

33001
Winter Term 2014/2015
Wed 10–12 am: R 201, Lateinamerika Institut
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A Continent of Crises? An Economic History of Latin America

Economic and financial crises have plagued few world regions as much as they did Latin America. This seminar seeks to trace some of the historical reasons for Latin America's proneness to recurring crises. The seminar's first part offers a theoretical approach to the economic history of Latin America. It raises the question, for instance, of whether and how specific institutions derived from colonial times shaped the region's economic history. We will also address the role that ideas played in the formulation of economic policies. The second (and larger) part of the seminar deals with a series of historical case studies of economic and financial crises and phenomena, ranging from colonial times through to the present. The maximum of participants will be 30, seminar language is English (unless all students prefer German), while a basic knowledge of Spanish will be an advantage.

Course Requirements

This will depend essentially on the degree you are enrolled for and the module within which you are taking this course. Most likely many of the Latin Americanists are taking this as part of the module "Constitution of Latin America," while many historians will use this course either as part of their MA in Global History or as part of the "Spaces and Regions" Module in the 'normal' MA in History. Whichever your degree your first point of call are the respective study regulations. When in doubt speak to Christian Ambrosius if you are a Latin Americanist, and to Michael Goebel if you are a historian.

If you require to write a course paper in order to obtain the necessary credits for this course, this means one research paper of roughly 7,500 words (including the footnotes, but excluding the bibliography) by March 31, 2015; an absolute deadline! Please get your approval for the topic and the research question for this paper by pitching a printed abstract of 300 words by January 7, 2015, to both instructors. Then make an appointment to discuss it during one of the instructors' office hours. For those who need an exam in order to obtain credits for this course, a written test based on the required readings and discussions in class will be offered at the end of the semester (exact date tbc).

Irrespective of your module, the vast majority of you will need a certificate of "active and regular participation" in this course (*Teilnahmeschein*). This is also the basis for all credit points you may get in this course.

Unexceptionally, "active participation" in this seminar consists above all in reading the required texts for each class and in partaking in discussing them in class. "Regular" participation means that you must not miss class more than three times.

Moreover, we require you to give one presentation throughout this course on a topic of your choice, among the ones indicated below. Depending on the overall number of participants, presentations will usually be delivered by two or more students. You are free as to how to organize the division of labor between yourselves.

Week by Week:

1. October 22: Introduction

Who are we? Distribution of presentations.

Techniques:

How to prepare and deliver a good presentation.

2. October 29: The Colonial Origins of Economic Development

Required Reading:

Luis Bértola, “Institutions and the Historical Roots of Latin American Divergence”, in José Antonio Ocampo and Jaime Ros (eds.) (2011), *Handbook of Latin American Economics* (Oxford: Oxford University Press), pp.26-49.

Question:

How did colonialism affect economic development in Latin America in the long run?

Presentation:

John H. Coatsworth, “Obstacles to Economic Growth in Nineteenth-Century Mexico”, *The American Historical Review*, 83-1 (1978), pp. 80-100.

3. November 05: Informal Empire? The British Railways in Argentina

Required Reading:

Colin M. Lewis, “Britain, the Argentine and Informal Empire: Rethinking the Role of Railway Companies”, in Matthew Brown (ed.) (2008), *Informal Empire in Latin America: Culture, Commerce, and Capital* (Oxford: Blackwell Publishing), pp. 99-124.

Source:

Ezequiel Martínez Estrada, “X-Ray of the Pampa”, in Gabriela Nouzeilles and Graciela Montaldo (eds.) (2002), *The Argentina Reader: History, Culture, Politics* (Durham, NC: Duke University Press), pp. 259-262.

Question:

Did the British railways “underdevelop” Argentina?

Presentation:

Alan Knight, “Rethinking Informal Empire in Latin America (Especially Argentina)”, in Matthew Brown (ed.) (2008), *Informal Empire in Latin America: Culture, Commerce, and Capital* (Oxford: Blackwell Publishing), pp. 23-48.

