

Course description: While growth resumed for all Latin American countries (except Venezuela) 2018 has already been an eventful year. A recent surge in immigration from Central America via Mexico led our DHS to detain and separate parents and children. Similarly, a surge in outmigration from Venezuela and Nicaragua has strained the relations with neighboring countries Brazil, Costa Rica, Colombia, Mexico and Argentina. Argentina has its own problems with inflation and a falling currency, however its struggles are a walk in the park compared to what we are seeing in Venezuela and Nicaragua. Traditionally we let Oliver Stone introduce us to the key players (the Left populists Left). Stone visited Latin America near the peak of the commodity price boom which ended more or less in 2014. Taking a longer view there is much the rest of the developing world can learn from Latin America: how to handle debt crises with our without flexible currencies, how to use transfers to reduce poverty and build a middle class and how to use small loans (microfinance) to promote financial security. Most important all but a few LatAm countries have a new but welcome problems: how to meet the demands of a new “vibrant and vocal” new middle class, how to manage a rich ecosystem including some of the largest tropical forests in the World (Brazil’s Amazon but also forests in Costa Rica and Puerto Rico).

Fall 2017 Update: The 21st Century started very well Latin America. From to 2000 to 2015 all the major Latin American economies grew rapidly with falling inequality and higher social mobility. Traditionally North America has promoted the neoliberal “Washington consensus” as an antidote to Latin protectionism and nationalization. The tables have turned however, the as a new U.S. President [challenges NAFTA](#) even as Chile, Colombia, Mexico and Peru’s promote trade, capital and even labor mobility via the [Pacific Alliance](#). We review various theories of why only five countries have kept pace with the U.S. or exceed their peers in Asia since 1990 (of the LA-7 only Chile and Colombia). The world has much to learn from Latin America: Chile pioneered the use of [fiscal rules](#) to cope with commodity price instability. Argentina, Brazil, Colombia and Mexico pioneered innovative-cash transfer programs conditional on children’s school and health clinic attendance. Latin America is and has been active in various climate accords, most recently the Paris Accord. Policies include reforestation, carbon trading ([Brazil and California](#)), ecotourism (Costa Rica) and even [electric cars* in](#) Argentina. Costa Rica and [Chile](#) even as it boosts the resilience of household to all too frequent natural disasters or climate shocks (Puerto Rico, Bolivia, Peru and Colombia) *Open this page in Chrome and it should translate automatically...if not let me know. Problems with urls? please send me an email..

Required texts: *Available free online in pdf or audio, see urls below. See [also the class calendar](#).

[Armendáriz, Beatriz & Felipe Larraín](#) or **A&L (2017) *The Economics of Contemporary Latin America***. MIT Press, ISBN [0262533154](#) \$20-\$30 (e-book [\\$21 MIT Press Digital rental](#)) you will need access to book by the 2nd week of class. We start by reading Chapter 6 (available on here or on blackboard) and Chapter 1 pages 1-15 (see the [MIT Press preview](#)). [Dealoz has a \\$5 promotion](#) ending 8/31 that gets the price down to about \$20 (best deal right now). Amazon is closer to \$30, MIT Press has the ebook to rent (how long?) for \$18. Chapters 1 & 6 are online (see BB and the [MIT Press Preview](#))

Klein, Naomi (2018) *The Battle for Paradise. Puerto Rico Takes on the Disaster Capitalists*, Haymarket Books-The Intercept* [ISBN 1608463572](#) for advice on accessing this book, really an essay, see our Blackboard Econ 3235 blackboard course... let me know by email a free audio version of this book is available (75 mins) we will discuss the first day class of class... Her [Guardian interview](#) and this [NBCnews podcast](#) cover much this material (with pictures!) *the [price just fell to \\$7 with free ebook](#).

*Ferreira. et al. (2012) Ferreira, F. H., Messina, J., Rigolini, J., López-Calva, L. F., Lugo, M. A., Vakis, R., & Ló [*Economic mobility and the rise of the Latin American middle class*](http://go.worldbank.org/AFL3SA25B0). World Bank.
<http://go.worldbank.org/AFL3SA25B0>

*Edwards, Sebastian (2010) *Left Behind: Latin America and the False Promise of Populism* U. of Chicago Press [Chapter 1 available here y all we need](#)

Office hours: Monday 5:30-6:30pm (check 318 FMH, then E-527 Dealy) and Wed 9:30-10:30pm in E527 Dealy or by appointment in E527 Dealy Hall. Always confirm at mcleod@fordham.edu and please put Latin America or ECON 3235 in the subject line; 718-817-0063 works if I am in my office, the voicemail is not reliable use email or my cell (914-661-6998). Most readings are online, linked to the course calendar for example. If you ever have problems accessing any reading/video, please email me immediately, typically we can fix broken urls in minutes.

