

Latin American Economic Development
(AAE 462, Eco 462, Bus 462)

3 Units – *On-line lecture materials, synchronous discussions, out of class reading, assignments, and group presentation preparation*
Course Website: <https://canvas.wisc.edu/courses/206724>

Tuesday and Thursdays, 1:00-2:15, On-Line
https://canvas.wisc.edu/courses/206724/external_tools/3041
Anonymous dial in: 1-571-392-7650, PIN: 523-055-9169

Virtual Office Hours – T 2:30-4:30, Weds 1:30-2:30 or **by appointment**.
422 Taylor Hall, bradford.barham@wisc.edu, office tel: 608-265-3090.

Course Description Official:

Course guide version: A historico-institutional analysis of development problems in the principal Latin American countries, with attention to differentiation of national growth patterns and alternative development strategies.

Requisites: [A A E 215](#), [ECON 101](#), or [111](#)

Course Designation: Breadth - Social Science

Level - Advanced

L&S Credit - Counts as Liberal Arts and Science credit in L&S

Course Description Elaborated

Economic theory, empirical evidence, and historical accounts are combined in an attempt to understand the various forces that have shaped economic development in Latin America with a strong emphasis on the recent ‘growth with equity’ era and its subsequent challenges. The course is open to any student with either some background in economics (an intro course and perhaps one other) or previous Latin American course work (including LAS 260 and other social science courses related to Latin American politics and society). It will use economic tools and ideas that span the discipline (micro, macro, econometrics, development), but most of your grade will be based on active, engaged development of your knowledge of key concepts and models rather than abstract ‘tests’ of your ability to manipulate them. **Why is that?**

Even on line, this course is mostly ‘flipped. Students will frequently use class time to discuss ideas and do individual and group projects that focus on preparing integrated thematic analyses of the development experience of a specific Latin American country. These will be shared with other students in your group and across country groups in the form of presentations and written study notes that will be shared prior to the two exams. Students will be asked on exams to compare their work with that of others. Exams center on applying concepts, models, and ideas we have discussed and explored preparing presentations and study notes. In other words, you will have developed strong working knowledge of the economic development processes and outcomes prior to exams, and it will be those efforts that earn you most of your grade and shape your exam efforts.

Depending on enrollment, we will focus on six-seven Latin American countries (Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, and Peru). Depending on interest, we might add a Central American country or two. The course is divided roughly equally into two historical eras: late 1800s-1980s and 1990s- to the present. Each class session will typically include 2 short on-line

(asynchronous) presentations (10 minutes each) by the professor and individual exercises for you to submit on line that engages the concepts and issues under study. You will do those on your own time. During class times, we will have synchronous on-line meetings to pursue small and large group discussions of the material. Some of the small group meetings will be to prepare the team studies of your specific country. The two exams correspond to the historical eras, and will be the week following the group presentations, which aim to serve as ‘review’ and ‘synthesis’ sessions in preparation for the exams.

Each student will be part of a 4-5 person country group and will have a theme they are taking the ‘lead’ on for the group. Students will write up their research work on that theme (3-5 pages of well-structured notes per ‘era’ including references), and this material will provide the core content for their portion of the group presentation to be shared with other country groups. Some group presentations will be made in class, and some will be held outside of class hours to allow more time for sharing of ideas and reduce duplication during class time. For example, if you are in an Argentina country group, your presentation may be combined with the Brazil and Mexico groups in class on one day, and then you will be required to attend the presentations of 2-3 other country groups in an evening session or another in-class session. As mentioned above, these presentations will precede the mid-term and final exams.

Our learning outcomes are as follows: students will learn the language of international development economics and become proficient in an array of concepts from primary product exports to conditional cash transfers to migration and remittances to corruption and civil conflict. We will think about how markets and distinct development strategies and processes provide different opportunities and returns for the rich and the poor, urban and rural, ladino and indigenous peoples, large and small countries, and so on. We will weigh contending theories of economic development to explore their strengths and weaknesses. Students will be expected to keep these theories in mind as they examine policies and experiences in the countries and episodes we study.

