

ECON 3235 *Economics of Latin America* Course Calendar Fall 2013
Updated December 18th 2013 hit refresh to make sure this is the latest version.

Office hours: Mon/Thurs 5:30-6:30pm
(check 208A Dealy, but then E-527 Dealy)
and Wed 9:30-10:30pm (sometimes we start
in 208 Dealy) or by appointment in E527
Dealy Hall. Please make and confirm
appointments via email mcleod@fordham.edu It
helps to put the course number ECON 3235 in
the subject line of your email; 718-817-4063

Dec-13

Sun	Mon	Tue	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

works if I am in my office, but don't leave a voicemail, call my cell (914-661-6998) or send me an email. Until Blackboard is working, we can use www.turnitin.com (class #6901209, password: Hugo) to gather assignments in one place, don't worry originality score, in fact it is always best to paste the text of the question you are answering (e.g., part 1b) above your answer (in italics or a different color). Some readings are online, linked to this calendar for example, if you have a problem with accessing any reading/video, please let me know by email, typically I can fix it quickly. Our final exam is Monday December 16th 1:30pm.

December 18, 2013: Here are lecture notes on [migration and the U.S. poverty](#) and one on [migration generally](#) (see also summaries of the 2006 GEP, migration slides, and the recent CBO report). There is a place on turnitin.com to turn in the immigration related essay.

December 16th Final exam, here is [version 1 of the final exam](#), let me know if you have any questions. Note that you can answer question EB3-1 in class (the case study) if you bring supplemental materials to class (follow the instructions carefully). However, you call also turn in your own answer to this question on turnitin.com (anytime this week). Also please be sure to turn in the revised version of your group presentation, outline the division of labor in the last slide ("credits") after the references page (use APA format). [Turnitin.com](http://turnitin.com) is supposed to take power-point, but right now it is best to save it as a pdf file. Everyone who participated in each group should hand in a copy of the final presentation with references and loans in pdf format.

Group Projects Outline (both groups, see dropbox folder for both outlines and reading) Use this [word file](#) to get started, but do a master file for each group. The overview is due Monday November. For Monday please create a common master document with (a) your proposition pro and con (b) a division of labor among group members and (c) key readings, references data sources (see course calendar project outline for my suggestions and I will save under readings). Save this document in dropbox and email it to me by Sunday November 24th. I will also create a turnitin.com folder for this assignment, you can turn in the document as a group or individually, but we must get a head start on

this project and be able to refine the two presentations in class on Monday November 25th. Group participants who are not present Monday or who do not contribute to the preliminary write-up will lose points. I will post an excel files with points (up to 20 total) for each phase of the project. Those who participate in all phases of the project will receive more points than those who do not contribute.

Midterm exam due November 8th on turnitin.com

1. Latin America's Golden Years for Latin America, 2003-2013? (a) Which countries and groups did especially well? Mention the LAC-7 at least, what about the middle class, the rich and the moderate and severely poor? Present some evidence supporting your view? (b) How does Talvi and Edwards explain (predict) the golden years? Do their predictions fit the countries that did well? (c) Summarize the structuralist, dependency and neoliberal theories of why Latin America has fallen behind its peers (twins) and the U.S. (be sure to use the Bertola article or Palma to sketch overlap with older theories and new geography vs. institutions vs. integration debate). Which countries have kept up or closed the gap since 1980 (see data below). Which theory of Latin American growth best explains the Golden Years? What did many theories miss (for example the role of China). (d) Is China good for Latin America, or does it just perpetuate its weaknesses? (commodity exports, manufacturing exports). *E) for the final exam, in light of this answer sketch a way forward with faster equitable growth for your country and the region.*
2. A major victory for Latin America has been the move away from high inflation. With just a few exceptions inflation is now below 10% A) when did your country stabilize its inflation rate (if it has) (a) when did your country end high inflation? Did it use an orthodox or a Heterodox stabilization plan? How do you know? (if you don't have a country, just do the LAC-7). Given how most LatAm countries ended high inflation, were the monetarist or the structuralist theories of inflation correct (see Cardoso and Helewige Chapter 6). (b) Does your country have a flexible exchange rate? Does it (did it?) use the nominal exchange rate to defend itself from external shocks. (c) Capital inflows and the Dutch Disease create similar problems for Latin economies, show both of these using the TNT and/or the market for dollars diagram used in class. How did Chile solve this problem? Has your country tried something similar?

