

Before the 2-day Piedmont workshop in May, I considered including in my syllabus a separate section on the environment. The workshop, however, helped me see things differently. The discussions and presentations helped me realize that the environment is intertwined with everything I teach. Discussing it separately, isolated from other topics, is simply not right. Thus, instead of introducing a “separate” section on the environment, I have decided to add readings in “all” of the sections that I cover. Below I provide a few examples of how I have introduced environmental topics to my syllabus.

My class is divided into nine sections. The first section (see syllabus) provides an introduction to development and the different ways in which economists have defined it. Previously, I had excluded sustainable development from this section, which I think provided an incomplete introduction to the subject. The new added readings, shown in highlighted text, are meant to complete the definition of development.

Sections three through five are devoted to the policies of the 1990s and the international push towards economic liberalization. Given that some environmental activists are also “anti-globalization,” I decided to add to the discussion readings on the environmental impact of privatization and trade liberalization. This would provide students with a more balanced view about the benefits and costs of greater international integration. The reading on water and the role of the public sector (see syllabus) is of particular interest to me because it challenges traditional ideas on privatizing basic services.

Finally, sections six through eight are devoted to social and economic issues. Poverty and inequality are linked to environmental degradation. The videos I will show in class should provide the students with a visual understanding of how being poor forces people to sacrifice their long-run well-being. This short-term way of thinking inevitably leads to over-exploitation of resources and displacement of indigenous peoples. The readings I chose for my new syllabus emphasize how indigenous communities can combat poverty in a sustainable and ethical manner.

The Piedmont Project
Econ 390 – SWR
Capra

ECON 390 SWR
LATIN AMERICAN ECONOMIC DEVELOPMENT

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Introduction:

This course introduces students to the main issues related to economic development of Latin American countries. The aim is to understand development in Latin America and the reasons for why some countries develop faster than others and how countries can attain growth rates and social conditions that significantly improve people's lives. The course takes an interdisciplinary approach to development.

Course Methodology:

Most of the class period involves a discussion of the readings. The class will be conducted as a seminar, so expect to spend most of the time reading and researching a variety of topics to be discussed in class.

Attendance:

Students are required to attend all sessions. Since the class will be conducted as a seminar, poor attendance is directly linked with poor performance. Students are allowed to have *two* unexcused absences. Additional absences will affect the participation grade.

Assignments and Grading:

1. Homework and Participation: (65%)
 - a. Students are required to actively participate in in-class discussions (13%).
 - b. Students are expected to read all the assigned material and will be asked to write short summaries and/or essays of relevant readings, and respond to a list of questions either in written or orally. Assignments may also be given to two referees (fellow students) for evaluation and discussion. All assignments will be posted in learnlink (32%).
 - c. Students will be assigned two small research projects. The results of the research will be presented to the rest of the class. Fellow students are expected to participate and ask questions and two referees may be given the task to evaluate and discuss the small projects (20%). Finally, I will select two of these small

projects to be published in a Bolivian weekly magazine in Spanish (this will have no effect on the grade).

2. Final Project and Presentation: (35%)

- a. Presentation: There will be a major project assigned to groups of 3-4 students. I will provide a list of topics to choose from. The results of the research project will be presented in class. The grade will partly depend on the findings of the research and on how well the members of the group can communicate their findings and answer questions during the presentation (10%).
- b. Paper: After the presentation, each member of the group will be asked to hand in a final paper with the results of the research. Since each paper will be part of a whole, close collaboration with the members of your group is required (25%). Please note that **exact details** on the papers and assignments such as length, minimum research requirements, and writing style will be given later.

A note on Learnlink: The best way to reach me is via Learnlink. You should check our Learnlink conference at least once a day. (Notice that new message will NOT show up as a red flag until you are inside the conference). I set up a conference for the class with few sub conferences. Handouts will be given out in class **and** posted on Learnlink. I also have a sub conference for private questions in which the rest of the class will be able to see the subject of your message but will NOT be able to read the content. If you have a question about the material that you think might be useful for the rest of the class you can post it in the “public question” folder and everybody will be allowed to read it and respond to it. Use the public conference is a great way to get a quick response! One of the sub conferences is dedicated to useful websites and includes some suggestions on where to find economic data. Feel free to add recommendations for the rest of the class.

Disclaimer:

The instructor of this course reserves the right to alter the contents, requirements, grading and/or scheduling of this course as she sees fit.

Topics on Latin America Economic Development ECON 390 – SWR

C. Mónica Capra

Weeks 1 – 2

I. Introduction:

- What is development? Measures of development
- Classification of Latin American economies according to the size of their economies (from the World Development Report)
- Social Indicators – in search of a better measure of development
- The current state of Latin American countries. Comparison across countries using social and economic data (data obtained from the World Development Report).
- What determines growth?
- Growth and sustainable development: are they complements or are they substitutes?

