

International History

Academic Year 2011-2012

The Economic History of Latin America

(HP032—Spring Semester—6 ECTS)

Tuesdays and Fridays 12:15-14:00 (CV204)

February 21 – May 4, 2012

Course Description:

The course examines chief problems of long-term development in Latin American history. Selected readings on colonialism, labor regimes, the impact of independence, export-led growth, human capital formation, import-substituting industrialization, and the erratic policies that led to the debt crisis and to neo-liberalism will be examined and discussed. The course requires some familiarity with basic concepts of economic growth and social/human development. Some prior knowledge of Latin American geography and history is advised. Though the course privileges quantitative studies in economic history as well as neo-institutional approaches, each topic will require the discussion of certain theories, concepts, and ideologies to better understand the materials.

PROFESSOR

Ricardo D.
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Reception hours:
Tuesdays
14h15-15h30
(CV323)

ASSISTANT

Trevin Stratton
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Reception hours:
Mondays
13h-15h (CV328)

Evaluation will be based on:

1. A seminar paper of 4-6,000 words (60%).
2. Presentation and defence of the paper (10%).
3. Comment on a fellow participant's paper (10%).
4. Class preparation and participation (20%).

Structure:

The introductory meeting will be followed by 13 seminars (2 per week) led by the teacher. Starting with week 3, on the last 15-20 minutes of each seminar students will present summaries of chosen articles and chapters and discuss them in class.

Readings:

It is imperative that everyone reads before each seminar. If you take the course, you need to commit yourself to reading the main bibliography. If you are discussant in a particular week, or have time to explore the topic further, please also use the 'Additional' readings. For your own paper, use both the main and the additional bibliography. Complement this with other articles you find in the library databases. Please come and discuss the question to be addressed by your paper, and the readings, in my reception ('office') hours.

Week 1. The Colonial Legacy.

Are there signs of a long-term impact of Spanish and Portuguese colonialism on current conditions for economic development in Latin America? How did colonial institutions affect the pattern of human and physical capital accumulation? Why was it different in the Thirteen American colonies?

Stanley L. Engerman, and Kenneth L. Sokoloff, "Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies", in *How Latin America Fell Behind: Essays on the Economic History of Brazil and Mexico, 1800-1914* ed. by Stephen Haber (Stanford: Stanford University Press, 1997), pp. 260-304.

Daron Acemoglu, Simon Johnson and James A. Robinson "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91 (2001): 1369-1401.

John H. Coatsworth "Political Economy and Economic Organization," in *The Cambridge Economic History of Latin America*, ed. by Victor Bulmer Thomas, John H. Coatsworth, and Roberto Cortes Conde (2 vols., Cambridge: Cambridge University Press, 2006), vol. 1, pp. 237-73.

Jeffrey G. Williamson, "Five Centuries of Latin American Inequality," NBER Paper 15305 (2009)

Additional:

John H. Coatsworth, "Economic and Institutional Trajectories in Nineteenth-Century Latin America" in *Latin America and the World Economy Since 1800*, edited with Alan M. Taylor (Cambridge: Harvard University Press, 1998), pp. 23-54.

Daron Acemoglu, Simon Johnson and James A. Robinson "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics*, 118 (2002): 1231-1294.

MacLeod, Murdo. "The Spanish Invasion and Its Impact on the Economic Structures of Pre-Columbian America," *SALALM Papers*, 40 (1995), 3-17.

Week 2. The Economic Consequences of Independence.

Did the independence wars destroy much human and physical capital in the new Latin American republics? How did the de-linking from the colonial economy affect domestic economic growth? Did free trade deliver them into the hands of British merchants? How does economic growth occur under conditions of unclear property rights?

Ricardo Salvatore and Carlos Newland "Between independence and the golden age: The early Argentine economy," in *A New Economic History of Argentina* edited by Gerardo della Paolera and Alan M. Taylor (New York: Cambridge University Press, 2003), p. 19-45.

Stephen Haber and Herbert Klein, "Economic Consequences of Brazilian Independence" in Haber, *How Latin America Fell Behind*, pp. 243-59.

John H. Coatsworth, "Obstacles to Economic Growth in Nineteenth-Century Mexico," *American Historical Review*, 83:1 (February 1978): 80-100. Available on-line.

Leandro Prados de la Escosura. "The Economic Effects of Latin American Independence," *The Cambridge Economic History of Latin America*, vol. 1, pp. 463-504.

Additional:

Rector, John L. "El impacto económico de la independencia en América Latina: el caso de Chile." *Historia (Chile)*, 20 (1985), 295-318.

