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Diplomacy Syllabi

School of Diplomacy and International
Relations

Fall 2018

Political Economy of Latin America and the Caribbean

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DIPL 6806: Political Economy of Latin America and the Caribbean
School of Diplomacy and International Relations, Fall 2018
Tuesdays 5:00 – 7:10, Alfieri Hall 122

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Course Summary:

This seminar provides an overview of major approaches to the study of political economy in Latin America, past and present development trends, and recent debates over economic policy. The course begins with classic questions of the mutual reciprocal relations between politics and economics before covering the major debates between structural and institutional approaches. It proceeds by examining the switch from import-substituting industrialization to export-led growth models in the 1980s and 1990s as well as the effects of and reactions to the rise of neoliberal economic policies. The last several weeks examine new reform efforts in industry, agriculture, finance, and administration as well as the recent economic downturn. Course readings balance theory and empirics, range across methodologies and academic disciplines, and provide contrasting normative perspectives.

Requirements and Grading:

1. Class Participation (20 percent of course grade): Students are expected to attend all class sessions, to read all of the assigned materials prior to class, and to take part actively in class discussions. The quality of the discussion will largely depend on your preparation.
2. Literature Reviews (15 percent): Students should turn in a one- to two-page review of the readings each week, except the weeks exam essays are due. In summary fashion, these reviews should compare and contrast the authors' main arguments and could also include discussion of the evidence presented, limitations, and potential policy relevance. The literature reviews may also be used to raise questions for class discussion. Although the reviews will not be individually graded, students should keep in mind that their reviews should serve them well for the class discussions and exam essays. (Policy memos are also acceptable in weeks 10-14.)
3. Mid-term Exam Essays (20 percent each): Take-home exams for which questions will be provided in advance for an essay of 6-7 pages.
4. Final Paper (25 percent): Research or policy paper on the topic of your choice, 8-10 pages.

Important Notes:

Plagiarism and other forms of academic dishonesty will be reported to the administration, and may result in a lowered or failing grade for the course and up to possible dismissal from the School of Diplomacy. See university and school standards for academic conduct here:

< <https://www.shu.edu/student-life/upload/Student-Code-of-Conduct.pdf> >

< <http://www.shu.edu/academics/diplomacy/academic-conduct.cfm> >

Use of electronic devices for any purpose other than taking notes is not appropriate during class time. It distracts other students and the professor and will result in a lowered grade.

It is the policy and practice of Seton Hall University to promote inclusive learning environments. If you have a documented disability you may be eligible for reasonable accommodations in compliance with University policy, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and/or the New Jersey Law against Discrimination. Please note, students are not permitted to negotiate accommodations directly with professors. To request accommodations or assistance, please self-identify with the Office for Disability Support Services (DSS), Duffy Hall, Room 67 at the beginning of the semester. For more information or to register for services, contact DSS at (973) 313-6003 or by e-mail at DSS@shu.edu.

Required Readings:

All required course readings are on Blackboard except the book, *The Globalizers: Development Workers in Action*, by Jeffery Jackson, which is available at the bookstore.

Required readings denoted with ●; recommended readings denoted with *

Week 1 – Tue, Aug 28: Introduction

No reading.

Week 2 – Tue, Sep 4: The Political Economic Nexus

- Martin Wolf, “Capitalism and Democracy: The Strain is Showing,” *Financial Times*, August 30, 2016.
- Ronaldo Munck, “Political Economy,” in Munck, *Contemporary Latin America* (Palgrave Macmillan, 2003: 43-61).
- José Antonio Ocampo (2013), “The History and Challenges of Latin American Development,” ECLAC, pgs. 11-30.
- José Antônio Cheibub, et al., “What Makes Democracies Endure?” *Journal of Democracy* (Jan 1996: 39-55).
- Peter Evans and James Rauch, “Bureaucracy and Growth: A Cross-National Analysis of the Effects of ‘Weberian’ State Structures on Economic Growth,” *American Sociological Review* (Oct 1999: 748-765).
- * Scott Mainwaring and Aníbal Pérez-Liñán, “Level of Development and Democracy: Latin American Exceptionalism, 1945-1996” *Comparative Political Studies* (Nov 2003: 1031-1067).
- * Dennis Pantin and Marlene Attz, “The Economies of the Caribbean,” in Hillman & D’Agostino, eds., *Understanding the Contemporary Caribbean* (2009: 133-160).

