

**The Ohio State University**  
**Colleges of the Arts and Sciences Course Change Request**

International Studies  
 Academic Unit

International Studies

438

Book 3 Listing (e.g., Portuguese)

Course Number

Summer      Autumn    X    Winter      Spring      Year 2008

**Proposed effective date:** choose one quarter and put an "X" after it; and fill in the year. See the OAA curriculum manual for deadlines.

**A. Course Offerings Bulletin Information.** Follow instructions in the OAA curriculum manual. Before you fill out the "Present Course" information, be sure to check the latest edition of the *Course Offerings Bulletin* and subsequent Circulating Forms. You may find that the changes you need have already been made or that additional changes are needed. If the course offered is less than quarter or term, please also complete the Flexibly Scheduled/OffCampus/Workshop Request form.

**COMPLETE ALL ITEMS THIS COLUMN**

**Present Course**

1. Book 3 Listing: International Studies
2. Number: 438
3. Full Title: Latin American Economic Development
4. 18-Char. Transcript Title: Latin Am Econ Dev
5. Level and Credit Hours U 5
6. Description: Public policy and other factors influencing Economic growth in Latin America are examined.
7. Qtrs. Offered : SP
8. Distribution of Contact Time: 2 2-hr cl.  
(e.g., 3 cl, 1 3-hr lab)
9. Prerequisite(s): Ag Econ or Econ 200
- 10.
11. Repeatable to a maximum of NA credits.
12. Off-Campus Field Experience: NA
13. Cross-listed with: Agricultural Economics
14. Is this a GEC course? no
15. Grade option (circle): Ltr X    S/U    P  
If P graded, what is the last course in the series?
16. Is an honors version of this course available? Y  NX  
Is an Embedded Honors version of this course available?    Y  NX
17. Other general course information:

**Changes Requested**

- 1.
2. 538
- 3.
- 4.
5. UG
- 6.
- 7.
- 8.
- 9.
10. Not open to students with credit for 438
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.

**COMPLETE ONLY THOSE ITEMS THAT CHANGE**

**B. General Information**

1. Do you want the prerequisites enforced electronically (see the OAA manual for what can be enforced)?  
yes

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2. Does this course currently satisfy any GEC requirement, if so indicate which category?  
no

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3. What other units require this course? Have these changes been discussed with those units?  
Agricultural Economics. Yes (see attached letter)

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4. Have these changes been discussed with academic units that might have a jurisdictional interest in the subject matter?  
Attach relevant letters.  
NA

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5. Is the request contingent upon other requests, if so, list the requests?  
NO

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6. Purpose of the proposed change. (If the proposed change affects the content of the course, attach a revised syllabus and course objectives and e-mail to [asccurrofc@osu.edu](mailto:asccurrofc@osu.edu).)

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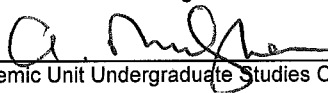
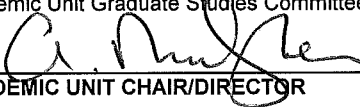
7. Please list Majors/Minors affected by the proposed change. Attach revisions of all affected programs. This course is (check one):  
 Required on major(s)/minor(s)       A choice on major(s)/minors(s)  
 An elective within major(s)/minor(s)       A general elective:  
 NA

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8. Describe any changes in library, equipment or other teaching aids needed as a result of the proposed change or if the proposed change involves budgetary adjustments, describe the method of funding:  
NA

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**Approval Process** The signatures on the lines in ALL CAPS ( e.g. ACADEMIC UNIT) are required.