3. Latin America has a mix of non-left, left populist and social democratic regimes. (a) What are the key policy differences between these regimes, in their rhetoric (see Stone, *South of the Border*) and in their approach to income redistribution. (b) Which approach has been most successful in build up the middle class and achieve growth with inequality reduction. Include a growth incidence curve and/or Gini Coefficients to support your answer. (c) What does your country need to do differently to raise growth and continue to reduce inequality, that is to move from an extractive to an inclusive growth model (unless your country is Costa Rica).
4. Turn in your assigned topic essay related to the talk by Alicia Barcena, be sure to write out your assigned topic at the beginning of your essay. Cite her CEPAL report liberally, make it clear you read your assigned chapter (or Appendix)

Latin American on and in Video and film:

In 2010, Oliver Stone produced the documentary [South of the Border](#) based on Interviews with seven Latin American Presidents (but not the current President of Brazil, who also appears in the Hans Rosling washing machine video...which is not directly but sort of related to Latin America... why is she in his video too?). One President is Rafael Correa President of Ecuador who talks about ending the [U.S. lease on an airbase](#) in Manta Ecuador U.S. Airbase. Ecuador's embassy in London is currently protecting what famous leaker? Much to the chagrin of the U.S. and Sweden, but this not how [Ecuador and others in Latin American see it](#). After leaving Ecuador the U.S. [opened a new base](#) where (hint: not far from Ecuador at all)? Given the U.S. history with this country (going back the 1973, see the [1982 Costa Gavras film Missing...](#)"how do you spell U.S. Aid?"). Latin American on Video/film: This [2008 PBS Frontline documentary](#) about Hugo Chavez's use of televisión includes an interview with opposition leader [Teodoro Petkoff](#). This very articulate ex-communist/socialist Presidential candidate is still very active in opposition to Hugo Chavez, you can read a brief [bio here](#) and see him on [youtube](#) talking about the various problems the U.S. (with his hands) if you click captions and choose the (beta) translate options you can see what he is saying (roughly) in English.

Due Monday September 17th LDQ 2.2 (a) In the South of the Border promotion (at right) Hugo Chavez is embracing President Lula da Silvia of Brazil, but according to [Arnson et al. 2007](#), Edwards, 2010 Chapter 1 and 8 and [Birdsall et al. 2011](#) pages 8-12, Table 1 below is an updated version of the same Table in [Lustig et al. 2012](#) the two groups of leaders have different views and means of promoting democracy, income redistribution and regional integration ([Jorge Castenada](#) calls the two regimes “right left” or “modern left” and the



“wrong left”, making “left populist” and “social democratic” sound a little more neutral). Create a little table with these three rows, and then use Edwards, 2010 and one other source to list key differences between

the two types of regimes in each area, that is, for example, what are the key differences between a Social Democratic regime like that of Lula in Brazil or Lagos/Bachelet in Chile compared to Hugo Chavez’ in Venezuela or the Kirchner’s in Argentina? (b) Both leaders may redistribute income and reduce poverty in the short run, but over time what would we expect to see happen in “social democratic” vs. left populist countries?

Readings/lecture notes for Oct. 7th: [Inflation & Stbzs in Latin America](#)

Readings for October 3rd: Speaking of Lula da Silva, the [Bertola, 2012 article](#) is now complete (a number of you noticed the last 8 pages were missing, others did not???) Also on page 14 this paper has a wonder quote from Lula on old vs. young leftists, José Gabriel Palma, 2009. “Why Did the [Latin American Critical Tradition in the Social Sciences Become](#) Practically Extinct? From structural adjustment to ideological adjustment” August 2008. A little different I know, but see if you can get through page 14, he argues the structuralists and “Dependistas” self-destructed during 1980, just when the going got rough for Latin America... As it happens, Brazil and Venezuela (Lula and Hugo) follow different paths (after appearing together, so to speak in “South of the Border.”