Course Requirements: Like the United States, Latin America faces many complex economics and political challenges. A case study presented to the class and timely reading and viewing of videos are essential to this class. As it happens we will focus on the LA-7 sans Colombia and Peru plus Nicaragua, Bolivia, and the Northern Triange (El Salvador, Honduras and Guatemala). The LA-7 accounting for 80+ percent of Latin American GDP but there are many equally important and interesting Central American and the Caribbean countries. You will see that most assignments help you gather data in insights into your case study. The midterm will also have as case study question you know before class. Class attendance counts (10%) homework and quizzes 20% the midterm is 20% and final exam (30%) leaving 20% for your case study presentation. If you miss or get a low score on a quiz or the midterm there is also an EC review or paper we will discuss as the midterm approaches (see also the Special Topics below). ***Our midterm exam should be October 16th***, in class, at least one question will focus on your country case study

See the [Course Calendar](#) for special topics and the most up to date readings for each lecture.

Case Study readings and videos: VisualPolitik has produced a number of videos which provide visual and narrative updates on a number of countries and issues relevant to us. Simon Whistler (British citizen living in Prague) narrates on [Cuba](#) , [Chile](#), [El Salvador](#) , [Peru](#) and [Venezuela](#) (sorry for the ads, press skip, I have youtube red which is free for a month). Puerto Rico as our hemisphere's Greece (or Charles Haughey's [Ireland?](#)) [Chile: from Education reforms to slower growth](#) Recently Chilean ex-President Michelle Bachelet, the first head of UN Women will be the [next UN High Commission for Human Rights](#)

II. Lecture Topics Outline and Readings (see Course calendar for updates)

Lecture 1: NAFTA and Global Value Chains (GVCs): How NAFTA has become the model for World Manufacturing. Mexican immigration to the U.S. reversed in 2009, why? Baldwin and Dollar on GVCs and Mexico discuss the new knowledge e driven globalization phase and Global Value Chains how does alter our view of trade and migration? The economics of NAFTA and immigration, common roots and new directions.

Mexico NAFTA renegotiations: Amanda Waldron (2017) [NAFTA renegotiations, separating fact from fiction](#). Brookings Now, Aug 17th and Bahar, Dany (2017) [The Case for Open Markets](#). *The Cairo review of Global Affairs*, Summer. Durable left populist regimes in [Cuba](#), Nicaragua, Ecuador, and [Bolivia \(the "new oil" Lithium Salar de Uyuni triangle\)](#)

Lecture 2: *The resurgence of populism in the Americas* ([Armendáriz & Larraín \(A&L\)](#) Chapter 6 Castañeda, Jorge G. "[Latin America's left turn](#)." *Foreign Affairs* (2006):28-43 (NH) Oliver Stone (2009) *South of the Border* (just the [previews \(two mins\)](#)) The full documentary is one hour, but the previews are fine. Use them to

answer the Lecture and Discussion Questions included below. Readings: Birdsall, Lustig and McLeod (2013) Declining Inequality in [Latin America: Some Economics, Some Politics](#), CGD WP #251 and Chapter .

Lecture 3: *The rise of Latin America's middle class*: Why is LatAm inequality is falling and social mobility increasing: the Great Gatsby curve is alive and well in Latin America (but not the U.S.)? Readings A&L Chapter 5, Nora Lustig's Barcelona Slides, [and this 2013 report from the World Bank](#).

II. Lecture Topics Outline and Readings (continued)

Lecture 4: *Obstacles to growth in Latin America: Institutions, Geography or Colonial legacy*: Read Chapter 1 of A&L (if you have not already) Nogales, Mexico v Nogales, AZ: Acemoglu & Robinson (2012) [Chapter 1](#) right yes but geography matters Jeffery Sachs [Foreign Affairs](#) Bill Gates on Why [Nations Fail and Carlos Slim](#) (richest man in the world) and skim Franko (2007) [Chapter 1](#)

Lecture 5: Can Latin America escape China and the Resource Curse/Dutch Disease? Chile and Mexico escaped, Venezuela did not... see lecture notes on the TNT Model and A&L Chapter 1 and 12 Why Mexico and the Iron Triangle so violent just as Colombia's [Santos wins the Nobel Peace Prize?](#) See lecture notes on the TNT Model A&L Chapter 1 and Chapter 12.

Midterm Exam, October 18th or thereabout

Lecture 6: *Gender and race in Latin America*: female education, marriage markets and inequality in Latin America Part II: "Schooling Can't Buy Me Love: Marriage, Work, and the Gender Gap in Latin America [aka Ganguli, Ina, Ricardo Hausmann, and Martina Viarengo (2010) "Schooling Can't Buy Me Love: Marriage, Work, and the Gender Education Gap in Latin America". CID Working Paper <http://www.tinyurl.com/mwg9yyu> Lykke Andersen (Bolivia) on Female headed HHs in Latin American why women migrate: [vulnerability and a resilience](#) to migration and the the middle class.

