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| **Economic Development of Latin America** |
| [**Links**](http://cskim.snu.ac.kr/bookmark.htm)[**Bulletin Board**](http://sias.snu.ac.kr/bbs/boardlist.asp?BoardName=latin)  **Course Objective**      This course is designed to enable students to discuss and apply the major economic issues and theories facing Latin American economic development. The course will merge economic theory with Latin American case studies and data. While the emphasis will be on current problems, thinking, and policy, we will also examine historical cases and the development of economic thought.      The course will build toward developing skills on both theoretical and applied level, including data analysis. The course requirements include a final exam, assignments of data analysis and a term paper. This course assumes a certain exposure to macro and micro economics, as well as a familiarity with international economic concepts.  **Questions Explored**  Why haven't at least some Latin American countries reached the status of "developed country"?  Why are there such important differences in the degree of development of different Latin American countries?  Why has Latin America abandoned import substitution industrialization?  Are the current attempts of economic reform conducive to economic development, or are they detrimental to the region's poor (or both)?  **Textbooks**  [1] Cardoso, Eliana and Ann Helwege, *Latin America's Economy - Diversity, Trends, and Conflicts,* MIT Press 1992.  [2] Ocampo, Jose Antonio, and Jaime Ros (eds.) (2011), *The Oxford Handbook of Latin American Economics*, Oxford University Press.  [3] Edwards, Sebastian, *Crisis and Reform in Latin America - From Despair to Hope,* Oxford University Press, 1995.  [4] Franko, Patrice, *The Puzzle of Latin American Economic Development*, Rowman  and Littlefield Pub. Inc. 2007. |
| **Class Sequence** |
| Week 1. Introduction to Latin America  [[Lecture]](http://cskim.snu.ac.kr/latinissues/overview.ppt)  Week 2 & 3. Economic Growth of Latin America [[Lecture]](http://cskim.snu.ac.kr/latin/History.ppt) [[Lecture]](http://cskim.snu.ac.kr/latinissues/growth.ppt)  [2] Ch 1, 5  [1] Ch 3  José de Gregorio & Jong-Wha Lee, 2004. "Growth and Adjustment in East Asia and Latin America," Journal of LACEA Economia, LACEA - Latin American and Caribbean Economic Association ([pdf](http://www.iadb.org/intal/intalcdi/PE/2010/06221.pdf))   |  | | --- | | Assignment: Growth of Latin America and East Asia  Using the following dataset, run a regression on growth, and analyze the source of difference in the growth rate between Latin America and East Asia  Data source: [dataset](http://cskim.snu.ac.kr/latin/Has_Latin_Americas_Post-reform_Growth_Been_Disappointing.zip) |   Week 4. Trade Policy [[Lecture]](http://cskim.snu.ac.kr/latin/ISI.ppt)  [1] Ch 4  [2] Ch 13  Sachs, J. and A. Warner, (1995), "Economic Reform and the Process of Global Integration," Brookings Papers on Economic Activity; 1995;1([pdf](http://proquest.umi.com/pqdlink?index=5&did=000000006650397&SrchMode=3&sid=1&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1078726223&clientId=15501))   |  | | --- | | Assignment:  Change in comparative advantage  Calculate the Revealed Comparative Advantage (RCA) of some Latin American countries at SITC 1 digit level over the longest period you can. Interpret.  Data source: [dataset](http://cskim.snu.ac.kr/latin/sitc1d_50y.xls)  (COMTRADE, SITC rev. 1, 1 digit) |   Week 5. Trade Reform and Thereafter [[Lecture]](http://cskim.snu.ac.kr/latin/tradereform.ppt)  [2] Ch 15, 16, 17  Edwards, Sebastian, "Trade and Industrial Policy Reform in Latin America," NBER working paper # 4772, June 1994.  Michaely, Michael, "The Lessons of Experience: an Overview," in Shepherd and Langoni (eds.) *Trade Reform - Lessons from Eight Countries*.  Rodrik, Dani, (1995), "The Limits of Trade Policy Reform in Developing Countries," in Philip King (ed.) *International Economics and International Economic Policy*.   |  | | --- | | Assignment: "Trade Intensity Index"  Calculate the Trade Intensity Index between Korea and Latin America for 1982~2000.  Data source: [www.kotis.net](http://www.kotis.net)  Variables: Korean total exports, Korean exports to Latin America, Latin American total imports, World total imports |   Week 6, 7. Productive Sector Development  [2] Ch. 21, 22, 23,  Hidalgo, C. A. et. al. (2007) "The Product Space Conditions the Development of Nations," Science 317. ([pdf](http://www.barabasilab.com/pubs/CCNR-ALB_Publications/200707-17_Science-ProductSpace/200707-17_Science-ProductSpace.pdf)) <http://atlas.media.mit.edu/>  Hausmann, Ricardo and Bailey Klinger (2010) "Structural Transformation in Ecuador" Inter-American Development Bank ([pdf](http://www.iadb.org/wmsfiles/products/publications/documents/35822676.pdf))  Hausmann, Ricardo, Jason Hwang, and Dani Rodrik, (2007), "What You Export Matters," Journal of Economic Growth 12.1. ([pdf](http://download.springer.com/static/pdf/896/art%253A10.1007%252Fs10887-006-9009-4.pdf?auth66=1383722996_fddc56180f48ab620d8d0f38cd8cfce8&ext=.pdf))  Week 8. China and Latin America [[Lecture]](http://cskim.snu.ac.kr/trade/impact2LA.ppt)  [2] Ch. 19   Jorge Blázquez-Lidoy, Javier Rodríguez and Javier Santiso, (2006), “Angel Or Devil? China’s Trade Impact on Latin American Emerging Markets” OECD Development Centre, Working Paper No. 252  Lederman, Daniel, Marcelo Olarreaga, and Isidro Soloaga, (2007), “The Growth of China and India in World Trade: Opportunity or Threat for Latin America and the Caribbean?” World Bank, Policy Research Working Paper 4320  Week 9. Agricultural and Rural Development  [2] Ch. 24  Week 10. Energy and Infrastructure  [2] Ch. 25, 26  Week 11. Economic Integration [[Lecture]](http://cskim.snu.ac.kr/latin/integration.PPT)  [2] Ch 14  Edwards, Sebastian, "Latin America's Intraregional Trade: Evolution and Future Trend," NBER working paper # 2738, June 1988.   |  | | --- | | Assignment: "Intra-regional Trade"  Calculate the share of intraregional trade and the share of total exports in world exports for the following regional trade arrangements.  Regional trade arrangements: CACM, Mercosur, ASEAN  Data source: [www.kotis.net](http://www.kotis.net)  Variables: Direction of trade statistics, Matrix of exports |   Week 12, 13. Poverty and Inequality   [[Lecture]](http://cskim.snu.ac.kr/latin/Poverty.ppt)  [1] Ch. 9  [2] Ch 27, 28  Inter-American Development Bank, (1998), [Facing Up to Inequality in Latin America](http://www.iadb.org/res/index.cfm?fuseaction=Publications.View&pub_id=B-1998-1999), Economic and Social Progress in Latin America, 1998-99 Report.  Week 14. Final Exam |
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