- |  |                                |                 |
|--|--------------------------------|-----------------|
| <br>1. Academic Unit Undergraduate Studies Committee Chair  | Anthony Mughan<br>Printed Name | 12/6/07<br>Date |
| 2. Academic Unit Graduate Studies Committee Chair  | Printed Name                   | Date            |
| <br>3. ACADEMIC UNIT CHAIR/DIRECTOR   | Anthony Mughan<br>Printed Name | 12/6/07<br>Date |
| 4. After the Academic Unit Chair/Director signs the request, forward the form to the ASC Curriculum Office, 105 Brown Hall, 190 West 17 <sup>th</sup> Ave. or fax it to 688-5678. Attach the syllabus and any supporting documentation in an e-mail to <a href="mailto:asccurrofc@osu.edu">asccurrofc@osu.edu</a> . The ASC Curriculum Office will forward the request to the appropriate committee. |                                |                 |
| 5. COLLEGE CURRICULUM COMMITTEE  | Printed Name                   | Date            |
| 6. ARTS AND SCIENCES EXECUTIVE DEAN  | Printed Name                   | Date            |
| 7. Graduate School (if appropriate)  | Printed Name                   | Date            |
| 8. University Honors Center (if appropriate)   | Printed Name                   | Date            |
| 9. Office of International Affairs (study tours only)  | Printed Name                   | Date            |
| 10. ACADEMIC AFFAIRS   | Printed Name                   | Date            |

**Rationale for Course Changes for AED Econ/Intl. Studies 434-439  
To 535, 536, 537, 538, 539, 532**

For each of the six courses, 434-439, the rationale is identical and consists of two parts:

- Renumbering the courses and designating them U-G will allow graduate students to enroll for credit.
- These courses are cross-listed with the Undergraduate International Studies Program (UISP) and most of the enrollment is comprised of students majoring in International Studies and other students enrolled in the Colleges of the Arts and Sciences. The content of the courses and the level at which they are taught are comparable to other 500-level offerings in UISP and ASC.



International Studies

33 Townshend Hall  
1885 Neil Avenue  
Columbus, OH 43210-1222 USA

Phone (614) 292-9657  
Fax (614) 688-3020

December 3, 2007

Prof. Alan J. Randall, Chair  
Agricultural, Environmental & Development Economics  
Agricultural Administration Building  
2120 Fyffe Road  
CAMPUS MAIL

Dear Alan,

International Studies supports the course change proposal to renumber and change the level to UG for the cross-listed development courses listed below:

AED ECON / INT STDS 434 (532) -- Food Security & Globalization  
AED ECON / INT STDS 435 (535) -- Economic Development Processes in Developing Countries  
AED ECON / INT STDS 436 (536) -- Economic Development of Sub-Saharan Africa  
AED ECON / INT STDS 437 (537) -- Middle East Economic Development  
AED ECON / INT STDS 438 (538) -- Latin American Economic Development  
AED ECON / INT STDS 439 (539) -- China's Economic Reforms and Globalization

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Tony".

Anthony Mughan  
Director

Professor, Political Science



Department of Agricultural, Environmental, and Developmental Economics

Agricultural Administration Building  
2120 Fyffe Road  
Columbus, OH 43210-1067

Phone (614) 292-7911  
Fax (614) 292-4749  
<http://aede.ag.ohio-state.edu/>

December 3, 2007

Dr. Tony Mughan, Director  
International Studies Program  
33 Townsend Hall  
1885 Neil Ave.  
Campus

Dear Tony:

The Department of Agricultural, Environmental, and Development Economics supports the course change proposals to renumber and change the level to UG for the cross-listed development courses listed below:

AED Econ/Int Stds 434 (532) – Food Security and Globalization

AED Econ/Int Stds 435 (535) – Economic Development Processes in Developing Countries

AED Econ/Int Stds 436 (536) – Economic Development of Sub-Saharan Africa

AED Econ/Int Stds 437 (537) – Middle Eastern Economic Development

AED Econ/Int Stds 438 (538) – Latin American Economic Development

AED Econ/Int Stds 439 (539) – China's Economic Reforms and Globalization

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Alan".

