This course examines one of the oldest questions in social science: Why is it that some countries are rich and others poor? Sociologists have been strongly involved in this debate, beginning with Max Weber’s argument about the effects of certain religious beliefs on the economic behavior of entrepreneurs and workers in the Industrial Revolution. The Protestant Ethic and the Spirit of Capitalism, however, provides only a partial view of Weber’s analyses of economic development. Another of his major books, General Economic History, emphasizes the causal role of other factors: local institutions and class structures, and also international processes. So did Karl Marx, whom we sociologists consider one of the founders of our discipline. Since them, sociologists have debated the causal weight of culture, institutions, social structure, and location in the world system in the explanation of why some countries are developed and others remain poor.

The first part of the course discusses the general question, with a focus on the consequences, for economic growth, of external factors (essentially, a country’s position in the world economy), and of domestic institutions, both economic and political, and culture. Since this course will be taught in Argentina, the second part focuses on Latin American economic and social trajectories, with emphasis on industrialization and its social consequences. We will discuss the social structure that characterized export economies, the social and political matrix of industrialization, the region’s growing integration into the world economy during the contemporary period of globalization, and the diverging trajectories that different countries have followed in the past twenty years.

The last part of the course is devoted specifically to the economic and social development of Argentina, a very interesting case for the study of these issues: Argentina’s per capita income before World War II was higher than that of most of Europe, and ever since the country has been in continuous decline. This puzzle, which I and others have tried to understand, is one of the enigmas of Latin America. We will focus on the country’s default in the beginning of this Century, which had major social and political consequences. We will take advantage of the location, and visit firms (a large efficient
farm, a big old-style industrial plant), and upper, middle, and working class neighborhoods in Buenos Aires. I will also invite local scholars, who will discuss different aspects of the country’s economic and social trajectory and the prospects for Argentina and Latin America in the current stage of the world economy.

This course has no pre-requisites. It is one of the 12 upper-division electives required for the major in Sociology, and it can also be used for the minor. This class could be of interest, as an elective, to students in Economics and Latin American Studies.
I. WHY IS IT THAT SOME COUNTRIES ARE RICH AND OTHERS POOR?

1. The wealth of nations: Institutions, culture, and external factors.
2. Natural resources and poverty. The “curse of natural resources.”
3. Economic institutions and poverty.
4. Political institutions and poverty.
5. Culture, religion, and poverty.


II. THE ECONOMIC AND SOCIAL DEVELOPMENT OF LATIN AMERICA

6. Pre-industrial social structures in Latin America.
7. International trade, the state, and the development of capitalism.
8. Export economies and the social structures they generated.

9. Import-substituting industrialization, the new capitalist and working classes.

10. The exhaustion of import-substitution and economic liberalization. Social and political consequences.

11. Types of capitalism in contemporary Latin America.


IV. THE CASE OF ARGENTINA: ECONOMIC AND SOCIAL DEVELOPMENT


13. Import-substituting industrialization and changes in the social structure.


Carlos H. Waisman, “Capitalism and Democracy in Argentina,” Larry Diamond et al, Democracy in Developing Countries, 2nd ed. (Boulder: Lynne Rienner, 1999)

Sebastian Edwards, Left Behind: Latin America and the False Promise of Populism (Chicago: University of Chicago Press, 2010), Ch. 4, 7-8

Paul Blaustein, And the Money Kept Rolling in (and Out) (New York: Public Affairs, 2005), Ch. 1-3, 6-9

NOTE: The grade will be based on a final exam and class participation.