

Economics 304: Latin American Political Economy
(Course creation paperwork pending)

Dr. Richards
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Office: Holmstedt Hall 279
Phone: 237- 2179
Email: Donald.Richards@indstate.edu

Introduction:

The purpose of this course is to give students an introduction to the political economy of Latin America. The emphasis is on *political* economy based on the belief that an adequate understanding of the complex reality of the region cannot be grasped by the application of economic principles and models alone. In truth, a thorough understanding of the region would require that we study it along many dimensions including its history, geography, culture, and sociology besides its economics and politics. As this would be impractical, we confined ourselves to political economy as a kind of imperfect compromise. At times however we shall step outside of even this broadened perspective as it suits our immediate needs.

Students will also be graded on the basis of 3 exams and a term paper assignment of 3,000 words. The final draft of the term paper will be submitted via Blackboard's "Turnitin" software.

Required books:

Latin American Economic Development by Javier A. Reyes and Charles Sawyer. Routledge 2011

The Political Economy of Latin America by Peter Kingstone. Routledge 2011. Readings in this book will be indicated below with (K).

Course Outline, Reading, and Writing Assignments.

<u>Topic</u>	<u>Textbook reading</u>
Introduction	1
Economic Growth and Latin America	2
Latin American history	4
Latin American politics	1 (K)

Exam I

Primary commodities and agriculture	5
Import substitution and Industrialization	6, 2 (K)
Trade policy	7

Exam II

Macroeconomic policy	10
Exchange rate policy	8
Deficits and debt	9
Instability and inflation	11, 3 (K)

Exam III

Poverty and inequality	12
The environment	3
Social movements	4 (K)
Development and Institutions	5 (K)

Exam IV

Grading: 4 Exams @ 15% per exam = 60% *
 Term paper assignment= 30% **
 First draft = 15%
 Second draft =15%
 Class participation= 10%***

* Exams are short answer and essay-type. No make-up exams are given in this course. Any student missing a grade on exams I, II, or III will face a comprehensive final exam over the entire course material. Any student missing grades for more than one mid-term exam will receive grades of zero for additional missed exams.

** See below for details on this assignment.

*** Class participation will consider attendance as well as the frequency and quality of contributions to class discussion. Class participation may also be evaluated on the basis of occasional (unannounced)

short quizzes over the previous meetings' lecture material. Oral class participation will also be considered. Students are encouraged to express their ideas and opinions in class and will receive a respectful hearing by all members of the class. [When the class is taught on-line "class participation" will be evaluated via the use of discussion board participation.]

Class Rules

1. Respect my right to teach and the rights of those who are here to learn.
2. Turn off all electronic devices, including computers, when you enter class.
3. Only calculators are permitted during exams. No other electronic device, including cell phones, may be used.

Foundational Studies

This course serves as a Social and Behavioral Sciences Foundational Studies 2010 course (and remains a GE2000 SBS F:E course) and as such must meet certain objectives. For the Social and Behavioral Sciences (SBSLO) they are:

1. Describe how individual choices and/or evolving social institutions affect human decision-making;
2. Utilize discipline specific methodologies to predict an individual or social outcome;
3. Connect discipline-specific content and methodology to contemporary social issues; and
4. Explain how the specific discipline informs and contributes to other disciplines.

Because this course is part of the larger Foundational Studies Program, it is important to place its goals within the context of the program's goals. By the conclusion of your Foundational Studies Program at ISU, you will be able to (FSLO)

1. Locate, critically read, and evaluate information to solve problems;
2. Critically evaluate the ideas of others;
3. Apply knowledge and skills within and across the fundamental ways of knowing (natural sciences, social and behavioral sciences, arts and humanities, mathematics and history);
4. Demonstrate an appreciation of human expression through literature and fine and performing arts;
5. Demonstrate the skills for effective citizenship and stewardship;
6. Demonstrate an understanding of diverse cultures within and across societies;
7. Demonstrate the skills to place their current and local experience in a global, cultural, and historical context;
8. Demonstrate an understanding of the ethical implications of decisions and actions
9. Apply principles of physical and emotional health to wellness;
10. Express (yourself) effectively, professionally, and persuasively both orally and in writing.