Newland, Carlos and Ortiz, Javier. "The Economic Consequences of Argentine Independence (Translated by Emily Ellen Stern)." *Cuadernos de Economía (Chile)*, 38:115 (Dec 2001), 275-290.

Week 3. The Questions of Unfree Labor and Human Capital Formation

The Latin American economies presented, at the outset of independence, a variety of systems of coerced labor. Were these forms of unfree labor eliminated during the course of the nineteenth century? What was the dynamic between free labor and coerced labor during the period of nation-state formation? What effect, if any, had persistence forms of coercion in the process of human capital formation?

John Monteiro, "Labor Systems" in *The Cambridge Economic History of Latin America*, vol. 1, pp. 185-233.

David Eltis, "The Volume and Structure of the Trans-Atlantic Slave Trade, A Reassessment," *William and Mary Quarterly*, Third series, 58:1 (January 2001): 17-46. Available on-line

- Jeremy Baskes, "Colonial Institutions and Cross-Cultural Trade: *Repartiniento* Credit and Indigenous Production of Cochineal in Eighteenth-Century Oaxaca, Mexico," *Journal of Economic History*, 65:1 (March 2005): 186-210.
- Arnold Bauer, "Rural Workers in Spanish America: Problems of Oppression and Peonage," *Hispanic American Historical Review*, 59 (1979): 34-63. Available on-line.
- R. Salvatore, "Repertoires of Coercion and Market Culture in Nineteenth-Century Buenos Aires Province," *International Review of Social History* 45 (2000).
- Elisa Mariscal and Kenneth Sokoloff, "Schooling, Suffrage, and the Persistence of Inequality in the Americas, 1800-1945" in Stephen Haber, ed., *Political Institutions and Economic Growth* (Stanford: Stanford University Press, 2000): pp. 159-217.

Additional:

- McCreery, David J. "An Odious Feudalism: Mandamiento Labor and Commercial Agriculture in Guatemala, 1858-1920," *Latin American Perspectives*, 13:1 (Winter, 1986), pp. 99-117.
- Tandeter, Enrique. "Trabajo forzado y trabajo libre en el Potosí colonial tardío," *Desarrollo Económico*, Vol. 20, No. 80 (Jan. - Mar., 1981), pp. 511-548.
- Spanoghe, Sander. "Los salarios dentro del sistema del repartiniento forzoso en el valle de México, 1549-1632," *Anuario de Estudios Americanos*, 54:1 (Jan-June 1997), 43-64.
- Molina, Iván and Steven Palmer, "Popular Literacy in a Tropical Democracy: Costa Rica, 1850-1950," *Past and Present* (2004): 169-208.
- Yinghong Cheng and Patrick Manning, "Revolution in Education: China and Cuba in Global Context, 1957-76," *Journal of World History*, Vol. 14, No. 3 (Sep., 2003).

Week 4: Export-Led Growth, Advantages and Disadvantages.

Most of the economies of Latin America during the period 1870-1930 integrated into the world economy via exports of raw materials and food-stuffs. What were the advantages and disadvantages of this path of development? Were these economies subject to declining terms of trade? Did these economies favor low tariffs? What were the welfare implications of choosing the export-led path?

- Andre Gunder Frank, "The Development of Underdevelopment" in *Imperialism and Underdevelopment: A Reader* edited by Robert I. Rhodes (New York: Monthly Review Press, 1970): 4-17.
- Cortés Conde, Roberto. "Export-Led Growth in Latin America, 1870-1930," *Journal of Latin American Studies*, 24, Suppl. (1992), 163-179.
- John H. Coatsworth and Jeffrey G. Williamson "Always Protectionist? Latin American Tariffs from Independence to Great Depression," *Journal of Latin American Studies*, 36:2 (May 2004): 205-32.
- Yael S. Hadass and Jeffrey G. Williamson "Terms-of-Trade Shocks and Economic Performance, 1870-1940: Prebisch and Singer Revisited" *Economic Development and Cultural Change*, 51:3 (Apr., 2003).
- Ricardo D. Salvatore, "Stature Decline and Recovery in a Food-Rich Export Economy: Argentina 1900-1934," *Explorations in Economic History* 41:3 (2004), 233-255.