[Disappointment and Disarray in Venezuela](#) Video: Disappointment and Disarray in Venezuela *With food shortages mounting and inflation running high, some of the most ardent supporters of former president Hugo Chávez are voicing their discontent with his handpicked successor, Nicolás Maduro.*



[Box stores in Brazil....](http://www.nytimes.com/video/2013/09/14/world/americas/10000002442932/brazils-big-box-empire.html?smid=tw-share?smid=tw-share)

<http://www.nytimes.com/video/2013/09/14/world/americas/10000002442932/brazils-big-box-empire.html?smid=tw-share?smid=tw-share>

Back to [Intro Lecture notes](#): what explains the golden years?

September 26th: Important before class, please take a look at the report on *Sustainable Development In Latin America And The Caribbean: Follow-Up To The United Nations Development Agenda Beyond 2015 And To Rio+20*

You can get a copy of this report by [downloading it here](#), or by picking up a CD-Rom from the envelope on my office door (E-527 Dealy Hall). The CD includes a copy of this report coauthored by tomorrow's speaker Alicia Bárcena (Executive Director). Everyone should prepare one or two questions based on some aspect of the report that interests them. Please send me your questions via email before class tomorrow so I can print them out and give you feedback before class. Use the messages and conclusions of the report (page 9 and 99) to get ideas for your questions, we can discuss your suggestions further in class. As with all UN reports, these conclusions are fairly vague. So perhaps pick an area or MDG to ask a question about (e.g., poverty, environment, health, education, transfer programs, malnutrition, gender, etc.). Make the area you want to focus on clear in your email, I will also set up an assignment on turnitin.com for these questions, but we need to get something posted before noon Thursday (tomorrow) since the event is Thursday at 5pm. Class will end early so we can all attend this 5pm LASLI event in Tognino Hall. Please read [Bertola, 2012](#) and review Chapters 1 and 2 in the Franco Text. Of you cannot attend this event, please let me know in advance. There will be a short "reaction" paper summarizing how the this talk relates to our course readings on the outlook of Latin America and the role of CEPAL or ECLA in the region (their main office is in Santiago Chile).

Thursday September 26th Note 5-6pm Socio Economic Outlook of Latin America and the Caribbean Tognino Hall, Rose Hill Ms. Alicia Barcena, Executive Secretary of ECLA (Economic Commission for Latin American and the Caribbean) researcher and policymaker, now serving as Under-Secretary-General for Management at the UN and Chef de Cabinet to former Secretary General Kofi

Annan. She has published on sustainable development, public policy, and environmental issues. Sponsored by the [Fordham Latin American and Latino Studies Institute](#).

Inflation and Financial Crises Lecture notes: Part I: Part II: Crises and Adjustment and [Inflation in Latin America](#) on theories of inflation, see Cardoso & Helwege, [Chapter 6](#). And pages from Franco, 2007 cited in lecture notes. See also the Alternative High Inflation [Stabilization handout](#) and notes on the [TNT model](#) which is relevant to both crises and growth. See also the [Dutch Disease lecture notes](#).

Part I: [Diverging Growth lecturer notes](#): Dependency and structuralist theories in light of new focus on institutions and development. Please read [Bertola, 2012](#) and review Chapters 1 and 2 in the Franco Text.

Crisis Watch Assignment #1

Due September 17th on turnitin.com [LA-7-1 Assignment 1](#)

CW-1. Start by checking the nominal exchange rate here, print or “grab” the 10 year interval and the last month (or week). Is the exchange rate in your country getting weaker (against the \$U.S.). When was the last year it was at its current level? What is the government doing to stabilize the exchange rate? Do you see evidence of intervention in the recent data? Use the [market for dollars diagram](#) to discuss how a nominal devaluation should affect the real economy. What can go wrong, which countries are most vulnerable to financial crisis? Is your country in this group? Why does the [Venezuelan Bolivar](#) exchange rate look so strange? See <http://www.xe.com/currencycharts/?from=USD&to=BRL&view=10Y>
Jane Marchetti ?? Meredith Lukas Peru Bryan Parra: Chile Daniel Hart Colombia Alan Cizenski ? Matt Trummer: Mexico John Romano Argentina Dylan DeMartino Brazil

Assignment #2: due September 10th end of day on turnitin.com answers question 1.1a and 1.1b be sure to paste the text of question you are addressing at the top of your answer (in italics or another color, by section, 1.2b etc.).

