

ECON 23A

Latin American Economic Development

Syllabus, August 2023

Contact Details

Instructor: Oriana Montti

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Communication

You can contact me by email with questions or to schedule a personal or online meeting outside of the student hours. I usually respond to emails within 24 hours (48 hours on weekends).

Meeting Times/Locations

Classes

Class meeting times: Tuesdays and Thursdays from 3:55 PM to 5:15 PM.

Location: Lown 301

Student Hours

Thursdays 2:30 PM - 3:30 PM. Room 11A, Sachar International Center.

I welcome visits during student hours, whether it is to ask a question about the course material or to talk about other concerns or interests.

Accommodations

Brandeis seeks to create a learning environment that is welcoming and inclusive of all students, and I want to support you in your learning. **If you think you may require disability accommodations, you will need to work with Student Accessibility Support (SAS) (781-736-3470, access@brandeis.edu).** You can find helpful student FAQs and other resources on the [SAS website](#), including guidance on how to know whether you might be eligible for support from SAS. **If you already have an accommodation letter from SAS, please provide me with a copy as soon as you can** so that I can ensure the effective implementation of accommodations for this class. In order to coordinate exam accommodations, ideally you should provide the accommodation letter at least 48 hours before an exam.

Course Description

Course Prerequisite(s):

Econ 2a or Econ 10a.

Learning Goals:

The primary goal of the course is to help students develop their ability to make an informed analysis of the various forces that drive Latin American economic development. The course combines economic theory, empirical evidence, and a historical approach. Among the topics covered are those related to inequality, human capital, geographical determinants, institutions, and the macroeconomy.

After successfully completing this course, students will be able to:

- 1) Understand the historical pattern of Latin American economic development.
- 2) Recognize different waves of economic thought that shaped economic policies and outcomes.
- 3) Identify the economic and social characteristics that are common to the region and the singularities of its countries.
- 4) Describe long and short-run cycles in the Latin American economy and the most relevant current economic issues.
- 5) Critically use and understand tools and procedures of country and regional analysis.
- 6) Analyze historical and current economic data.
- 7) Communicate economic research, verbally and by writing.

Course materials:

The required textbook is *Luis Bértola and José Antonio Ocampo (2012)*

The Economic Development of Latin America Since Independence, Oxford University Press.

The book is on reserve, and the online version is fully available through Brandeis Library.

Another relevant textbook is *Thorp, Rosemary (1998)*

Progress, Poverty and Exclusion: An Economic History of Latin America in the 20th Century, Inter-American Development Bank.

Available [here](#)

Supplementary materials by topic will be posted in LATTE.

Credit Hours:

Success in this four-credit course is based on the expectation that students will spend a minimum of nine hours of study time per week in preparation for class (readings, papers, discussion sections, preparation for the exams, etc.).

Course Requirements

Attendance

Class attendance is required. Records of attendance will be kept for each class. Students are allowed one excused absence. Please notify me in advance when you are unable to make it to class. After the first absence, the attendance/participation component of the grade will be negatively affected. Please arrive for class on time. If you need to join a class late or leave early, please notify me prior to class. It is expected that you will attend each class ready to discuss the readings.

Participation (10%)

Students are expected to prepare for each class session and to actively participate in class discussions. Class participation involves being regularly engaged in the discussion/lecture and making a positive contribution by asking thoughtful questions, sharing relevant experiences,

responding constructively to the contributions made by other class members, and requesting clarification as soon as ideas become unclear.

All forms of participation should be conducted in a manner that is respectful of fellow students and the instructor.

Review questions (10%)

Students are required to submit two thoughtful questions/comments for the review sessions at the end of each module. These will be the starting point of such sessions, promoting debate among students and the review of the concepts that were less clear for the class. The submission is through LATTE, before the class.

Group presentations (15%)

There will be 7 groups, students can choose their teammates at the beginning of the semester. The number of members in each group will depend on the class size. Each group will be in charge of introducing one of the topics on every module. The aim of this assignment is to promote group work and develop key abilities such as designing a presentation and verbally communicating economic research.

Quizzes (20%)

The last class of each module will include a short quiz. The content will be the critical ideas of the topics covered in the module. The main objective of these evaluations is to help students be on track with the content of the course and provide an opportunity to review the main concepts. There will be a total of 6 quizzes. To accommodate illness and unforeseen conflicts, I will drop the lowest score among the 6 in the grade calculation. This means I will only consider the grade of 5 of the quizzes. The dropped grade can be used for any problem, it is advisable to save it for medical or personal emergencies.

Midterm exam (20%)

There will be a midterm in-class exam covering topics covered until that date.

Please note that absence from the exam will be excused ONLY for a serious illness or family emergency that is appropriately documented.

