

## **LATIN AMERICAN POLITICS**

### **Unit 3 Focus Questions: The Political Economy of Development in Latin America**

***Last edited on 4/8/2025.** Up until a week before the exam, this document was a draft document based on study guides from previous classes (keep in mind that the readings and key events that are relevant for this course change somewhat every time I teach it). **Any items that have been added or edited after I first posted the guide have been noted with bold formatting.***

1. What is “development,” and how should it be measured (Blake, for example, talks about “growth first,” “basic needs” and “sustainable development” as different ways of thinking about development)? What indicators do social scientists typically use when measuring and comparing development across different regions and countries? How do we measure overall growth, inequality, and poverty?
2. Reviewing some of what you learned at the start of the term: What—roughly speaking—is the variation of development indicators across Latin America? Which countries are the poorest, which are the richest, which are the most unequal, which have large middle classes and the most poverty?
3. Looking back at the last several decades, how is development fairing in the region as a whole? How are things going when we compare it to how other developing country regions are adjusting to globalization? Is the region getting any better at dealing with poverty over time? Educating its children?
4. Considering measures of development and what we know about the macro differences between how different countries are trying to develop, are there any obvious relationships between political choices in the region and its economic development? Looking at the Heritage Foundation’s measures of economic freedom and different countries’ per-capita GDP, how close of a causal connection is there between the two? Taking a look at the charts in Blake’s (scanned) chapter, how close of a causal connection is there between countries’ levels of democracy and overall growth measures? How about between democracy and inequality?
5. Be familiar with the major explanations that have been used to explain why Latin America’s economies modernized relatively late: geographical location, legacies of imperialism, dependency on a single commodity, the inability to secure start-up capital, and cultural impediments (Blake and especially your textbook chapter on political economy are useful sources here)? Why did most Latin American economies initially focus on one or two exportable primary products, and what problems came from this? How and to what extent have countries in the regions overcome this practice (What is “important-substitutional industrialization,” and how does it work?)?
6. Why did so many Latin American countries get into debt trouble in the 1980s as they attempted to diversify their domestic economies and specialize in profitable export sectors? What is “structural adjustment,” how does “neo-liberal” economic theory account for underdevelopment in Latin America, and what is the track record of its “Washington Consensus” recommendations for development policy-makers? These concepts are explored in your textbook chapter on the political economy of Latin America; focus on the big picture rather than getting caught up in the details. These issues were also discussed in the material we covered on Mexico and the military-regime era documentary you watched on Brazil.
7. Which of the development strategies discussed in class (free-market capitalism, state-led capitalism, command economies, and populism/kleptocracies) best applies to the different historical periods of the case study countries we have examined closely this semester (including Brazil in the 1970 and Mexico under the PRI until the 1980s)? Which of these strategies best describes the current political economy of Cuba, Venezuela, and Chile? Per class and the scanned chapter from Charles Blake,

what are the key differences between these types of political economies?

8. Thinking about your responses to the last two blocks of questions, what are the priorities, core assumptions, strengths, and weaknesses of each approach to development and equity? Which approaches have had the most success in Latin America? Which models are being pursued in the region today? Which model is most reflected in the “Washington Consensus,” and why is that consensus now under attack throughout Latin America?
9. Mexico, Brazil, Venezuela, and Chile have very different reputations when it comes to development and dealing with poverty. What do the statistics highlighted by the economic data you have in your readings have to say about these countries’ differences and similarities? Do any of these countries’ economies stand out as being especially effective or weak in providing for their citizens? For data, see the short UNDP readings from 2019 that you were asked to read on Brazil (it includes comparisons with Mexico), Venezuela, and Chile. In each report, you are interested in sections two and three (about three pages in all for each report).
10. Who were Chile’s Salvador Allende and Augusto Pinochet? Be able to describe the circumstances under which each of them came to power and exited from it. What did political and social life in Chile look like under Pinochet, and why did he finally leave power?
11. Who were the Chicago Boys, and how did their approach to under-development in Latin America differ from other approaches? How does the Chilean approach—both before and after military rule—relate to economic development relate to neo-liberal economics and “The Washington Consensus”? What specific policies did they implement?
12. What did Chile’s transition to democracy and democratic consolidation look like? What economic and political aspects of the Pinochet-era (especially economic policies, “authoritarian enclaves,” and features of the 1980 Constitution) outlasted him? What kind of political coalitions came to power after Pinochet, and how did they change the political system and economic policies over time?
13. In 2015, Chile changed its electoral system—specifically going from “binomial” representation in both houses of congress to proportional (bigger states elect more legislators), multi-member closed-list proportional representation (where the number of seats a given party or party coalition gets in a district roughly reflects its share of that district’s vote). How did changes meant to increase the number of voices in government and more accurately reflect the share of the Chilean electorate that is progressive, urban, and indigenous end up producing more divided electorates and decreasing governability?
14. Looking at patterns of economic growth in Chile from the 1950s forward, what evidence is there to suggest that the Chilean “economic miracle” is due to Pinochet or the Chicago Boys? How big is today’s middle class in Chile relative to other Latin American countries, and when did the growth of the middle class occur relative to military rule in Chile? Why did so many Chileans end up angry with the country’s approach to economic development despite the relative prosperity Chile, as a whole, enjoys? How does inequality in Chile compare to other countries in the region?
15. Like many Latin American countries at the moment, there is considerable civic unrest in Chile. Considering public opinion and economic data, what is the evidence to suggest that the main cause for this unrest is that Chileans are fed up with (1) democracy in general, (2) the way democracy works in their country, (3) free-trade agreements, (4) a lack of economic growth and income relative to the region as a whole, or (5) unusually high rates of income inequality?
16. With the support of all major political parties, Chile held a referendum in 2020 on whether to hold a convention to rewrite its Constitution. What caused the government and political parties to decide to hold the referendum? What was the outcome of the referendum?