Assignment #3: due September 12th, end of day, question 1.2b and 1.5a.

Making use of and reference to readings: One advantage of answering questions using mainly online readings is that it is easy to copy and or use Tables and figures from online PDF readings (or a Kindle reader, PC edition at least). Be sure to clearly reference all quote or specifics, using a page number where possible. Be sure to also summarize the positions of the key players and then add your own views on the topic. Latin America is a complex and very heterogeneous region, there are always two views, as the A&R, 2012 and Sachs, 2013 demonstrate (for the readings on the Syllabus use quick references Acemoglu and Robinson (2012) or A&R (2012,p 30) or Sachs, (2013) etc. Cutting and pasting both the question being addressed and short quotes is a great idea (include page numbers for specific points, facts). Later, you may even want to cut and paste a Figure, just be sure to give the source. A url is

part of a reference, but not a whole reference. Word 2007+ has a reference which helps you complete a reference to an online document. If it is a pdf you can use the Mendeley to create a reference for it (it will do web pages as well).

Due Sept. 4th Question 1.2a (not part 1.2b yet) for September 4th, due at midnight and question 1.1a for midnight September 9th question (both on turnitin.com).

Before Thursday September 13th please get a copy of the Edwards book for next week. If you do not have a copy already, please see me after class today. For Monday end of day, please answer 1.1a-c be specific, cite readings specifically, use quotes (cut and paste). Watch the frontline documentary. Sections in italics are optional.

1.1 Why is Nogales, Mexico so much poorer than Nogales, Arizona? (a) Summarize the views of [Acemoglu and Robinson](#) and [Jeff Sachs](#) on this issue. List the main points of disagreement. Which arguments do you find most convincing? (b) what can be done to remedy these disparities, if, for example, “*The broad distribution of political rights in the United States, especially when compared to Mexico, guaranteed equal access to finance and loans. This in turn ensured that those with ideas and inventions could benefit from them.*” Acemoglu and Robinson (2012, 30). (c) What is being done now, or may be done to address the problem inadequate access to finance by the average person in Mexico? Formal Mexican banks ignore this source of high profits, evidently, see the [Frontline video on Compartamos](#) and micro finance in Mexico. Why has micro-finance been so successful in Mexico (and Peru and Bolivia)? *Why is Microfinance so controversial?* (d) What else have Mexicans done to overcome the institutional/border problem? How do microfinance and migration address the same problems poor farmers in Chiapas or Puebla or Oaxaca have? Are these complementary or substitute policies? Explain. Have they been working for Mexico? Which groups have benefited most from recent growth, see and Figures [Lustig et al.](#) 2013 ?

1.2 What do [Chilean students](#) want? (a) SEDLAS/CEDLAC data suggest Chile has the highest growth rate and social mobility in Latin America (what does this social mobility index measure for [Chilean teenagers 13-19 in 2009?](#)), if so, why are [students protesting](#) (a [kissing](#) protest) Chile has a history of more violent protest and repression (you can see the very well-equipped, well trained Santiago riot police). In fact the present economic regime was born in a very infamous violent coup which the U.S. tacitly supported see Chapters 5-7 of PBS [Commanding Heights](#). (b) Should University of Chicago Professors have helped the Pinochet regime? What in their ideology may have justified their assistance to a brutal dictator (not quite, but almost the Assad of his time)? In your view did history prove their intervention justified? Explain. What does Edwards Chapter 5 argue about the Pinochet regime? (let me know in class if you have problems viewing these videos)

