

**Portland State University**  
**EC 338U: The Political Economy of Latin American Development**  
**Winter 2004**  
Leopoldo Rodríguez

**Office hours:**  
Cramer Hall 241Q  
T & Th: 12:00-1:30

**Class:**  
Cramer Hall 158  
T & Th: 2:00-3:50

**Course Description:**

This course provides students an opportunity to analyze the political and economic complexities of development in Latin America. We will study the social, political and economic institutions that have shaped and currently define the development process in Latin America. We will discuss competing theoretical frameworks, review the history of development in Latin America and study current issues such as the foreign debt, privatization, trade liberalization and recurrent financial crises.

**Course Requirements:**

The course requires a substantial amount of reading. You will be evaluated on the basis of participation including the use of the discussion forum on WebCT, a midterm examination, a final take-home exam and a group presentation including a written presentation report. The group presentation will be evaluated by the entire course. A 10 page presentation report must include references and a proper academic bibliography. Please refer to the link available on webCT for further guidance on writing and referencing a research paper.

**Grade:**

WebCT discussion	10% (weekly discussion topics)
WebCT midterm	25% (Friday, Feb 6 to Monday, Feb. 9)
Take home exam	35% (due on noon Monday, March 15)
Group presentation & paper	30% (15% group-evaluation)

**Academic Dishonesty:**

Academic dishonesty will not be tolerated. Opportunities for cheating in exams and other assignments exist, but offenders will be severely punished if caught.

**Required Readings:**

EC: Eliana Cardoso and Ann Helwege, *Latin America's Economy?: Diversity, Trends and Conflicts*, The MIT Press, Cambridge, MA, 1992.

FSW: Frederick Stirton Weaver, *Latin America in the World Economy: Mercantile Colonialism to Global Capitalism*, Westview Press, Boulder, 2000.

Additional required readings available on webCT.

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**Discussion/Participation:**

All students are expected to actively participate in class discussion as well as to post news, opinions and analysis, at least on a weekly basis, to the discussion forum on webCT. Class attendance will also be taken in consideration.

**Midterm:**

You will have an open-book midterm examination. It will be available on WebCT.

**Take-home Exam:**

You must choose a Latin American country and write a report on a particular aspect of the political economy of development in that nation.

**Group presentation:**

Early in the term you will form groups of no more than 4 students each. You will select a presentation topic from a list I will make available. The presentations must last 20-25 minutes. The group will evaluate the presentation. I will grade a 10 page presentation report equivalent to a group research paper.

**Topics for group presentations:**

Bolivia: Resistance to neoliberalism

Chile: Economic policies from Pinochet to Lagos

Colombia: Plan Colombia

Nicaragua: US support for the Contras in the 1980s

Guatemala: Arvenz' land reform and the 1954 coup

Panama: The canal and US interventions

Ecuador: Environmental and social consequences of oil production

Venezuela: Chavez' reforms and the Venezuelan middle class

Brazil: Lula and the Worker's Party

Argentina: Convertibility and Crisis

Mexico: The Ejercito Zapatista de Liberacion Nacional

### **Week 1 (January 6 & 8): The Colonial Period**

1. Diversity and conquest  
EC, Chapter 1, pp. 1-21.

2. Colonial domination and institutions

FSW, Chapter 1, pp. 1-24.

Eduardo Galeano, "Lust for Gold, Lust for Silver," *Open Veins of Latin America*,  
Monthly Review Press, New York, 1973, pp. 21-70.

### **Week 2 (January 13 & 15): From Independence to World War II**

1. Independence and 19<sup>th</sup> century liberalism

EC, Chapter 2, pp. 23-52.

FSW, Chapters 2 & 3, pp. 25-90.

Michael Taussig, "Owners and Fences," *The Devil and Commodity Fetishism in South America*, North Carolina University Press, Chapel Hill, 1980, pp. 70-92.

2. Theoretical perspectives on development

EC, Chapter 3, pp. 55-72.

Andre Gunder Frank, "The Development of Underdevelopment," *Underdevelopment or Revolution*, Monthly Review Press, New York, 1969, pp. 3-17.

### **Week 3 (January 20 & 22): The State and Import Substitution Industrialization**

1. The Developmental state

FSW, Chapter 4, pp. 91-146.

