

Economics 323: Economic Restructuring in Latin America

Macalester College
Department of Economics
Fall 2007
MWF 3:30-4:30p.m.

Professor Raymond Robertson

Carnegie Hall 310C
Office Hours: Monday 9 a.m. -11:50 a.m. and by appt.
Office Phone: 696-6739
email: robertson@macalester.edu

Course Description: This course studies Latin America's economic development. The goal of the course is to understand the economic antecedents to recent reforms as well as the resulting impact of these reforms on workers, growth, and living standards. The course also addresses other major economic topics relevant to Latin America.

Course Text: The Puzzle of Latin American Economic Development Franko, Pratico and Latin America's Political Economy of the Possible Santiso, Javier. Other articles will supplement the text and will be distributed in class.

Grading: There are three (3) exams, one (1) quiz, five (5) homeworks, and one (1) paper. **Each homework/quiz** is worth **3%** of your total grade (18% for all five homeworks and the quiz). The **first exam** is worth **18%**. The **second exam** is worth **21%** and the **third exam** is worth **24%**. Note that the **third exam** is the final exam. The third exam (the final) is cumulative. The **paper** is worth **19%**.

All five homeworks are posted on the course web page at <http://www.macalester.edu/courses/econ323/> and on Moodle. Homeworks are due at the beginning of the class period on the day indicated on this syllabus. Homeworks turned in after the beginning of the class on the due day lose two percent per hour late, regardless of why the homework may be late. Solutions are not posted until two days (48 hours) after the due time. You may, and should, work with other students in this class, but you may NOT submit a copy of another student's homework and expect to get credit. You must write up your own answers.

Paper: You are to examine an economic issue of your choice relevant for Latin America. Each student must research, write, and submit his/her own paper. The paper should include a thorough review of the literature relevant for your issue, a statistical summary of the relevant economic variables. The paper should be no longer than 18 pages, including tables, charts, maps, and other such figures. The body of text should have no less than 2500 words. Papers must have 1-inch margins, font size 11 pt or 12 pt, and be double-spaced. All style rules apply (spelling, page numbers, grammar, etc.). Papers are due on the last day of class. **PAPERS THAT DO NOT STRICTLY ADHERE TO THESE STYLE GUIDELINES WILL NOT BE ACCEPTED. NO LATE PAPERS WILL BE ACCEPTED FOR ANY REASON,** including hardware and software malfunction. Plan accordingly; account for the probability of equipment failure.

Cheating: Don't even THINK of cheating in this class. If you feel the need to cheat, come see me in advance and I will try to find other ways to help you succeed in this class. If I catch you cheating, I will give you a very mean look. If I can prove you are cheating (which is almost always very very easy), you will receive an "F" for the class and I will devote considerable amounts of time to get you removed from Macalester. Even if you do not get expelled, I can promise you months and months of misery. Just say NO.

Holidays and Missed Exams: The class itinerary is included with this syllabus. Please check it now for any conflicting religious holidays. If you have a conflict, you must see me at least one week in advance to get an excused absence. The ONLY other legitimate excuse for a missed exam is a verifiable medical emergency. No make-up exams will be given that are not scheduled at least one week before the scheduled exam time. In the event of an excused missed exam, the average of the other two exams will serve as the grade of the missed exam.

Tips for Success: People who miss class get lower grades because I make exams from my lectures and not the reading materials. Therefore, it is an excellent idea to never miss class. Homeworks are generally long, and therefore starting early and working on a section each day will prevent cramming pains and will also help you prepare for class. Readings are all listed and should be read BEFORE class. Read actively and write down questions. Visit me to make sure you are clear on ideas presented in class. Check your email at least twice each week.

Compliance with Section 504 of the Rehabilitation Act of 1973: Students who may need special consideration because of any sort of disability should make an appointment to see me. Please anticipate problems and talk to me well in advance of exams.

