

Argentine Economy
Professor Dr. Carlos Steiger
Program in Argentine and Latin American Studies
Universidad de Belgrano
Course Syllabus 2010

Course Information

Session 1: Monday 12 PM
Session 2: Tuesday 12 PM
Instruction in: English

Contact Information

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Course Description

Argentina, once one of the richest and fastest growing countries in the world is now entrenched in the rankings of less developed countries. Several interpretations have been given to this phenomena but the main focus of the course will be placed in explaining this evolution using the theory of economic growth and capital accumulation linked with the political and institutional changes that characterized the different periods of economic evolution. The course will provide a truly comprehensive perspective that will enable the student to analyze and understand the process experienced by the Argentine economy from independence until the present days.

Course Requirements

Class attendance is required of all students at UB. A 75% attendance to classes is mandatory to keep the regular student status. An electronic system keeps track of attendance. Students have to slide an electronic card every class to comply with the attendance policy. Class participation is very important; there will be several class discussions, which will rely heavily on student participation.

Grading Policy

Attendance and Participation	10 %
Paper presentation (oral)	10%
Paper (written)	20%
Midterm	20 %
Final Exam	40 %

For a better understanding of the comparable table for grading: check the student handbook (page 9) in orientation kit packet.

Required Textbooks and Materials

Carlos Steiger, ed. *Course Reader*

Academic Calendar

Week 1

Presentation of the course

Week 2

Fundamentals of development economics. Capital accumulation and growth. Structural transformation. Virtuous cycle of development. Diversity of capital Social capital.

Week 3

The growth of the Argentine economy 1870-1914. Sources of economic growth. Changes in the factor of production. Land. Labor supply. Capital accumulation. Global integration and growth. International flow of goods and services and factors of production.

Week 4

The early interwar period. The downturn in the terms of trade. Changes in the international scenario. Causes of the decrease in the rate of capital accumulation. Political changes in Argentina. The Great Depression.

Week 5

Argentina from 1930 to 1946. Changes in economic policy from an open economy to an import substitution industrialized economy. Decline of liberalism and raise of nationalism. Political changes in 1930. Birth of economics institutions in the 30's. Central Bank . Juntas or Boards of different commodities. Exchange controls. Evaluation of the shift from an outward orientation to an inward orientation.

Week 6

Argentina from 1946 to 1955. The peronist decade. Different approaches to economic policy : 1946-1952 , 1952-1955. Government intervention in the economy. The use of foreign reserves. Increase of government expenditures. Income transfer policies. Patterns of economic growth. Success and failure of peronist economic policy.

Week 7

Argentina from Peron to the 80's. Lack of a sustained growth. Oil shocks and debt crisis. The external bottleneck in the Argentine economy. Supply shocks and inflation. Domestic fiscal and monetary policies. The anatomy of economic crisis.

Week 8

Midterm

Week 9

The failure of peronist government 1973-1976. The failure of military government 1976-1983. The road to hyperinflation. Economic and social costs

of the Argentine development strategies. Stabilization programs. Reduction of the public sector deficit. Elimination of price distortions . Financial sector reform. Currency reform.

Week 10

Class oral presentation of papers

Week 11

Argentina in the 90's. Menem's economic policy. Convertibility Plan. Fiscal policy. Privatization of public firms. The dependence of foreign capital flows. The impact of Mexican crisis. The impact of Brazilian devaluation. Economic performance and external shocks. Evaluation of structural reforms.

Week 12

Paper due date

Argentine crisis and the role of IMF. Alternative explanations of the recent crisis. Menem's debt. De la Rúa tax increases. Cavallo meddling with the peso. Duhalde's destruction of property rights. Increase of external debt. Destruction of the financial system. Government finances. Federal-Provinces relations.

Week 13

Strategies for Argentine recovery. Alternative paths. Renegotiation of the external debt after default. Nestor Kirchner economic policy from 2003 to 2007. Foundations of Argentine recovery. The international financial and economic crisis of 2008 and its impact on the Argentine economy. The external and fiscal situation in Cristina Kirchner government. The farmer's strike in 2008. Evolution of the twin surpluses. The Argentine dilemma: capital flight vs. Foreign Direct Investment

Week 14

Review for Final Exam

Class debate about Argentina's economic projections.

Week 15

Final Exam

Bibliography

Brackman, Steven , Garretsen Harry , van Marrewijk , Charles , van Witteloostuijn , Arjen " Nations and firms in the Global Economy " , Cambridge University press, 2006

Camara Neto , A. y Vernengo M. "Globalization a dangerous obsession . Latin America in the Post Washington Consensus era " International Journal of Political Economy , winter 2002

Cibils , Alan , Weisbrot Mark and Kar Debayani "Argentina since default : The IMF and the Depression ", Center for Economic and Policy research , september 2002.

Cortés Conde , Roberto. " The growth of the Argentine economy 1870-1914 " in Bethell , Leslie " Argentina since independence "Cambridge University Press. 1998

Della Paolera Gerardo and Taylor Alan : " The new economic history of Argentina" Cambridge University Press. 2003.

Della Paolera Gerardo and Taylor Alan : "Economic recovery from the Argentine Great Depression : Institutions , expectations and the change of marcoeconomic regime." NBER . National Bureau of Economic Research . Working paper 6767. October 1998

Della Torre A., Levy Yeyati E y Schmucler S. "Argentina `s financial crisis : Floating money , sinking banking " World Bank. June 2002

Fischer Bernhard . Trapp Peter " Argentina : the economic crisis in the 80's " Kiel University. Tübingen 1985.

O'Connell Arturo : "The recent crisis and recovery of the Argentine Economy : some elements and background "from Financialization and the World Economy edited by Gerald Epstein of the Political Economy Research Institute . Spring 2005.

Rock , David " Argentina from the First World War to 1946 " in Bethell Leslie " Argentina since independence "Cambridge University Press. 1998

Schuler, Kurt. " Fixing Argentina " . Cato Institute Working Paper. 2002

Taylor , Alan . Three phases of Argentine Economic growth. National Bureau of Economic Research. 1194

Taylor Alan : "Latin America and Foreign Capital in the twentieth Century : Economics , politics and Institutional change ". NBER . National Bureau of Economic research . Working Paper 7394. October 1999.

Watkins Thayer. "Argentine Political Economic History "Economic Department Working Papers. San José State University. 2002.

National Holidays

The class missed on Week 3 (May 25) due to a national holiday will be made up either M or W of the same week. Notice that no excuses will be granted to travelers. When planning your trips, double check the academic calendar.