Latin American Economy: The Argentine Perspective

INSTRUCTOR
Professor Dr. Daniel Esteban (daesteban@uade.edu.ar)

COURSE DESCRIPTION
An in-depth analysis of the globalization process and its effects on regional markets, regional economic integration and free trade pacts. Foreign Trans-National Companies’ (TNCs) business strategies for the Latin American markets.

METHODOLOGY
The class will consist of lectures, discussions, writing assignments, and visits to business and economic institutions.

REQUIRED READINGS/ MATERIALS

Required readings: Globalization, Business, and Economy in Latin America booklet

Recommended readings:
- The World is Flat by Thomas L. Friedman (Farrar, Straus and Giroux, LLC, April 2005).
- The Ascent of Money by Niall Ferguson (Random House, 2009).

GRADING

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>A</td>
<td>93-100</td>
<td>Achievement that is outstanding relative to the level necessary to meet course requirements.</td>
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<tr>
<td>A-</td>
<td>90-92</td>
<td>Achievement that is significantly above the level necessary to meet course requirements.</td>
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<tr>
<td>B+</td>
<td>87-89</td>
<td>Achievement that meets the course requirements in every respect.</td>
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<tr>
<td>B</td>
<td>83-86</td>
<td>Achievement that meets the course requirements in every respect.</td>
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<tr>
<td>B-</td>
<td>80-82</td>
<td>Achievement that meets the course requirements in every respect.</td>
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<td>C+</td>
<td>77-79</td>
<td>Achievement that meets the course requirements in every respect.</td>
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<th>Grade</th>
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<tr>
<td>C</td>
<td>73-76</td>
<td>Achievement that is worthy of credit even though it fails to meet fully the course requirements.</td>
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<tr>
<td>C-</td>
<td>70-72</td>
<td>Achievement that is worthy of credit even though it fails to meet fully the course requirements.</td>
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<td>D+</td>
<td>67-69</td>
<td>Achievement that is worthy of credit even though it fails to meet fully the course requirements.</td>
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<td>D</td>
<td>60-66</td>
<td>Achievement that is worthy of credit even though it fails to meet fully the course requirements.</td>
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<td>F</td>
<td>0-59</td>
<td>Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.</td>
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**SUMMARY OF HOW GRADES ARE WEIGHTED**

<table>
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<tr>
<th>Component</th>
<th>Weight</th>
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<tr>
<td>Class participation</td>
<td>20%</td>
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<tr>
<td>Weekly reports</td>
<td>10%</td>
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<tr>
<td>Mid-term exam</td>
<td>25%</td>
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<tr>
<td>Final reports</td>
<td>10%</td>
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<tr>
<td>Final exam</td>
<td>35%</td>
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<td><strong>Overall grade</strong></td>
<td><strong>100%</strong></td>
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**ASSESSMENT DETAILS**

**Final report:**

The students should deliver a final report of 3–5 pages for each one of these topics:

- The growth of the BRIC countries and its impact on Latam.
- American and European growth and their impact on Latam.
- Environmental agreements and their impact on Latam.
- Your comments on this class.

This final report should be delivered the same day the final test is taken. All the sources of information should be cited in the paper.

**COURSE CONTENT**

**UNIT 1 & 2: Course Introduction & Argentina Today**

- Background.
- The last military government (1976-1983).
• De La Rua’s Presidency (1999/2001).
• The Argentine Banking Crisis (2001).
• Presidency of Adolfo Rodriguez Saá (the 8 last days of 2001).
• What caused Argentina’s crisis?
• Lessons from the failure of the Argentine convertibility experience.
• President Kirchner (2003–2009).
• President Cristina Kirchner (2009–2015).
• President Mauricio Macri (2015–present).

Readings: Chapter 1

UNIT 3 & 4: Historical Processes toward the Current Latin American Political Division

The Fall of Constantinople and Henry the Sailor.
• Spain becomes a united country and finally defeats the Moors. Christopher Columbus.
• Spanish and Portuguese on the advanced guard in the conquest of America.
• Initial conquering methodology. Map.
• The conquest of the South American Region. Map.
• The Viceroyalties, Captaincies and Audiences. Map.
• Some additional comments on colonial Administration and History.
• The gradual loss of power of Spain.
• A brief explanation of the emancipation process of the Spanish and Portuguese colonies in America.
• But in fact, it was a Civil war between “Spanish Americans.”
• The rebellions in Southern South America (BA) and Northern S. America (Caracas).
• A brief History of Brazil. A brief history of Argentina.
• A brief description of the national history of the other Latin American countries.
• Wrap-up: Historical Chronology.
• Latin America–U.S. RELATIONS (By Warren Dean).