Week 3 – Tue, Sep 11: Structuralism, Dependency, and World-Systems Analysis

- Andy Higginbottom, “The Political Economy of Foreign Investment in Latin America: Dependency Revisited,” *Latin American Perspectives* (May 2013: 184-206).
- Atul Kohli, “Coping with Globalization: Asian versus Latin American strategies of Development, 1980-2010,” *Brazilian Journal of Political Economy* (Oct-Dec 2012: 531-556).
- Erik Wibbels, “Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World,” *International Organization* (Spring 2006: 433-468).
- Alicia Bárcena, “Structural Constraints on Development in Latin America and the Caribbean: A Post-Crisis Reflection,” *CEPAL Review* (Apr 2010: 7-27).
- * Immanuel Wallerstein, “Dependence in an Interdependent World,” *African Studies Review* (April 1974: 1-26). (*recommended*)

Week 4 – Tue, Sep 18: Rent-Seeking, New Institutional Economics, and Policy Choices (Mid-term 1 questions handed out)

- Anne Krueger, "Government Failures in Development," *The Journal of Economic Perspectives* (Summer 1990: 9-23).
- Rodríguez, Francisco. 2000. "The Political Economy of Latin American Economic Growth," manuscript, Global Development Network (1-41; but focus on sections 1 through 5.4 and Concluding Remarks).
- Daron Acemoglu and James Robinson, "The Persistence and Change of Institutions in the Americas," *Southern Economic Journal* (Oct 2008: 282-299).
- Peter Blair Henry and Conrad Miller, "Institutions Versus Policies: A Tale of Two Islands," *American Economic Review* (May 2009: 261-267).
- * John Coatsworth, "Inequality, Institutions and Economic Growth in Latin America," *Journal of Latin American Studies* (August 2008: 545-569). (recommended)
- * Ha-Joon Chang, "Institutions and economic development: theory, policy and history," *Journal of Institutional Economics* (Dec 2011: 473-498). (recommended)
- * Erich Weede, "Why People Stay Poor Elsewhere," in Seligson and Passé-Smith, eds., *Development and Underdevelopment: The Political Economy of Global Inequality* (Lynne Rienner, 1996/1998: 367-388). (recommended)

Week 5 – Tue, Sep 25: Competing Perspectives on Economic Policy Change (Mid-term 1 essay due)

- Hector Schamis, "Reconceptualizing Latin American Authoritarianism in the 1970s: From Bureaucratic-Authoritarianism to Neoconservatism," *Comparative Politics* (Jan 1991: 201-220).
- James Mahon, "Was Latin America too rich to prosper? Structural and political obstacles to export-led industrial growth," *Journal of Development Studies* (Jan 1992: 241-263).
- William Robinson, "Global Crisis and Latin America," *Bulletin of Latin American Research* (April 2004: 135-153).
- Gavin Fridell, "Debt Politics and the Free Trade 'Package': the Case of the Caribbean," *Third World Quarterly* (May 2013: 613-629).
- * Barbara Stallings, "International Influence on Economic Policy: Debt, Stabilization, and Structural Reform," in Haggard and Kaufman, eds., *The Politics of Economic Adjustment* (Princeton University Press, 1992: 42-88).
- * Hector Schamis, "Distributional Coalitions and the Politics of Economic Reform in Latin America" *World Politics* (Jan 1999: 236-268). (recommended)

Week 6 – Tue, Oct 2: Market Reforms and Reactions

- Karen Remmer, "Elections and Economics in Contemporary Latin America" in Carol Wise and Riordan Roett, eds., *Post-Stabilization Politics in Latin America* (Brookings Institution Press, 2003: 31-55).
- Kurt Weyland, "Swallowing the Bitter Pill: Sources of Popular Support for Neoliberal Reform in Latin America," *Comparative Political Studies* (Oct 1998: 539-568).
- Alejandro Portes and Kelly Hoffman, "Latin American Class Structures: Their Composition and Change during the Neoliberal Era," *Latin American Research Review* (Feb 2003: 41-82).
- Paul D. Almeida, "Defensive Mobilization: Popular Movements against Economic Adjustment Policies in Latin America," *Latin American Perspectives*, 34:3 (2007: 123-139).
- * Kenneth Roberts, "Market Reform, Programmatic (De)alignment, and Party System Stability in Latin America," *Comparative Political Studies* (Nov 2013: 1339-1365).

