CIEE Global Institute Buenos Aires, Argentina

Course name: International Finance and Public Policy in Latin America  
Course number: BUSI 3104 BAAR  
Programs offering course: Open Campus  
Open Campus track: Business  
Language of instruction: English  
U.S. semester credits: 3  
Contact hours: 45  
Term: Fall 2019

Course Description
The course will provide students with an analysis of the role of the public and private international financial institutions (IFIs) and the foreign countries that design and implement public policies in Latin American countries, ultimately conditioning the development. These institutions such as the International Monetary Fund (IMF), World Bank (WB), and the Inter-American Development Bank (IADB), which were created in the post-war period, have been key stakeholders in the implementation of structural reforms throughout Latin America (LA). This partly relegated the traditional multilateral banks and gave other regional banks (e.g. the Development Bank of Latin America –CAF-) or bilateral financing (e.g. Venezuela, Brazil, China) as alternative funding sources. Taking into account the performance and national policies of Latin America (and Argentina in particular) the course will also discuss other strategies (i.e. besides those regarding funding, e.g. South-South cooperation) for development in the new world. The class will introduce the students into another part of the international agenda points out global value chains (GVC) as a source of potentialities for developing countries. This, in turn, imposes new challenges to Latin American countries.

Learning Objectives
By completing this course, students will be able to:
● Create a reasoned analysis about the role of IFIs in shaping developing countries' national policies;
● Demonstrate critical understanding of the main opportunities and challenges for developing countries in global scenarios since the Bretton Woods agreements until the present day, and the diverse strategies the Latin American region has adopted to face them;
● Evaluate how the global economic and political order can open opportunities to developing countries, but also impose constraints to their national policies.

Course Prerequisites
It is highly recommended that students have completed a course in international studies, and/or economics, and/or business class prior to taking this course.
**Methods of Instruction**

The course will consist of: (i) lectures given by different instructors with the use of PowerPoint presentations (theoretical lessons); (ii) analysis and interpretation of evidence using online available databases (e.g. economic statistics of trade, GDP, and population); (iii) guided reading of mandatory literature through a written exercise (workshop); (iv) students' involvement in discussions and materials collected for classes; (iv) videos and films. In some of the classes, relevant guests (specialists or actors involved in the topic/process discuss) will also be invited.

**Assessment and Final Grade**

1. Weekly Reports (5) 20%
2. Midterm 20%
3. Group Project 20%
4. Final Paper 20%
5. Participation 20%

**Course Requirements**

**Weekly reports**

Students are expected to write short analytical reports (300-450 words) every week. They must produce a grounded, meaningful and theoretically informed analysis of a brief situation or scenario, or about a given reading for the course. Specific guidelines will be given for students to complete. APA style will be required.

**Group Project**

Students will be required to do a group (2-3 students) presentation (10-15 slides) based on a research group teamwork. To do this, the professor will provide them a list of topics to be selected and will monitor the group research by mentoring meetings. Students will be assessed on the analysis done, the bibliographic readings used and the communication abilities shown in the presentation.

**Midterm**

Students will be asked to produce a written paper based in a specific guideline done by the instructor. The midterm will consist in the selection of two out of four topics/questions. Students must develop their answers in two texts, 1000-1500 words long each. The use of the bibliography used in class is compulsory; APA style will be required.

**Final Paper**

Students will be asked to produce an integrative work at the end of the course, in which they will show the abilities and skills acquired throughout the course. The final written paper will be 2000-2500 words long. Students will be given different topics to develop from which they have to choose one. The use of the bibliography used in class is compulsory; additional bibliography recommended by the instructor is highly recommended; APA style will be required.
Participation
Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students as part of the course. Meaningful contribution requires students to be prepared in advance of each class session and to have regular attendance. Students must clearly demonstrate they have engaged with the materials as directed, for example, through classroom discussions, online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities.

Attendance Policy
Regular class attendance is required throughout the program, and all unexcused absences will result in a lower participation grade for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, unexcused absences that constitute more than 10% of the total course will result in a written warning.

Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.

For CIEE classes, excessively tardy (over 15 minutes late) students must be marked absent. Attendance policies also apply to any required co-curricular class excursion or event, as well as to Internship, Service Learning, or required field placement. Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent and unexcused. No make-up or re-sit opportunity will be provided.