Alan J. Randall  
Department Chair

Department of Agricultural, Environmental and Development Economics  
International Studies  
The Ohio State University

AEDE 538 / IS 538  
ECONOMIC DEVELOPMENT OF LATIN AMERICA  
Spring 2009

**Instructor:** M.A. Francisco Monge-Arino  
Office # 342 Ag. Admin. Bldg. (West Campus)  
Tel. 292-9516  
E-mail: [monge-arino.1@osu.edu](mailto:monge-arino.1@osu.edu)  
Office hours: M,W 4 – 5:30 pm, or by appointment

**Teaching Assistant:** Alba Baez  
E-mail: [baez.6@osu.edu](mailto:baez.6@osu.edu)  
Office hours: appointed upon e-mail request, preferably on  
TR and FR

**Class time:** M,W 9:30 – 11:18 am  
**Location:** BO-314

*Course objective:*

The students will acquire the fundamental theoretical concepts related to economic growth and development that allow them to understand the evolution of Latin American economies over the last fifty years. The students will be trained to analyze development strategies and policy choices using a simple principle that is as practical as undeniable: “people respond to incentives”. The class will consist of a balanced mix of theory and empirical case studies, such that the students can develop a richer vision of the pitfalls and success stories stemming from the different development strategies implemented by the Latin American countries over the second half of the 20<sup>th</sup> century. Based on that and on the learning associated to the research for the Term Paper, the students will be able to have a better understanding of the reality of those countries, as well as to prescribe some general policy recommendations to address the challenges and problems that remain unsolved and that are critical in the quest for a better living for all Latin Americans, particularly the poorest.

Evaluation:

Short quizzes (7 in total) *	28%
Class participation	12%
Midterm Examination	20%
Final Examination **	20%
Term Paper ***	20%
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TOTAL	100%

\* Consists of 4 multiple choice questions and will be taken **during the last 12 minutes of the corresponding class**. Each quiz covers the topics discussed in that day's class and the previous one. Missing the class in which the quiz was taken implies missing the quiz as well, unless **written** medical/work excuse is provided the next class.

\*\* NON-COMPREHENSIVE

\*\*\* Must consist of a *maximum* of 12 double-spaced pages. It must be supported by **relevant** statistics and discuss the issues on Growth and Development during the last 25-30 years, for any Latin American country of your choice (except Bolivia, that will be discussed in the Case Study lecture). It must visit all of the relevant issues discussed in class for the chosen country. Font must be Arial 12 points. Statistical data, charts and graphs must be attached in an Annex and do NOT count for the maximum length. Valuable details and tips on how to write this paper will be discussed in class on May 1<sup>st</sup>. A maximum of 5 students who are qualified Spanish readers, will be given the chance to prepare both a written summary and a 10-minute presentation to the class, in replacement for the Term Paper. Each summary/presentation will be about one or two chapters from the book "No perdamos también el siglo XXI" (Let's not also waste the XXI century"), that is available only in Spanish. In the event that more than 5 students are willing and able to choose this option, a standard random selection method will be used to pick just 5.

Grading Scale:

93-100	A	77-79	C+	59 and Below	E
90-92	A-	73-76	C		
87-89	B+	70-72	C-		
83-86	B	67-69	D+		
80-82	B-	60-66	D		

Textbooks:

**REQUIRED**

Easterly, William. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, first edition, 2002. ISBN: 0-262-55042-3.

## REFERENCE

Franko, Patrice. *The Puzzle of Latin American Economic Development*. Rowman & Littlefield Publishers Inc., second edition, 2003. ISBN: 0-7425-2466-3.

## Academic Misconduct:

It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term "academic misconduct" includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct ([http://studentaffairs.osu.edu/info\\_for\\_students/csc.asp](http://studentaffairs.osu.edu/info_for_students/csc.asp)).