****Tue, Oct 11 – Fall Break – No Class****

Week 7 – Tue, Oct 16: Evaluating Neoliberalism (and Argentina Case Study)

- Evelyne Huber and Fred Solt, “Successes and Failures of Neoliberalism” and
- Michael Walton, “Neoliberalism in Latin America: Good, Bad, or Incomplete?” *Latin American Research Review*, 39:3 (2004: 150-83).
- * John Williamson, “The Strange History of the Washington Consensus,” *Journal of Post Keynesian Economics* (Winter 2004–5: 195-206). (*recommended*)
- Dani Rodrik, “Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank’s Economic Growth in the 1990s: Learning from a Decade of Reform,” *Journal of Economic Literature* (December 2006: 973–987).
- Christopher Wylde, “State, Society and Markets in Argentina: The Political Economy of Neodesarrollismo under Néstor Kirchner, 2003–2007” *Bulletin of Latin American Research* (Oct 2011: 436-452).
- * Jonathan Ostry, et al. (IMF Research Dept.), “Neoliberalism: Oversold?” *Finance & Development* (June 2016: 38-41).

Week 8 – Tue, Oct 23: Evaluating Globalization (Honduras Case Study)

- Jeffrey Jackson, *The Globalizers: Development Workers in Action* (Johns Hopkins, 2005).

Week 9 – Tue, Oct 30: Latin America at a Cross-Roads (Mid-term 2 questions handed out)

- Barbara Stallings and Wilson Peres, “Is Economic Reform Dead in Latin America? Rhetoric and Reality since 2000,” *Journal of Latin American Studies* (Nov 2011: 755-786).
- Pedro Mendes Loureiro, “Reformism, Class Conciliation and the Pink Tide: Material Gains and Their Limits,” in M. Ystanes, I.Å. Strønen (eds.), *The Social Life of Economic Inequalities in Contemporary Latin America* (2018).
- José Antonio Ocampo, Eduardo Bastian, and Marcos Reis, “The Myth of the ‘Latin American Decade,’” *PSL Quarterly Review* vol. 71 n. 285, June 2018.
- Ilan Bizberg. “Varieties of capitalism, growth and redistribution in Asia and Latin America.” *Brazil. J. Polit. Econ.* 2018, vol.38, n.2, pp.261-279.
- * Dani Rodrik, (Feb 2018) “Populism and the Economics of Globalization” *Journal of International Business Policy*, Online First.
- * Kenneth Roberts, “The Politics of Inequality and Redistribution in Latin America’s Post-Adjustment Era,” UNU-WIDER Working Paper No. 2012/08 (Jan 2012: 23 pgs.).

Weeks 10-14 topics and readings based on consultation with students:

Week 10 – Tue, Nov 6: Foreign Funds: Aid, Debt, FDI, & Remittances (Mid-term due 11/8)

Come to class to watch “Life & Debt” about economics in Jamaica, and then post comments on a discussion board on Blackboard.

- Henry Mooney and Juan Pedro Schmid. 2018. “Development Challenges in Jamaica.” Inter-American Development Bank Policy Brief. May.
- Sheldon McLean and Don Charles. 2018. “Caribbean development report: A perusal of public debt in the Caribbean and its impact on economic growth.” ECLAC, pp. read 5-16, skim 17-24, read 25-33.
- Rafael Alvarado, María Iñiguez, and Pablo Ponce. 2017. “Foreign direct investment and economic growth in Latin America,” *Economic Analysis and Policy*, Vol 56, pp. 176-187.
- Diego Vacaflares. 2018. “Are remittances helping lower poverty and inequality levels in Latin America?” *The Quarterly Review of Economics and Finance*, Volume 68, pp. 254-265.
- J. Moore et al. 2017. “Aid and Gendered Subjectivity in Rural Guatemala,” *Journal of Development Studies*, 53 (12), pp. 2164-2178.
- * Daniel Leigh, Krishna Srinivasan, and Alejandro Werner. 2017. “Unleashing Strong, Sustainable, and Inclusive Growth in the Caribbean,” in Alleyne, et al., eds., *Unleashing Growth and Strengthening Resilience in the Caribbean*. IMF. Pp. 1-17.

