

# HIS254/ECO228W: Big Business in Brazil

Location: Lechase 160 (Tu/Th 12:30-1:45)  
Prof. Ball (mollycball@rochester.edu)  
Office and office hours: Rush Rhees 449  
Tuesdays, 2-3pm; Thursdays, 11am-12pm

I will generally respond to emails within a day; however, I greatly encourage you stop by my office hours if you have specific questions about class material or more general questions.

## DESCRIPTION

We will explore an introduction to Brazilian economic and business history in the modern era. We will grapple with understanding how a country that is classified as one of the world's five major emerging economies has struggle and continues to struggle with inequality and underdevelopment. Using this economic historical lens, we will look in particular at theories of development, the State's role in business, and at how Brazil's banking, transportation and agro-industry sectors developed and impacted the country's 19th and 20th century.

## LEARNING OBJECTIVES

- Understand the strengths of interdisciplinary approach to both economics and history. Economics students, in particular, should become more cognizant of historical data set collections and analytical of historic claims. History students will understand the value of economic history and how it dialogues with cultural and social history.
- Gain a broad understanding of Brazilian history, particularly since independence.
- Hone critical analysis and writing skills through readings, discussions and assignments.

## REQUIRED MATERIALS

- Bértola and Ocampo, *The Economic Development of Latin America Since Independence* (Oxford UP, 2012)
- Musacchio, Aldo. *Experiments in Financial Democracy: Corporate Governance and Financial Development, 1882-1950* (Cambridge UP, 2009)
- Other required readings will be posted online.

In accordance with the College credit hour policy, which awards 4 credit hours for courses meeting for the equivalent of 3 hours each week, students are expected to devote at least one hour each week to identifying the main lines of argument in course readings, working alone or in groups. Students are expected to come to class ready to discuss those themes they identify and questions that arise in the process.

## POLICIES

Classes will begin on time. Unless otherwise instructed, while you are in class, please turn all cell phones to silent and refrain from texting, posting, etc. Your attention and participation is integral to fostering an enjoyable learning atmosphere.

I encourage you to ask me questions in class if you are unclear of my expectations for how to complete an assignment (you are probably not the only person with questions). Unfortunately, ignorance does not negate academic dishonesty and cheating and plagiarizing will not be tolerated under any circumstances. If you have any questions as to the University of Rochester's policies on academic integrity, please review: <http://www.rochester.edu/college/honesty/students>

Although attendance is critical, I understand that life throws curveballs now and again. You will be allowed two absences over the course of the semester. Missing more classes will reflect in your participation grade for the course. Please see me if you have extenuating circumstances and let me know of school-sponsored absences with as much anticipation as possible.

## **RUBRIC**

- Participation and Attendance, 25%  
(attendance, preparation, satisfactory completion of assignments and participation in classroom)
- Short Writing Assignments, 20%
- Final Paper Bibliography, 10%
- Final Paper – final version, 45%

### **Short writing assignments**

Each student will submit two short writing assignments of the course of the semester.

The first, due February 21<sup>st</sup>, is a one-page, single-spaced critical book review of Musacchio's *Experiments in Financial Democracy*. The review will succinctly summarize the book's main arguments and contributions, include a discussion of the sources and methods, offer an original critique of the book's strengths and weaknesses and discuss lines for future investigation and/or the book's ideal audience.

The second, due April 25<sup>th</sup>, is a two- to three-page, double-spaced critical response to Acemoglu, Robinson and Johnson's "Colonial Origins of Comparative Development." The response, which will be turned in at the beginning of class, should critique one to two aspects of the authors' argument based on evidence presented and in relation to course teachings and discussions.

### **Final paper**

*History students:* History students will be responsible for a 12-14 page original research or historiographical paper. The topic is open and is not limited to the themes covered by the course; however, students will be expected to engage with debates relevant to Brazilian economic history. Students must meet with the professor in week 5 or 6 to choose the paper topic. Students should come to that meeting with two to three possible paper topics and an idea of what sources they will use. An annotated bibliography and revised topic will be submitted in class on March 21<sup>st</sup> (Spanish and Portuguese-language sources permitted). For History(W) students, the paper length is extended to 18-20 pages and students will be expected to turn in a rough draft of their final paper by April 18<sup>th</sup>. Students who do not submit a rough draft by April 18<sup>th</sup> will be able to receive an 85, at best, on their final paper.

