
ECON/ACE 452 – The Latin American Economies

University of Illinois at Urbana-Champaign
College of Liberal Arts & Sciences
Department of Economics

Lectures:

Mondays and Wednesdays – 09:30AM - 10:50AM – Room: 215 David Kinley Hall

or

Tuesdays and Thursdays – 11:00 AM - 12:20 PM – Room: 125 David Kinley Hall

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12 David Kinley Hall
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Office Hours: Monday – 10:50 am - 11:50 am
Tuesday – 12:20 pm - 1:20 pm
(By appointment ONLY)

Course Description: In this course, we seek to understand the economic backwardness of Latin American countries throughout a historical perspective. We discuss the industrialization policies undertaken in the last decades, specifically the Imports Substitution Industrialization and how this policy was followed by the debt crisis in the 1980s which led to monetary instability and hyperinflation experiences. Additionally, we study the role of state and trade liberalization focusing on the recent privatization process as well as the role of agriculture on the development of the region. Lastly, we focus on the consequences of the development pattern experienced by Latin America on some contemporaneous issues such as the rise and fall of income inequality. (Credits: 3 or 4 hours).

Prerequisites: ECON 102 and ECON 103
ECON 302 and ECON 303 strongly recommended

Reading: The lectures will be mainly based on the following textbook, whose reading is very important for the exams and quizzes:

- [The Puzzle of Latin American Economic Development](#), by Patrice Franko. (3rd Edition). Rowman & Littlefield Publishers. 2007. (F.)

Additional references:

1. [The Economics of Contemporary Latin America](#), by Beatriz Armendariz and Felipe Larrain B., MIT Press, 2017.

2. [The Economic History of Latin America since Independence](#), by Victor Bulmer-Thomas. (3rd Edition). Cambridge, 2014.
3. [The Brazilian Economy: Growth and Development](#), by Werner Baer. (7th Edition). Lynne Rienner Publishers. 2013.
4. [Political Economy of Latin America – Recent Economic Performance](#), edited by Philip Arestis and Malcolm Sawyer. International Papers in Political Economy, 2007.

Grading: The final grade will be composed by:

- Class Participation (10%)*
- Quizzes (20%)
- Midterm Exam 1 (20%)
- Midterm Exam 2 (20%)
- Take-home assignment (10%)[†]
- Final Exam (20%)

* **4 credits requirement:** Graduate students are required to write a 15 pages-long paper about a topic associated to one of the chapters 10-14 of Franko's textbook. The paper will be worth 10% of total score. There will be no class participation points for graduate students. Depending on the number of graduate students enrolled, they will be required to present their papers. Topics and presentations must be discussed with the professor no later than March 16. The paper must be turned in class on the day it is due (May 2). Late assignments receive no credit (no exceptions).

[†] Take-home assignment will be available on Compass on April 11 (section MW) and April 12 (section TR) and the students will have five days to return it. The topics covered in the take-home assignment are rural development, poverty, and inequality. The students should bring their answers on April 16 (section MW) and April 17 (section TR) in the beginning of the class.

During the quizzes and exams, it is **NOT** allowed to use textbooks, cell-phones or other items that connect to the Internet and papers other than the exam itself. Students found to be using unapproved items are in violation of the Academic Integrity policy of the University and will be subject to disciplinary action. The following cut-offs will be used for the letter grades and the grades will be round up to the next integer:

A+ = 98 – 100%	A = 93 – 97%	A- = 87 – 92%	B+ = 82 – 86%	B = 78 – 81%
B- = 74 – 77%	C+ = 70 – 73%	C = 67 – 69%	C- = 64 – 66%	D+ = 61 – 63%
	D = 56 – 60%	D- = 51 – 55 %	F = 0 – 50%	

Important Dates:

