

Course Description: This is a wonderful time to study Latin America's wondrously diverse and challenging economies. Many LatAm countries are in the tropics, hence Puerto Rico battles devastating hurricane Maria while Brazil fights Amazon fires. Drug related violence roils Mexico and Central America leading many to flee North. Yet in terms of equity and social mobility Latin America has outperformed the U.S. as since 2000 virtually every major LatAm economy experienced a "golden decade" of falling poverty and inequality and rising social mobility as a new resilient middle class emerged. Colombia, once plagued with storied violent drug lords, cartels and corruption (see *Narcos* seasons 1-3) has emerged from a long civil war and now shelters 1.2 million plus desperate Venezuelan immigrants. Many LatAm countries (Costa Rica for example) seem to happy if not rich, this is the Easterlin paradox: more happiness with less income per person. We hope so. A century ago Argentina was among the World's 10 richest countries, since then it has fallen into the 80s. Still if you have visited Argentina recently, especially Buenos Aires, you know their subway looks exactly like New York's but works better with lower fares. Venezuela on the other hand is an economic and social (humanitarian) nightmare. With inflation of 10 million percent plus we can't even compute Venezuela's misery index (inflation + the unemployment rate). Malnutrition is now widespread in what was a decade ago one of the richest LatAm countries... how has this unfathomable tragedy befallen a wonderful people? Whose can we blame? How can we fix it? You tell me (a great case study, many bonus points for even trying). To begin our this course however, we review Radny's excellent 2018 Costa Rica case study. It literally has a happy ending: Costa Rica is the 13th happiest country in the world (the U.S. is #25). With a per capita income 1/3 that of the United States... why is CRI happier? (is this the Easterlin Paradox? Perhaps we will find out in class.)

II. Textbooks: *Available free online in pdf or audio, see urls below. See [also the class calendar](#). Many readings are online, see the course calendar. Please, if you ever have problems accessing any online reading or video, email me immediately... (*thank you in advance, 5 points EC per repaired url...*)

Shifter, Michael & Bruno Binetti eds (2019) *Unfulfilled Promises: Latin America Today* Introduction by Laura Chinchilla, *Inter-American Dialogue*, **free online 9781733727600 Ebook 9781733727617**
<https://www.thedialogue.org/wp-content/uploads/2019/03/unfulfilled-promises-english-new.pdf>

[Freire et al. 2015* or World Bank, 2015] Freire, Germán; Schwartz Orellana, Steven Daniel; Zumaeta Aurazo, Melissa; Costa, Damasceno Costa; Lundvall, Jonna Maria; Viveros Mendoza, Martha Celmira; Lucchetti, Leonardo Ramiro; Moreno Herrera, Laura Liliana; Sousa, Liliana Do Couto. *Indigenous Latin America in the twenty-first century : the first decade (English)*. Washington, DC:World Bank Group. [Infographic: Indigenous peoples of LatAm \(42M people speaking 500 languages\)](#) No ISBN number Attribution—*The World Bank. 2015. *Indigenous Latin America in the Twenty-First Century*. Washington, DC: World Bank. License: Creative Commons Attribution CC BY 3.0 IGO

[Armendáriz, Beatriz & Felipe Larraín](#) or **A&L (2017)** *The Economics of Contemporary Latin America*. MIT Press, ISBN [0262533154](#) \$16-18 e-book or paper rental (our bookstore) see [MIT Press Digital rental](#) or buy paper: **you will need this book, for your case study and/or for the final exam**. MIT press now has answered Chapter question with color pictures... Chapters 1 & 6 available on blackboard & see [MIT preview](#)).

*Edwards, Sebastian (2010) *Left Behind: Latin America and the False Promise of Populism* U. of Chicago Press [Chapter 1 w/highlights 9780226184784](#) & see Chapter 7 [The Mother of all Crises: Argentina 2001-01](#)

*Klein, Naomi (2018) *The Battle for Paradise. Puerto Rico Takes on the Disaster Capitalists*, Haymarket Books-The Intercept* [ISBN 1608463572](#) this very short "instant" book is available online (there is an audio version which can be free too) On the debate over Puerto Rico's Klein's [Guardian interview](#) & [NBCnews podcast](#) add wonderful pictures to this same material, including my favorite [Tesla's Hospital in Paradise](#)

*Chico Ferreira. et al. or World Bank (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*. [World Bank](#)

Office hours: Always check my web page darrylmcleod.com for office hours. Or make an appointment for anytime by emailing mcleod@fordham.edu with ECON 3235 in the subject line; with any luck, 718-817-0063 will forward you call to me wherever I am.

Course Requirements: Consistent attendance and speaking or voting in class counts 15% of your final grade, HW and quizzes are 15% the midterm is 25%. Everyone should choose a case study country. The case study and final exam are 45% of your grade. You are **strongly encouraged but** not required to present your case study. Typically presentations focus on a country, but this is not necessary. See for example past presentations on Costa Rica, Puerto Rico, GTM and/or Klein's Shock Doctrine in LatAm and/or deportations and child incarceration. Choose an LA-7 country if possible, but smaller countries fine too. Identify your countries' "golden decade. Find new idea that applies to your country and apply something to the course (let us know you were here...). Many HW assignments will help you gather data need for your case study country. The in class midterm will have a case study question you can prepare for. A PowerPoint presentation is the gold standard, but does take time and many revisions, so start early please, I will set deadlines once the course begins...

III. Lecture Topics Outline and Readings (See the [Class Calendar](#) for news and lecture readings).

Lecture 1: Latin America: relatively poor but happy? Absolutely poor, and not happy? Why less growth than Asia? Stuck in a middle income trap? Why is Argentina different? But see the World Happiness Report and CRI case Study and the latest [eternal land of the future story from the Wall Street Journal](#). Counter the gloom and doom outlook for the region? Compare the quality of life in Buenos Aires or Nueva Leon with that of NYC (let's ask Erica Mancinas)?

Lecture 2: Did Latin America's Golden Decades reach its 14 million Indigenous People: yes or no? Rising per capita income: Falling Poverty and Inequality, for whom? Yalitza Apricio or Libo? How long is a normal "growth surge" in Latin America? (hint: close to a decade)

Lecture 3: Hurricane Maria hit Puerto Rico hard on September 24th 2017, but even after Maria: Latin America's still most prosperous economy (by far) but perhaps not the happiest... see Mark Lilley's presentation...

Lecture 4: Globalization and Global Value Chains (GVCs): How NAFTA became a 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 5: *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 6: *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](#).

Lecture 7: *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 8: Can Latin America escape China and the Resource Curse/Dutch Disease? Chile and Mexico escaped, Venezuela has 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.

Lecture 9: 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 10: 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 Al Jazeera appearance, JRS Video on the Iron Triangle, Cuecuecha, Fuentes and McLeod (2017)

Lecture 11: Climate change & development: Latin America in the Tropics; the Natural Resource Curse, Carbon emissions in the Amazon? What LatAm can teach the U.S. about climate change

Lecture 12: LatAm 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,

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

IV. Readings for case studies and Reference: (*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.