Final project (25%)

Students will write a final project focusing on one Latin American country of their choosing. The aim of this country project is to help students develop their abilities to do economic research and write up findings, to familiarize them with sources of economic data, how to access and work with it. The project will be individual. Detail information on this project will be posted on Latte. During the semester there will be periodic submissions related to the Country Project (CP), see below in the course plan. The due date for the final paper is 12/12/2023 at 6pm through LATTE. No late submissions will be accepted.

Please review the statement below on Academic Integrity.

Course Plan

Module	Date	Topic	Work to submit
1. From Independence to ISI	Aug-31	Introduction + The economy after Independence	Define groups
	Sep-5	First globalization	
	Sep-7	Industrialization led by the state	
	Sep-12	Review session + Short Quiz 1	Review questions
2. From the debt crisis to the COVID-19 pandemic	Sep-14	The lost decade and the Washington Consensus	Presentation group 1
	Sep-19	Growth with equity and the commodity boom	Presentation group 2
	Sep-21	The impacts of COVID-19	
	Sep-28	Review session + Short quiz 2	Review questions CP: Choose country
3. Institutions, persistence, and economic development	Oct-3	Long-run effects of a forced labor institution.	
	Oct-5	Factor endowments	Presentation group 3
	Oct-10	Review session + Short quiz 3	Review questions CP: Economic history topic
4. Geographic determinants	Oct-17	Natural resources and the environment	
	Oct-19	Regional integration	Presentation group 4
	Oct-24	Review session	Review questions
Midterm exam	Oct-26	In-class exam	
5. The macroeconomy	Oct-31	Inflation and monetary policy	
	Nov-2	Capital flow volatility	Presentation group 5
	Nov-7	Review session + Short quiz 4	Review questions CP: Macroeconomics topic
6. Human capital	Nov-9	Education	
	Nov-14	Migration	Presentation group 6
	Nov-16	Review session + Short quiz 5	Review questions
	Nov-21	Inequality	
	Nov-28	Poverty	Presentation group 7
	Nov-30	Review session + Short quiz 6	Review questions CP: Microeconomics topic
Country Project	Dic-5	Write-in studio for CP	

The future	Dic-7	Development perspectives	
Country Project	Dic-12	Due at 6 pm through Latte	

Reading List

Optional materials in gray.

Topic	Readings and other materials
The economy after Independence	<p>Bértola and Ocampo: Chapter 2, The Economic History of the Young Independent Republics, 1810–70. <i>Sections:</i> Introduction; The performance of the young republics (Introduction + Best point of comparison + GDP and production for the domestic market, including Table 2.4 and its description); Summing Up.</p>
First globalization	<p>Bértola and Ocampo: Chapter 3, Globalization, Institution-building, and Commodity-export-led Growth, c.1870–1929. <i>Sections:</i> Introduction; Income and wealth distribution; The transition to a New Era.</p>
Industrialization led by the state	<p>Bértola and Ocampo: Chapter 4, State-led Industrialization. <i>Sections:</i> Introduction; Industrialization phases and varying experiences. Economic and social performance during the period of State-led industrialization.</p>
The lost decade and the Washington Consensus	<p>Bértola and Ocampo: Chapter 5, Turning Back to the Market <i>Sections:</i> Introduction; The Debt Crisis and the “Lost Decade”</p> <p>Group 1 I. Goldfajn, L. Martínez, and R. O. Valdés, Washington Consensus in Latin America: From Raw Model to Straw Man, IEP, Summer 2021. <i>Sections:</i> Introduction; What was adopted? The reality of the Washington Consensus in Latin America.</p>
	<p>John Williamson, The Washington Consensus as Policy Prescription for Development, PIIE, 2004.</p> <p>Dani Rodrik, Goodbye Washington Consensus, Hello Washington Confusion? JEL, 2006.</p>
Growth with equity and the commodity boom	<p>IMF, How the Commodity Boom Helped Tackle Poverty and Inequality in Latin America, Blog, 2018.</p> <p>Group 2: Ocampo, J. A. The Macroeconomics of the Latin American Economic Boom, CEPAL Review, 0(93), December 2007, pp. 7-28. <i>Sections:</i> I. Introduction; II. The current situation and the international context; V. Conclusions.</p>
	<p>Nora Lustig and Luis F. López-Calva. “The Decline in Inequality in Latin America: The Role of Markets and the State,” LASA Forum, XLIII, Issue 3, Summer 2012.</p> <p>Indigenous Latin America in the Twenty-First Century, VIDEO.</p>
	<p>COVID-19 in Latin America: The effects of an unprecedented crisis on employment and income</p>