This class meets for two 75-minute class periods each week over the fall semester and carries the expectation that students will work on course learning activities (reading, writing, essays, notes, studying, etc.) for about 3 hours out of classroom for every class period. The syllabus includes more information about meeting times and expectations for student work.

As noted above, the main prerequisite for this course is an introductory economics course. The most challenging part of the course will be reading academic articles that sometimes involve using advanced concepts and statistical analysis of economic phenomena and extracting the main ideas and findings from them.

Grading: Standard percentile breaks are used (93-100 = A; 88-92.9 = A/B, 82-87.9 = B; 78-82 = B/C; 70-77.9 = C; 60-69 = D; <60 = F) I reserve the right to use natural breaks in the distribution that are slightly above/below those percentage intervals.

Midterm – **20%** (mostly short-answer, one integrative writing piece)

Final – **20%** (mostly short-answer, one integrative writing piece)

Individual assignments – **30%** (mostly on-line short problem solving/writing for each class)

Individual Presentations and notes – **25%** (5% for each, each time, plus 5% for drafts)

Group Presentation Coherence – **5%** (2.5% each time based on quality and coherence)

Participation – raises grades on the margin and indirectly helps with rest of above.

Course Workload:

Learning Activity	Hours per Week	Weeks	Total
Reading content in Canvas	1	15	15
Videos or other media	1	15	15
Readings – textbooks, articles, etc.*	3	13	39
Interactive activities (discussions, group meetings)	1.8	15	27
Writing assignments	1.4	15	21
Group presentations	1	15	15
Quizzes and exams	0.2	15	3
		Grand Total	135

* Weekly reading time has been calculated using average reading length:
<https://www.readinglength.com/>

Course Policies**Time Management: Course Rhythm (see Canvas for weekly schedule as due dates vary)**

AAE 462 Course Rhythm - See weekly schedules at Canvas since dates may vary for assignments							
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Unit/Week 1	Weekly unit begins Sunday morning						Weekly unit ends Saturday 11:59PM
	Do most/all required readings		Work through web-based assignments (due dates may vary)			Wrap-up assignments	
	View asynchronous lecture presentations		Attend synchronous class and group meetings				

Participation Expectations:

Active engagement and high quality peer learning opportunities are a focal point of this course with two group presentations and an emphasis on ‘flipped’ synchronous class times. All students are expected to participate actively in their groups, in class, in making high quality presentations, and in giving peers constructive and respectful feedback and reflections on their presentations. Active engagement is the path to high performance in this course and getting the most out of the our time together.

Late Work Policy:

I recognize that students face many demands in their lives. I am open to accepting late work on occasion (not regularly) and generally not for the daily short assignments that are part of preparing for class. In the case of longer assignments, communicate with me directly and in a timely manner to make arrangements for turning in work late; not encouraged but permitted at times.

Course Schedule:

The course is based on weekly thematic modules that frame the group presentations. Each student will develop expertise in one of the modules for their part of the presentation. They will also be

encouraged to meet with other students in that thematic area to sharpen their analytical approach and with other students in their country group to integrate their findings into the country account. Here are the thematic modules and their ‘timing’ in the course:

Week 1: Introduction and Contending Theories of Latin American Development (9/3)

Class 1: Course design, Canvass, Getting Going on Concepts and Themes
FORMING COUNTRY TEAMS – Thursday – Monday (9/3-9/7)

Week 2: Contending Theories of Latin American Economic Development (9/8-10)

Class 2A: Contending Theories of Latin American Development
COUNTRY TEAM – INITIAL FORMATION
Class 2B: More on Contending Theories of Latin American Development
Class 3: Resource Abundance, Resource Curse and Themes Identified for Country Groups
COUNTRY TEAM – FINAL FORMATION WITH THEMES

Week 3: The Curse and Opportunity of Resource Riches (9/15-17)

Class 4: Dutch Disease, Winners and losers,
First look at country-level evidence on primary product exports
Class 5: Central American cattle boom; coordination on logistics and materials within
country group and with other cohort partner