4. November 12: Sovereign Debt Crises I: The Baring Crisis of 1890

Required Reading:

H.S. Ferns, "The Baring Crisis Revisited", *Journal of Latin American Studies*, 24-2 (1992), pp. 241-273.

Gerardo della Paolera and Alan M. Taylor, "A Monetary and Financial Wreck: The Baring Crisis, 1890-1891", in their (2001), *Straining at the Anchor: The Argentine Currency Board and the Search for Macroeconomic Stability, 1880-1935* (Chicago: University of Chicago Press), pp. 67-79.

Source:

Thomas A. Turner (1892), *Argentina and the Argentines: Notes and Impressions of a Five Years' Sojourn in the Argentine Republic, 1885-1890* (London: S. Sonnenschein), pp. 340-352 (online at <https://archive.org/details/argentinaandarg00turngoog>).

Question:

Who and what was responsible for the Baring Crisis and did they find a helpful way out?

Presentation:

Gerardo della Paolera and Alan M. Taylor, *Straining at the Anchor: The Argentine Currency Board and the Search for Macroeconomic Stability, 1880-1935* (Chicago: University of Chicago Press), pp. 1-36.

5. November 19: Coffee and Commodity Chains

Required Reading:

Steven Topik and Mario Samper, "The Latin American Coffee Commodity Chain: Brazil and Costa Rica", in Steven Topik, Carlos Marichal, Zephyr Frank (eds.) (2006), *From Silver to Cocaine: Latin American Commodity Chains and the Building of the World Economy 1500-2000* (Durham, NC: Duke University Press), pp. 118-146.

Source:

National Association of Coffee Producers, "Prospectus", in Steven Palmer and Ivan Molina (eds.) (2006), *The Costa Rica Reader: History, Culture, Politics* (Durham, NC: Duke University Press), pp. 123-126.

Question:

To what extent does the coffee commodity chain confirm dependency theory?

Presentation:

Steven Topik, "Coffee Anyone? Recent Research on Latin American Coffee Societies", *Hispanic American Historical Review*, 80-2 (2000), pp. 225-266.

Techniques:

Formulating a Viable Research Question.

6. November 26: Export-Led Growth in Latin America, 1870-1914

Required Reading:

Luis Bértola and Jeffrey G. Williamson, "Globalization in Latin America before 1940", in Bulmer-Thomas, Victor, John Coatsworth and Roberto Cortés: Bulmer-Thomas, Victor, John Coatsworth and Roberto Cortés Conde (eds.) (2006), *The Cambridge Economic History of Latin America* (Cambridge: Cambridge University Press), pp. 9-56.

optional: Enrique Cárdenas, José Antonio Ocampo and Rosemary Thorp, "The export age: The Latin American economies in the late nineteenth and early twentieth centuries", in their (2000), *An Economic History of Twentieth-Century Latin America*, Vol. I (London: Palgrave), pp. 1-31.

Question:

How did the insertion into the global economy affect economic growth at the turn of the century?

Presentations:

Alan Knight, "Export-Led Growth in Mexico, c. 1900-30", in Enrique Cárdenas, José Antonio Ocampo and Rosemary Thorp (ed.) (2000), *An Economic History of Twentieth-Century Latin America*, Vol. I (London: Palgrave), pp. 32-54.

Marcelo de P. Abreu and Alfonso S. Bevilaquia, "Brazil as an Export Economy", in Enrique Cárdenas, José Antonio Ocampo and Rosemary Thorp (ed.) (2000), *An Economic History of Twentieth-Century Latin America*, Vol. I (London: Palgrave), pp. 119-151.

Techniques:

Reading and Interpreting Statistical Tables.

7. December 3: WWI and the Depression as Ruptures – the Birth of ISI?

Required Reading:

Rosemary Thorp, "A Reappraisal of the Origins of Import-Substituting Industrialization 1930-1950", *Journal of Latin American Studies*, 24 (1992), pp. 181-195.