### *Econ students:*

Students are responsible for writing an analytical, 10- to 12-page paper based on 3 to 4 scholarly articles on a topic of interest to economic historians. Students must meet with the professor in week 6 with a list of possible articles related to the theme of their choice. It will likely be difficult to find four different articles specific to Brazil (peer-reviewed Spanish and Portuguese-language studies are permitted), so students will be allowed to choose articles about the region and focus a portion of their analysis on what is unique to the Brazilian example. A historical critique of the methodologies and sources must be included. An outline of

the paper will be submitted on March 21<sup>st</sup>. As this is taken for writing credit, students will turn in a rough draft of their paper by April 18<sup>th</sup>. Students who do not submit a rough draft by April 18<sup>th</sup> will be able to receive an 85, at best, on their final paper.

## SCHEDULE

I reserve the right to make modifications to the syllabus based on pace and classroom needs. All modifications will be communicated via email or blackboard announcement.

Wk1 – Why do economists and historians need each other?

Th., Jan. 17 – Kuznets "Statistics and Economic History " *JEH* (1941)

Wk2 – Inequality and Underdevelopment

Tu., Jan. 23 – Broad strokes in Engerman and Sokoloff

Readings: Engerman and Sokoloff "Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies " in *How Latin America Fell Behind* (1997); The Bandeirantes selection; COGF selection

Th., Jan. 24 – Colonial Brazil lecture and discussion

- Bértola and Ocampo, chap. 1
- *Optional*: Bértola and Ocampo, chap. 2

Wk 3—Furtado a Banking

Tu., Jan. 29 – Understanding Celso Furtado

Readings: *Child of the Dark* Selection ; Furtado, part III \_pp.79-95\_ ; Frank, Latin America: Underdevelopment or Revolution, chap. 21

Th., Jan. 31 – Financial Institutions (an intro)

Readings: North and Weingast, "Credible Commitments " 1989. *Optional*: Coatsworth, "Inequality, Institutions and Economic Growth in Latin America " *JLAS* 40: 545-69.

Wk 4 Tu., Feb. 5 – Banking in the Empire

Readings: Summerhill, *Inglorious Revolution*, chap. 6; *The Brazil Reader* selections

Th., Feb. 7

Readings: Bértola and Ocampo, chap. 3

Wk 5 – Financial Crisis and Old Republic Banking

Tu., Feb. 12 – the Baring Crisis and the Encilhamento

Readings: Triner, Gail and Kirsten Wandschneider. "The Baring Crisis and the Brazilian Encilhamento, 1889-1891: An Early Example of Contagion Among Emerging Capital Markets " *Financial History Review*, v12.2 (October 2005): 199-225. *Optional*: Mitchener, Kris James and Marc. D. Weidenmier. "The Baring Crisis and the Great Latin American Meltdown of the 1890s " *JEH* v68.2 (June 2008): 462-500.

Th., Feb. 14 – Banking in the Old Republic

Musacchio, chap 1-3

Wk 6 – Gold Standards, Coffee and Banking Innovation

Tu., Feb. 19

Musacchio, chap 4-7

Th., Feb. 21  
Musacchio, chap 8-10  
BOOK REVIEW DUE (by the beginning of class)

Wk 7 - Transportation

Tu., Feb. 26 – Railroads and social savings  
Readings: Summerhill, William. "Big Social Savings in a Small Laggard Economy: Railroad-Led Growth in Brazil" *JEH* v.65.1 (March 2005): 72-102. *Optional*: Selection from Colin Lewis *Public Policy and Private Initiative: Railway Building in São Paulo, 1860-1889*.