Week 4: The Logic and Performance of Import Substitution Industrialization (9/22, 9/24)

Class 6: ISI Logic, ISI contradictions, and Measures of Distortion
Class 7: ISI experience of countries – timing, how far did they get, role of trade and FDI

Week 5: Paths into and Responses to the Debt Crisis / War in Central America (9/29, 10/1)

Class 8: The 1980s (‘Lost Decade’) – Debt and War
Class 9: Stabilization Episodes – Country-level discussions

Week 6: Group Presentations (10/6-10/8):

Class 10&11: 3 presentations per class during extended class hours 12:30-2:30
6+ presentations outside of class during evening hours (Wed/Thu)

Week 7: Exam 1 and Neoliberal Resurgence and Decline (10/13-15)

Midterm 1 review, Monday, October 12
Class 12: Midterm 1, October 13th during class hours
Class 13: The Ascent of the Washington Consensus

Week 8: Neoliberal Decline and Turn Left (10/20-22)

Class 14: MT 1 Review and Decline of the Washington Consensus
Class 15: Turning Left in Latin America (Theme discussion for presentations Week 13)

Week 9: Growth w/ Equity – Booming Exports, FDI, and PD (10/27-29)

Class 16: Export Boom, FDI, and Macroeconomic Policy
Class 17: Premature Deindustrialization (PD), Group discussion on themes

Week 10: Inequality, Poverty, and Productivity (11/3/-5)

Class 18: Trends in Labor Markets and Social Policy
2020 ELECTION – VOTE!
Class 19: Labor, wages, pensions, and more, (Theme-partner discussions)

Week 11: Education and human capital (11/10-12)

Class 20: Latin America's Human Capital Challenge

Class 21: Brazil and Affirmative Action (guest lecture)

Week 12: Migration (11/17-19)

Class 22: Domestic and international migration

Class 23: Central America Migration

Week 13: Post 2010 Economic Challenges (11/24)

Class 24: Decline of commodity prices and external balances, Crime

THANKSGIVING

Week 14: Corruption, Conflict, and Covid-19 (12/1-3)

Class 25: Corruption and conflict

Class 26: Covid-19

Week 15: Group Presentations? (12/8-10)

Classes 27&28: 3 presentations per class during extended class hours 12:30-2:30

4+ presentations outside of class during evening hours (Wed/Thu)

Review Session: Monday, Dec. 14, 3:30-5pm**Final Exam: Tuesday, Dec. 15, 12:25-2:25pm**

Course Assignments: These will be announced and be made available on the Canvas Web Site.

Week 1: 1 on-line assignment and we choose country groups (sign-up sheet on line/in-class)

Week 2: 2 on-line assignments (inc. 1 short essay), country groups formed, themes chosen
Exchange essay with team member

Week 3: 2 on-line assignments. Also, submit Friday 9/18 5pm, key questions and list of readings for your part of country study

Week 4: 2 on-line assignments

Week 5: 1 on-line assignment,

Rough draft (group ppt presentation + individual notes) – due Thursday or Friday 5pm depending on presentation day.

Week 6: Group presentations and presentation papers for part 1 of course

More on Group Presentations (applies to week 14 presentation, too):

1. 25-30 minute power point or other type of presentation with supporting documentation*
2. Each student presents ~5 minutes on their theme (e.g. agro-exports in Brazil)
3. Submit supporting documentation –documented talking points for each presentation including references.

Week 7: Midterm, 1, Tuesday, October 13th, 1 on-line assignment 10/15

Week 8: 2 on-line assignments

Week 9: 2 on-line assignments

Week 10: 2 on-line assignments, 2 on-line assignments

Week 11: 2 on-line assignments, Tuesday 2 **Group themes handed in**

Week 12: 1 on-line assignment – **Thursday Outline for group ppt, and individual notes**

Week 13: 1 on-line assignment (Thanksgiving week)

Week 14: 2 on-line assignments

Week 15: Group presentations; Individual notes due on day of presentation, same with group slides.

