

Naval Postgraduate School
National Security Affairs
Political Economy of Latin America

Dr. Robert Looney
Winter Term 2018
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.

Text: Beatriz Armendariz and Felipe Larrain B, **The Economics of Contemporary Latin America**, (Cambridge: MIT Press, 2017).

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) Comparative case studies of 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 (January 8/10)

Reyes and Sawyer Ch. 1
Overview of Region
Main Trends
International Comparisons
Key Issues

Historical Background (January 17, 19, 22).

Beatriz Armendariz and Felipe Larrain B, Chapters 1, 2, 3, 4
Geography and Colonial Legacy
Export Led Growth/Origins of Protectionism
Debt Crisis and Lost Decade
Import Substitution

Social, Dynamic, and Political Context (January 24, 29).

Beatriz Armendariz and Felipe Larrain B, Chapters 5, 6
Poverty and Income Inequality
Political Economy of Latin American Development

Latin American Growth Dynamis (January 31, February 5)

Reyes and Sawyer Chapter 3
Growth Mechanisms
Neoclassical Model
Stage Theories
Marxian Models

Mexico and the Caribbean (February 7, 12)

Beatriz Armendariz and Felipe Larrain B, Chapter 7
Main Issue: Fiscal Policy
Mexico
Cuba
Dominican Republic
Haiti
Puerto Rico
Jamaica/Barbados

Central America (February 14, 21).

Beatriz Armendariz and Felipe Larrain B, Chapter 11
Main Issue: Labor Markets
Nicaragua
Costa Rica
Panama
Honduras
El Salvador
Guatemala

South America Atlantic (February 26, 28, March 5)

Beatriz Armendariz and Felipe Larrain B, Chapter 9

Main Issue: Exchange Rates

Guyana

Argentina

Uruguay

Brazil

South America Interior (March 7)

Beatriz Armendariz and Felipe Larrain B, Chapter 8

Main Issue: Inflation

Paraguay

Bolivia

South America Pacific (March 12,14)

Beatriz Armendariz and Felipe Larrain B, Chapter 10

Main Issues: Trade Financial Liberalization, China in Latin America

Chile

Peru

Ecuador

Colombia

Summing Up Latin American Growth and Development (March 19)

Beatriz Armendariz and Felipe Larrain B, Chapter 12

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%