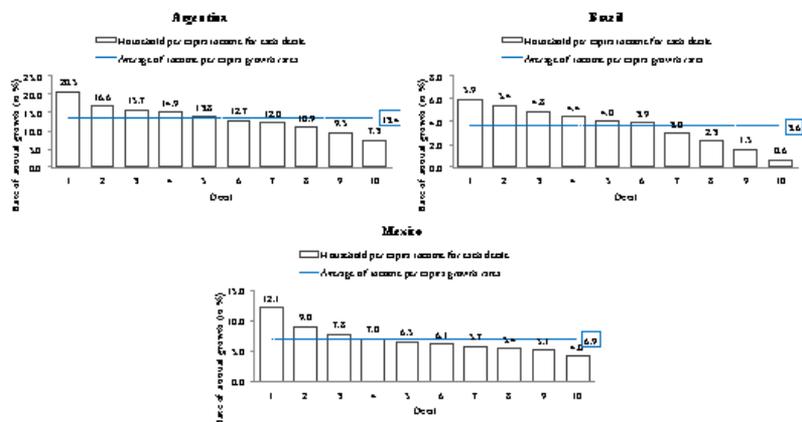
1.3 Why according to [Acemoglu et al. \(2011, pp. 1-5\)](#) are middle class (median) electing populist leaders? Given the problem of the two Nogales discussed in Chapter 1 of *Why Nations Fail*, might this make things better or worse in Latin America (or has it already)? Give some examples of what you mean.

1.4 Oliver Stone gives us a quick but slightly skewed tour of [seven of Latin America's new left leaning leaders](#) (the good news, the whole [South of the Border](#) documentary is now on Youtube, the bad news is it is not very good). Lots of misinformation, but then we have the left and the right represented. He spends the most time with Hugo Chavez (the scene where his bicycle breaks is about 33 minutes in). Who among this group of seven leaders does Sebastian Edwards think will ultimately succeed in reducing poverty and inequality with growth (see his [Chapter 1](#))? Why is this regime particularly important in Latin America? How do this leaders comments to Oliver Stone differ from some of the other leaders (Evo Morales and Rafeal Correa for example). (b) Argentina actually had a chance to bring down the IMF in 2002-03, but they repaid their loans. What disservice did the IMF do to Argentina? What did Brazil do in 2008? Argentina hung on to its currency peg three painful years longer, at great cost. (c) What lessons does Argentina hold for countries like Spain and Greece? How is there situation a bit different, in a way that seems to matter a lot? What benefit does sticking to the Euro have for the PIIGS that Argentina did not have?

1.5. (a) After a long period of slow growth, Latin had almost 10 “Golden Years” Use the class lecture notes and Talvi to explain why Latin America had such a burst of growth. (b) Sign up for a country (so there is no overlap), look at their nominal exchange rate and reserves and external debt (or Central Government debt), are LatAm countries, especially the LA-7 vulnerable to another crisis? Reference Talvi’s report in this regard. (c) Why has Latin America lagged behind many OECD and “twin” economies? Discuss the main reasons provided by Sebastian Edwards ([Chapter 1](#): Latin America: eternal land of the Future) and [Acemoglu and Robinson Chapter 1](#) (or [Santismo's 2007 Chapter 1](#) for a lite view). Review some the evidence discussed in the class. Where are their positive signs? Briefly discuss the role of natural resource booms and busts (for better or worse)?

1.6. How has Chile dealt with its abundance of copper? See the lecture notes and [pages 32-45 of the Franko text](#). What is the middle income trap? *To escape this trap, does Latin America need to replicate Asia's manufacturing export strategy, or can it grow rich and develop exporting natural resources? Cite some country examples to support your answer. If being middle income is the problem, which countries might find it easiest to develop a low wage export driven economy like Asia? Have any of them exploited this be like Asia opportunity? Has it worked?*

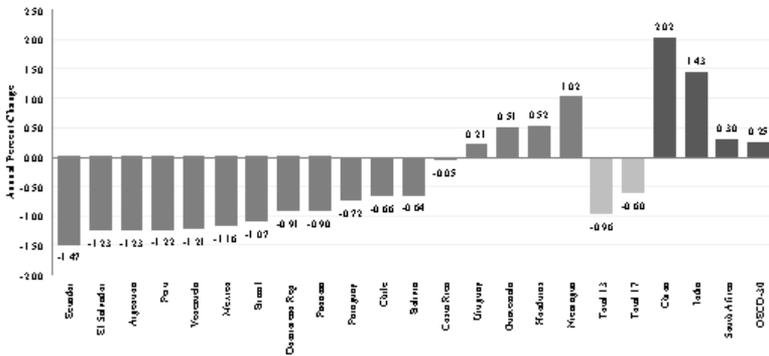
Figure 5- Growth Incidence Curves of Household Per Capita Income for Argentina (urban), Brazil, and Mexico (Deciles)