Additional:

- Perez Brignoli, Hector. "The Economic Cycle in Latin American Agricultural Export Economies (1880-1930): A Hypothesis for Investigation," *Latin American Research Review*, 15: 2 (1980), 3-33.
- Alan M. Taylor and Jeffrey G. Williamson, "Capital Flows to the New World as an Intergenerational Transfer" *The Journal of Political Economy*, 102; 2 (Apr., 1994),
- Simeon Hein, "Trade Strategy and the Dependency Hypothesis: A Comparison of Policy, Foreign Investment, and Economic Growth in Latin America and East Asia," *Economic Development and Cultural Change*, 40: 3 (Apr., 1992).
- Kuntz Ficker, Sandra. "From Structuralism to the New Institutional Economics: The Impact of Theory on the Study of Foreign Trade in Latin America," *Latin American Research Review*, 40: 3 (2005), 145-162.

Week 5. Import Substituting Industrialization.

Inward-looking strategies of development dominated Latin America during the period 1950-1980. Basic underlying ideas of "import substitution industrialization". Why did this strategy last so long? How does the performance of ISI countries compare with that of Asian industrializers? Why were some Latin American countries more successful than others? Which were the main costs associated with "inward-looking" development?

- Gustav Ranis and Louise Orrock, "Latin America and East Asia NICs: Development Strategies

Compared" in *Latin America and the World Recession* edited by Esperanza Durán (Cambridge: Cambridge University Press, 1985), pp. 48-66. no

Albert O. Hirschman, "The Political Economy of Import Substituting Industrialization in Latin America," *Quarterly Journal of Economics*, 82:1 (1968): 1-32.

Taylor, A. M. "On the Costs of Inward-Looking Development: Price Distortions, Growth, and Divergence in Latin America." *Journal of Economic History* 58 (March 1998): 1-28.

Ricardo Salvatore, "Stature Growth in Industrializing Argentina: The Case of the Buenos Aires Industrial Belt," *Explorations in Economic History* (April 2009).

H.J. Bruton, "A Reconsideration of Import Substitution," *Journal of Economic Literature*, 36:2 (1998): 903-36.

Additional:

Werner Baer, "Industrialization in Latin America: Successes and Failures" *The Journal of Economic Education*, 15: 2 (Spring, 1984),

Love, Joseph L. "The Rise and Decline of Economic Structuralism in Latin America: New Dimensions," *Latin American Research Review*, 40:3 (2005), 100-125.

Cristóbal Kay, "Why East Asia Overtook Latin America: Agrarian Reform, Industrialisation and Development," *Third World Quarterly*, 23: 6 (Dec., 2002),

Silva, Eduardo. "The Import-Substitution Model: Chile in Comparative Perspective," *Latin American Perspectives*, 34:3 (May 2007), 67-90.

Tafunell, Xavier. "On the Origins of ISI: The Latin American Cement Industry, 1900-'30," *Journal of Latin American Studies*, 39:2 (May 2007), 299-328.

Paolo Giordano and Robert Devlin, "Regional Integration" in José Antonio Ocampo and Jaime Ros, eds., *Oxford Handbook of Latin American Economics* (forthcoming, Oxford University Press, 2010).

Week 6. Measuring Human Welfare and Inequality.

New measurements for human welfare: the Human Development Index and anthropometric history. Human stature reveals the status of net-nutrition of the nation. What do statures of recruits, prisoners and migrants tell about human welfare in Latin America? Are regional inequalities as profound as social inequalities?

Zephyr Frank, "Stature in Nineteenth-Century Rio de Janeiro: Preliminary Evidence from Prison Records," *Revista de Historia Económica*, 34:3 (Winter 2006): 465-90.

Moramay Lopez-Alonso and Rafael Porras Condey, "The Ups and Downs of Mexican Economic Growth: The Biological Standard of Living and Inequality, 1870-1950," *Economics and Human Biology*, 1:2 (2004): 169-86.

Ricardo D. Salvatore, "The Regional Dimension of Biological Welfare: Argentina in the 1920s," *Historia Agraria* (Spain) no. 47, 207-235.

Jeffrey G. Williamson, "Real wages inequality and globalization in Latin America before 1940," *Revista de Historia Económica*, 17 (1999): 101-142.

James W. McGuire and Laura B. Frankel, "Mortality Decline in Cuba, 1900-1959: Patterns, Comparisons, and Causes," *Latin American Research Review*, Vol. 40, No. 2 (2005)

Ricardo Salvatore, John Coatsworth and Amilcar Challú, eds. *Living Standards in Latin American History. Heights, Welfare and Development, 1750-2000*. Harvard University Press, 2010, selected essays.

Additional:

Richard Steckel, "Health and Nutrition in Pre-Colombian America: The Skeletal Evidence," *Journal of Interdisciplinary History*, 36:1 (Summer 2005): 1-32.

