

**PORTLAND STATE UNIVERSITY
DEPARTMENT OF ECONOMICS**

**EC-325 Latin American Economics
SPRING 2025**

Instructor: Cesar M. Rodriguez

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Course website: Canvas

Class Time and Location: Online (unscheduled).

Office Hours: By appointment (Zoom)

Recommended Texts:

- Reyes, Javier and W. Charles Sawyer. 2021. Latin America Economic Development. Routledge

Additional Texts:

- Armendariz, Beatriz and Felipe Larrain. 2017. The Economics of Contemporary Latin America. MIT
- Rodriguez, Cesar M. and W. Charles Sawyer. 2021. The Economies of Latin America. De Gruyter.
- Franko, Patrice. 2020. The Puzzle of Latin American Development. Rowman and Littlefield

You can buy these books at PSU Bookstore at <https://pdx.bncollege.com/shop/portland-state-university/home>. Note that previous editions are acceptable. Please make sure you are reading the right material in case you are using different editions of the book.

From your Instructor: Welcome to EC325! I look forward to learning together this term and creating a classroom community grounded in equity, care, and collective growth. Our time will be dedicated to studying the experiences and perspectives of Latin American countries in the world economy. To learn effectively, we must listen carefully, ask questions respectfully, discuss issues candidly, and remain open to new ways of thinking. I aim to facilitate an environment where we can share and process challenging ideas without judgment. There are no pre-requisites for this course; everyone brings valuable insights based on their identities and life experiences. My hope is that you walk away from this class understanding the Latin American economic experience in the last decades.

Course Description: This course analyzes the distinct features of economic performance of Latin America in recent decades. Latin America's history of economic development is unique, interesting and puzzling. The course begins by reviewing the economic performance of Latin America immediately after World War II and the inward-oriented, state-led development model that had been in place for almost four decades. The foreign debt crisis of the eighties is next, followed by the macroeconomic stabilization of the 1990s and the outward-oriented model heavily reliant on market forces. The effects of the Tequila crisis on local communities, the currency and debt crises of the late nineties and early 2000s are then explored. Topics covered include Latin American import substitution industrialization, trade policy, exchange rate policy and the current account, monetary and fiscal policy, macroeconomic stability, poverty, race, and inequality, and natural resources as sources of sustainable growth.

Course Outline: The tentative schedule of topics to be covered and the relevant chapters in the books are presented in the table below. The class schedule and reading assignments shown below are subject to change.

Course Activities: Your grade in this class will be based on your performance on the home assignments and the problem sets. The contribution of each of those to your final grade is shown below:

Discussions (10)	20%
Current Event Analyses (2)	50%
Policy Paper (1)	30%

- **Discussions:** Each discussion will be available from Monday to Friday. These are weekly activities where students will reflect and ask questions on the material covered that week. Additionally, they will need to respond to one question posted by their classmates. Think about these activities as the equivalent to “participation” for an in-person class. Although there are no wrong questions, I encourage you to be constructive and collaborative. Since this is an online discussion board, please observe the following basic rules:
 - Remain professional, respectful, and courteous at all times
 - Remember that a person wrote each post and will read what you write in response. It is easy to misinterpret discussion posts. Please give the benefit of the doubt.
 - All posts are in English, but please be understanding of any grammatical or other flaws in your classmates’ posts. It is fine to explain how to correct errors.
 - If you have a strong opinion on a topic, it is acceptable to express it as long as it is not phrased as an attack. Please be gracious with differing opinions.
 - I reserve the right to delete any post that is deemed inappropriate.
- **Current Event Analyses:** These are meant to help students understand the “real life” implications of contemporary development issues in Latin America, and to develop a critical perspective using the concepts covered in class. Each analysis should examine a recent media article about a Latin American country that relates to course themes. Each analysis should not exceed 2 single-spaced pages. Due at the end of weeks 4 and 7.
- **Policy Paper:** The purpose of the policy paper is to bring together the different concepts we will cover in this course and to relate them to the situation in the country you have chosen for your paper by coming up with policy suggestions. Each paper should not exceed 4 single-spaced pages. Due on Monday of finals week. Detailed instructions are given in Canvas.

There will be no “extra credit” work/assignments.