Source: Author's calculations based on data from SEDLAC (CEDLAS and The World Bank), March 2012 (<http://sedlac.econo.unp.edu.ar/eng/>). The changes are for 2000-2010 in Argentina, 2001-2009 in Brazil, and 2000-2010 in Mexico.

Click these Figures to see the source publication.

Figure 1 – Declining Inequality in Latin America by Country: 2000-2010 (annual % change in Gini)



Source: Authors' calculations based on data from SEDLAC (CEDLAS and The World Bank), March 2012. (<http://sedlac.econ.unlp.edu.ar/eng/>) for Latin American countries; and OECD (2010) for China, India, South Africa and OECD-30.

Note: Solid bars represent cases where changes are statistically significant based on SEDLAC's estimates. Data for Argentina and Uruguay are for urban areas only. In Uruguay, urban areas covered by the survey represent 80 percent of the total population; in Argentina, they represent 66 percent. The average change in the Gini for each country is calculated as the percentage change between the end year and the initial year divided by the number of years; the average for the total is the simple average of the changes by country (thirteen countries in which inequality fell). The years used to estimate the percentage change are as follows: Argentina (2000-10), Bolivia (2001-08), Brazil (2001-09), Chile (2000-09), Costa Rica (2001-10), Dominican Republic (2000-10), Ecuador (2003-10), El Salvador (2000-10), Guatemala (2000-06), Honduras (2001-10), Mexico (2000-10), Nicaragua (2001-05), Panama (2000-10), Paraguay (2001-10), Peru (2001-10), Uruguay (2000-10), and Venezuela (2000-10). Using the bootstrap method, with a 95 percent significance level, the changes were not found to be statistically significant for Costa Rica (represented by grid bars in the figure). The years used in non-Latin American countries are as follows: China (1993-Mid 00s), India (1993-Mid 00s), South Africa (1993-08), and OECD-30 (Mid 80s-Mid 00s).

[Click these Figures to see the source publication.](#)

More on Chile (a LatAm economic classic) [Carlos Diaz Alejandro \(1985\) Good-bye Financial Repression, Hello Financial Crash, Journal of Development Economics.](#)

Figure 1. GDP Growth in Latin America (LAC-7, real GDP growth)



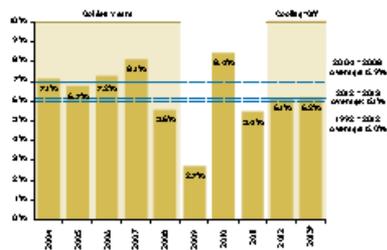
Notes: LAC7 is the simple average of Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela, which together account for 93 percent of Latin America's GDP. *Golden Years* is defined as the period from III:03 to III:08, and *Cooling-Off* is the period 2012-2013.

*For recast

Data sources: National Statistics and Focus Economics.

Figure 2. GDP Growth in Other Emerging Regions

a. Emerging Asia (EA-6, real GDP growth)



b. Emerging Europe (EE-8, real GDP growth)