Date	Topic	Reading	Events
5-Sep Wed	Introduction/Principles Review		
7-Sep Fri	Development Discussion	F1	
10-Sep Mon	Overview: Economic Landscape	F1	MAP QUIZ
12-Sep Wed	Historical Roots	F2,S1	
14-Sep Fri	Import Substitution Industrialization	F3	Topic Due
17-Sep Mon	Import Substitution Industrialization	Hirshman	
19-Sep Wed	Import Substitution Industrialization	Bruton	HW1
21-Sep Fri	Comparison with Asia	Page	
24-Sep Mon	Debt Crisis	F4	Lit Review
26-Sep Wed	Inflation	F5	
28-Sep Fri	Inflation	Paldam	HW2
1-Oct Mon	Role of the State	F6	
3-Oct Wed	Review		
5-Oct Fri	Exam 1		EXAM 1
8-Oct Mon	Foreign Capital	F7	
10-Oct Wed	Maquiladoras	R1	
12-Oct Fri	Trade Liberalization	F8	Theory
15-Oct Mon	Trade and Wages	Wood	
17-Oct Wed	Trade and Wages II	R2	
19-Oct Fri	Trade and Working Conditions	R3	HW3
22-Oct Mon	Informal Sector	Maloney	Sum Stat
24-Oct Wed	Poverty and Inequality	F11	
26-Oct Fri	FALL BREAK!!!		
29-Oct Mon	Microcredit Markets	B&B	
31-Oct Wed	Immigration	Clark, Lowenstein	HW4
2-Nov Fri	Immigration	R4	
5-Nov Mon	Review		
7-Nov Wed	Exam 2		EXAM 2
9-Nov Fri	Infrastructure	F9	
12-Nov Mon	Agrarian Reform	F10	
14-Nov Wed	Health Policy	F12	
16-Nov Fri	Education Policy	F13	
19-Nov Mon	Environmental Challenges	F14	
21-Nov Wed	Fiscal Pacts	IDEA1	HW5
23-Nov Fri	THANKSGIVING BREAK!!!		
26-Nov Mon	Chile	S4	Draft
28-Nov Wed	Brazil	S5	
30-Nov Fri	Mexico	S6	
3-Dec Mon	Argentina & Venezuela	S7-S9	Comments
5-Dec Wed	Review		
7-Dec Fri	Exam 3		EXAM 3
10-Dec Mon	Presentations		
12-Dec Wed	Presentations		
14-Dec Fri	Presentations		PAPER DUE

Detailed List of Readings

Purchased Texts

- F* Franko, Chapter * (entire chapter)
S* Santiso, Chapter * (entire chapter)

Additional Readings

- Hirschman Hirschman, Albert O. "The Political Economy of Import-Substituting Industrialization in Latin America" Quarterly Journal of Economics Vol. 82, No. 1 (February 1968), pp. 1-32.
- Bruton Bruton, Henry J. "A Reconsideration of Import Substitution" Journal of Economic Literature Vol. 36 (June 1998), pp. 903-36.
- Paldam Paldam, Martin "Inflation and Political Instability in Eight Latin American Countries 1946-83" Public Choice Vol. 52 No. 2 (1987), pp. 143-68.
- Maloney Maloney, William F "Informality Revisited" World Development, Vol. 32, No. 7 (July 2004), pp. 1159-78.
- Clark Clark, Ximena; Hatton, Timothy J; Williamson, Jeffrey G. What Explains Emigration Out of Latin America? World Development, Vol. 32, No. 11 (November 2004), pp. 1871-90.
- Wood Wood, Adrian "Openness and Wage Inequality in Developing Countries: the Latin American Challenge to East Asian Conventional Wisdom" World Bank Economic Review Vol. 111 (1997), pp. 33-57.
- Page Page, John "The East Asian Miracle and the Latin American Consensus: Can the Twain Ever Meet?" in Birdsall, Nancy and Jaspersen, Frederick (eds.) Pathways to Growth: Comparing East Asia and Latin America InterAmerican Development Bank, Johns Hopkins University Press, Washington, D.C. 1997, pp. 13-49.
- R1 PRISSA Production Sharing with the State of Sonora, Mexico Handbook, Promotora de Industrias de Sonora, S.A. de V.C., Hermosillo, Mexico (April 1989).
- R2 Robertson, Raymond "Trade and Wages: Two Puzzles from Mexico" The World Economy (2007), pp. 1378-1398.
- R3 Marcouillier, Douglas, and Robertson, Raymond "Globalization and Working Conditions: A Case Study of Honduras", mimeo.
- B&B Barboza, Gustavo and Barreto, Humberto "Learning by Association: Micro Credit in Chiapas, Mexico" Contemporary Economic Policy Vol. 24, No. 2 (April 2006), pp. 316-331.
- Lowenstein Lowenstein, Roger "The Immigration Equation" The New York Times July 9, 2006.
- R4 Robertson, Raymond "Has NAFTA Increased Labor Market Integration between the United States and Mexico?" The World Bank Economic Review, Vol. 19 (2005), pp. 425-448.
- IDEA1 Inter-American Development Bank Research Department "Fiscal Pacts in Latin America" IDEA: Ideas for Development in the Americas Vol. 12 (January-April 2007), pp. 1-7.