Fulfilling the Race and Ethnic Studies Requirement: This course has been designed to fulfill Portland State University’s Race and Ethnic Studies Requirement (RESR). The RESR ensures students engage with concepts of race, ethnicity, and systemic oppression. This course meets the RESR by:

- Examining the impacts of colonialism, slavery, genocide, and global capitalism on the economic development of Latin American countries.
- Analyzing the disproportionate impacts of economic policies, debt crises, financial liberalization, and trade relationships on marginalized racial/ethnic groups in Latin America.
- Discussing internal economic and social divides along racial/ethnic lines that shape Latin American societies. This includes studying gaps in education, income, land ownership, etc.

Affirmative Action: Portland State University supports equal opportunity for all, regardless of age, color, disability, marital status, national origin, race, religion or creed, sex or gender, sexual or gender identity, sexual orientation, veteran status, or any other basis in law.

Lauren’s Promise—I will listen and believe you if someone is threatening you. Lauren McCluskey, a 21-year-old honors student athlete, was murdered on October 22, 2018 by a man she briefly dated on the University of Utah campus. We must all take action to ensure that this never happens again.

Title IX: Portland State University is committed to providing an environment free of all forms of prohibited discrimination and sexual harassment (sexual assault, domestic and dating violence, and gender or sex-based

harassment and stalking). If you have experienced any form of gender or sex-based discrimination or sexual harassment, know that help and support are available. Information about PSU's support services on campus, including confidential services and reporting options, can be found on PSU's Sexual Misconduct Prevention and Response website at: <http://www.pdx.edu/sexual-assault/get-help> or you may call a confidential IPV Advocate at 503-725-5672 or schedule online at <https://psuwrc.youcanbook.me>. Please be aware that all PSU faculty members and instructors are required to report information of an incident that may constitute prohibited discrimination, including sexual harassment and sexual violence. However, the Title IX Coordinators will keep the information confidential and refer you to a confidential advocate.

Disability Resources at PSU: Students with accommodations approved through the Disability Resource Center are responsible for contacting the faculty member prior to, or during, the first week of term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval should contact the DRC immediately. PSU policies on accommodations can be found in the Disability Resource Center Handbook (<http://www.ess.pdx.edu/iasc/drc/handbook.pdf>).

Course Materials: All course materials presented in this course (lectures, assignments, empirical applications, midterms, finals, etc.) are the copyrighted property of the course instructor and PSU, and are for instructional personal use subject to the following conditions: (i) students may not record lectures/classroom activities or take any pictures unless prior written consent has been obtained by the instructor or through DRC, (ii) students may not share or post recordings or any other course materials online or distribute them in any way. Students violating these conditions will be reported to the Dean of Student Life and handled according to the procedures set out in the *Student Code of Conduct* or may face other academic disciplinary sanctions.

Academic Honesty: Academic honesty is expected and required of students enrolled in this course. Please note that if any evidence of plagiarism or cheating is detected, a grade of zero will be assigned to that home assignment, problem set, or presentation. Additionally, suspected academic dishonesty in this course will be referred to the Dean of Student Life and handled according to the procedures set out in the *Student Code of Conduct*.

Tentative Course Outline

1. Week 1: Introduction and Historical Overview

- **Topics:**

- Geographical and cultural diversity
- Colonial legacy and independence
- Economic patterns since independence
- Ethnolinguistic diversity and its economic implications

- **Readings:**

- **Reyes & Sawyer:** Chapters 1 & 2 (Latin America and the World Economy; Latin American Economic History)
- **Armendariz & Larrain:** Chapter 1 (Geography and Colonial Legacy)
- **Franko:** Chapters 1 & 2 (Development in Latin America; Historical Legacies)
- **Rodriguez & Sawyer:** Chapters 1 & 2 (Introduction to the Economies of Latin America; A Brief Economic History)

2. Week 2: Development Models and Import Substitution

- **Topics:**

- Origins and implementation of ISI
- Impact on industrialization and growth
- Critiques and limitations of ISI

- **Readings:**

- **Reyes & Sawyer:** Chapter 7 (Import Substitution in Latin America)
- **Armendariz & Larrain:** Chapter 3 (Import Substitution Industrialization)
- **Franko:** Chapter 3 (Import Substitution Industrialization)
- **Rodriguez & Sawyer:** Chapter 2 (section on Import Substitution Industrialization)

