

**SYLLABUS**

**Readings:**

The books for this course are

G. Mace and L. Belanger, editors, *The Americas in Transition: The Contours of Regionalism*, Lynne Rienner Publishers, 1999.

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

P. R. Krugman and M. Obstfeld, *International Economics: Theory and Policy*. New York: Harper Collins, 1991. (Also on reserve at Wilson Library)

**Office Hours:**

Wednesday 9:00 am - 12:00 noon (There is a sign-up sheet on my door.)

Walter Heller Building, 1168, 625-1589 (Please do not call me at home; send me an e-mail message at [tkehoe@atlas.socsci.umn.edu](mailto:tkehoe@atlas.socsci.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 causes of the 1994-95 financial crisis in Mexico 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 after class or during my office hours.) The topic, described in a paragraph, and the list of sources should be typewritten on one sheet of paper and submitted on 12 October.

Second, you need to submit a first draft of your essay by 23 November. This draft will be returned to you with a written evaluation, questions, and suggestions for improvements by 2 December. 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 15 December. It is this draft on which you will be graded. (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.)

### **Teaching Assistant:**

The teaching assistant is Juan Gomez, whose office hours are Monday and Wednesday, 11:15 am – 12:15 pm, Walter Heller Building 1136, 625-4842, [jcgomez@atlas.socsci.umn.edu](mailto:jcgomez@atlas.socsci.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:**

"Scholastic dishonesty is any act that violates the rights of another student with respect to academic work or that involves misrepresentation of a student's own work. Scholastic dishonesty includes (but is not limited to) cheating on assignments or examinations, plagiarizing (misrepresenting as one's own anything done by another), submitting the same or substantially similar papers for more than one course without consent of all instructors concerned, depriving another of necessary course materials, sabotaging another's work." (p. 10, *CLA Classroom, Grading & Examination Procedures, 1999-2000.*)

### **List of Topics:**

#### **1. Introduction**

Readings: Chapters 1-4 in Mace and Belanger

#### **2. Traditional Arguments For and Against Free Trade**

Readings: Chapters 3-4 in Krugman and Obstfeld,

#### **3. Trade Policy in Canada, Mexico, and the United States**

Readings: Chapters 5-6 in Mace and Belanger.

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

#### **4. Applied General Equilibrium Analysis of Trade Policy**

Readings: Kehoe and Kehoe.

#### **5. The Economics of Latin America in a Historical Context**

Readings: Thorp

#### **6. Western Hemisphere Economic Integration**

Readings: Chapters 7-12 in Mace and Belanger.

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.