17. What was different about Chile's 2021 elections concerning how polarized the electorate was? A 36-year old leftist candidate won the election; is Gabriel Boric the reincarnation of Salvador Allende and someone who is likely to pull Chilean politics apart? What features of Chilean society and the structure of presidential elections make it less likely for the radical right or left to hijack the political system than once was the case? What evidence is there that Chile is working hard to reduce the level of political polarization?
18. Before Chile's 2022 constitutional convention, what significant changes had already occurred since the military's exit to make Chilean democracy more representative of the people? Who wrote the various provisions that went into Chile's proposed constitution, and what major changes were proposed? Why was the new constitution overwhelmingly rejected in a national vote in 2022?
19. Chile recently held a second, two-stage constitutional convention, with plans to hold a national vote by the end of the year. What evidence is there that Chileans still want a new constitution after rejecting the first document they were given? What's different about this second attempt? Why was it rejected, too?

**In Spring 2025, no Venezuela questions will be on the exam. I am leaving these questions on the guide should you wish to continue learning about Latin American politics after the course is over:**

20. How did oil help Venezuela become Latin America's best-regarded democracy between 1958 and 1989? Why didn't oil transform and modernize Venezuela the same way it did Mexico? How did the political alliance between AD and COPEI work to decrease political violence, and why did the two-party pact eventually lead to the rise of Hugo Chavez? How rich was Venezuela during its era of two-party democracy, and who most benefited from its economic policies during this period? What lesson does Venezuela have to teach young democracies about the relationship between political stability and economic inequality?
21. For most Americans, Hugo Chavez was viewed as a Latin American socialist dictator in the mold of Cuba's Fidel Castro (which is why the US tacitly supported a coup against him and openly funded political groups trying to remove him from power). How accurate is it to compare Chavez to a left-leaning, one-man dictatorship? What was his social and professional background, and how did he first enter the national political scene in 1992? How did Chavez become president in 1998? What economic and political changes had he promised if elected, and what happened when he was? What did Chavez do that led to a military coup and then popular uprisings and strikes by the middle class in 2002? How did he do in elections throughout his time in the presidency?
22. What is the best way to describe Chavez's economic and political leadership? Was he democratic, populist, a modernizing dictator, or a self-serving autocrat? What major changes did Chavismo make to the Venezuelan political and economic system over his many years in power? To what extent did the Chavistas rebalance Venezuelan politics away from serving the interests of the few in favor of serving the many? Which groups supported/hated him the most? Why did Chavez enjoy so much support among working-class Venezuelans despite the relatively poor economic record of his government, especially in the years immediately before his death?
23. How did Nicolás Maduro become president after the death of Chavez? Chavistas frequently say that their political priority is to help working-class Venezuelans improve their lives. How has the economy performed since Maduro took over? What evidence is there to suggest inflation, unemployment, growth, and even poverty have all become worse under his leadership? Why isn't the economy doing

better, given Venezuela's rich oil reserves?

24. How has Maduro managed to stay in power despite the astoundingly terrible economy, and how has his economic and political leadership been different from Chavez's pretty-typical form of populism? How has the vast oil wealth of the country impacted the ability of Maduro to stay in power? What tactics have the opposition used to push him from power, and why haven't they worked? What will have to happen to remove him from power and get Venezuela going in the right direction again?