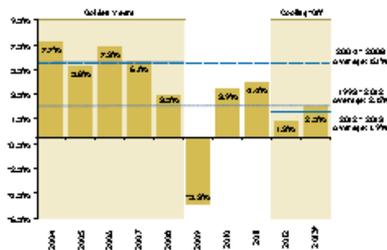
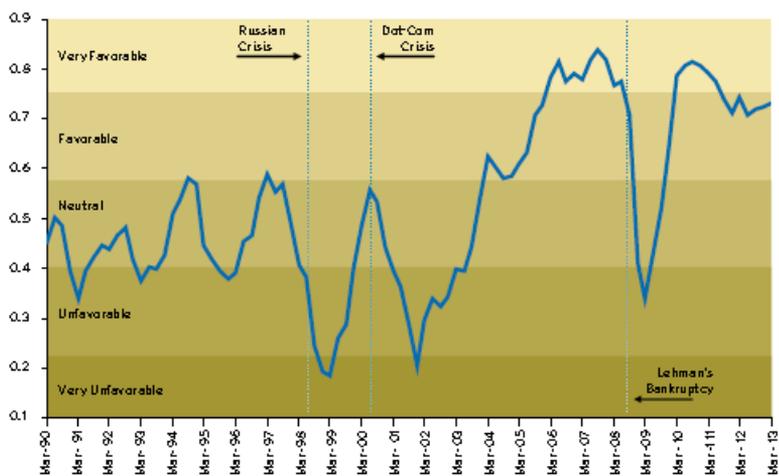


Figure 4. External Conditions Index for LAC-7 (ECI)



Notes: LAC-7 is the simple average of Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela, which together account for 93 percent of Latin America's GDP.

Data Sources: IMF, National Statistics and Bloomberg.

Answers to questions arising on homeworks or during lectures:

What is the LAC7? Answer: the seven largest countries in LatAm, namely, Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela. These 7 nations account for 90% of Latin America's GDP. ***What are the MDGs?***: The Millennium Development Goals are ten development goals set forth by the United Nations around 1990 to broaden development goals from per capita income to focus more on poverty, health and human rights. For a list see [box 1.2 page 14 chapter 1 of Franko text](#) or better yet, go the official [UN MDG site](#) where you can find information on how all nations, including those in Latin America are doing in achieving these 2015 development goals.

Is data on Latin America from the IMF reliable? This is a good question, the quality of data varies. For better or worse, the IMF generally reports whatever national governments tell it to—sometimes with a footnote, as with recent Argentine inflation data. The World Bank is a little more willing to fix suspect numbers, but there board of directors includes representatives Argentina for example is widely believed to have been official under reporting [its inflation rate since 2007](#) when it fired the INDEC staff putting together its consumer price index (who then formed their own private consulting firm, but who are now being harassed by the Kirchner government). For purchasing power parity (which converts all countries consumption to comparable units, U.S. prices as it happens) we have three sources (all a little different): [the IMF WEO database](#) (which I used in the lecture notes because it includes guesses for 2012), the [World Bank WDI online](#) (now all free thanks to [Hans Rosling](#)'s TED 2007 talk), the [World Bank's Povcalnet](#) which does the official MDG 1 poverty calculations and the [Penn World Tables](#) prepared by an independent group of academics originally based at the University of Pennsylvania (they adjust China's official statistics for example). Finally, for Latin America we are very lucky to have [CEDLAS/SEDLAC](#) (Facultad de Ciencias Económicas Universidad Nacional de La Plata) which does it best to make all the Latin household and labor market survey data comparable over time and across countries and CAF (the new [Latin American Development Bank or CAF](#), funded mainly by left regimes in the Andean region. Last but not least we have the United Nations [Economic Commission on Latin America](#) (ECLA or CEPAL in Spanish). Home of famous Structuralist economists [Raul Prebisch and Hans Singer](#) who together came up with the [Singer-Prebisch hypothesis](#) of declining Terms of Trade for primary commodity exports. They have a wonderfully complete largely independent database, especially on poverty wages and inequality. For reasons that are somewhat political, Mexico and [Chile were invited to join the OECD](#) (Turkey is a member too). In fact the current Secretary-General of the [OECD is Angel Gurría](#) a former Finance and Foreign Affairs minister of Mexico. This means yet another excellent source of statistics on Latin America, the [OECD LatAm Economic Outlook](#). An example of checking an alternative source of data is Table 3, which compares the change in LatAm per capita income from 1980 to 2010 using \$PPP estimates by Alan

Heston, Robert Summers and Bettina Aten, Penn World Table Version 7.1, Center for International Comparisons of Production, Income and Prices at the Univ of Pennsylvania, July 2012, instead of IMF or World Bank estimates of \$PPP 2005,

