Political Economy of Latin American Development

ECON 418L - Spring 2018

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Place and time: TYD 2108 - Monday, Wednesday, Friday - 10:00am-10:50am.
Office hours: Monday, Wednesday - 11:00am-12:30pm.

Course description:
This class explores the main questions on Latin American economic development. As Bertola and Ocampo (2010) point out, the size and diversity of the region south of the Rio Grande make any generalization about paths of development seem futile. However, this class draws examples from different historical and geographic contexts to put together a cohesive story that highlights important institutional patterns common throughout the region.

The class starts by documenting the divergence between Canada and the US and Latin America, introducing the main theories that attempt to explain it, making emphasis on the institutional theory. It then surveys the region’s economic history, diving it in three periods: colonial period, 19th century, and the transition to the 20th century. The class highlights the interaction between politics and economics by reviewing the region’s experience with civil war, dictatorship, macroeconomic crises, populism, and corruption. Finally, the class explores current topics in the region’s economic development like the effects of the war on drugs and the role of natural resources.

Prerequisite:
One course with a minimum grade of C- from (ECON321 or STAT400); and one course with a minimum grade of C- from ECON305 or ECON306.

Course Materials:
The class is taught from a collection of readings from articles and chapters from edited volumes which will be available on ELMS whenever possible. It will draw many “case studies” from the following textbook:


All announcements and lecture notes will be posted on Canvas (www.elms.umd.edu)
Grading:

Discussions (25%): One required reading will be assigned for each class. The required readings are in bold font in the list below. Those readings will be the starting point for the discussions in class. I will randomly choose two students every lecture to summarize the readings and set up the discussion for the rest of the class. Students should aim to frame the contents of the readings within the materials discussed in previous lectures. I will moderate the discussion, expanding on the most important points and introducing related material that was not covered on the required readings. All students are expected to participate on the discussion with questions or statements that help the class fully understand the topics. Some of the readings will have technical sections; students should aim to understand the main arguments made on the material instead of focusing on the technical parts.

Midterm exam 1 (25%)

Midterm exam 2 (25%)


Special Accommodations:

Students who need special accommodations for exams should register with the University's Disability Support Services (DSS) office and must notify me by the second week of the class.

Make-ups & Extension policy:

Make-up exams and extension on problem sets are granted only if students can provide written documentations of valid excuses, as described in the Undergraduate Catalog, found at: http://www.umd.edu/catalog/index.cfm/show/content.section/c/27/ss/1584/s/1540

Course outline and Readings:

January 24: Introduction, motivation, details about the class. Introduction to economic growth.

January 26: Introduction to Latin American economic development.
  o SSG, Chapter 1 and 12.
January 29: When did Latin America fall behind?

January 31: When did Latin America fall behind?

February 2: Theories of development 1: Endowments and geography

February 5: Theories of development 2: Culture. Legal origins. Dependency theory.

February 7 and 9: Theories of development 3: Institutions.
   - Acemoglu, Johnson and Robinson (2005), “Institutions as a fundamental cause of Long Run Growth” in Aghion and Durlauf (Eds.), Handbook of Economic Growth

February 12: The relationship between politics and economics.

February 14 and 16: The relationship between politics and economics
o SSG, Chapter 13.

February 19 and 21: Colonial origins.

February 23 and 26: Markets and states after independence

February 28 and March 2: Markets and states after independence 2
o SSG, Chapter 12.


March 5 and 7: The US and Canada as a benchmark.


March 9, 12, and 14: Elite coordination and competition.


Yeager, G. (1991) Elite Education in Nineteenth-Century Chile. The Hispanic American Historical Review

**March 16: Midterm 1**

March 26 and 28: Structural transformation and globalization.
- SSG, Chapter 12.

**March 30: No class**

April 2 and 4: (Incomplete) Democratization
- SSG, Chapter 13.

April 6, 9 and 11: Populism and clientelism
April 13, 16 and 18: Popular uprisings and the “Iron Law of Oligarchy.”
  o SSG, Chapters 4 (Central America) and 5 (Cuba)

April 20: Midterm 2

April 23, 25, and 27: Contemporary issues 1: Corruption, Resource Curse.

April 30 and May 2 and 4: Weak states and the War on Drugs
  o SSG, Chapter 16.