## Disability Services

**Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.**

## Course Schedule:

Date	Topic	Quiz #	Book	Chapter
	Introduction: Economic Development for Latin America	-	Easterly Franko	Prologue, 1, 1
	Aid, Investment and Growth	1	Easterly	2, 3
	Poverty, Inequality and Growth	-	Franko	11
	Education, Population Growth and Development	2	Easterly	4, 5
	Education Policy in Latin America	-	Franko	13
	Foreign Lending and Growth	3	Easterly	6
	Price Instability in Latin America	-	Franko	5
	External Indebtedness and Development	4	Easterly	7
	Latin America's Debt Crisis	-	Franko	4
<b>MIDTERM EXAM</b>				
	Case Study: Bolivia (GUEST LECTURER: M.A. Franz Gomez-Soto)	-	World Bank reports	Web *
	Import Substitution Industrialization (GUEST LECTURER: Dr. Claudio Gonzalez-Vega)	-	Franko (+ Paper)	3
	Trade, Agricultural Policy and Development	-	Franko	8, 10
	Returns on Investment, Technological Change and Growth	5	Easterly	8, 9
	Capital Flows, Markets and Growth in Latin America	-	Franko	7
	The Role of the Government in Growth and Development	6	Easterly	11
	Performance of Latin American Governments in the Quest for Growth	-	Franko	6
	Corruption, Growth and Development	7	Easterly	12
<b>HOLIDAY - MEMORIAL DAY</b>				
	Term Paper Due / Presentations	-	-	-
<b>#####</b>				
<b>FINAL EXAM (non-comprehensive, same class time)</b>				

\* : two reports must be checked and each one of them can be found at [http://devdata.worldbank.org/AAG/bol\\_aag.pdf](http://devdata.worldbank.org/AAG/bol_aag.pdf), and

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/BOLIVIAEXT/0,,menuPK:322289~pagePK:141132~piPK:141107~theSitePK:322279,00.html>



Course outline by topic:

**Topic # 1. Introduction: Economic Development for Latin America.** For this topic we will sketch the introductory concepts on economic growth and development while taking a brief look at some general trends observed in Latin American countries during the last four decades. Those elements will enable the students to understand Latin America's general context and its role in the global economy. We will present as well, the cornerstone of our analysis throughout the entire course: "people respond to incentives". Readings: Easterly's Prologue, Section I and Chapter 1; Franko's Chapter 1.

**Topic # 2. Aid, Investment and Growth.** For this topic we will review in detail the circumstances under which foreign aid (lending) and investment have failed to be panaceas for growth and development in developing countries. As part of that, we will explore the role of those elements in promoting growth and development while we acknowledge their nature of necessary but insufficient conditions. Valuable examples about developing countries will facilitate the understanding of these contents in the Latin American context. Readings: Easterly's Chapters 2 and 3.

**Topic # 3. Poverty, Inequality and Growth.** For this topic we will explore valuable and detailed statistics about Latin American economies that enable the students to understand how serious the poverty and income distribution inequality are in that region compared to the rest of the world. That will serve as the basis for understanding how essential the reduction on poverty and a less uneven income distribution are in the quest for development. The analysis performed in class will facilitate the identification of the main causes of Latin America's poverty and uneven income distribution, as well as some general policies that can truly help to deal with such problems more efficiently. Readings: Franko's Chapter 11.

**Topic # 4. Education, Population Growth and Development.** For this topic we will study how education and population control policies have failed to be panaceas for growth. In doing so, we will explore why education is a necessary but insufficient condition for growth and development as well as the complements it demands for translating into true improvements in the living standards. Besides, we will analyze the main historical sequence of population control policies, starting from the Malthusian predictions. This will provide the basis for understanding that population control is not a tool for pursuing development but a direct result from it. Interesting cases of some developing countries' experiences will enrich the discussion. Readings: Easterly's Chapters 4 and 5.

**Topic # 5. Education Policy in Latin America.** For this topic we will explore detailed statistics about the educational performance of Latin American economies during the second half of the 20<sup>th</sup> century. In addition, we will analyze several elements of those countries' education policies that facilitate the understanding of the main pitfalls, the identification of the mains challenges and the prescription of some general policy guidelines regarding education. Readings: Franko's Chapter 13.

**Topic # 6. Foreign Lending, External Indebtedness and Growth.** For this topic we will study how foreign lending failed to be a panacea for growth and the characteristics of the lending system that create a perverse structure of incentives that prevents the loans to translate into growth and development and also leads countries to end up over indebted. In addition, we will analyze how the excessive indebtedness creates the need for additional debt, producing thus a “snow ball” effect. Interesting experiences of some developing countries will enrich the analysis. Readings: Easterly’s Chapters 6 and 7.

