

Sustainable Development in Latin America

IR/GE 597

Kevin P. Gallagher
156 Bay State Road
Department of International Relations
kpg@bu.edu

Overview

The goal of this course is for students to gain an empirical-based understanding of the social and environmental aspects of economic development in Latin America and the Caribbean (LAC) in order to draw out lessons for and analyze the numerous trade and development policies that nations in LAC are currently considering. In just twenty years, the majority of nations in LAC have transformed themselves from some of the most “closed” to the most “open” economies on earth. These same nations are currently in the midst of negotiating even deeper integration into the world economy under the auspices of the World Trade Organization (WTO), the proposed Free Trade Area of the Americas (FTAA), and in numerous regional and bi-lateral trade deals. Students will analyze a broad range of studies that examine the extent to which integration-led development policy improved environmental and social conditions in LAC.

Prerequisites:

Students should have a solid understanding of introductory-level microeconomics and macroeconomics, economic issues in Latin America, and environmental science. If students do not have such coursework, you must complete IR 292, “Fundamentals of International Economics,” IR 590, “The Political Economy of Latin America,” or GG 100, “Introduction to Environmental Science.” Juniors and students who have not taken these courses need permission from the instructor.

Readings

Required Books:

[Roberts](#), J. Timmons, [Nikki Demetria Thanos](#), [David Helvarg](#). (2003). *Trouble in Paradise: Globalization and Environmental Crisis in Latin America*. London: Routledge.

Franko, Patrice (2003). *The Puzzle of Latin American Economic Development*. Rowman and Littlefield.

Required “Free” Books:

Working Group on Development and the Environment in the Americas (2004). *Globalization and the Environment: Lessons from the Americas*. Heinrich Boell Foundation: <http://ase.tufts.edu/gdae/WorkingGroup.htm>

Recommended (on Reserve):

Hellin, Jon and Sopia Higman (2003). *Feeding the Market: South American Farmers, Trade and Globalization*. Kumerian.

e-newsletters:

Students should subscribe to the following newsletters for the semester:

Puentes: <http://www.ictsd.org/monthly/puentes.htm>

Latin America Trade Network: <http://www.latn.org.ar/>

Course Outline

January 22: Introduction to Course, Economics of Environment and Development

Harris, Jonathan (2000), "Basic Principles of Sustainable Development," GDAE Working Paper 00-04, Tufts University.

http://ase.tufts.edu/gdae/publications/Working_Papers/Sustainable%20Development.PDF

Harris, Jonathan et al (2006), Chapters 1 and 2 "Microeconomics and the Environment," "Macroeconomics and the Environment." *Encyclopedia of the Earth*.

http://www.eoearth.org/article/Environmental_and_Social_Issues_in_Economics

Go to:

www.worldbank.org, then click

"Data and Research" top drop down menu, then click

"Data", then click

"Data," on the left hand side

scroll down to "Country Profiles,"

Pick and print out:

"World"

"Latin America and the Caribbean,"

"United States,"

one country from Latin America of your choice

January 29: From Import-Substitution Industrialization to the Free Trade Area of the Americas?

Franko 1, 2, 3

Williamson, John (1992), "What Washington Means by Policy Reform," in *Latin American Adjustment: How Much has Happened?* Washington: Institute for International Economics.

February 5: Economic Growth and Productivity

Franko 8, 9

Ocampo, Jose Antonio. "Latin America's Growth and Equity Frustrations During Structural Reforms" *Journal of Economic Perspectives* Vol. 18, No. 2, Spring 2004

Lopez, Ramon (2003), "The Policy Roots of Socioeconomic Stagnation and Environmental Implosion in Latin America 1950 to 2000," *World Development*, V31, No 2, pp 259-280.

February 12: Investment, Spillovers, and Technical Change

Franko 6, 7

Gallagher, Kevin P., and Eva Paus (2006), "The Missing Links Between Foreign Investment and Development: Lessons from Costa Rica and Mexico," GDAE Working Paper, 06-01, Tufts University.