The impacts of COVID-19	<p>Why Latin America's economy has been so badly hurt by covid-19, The Economist, May 15, 2021</p> <p>Matias Brum, Mauricio De Rosa; Too little but not too late: nowcasting poverty and cash transfers' incidence during COVID-19's crisis, World Development, Volume 140, 2021.</p> <p>Latin America: Preventing a Second Lost Decade, Center for Global Development, VIDEO.</p>
Institutions, persistence, and economic development	<p>Dell, M. The Persistent Effects of Peru's Mining Mita, Econometrica, 78, No. 6 (November 2010), 1863–1903.</p> <p><i>Sections:</i> Abstract, 1. Introduction; 3.3 Estimation Results (up to figure 2, page 19 of the pdf); 5. Concluding Remarks.</p> <p>"Persistence and Transformation in Economic Development." Melissa Dell Calvo Prize 2018 Lecture. VIDEO.</p>
	<p>Engerman, S. & K. Sokoloff, Institutions, Factor Endowments, and Paths of Development in the New World, JEP, 2000</p> <p>Group 3: The Role of Institutions in the Persistence of Inequality.</p>
	<p>Van Patten, D., and Méndez-Chacón, E., "Multinationals, Monopsony and Local Development: Evidence from the United Fruit Company." VIDEO Working Paper, 2021.</p>
Natural resources and the environment	<p>Anna Wellenstein and Martien Van Nieuwkoop: How to ensure a sustainable future for agriculture in Latin America and the Caribbean, VOX LACEA blog, 2021.</p>
	<p>Mauricio Cardenas, Climate Change and Policy in Latin America, ILAS podcast, 2021</p>
Regional integration	<p>Better Neighbors (Overview), Bown C., Lederman D., Pienknagura S., and Robertson R, (2016).</p> <p><i>Sections:</i> Pages 1 to 11</p> <p>Group 4: Pages 11 to 20.</p>
	<p>The Oxford Handbook of Comparative Regionalism, Chapter 8, 2016</p> <p>ECLAC's contributions to Central America's integration, video, 2020</p>
	<p>José de Gregorio, Inflation Targets in Latin America, PIIE, 2019</p>
Inflation and monetary policy	<p>Fiscal Policy in Latin America and the Caribbean in a Historical Perspective, World Bank, 2017.</p> <p>Michael Gavin and Roberto Perotti, Fiscal Policy in Latin America, NBER, 1997</p>
	<p>IMF Advice on Capital Flows to Latin America, Background Paper 6, 2020</p> <p><i>Section:</i> I. Introduction, A. Background, B. Policy Responses to Capital Flow Volatility</p> <p>Group 5: Section III. BRAZIL</p>
Capital flow volatility	<p>Managing capital flows to emerging markets, Bilge Erten, Anton Korinek, José Antonio Ocampo, VOX-EU, 11 August 2020</p>
Education	<p>Santiago Levy and Norbert Schady, Latin America's Social Policy Challenge: Education, Social Insurance and Redistribution, JEP, 2013.</p> <p><i>Sections:</i> Introduction, Schooling, Conclusions.</p>
	<p>Remote Learning Creates Increased Inequality for Latin American Boys and Girls, Equity for Children blog, 2020.</p>

Migration	Michael Clemens, Violence, Development, and Migration Waves: Evidence from Central American Child Migrant Apprehensions, CGD Working Paper 459 July 2017. <i>Sections:</i> Abstract; Introduction; Setting; Discussion.
	Group 6: Data; The effect of violence on UAC apprehension rates (until 4.2).
	IPC-IG, UNICEF and WFP, Social protection and Venezuelan migration, Research Report No. 58, 2021
Inequality	Francisco Ferreira and Marta Schoch, Inequality and social unrest in Latin America, WB blog, 2020
	Tackling Brazil's Income Inequality, The Borgen Project, 2016
Poverty	Battiston et al, Income and Beyond: Multidimensional Poverty in Six Latin American Countries, Social Indicators Research, 2013 <i>Sections:</i> Abstract; 1. Introduction; 2. Datasets, Dimensions, Poverty Lines and Weights; 4. Concluding Remarks.
	Group 7: 3. Empirical Results; 3.1. Deprivation rates by indicator; 3.2. Multidimensional poverty: The multidimensional H and M0.
	Susan W. Parker and Petra E. Todd, Conditional Cash Transfers: The Case of Progresa/Oportunidades, JEL 2017.
	Marco Stampini and Leopoldo Tornarolli; The growth of conditional cash transfers in Latin America and the Caribbean: did they go too far? IDB, 2012
Development perspectives	Bértola and Ocampo: Chapter 6
	Amir Lebdioui, The case for a green recovery in post-COVID Latin America, LSE blog, 2020
	A Post COVID-19 Fiscal Strategy for Latin America and the Caribbean, IBD 2021