Readings

- *The Puzzle of Latin American Economic Development* Ch. 1
- *Handouts given in class*
 - *UNHD indices (from the UN)*
 - *HD past, present and future, ch.1*
 - *IADB publication “Policies that promote sustainable growth in Latin America”*
- *Economic Development and the Environment in Latin America: A Policy Perspective* by Michele Zebich-Knos
- “The Environment” *The Economist Magazine* Survey, March 19, 2002

Week 3

II. Economic History – before and after WWII:

- Economic History of Latin America after independence, before WWII
- Economic policies after WW II
- Import Substitution Industrialization
- The Debt Crisis

Readings

- *The Puzzle of Latin American Economic Development* Ch. 2-4
- “*The erosion of rule of law in Argentina: 1930-1947*” working paper by Alston and Gallo
- *Progress, Poverty and Exclusion: An Economic History of Latin America in the 20th Century* by Rosemary Thorp (Chapter 7)
- “*An Essay on the Macroeconomics of Social Development in Latin America*” by Martin Paldam

- *The Macroeconomics of Populism in Latin America* by Dornbush and Edward (Chapters 1 & 2)

Week 4

III. The IMF and the WB:

- IMF and WB, what do they do?
- Stabilization policies and structural adjustment programs after the lost decade
- International environmental policies: the role of international institutions

Video: Hell to Pay

Readings:

- *The Puzzle of Latin American Economic Development* Ch. 5-6
- Kennedy School of Government (KSG) Case study. "Bolivia: Controlling Hyperinflation 1985-1986"
- KSG Case study. "Bolivia: Stabilization and Adjustment 1985-88"II.
- "Latin America's growth and equity frustrations during structural reforms," by JA Ocampo, *JEP*, Spring 2004

Weeks 5 – 7 (includes catch-up session)

The Washington Consensus

IV. Privatization:

Readings:

- KSG Case study "Capitalization: The Politics of Privatization in Bolivia."
- *Latin American Economic Policies*, "The Privatization Paradox," Vol. 18, 2002
- *Can Privatization Deliver?* IADB, 1999. Chapter 7: "Privatization and Regulation in Chile" by Bitran and Sáez.
- "Public sector alternatives to water supply and sewerage privatization: case studies," by E. Lobina and D. Hall in *the International Journal of Water Resources*, 16(1), March 2000

Video: Emerging Powers (Mexico and Brazil)

V. Trade and Market Liberalization:

- What is globalization?
- What do skeptics say?
- Free Trade Agreements: NAFTA
- Towards a FTAA?

Readings:

- *The Puzzle of Latin American Economic Development* Ch. 7-10
- *Globalization and its Discontents* by Joseph Stiglitz

- “Globalisation and its Critics,” *The Economist Magazine*, Survey, Sept. 27 2001
- Rogoff and Stiglitz letters and interviews
- FDI: Good Cholesterol? *Latin American Economic Policies* Vol.11, 2000
- Stock Markets: A Spur of Economic Growth by Ross Levine, 1996
- “Effects of Trade Liberalization on the Environment in the Manufacturing Sector” by Beghin and Potier, *The World Economy*, Vol 21(3), July 1997
- “Latin America since the 1990’s: rising from the sickbed?” by Arminio Fraga, *JEP*, Spring 2004

Video: Inside the Global Economy (Developing Countries, the Environment)

Weeks 8 – 10

Socioeconomic issues

VI. Poverty:

- Poverty, definition and how to measure
- Poverty in Latin America: culture and race
- Microcredit and the informal sector
- The environmental costs of being poor

Readings

- *The Puzzle of Latin American Economic Development* Ch. 11-13
- KSG Case study: "The Emergency Social Fund: Bolivia's Attempt at Addressing the Social Costs of Adjustment: 1986-1988.
- *Beyond Tradeoffs*, IADB, 1998. Chapter 5: "No Tradeoff: Efficient Growth Via More Equal Human Capital Accumulation."
- “Rural poverty in Latin America: determinants and exit paths,” *Food Policy*, 25(2000) by Alain de Janury and E. Sadoulet
- *Strategies to Combat Poverty in Latin America*, IADB, 1995. Chapter 4: Costa Rica: The State's Response to Poverty.
- "The Use of Social Investment Funds as an Instrument to Combating Poverty," IADB strategy paper, 1998
- On micro-finance: TBA

VII. Inequality:

- Inequality, definition and how to measure: Lorenz curves and the Gini coefficient
- Kinds and causes of Inequality in Latin America
- Inequality: culture, ethnicity and race
- Inequality: gender (women’s rights)
- Land and indigenous identities

Readings:

- *The Puzzle of Latin American Economic Development* Ch. 11-13

- “Magnitudes of Inequalities.” *Economic and Social Progress in Latin America*, IADB, 1998.
- “Kinds and Causes of Inequality” from *Beyond Tradeoffs*, IADB, 1998.
- “Latin America’s Growth and Equity Frustrations During Structural Reforms” J. A. Ocampo, JEP, Spring 2004
- “Inequality and Economic Performance” by Francisco Ferreira, June 1999.
- Linking Policy to People: Latin American Economic Policies Vol 12,2000
- On gender: TBA (UNDR on Gender issues → review of data)
- On culture, ethnicity and land identity: Ecotourism in Latin America: Case study: Chalalán-Madidi National Park

VIII. Ethics and Corruption:

Handouts prepared by instructor:

- How it corruption measured?
- What has been done to combat corruption?
- Drugs and society: Colombia
- Environmental degradation, guerrilla and coca production in the Andes

Readings:

- Development and Corruption by Bardham
- “How to Subvert Democracy: Montesinos in Peru” by McMillan and Zoido, JEP, Fall 2004
- KSG Case Study: “*Corruption in La Paz.*”
- On drugs: TBA

Week 11

IX. Other: Governance, Geography, Demography and Institutions

- Geography, Health and Development
- Democracy and institutions
- The Law: human rights

Readings:

- “How to subvert democracy: Montesinos in Peru,” *JEP, Fall 2004*
- “Do democracies have different public policies than non-democracies?” by Mulligan, Gill, and Sala-i-Martin, *JEP, Winter2004*
- The Economic and Social burden of malaria: Sachs and Malaney. *Nature*, 2002
- The Geography of Poverty: Sachs and Gallup, *Scientific American*
- Development and Geography in Latin America (Ch. 3)

Other: A visit to the Carter Center

Date TBA

Weeks 12 – 13: Student Presentations (Guidelines for presentations TBA)