**Topic # 7. Latin America's Debt Crisis.** Using the concepts learned in the previous topic as an input, here we will review the different elements surrounding the excessive indebtedness that Latin American countries engaged in by the mid 70’s. We will also review the crisis originated by such over-indebtedness and the main consequences on poverty and income distribution. Readings: Franko’s Chapter 4.

**Topic # 8. Price Instability in Latin America.** For this topic we will analyze in detail the hyper-inflation episodes that took place in many Latin American countries during the 80’s, putting special emphasis on the main causes, the wrong policy choices, the consequences on poverty and income distribution and the policy recommendations that stem from those experiences. Readings: Franko’s Chapter 5.

**Topic # 9. Case Study: Bolivia.** For this topic students will see a presentation either by the instructor or by a guest lecturer about the main trends observed in Bolivia over the last three decades, with special attention to the growth and development indicators. This presentation will serve as a sample of what the students are supposed to investigate for their term papers. Therefore, valuable tips about format and contents will be provided. Readings: World Bank Reports on Bolivia.

**Topic # 10. Import Substitution Industrialization Strategy (ISIS).** For this topic we will review the main features of that model, as well as its implications, misconceptions, weaknesses, impacts on poverty and income distribution, and the main lessons learned from its implementation in Latin America. We will also take a chance to compare the ISIS to the alternative of an open economy. Readings: Franko’s Chapter 3 and another reference that will be assigned by the instructor the first or second week of class.

**Topic # 11. Trade, Agricultural Policy and Development.** For this topic we will take a chance to study the very basics of international trade theory, particularly the theoretical foundations of comparative advantage and the gains from free trade for developing countries. Following from it, we will study the main features of Latin American agricultural policy, giving particular emphasis to the policy tools chosen, their implications and the alternative measures that can be implemented to increase its success. A central question to address here is why Latin American agricultural policy has failed to produce significant and sustained increases in the living standards of the rural areas and how it can be conciliated with the optimum trade policy . Readings: Franko’s Chapters 8 and 10.

**Topic # 12.** Returns on Investment, Technological Change and Growth. For this topic we will explore the different circumstances under which increasing returns on investment may exist, thus explaining the low levels of investment in developing countries. Besides, we will analyze the economic benefits of technology's destructing power and the prerequisites for the occurrence of technological change. Some experiences of developing countries will enrich our discussion while several lessons can be extracted from those. Readings: Easterly's Chapters 8 and 9.

**Topic # 13.** Capital Flows, Markets and Growth in Latin America. For this topic we will study the transition of Latin American countries from Welfare States to Free Market Economies, with particular emphasis on the welfare gains and the policy failures that have taken place throughout that process. Also, we will review the main trends of capital flows under such transition process and the main lessons that can be extracted. Readings: Franko's Chapter 7.

**Topic # 14.** The Role of the Government in Growth and Development. For this topic we will study the different types of the so-called market failures under which government intervention is needed to ensure a higher level of welfare, as well as the strategic role of government in providing infrastructure, national defense, basic education, basic health, and efficient dispute settlement mechanisms. In addition, we will review how wrong policy choices (also known as "policy failures") produce profound welfare losses and how those welfare losses end up being greater than those produced by market failures. Readings: Easterly's Chapter 11.

**Topic # 15.** Corruption, Growth and Development. For this topic we will analyze how corruption can wash out all the positive achievements potentially brought by correct policy choices. We will also explore the wrong set of incentives that gives birth to corruption and, from there, we will convey recommendations on changes to the structure of incentives in order to minimize the chances for corruption to arise. Readings: Easterly's Chapter 12.

**Topic # 16.** Performance of Latin American Governments in the Quest for Growth. For this topic we will review interesting experiences that will illustrate the main pitfalls of Latin American governments' interventions and choices over the last decades. Particular emphasis will be given to issues like corruption, lack of provision of public goods, growing poverty and concentration of wealth in the hands of the wealthiest. Readings: Franko's Chapter 6.