

ECON 342 ECONOMICS OF LATIN AMERICA

Summer 2018, Session I

Instructor:	Karla Cordova
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Time and Location:	MTWRF 11:00-12:45, 133 McClelland Hall
Office Hours:	MTWR 9:30–10:30, 401c McClelland Hall, or by appointment.

Prerequisites:

Students must have completed, with a passing grade, a course in introductory economics ECON 200 or ECON 201A-ECON 201B.

Overview and Objectives:

Economic theory and historical accounts are combined in an attempt to understand the various forces that have shaped economic development in Latin America. First we will look at historic and macroeconomic issues. We will discuss development policies including the import-substituting industrialization policies of the 1950s-1970s, the market-oriented reforms of the 1980s, and the present. We will also look at microeconomic issues such as poverty, inequality, labor markets, education, and crime.

Required Textbook:

Beatriz Armendáriz and Felipe Larraín, *The Economics of Contemporary Latin America*, (MIT Press, 2017).

Optional Textbook:

Patrice Franko, *The Puzzle of Latin American Economic Development*, 3rd edition, (Rowman and Littlefield Publishers, 2007).

Grade Policy:

Exams: 80% (20% each exam)

Homework: 15%

Quizzes and In Class discussion: 5%

Your final grade in the class is based upon the following grading scale (no exceptions):

A: 90–100 percent

B: 80-89 percent

C: 70-79 percent

D: 60-69 percent

F: 60 percent & below

If you receive a final grade (after all possible inclusions) of or below 89.99, 79.99, 69.99, 59.99, your grade falls within the range of B, C, D, or E respectively.

Tentative Schedule

Homework 1 due Friday, June 8

Exam 1: Monday, June 11

Homework 2 due Thursday, June 15

Exam 2: Monday, June 18

Homework 3 due Friday, June 22

Exam 3: Monday, June 25

Homework 4 due Monday, July 2

Independence day, no class July 4

Exam 4: Thursday, July 5

There will be four exams. If you miss an exam without an acceptable excuse you will receive a zero. If you have an acceptable excuse (these must be brought in beforehand except for emergency situations such as sickness, injuries, accidents, etc) we can arrange a time for a make up exam. If you miss an exam and do not notify me before hand you must have a document (doctor's note, etc) explaining why you missed class and were not able to let me know before the missed exam.

If you have to miss a class please get notes from another student. Since it's a summer class it moves extremely fast and missing even one class will leave you far behind. If you would like to appeal your grade on an exam, you must do so within 24 hours of the return of the graded exam.

Homeworks, Quizzes, and In Class Activities

There will be 4 homework assignments and they will be posted on D2L. Assignments are due at the beginning of the class (11:00 am) the day they are due, and you can either hand in a hard copy or email it. Late homework assignments will be accepted but will lose 20% credit for each day they are late (this means they lose 20% the first day late, 40% if two days late, and so on, this includes weekends as well).

There will be several quizzes throughout the course. Most of these will be pop quizzes. There will be no make ups for quizzes. You will not be able to take the quiz if you come in after the quiz is done. The lowest quiz grade will be dropped.

Class attendance is expected and highly encouraged because the topics covered are derived from multiple sources. You are also expected to finish the assigned readings before each class because the lecture and discussion will be based on the readings.

Topic and Reading List (Days are approximate)

Your readings will be primarily from Armendáriz and Larraín, *The Economics of Contemporary Latin America* (Franko, *The Puzzle of Latin American Economic Development*, will be used as complement). Any additional readings, such as articles and relevant news, will be posted on D2L. Students are expected to participate in class discussions that will cover required reading and discussion questions will be provided for many of the readings. It is expected that students are able to provide answers to all of the discussion questions upon request. A tentative schedule and relevant readings from Armendáriz and Larraín, *The Economics of Contemporary Latin America* are listed below.

Week 1:

- Introduction to Economics of Latin America
- Historical Legacy
 - Armendáriz and Larraín Chapter 1 and 2
 - Franko Chapters 1 and 2
 - Daren Acemoglu, Simon Johnson, and James A Robinson, "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution". *Quarterly Journal of Economics*, 117(4) 2002: 1231-1294.
 - Stephen H. Haber, "Assessing the Obstacles to Industrialisation". *Journal of Latin American Studies*, Vol. 24, No. 1 (Feb., 1992), pp. 1-32.
- Import Substitution Industrialization
 - Armendáriz and Larraín Chapter 3
 - Franko Chapter 3

- Carlos Braga, *"Import Substitution Industrialization in Latin America: Experience and Lessons for the Future"*. *Economic Development in Latin America*, 34-42, 2010.

Week 2:

- Latin America's Debt Crisis
 - Armendáriz and Larraín Chapter 4
 - Franko Chapter 4
- Inflation and Structural Adjustment
 - Armendáriz and Larraín Chapter 7 and 8
 - Franko Chapter 5
- Latin America through the Twenty-First-Century Financial Crises
 - Armendáriz and Larraín 4.5

Week 3:

- Poverty and Income Inequality
 - Armendáriz and Larraín Chapter 5
 - *"Human Development Report for Latin America and the Caribbean 2016"*, UNDP (United Nations Development Programme) 2016.
- Labor Markets
 - Armendáriz and Larraín Chapter 5 and 11

Week 4 and 5:

- Health and Crime
 - Ignacio Munyo, *"Youth Crime in Latin America Key Determinants and Effective Public Policy Responses"*. *Brookings Global*, November 2013.
 - Franko Chapters 11, 12 and 13
- Current state of Latin America's Economy

Academic Integrity

Students are encouraged to share intellectual views and discuss freely the principles and applications of course materials. However, graded work/exercises must be the product of independent effort unless otherwise instructed. Students are expected to adhere to the UA Code of Academic Integrity as described in the UA General Catalog. Violations of the University's Code of Academic Integrity will result in a failing grade in the course and a recommendation for expulsion from the University. See: <http://deanofstudents.arizona.edu/>

Students with Disabilities

Students with disabilities who wish to request special accommodations need to do so through the procedures established by the University's Disability Resource Center. Students who need special accommodation or services should contact the Disability Resources Center, 1224 East Lowell Street, Tucson, AZ 85721, (520) 621-3268, FAX (520) 621-9423, email: uadrc@email.arizona.edu, <http://drc.arizona.edu/>.

You must register and request that the Center or DRC send me official notification of your accommodations needs as soon as possible. You are also welcome to meet with me by appointment or

during office hours to discuss accommodations and how my course requirements and activities may impact your ability to fully participate. The need for accommodations must be documented by the appropriate office.

Other Information

It is expected that no one will do anything that will be disruptive to the class. Hence, be certain to turn off your phones and other electronics before you come to class and if you must leave to use the restroom or to attend to an emergency don't be distracting to other students. Please come into office hours if you have questions. If you cannot make office hours after class we can schedule another time. Its my job to help you understand the material and, if you are having problems, I want to help.

Subject to Change Statement

Information contained in the course syllabus, other than the grade and absence policy, may be subject to change with advance notice, as deemed appropriate by the instructor.