Final Exam: Tuesday, Dec. 15, 12:25-2:25pm

Reading Materials:

1. Chapters and articles posted to web site at Canvass for all students
2. Articles posted to web site for country studies – by country/region

General Readings: Franko text chapters are on line, along with all 28 articles/monographs on the course web site.

Week 1: Franko, Ch. 1, p. 56-61,

Week 2: Lindaeur and Pritchett (2002), Albert Fishlow (1990), Charles Gore (2000), Franko, Ch. 2,

Week 3: Engerman & Sokoloff (2002), Barham & Coomes (1994), Williams (1986).

Week 4: Franko, Ch. 3, Todaro (1989), and Baer (1972).

Week 5: Franko, Chs 4-5, Trebat (1991)

Week 6: No readings – group presentations and review for exam

Week 7: Franko, Chs 6-7, Pastor & Wise (1999),

Week 8: Amman & Baer (2002), Castaneda (2006)

Week 9: Hall et al. (W Bank Resource Booms), Paus (2014), Rodrik (2015)

Week 10: Lustig et al. (2013), Birdsall et al., (2012), Levy & Schady (2013)

Week 11: Hanushek and Woessmann (2013), Rawlings and Rubio (2005)

Week 12: Fajnzlber and Lopez (2006); Acosta et al. (2005), Brick et al. (2011) Cruz (2011)

Week 13: O Campo (2017)

Week 14: Corruption/ Conflict readings plus Covid reading

Week 15: no readings – group presentations and review for exam

Country specific readings: See Canvas web site

AAE, ECON, BUS 462
Latin American Economic Development
Online Readings, Fall 2020

- (1) David Lindauer and Pritchett. "What's the Big Idea? The Third Generation of Policies for Economic Growth," *Economia*, 3, 1(2002): 1-40.
- (2) Albert Fishlow, "The Latin American State" *The Journal of Economic Perspectives*, 4 ,3, Summer (1990), 61-74
- (3) Charles Gore, "The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries," *World Development*, 28, 5 (2000): 789-804.
- (4) Stanley Engerman and Kenneth Sokoloff, "Factor Endowments, Inequality, and Paths of Development among New World Economies," *Economia*, Fall (2002): 41-109.
- (5) Bradford L. Barham and Oliver T. Coomes, "Reinterpreting the Amazon Rubber Boom: Investment, the State, and Dutch Disease," *Latin American Research Review*, 29, 2 (1994), 73-109.
- (6) Robert G. Williams, "Part Two: Cattle", *Export Agriculture and the Crisis in Central America*, (Chapel Hill, University of North Carolina Press: 1986): 77-152.
- (7) Michael Todaro, "Trade Strategies: Import Substitution," chapter 16 in Todaro, *Economic Development in the Third World*, 4th ed. (New York, Longman, 1989).
- (8) Werner Baer, "Import Substitution and Industrialization in Latin America: Experiences and Interpretations," *Latin American Research Review*, 1 (1972): 95-122.
- (9) Thomas Trebat, "Resolving the Debt Crisis: Prospects for the 1990s," in *Latin America: The Crisis of the Eighties and the Opportunities of the Nineties*, ed. Werner Baer, et al., (University of Illinois: Urbana, 1991): 13-44.
- (10) Manuel Pastor, Jr. and Carol Wise, "Stabilization and its Discontents: Argentina's Economic Restructuring in the 1990s," *World Development*, 27, 3 (1999): 477-503.
- (11) Edmund Aman and Werner Baer, "Anchors Away: The Cost and Benefits of Brazil's Devaluation," *World Development*, 31(6): 1033-1046.
- (12) Castañeda, J. "Latin America's left turn: A tale of two lefts." *Foreign Affairs*. 85, 3 (2006): 28-43.
- (13) Hall et al. *Natural Resources in Latin America and the Caribbean: Beyond Booms and Busts*, World Bank.
- (14) Eva Paus, "Latin America and the middle-income trap," CEPAL, 2014.
- (15) Dani Rodrik, "Premature Deindustrialization," IAS Working paper #107, 2015.
- (16) Nora Lustig, F. Lopez-Calva, Eduardo Ortiz-Juarez, "Declining inequality in Latin America in the 2000s: The Cases of Argentina, Brazil, and Mexico," *World Development* 44(2013):

