

Naval Postgraduate School
National Security Affairs
Political Economy of Latin America

Dr. Robert Looney
Winter Term 2017
NS4540

Office Hours, MW 10-11:30
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COURSE OUTLINE

Course Theme:

The Political Economy of Latin America examines various aspects of economic growth and development in the region. The focus of the class will be on the causes of the recent economic slow-down in the region and strategies for revival

Class Objectives: Gain a better understanding of the conditions and prospects of the region's economies, and the challenges they face, both internally and in a changing global environment.

Supplemental Texts:

Javier Reyes and Charles Sawyer, Latin American Economic Development, second edition (London: Routledge, 2015). (Copy on Sakai)

Robert Looney ed., Handbook of Emerging Economies (London: Routledge, 2014). (Copy on Sakai) – chapters on Brazil, Argentina, Chile, Mexico, and Colombia.

Kemal Dervis ed., Think Tank 20: Growth Convergence and Income Distribution: the Road from the Brisbane G-20 Summit, (Washington: Brookings Institution, 2014) – links on class web-page.

Leszek Balcerowicz and Andrej Rzonca eds, Puzzles of Economic Growth (Washington: World Bank, 2015) Case studies Costa Rica and Puerto Rico, Mexico and Spain, Haiti and the Dominican Republic, and Chile and Venezuela. (Copy on Sakai)

Assignments

The readings for each topic are on the class website. For each class, please check the class website under "readings for next class" for additional papers for discussion. All the papers and references that we will need for the course can be found on the website. I will indicate which readings can only be found on Sakai

Lectures

Introduction/Course Overview (January 9/11).

Overview

Main Trends

Convergence Patterns

Ernesto Talvi, Latin America's Decade of Development-Less Growth, in Think Tank 20

Long-Run Mechanisms of Growth (January 18/19).

Classical Economists, Smith
Marxian Economics, Marx
Austrian Approach, Schumpeter
Modern Approaches, Neo-Classical, Convergence

Economic Data, Patterns of Development/Measures of Growth (January 23)

Sources of Data on Latin American Economies
Data Problems
World Bank, Governance Indices
World Economic Forum, Competitiveness Index
Legatum Institute, Prosperity Index
Heritage Foundation, Index of Economic Freedom
UN Human Development Report
Milken Capital Access
EIU Food Security Index

General Theories of Development (January 25, 30).

Development Strategies (Website readings)
Dualistic Models (Website readings)
Stage Theories (Website readings)
Growth Commission Report (Website readings)
Case Studies: Sources of Growth (Website readings)

Key Issues in Latin American Development (February 1, 6, 8)

Structuralism vs. Neoliberalism
Industrialization – Import substitution
Structural Reforms
Poverty/Inequality
Commodities vs Manufacturing
Washington Consensus
Middle Income Trap
Macroeconomic Stability: Monetary/Fiscal Policies
China in Latin America

Mexico and the Caribbean (February 13, 15)

Guillermo Ortiz, Mexico: The Challenges to Achieving Sustainable Growth in Latin America in Think Tank 20
Francisco E. Gonzalez, Mexico: Emerging Economy Kept on a leash by Mismatched Monopolies, Chapter 15 in Handbook of Emerging Economies

Central America (February 22, 27)

Case studies Costa Rica/Puerto Rico

South America Atlantic (March 1/6/8),

Miguel Kiguel, Argentina: A Case of Reverse Convergence, in Think Tank 20

Claudio Frischtak, Brazil: Demography, technology, and All Other Things
Considered in Think Tank 20

Albert Fishlow, Brazil, Chapter 3 in Handbook of Emerging Economies

Domingo Cavallo, Argentina's Present and its Intriguing Economic History, Chapter
17 in Handbook of Emerging Economies

South America Interior (March 13)

South America Pacific (March 15/20)

Patricio Nava, The Original Sin in Chile's Successful History of Development,
Chapter 12 in Handbook of Emerging Economies

Course Grade

(1) Class participation 25%

(2) Project, Class Presentation 50% (18-20 page research project and
class presentation (15 minutes) – spread out over the last four
weeks

(3) Take-Home Final 25%