

SYLLABUS

Readings:

The books for this course are

R. Thorp, *Progress, Poverty, and Exclusion: An Economic History of Latin America in the Twentieth Century*, The Johns Hopkins University Press, 1998.

P. J. Kehoe and T.J. Kehoe, editors, *Modeling North American Economic Integration*.

The last is a manuscript that will be on sale at Copies on Campus - Social Science Tower (students will be told when it is available).

It probably would also help, at least during the first four weeks of the course, to be able to look at a textbook on international trade. A book used recently at the University of Minnesota is

D. Salvatore, *International Economics*. New York: John Wiley & Sons, Seventh Edition, 2001. (Also on reserve at Wilson Library)

Additional readings will be posted on the course web site.

Web Site:

The course web site is <http://www.econ.umn.edu/~tkehoe/classes/4421-02.html>. I will post assignments and most of the material that I distribute in class there.

Office Hours:

Wednesday 9:00 am - 11:00 am (There is a sign-up sheet on my door.)

Walter Heller Hall, 1168, 612-625-1589 (Please do not call me at home; send me an e-mail message at tkehoe@econ.umn.edu.)

Assignments:

There will be four problem sets, an in-class midterm exam, and an essay. The essay will be a 12-15 page review of the current trade and investment policy and the prospects for the future of some country in the Americas (besides the United States), or on some other topic, as described below. It, but not the problem sets, should be typed, double spaced. All assignments must be completed in order to receive a final grade for the course.

Essay:

You are asked to write a research essay on the economy of some country, or the economies of some group of countries, in the Americas (but not the United States). One possibility would be to write a review of the recent economic history of a single country, along with a critical assessment of its current economic prospects. Another possibility would be to write an essay that focuses on a specific episode or a specific institution in a country, such as an investigation of the current economic crisis in Argentina or a study of the effect of the real plan on inflation in Brazil. Yet a third possibility would be to study some institution or problem that overlaps country boundaries, such as the MERCOSUR trade agreement in South America or the effect of drug trafficking on the economies of countries like Peru, Colombia, and Mexico.

First, you need to come up with a topic and a preliminary list of sources. (If you would like to propose a topic that does not fit into the categories given above, please talk to me or to the teaching assistant or during office hours or set up an appointment.) The topic, described in a paragraph, and the list of sources should be typewritten on one sheet of paper and submitted on 10 October.

Second, you need to submit a first draft of your essay by 19 November. This draft will be returned to you with a written evaluation, questions, and suggestions for improvements by 26 November. The teaching assistant will be available for follow-up consultation. You can also come to my office hours or make an appointment with me if you need additional help or clarification.

Third and finally, you need to submit the final draft of your essay by 12 December. You will be able to pick up your essay with a written evaluation at the department office one week after the end of the semester. 20 percent of the essay grade will be based on the topic and list of sources, 20 percent on the first draft, and 60 percent on the final draft.

Teaching Assistant:

The teaching assistant is Nicolas Figueroa, whose office hours are Friday 3:00 am - 5:00 am, Walter Heller Building 1050, 612-625-2024, nicolas@econ.umn.edu.

Grading:

Each problem set mark will be counted once, and the mark for the midterm and the essay will be counted three times, providing a total of ten marks. The lowest of these marks will be dropped and the remaining nine marks averaged. Notice that this means that, if the lowest grade is that of the midterm or essay, its weight will be reduced, but it will not be completely dropped.

S/N Policy:

To receive an S, you must complete all course assignments and achieve a grade of C or better.

Late Policy:

Any late assignment will be penalized 10 (out of 100) points for each class period it is late, up to a maximum of 40 points.

Cooperation on Assignments:

Students are permitted (and encouraged) to discuss the answers to problem sets together. Copying from another student's answers is not allowed.

CLA Guidelines for Defining Scholastic Dishonesty:

“The College of Liberal Arts defines scholastic dishonesty broadly as any act by a student that misrepresents the student's own academic work or that compromises the academic work of another. Examples include cheating on assignments or exams, plagiarizing (misrepresenting as one's own anything done by another), unauthorized collaboration on assignments or exams, or sabotaging another student's work.” (p. 12, *CLA Classroom, Grading & Examination Procedures, 2002-2003*.)

The University Student Conduct Code defines scholastic dishonesty as “Submission of false records of academic achievement; cheating on assignments or examinations; plagiarizing; altering, forging, or misusing a University academic record; taking, acquiring, or using text materials without faculty permission; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement.”

Penalties for scholastic dishonesty of any kind in any course will entail an "F" for the particular assignment/exam or the course. Please check <http://www.osai.umn.edu> for information on Student Academic Misconduct.

List of Topics:**1. Traditional Arguments For and Against Free Trade**

Chapters 3-5 in Salvatore.

2. Trade Policy in Canada, Mexico, and the United States

T. J. Kehoe, “A Review of Mexico's Trade Policy for 1982 to 1994,” *The World Economy*, 18 (1995), 135-151.

H. J. Wiarda, “The U.S. Domestic Politics of the U.S.-Mexico Free Trade Agreement,” in M. D. Baer and S. Weintraub, editors, *The NAFTA Debate: Grappling with Unconventional Trade Issues*, Lynne Rienner Publishers, 1994, 3-33.

G. C. Hufbauer and J. J. Schott, *NAFTA: An Assessment*, Institute for International Economics, 1993.

3. Applied General Equilibrium Analysis of Trade Policy

Kehoe and Kehoe, Chapters 1 and 2.

4. Chile and Mexico: A Comparison

R. Bergoeing, P. J. Kehoe, T. J. Kehoe, and R. Soto, "Decades Lost and Found: Mexico and Chile since 1980," *Federal Reserve Bank of Minneapolis Quarterly Review*, 26:1 (2002), 3-30.

5. Financial Crises in Latin America

Kehoe and Kehoe, Chapter 7.

6. The Economics of Latin America in a Historical Context

Thorp.

There will be a number of guest lectures on the economic history and the current trade and foreign investment policies of various countries in the Americas.