

POLI 134D Topics/Latin American Politics
Winter 2007

Monday, Wednesday, Friday 09:00AM-09:50AM
Cognitive Science Building, Room 001

Politics, Policies, and Economic Prosperity in Latin America

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Office Hours: Wednesday 10:00AM-12:00PM, office SSB #365.

Course Description

In order to raise the rate of growth in Latin America, and to achieve fairer societies, policies matter, but so do the political institutions through which they are approved and implemented. 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. Special attention is paid to the role of legislatures, the bureaucracy, and intergovernmental relations.

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.

The pace of this course will be fast and some of the readings will be quite complex. You should **not** be discouraged by this. In most cases, understanding these readings will take patience more than anything else. Nonetheless, some basic knowledge of economics and statistics would be useful.

Assignments

Each week students are expected to read the materials. Students are expected to write two short essays (1-2 pages each), take a midterm exam, and final exam. The short essays should focus on the main ideas discussed in a particular week's readings. The emphasis should be on how the arguments are presented, and how the problem at hand can be better examined. These papers should not be summaries of the readings or other forms of surveys of the literature. I want you to think about how you would address the issues discussed in the readings. You should do one of the papers on weeks 2-4, and the other one on weeks 5-7. The midterm exam is worth 25% of the final grade. The sum of the assignments (the short essays) account for 20% of the final grade and the final exam accounts for 45% 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 available for purchase, and from articles available off the Web 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 **) will be made available by the instructor.

Required Books

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

Inter-American Development Bank. 2006. *The Politics of Policies*. Washington, D.C.: Inter-American Development Bank (hereafter IPES).

Course Outline and Readings

January 8 - January 26: THE QUEST FOR PROSPERITY

Week 1 (January 8 - January 12)

January 8: Introduction

January 10: Mechanics of Growth I (Easterly, ch. 2)

January 12: Mechanics of Growth II (Easterly, ch. 3)

Week 2 (January 15 - January 19)

January 15: Martin Luther King, Jr. Holiday - no class

January 17: 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

January 19: Increasing Returns (Easterly, chs. 8-9)

Week 3 (January 22 - January 26)

January 22: Politics, Policies and the Economy

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

January 24: Bad Governments (Easterly, ch. 11)

January 26: Distributive Conflicts and Growth (Easterly, ch. 13)

January 29 - February 7: INSTITUTIONS AND POLICIES

Week 4 (January 29 - February 2)

January 29: Institutions Matter

- ** World Bank. 1998. *Beyond the Washington Consensus*. Washington, D.C.: The World Bank, Chapter 1, pp. 11-24.

January 31: Institutional Reform

- ** World Bank. 1998. *Beyond the Washington Consensus*. Washington, D.C.: The World Bank, Chapter 2, pp. 25-37.

February 2: The Politics of Reforms

- ** Navia, Patricio and Andres Velasco. 2003. "The Politics of Second-Generation Reforms," in Kuczynski and Williamson (eds.) *After the Washington Consensus*. Washington DC: Institute for International Economics.

Week 5 (February 5- February 9)

February 5: The Politics of Policies (IPES, chs. 1-2)

February 7: The Policy Making Process

- * Spiller, Pablo T., and Mariano Tommasi. 2003. "The Institutional Foundations of Public Policy," in *Journal of Law, Economics, and Organization*, Vol. 19, No. 2: 281-306.

February 9: Midterm Exam

February 12 - February 23: ACTORS AND ARENAS

Week 6 (February 12 - February 16)

February 12: Parties, Legislatures and Presidents (IPES, ch. 3)

February 14: Cabinets, Governors, the Judiciary (IPES, ch. 4)

February 16: Civil Society (IPES, ch. 5)

Week 7 (February 19- February 23)

February 19: Presidents Day Holiday - no class

February 21: The Workings of the Policy Making Process (IPES, ch. 6)

February 23: Policy Implementation

- * Dixit, Avinash. 2003. "Some Lessons from Transaction-Cost Politics for Less-Developed Countries," in *Economics & Politics*, Vol. 15, No. 2: 107-133.

February 26 - March 9: EXPERIENCES IN POLICY MAKING

Week 8 (February 26- March 2)

February 26: Argentina

- * Bambaci, Juliana, Tamara Saront, and Mariano Tommasi. 2002. "The Political Economy of Economic Reforms in Argentina," in *Policy Reform*, Vol. 5, No. 2: 75-88.

February 28: Chile, Colombia, Brazil & Ecuador (IPES, ch. 7)

March 2: Paraguay

- * Molinas, Jose, Anibal Perez Linan, and Sebastian Saiegh. 2004. "Political Institutions, Policymaking Processes, and Policy Outcomes in Paraguay," in *Revista de Ciencia Política*, Vol. 24: 67-93.

Week 9 (March 5 - March 9)

March 5: Fiscal Policy (IPES, ch. 8)

March 7: Public Utilities (IPES, ch. 9)

March 9: Decentralization (IPES, ch. 11)

March 12 - March 16: LESSONS LEARNED

Week 10 (March 12 - March 16)

March 12: What have we learned? (IPES, ch. 12)

March 14: 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.

March 16: Final Overview

Final Exam: Wednesday March 21 - 08:00AM - 10:59AM