<http://www.ase.tufts.edu/gdae/Pubs/wp/06-01MissingLinks.pdf>

Cimoli, Mario and Jorge Katz (2003). "Structural reforms, technological gaps and economic development: a Latin American perspective," *Industrial and Corporate Change*, Volume 12, Number 2, pp. 387-411

<http://icc.oxfordjournals.org/cgi/reprint/12/2/387>

February 20: Poverty and Inequality

Franko 11

Economic Commission for Latin America and the Caribbean (2005), "Combating Poverty and Hunger," Millennium Development Goals: A Latin American Perspective. Santiago, Chile

<http://www.eclac.cl/publicaciones/xml/0/21540/chapter2.pdf>

Orozco, Manuel (2004). *All in the Family: Latin America's Most Important Financial Flow*. Washington: Inter-American Dialogue.

http://www.thedialogue.org/publications/country_studies/remittances/all_family.pdf

Swinton, Scott, German Escobar and Thomas Reardon (2003), "Poverty and the Environment in Latin America: Concepts, Evidence, and Policy Implications." *World Development* V 31, No 11, 1865-1872.

February 26: Industrialization, Environment, and Development (pset 1 due)

Franko 14

Timmons, Chapter 4

Jenkins, Rhys. (1998). "Industrialization, Trade, and Pollution in Latin America: A Review of the Issues."

<http://168.96.200.17/ar/libros/lasa98/Jenkins.pdf>

Claudio Ferraz and Carlos E.F. Young (1999). *Trade Liberalization and Industrial Pollution in Brazil*. Santiago: CEPAL:
<http://www.cepal.org/publicaciones/MedioAmbiente/2/lcl1332/lcl1332i.pdf>

Working Group report, Executive Summary, Gallagher, and Chudnovsky (just industry)

March 5: Foreign Investment, Environment, Development

Chudnovsky, Daniel and Andres Lopez (2002), "Globalization, Foreign Direct Investment, and Sustainable Human Development." *International Trade and Sustainable Development*, Kevin P. Gallagher editor. London: Earthscan.

Borregaard, Nicola and Anie Dufey (2002), "Environmental Effects of FDI in the Mining Sector in Latin America." Paris: OECD.
<http://www.oecd.org/dataoecd/45/21/1819617.pdf>

Cosbey, Aaron, (2003). NAFTA's Chapter 11 and the Environment. Winnipeg, IISD.
http://www.iisd.org/pdf/2003/investment_jpac.pdf

Film: Trading Democracy

March 19: Air Pollution, Energy and Climate Change in the Americas

E. Kuntsi-Reunanen. "A comparison of Latin American energy-related CO₂ emissions from 1970 to 2001," *Energy Policy* Volume 35, Issue 1 , January 2007, Pages 586-596

Read all energy indicators for Latin America at International Energy Association Page:
<http://www.iea.org/Textbase/subjectqueries/maps/LAmerica/prod.htm>

Cifuentes, Luis et al., (2001). "Assessing the Health Benefits Associated with Reducing Air Pollution Associated with Climate Change Mitigation (2000-2020) in Santiago, Sao Paulo, Mexico City, and New York City. *Environmental Health Perspectives*, Volume 109, June.
http://www.cleanairnet.org/lac_en/1415/articles-60035_resource_1.pdf

Film: Mexico City: The Choking City (BBC News)

March 26: Natural Resource Extraction and Biodiversity (pset 2 due)

Franko, 14

Timmons Roberts et al, Chapters 3 and 5

Working Group Report, Borregaard

Film: The Burning Season

April 2: Agriculture and Genetic Diversity

Timmons Roberts et al, 3

Bray, David (2002), "The Lighthouse and the Potato: Internalizing the Value of Crop Genetic Diversity," Political Economy Research Institute Working Paper #37, University of Massachusetts, Amherst.

http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_1-50/WP37.pdf

Altieri, Miquel (2000). "Multifunctional Dimensions of Ecologically Based Agriculture in Latin America." University of California, Berkeley.

http://www.cnr.berkeley.edu/~agroeco3/multifunctional_dimensions.html

Nadal, Alejandro, and Timothy A. Wise (2004). Free Trade, Corn, and the Environment: The Environmental Impacts of U.S.-Mexico Corn Trade Under NAFTA. *Globalization and the Environment in the Americas*. Kevin P. Gallagher (ed).

<http://www.ase.tufts.edu/gdae/Pubs/rp/DP04NadalWiseJuly04.pdf>

Hellin, John and Sophie Hillman (2003) "Potatoes and Andean Tubers: Losing Diversity? *Feeding the Market: South American Farmers, Trade, and Globalization*. Kumerian Press.

