

Naval Postgraduate School  
National Security Affairs  
Political Economy of Latin America

Dr. Robert Looney  
Winter Term 2016  
NS4540

Office Hours, MW 8:30-9:45, 12:00-12:30  
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Class webpage <http://relooney.com>

## COURSE OUTLINE

### Course Theme:

The Political Economy of Latin America examines various aspects of economic growth and development in the region. The focus of the class will be on the causes of the recent economic slow-down in the region and strategies for revival

Class Objectives: Gain a better understanding of the conditions and prospects of the region's economies, and the challenges they face, both internally and in a changing global environment.

### Supplemental Texts:

Javier Reyes and Charles Sawyer, Latin American Economic Development, second edition (London: Routledge, 2015). (Copy on Sakai)

Robert Looney ed., Handbook of Emerging Economies (London: Routledge, 2014). (Copy on Sakai) – chapters on Brazil, Argentina, Chile, Mexico, and Colombia.

Kemal Dervis ed., Think Tank 20: Growth Convergence and Income Distribution: the Road from the Brisbane G-20 Summit, (Washington: Brookings Institution, 2014) – links on class web-page.

Leszek Balcerowicz and Andrej Rzonca eds, Puzzles of Economic Growth (Washington: World Bank, 2015) Case studies Costa Rica and Puerto Rico, Mexico and Spain, Haiti and the Dominican Republic, and Chile and Venezuela. (Copy on Sakai)

### Assignments

The readings for each topic are on the class website. For each class, please check the class website under "readings for next class" for additional papers for discussion. All the papers and references that we will need for the course can be found on the website. I will indicate which readings can only be found on Sakai

### Lectures

Introduction/Course Overview (January 4/6).

Overview

Main Trends

Convergence Patterns

Ernesto Talvi, Latin America's Decade of Development-Less Growth, in Think Tank 20

Long-Run Mechanisms of Growth (January 11/13).

Classical Economists, Smith  
Marxian Economics, Marx  
Austrian Approach, Schumpeter  
Modern Approaches, Neo-Classical, Convergence

Economic Data, Patterns of Development/Measures of Growth (January 19)

Sources of Data on Latin American Economies  
Data Problems  
World Bank, Governance Indices  
World Economic Forum, Competitiveness Index  
Legatum Institute, Prosperity Index  
Heritage Foundation, Index of Economic Freedom  
UN Human Development Report  
Milken Capital Access  
EIU Food Security Index

General Theories of Development (January 20, 25).

Development Strategies (Website readings)  
Dualistic Models (Website readings)  
Stage Theories (Website readings)  
Growth Commission Report (Website readings)  
Case Studies: Sources of Growth (Website readings)

Key Issues in Latin American Development (January 27, February 1, 3, 8)

Structuralism vs. Neoliberalism  
Industrialization – Import substitution  
Structural Reforms  
Poverty/Inequality  
Commodities vs Manufacturing  
Washington Consensus  
Middle Income Trap  
Macroeconomic Stability: Monetary/Fiscal Policies  
China in Latin America

Mexico and the Caribbean (February 10, 17)

Guillermo Ortiz, Mexico: The Challenges to Achieving Sustainable Growth in Latin America in Think Tank 20  
Francisco E. Gonzalez, Mexico: Emerging Economy Kept on a leash by Mismatched Monopolies, Chapter 15 in Handbook of Emerging Economies

Central America (February 22, 24)

Case studies Costa Rica/Puerto Rico

South America Atlantic (February 29 March 2),

Miguel Kiguel, Argentina: A Case of Reverse Convergence, in Think Tank 20  
Claudio Frischtak, Brazil: Demography, technology, and All Other Things  
Considered in Think Tank 20  
Albert Fishlow, Brazil, Chapter 3 in Handbook of Emerging Economies  
Domingo Cavallo, Argentina's Present and its Intriguing Economic History, Chapter  
17 in Handbook of Emerging Economies

South America Interior (March 7)

South America Pacific (March 9, 14)

Patricio Nava, The Original Sin in Chile's Successful History of Development,  
Chapter 12 in Handbook of Emerging Economies

Course Grade

- (1) Class participation 25%
- (2) Project, Class Presentation 75% (18-20 page research project and  
class presentation (15-20 minutes) – can be done individually or  
in small groups.