Readings: Chapter 2
UNIT 5: Integration Processes in the Region. Global & Regional Institutions & Latin America

- Sub-regional integration schemes and intra-regional free trade agreements.
- The historical and cultural patterns, the countries and the FTAs in Latam.
- Macroeconomic Indicators Mercosur.
- Global and regional institutions and Latin America.

Readings: Chapter 3

UNIT 6: Economic, Demographic, & Social Highlights of the Region

- Selected Latin American Countries Economic Briefs.
- Immigration pattern.
- Human Development.
- Inequality in Latin America. The Gini Index.
- Educational deficits and gaps in the region.
- Globalization and employment.
- Social protection.
- The social agenda.

Readings: Chapter 4

UNIT 7 & 8: Globalization

Globalization: A historical and multidimensional perspective.

- The globalization process.
- Non-economic dimensions of globalization.
- Opportunities and risks arising from globalization.

The economic dimension of Globalization.

- International trade and investment.
- The Washington Consensus.
- International mobility of several chosen factors.
- The BRIC Countries.
- The Next Emerging Markets.

Readings: Chapters 5 and 6
Inequalities, asymmetries, and criticism to the global order.

- Inequalities in global income distribution.
- Globalization and its Discontents by Joseph E. Stiglitz.
- The World Social Forum (WSF).
- Globalization: the dangers and the answers.

Readings: Chapter 7

UNIT 9: International Finance & Globalization

- The abandonment of the gold standard.
- Anatomy of capital flows to Latam.
- Vulnerability to volatility and sudden changes in the global financial markets.
- Recent trends within the financial markets.
- Financial deregulation and the sub-prime crisis.
- The sub-prime crisis impact on Latin America crisis.

Readings: Chapter 8

UNIT 10: Global Order, the End of Poverty, & Environmental Sustainability

An agenda for the global order.

- The international agenda.
- The key role of action at the regional level.
- National strategies for dealing with globalization.

Readings: Chapter 9

The end of the poverty (Jeffrey Sachs).

- Introduction to J. Sachs and the book.
- Types of capital based on Sachs.
- Some Sachs’ comments of world economic history.
- China: Modernization and growth after half a millennium.
- The market reforms in India: the triumph of hope over fear.
- The extreme poverty.
- The continent without voice: Africa and the diseases.
• The UN Millennium Assembly. Investments to eradicate the extreme poverty.
• The challenge of our generation.

Globalization and environmental sustainability
• The Rio Declaration on Environment and Development (June 1992).
• Changes in the production structure and the effects on environmental sustainability.
• The Kyoto Protocol (December 1997).
• Additional information.
• Environmental advantages and disadvantages of Latam.

Readings: Chapters 9 to 11
• A recent trend; the appearance of Latam TNCs.
• The exposure of Latam to competition from China and India.
• Update. Country per country analysis.

Readings: Chapter 13

UNIT 13: Argentina: FDIs & Corporate Strategies

• Foreign Capital in the Argentine Economy.
• Strategies of TNCs in Argentina since 1990.
• FDIs Today.

Readings: Chapter 14.

UNIT 14

Final test.
Discussion of Final Reports.

ATTENDANCE POLICY

Students are expected to be on time and attend all classes while abroad. Many instructors assess both attendance and participation when assigning a final course grade. Attendance alone does not guarantee a positive participation grade; the student should be prepared for class and engage in class discussion. See the on-site syllabus for specific class requirements.

UNIVERSITY OF MINNESOTA POLICIES AND PROCEDURES

Academic integrity is essential to a positive teaching and learning environment. All students enrolled in University courses are expected to complete coursework responsibilities with fairness and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else’s work as your own can result in disciplinary action. The University Student Conduct Code defines scholastic dishonesty as follows:

SCHOLASTIC DISHONESTY:

Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis.

Within this course, a student responsible for scholastic dishonesty can be assigned a penalty up to and including an “F” or “N” for the course. If you have any questions regarding the expectations for a specific assignment or exam, ask.
STUDENT CONDUCT:

The University of Minnesota has specific policies concerning student conduct. This information can be found on the Learning Abroad Center website.