The program is also designed to build skills for applied learning. These Skill and Applied Learning Objectives (S&ALO) require that the course contribute to

1. Developing critical thinking skills
2. Developing information literacy skills
3. Developing your writing skills (by including a graded writing component)

This course fulfils the above-described Foundational Studies objectives in the following ways. (Particular objectives served are indicated in parentheses and bold.) As a result of your successful negotiation of this course you will:

1. Interpret quantitative measures of economic progress and social welfare as they apply to Latin America, **(FSLO #1, #6; S&ALO #2)**.
2. Understand the usefulness of modern theories of economic growth to both illuminate and obscure the Latin American reality, **(SBSLO #1.)**
3. Understand how Latin America's historical experience conditioned its institutions and created a subsequent path dependency for its development, **(FSLO #3, #6.)**
4. Understand the constraints that Latin America's political institutions have placed on its economic development **(SBSLO #4.)**
5. Analyze the roles played by primary commodity production and secondary, manufacturing in fomenting and retarding economic growth and development **(SBSLO #3.)**
6. Use partial equilibrium and macroeconomic models to analyze the impacts of various policy instruments (e.g. fiscal, monetary, exchange rate, tariffs) to achieve economic objectives **(SBSLO #1, #2, #3; FSLO #5; S&ALO #1.)**
7. Appreciate how the use of particular policy approaches resulted in economic instability including budget imbalances, debt and inflation **(SBSLO #2; FSLO #5.)**
8. Collect and interpret data on Latin American poverty and income inequality **(SBSLO #3; FSLO #8; S&ALO #2.)**
9. Understand the consequences of recent neo-liberalization for the region's natural environment **(SBSLO #4; FSLO #3; S&ALO #1.)**
10. Analyze the response of Latin America's marginalized sectors to the challenges of global production and distribution **(SBSLO #1; FSLO #3, #6; S&ALO #1.)**
11. Arrive at conclusions regarding the importance of institutions and their role in conditioning the functioning of market resource allocation **(SBSLO #2, #3, #4; FSLO #1, #2, #3,#7; S&ALO #1)**
12. Write essays and papers that engage multiple learning skills and resources to analyze political economic process and outcomes in the Latin American context **(SBSLO #2, #3; FSLO #1, #2; S&ALO #1, #2, #3)**

Term paper

You will write a 3,000 word, double-spaced term paper on a topic of our mutual agreement. (I will provide a list of acceptable ideas for term papers.) The paper will be prepared and evaluated in stages. That is, you will prepare a first draft of your paper that will be evaluated and returned with a grade. The second draft will be graded, though not returned unless you specifically come by my office to retrieve it. Both the first and final drafts of your paper will be evaluated on the basis of both the content and the quality of the writing.

First draft

The first draft of your paper will contain most of the elements of the final draft. These include: (1) introduction and statement of research issue or problem; (2) brief review of existing literature on this issue or problem; (3) main arguments and discussion with supporting evidence; (4) conclusion.

Your paper will be supported by no fewer than five scholarly sources which will be provided to me along with your research topic prior to the submission of your first draft. (I will provide a list of journals that are good sources of Latin American scholarship.) You will be expected to make hard copies of all the scholarly sources (e.g. journal articles) and provide them to me upon request. You may make additions or deletions to your list of sources as long as you confirm these changes with me. The assigned textbook chapters do not count as scholarly sources though you are free to cite them as well.

You are strongly encouraged to make use of the University Writing Center to get help with your writing. Even a first draft should be written with care. Spelling and basic usage mistakes will count against you. Do not depend on "spell check" to catch your errors. Proofread your work and use a dictionary when in doubt.

The first draft of your paper will be submitted in class on the required due date (see below) in hardcopy form on 8 ½ by 11 paper stapled in the upper left hand corner. No report covers please. Graded first drafts will be returned within a week. You should retain a copy of your first draft. If I should lose your paper I expect you provide a replacement copy upon request.

Second (final) draft

Your paper will start with a title page that will include

Your Name
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followed by the title of the paper center justified in the middle of the title page.

The second draft of your paper will include a references page at the end. References will be arranged in the following style for a journal article:

Last name, First name. Year. "Title of article," *Title of Journal*, vol. number, issue number(Month or Season):page numbers.

