into an economic powerhouse." (Sebastian Edwards. Left Behind: Latin America and the False Promise of Populism, Kindle edition, page 8). Discuss.
— Were the 2000s a lost opportunity for Latin America?

Week 8 Looking Ahead: Regional Challenges for the 21st Century

— 'The pandemic constitutes a major opportunity for policy change'. Discuss
— Is Latin America in the midst of an environmental crisis?
— What countries in Latin America are most likely to develop in the near future?
— What are Latin America's three most significant challenges? Are they common across the region?
— When thinking about Latin America's development, does China constitute a challenge or an opportunity?