Lecture 6: *Migration and the Development*: the role of remittances in Mexico, Central America and in the DR (vs. Puerto Rico.. where many have left) Readings: Collier, Exodus Debate on Al Jazeera, Jesuit Refugee Service Video on the Iron Triangle, Migration as strategy Return Migration to Mexico: Cuecuecha and McLeod (2017) Return Migration to Mexico, Causes and Turning points, Dallas Fed Presentation.

Lecture 7: *Climate and development: the special role of Latin America*: overcoming the Natural Resource Curse cutting carbon emissions in the Amazon? Is China's Latin America's and the climate's new ally? What LatAm can teach the U.S. about climate change

Lecture 8: New directions, **social Innovation, Finance and the informal Sector in Latin America: Microfinance** in Bolivia Peru and Mexico. PBS Documentary on Compartamos and the Microfinance Debate. Labor market reforms,

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Special topic readings and videos: These short VisualPolitik videos may help you provide a quick update with visual and narrative updates for a number of countries and issues relevant to us. Simon Whistler a British citizen living in Prague narrates the English language edition [Cuba](#) , [Chile](#), [El Salvador](#) , [Peru](#) and [Venezuela](#) (sorry for the ads, press skip, I have youtube red which is free for a month). Puerto Rico as our hemisphere's Greece (or Charles Haughey's [Ireland?](#)) [Chile: from Education reforms to slower growth](#)

III. Readings for case studies and other readings: (*available online or pdf):

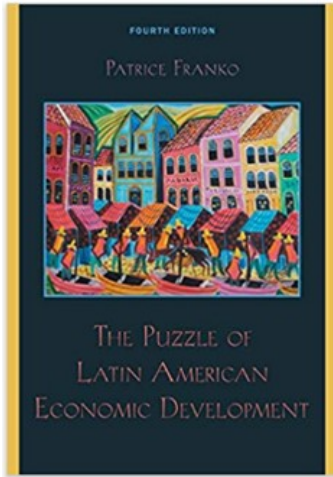
- *OECD, 2017, [Latin American Economic Outlook 2017](#) Youth, Skills and Entrepreneurship, 2012, OECD, Paris
- *Klugman et al. (2014) Klugman, Jeni, Lucia Hanmer, Sarah Twigg, Tazeen Hasan, Jennifer McCleary-Sills, and Julieth Santamaria. *Voice and agency: Empowering women and girls for shared prosperity*. World Bank Publications, 2014 (google books “preview” is the [full version](#))
- *Acemoglu, Darron and James Robinson (2012) *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, Profile /[1846686105](#)
- Arnson, Cynthia J., and José Raúl Perales, eds. (2007) The "new left" and democratic governance in Latin America. Washington, DC: Woodrow Wilson International Center or [Costa Rica pdf](#).
- Dayton-Johnson, Jeff, ed (2015) Latin America's Emerging Middle Classes: [Economic Perspectives](#) Springer-Verlag, New York.
- Carlos de la Torre, Cynthia Arnson (2013) eds [Latin American Populism in the Twenty-First Century](#), Johns Hopkins Univ Press, MD (see also her email to Nora)
- Cardoso, Eliana and Ann Helwege (1992) *Latin America's Economy: Diversity Trends & Conflicts* MIT Press, Cambridge MA [0262531252](#)
- Franko, Patrice (2007) *The Puzzle of Latin American Development* 3rd ed Rowman & Littlefield, NY [0-7425-5353-8](#) see [Chapt 1](#)
- López-Calva, L. F., & Lustig, N. eds. (2010). *Declining inequality in Latin America: a decade of progress?* Brookings Institution Press.
- Ocampo, José Antonio and Jaime Ros (2011) *The Oxford Handbook of Latin American Economics*, Oxford U Press, [0-19-957104-8](#), [Chapt 1](#) pdf.
- World Bank LAC (2011) *Work and Family: Latin American Caribbean Women in search of a new Balance* [World Bank Open Publication](#), Wash DC.
- World Bank LAC (2012) *Latin America Copes with Volatility: the Dark Side of Globalization*, World Bank [Open Pub](#), [Presentation](#), [Chief Economist](#)
- IDB (2008) *Outsiders? The Changing Patterns of Social Exclusion in Latin America and the Caribbean*, December, Washington DC.
- Fajmzylber, Pablo and J. Humberto Lopez (2008) Remittances and Development: [Lessons from Latin America](#), World Bank.
- Orozco, M (2012) Future [Trends in Remittances to Latin America](#) and the Caribbean, IAD report.

The Puzzle of Latin American Economic Development Fourth Edition


by Patrice Franko (Author)

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