Attendance policies also apply to any required class excursion, with the exception that some class excursions cannot accommodate any tardiness, and students risk being marked as absent if they fail to be present at the appointed time.

Unexcused absences will lead to the following penalties:

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<thead>
<tr>
<th>Percentage of Total Course Hours Missed</th>
<th>Equivalent Number of Open Campus Semester classes</th>
<th>Minimum Penalty</th>
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<tr>
<td>Up to 10%</td>
<td>1 content classes, or up to 2 language classes</td>
<td>Participation graded as per class requirements</td>
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Weekly Schedule

NOTE: this schedule is subject to change at the discretion of the instructor to take advantage of current experiential learning opportunities.

**Week 1**

1.1 Introduction & Brief History of Argentina’s Economic Performance. This opening lecture will introduce students to the key stylized facts of the recent economic history of Argentina, in order to have a basis for the whole course. Students will gain fundamental knowledge to have a better understanding for future class discussions.


1.2 Basic macroeconomic concepts. Students will be introduced with some key macroeconomic and development indicators, which will allow them understand the topics of the course. Students will participate in a discussion on main macroeconomic Latin American figures.


1.3 Basic macroeconomic concepts in practice. This is a hands-on session where students familiarize themselves with the main macroeconomic and development indicators using different computerized datasets, working with Latin American figures.


**Week 2**

2.1 Economic Development and finance flows to developing countries. In this class the students will explore the concept and links between economic development and financial flows to developing countries. After discussing “the meaning and measurement of development” (Dutt & Ros, 2008), students will be asked to choose at least two countries and compare their relative
development level by using some development indicators. Open discussion on the results and short comprehension test.

Readings: Dutt, A. K., & Ros, J. (Eds.) (2008), pp 3-36.

2.2 Multilateral Financial Institutions: purpose, history, and influence in Latin America and Argentina.

The objective of this course is to learn the reasons for the creation of the Bretton Woods as global governance institutions at the end of the second world war and understand how and why they evolved. Through a group activity, the students will consider and name the main institutions that preside over the global financial affairs. Students will explore reasons, historical and political to add to the discussion. The lecture Through describing the historical context in which Bretton Woods' institutions began, the lecture will illuminate three main stages that these institutions went through since their creation to the present day (origin, crisis and reform).

Reading: Strange, Susan (1999).

2.3 Multilateral Financial Institutions and their in-house governance deficits.

The objective of this course is to identify main problems and governance deficits inside the power structure and dynamics of the global financial institutions, mainly the World bank (WB) and the International Monetary Fund (IMF). A second goal is to understand and discuss the solutions that governments and civil society organizations have proposed to solve or reduce the lack of democracy and accountability rules among countries and national constituencies. Following the same logic of the previous class, the students will identify a paradox of the global economy. Students will also interview guest speaker Gustavo Béliz.

Reading: Buira, Ariel (ed., 2002).

Week 3

3.1 IFIs and their mechanism to influence development.

In this practical lesson students will observe and apply many of the concepts analyzed in previous classes around asymmetric negotiations between debtor countries and IFIs. To do so, the instructor will show and discuss a documentary about the negotiations carried out by the Ugandan Government with the World Bank (on agriculture) between the 1992 and 1995. This film reflects, even despite the differences, the kind of negotiations that also characterized those made by Argentina in the nineties. The proposal of this workshop is to identify the stages of such negotiation and participating stakeholders, analyzing and
debating the specific weight of the so-called "conditionalities" in the design and implementation of public policies. Screening and discussion of the film “Our friends at the Bank,” by Peter Chappell (http://icarusfilms.com/new98/ourfrien.html).


3.2 The WTO and the global rules of trade.
The objective of this course is to learn about the role and structure of the World trade Organization (WTO) and to compare its own dynamic and mechanism of accountability in relation to the WB and the IMF. In order to debate in an open discussion to what extent this new global institution, built in the 90s, has improved global governance increasing the voice of developing countries and public global goods? The students will view "Understanding the word Organization” and explore the advantages of the WTO for the developing world.

Reading: Tussie, D & Delich (2004).