Week 11 – Tue, Nov 13: China & Latin America (plus Natural Resources & Climate Change)

- Cynthia Arnson and Jorge Heine, eds., *Reaching Across the Pacific: Latin America and Asia in the New Century*. Woodrow Wilson Center (2014). Read Preface by Luis Alberto Moreno (pp. 1-6); if interested *choose one country (or thematic) chapter (Argentina, Brazil, Chile, Colombia, Mexico, or Peru).
- Carol Wise and Victoria Chonn Ching. 2018. “Conceptualizing China–Latin America relations in the twenty-first century: the boom, the bust, and the aftermath,” *The Pacific Review*, 31:5, 553-572.
- Enrique Dussel Peters (2016). “Latin America’s Trade and Investment Relationship with China (2000-2012): A New Form of Dependency?” *Tempo do Mundo*, Vol. 2, no. 1, pp. 123-142.
- Ariel Armony and Enrique Dussel Peters (2018). “Chinese infrastructure in Latin America: A new frontier,” *China Dialogue*. August 14. www.chinadialogue.net, 4 pgs.
- Guy Edwards and J. Timmons Roberts. “A High-Carbon Partnership? Chinese-Latin American Relations in a Carbon-Constrained World.” Brookings Working Paper 72 (March 2014: 20 pgs.).
- Linda Farthing and Nicole Fabricant (Sept 2018). “Open Veins Revisited: Charting the Social, Economic, and Political Contours of the New Extractivism in Latin America,” *Latin American Perspectives* Vol 45, Issue 5, pp. 4 – 17. (*Access through SHU Library to full special issue on Extractivism, including agro-fuels, FDI, land, wind power, oil & more in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Peru)
- ** Alicia Bárcena et al. (Aug. 2018). *Economics of climate change in Latin America and the Caribbean: a graphic view*. ECLAC.
- * Stephen Kaplan (July 2018). “The Rise of Patient Capital: The Political Economy of Chinese Global Finance,” Institute for International Economic Policy, 32 pgs.

Week 12 – Tue, Nov 20: **Trade: NAFTA to USMCA, TPP, and CAFTA-DR**

- Robert Wade. 2017. “Is Trump wrong on trade? A partial defense based on production and employment,” *Real World Economics Review*. Issue 79, March, pgs. 166-180.
- World Bank. 2016. “Potential Macroeconomic Implications of the Trans-Pacific Partnership,” *Global Economic Prospects*. Pgs. 219-229.
- Jomo Kwame Sundaram. 2016. “Some Real Costs of the Trans-Pacific Partnership: Lost Jobs, Lower Incomes, Rising Inequality,” GDAE Policy Brief, February, pgs. 1-4.
- Carlos Salinas. 2017. “Mexico and the US must realise that NAFTA is the solution not the problem,” London School of Economics Blog, January, 4 pages.
- Robert A. Blecker, Juan Carlos Moreno-Brid and Isabel Salat. 2017. “Trumping the NAFTA renegotiation: an alternative policy framework for Mexican-US cooperation and economic convergence.” ECLAC. November, pgs. 7-29.
- * M. Angeles Villarreal and Ian Fergusson. 2018. “NAFTA and the Preliminary US-Mexico Agreement,” Congressional Research Services Insight. September. 4 pgs.
- * Jeffrey Frankel. 2018. “The New and Not Improved NAFTA,” *Project Syndicate*. Oct. 9.
- Mary Finley-Brook. 2018. “CAFTA-DR: diverging trajectories and uneven development,” in *Handbook of International Trade Agreements Country, regional and global approaches*, edited by Robert Looney. Routledge. Pgs. 166-180.

Tue, Nov 27: Class postponed

Week 13 – Tue, Dec 4: **Global Commodity/Value Chains (plus non-traditional Exports)**

