POLI 134D Topics/Latin American Politics
Fall 2014

Monday, Wednesday, Friday 9:00AM-9:50AM
Warren Lecture Hall, Room 2113

Politics, Policies, and Economic Prosperity in Latin America

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Office Hours: Wednesday 11:15AM-12:15PM, office SSB #365.

Course Description

Latin American countries need to grow their economies in order to achieve fairer societies. And, to attain sustained economic propsperity, appropriate political conditions are needed. In particular, effective policies are more likely to take place in countries where there is cooperation of legislators with sound policymaking capabilities, firmly institutionalized political parties that compete on the basis of policy proposals and policy results, independent judiciaries and strong, qualified bureaucracies. This course focuses on these political institutions and their effects on the policy making process and on the characteristics of the public policies that result from different policymaking environments.

Format

The class will meet three times per week for the duration of the quarter. Class sessions will be conducted as lectures. Each meeting will be devoted to a new theme/idea related to the link between politics and economic prosperity. Each of the topics presented in class is paired with one **required** reading. The lectures will review the concepts discussed in these readings, but should be taken neither as a *duplication* nor as a substitute for them. In other words, you should not assume that because you came to class, you can skip the readings, and/or that because you made the readings you may not attend the lectures. You will notice that I have limited the number of readings each week. I want us to focus on the key concepts of the arguments made, the logic used, and how the arguments are tested. You should read the materials keeping this aim in mind. Also, you may find it helpful to reread the material after it was discussed in class.

Assignments

Each week students are expected to read the materials. Students are expected to take a midterm exam, and final exam. The midterm exam is worth 35% of the final grade, and the final exam accounts for 55% of the final grade. Discussion and general class participation accounts for the remaining 10%. Extensions, incompletes, etc. will be given in accordance with UCSD policy. Except under **very pressing circumstances**, they will be discouraged.

Course Policies

Academic Integrity. Students in this course are expected to comply with UCSD's Policy on Integrity of Scholarship. In particular, plagiarism is considered a dishonest practice and a serious academic offense. Hence, there will be a zero tolerance policy with respect to these practices: any student violating the obligation of academic integrity during the term will automatically fail the class. Copies of the current version of the UCSD Policy on Integrity of Scholarship, also commonly referred to as the Academic Dishonesty Policy, may be found on the Academic Senate webpage: http://www-senate.ucsd.edu/AcademicIntegrity/AcademicIntegrity.htm

Disabilities. If you have a disability that requires special testing accommodations or other classroom modifications, you need to notify both me and the Office for Students with Disabilities (OSD). You may be asked to provide documentation of your disability to determine the appropriateness of accommodations. To notify the OSD, call (858) 534-4382 to schedule an appointment.

Course Materials

Readings are drawn from two books (one available for purchase and the other one available online), as well as from articles available online through the UCSD Library System (marked in this syllabus by ∗). In addition there are some readings drawn from book chapters, and non-electronic journals. These articles (marked by ∗∗) can be downloaded from E-Reserves or will be made available by the instructor.

Required Readings

Easterly, William. 2002. *The Elusive Quest for Growth.* Cambridge: MIT Press (hereafter: Easterly).

Powell, Andrew (Coord.). *Rethinking Reforms.* Washington, D.C.: IDB (hereafter: Reforms). Available for download at:
http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=37653357

Course Outline and Readings

Week 0 (October 3)

Introduction.

Week 1 (October 6- October 10)

October 6: The Quest for Prosperity

October 8: Mechanics of Growth I (Easterly, ch. 2)

October 10: Mechanics of Growth II (Easterly, ch. 3)

Week 2 (October 13 - October 17)

October 13: Incentives and Growth

* Olson, Mancur. 1996. "Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor," *Journal of Economic Perspectives*, Vol. 10: 3-24

October 15: Increasing Returns (Easterly, ch. 8)

October 17: Technological Change (Easterly, ch. 9)

Week 3 (October 20 - October 24)

October 20: Politics, Policies and the Economy

* Krueger, Ann O. 1990. "Government Failures in Development," *Journal of Economic Perspectives*, Vol 4, 3: 9-23.

