

LATIN AMERICAN POLITICAL ECONOMY

GOV. 486/686
SPRING 2009
ONE BEACON, RM. 104
M-W 2:30-3:45

INSTRUCTOR INFO

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COURSE DESCRIPTION

This course examines the ebb and flow of Latin American political economy and its effect on the people and places of Latin America. Although our primary focus is on contemporary problems in Latin American political economy, we begin the semester by examining the historical roots of Latin America's politics and economics, as well as competing theories of economic development. From there, we move to current issues such as capital flows, trade policy and the human and environmental costs of development. We will complement our theoretical investigations with case studies of contemporary issues such as Mexico's trade policy, remittances to Central America and Brazil's green development, among others. We also will focus on the human face of Latin American political economy and the effects of developments in the economic sphere on political liberalization, (in)equality, human rights and environmental protection.

COURSE REQUIREMENTS

- **Class Participation (15%):** This course will be run as a seminar, and your daily contribution to discussion is crucial. This means coming to class having read and thought about the readings. Come prepared to participate *actively*, and remember, quality counts just as much as quantity. Our discussions of Latin American political economy will be punctuated with discussions of current events, and I expect you to keep up with happenings in the region. Attendance is mandatory, although I do allow two "free pass" days over the course of the semester. You needn't tell me why you won't be attending seminar on these days. After that, any absence will affect your grade negatively; with three or more absences you are in serious risk of failing the class.
- **In-Class Midterm Exam (25%):** This will be a standard, in-class, blue-book exam with IDs and essays. On the exam I will give you some choice about the IDs and essays you must answer, but I will not give you these in advance of the exam. The exam will take place on Wed., March 11, at our normal time and place. I will reserve class on Monday, March 9, for a review session.
- **Take Home Essay Exam (30%):** Students will write a take-home essay for their final exam. The questions will be distributed in class on Wednesday, April 22, 2009, and are due in the Government Department on Monday, April 27, 2009, by 4:00 pm. Graduate students will choose two of three possible essay questions and write answers of four to five double-spaced pages per question. Undergraduates also should choose two of three possible essay questions; their answers should be three to four pages per question. More information on the exam will follow over the course of the semester.
- **Country Risk Portfolio (30%):** Over the course of the semester, each student will be responsible for drafting a country risk portfolio for a Latin American state of his or her choosing. The goal of this

project is to familiarize students with risk portfolios in general, as well as the specific contours of one state's political economy.

We will develop the portfolios over the course of the semester, and students will turn in five distinct components of their research:

- 1) Country History and Contemporary Political Profile (Due 1.28.09).
- 2) Sovereign Debt and Contemporary Programs with the IMF, IADB and World Bank (Due 2.18.09).
- 3) Summary of Trade and Current Capital Flows (Due 3.25.09).
- 4) Investigation into one thematic issue or industry of your choosing, e.g. indigenous groups, sustainable development, agrobusiness, etc. (Due 4.6.09).
- 5) 2-page single spaced executive summary and revised portfolio (Due 4.22.09).

All of the memos should include research from newspapers, academic publications and policy reports. Each memo, apart from the executive summary, should be three to four double-spaced pages with an appended reference list. Undergraduate memos should be two to three double-spaced pages.

I will return the memos with comments, and students should revise their memos before submitting the entire portfolio on the last day of class. On that day, we also will hold a roundtable discussion in which students will share their findings. The final grade for the portfolio will take into account: 1) the initial submissions of each section of the portfolio; 2) the revisions of sections 1-4; 3) the executive summary; and 4) participation in the round-table on the last day of class.

- **Academic Honesty**

I have a zero-tolerance policy for academic dishonesty. Please refer to the Undergraduate and Graduate Student Handbooks for the University's policies for plagiarism, cheating and other forms of academic dishonesty. If you have any questions concerning the proper use of citations or sourcing, I would be more than happy to answer them.

READINGS

You should complete the assigned readings for the week prior to our Monday class meeting. We will rely on four primary texts this semester, and occasionally, I will ask you to read an article from a scholarly journal, think-tank or policy institution. You can access the academic articles through the Sawyer Library Electronic Journal Database; links for the other readings are included in the course outline below.