Question:

How important were WWI and the Great Depression for the onset of ISI policies?

Presentations:

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

Victor Bulmer-Thomas, "Policy, performance, and structural change in the 1930s," in his (2003), *The Economic History of Latin America since Independence* (Cambridge: Cambridge University Press), pp. 189-231.

8. December 10: Economic Nationalism: The Nationalization of Mexican Oil

Required Reading:

Noel Maurer, "The Empire Struck Back: Sanctions and Compensation in the Mexican Oil Expropriation of 1938", *The Journal of Economic History*, 71-3 (2011), pp. 590-615.

Sources:

Josephus Daniels, "The Mexican Reaction to the Oil Expropriation", in his (1947), *Shirt-Sleeve Diplomat* (Chapel Hill, NC: University of North Carolina Press).

http://www.eacfaculty.org/history/220_Expropriation.html

Lázaro Cárdenas, "Speech to the Nation" (1938)

Retrieved from:

http://global.oup.com/us/companion.websites/9780195375701/pdf/SPD7_Nationalization_Mex_Oil.pdf%20

Question:

Was it a good idea to nationalize oil in Mexico?

Presentation:

Alan Knight, "The Politics of the Expropriation", in Jonathan C. Brown and Alan Knight (eds.) (1992), *The Mexican Petroleum Industry in the Twentieth Century* (Texas: University of Texas Press), pp. 90-128.

9. December 17: Albert O. Hirschman (guest session Anna Barbara Sum)

Required Reading:

Albert O. Hirschman, "A Dissenter's Confession: The Strategy of Economic Development Revisited" [1984] (1986), *Rival Views on Market Society and Other Recent Essays* (New York: Viking), pp. 3-34.

Source:

International Bank for Reconstruction and Development (ed.) (1950), *The Basis of A Development Program for Colombia. Report of a Mission. The Summary* (Washington, D.C.: International Bank for Reconstruction and Development), pp. 1-7.

Question:

Why did Albert O. Hirschman criticize the development approach of the World Bank in Colombia and which strategy did he propose instead?

Presentations:

Albert O. Hirschman, *The Strategy of Economic Development* (1958), (New Haven: Yale University Press), ch. 4.

Paul Rosenstein-Rodan, "Problems of Industrialisation of Eastern and South-Eastern Europe", in *The Economic Journal*, 53-210/211 (1943), pp. 202-211.

10. January 7: Latin American Structuralism

Required Reading:

Joseph L. Love, "Economic Ideas and Ideologies in Latin America since 1930", in Leslie Bethell (ed.) (1994), *The Cambridge History of Latin America, since 1930*, 6: Economy, Society and Politics (Cambridge: Cambridge University Press), pp. 391-460.

Question:

In which way did the different currents of Latin American structuralism challenge orthodox/neoclassical views of growth and development?

Presentation:

Raúl Prebisch, "*The economic development of Latin America and its principal problems*" (1950) (Santiago de Chile: ECLAC); and Joseph L. Love, "Raúl Prebisch and the origins of the doctrine of unequal exchange", *Latin American Research Review* (1980), pp. 45-72.

11. January 14: State-Led Development Strategies in Practice

Required Reading:

Werner Baer, "Import substitution and industrialization in Latin America: experiences and interpretations", *Latin American Research Review* (1972), pp. 95-122.

Question:

Which problems did state-led development strategies face in Latin America and why?

Presentations:

Enrique Cárdenas, "The Process of Accelerated Industrialization in Mexico, 1929-82", in Enrique Cárdenas, José Antonio Ocampo and Rosemary Thorp (eds.) (2000), *An Economic History of Twentieth-Century Latin America*, Vol. III (London: Palgrave), pp. 176-204.