Table 3: Penn World Table Comparisons of Latin American growth 1980-2010

	Per capita Income as a			2010	Per capita Income		
	% of U.S. \$PPP 2005				Pop	Penn World Tables 7.1	
	1980	2010	Change			1980	2010
Argentina	35	31	-3.9	41	8496	12340	1.3
Bolivia	13	10	-3.9	9.9	3173	3744	0.55
Brazil	29	21	-7.7	201	6960	8324	0.60
Chile	19	34	15	17	4957	12525	3.1
Colombia	20	19	-0.8	44	5030	7536	1.4
Costa Rica	34	28	-6.1	4.5	8229	11500	1.1
Dominican Republic	19	25	5.6	9.8	4362	10503	3.0
Ecuador	24	16	-7.8	15	5144	6227	0.64
El Salvador	20	15	-5.0	6.1	4316	6169	1.2
Guatemala	22	15	-7.2	14	5650	6091	0.25
Honduras	14	8	-6.2	8.0	3213	3580	0.36
Mexico	42	29	-13	112	10208	11939	0.52
Nicaragua	14	6	-8.1	5.6	3016	2290	-0.9
Panama	19	25	5.6	3.4	5165	10857	2.5
Paraguay	14	10	-4.0	6.4	3571	4070	0.44
Peru	22	19	-2.7	29	5299	7415	1.1
Uruguay	28	29	1.3	3.3	7062	11718	1.7
Venezuela	35	25	-9.4	27.2	9978	9071	-0.3
United States	100	100	0.0	310	24952	41365	1.7
Latin America	29	22	-6.9	557	7223	9112	0.8

What is the poorest country in Latin America? The four poorest Spanish/Portuguese speaking countries with populations over one million (sorry Belize and Guyana) are Bolivia, Nicaragua, Guatemala and Honduras (we can call these the LA4). According the latest [2008 Povcalnet data](#) (see the lecture notes) Nicaragua is the poorest of these four with an average income of just \$4/day PPP or \$120 a month, well below the \$10/day need to live a middle class life in Latin America, this means the average Nicaraguan is not middle class, they are poor, at least by world standards.

Who are Latin America's "twins" circa 1960? Instead of comparing Latin American economies to the United States or the G7, which may not be fair, why not compare them to a group of their peers: that is economies that had incomes similar to Latin American countries in the 1960s. A recent OECD study on development accounting for [Latin America by Christian Duade \(2012\)](#) identified 13 such "twin economies" for Latin America, meaning "those (countries) that

were in the second and third quartile of the world's GDP per capita distribution in 1960 – a range where most Latin American countries were at that time – and for which all data used in this paper to perform the accounting exercises are available (investment, education, etc). *The resulting group of 14 “twin” economies are Cyprus, Greece, Iran, Ireland, Israel, Japan, Jordan, Korea, Mauritius, Portugal, South Africa, Spain and Turkey” (see footnote 2, page 7 and [Table 1 page 8 of Duade, 2012](#)).

Latin American on and in Video and film:

In 2010, Oliver Stone produced the documentary [South of the Border](#) based on Interviews with seven Latin American Presidents (but not the current President of Brazil, who also appears in the Hans Rosling washing machine video... which is not directly but sort of related to Latin America... why is she in his video too?). One President is Rafael Correa President of Ecuador who talks about ending the [U.S. lease on an airbase](#) in Manta Ecuador U.S. Airbase. Ecuador's embassy in London is currently protecting what famous leaker? Much to the chagrin of the U.S. and Sweden, but this not how [Ecuador and others in Latin American see it](#). After leaving Ecuador the U.S. [opened a new base](#) where (hint: not far from Ecuador at all)? Given the U.S. history with this country (going back the 1973, see the [1982 Costa Gavras film Missing...](#)”how do you spell U.S. Aid?”). Latin American on Video/film: This [2008 PBS Frontline documentary](#) about Hugo Chavez's use of televisión includes an interview with opposition leader [Teodoro Petkoff](#). This very articulate ex-communist/socialist Presidential candidate is still very active in opposition to Hugo Chavez, you can read a brief [bio here](#) and see him on [youtube](#) talking about the various problems the U.S. (with his hands) if you click captions and choose the (beta) translate options you can see what he is saying (roughly) in English.