- Pierluigi Montalbano, Silvia Nenci, and Carlo Pietrobelli. 2018. “Opening and Linking Up: Firms, GVCs, and Productivity in Latin America,” *Small Business Economics* 50, pgs. 917-935.
- Gary Gereffi. 2017. “Global Value Chains, PDPs, and Job Creation,” in José Manuel Salazar-Xirinach and Jorge Cornick, eds., *The Lima Brainstorming Sessions: Productive development policies, inclusive growth and job creation*. Lima: ILO Regional Office for Latin America and the Caribbean, pgs. 105-126.
- Carlos Aguiar de Medeiros and Nicholas Trebat. 2017. “Finance, Trade, and Income Distribution in Global Value Chains: Implications for Developing Economies and Latin America.” IE-UFRJ Discussion Paper 002, January, pgs. 3-35.
- Choose one or more of the following case studies:
 1. Krisztina Pongratz Chander. 2017. “The Global Coffee Commodity Chain: Coffee Farmers in Costa Rica, and its ‘Ups And Downs,’” *Journal of Globalization Studies*, 8:2, pp. 92–107.
 2. Sandy Brown. 2013. “One hundred years of labor control: violence, militancy, and the Fairtrade banana commodity chain in Colombia,” *Environment and Planning A* 45, pgs. 2572–2591.
 3. Thomas F. Purcell. 2018. “‘Hot chocolate’: financialized global value chains and cocoa production in Ecuador,” *The Journal of Peasant Studies*, 45:5-6, pgs. 904-926.
- * Jan Fagerberg, Bengt-Ake Lundvall, and Martin Srholec. 2018. “Global Value Chains, National Innovation Systems and Economic Development,” *The European Journal of Development Research* 30:3, pp. 533–556.

Week 14 – Tue, Dec 11: Industrial Policy and Social Policy

- Ben Ross Schneider. 2015. *Designing Industrial Policy in Latin America: Business-Government Relations in the New Developmentalism*. New York: Palgrave Macmillan. Chapters 1, 3, and 65-73.
- Eliza Massi & Jewellord Nem Singh. 2018. "Industrial policy and state-making: Brazil's attempt at oil-based industrial development," *Third World Quarterly*, 39:6, pp. 1133-1150.
- Alisha Holland and Ben Ross Schneider. 2017. "Easy and Hard Redistribution: The Political Economy of Welfare States in Latin America," *Perspectives on Politics* (Dec) 15:4, pp. 988-1006.
- Jose Ocampo and Natalie Gomez-Arteaga. 2017. "Social protection systems, redistribution and growth in Latin America," *CEPAL REVIEW* 22, August, pp. 8-30.
- * Daniel Morales Martínez and Alexandre Gori Maia. 2018. "The Impacts of Cash Transfers on Subjective Wellbeing and Poverty: The Case of Colombia," *Journal of Family and Economic Issues* 39, pp. 616–633.
- * Silvia Borzutzky. 2012. "Conditional Cash Transfers in Latin America and Anti-Poverty Policies in Chile: Why is Chile's Market Economy Unable to Reduce Poverty and Inequality?" *Poverty & Public Policy* 4:1, pp. 1-23.

Monday, Dec. 18: Final Paper Due by noon via email and hard copy

Papers should utilize one of the Chicago Manual of Style citation formats: Author-Date (highly preferable) or Notes and Bibliography. The guidelines for these formats are on the course Blackboard page.

Potentially Useful Websites:

Seton Hall Library Resource Guide (excellent): <http://library.shu.edu/latam>

Daily News Round-Up in Latin America: <http://latinamericadailybriefing.blogspot.com/>

Lots of Latin America links: <http://lanic.utexas.edu/>

Economic Data for Latin America: <http://www.eclac.org/default.asp?idioma=IN>

Interesting Blog on International Development and Foreign Aid: <http://www.oxfamblogs.org/fp2p/>

Primary Student Learning Outcomes:

By the end of the semester, students should have acquired knowledge and understanding of: key concepts, models, theories, and debates involved in the study of contemporary international relations and diplomacy; the interaction between politics and economics in the international system; a particular region of the world (Latin America and the Caribbean); and prevailing global issues. Students should also have developed the skills to: analyze complex situations and synthesize information.

Policy on Incompletes:

Incompletes will be given only in exceptional cases for emergencies. Students wishing to request a grade of Incomplete must provide documentation to support the request accompanied by a Course Adjustment Form (available from the Diplomacy Main Office) to the professor *before* the date of the final examination. If the incomplete request is approved, the professor reserves the right to specify the new submission date for all missing coursework. Students who fail to submit the missing course work within this time period will receive a failing grade for all missing coursework and a final grade based on all coursework assigned. Any Incomplete not resolved

within one calendar year of receiving the Incomplete or by the time of graduation (whichever comes first) automatically becomes an “FI” (which is equivalent to an F). It is the responsibility of the student to make sure they have completed all course requirements within the timeframe allotted. Please be aware that Incompletes on your transcript will impact financial aid and academic standing.