Other resources	
Latin American and Caribbean Economic Association (LACEA)	http://www.lacea.org/portal/
LACEA Journal - Economia	http://economia.lacea.org/
LACEA Blog - Vox Lacea	http://vox.lacea.org/
COVID-19 Observatory in Latin America and the Caribbean	https://www.cepal.org/en/topics/covid-19
SEDLAC - Socio-Economic Database for Latin America and The Caribbean	https://www.cedlas.econo.unlp.edu.ar/wp/en/estadisticas/sedlac/
Economic Commission for Latin America and the Caribbean	https://www.cepal.org/en
CEPALSTAT	https://estadisticas.cepal.org/cepalstat/Portada.html?idioma=english
CEPALSTAT - country profiles	https://estadisticas.cepal.org/cepalstat/perfilesNacionales.html?idioma=english
Montevideo-Oxford Latin American Economic History DataBase, 'MOxLAD'.	http://moxlad.cienciassociales.edu.uy/en

Evaluation and Grading

Course average will be computed using the following criteria:

Class Element	Grade Percentage
In-class participation	10%
Review questions	10%
Group presentations	15%
Quizzes	20%
Midterm Exam	20%
Final Project	25%

Grades based on the course averages will be assigned as follows:

Letter grade	Percentage
A+	98-100
A	93-97
A-	90-92
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D+	67-69
D	63-66
D-	60-62
E	Below 60

Important Policies and Resources

Academic Integrity

Every member of the University community is expected to maintain the highest standards of academic integrity. A student shall not submit work that is falsified or is not the result of the student's own effort. Infringement of academic integrity by a student subject that student to serious penalties, which may include failure on the assignment, failure in the course, suspension from the University or other sanctions. Please consult [Brandeis University Rights and Responsibilities](#) for all policies and procedures related to academic integrity. Students may be required to submit work via

TurnItIn.com or similar software to verify originality. A student who is in doubt regarding standards of academic integrity as they apply to a specific course or assignment should consult the faculty member responsible for that course or assignment before submitting the work. Allegations of alleged academic dishonesty will be forwarded to the Department of Student Rights and Community Standards. Citation and research assistance can be found at [Brandeis Library Guides - Citing Sources](#).

As a college student, it is your responsibility to maintain the highest standards of academic integrity. Representing work generated by artificial intelligence as one's own work is considered to be academically dishonest. This includes (a) ensuring that all work submitted for grades is your own original work, and (b) properly citing any sources that you use.

Classroom Health and Safety

- Register for the [Brandeis Emergency Notification System](#). Students who receive an emergency notification while attending class should notify their instructor immediately. In the case of a life-threatening emergency, call 911. As a precaution, review [this active shooter information sheet](#).
- Brandeis provides [this shuttle service](#) for traveling across campus or to downtown Waltham, Cambridge, and Boston.

On the Brandeis campus, all students, faculty, staff, and guests are required to observe the university's policies on physical distancing and mask-wearing to support the health and safety of all classroom participants. Review up-to-date [COVID-related health and safety policies](#) regularly.

Course Materials/Books/Apps/Equipment

If you are having difficulty purchasing course materials, please make an appointment with your Student Financial Services or Academic Services advisor to discuss possible funding options, including vouchers for purchases made at the Brandeis Bookstore.

LATTE

[LATTE](#) is the Brandeis learning management system. Log in using your UNET ID and password. For LATTE help, contact Library@brandeis.edu.

Library

[The Brandeis Library](#) collections and staff offer resources and services to support Brandeis students, faculty and staff. Librarians and Specialists from Research & Instructional Services, Public Services, Archives & Special Collections, Sound & Image Media Studios, MakerLab, AutomationLab, and Digital Scholarship Lab are available to help you through consultations and workshops.

Privacy

To protect your privacy in any case where this course involves online student work outside of Brandeis password-protected spaces, you may choose to use a pseudonym/alias. You must share the pseudonym/ alias with me, and any teaching assistants as needed. Alternatively, with prior consultation, you may submit such work directly to me.

Student Support

Brandeis University is committed to supporting all our students so they can thrive. If a student, faculty, or staff member wants to learn more about support resources, the [Support at Brandeis](#) webpage offers a comprehensive list that includes these staff colleagues you can consult, along with other support resources:



- The [Care Team](#)
- [Academic Services](#) (undergraduate)
- [Graduate Student Affairs](#)
- Directors of Graduate Studies in each department, School of Arts & Sciences
- Program Administrators for the Heller School and International Business School
- [University Ombuds](#)
- [Office of Equal Opportunity](#).