The required books we will use are:

- *Capital, Power, and Inequality in Latin America and the Caribbean*, ed. Richard Harris and Jorge Nef. Lanham, MD: Rowman and Littlefield, 2008.
- Franko, Patrice. *The Puzzle of Latin American Economic Development*. Lanham, MD: Rowman and Littlefield, 2007. Third edition.
- Santiso, Javier. *Latin America's Political Economy of the Possible: Beyond Good Revolutionaries and Free Marketeers*, Cambridge: MIT Press, 2007.
- Vargas Llosa, Álvaro. *Liberty for Latin America: How to Undo Five Hundred Years of State Oppression*, New York: Farrar, Straus and Giroux, 2005.

In addition to the required books, I recommend Victor Bulmer-Thomas's comprehensive history of Latin American political economy, *The Economic History of Latin America Since Independence* (Cambridge: Cambridge University Press, 2003, second edition.) This book is available at the bookstore and would make a nice addition to your collection.

COURSE OUTLINE

Week 1: Introduction to the Political Economy of Latin America (1.12.09 & 1.14.09)

- Franko, "Development in Latin America: Conceptualizing Economic Change in the Region" (Ch. 1).
- Santiso, "Waltzing Paradigms" (Ch. 1).

Week 2: Latin American Political Economic History: An Overview (1.21.09, No Class on MLK Day, 1.19.09)

- Franko, "Historical Legacies: Patterns of Unequal and Unstable Growth" (Ch. 2).
- Vargas Llosa, "Introduction" and "What Failed" (Part 1).

Week 3: Politics, Economics and the Long View (1.26.09 & 1.28.09)

- Vargas Llosa, *Liberty for Latin America* (Parts II, III and IV).

Country Risk Profile, Memo 1 (Due 1.28.09): Country History and Contemporary Political Profile.

Week 4: Dependency Theory (2.2.09 & 2.4.09)

- Harris, "Dependency, Underdevelopment, and Neoliberalism," in Harris and Nef (Ch. 3).
- Cardoso, "Associated-Dependent Development: Theoretical and Practical Implications," in *Authoritarian Brazil: Origins, Policies and Future*, Alfred Stepan, ed., (New Haven, CT: Yale University Press, 1973, pp. 142-178).
- Przeworski and Limongi, "Modernization: Theories and Facts," *World Politics* (1997), 49(2): 155-183.

Week 5: Domestic Models for Growth: ISI, Populism and Neo-Populism. Case Study: Venezuela (2.9.09 & 2.11.09)

- Franko, "Import Substitution Industrialization: Looking Inward for the Source of Economic Growth" (Ch. 3).
- Roberts, "Latin America's Populist Revival," *SAIS Review* (2007), 27(1): 3-15.
- Santiso, "Argentina and Venezuela: Enduring Neo-Populism" (Ch. 8).
- Ellner, "The Contrasting Variants of the Populism of Hugo Chávez and Alberto Fujimori," *Journal of Latin American Studies* (2003), 35(1): 139-162.

Week 6: The Debt Crisis. Case Study: Argentina (2.18.09, No Class on Presidents' Day, 2.16.09)

- Franko, "Latin America's Debt Crisis: The Limits of External Financing" (Ch. 4).
- Federal Reserve Bank of San Francisco, "Learning from Argentina's Crisis," *FRBSF Economic Letter*, October 18, 2002 (Available at: <http://www.frbsf.org/publications/economics/letter/2002/el2002-31.html>).

Country Risk Profile, Memo 2 (Due 2.18.09): Sovereign Debt and Contemporary Programs with the IMF, IADB and World Bank.

Week 7: Neoliberalism and Structural Adjustment Programs. Case Study: Chile (2.23.09 & 2.25.09)

- Franko, "Macroeconomic Stabilization: A Critical Ingredient for Sustained Growth" (Ch. 5) and "The Role of the State: From a Smaller to a Smarter State" (Ch. 6).

- Patroni, "Economic Restructuring, Neoliberalism and the Working Class," in Harris and Nef (Ch. 4).
- Santiso, "The Chilean Trajectory: From Liberalism to Possibilism" (Ch. 4) and "Structural Adjustments as Temporary Adjustments" (Ch. 3).