October 22: Bad Governments (Easterly, ch. 11)

October 24:Predatory Governments (Easterly, ch. 12)

Week 4 (October 27 - October 31)

October 27: The Washington Consensus

** Williamson, John. 2000. "What Washington Means by Policy Reform," in Jeffry Frieden, Manuel Pastor, and Michael Tomz (eds). *Modern Political Economy and Latin America*, Boulder.: Westview Press, pp. 18-23.

October 29: Institutions I

** Levy, Brian. 2000. "How Can States Foster Markets?," in Jeffry Frieden, Manuel Pastor, and Michael Tomz (eds). *Modern Political Economy and Latin America*, Boulder.: Westview Press, pp. 24-28.

October 31: Institutions II

** Pradhan, Sanjay. 2000. "Improving the State's Institutional Capability," in Jeffry Frieden, Manuel Pastor, and Michael Tomz (eds). *Modern Political Economy and Latin America*, Boulder.: Westview Press, pp. 29-34.

Week 5 (November 3- November 7)

November 3: The Policy Making Process

** Stein, Ernesto and Mariano Tommasi (Eds.). *Policymaking in Latin America. How Politics Shapes Policies*. Washington, D.C.: IDB, Chapter 1.

November 5: Review Session

November 7: **Midterm Exam**

Week 6 (November 10 - November 14)

November 10: Actors and Arenas

** Stein, Ernesto and Mariano Tommasi (Eds.). *Policymaking in Latin America. How Politics Shapes Policies*. Washington, D.C.: IDB, Chapter 2.

November 12: Parties

** Jones, Mark P. 2010. "Beyond the Electoral Connection," in Carlos Scartascini, Ernesto Stein and Mariano Tommasi (Eds.). *How Democracy Works*. Washington D.C.: IDB-Harvard University Press, Chapter 2.

November 14: Legislatures

** Saiegh, Sebastian. 2010. "Active Players or Rubber Stamps?," in Carlos Scartascini, Ernesto Stein and Mariano Tommasi (Eds.). *How Democracy Works*. Washington D.C.: IDB-Harvard University Press, Chapter 3.

Week 7 (November 17 - November 21)

November 17: Sustaining Prosperity

** Eyzaguirre, Nicolas. 2011. "Sustaining Latin America's Transformation," in *Finance and Development*, Vol. 48, No. 1.

November 19: Wealth and Prosperity

** Bárcena, Alicia. 2001. "Spreading the Wealth," in *Finance and Development*, Vol. 48, No. 1.

November 21: The Great Recession

* Ocampo, Jose Antonio. 2009. "Latin America and the global financial crisis," *Cambridge Journal of Economics*, 33: 703-724.

Week 8 (November 24 - November 26)

November 24: Growth in the Face of Global Headwinds (Reforms, ch. 3)

November 26: Limits of Fiscal and Monetary Policy (Reforms, ch. 4)

Week 9 (December 1 - December 5)

December 1: Productivity (Reforms, ch. 5)

December 3: Labor Markets (Reforms, ch. 6)

December 5: Savings (Reforms, ch. 7)

Week 10 (December 8 - December 12)

December 8: Good Governance

** Giuliano, Paola, Prachi Mishra, and Antonio Spilimbergo. 2011. "Free Governments, Good Policies," in *Finance and Development*, Vol. 48, No. 1.

December 10: Policy Making in the Real World

* Stiglitz, Joseph. 1998. "The Private Uses of Public Interests: Incentives and Institutions," in *Journal of Economic Perspectives*, Vol. 12, No. 2: 3-22.

December 12: Final Overview

Final Exam: Wednesday December 17 - 8:00AM - 10:59AM