- Deadline to add an UG semester course: January 29
- Quiz 1: Feb 7 (section MW), and Feb 8 (section TR), in class
- Midterm 1: February 15 (Thursday, 7:00PM-8:30PM), classroom: TBA
- Quiz 2: Mar 7 (section MW), and Mar 8 (section TR), in class
- Deadline to drop UG semester course without grade of W: March 9
- Midterm 2: March 14 (Wednesday, 7:00PM-8:30PM), classroom: TBA
- Spring Break: March 19-23
- Take-home assignment is posted: Apr 11 (section MW), and Apr 12 (section TR)
- Take-home assignment is due: Apr 16 (section MW), and Apr 17 (section TR)
- Quiz 3: April 25 (section MW), and April 26 (section TR), in class
- Reading day: May 3
- Final Exam: TBA

Quizzes: There will be three in-class quizzes related to the topics studied in the previous lectures. The quizzes will consist of some short essay questions and/or multiple choices questions and will be held during the last 30 minutes of the lecture (any change of day/time of the quizzes will be announced in class or by e-mail). Below you can find the readings and dates associated to each quiz:

Quiz 1 (02/07 and 02/08): Readings – Franko, Chapters 1-5 and suggested papers

Quiz 2 (03/07 and 03/08): Readings – Franko, Chapters 6-9 and suggested papers

Quiz 3 (04/25 and 04/26): Readings – Franko, Chapters 10-14 and suggested papers

The quiz with lowest grade will be dropped, so if a student misses one quiz, this quiz will be dropped. If the student misses more than one quiz, one of them will be dropped and a zero grade will be assigned to the other missed quizzes. There are no make-up quizzes. **IMPORTANT: Note that you cannot drop a midterm. If you miss one midterm, you will receive zero grade on that exam.**

Research Paper: For undergraduate students, research paper is an extra-credit opportunity (up to 10% increase in your lowest grade midterm). Research paper consists of a five-pages-long article, requiring data management and statistical analysis on topics covered in the last part of the course. Students should explore one of the following issues of Latin American development: rural development, poverty, inequality, health, education, or environmental problems. The student is encouraged to compare the experience of a Latin American country to the experience of another country, developed or not, on a particular issue. The research paper must be turned in class on the last day of classes [May 1 (TR section) and May 2 (MW section)]. Late assignments receive no credit (no exceptions). **Further instructions will be given in class or by email along the semester.**

Missed exams: The student must present a letter from the Dean Office justifying their absence, otherwise the student will have zero on the missed exam.

In the event that a student misses one of the two first midterm exams and provide the documentation from the Dean's office, the score from the final exam will be used on the missed exam. There are no make-up exams. In the event that a student misses a second in-term exam, the instructor reserves the right to give the student a zero on that exam. **IMPORTANT: Note that you cannot choose to drop one midterm. If you miss one midterm and do not bring a letter from the Dean's Office, you will receive zero grade on that exam.**

The student who has three or more final exams in less than 24 hours can request a conflict exam. However, you should inform the instructor no later than two weeks before the date of the final exam. For more information about conflict exam, see the section **Final Exam Conflict Policy** in the end of the syllabus.

Other information: The syllabus is subject to change. Any change on syllabus will be announced in class or by email. It is the student's responsibility to be up to date with syllabus changes.

Semester Schedule (Subject to change):

Historic Perspective – Part 1: The course is divided in three parts. In the first part of the course, we highlight some aspects of the Import Substitution Industrialization period, the debt crisis of the 1980's and the policies used to stabilize the economy.

Week 1 (Jan 16-19):

- Course overview and historical legacy [F., ch 1, 2]

Week 2 (Jan 22-26):

- Import Substitution Industrialization [F., ch 3]

Week 3 (Jan 29-Feb 2):

- Debt Crisis [F., ch 4]

Week 4 (Feb 5-9):

- Macroeconomic stabilization [F., ch 5]
- **Quiz 1:** Feb 7 (Section MW), and Feb 8 (Section TR), in class

Week 5 (Feb 12-16):

- Feb 12 (Section MW), and Feb 13 (Section TR): Cont. of Macroeconomic stabilization [F., ch 5]
- Feb 15: **Midterm 1 (Thursday) 7:00PM-8:30PM – Contents: Up to week 5**
- Feb 14 (Section MW), and Feb 15 (Section TR): no class.