For a book:

Last name, First name. Year. *Title of Book*. City of Publication: Publisher's Name.

Internet sources that are not electronic versions of scholarly papers are not permissible. You are allowed to use internet sources to provide quantitative or qualitative data in support of your argument as long as the source is a recognized authoritative source for such data such as a national or international agency that routinely collects and disseminates such data. (We will discuss in class some widely used sources for data on Latin American economic, political and social indicators.) In the case that you use such sources, you will provide in your references section the title of the source, the exact web address and the date you accessed the site.

For the purposes of this assignment lecture material will be considered in "the public domain" and will require neither citation nor attribution.

References to cited works in the main body of your paper will be made in the following way: (Last name, year of work cited, page number.)

References will be collected and arranged alphabetically in a concluding section of your paper entitled "References."

The final draft of your paper will be submitted electronically via the Turnitin software (instructions to follow).

A note on academic integrity with a special emphasis on plagiarism.

I follow the university policy on academic integrity. A portion of this policy reads as follows:

All students are expected to maintain professional behavior which includes the highest standard of integrity and honesty...Academic dishonesty, plagiarism, cheating, and fraud are bases for penalty. Academic dishonesty is a serious academic offense that is not acceptable at Indiana State University.

Students found in violation of this university policy will receive a failing grade for the course and, in especially egregious circumstances, dismissal from the university. You should consult the Undergraduate Catalog for additional detail on the policy defining academic integrity.

Plagiarism

Plagiarism is the appropriation and use of someone else's words and/or ideas without proper attribution. That is, it is using someone else's words and/or ideas as if they are original with oneself when one knows better. Plagiarism can be, and often is with inexperienced writers, unintentional. That is, sometimes students record a sentence, a phrase, or an idea and then forget that the idea s/he has recorded came from some other source. They then unintentionally "pass off" the sentence, phrase, idea as their own when they should have acknowledged the true source of the idea with quotation marks, or an indented paragraph, and a corresponding reference. For this reason it is highly recommended that when you read a source, you take notes. Your note taking should include the full reference information of the source you are reading. When you record something verbatim from a source, indicate clearly with quote marks, parentheses, or brackets, the source's material. Also include the page number(s) of the material. In this way you will not confuse another author's ideas with your own. Incidentally, even paraphrased ideas should be properly attributed and referenced. You don't get around plagiarism merely by changing a few words.

The Turnitin software will identify plagiarism. If you are caught plagiarizing, unintentionally or not, the consequences described above will follow.

Due dates for term paper assignment.

Topic and five sources due Tuesday, September 13.

First draft due Tuesday, November 9.

Second (final) draft due Tuesday, November 30.

Late submissions of any work will be taxed at a rate of one-half letter grade for every day late. That is for example, if a first draft of a paper is graded as B, but is turned in a day late, it receives a B- grade. If it is turned in two days late it receives C+, etc.

"The Sycamore Standard"
Indiana State University

Students at Indiana State University are expected to accept certain personal responsibilities that constitute the "standard" for behavior in a community of scholars.

As a student at Indiana State University:

I will practice personal and academic integrity; I will commit my energies to the pursuit of truth, learning, and scholarship; I will foster an environment conducive to the personal and academic accomplishment of all students; I will avoid activities that promote bigotry or intolerance; I will choose associations and define my relationships with others based on respect for individual rights and human dignity; I will conduct my life as a student in a manner that brings honor to me and to the University Community; I will discourage actions or behaviors by others that are contrary to these standards.

Adopted by the Indiana State University Student Government Association April 17, 2002

Policy on Academic Integrity

"Indiana State University requires that all students read and support the **Policy on Academic Integrity**. Academic Integrity is a core value of our community of learners. Every member of the academic community (students, faculty, and staff) is expected to maintain high standards of integrity in all facets of work and study. The **Policy on Academic Integrity** describes appropriate academic conduct in research, writing, assessment, and ethics. The policy is found in the **Code of Student Conduct** and on the web at www.indstate.edu/sjp/."