Th., Feb. 28 – Cars and Industry  
Reading: Wolfe, Joel, *Autos and Progress*, chapter 2. Primary source exploration

Wk 8 – Transportation and Workers

Tu., Mar. 5 – The Labor Question  
Readings: Lamounier, Maria Lúcia "The Labour Question in Nineteenth Century Brazil: Railways, Export Agriculture and Labour Scarcity." *Working Papers in Economic History*.  
*Optional*: Vangelista, *Braços da Lavoura*

Th., Mar. 7 – Labor market discrimination  
Readings: Andrews, *Blacks and Whites in São Paulo*, chap. 4. Primary source exploration

SPRING BREAK

Wk 9 – The State in Business

Tu., Mar. 19 – the State and the 30s  
Readings: Weinstein, *For Social Peace in Brazil*, chap. 2; Haber, "Business Enterprise and the Great Depression in Brazil: A Study of Profits and Losses in Textile Manufacturing" *Business History Review* 66 (Summer 1992): 335-63.

Th., Mar. 21 – the Vargas-era  
BIBLIOGRAPHIES (*ECON*) / OUTLINES (*HISTORY*) DUE

Wk 10 – Import Substitution Industrialization (ISI)

Tu., Mar. 26-1950s Populism  
Readings: Bértola and Ocampo, chap. 4; *Time* magazine Feb 13 1956 Juscelino Kubitschek cover story

Th., Mar. 28  
Readings: a *GMWorld* view, December 1956 and May/June 1959; Furtado, chap 36. *Optional reading*: Abreu, Bevilacqua and Pinho, "Import Substitution and Growth in Brazil, 1890s-1970s" in *An Economic History of Twentieth-Century Latin America* (Palgrave Macmillan, 2000): 154-75. (chap. 6)

Wk 11 – Authoritarian Regimes

Tu., Apr. 2 – Vargas Era  
Readings: Oliver Dinius, "Defending Ordem against Progresso: The Brazilian Political Police and Industrial Labor Control" in Jens R. Hentschke, ed. *Vargas and Brazil: New Perspectives*, Palgrave (2006): 173-205. OR Hilton, Stanley, "Military Influence on Brazilian Economic Policy, 1930-1945: A Different View" *HAHR* 53.1 (1973): 71-94. Hilton\_HAHR.pdf OR

Hilton, Stanley, "Vargas and Brazilian Economic Development, 1930-1945: A Reappraisal of his attitude toward industrialization" *JEH* 35.4 (1975): 754-78. Hilton\_JEH.pdf

Th., Apr. 4 – Military Dictatorship and State Owned Enterprises (SOEs)

Readings: Nunberg, Barbara, "Structural Change and State Policy: The Politics of Sugar in Brazil since 1964," *Latin American Research Review* (1986).

#### Wk 12 – Costs of the Green Revolution

Tu., Apr. 9 – Agribusiness in modern Brazil

Readings: Welch, Cliff, "Globalization and the Transformation of Work in Rural Brazil: Agribusiness, Rural Labor Unions, and Peasant Mobilization" in *International Labor and Working-Class History*, 70 (Fall 2006): 35-60.

Th., Apr. 11 – Deforestation and Landless Peasants Movement

Readings: Alston, Lee, J. et al. "Land Reform Policies, the Sources of Violent Conflict and the Implications for Deforestation in the Brazilian Amazon" *Journal of Environmental Economics and Management* 39 (1999): 162-188. Watch youtube short documentary *Caminhando e Cantando*.

#### Wk 13 – Credible Commitments

Tu., Apr. 16 – Return to Democracy and Austerity Measures

Readings: Bértola and Ocampo, chap. 5; Newspaper article on peso crisis and ECLAC reading. Cardoso, *The Accidental President of Brazil: A Memoir*, chapter 10 (pp.203-228). *Optional*: Cardoso, *The Accidental President*, chapter 9 (pp.179-202).

Th., Apr. 18

ROUGH DRAFT (*ECONOMICS & HISTORY*) DUE – at least 75% of final paper length written (bring in 2 pages for peer review)

#### Wk 14 – Development Revisited

Tu., Apr. 23 – the Coda: Lula, Bolsonaro and today

Readings: Recent newspaper articles

Th., Apr. 25

Readings: Acemoglu, Robinson and Johnson, "The Colonial Origins of Comparative Development: an Empirical Investigation" (NBER, 2000)  
RESPONSE PAPER DUE (by the beginning of class)

#### Wk 15 – Final Presentations

Tu., Apr. 30

READING PERIOD (May 2-6)

FINAL PAPER – final paper will be turned in by the end of the final exam slot for our class, WEDNESDAY, May 8th, 7:15pm