3.3 Washington Consensus effects on Argentina.
Understanding the political, economic and social impacts of the Washington Consensus (WC) upon the development world. This lecture will focus on Argentina and explain the political, social, structural and economic consequences of those measures, which finally led to the largest (economic, social and institutional) crisis in the country’s history. Students will view "Understanding Ten Years of Convertibility in Argentina", CEPAL (CD ROM, with English subtitles).


Week 4

4.1 Sovereign Debt Restructuring. The case of Argentina.
To review the history and process of Argentina’s sovereign debt restructuring, students will first visit the External Debt Museum. (http://museodeladeuda.econ.uba.ar/). Following the visit, students will have the chance to (via Skype) interview Argentina’s former Ambassador in the US, Dr. Cecilia Nahón, who will share her experience and answer their questions through.

Reading: Nahón, Cecilia (2015).

4.2 Financing Development: Multilateral and Regional Development Banks
Students will learn about the development role of financial flows to the developing world, focusing upon the main strengths and priority areas of multilateral, regional and sub-regional development banks. In class, students will be asked to discuss a piece of news or a brief article about the topic (e.g. Project Syndicate, 2008: “Self-Financing Development”, August 30th; https://www.project-syndicate.org/commentary/self-financing-development).


4.3 Capital, goods and services flows. Post-war trends.
Understanding the main trends in global flows (capital, goods and services) since the postwar period and the position and challenges posed for the developing world. With data from UNCTAD students will discuss the globalization process. Students will discuss of some snapshots of goods, services and FDI flows to developing countries.


Week 5:

5.1 Trade and Development Patterns I
This session will start with a discussion over theories of specialization and its relevance for the latin american case. Students will discuss about the video: Prebisch y los términos de intercambio (https://www.youtube.com/watch?v=sqUQQX1dTx8, with English subtitles).

Reading: Krugman y Obstfeld (2009), Ch 3 and 4.

5.2 Trade and Development Patterns II.
Debates on productive and commercial specialization, evolution of the terms of trade, the effects on countries’ economic performance and policy lessons. In groups (if needed), students will choose a Latin American country and build (using trade databases) its specialization profile. Open discussion on the results.


5.3 Development Strategies I.
Assessing whether regional integration or integration to global value chains (GVC) are a feasible and adequate strategies for countries to develop and, if so, what is necessary for them to succeed. The instructor/s will examine the case of regional productive integration in East Asia and the main lessons for the Southern Cone Common Market (MERCOSUR). Students will have an open discussion: pros and cons of Global Value Chains and Regional Value Chains.
Week 6

6.1 Development strategies II.
Students will discuss the main challenges for developing countries to integrate GVC and RVC and the constraints that the GVC approach imposes upon developing countries. The session will end with an interview to Augusto Costa, former responsible for international negotiations in various multilateral fora (G-20, OECD, WTO) over the past three years, who will share with students his experience and answer their questions about the best option for developing strategies.

Students will interview Augusto Costa (former Argentine’s Secretary of Commerce, 2014-2015 and Argentine’s Secretary of International Economic Relations, 2013).


6.2 China and India.
Learning about the key changes in the global scenario with the resurgence of these industrial and commercial global powers. Understanding the opportunities and threats for Latin America in the context of the increasing role of China and India within the global scenario. Based on statistical data students will be asked to list the opportunities and threats from China and India’s rise for the developing world, and LA countries in particular.


6.3 Conclusion of the course and final exam.

Course Materials

Readings


Rapoport, Mario (2005). “The development of Historiography of International Relations in Argentina, from the eighties to the present”. [Link](https://www.academia.edu/5536196/The_development_of_the_Historiography_of_International_Relations_in_Argentina_from_the_eighties_to_the_present).


**Online Resources:**
- The World Integrated Trade Solution [Link](https://wits.worldbank.org)
- The atlas of economic complexity
http://atlas.cid.harvard.edu/explore/pie_scatter/export/arg/all/show/2012/
World Bank Open Data
http://data.worldbank.org/
International Monetary Fund Data
https://www.imf.org/external/data.htm
UNCTAD interactive database
http://unctadstat.unctad.org/.
CAF - Development Bank of Latin America
http://www.caf.com/en

Opinion sites:
Project Syndicate, the world opinion page: http://www.project-syndicate.org/
The institute for new economic thinking: http://ineteconomics.org/
Le Monde Diplomatique: http://mondediplo.com/
Financial Times: http://www.ft.com/home/us