Historic Perspective – Part 2: In the second part of the course, we will continue the historic perspective of the economic development of Latin American, focusing on the role of state, trade policies, and growth policies.

Week 6 (Feb 19-23):

- The Role of the State [F., ch 6]

Week 7 (Feb 26 - Mar 2):

- Trade Policy [F., ch 8]

Week 8 (Mar 5-9):

- Policies underpinning growth [F., ch 9]
- **Quiz 2:** Mar 7 (Section MW), and Mar 8 (Section TR), in class
- Friday – March 9: Last day to drop a semester course without a grade of W

Week 9 (Mar 12-16):

- Mar 12 (Section MW), and Mar 13 (Section TR): Review section
- Mar 14: **Midterm 2 (Wednesday) 7:00PM-8:30PM – Contents: week 6 to week 9**
- Mar 14 (Section MW), and Mar 15 (Section TR): no class.

Week 10 (Mar 19-23):

- **Spring Break** – no class

Topics: In the final part of the course, we will learn about important topics that have impact on growth and development of Latin America, including agricultural development, Poverty, inequality, health and education policies.

Week 11 (Mar 26-30):

- Rural Development [F., ch 10]

Week 12 (Apr 2-6):

- Poverty and Inequality [F., ch 11]

Week 13 (Apr 9-13):

- Poverty and Inequality (CONT.) – [F., ch 11]
- Health Policy [F., ch 12]
- **Take-home assignment is posted on April 11 (section MW), and April 12 (section TR).**

Week 14 (Apr 16-20):

- Health Policy (CONT.) – [F., ch 12]
- Education Policy [F., ch 13]
- **Take-home assignment is due on April 16 (section MW), and April 17 (section TR).**

Week 15 (Apr 23-27):

- Education Policy (CONT.) – [F., ch 13]
- **Quiz 3:** Apr 25 (Section MW), and Apr 26 (Section TR), in class

Week 16 (Apr 30 - May 2):

- Environmental challenges (If time permits) [F., ch 14]
- Review section / Research paper due today (May 1 (Section TR), and May 2 (Section MW))
- **Thursday (May 3): Reading Day**

Final Exam: TBA – Contents: week 11 to week 16.

Final Exam Conflict Policy:

- Any student having more than two consecutive final examinations is entitled to rescheduling as follows if he or she takes the following action no later than two weeks before the date of the final exam:
 - The student must investigate whether a conflict examination is being held at another time for any of the examinations involved.

- If a conflict examination has been scheduled for any of the courses, the student must take one or more of these conflict examinations. If conflict examinations are offered for more than one course, the student must take the conflict for the course that has the largest number of students.
 - If no conflict examinations have been scheduled, the student must contact the instructor of the course having the largest number of students. The contact must be made no later than two weeks before the date of the final exam, and the instructor must provide a makeup examination.
 - Normally in a semester several combined-sections, conflict, and noncombined examinations are given at the same time. As a guide to resolving conflicts, an order of priority has been established within each examination period, and a student should resolve a conflict using the published examination schedules and the following priority guidelines.
 - National and state professional examinations (e.g., CPA, actuarial science, Architecture Registration Examination) take priority over campus final examinations. An instructor must offer a conflict examination to a student scheduled to take a national or state professional examination and a campus final examination at the same time.
- A non-combined course examination has precedence over any combined-sections or conflict examination.
 - A department offering a combined-sections final examination must provide a conflict examination if required to accommodate student conflicts.
 - For more information about final conflict examination, see http://admin.illinois.edu/policy/code/article3_part2_3-201.html.

Academic Integrity: Statement on academic integrity and reference to the code of University-based policies at http://www.admin.illinois.edu/policy/code/article1_part4_1-401.html.

Emergency Response Recommendations: Campus general emergency response recommendations can be found at www.illinois.edu/cms/2251/general_emergency_response_recommendations_8_16_13_final.docx.

Floor plans of specific buildings are available at <http://police.illinois.edu/emergency-preparedness/building-emergency-action-plans/>.

Statement on Accommodations: To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak Street, Champaign, call 333-4603 (V/TTY), or email a message to disability@uiuc.edu.