2. Import substitution industrialization

EC, Chapter 4, "From Import Substitution to Trade Liberalization," pp. 73-107.

FSW, Chapter 5, pp. 117-146.

### **Week 4 (January 27 & 29): Poverty, Land Reform and Populism**

1. Poverty and land reform

EC, Chapters 9 & 10, pp. 223-279.

2. Populism

EC, Chapter 8, pp. 203-222.

### **Week 5 (February 3 & 5): Macroeconomic Policy and Inflation**

1. Breakdown of the postwar order

FSW, Chapter 6, pp. 147-168.

2. The macroeconomic debate

EC, Chapter 5, pp. 109-137.

Rudiger Dornbusch and Sebastian Edwards, "Macroeconomic Populism," *Journal of Development Economics*, Vol. 32, 1990, pp. 247-277.

John Sheahan, "Inflation, External Deficits, and IMF Stabilization Programs," *Patterns of Development in Latin America*, Princeton University Press, Princeton, 1987, pp. 99-129.

### **Week 6 (February 10 & 12): The Debt Crisis and Stabilization Policies**

1. The debt crisis

EC, Chapter 6. pp. 139-167.

FSW, Chapter 7, pp. 169-184.

Harry Cleaver, "Close the IMF, Abolish Debt and End Development: A Class Analysis of the International Debt Crisis," *Capital & Class*, No. 39, Winter 1989, pp. 17-50.

## 2. Stabilization and the international financial institutions (IFIs)

EC, Chapter 7, 169-200.

### **Week 7 (February 17 & 19): The Rise of Neoliberalism in Latin America**

#### 1. The Washington consensus and neoliberal policy reforms

Alejandro Foxley, "The Turn Toward Radical Economic Policies," *Latin American Experiments in Neoconservative Economics*, University of California Press, Berkeley, 1983, pp. 18-39.

John Williamson, "What Washington Means by Policy Reform," *Latin American Adjustment: How Much Has Happened?*, Institute for International Economics, Washington, DC, 1990, pp. 7-20.

Sebastian Edwards, "The Emergence of a new Latin American Consensus," *Crisis and Reform in Latin America*, Oxford University Press, New York, 1995, p. 41-65.

#### 2. Technopols and democracy

FSW, Chapter 7, pp. 184-210.

Atilio Boron, "Democracy or Neoliberalism?" *Boston Review*, available at <http://bostonreview.mit.edu/BR21.5/boron.html> and webCT.

Jorge Domínguez, "Ideas and Leaders in Freeing Politics and Markets in Latin America in the 1990s," *Technopols*, Pennsylvania State University Press, University Park, 1997, pp. 1-48.

Henry Veltmeyer, James Petras and Steve Vieux, "Intellectuals in Uniform: The Selling of an Ideology," *Neoliberalism and Class Conflict in Latin America*, St. Martin's Press, New York, pp. 93-108.

### **Week 8 (February 24 & 26): Crises of Neoliberalism**

#### 1. Mexico and Chile

Paul Krugman, "Dutch Tulips and Emerging Markets," *Foreign Affairs*, Summer 1995.

Henry Veltmeyer, James Petras and Steve Vieux, "Neoliberalism and Capitalism in Mexico 1983-95: Model of Structural Adjustment?," *Neoliberalism and Class Conflict in Latin America*, St. Martin's Press, New York, pp. 139-162.

Readings on Chile to be announced.

#### 2. Brazil and Argentina

Readings on Brazil to be announced.

Domingo Cavallo and Joaquin Cottani, "Argentina's Convertibility Plan and the IMF," *American Economic Review*, Vol. 87, Issue 2, May 1997, pp. 17-22.

Manuel Pastor and Carol Wise, "From Poster Child to Basket Case," *Foreign Affairs*, November/December 2001.

Joseph Stiglitz, "Lessons from Argentina's debacle," *Straits Times* (Singapore), Jan. 10, 2002.

Marcela Valente, "Argentina's Rebellion in the Neighborhoods," February 12, 2002, available at [www.commondreams.org/headlines02/0214-04.htm](http://www.commondreams.org/headlines02/0214-04.htm) and webCT.

### **Week 9 (March 2 & 4): The Social Impact of Neoliberalism**

Readings to be announced

**Week 10 (March 9 & 11): Group Presentations**