Jorge Katz and Bernardo Kosacoff, "Import-Substituting Industrialization in Argentina, 1940-80: Its Achievements and Shortcomings", in Enrique Cárdenas, José Antonio Ocampo and Rosemary Thorp (eds.) (2000), *An Economic History of Twentieth-Century Latin America*, Vol. III (London: Palgrave), pp. 282-213.

Marcelo de P. Abreu, Alfonso S. Bevilaqua and Demosthenes M. Pinto, "Import Substitution and Growth in Brazil, 1890s-1970", in Enrique Cárdenas, José Antonio Ocampo and Rosemary Thorp (eds.) (2000), *An Economic History of Twentieth-Century Latin America*, Vol. III (London: Palgrave), pp. 154-175.

12. January 21: Sovereign Debt Crises II: The Great Crisis of the 1980s

Required Reading:

Luis Bértola and José Antonio Ocampo, „*Latin America’s debt crisis and ‘lost decade’*” (2012) (London: University of London & Development Bank of Latin America).

Question:

What led to the debt crisis of the 1980s?

Presentations:

Juan-Carlos Moreno-Brid and Jaime Ros, “Chapter 6: The Loss of Macroeconomic Stability, the Oil Boom, and the Debt Crisis”, in their (2009), *Development and Growth in the Mexican Economy. A Historical Perspective*. (Oxford: Oxford University Press), Chap. 6 (also consult Jaime Ros, “Mexico from the Oil Boom to the Debt Crisis: an Analysis of Policy Responses to External Shocks, 1978-85”, in Rosemary Thorp and Laurence Whitehead (ed.) (1987), *Latin American Debt and the Adjustment Crisis* (Pittsburgh: University of Pittsburgh Press), pp. 68-116.)

Carlos F. Díaz-Alejandro, “Latin American Debt: I Don’t Think we are in Kansas Anymore”, *Brookings Papers on Economic Activity*, 2 (1984), pp. 335-402.

13. January 28: “Washington Consensus” and the Neoliberal Decades

Required Reading:

Nancy Birdsall, Augusto de la Torre and C. Felipe Valencia, „The Washington Consensus: Assessing a Damaged Brand”, in Jose-Antonio Ocampos and Jaime Ros (ed.) (2012), *Oxford Handbook on Latin American Economics* (Oxford: Oxford University Press), pp. 79-107.

Question:

Why were outcomes of reforms following the “Washington Consensus” so disappointing?

Presentations:

Juan-Carlos Moreno-Brid and Jaime Ros, “Chapter 7: The Years of Adjustment, the Lost Decade, and the Reform Process”, in their (2009), *Development and Growth in the Mexican Economy. A Historical Perspective* (Oxford: Oxford University Press), Chap. 7 (consult also parts of “Chapter 8: *The Shift in the Market-State Balance and the Quest for Export-Led Growth*”).

Albert Fishlow, “The State of Latin American Economics” in Christopher Mitchell (ed.) (1988), *Changing Perspectives in Latin American Studies: Insights from Six Disciplines* (Stanford: Stanford University Press), pp. 87-119.

14. February 04: Sovereign Debt Crises III: The Argentine Collapse of 2001

Required Reading:

Mario E. Carranza, “Poster Child or Victim of Imperialist Globalization? Explaining Argentina’s December 2001 Political Crisis and Economic Collapse”, *Latin American Perspectives*, 32-6 (2005), pp. 65-89.

Mark Allen, “Some Lessons from the Argentine Crisis: A Fund Staff View”, in Jan Joost Reunissen and Age Akkerman (ed.) (2003), *The Crisis That Was Not Prevented. Lessons for Argentina, the IMF, and Globalisation* (Amsterdam: FONDAD), pp. 120-150.

Sources:

“Argentina Unraveling”, *New York Times*, December 21, 2001, p. 38.

“Time to Cry for Argentina”, *The Observer*, August 12, 2001:
<http://www.theguardian.com/business/2001/aug/12/argentina.theobserver>

Question:

Who and what is to blame for the Argentine Crisis?

15. February 11: How to write a Good Research Paper