- (17) Nancy Birdsall, Nora Lustig, and Darryl McLeodet. "Declining Inequality in Latin America: Some Economics, Some Politics," Center for Global Development, Working Pap, 251, 2011
- (18) Levy, S. & Schady, N. Latin America's social policy challenge: education, social insurance, redistribution. *The Journal of Economic Perspectives*, 27(2) (2013): 193-218.
- (19) Hanushek, E. A., & Woessmann, L. (2012). Schooling, educational achievement, and the Latin American growth puzzle. *Journal of Development Economics*, 99(2), 497-512.
- (20) Laura B. Rawlings and Gloria M. Rubio. "Evaluating the Impact of Conditional Cash Transfer Programs". *The World Bank Research Observer*, 20, 1 (2005): 29-55.
- (21) Pablo Fajnzylber and J. Humberto López, *Close to Home: The Development Impact of Remittances in Latin America*, World Bank, 2006.
- (22) Acosta et al. "What is the Impact of International Remittances on Poverty and Inequality in Latin America?" World Bank, 2005.
- (23) Kate Brick, E. Challinor, and Marc R. Rosenblum. "Mexican and Central American immigrants in the United States." *Washington, DC: Migration Policy Institute, June*. <http://www.migrationpolicy.org/pubs/MexCentAmimmigrants.pdf> (2011).
- (24) Jose Miguel Cruz, "Criminal violence and democratization in Central America: The survival of the violent state." *Latin American Politics and Society* 53.4 (2011): 1-33.
- (25) Ocampo, J. A. (2017). Commodity-Led Development in Latin America. *International Development Policy| Revue internationale de politique de développement*, 9(9), 51-76. <https://journals.openedition.org/poldev/2354>
- (26) Corruption reading to be added
- (27) Crime reading to be added

University of Wisconsin-Madison Policies

RULES, RIGHTS & RESPONSIBILITIES

- See: <https://guide.wisc.edu/undergraduate/#rulesrightsandresponsibilitiestext>

ACADEMIC CALENDAR & RELIGIOUS OBSERVANCES

- See: <https://secfac.wisc.edu/academic-calendar/#religious-observances>

ACADEMIC INTEGRITY

By virtue of enrollment, each student agrees to uphold the high academic standards of the University of Wisconsin-Madison; academic misconduct is behavior that negatively impacts the integrity of the institution. Cheating, fabrication, plagiarism, unauthorized collaboration, and helping others commit these previously listed acts are examples of misconduct which may result in disciplinary action. Examples of disciplinary action include, but is not limited to, failure on the assignment/course, written reprimand, disciplinary probation, suspension, or expulsion. (Source: <https://conduct.students.wisc.edu/syllabus-statement/>)

ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

The University of Wisconsin-Madison supports the right of all enrolled students to a full and equal educational opportunity. The Americans with Disabilities Act (ADA), Wisconsin State Statute (36.12), and UW-Madison policy (Faculty Document 1071) require that students with disabilities be reasonably accommodated in instruction and campus life. Reasonable accommodations for students with disabilities is a shared faculty and student responsibility. Students are expected to inform faculty [me] of their need for instructional accommodations by the end of the third week of the semester, or as soon as possible after a disability has been incurred or recognized. Faculty [I], will work either directly with the student [you] or in coordination with the McBurney Center to identify and provide reasonable instructional accommodations. Disability information, including instructional accommodations as part of a student's educational record, is confidential and protected under FERPA. <http://mcburney.wisc.edu/facstaffother/faculty/syllabus.php>

DIVERSITY & INCLUSION

Diversity is a source of strength, creativity, and innovation for UW-Madison. We value the contributions of each person and respect the profound ways their identity, culture, background, experience, status, abilities, and opinion enrich the university community. We commit ourselves to the pursuit of excellence in teaching, research, outreach, and diversity as inextricably linked goals.

