

PALAS 310 ARGENTINE ECONOMY

PROGRAM IN ARGENTINE AND LATIN AMERICAN STUDIES
UNIVERSIDAD DE BELGRANO

Course Information

Instruction in English
Contact Hours: 60
Semester

Course Description

Once one of the richest and fastest growing economies in the world, Argentina is now entrenched in the rankings of the less developed countries. Nevertheless, in the last decade it has grown at a fast pace, one that was hard to predict in the days of the 2001-2002 crisis. That a country that was viewed as a pariah, effectively shut out of the international financial markets, could recover from its worst crisis, is the topic of academic and political discussions. In the last decade, the Argentine economy has had many ups and downs, with high inflation and unstable economic and institutional settings, that have created a very particular business environment. The course will provide a truly comprehensive perspective that will enable the students to analyze and understand the process experienced by the Argentine economy from the late 19th Century until the present days, focusing on the last decade of it. It will also present the current weaknesses and strengths of the Argentine economy for future economic growth, its participation in the global economy and the structure of its productive system. Due to its many particularities, Argentina can serve as a case study of sorts.

Course Requirements

Class participation is very important; there will be several class discussions, which will rely heavily on student participation. Students are expected to have their cameras on and are encouraged to participate in debates.

Students are expected to conduct research for the final paper and consult the digital library for that purpose. UB holds to the view that plagiarism constitutes intellectual theft and is a serious breach of acceptable conduct. Any student caught plagiarizing will immediately be given a "no credit" for all courses taken in the semester. There will be no make ups for classes falling on public holidays

Grading Policy

Participation	10 %
Paper presentation (oral & written)	30 %
Midterm	25 %
Final Exam	35 %

Transferencia de notas al sistema europeo/ norteamericano

10 diez	Sobresaliente	A+	5 cinco	Aprobado	B-
9 nueve	Distinguido	A	4 cuatro	Aprobado	C
8 ocho	Distinguido	A-	3 tres	Reprobado	F
7 siete	Bueno	B+	2 dos	Reprobado	F
6 seis	Bueno	B	1 uno	Reprobado	F

For a better understanding of the comparable table for grading:

Required Textbooks and Materials

Luis Argüero, ed. *Course Reader*

Academic Calendar

- Week 1** Introduction. Presentation of the course. Objectives. Regions of Argentina. History, autonomy and the federal system. Income and employment disparities.
- Week 2** Brief description of Argentine economic performance in the long run, trends, cycles and current situation. Its socioeconomic performance compared to other Latin American countries. Brief explanation of development economics' fundamentals. Capital accumulation, growth and structural transformation. Economic growth vs. Economic development.
- Week 3** The economy before independence. The sources of growth of the Argentine economy 1870-1914. Changes in Land, Labor & Capital accumulation. Agriculture in Argentina. Production and land ownership.
- Week 4** The early interwar period. The downturn in the terms of trade. Causes of the decrease in the rate of capital accumulation.
- Week 5** Argentina from 1930 to 1946. Changes in economic policy: import substitution industrialization in Argentina and Latin America. Democracy, coup d'état and internal migration. The new world's economic scenario and its impact on Argentina. Neutrality and trade surplus during WWII. Argentina from 1946 to 1955. The Peronist decade. Populism and government intervention. Different approaches to economic policy.

Week 6	<p>Political instability and economic failures. The armed forces and Marxism in Latin America: The spread of the Cuban revolution. The School of the Americas and involvement of the USA in Latin American politics.</p> <p>Argentina from Peron to the early 80's. Oil shocks and debt crisis. Poverty and unemployment. 80's: political tensions. Peronismo without Perón.</p> <p>Hyperinflation. Economic and social costs of the Argentine development strategies.</p>
Week 7	<p>Argentina in the 90's. Menem's economic policy. The Convertibility Plan. Fiscal policies. Privatizations. The dependence of foreign capital flows. The Washington Consensus. Structural reforms.</p> <p>Crisis in the region: Mexico and Brazil. Economic performance and external shocks. The path to Argentine crisis (1999 to 2001).</p>
Week 8	Review for the midterm exam
Week 9	<p>Exam results.</p> <p>Local currencies and bartering system. Destruction of the financial system. Government finances. Central government-Provinces relationships. Debt default and devaluation.</p>
Week 10	<p>The Kirchner era (2003- 2015). Nominal and real salary reduction. Protests, subsidies and social programs. The foundations of the Argentine recovery.</p> <p>Consultations about written paper.</p>
Week 11	<p>Renegotiation of the external debt. Relations with IMF, World Bank, Inter American Development Bank and the Paris Club.</p> <p>Agroindustrial exports as the key of Argentina turnaround.</p> <p>Agricultural production and manufacturing industry promotion: Can they co-exist?</p>
Week 12	Oral presentations (25' each)
Week 13	<p>Oral presentations (25' each)</p> <p>Cristina Kirchner administration (2007-2015). Currency exchange controls and import restrictions. The economic crisis of 2008 and its impact on Argentina.</p> <p>Social programs and poverty.</p>