<http://www.indstate.edu/academicintegrity/studentguide.pdf>

AMERICAN WITH DISABILITIES ACT STATEMENT

"Indiana State University seeks to provide effective services and accommodation for qualified individuals with documented disabilities. If you need an accommodation because of a documented disability, you are required to register with Disability Support Services at the beginning of the semester. Contact the Director of Student Support Services. The telephone number is 237-2301 and the office is located in Gillum Hall, Room 202A. The Director will ensure that you receive all the additional help that Indiana State offers.

If you will require assistance during an emergency evacuation, notify your instructor immediately. Look for evacuation procedures posted in your classrooms."

Laptop Usage

While there will be no assignments or examinations for which the laptop will be used (in class), your use of a laptop is generally permitted as long as such usage remains within the bounds of the Code of Student Conduct and it conforms to the provisions of its use as laid out in this syllabus. There may be occasions where laptop usage is forbidden and if that occurs, failure to comply with this direction will be viewed as a violation of the Code of Student Conduct.

Academic Freedom

Teachers are entitled to freedom in the classroom in discussing their subject, but they should be careful not to introduce into their teaching controversial matter which has no relation to their subject.

The preceding comes from the American Association of University Professors statement on academic freedom. Though the entire statement¹ speaks to many issues, it is this portion on the conduct of the course that is most relevant. For the purpose of Foundational Studies courses this means that faculty have the right to conduct their class in a fashion they deem appropriate as long as the material presented meets the learning objectives laid out by the entire faculty.

¹ <http://www.aaup.org/AAUP/pubsres/policydocs/contents/1940statement.htm>

Notes on Specific Concerns

Latin American Political Economy: Foundational Studies Objectives

SBSLO #4 Explain how the specific discipline informs and contributes to other disciplines.

This course in Latin American political economy is an authentically inter-disciplinary undertaking that incorporates insights from economics, political science, sociology and history in a fundamental way. In the first quarter of the course an effort is made to situate the region's key institutions; e.g. law, customs, mental models; in the context of its colonial and post-colonial experience. Emphasis is placed on the important role played by the region's Iberian roots and how these helped shape its early institutions including its tendency to both a highly contentious political culture as well as, in some cases, a marked tendency for political corporatism. In this part of the course there is abundant discussion of such notions as "modernization," "dependency," and "populism": concepts that are not part of the standard economics discourse, but whose meaning are important for an understanding of the development path taken by the region in the 19th and 20th centuries.

An equal emphasis is placed on how standard economic concepts such as comparative advantage, import substitution, economies of scale, and terms of trade help us understand Latin America's economic growth experience and, in turn, how this experience has helped re-shape its political and social institutions. Much attention is paid to the region's so-called "lost decade" in the 1980s and also the meaning of various economic reform attempts in the 1990s and beyond. Attention is paid to the institutional pre-conditions for reform. The consequences of reforms are considered not just in terms of aggregate economic performance, (e.g. inflation, employment, budget balance, trade balance, etc.) however. Consideration is also given to what reforms have meant for social improvement, income distribution, poverty reduction, and the environment. Consideration is given as well to the political responses that economic reforms have engendered, including those related to "new social movements." Throughout there is a strong emphasis on the theme of institution construction and how institutions act to propel and/or impede economic and social development. Frequent comparisons in this sense are made to the experience of East Asia.

S&ALO #2: Developing information literacy skills.

Students will be introduced to the major sources of economic and social indicators early in the course particularly as they relate to the region's record on economic development and growth. These sources include *United Nations Statistical Yearbook*, *Statistical Yearbook for Latin America and the Caribbean*, *International Monetary Fund Statistical Yearbook*, and the *Latin American Data Archive*. Class time will be used to explain construction and interpretation of some key quantitative measures such as price index, purchasing power parity index, gini ratio, human development indicator index and others. Class time will also be used to take a brief "virtual tour" of key on-line data bases and students will be provided with a list of useful data sources and a bibliography of prominent periodicals relevant to Latin American Political Economy. Much of this material and early review will be preparatory to student work on their term paper projects as described in the course syllabus and outline. In preparing their projects students will be required to consult the University Writing Center prior to submitting their first drafts and strongly encouraged to consult with the reference librarians for information on their paper topics.