Week 8: Capital Flows. *Case Study: Remittances to Central America (3.2.09 & 3.4.09)*

- Franko, "Financing for Development: Public and Private Capital Flows to Latin America" (Ch. 7).
- Izquierdo, "Remittances and Equilibrium Real Exchange Rates in Six Central American Countries," Inter-American Development Bank (Available at: <http://www.iadb.org/publications/search.cfm?query=Izquierdo&context=Author&docType=&topic=&country=&searchLang=&lang=en&page=2>)
- Suro, "Remittance Senders and Receivers: Tracking the Transnational Channels," Pew Hispanic Center Publications (Full report available at: <http://pewhispanic.org/reports/report.php?ReportID=23>).

Week 9: Midterm (3.9.09 & 3.11.09)

- We will have an in-class review on Monday, March 9, 2009, and the midterm exam will be during our regular class period on Wednesday, March 11, 2009.

Week 10: Spring Break (*No Class 3.16.09 & 3.18.09*)

Week 11: Latin American Trade Policy. *Case Study: Mexico (3.23.09 & 3.25.09)*

- Franko, "Contemporary Trade Policy: Engines or Brakes for Growth" (Ch. 8).
- Santiso, "Mexico: The Great Transformation" (Ch. 6).
- World Trade Organization, "Mexico: April 2002" (Available at: http://www.wto.org/english/tratop_e/tpr_e/tp190_e.htm).

Country Risk Profile, Memo 3 (Due 3.25.09): Summary of Trade and Current Capital Flows

Week 12: Economic Development and Inequality: Women, Indigenous Groups and the Urban-Rural Divide (3.30.09 & 4.1.09)

- Franko, "Poverty and Inequality: Addressing the Social Deficit in Latin America" (Ch. 11) and "Rural Development: Sowing the Seeds of Equitable, Sustainable Growth in Latin America" (Ch. 10).
- Miller, "Women in the Social, Political, and Economic Transformation of Latin America and the Caribbean," in Harris and Nef (Ch. 7).
- Kearney and Varese, "Indigenous Peoples: Changing Identities and Forms of Resistance," in Harris and Nef (Ch. 8).

Week 13: Economic Development, Human Rights and Environmental Protection (4.6.09 & 4.8.09)

- Franko, "Environmental Challenges: Internalizing the Costs of Development" (Ch. 14).
- Galafassi, "Ecological Crisis, Sustainable Development, and Capitalism" in Harris and Nef (Ch. 10).
- Hellman, "The Riddle of New Social Movements: Who They Are and What They Do," in Harris and Nef (Ch. 6).

- Feria Tinta, "Justiciability of Economic, Social, and Cultural Rights in the Inter-American System of Protection of Human Rights: Beyond Traditional Paradigms and Notions," *Human Rights Quarterly* (2007) 29(2): 431-459.

Country Risk Profile, Memo 4 (Due 4.6.09): Investigation into one thematic issue of your choosing, e.g. indigenous groups, sustainable development.

Week 14: Political and Economic Liberalization and Competitiveness in the Globalized Economy.

Case Study: Brazil (4.13.09 & 4.15.09)

- Harris and Nef, "Globalization and Regionalization in the Americas" in Harris and Nef (Ch. 11).
- Santiso, "Lula Light" (Ch. 5)
- Unger and Wheatly, "Interview Transcript: Roberto Mangabeira Unger," *Financial Times*, December 10, 2007 (Available at: <http://www.law.harvard.edu/unger/english/docs/rmufintimes.doc>).

Week 15: The Future of Latin American Political Economy; Roundtable Discussion of Country Risk Profiles (4.22.09, *No Class on Patriots' Day, 4.20.09*)

- Franko, "Lessons Learned: Cycles in Latin American Development" (Ch. 15).
- Santiso, "Conclusion: The Hedgehog, the Fox and the Chameleon."
- Newman, "Latin America: No Hurry in 2009," Morgan Stanley Global Economic Forum, January 6, 2009 (Available at: <http://www.morganstanley.com/views/gef/index.html#top>).

Revised country risk profile and two-page executive summary of country risk profile due in class on 4.22.09.

The take-home final exam will be distributed in class on Wed., 4.22.09 and is due on Monday, 4.27.09 by 4:00 pm in the Government Department.