- Week 14** The Macri administration (2015 - 2019). Fernández, the return of Peronism and the CoViD crisis. Milei and the libertarian government.
Vaca Muerta and Argentina's shale oil and gas sector. Open discussion: Argentine economy in the 21st Century: Opportunities, threats and projections. Review for Final Exam
- Week 15** **Final Exam**
Feedback on the exam, overall performance and notification of final grade.

Required Textbooks and Materials

- Argüero, L.I. (2016) "Argentina 2003-2015: A review of the Kirchner era", UB.
- Argüero, L.I. (2018) "The first two years of the Macri administration", UB.
- Bethell, L. Argentina since independence, Cambridge University Press.
- Blanco, E. et al. (2021), "The Evolution of the Earnings Distribution in a Volatile Economy: Evidence from Argentina", Documentos de Trabajo del CEDLAS N° 280, CEDLAS-UNLP
- Cavallo, D.F. and Cottani, J. (2001), "Argentina's convertibility plan and the IMF", IMF journal, Vol. 87, No.2, pp. 17-22.
- Della Paolera, G. and Taylor, A. (2003), The new economic history of Argentina, Cambridge University Press.
- Della Paolera G. and Taylor A. (2000) "Economic recovery from the Argentine Great Depression: Institutions, expectations and the change of macroeconomic regime." NBER Working paper 6767.
- Frenkel, R. (2002), "Argentina: A decade of the convertibility regime", Challenge, Vol. 45, No.4, pp.41-59.
- Hornbeck, J.F. (2013), "Argentina's Defaulted Sovereign Debt: Dealing with the "Holdouts", CRS R41029.
- Kiguel, M. (2002) "Structural reforms in Argentina: Success or failure?", Comparative Economic Studies, Vol. 44, No. 2, pp.83-102.
- Levitsky, S. and Murillo, M.V.. "Argentina: From Kirchner to Kirchner. Journal of Democracy Vol. 19, No. 2, pp.16-30.
- Lopez Murphy, R., Artana, D. and Navajas, F. (2003), "The Argentine economic crisis", Cato Journal, Vol. 23, No. 1, pp. 23-28.
- Neto, A. y Vernengo M. (2002), "Globalization a dangerous obsession. Latin America in the Post Washington Consensus era", International Journal of Political Economy, Vol. 32, No. 4, pp. 4-21.
- O'Connell, A. (2005) "The recent crisis and recovery of the Argentine Economy: some elements and background", in Epstein, G. (ed.) Financialization and the World Economy, Political Economy Research Institute.
- Richardson, N. P. (2009), "Export-oriented populism: commodities and coalitions in Argentina", Studies in Comparative International Development 44 (3), pp. 228- 55.
- Schuler, K. (2002), "Fixing Argentina", Cato Institute Working Paper.
<http://cdi.mecon.gov.ar/biblio/docelec/mu1901.pdf>
- Taylor, A. (1994) "Three phases of Argentine Economic growth", National

Bureau of Economic Research, NBER Historical Paper #60.

Taylor A. (1999), "Latin America and Foreign Capital in the twentieth Century: Economics, politics and Institutional change", NBER Working Paper 7394.

Weisbrot, M. and Cibilis, A. (2002), "Argentina's crisis: The costs and consequences of default to the international financial institutions", Center for Economic and Policy Research Research Brief, Nov. 19, 2002.

Wylde, C. (2011), "State, Society and markets in Argentina: The political economy of neo-desarrollismo under Néstor Kirchner, 2003-2007", *Bulletin of Latin American Research*, Vol. 30, No. 4, pp. 436-452.