3. Week 3: Debt Crisis and Structural Adjustment

- **Topics:**

- Causes of the 1980s debt crisis
- IMF and World Bank intervention
- Structural adjustment programs and their impacts
- Differential impacts across social groups

- **Readings:**

- **Reyes & Sawyer:** Chapter 10 (Financing Current Account Deficits)
- **Armendariz & Larrain:** Chapter 4 (Debt Crises and the Lost Decade)
- **Franko:** Chapter 4 (Latin America's Debt Crisis)
- **Rodriguez & Sawyer:** Chapter 4 (section on The Macroeconomic Record)

4. Week 4: Trade Liberalization and Regional Integration

- **Topics:**

- Shift towards open economies
- NAFTA, MERCOSUR, and other trade agreements

- Impact on domestic industries and labor
- **Readings:**
 - **Reyes & Sawyer:** Chapter 8 (Latin American Trade Policy)
 - **Armendariz & Larrain:** Chapter 10 (Trade and Financial Liberalization)
 - **Franko:** Chapter 7 (Contemporary Trade Policy)
 - **Rodriguez & Sawyer:** Chapters 4-7 (sections on Foreign Trade)

5. Week 5: Macroeconomic Stability and Inflation

- **Topics:**
 - Hyperinflation episodes
 - Stabilization policies
 - Central bank reforms
- **Readings:**
 - **Reyes & Sawyer:** Chapters 11 & 12 (Macroeconomic Policy; Macroeconomic Stability)
 - **Armendariz & Larrain:** Chapter 8 (The Fight against Inflation)
 - **Franko:** Chapter 5 (Macroeconomic Stabilization)

6. Week 6: Poverty, Inequality, and Social Inclusion

- **Topics:**
 - Measurement and trends in poverty and inequality
 - Social programs and conditional cash transfers
 - Racial and ethnic inequality: historical roots and persistence
 - Gender gaps in income, wealth, and opportunities
- **Readings:**
 - **Reyes & Sawyer:** Chapter 13 (Poverty and Inequality)
 - **Armendariz & Larrain:** Chapter 5 (Poverty and Income Inequality)
 - **Franko:** Chapter 10 (Poverty in Latin America)
 - **Rodriguez & Sawyer:** Chapter 3 (sections on Limits to Growth)

7. Week 7: Labor Markets and Informality

- **Topics:**
 - Labor market structure and reforms
 - Informal sector dynamics and vulnerable populations
 - Women's labor force participation and barriers
 - Intersectionality in economic opportunities
- **Readings:**
 - **Reyes & Sawyer:** Chapter 3 (Economic Growth in Latin America)
 - **Armendariz & Larrain:** Chapter 11 (Labor Markets, Informality, and Labor Protection Systems)
 - **Franko:** Chapter 8 (Microeconomic Foundations for Growth)

8. Week 8: Exchange Rates and Currency Management

- **Topics:**
 - Exchange rate regimes
 - Currency crises and management
 - Policy responses and reforms
- **Readings:**
 - **Reyes & Sawyer:** Chapter 9 (Exchange Rate Policy)
 - **Armendariz & Larrain:** Chapter 9 (Pegging, Sliding, and Floating)
 - **Franko:** Chapter 6 (Public and Private Capital Flows)

9. Week 9: Environmental Challenges and Natural Resources

- **Topics:**
 - Resource dependency and the "resource curse"
 - Environmental degradation
 - Climate change challenges
 - Sustainable development initiatives
 - Impact on indigenous communities
- **Readings:**
 - **Reyes & Sawyer:** Chapters 5 & 6 (Growth and Environment; Latin America and Primary Commodities)
 - **Franko:** Chapters 9 & 13 (Latin American Agriculture; Promoting Sustainable Environments)

10. Week 10: Growth Challenges and Policy Debates

- **Topics:**
 - Institutional quality and reforms
 - Growth constraints
 - Future prospects and policy recommendations
 - Inclusive development strategies
- **Readings:**
 - **Reyes & Sawyer:** Chapter 14 (Economic Policy Debates)
 - **Armendariz & Larrain:** Chapter 12 (Growth and Development in Latin America)
 - **Franko:** Chapter 14 (Lessons (Not Quite) Learned)
 - **Rodriguez & Sawyer:** Chapter 8 (Looking Towards the Future)