April 9: Fair Trade in Coffee and Forest Product Markets in LAC

Conroy, Michael (2005). *Certification Systems as Tools for Natural Asset Building*. Political Economy Research Institute, UMASS-Amherst.

http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_51-100/WP100.pdf

Bacon, C. (2005) Confronting the coffee crisis: can fair trade, organic and specialty coffees reduce small-scale farmer vulnerability in northern Nicaragua. *World Development* 33 (3): 497-511.

Calo, Muriel and Timothy Wise (2005) "[Revaluing Peasant Coffee Production: Organic and Fair Trade Markets in Mexico](http://www.ase.tufts.edu/gdae/Pubs/rp/RevaluingCoffee05.pdf)," by Muriel Calo and Timothy A. Wise, October 2005. <http://www.ase.tufts.edu/gdae/Pubs/rp/RevaluingCoffee05.pdf>

Bray, David (2005), Community Forest Enterprises as Entrepreneurial Firms: Institutional and Economic Perspectives from Mexico. *World Development*. 33:9, pp 1529-1543.

<http://www.fiu.edu/~brayd/Antinori-Bray%20WD.pdf>

April 18: Making Development Sustainable in the Americas (Guest Speaker)

Liverman, Diana and Silvina Vilas (2006), "Neo-liberalism and the Environment In Latin America. *Annual Review of Environment and Resources*, 31-327-363.

Cordonier Segger, Marie-Claire and Nicola Borregaard (2002), "Sustainability and Hemispheric Integration: A Review of Existing Approaches," *Greening the Americas: NAFTA's Lessons for Hemispheric Trade*. The MIT Press.

April 23: Student Symposium (policy briefs due)

Grading and Assignments:

Course Grades will comprise of the following:

Attendance and Participation	10%
Problem Sets	40%
Policy Brief proposal	10%
Policy Brief	25%
Class Presentations	15%

Attendance and Participation: Regular attendance will be taken and students will be expected to contribute to general discussions during class periods.

Problem Sets: Two quantitative problem sets will be due. Students will be asked to download and manipulate data on economic growth rates, pollution intensity, poverty, and inequality in Latin America and the Caribbean over different time periods. The aim of this exercise is for each student to have a good understanding of the key economic trends in the Americas and a good understanding of (very) basic data gathering and presentation skills.

Policy Brief Proposal: Students should propose a research question, literature review, and agenda for a policy brief paper that will be due during the end of the semester.

Policy Brief: A 2,500-3500 word policy brief paper is required of each student in the class.

Class Presentations: As a group the class will be tracking ongoing developments related to sustainable development in Latin America. In the beginning of each class, students will give short presentations on the structure and politics of these issues. Students will also present their papers to the class during the last week of class-time.

Attendance

Great importance will be placed on attendance and timely submission of assignments. There will be a penalty for late submissions of assignments and for irregular attendance. However, individual emergencies will be accommodated as far as possible. In such cases, students should make every effort to talk with the instructor in advance. Student participation will be an important part of the class and students should come prepared to be called upon.

Any of the following will adversely affect student grades:

- Being irregular in attendance (including arriving late or leaving early).
- Failing to have read all assigned readings **before** the class for which they are listed.
- Late submission of assignments
- Lack of participation in class discussions.

Academic Honesty

The *American College Dictionary* defines plagiarism as “Copying or imitating the language, ideas, or thoughts of another author and passing off the same as one’s original work.” Plagiarism is intellectual theft and violates the student honor code. Exact quotations must have quotation marks and the appropriate citation. Paraphrases, *even if not exact quotes*, must nonetheless have the appropriate citation. Submitting a paper written by someone else, whether ‘borrowed’ from a friend or purchased from a ‘service’, even if updated, constitutes plagiarism. Using the Internet for research is encouraged but plagiarizing its resources is not allowed. Cheating of any sort, submitting the same work for more than one course, deliberately impeding the academic performance of others, and other forms of academic misconduct are serious offenses. As a general rule, if you have *any* doubts, give credit to the source; if you have any questions, talk to the instructor. Refer to the Academic Conduct Code for further information. The university rules and the academic code will be followed in every case.