The University of Wisconsin-Madison fulfills its public mission by creating a welcoming and inclusive community for people from every background – people who as students, faculty, and staff serve Wisconsin and the world. (Source: <https://diversity.wisc.edu/>)

Grievance Procedure:

The Department of Economics has developed a grievance procedure through which you may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If you have a disagreement with an instructor or a teaching assistant, we strongly encourage you to try to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate.

If you wish to file a grievance, you should go to room 7114 Social Science and request a Course Comment Sheet. When completing the comment sheet, you will need to provide a detailed statement that describes what aspects of the course you find unsatisfactory. You will need to sign the sheet and provide your student identification number, your address, and a phone where you can be reached. The Department plans to investigate comments fully and will respond in writing to complaints.

Your name, address, phone number, and student ID number will not be revealed to the instructor or teaching assistant involved and will be treated as confidential. The Department needs this information, because it may become necessary for a commenting student to have a meeting with the department chair or a nominee to gather additional information. A name and address are necessary for providing a written response.

OTHER COURSE INFORMATION

STUDENTS' RULES, [RIGHTS & RESPONSIBILITIES](#)

During the global COVID-19 pandemic, we must prioritize our collective health and safety to keep ourselves, our campus, and our community safe. As a university community, we must work together

to prevent the spread of the virus and to promote the collective health and welfare of our campus and surrounding community.

UW-MADISON [BADGER PLEDGE](#)

UW-MADISON [FACE COVERING GUIDELINES](#)

While on campus all employees and students are required to [wear appropriate and properly fitting](#) face coverings while present in any campus building unless working alone in a laboratory or office space.

Face Coverings During In-person Instruction Statement (COVID-19)

Individuals are expected to wear a face covering while inside any university building. Face coverings must be [worn correctly](#) (i.e., covering both your mouth and nose) in the building if you are attending class in person. If any student is unable to wear a face-covering, an accommodation may be provided due to disability, medical condition, or other legitimate reason.

Students with disabilities or medical conditions who are unable to wear a face covering should contact the [McBurney Disability Resource Center](#) or their Access Consultant if they are already affiliated. Students requesting an accommodation unrelated to disability or medical condition, should contact the Dean of Students Office.

Students who choose not to wear a face covering may not attend in-person classes, unless they are approved for an accommodation or exemption. All other students not wearing a face covering will be asked to put one on or leave the classroom. Students who refuse to wear face coverings appropriately or adhere to other stated requirements will be reported to the [Office of Student Conduct and Community Standards](#) and will not be allowed to return to the classroom until they agree to comply with the face covering policy. An instructor may cancel or suspend a course in-person meeting if a person is in the classroom without an approved face covering in position over their nose and mouth and refuses to immediately comply.

QUARANTINE OR ISOLATION DUE TO COVID-19

Student should continually monitor themselves for COVID-19 [symptoms](#) and get [tested](#) for the virus if they have symptoms or have been in close contact with someone with COVID-19. Student should reach out to instructors as soon as possible if they become ill or need to isolate or quarantine, in order to make alternate plans for how to proceed with the course. Students are strongly encouraged to communicate with their instructor concerning their illness and the anticipated extent of their absence from the course (either in-person or remote). The instructor will work with the student to provide alternative ways to complete the course work.

COURSE EVALUATIONS

Students will be provided with an opportunity to evaluate this course and your learning experience. Student participation is an integral component of this course, and your feedback is important to me. I strongly encourage you to participate in the course evaluation.

Digital Course Evaluation (AEFIS)

For instructors using the campus digital course evaluation survey tool, [AEFIS](#).

UW-Madison now uses an online course evaluation survey tool, [AEFIS](#). In most instances, you will receive an official email two weeks prior to the end of the semester when your course evaluation is available. You will receive a link to log into the course evaluation with your NetID where you can complete the evaluation and submit it, anonymously. Your participation is an integral component of this course, and your feedback is important to me. I strongly encourage you to participate in the course evaluation.

ACADEMIC CALENDAR & RELIGIOUS OBSERVANCES

- See: <https://secfac.wisc.edu/academic-calendar/#religious-observances>