Patricia K. Smith et al, "Does Immigration Help or Harm Childrens' Health? The Mayan Case", *Social Science Quarterly* 83: 4 (December 2002).

John H. Coatsworth, "Railroads, Landholding and Agrarian Protest in the Early Porfiriato," *Hispanic American Historical Review*, 54:1 (February 1974): 48-71. si

Miguel Székely and Andrés Montes, "Poverty and Inequality" in *The Cambridge Economic History of Latin America*, vol. 2, 585-645. no

Behrman, Jere R. "Schooling in Latin America: What Are the Patterns and What Is the Impact?," *Journal of Inter-American Studies and World Affairs*, 27:4 (Winter 1985-1986), 21-35.

Week 7. The Debt Crisis and the Washington Consensus.

The neo-conservative revolution is associated to two developments: the debt crisis of the early 1980s and the emergence of the Washington Consensus. What were the underlying processes that led to the debt crisis? What are the foundational ideas behind the new neo-conservative policy consensus? How did these policies affect growth and distribution in Latin America?

Victor Bulmer-Thomas, *Economic History of Latin America*, chaps. 10-12, pp. 313-410.

Juan Carlos Moreno-Brid, Esteban Pérez Caldentey, and Pablo Ruíz Nápoles, "The Washington Consensus: a Latin American perspective fifteen years later," *Journal of Post Keynesian Economics*, 27:2 (Winter 2004): 345-65.

Martinez, Osvaldo. "Debt and Foreign Capital: The Origin of the Crisis," *Latin American Perspectives*, Vol. 20: 1 (Winter, 1993), pp. 64-82.

Sheahan, John. "Effects of Liberalization Programs on Poverty and Inequality: Chile, Mexico, and Peru." *Latin American Research Review*, 32:3 (1997), 7-37.

Additional:

Optional: Sala-i-Martin, X., "The World Distribution of Income: Falling Poverty and Convergence, Period," *Quarterly Journal of Economics*, 121:2 (May 2006): 351-97

Morley, Samuel A. "The Effects of Growth and Economic Reform on Income Distribution in Latin America." *CEPAL Review*, 71 (Aug 2000), 23-40.

Donald L. Huddle. "Post-1982 Effects of Neoliberalism on Latin American Development and Poverty: Two Conflicting Views," *Economic Development and Cultural Change*, Vol. 45, No. 4 (July 1997), pp. 881-897.

Jones, Claudia Turner. "The Impact of the Debt Crisis on Women and Families in Selected Latin American Countries," *Journal of Caribbean Studies*, 8:1-2 (Winter-Summer 1990-1991), 31-45.

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Additional Topic For Independent Study or Research Paper

The Political Economy of Revolutions.

Alan Knight, "Cardenismo: Juggernaut or Jalopy?" *Journal of Latin American Studies*, 26:1 (February 1994): 73-107.

Jonathan Kelley and Herbert S. Klein, *Revolution and the Rebirth of Inequality: A Theory Applied to the National Revolution in Bolivia* (Berkeley: University of California Press, 1981), chap. 1, 4, 6.

Jorge Domínguez, et al., *The Cuban Economy at the Start of the Twenty-First Century* (Cambridge: DRCLAS, 2004), chaps. 1 and 2, pp. 17-88.

Susan Eckstein, "On Socialist Fiscal Crises: Lessons from Cuba," *Theory and Society*, Vol. 17, No. 2 (Mar., 1988).

Laura J. Enríquez and Marlen I. Llanes, "Back to the Land: The Political Dilemmas of Agrarian Reform in Nicaragua," *Social Problems*, 40: 2 (May, 1993),

James Petras, "Nicaragua: The Transition to a New Society." *Latin American Perspectives*, 8: 2, Revolutionary Nicaragua (Spring, 1981),

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Other TOPICS for final research papers:

- Women and Development in Latin America;
- Social and Human Capital in Contemporary Latin American Societies;
- The Economic Impact of British "Free-trade imperialism"
- The Economic Impact of United States Hegemony in Latin America.
- Latin American migrants in the United States; Gains and Losses.
- Race, Ethnicity, and Development: ¿Does cultural pluralism promote development?
- Technical Education and Technological Change in Latin America.
- Corruption and Economic Growth: the Case of "Crony Capitalism".
- Drug Traffic and the Economy: The cases of Colombia and Mexico.
- Ideologies of Development in Latin America: Dependency, Structuralism, and Populism compared.
- Colonial and Post-independent Forced Labor in Latin America: the state of the debate.