CIEE Global Institute - Buenos Aires

Course name: Regional Trade, and Economic Integration in Latin America
Course number: BUSI 3103 BAAR
Programs offering course: Buenos Aires Open Campus
Open Campus track: Business
Language of instruction: English
U.S. semester credits: 3
Contact hours: 45
Term: Fall 2018

Course Description
This course intends to provide students with analytical tools to comprehend the scope of economic and trade integration in Latin America in comparison with other regions in the world. The literature speaks to three different waves of such integration in Latin America: one took place from the 1960s, known as "close regionalism" (coming from the ECLAC school); a second one from the 1990s, known as "open regionalism" (coming from the WTO), in which MERCOSUR has achieved its best performance; and the most recent one is UNASUR, an intergovernmental organization peculiar to this region that entered into full legality in 2010. In order to understand relevant similarities and differences in Latin America, the course will undertake a careful reconstruction of the main experiences of regional integration in two cases from other regions of the world, the first being the European Union as the best example to be compared to the first Latin American wave, and NAFTA as the example to be studied in comparison with the second Latin American wave. The comparison of these different experiences with their counterparts in Latin America will focus on the analysis of the main factors – both endogenous and exogenous – that explain their creation since the postwar era to the present day. We will also compare the results and outcomes of these cases in terms of institution building and economic development.
Learning Objectives

At the end of this course, students will be able to:

- Apply different theories, relying on the conceptual apparatus of political science and economics (political economy), that explain trade integration in the context of Latin America.
- Identify the different waves of integration that took place in Latin America since the end of the Second World War to the present day.
- Compare and critically evaluate the main uses of integration in Latin America: either to formulate a common external position in international forums or to advance the coordination of domestic policy.

Course Prerequisites

Students should have completed a level 2000 class in Latin American Studies and/or International Affairs and/or International Economics and/or Business prior to taking this course.

Methods of Instruction

The course features a combination of methods and strategies designed to engage meaningfully the students’ attention, and allow them to acquire skills in a progressive and practical way. The frame for the course is provided by a series of theoretical lectures presented by the professor. Classes usually start with a brief and descriptive presentation of the particular “case” of regional integration that will be analyzed, stressing its peculiarities from a comparative point of view. Through the use of PowerPoint presentations, the instructor will provide key concepts and elements (historical, statistical data, etc.) required to produce a meaningful interpretation of the “case”. Outside guests will be invited to give lectures on special topics of interest to this course.
Assessment and Final Grade

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<tr>
<th>Assessment</th>
<th>Percentage</th>
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<tr>
<td>Written Reports (5)</td>
<td>20%</td>
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<tr>
<td>Group Presentation</td>
<td>15%</td>
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<td>Middle term exam</td>
<td>15%</td>
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<td>Final exam</td>
<td>30%</td>
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<tr>
<td>Class Participation</td>
<td>25%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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Course Requirements

Written Reports
Students are expected to produce 5 short written reports (300 words) in which they provide a meaningful and theoretically informed analysis of a brief situation or scenario covered during the week. APA style will be required.

Group Presentation
Students will be required to do a group (3-4 students) presentation (10-15 slides) based on teamwork research. The professor will provide a list of topics and monitor the group research via mentoring meetings.

Final Paper
The students will be asked to produce an integrative written analysis by the end of the course, in which they mobilize the abilities and skills they have acquired. This extended analysis of a complex scenario should be 1500 words long. APA style will be required.

Participation
Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students as part of the course. Meaningful contribution requires students to be prepared in advance of each class session and to have regular attendance. Students must clearly demonstrate they have engaged with the materials as directed, for example, through classroom discussions, online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities.
Attendance Policy

Regular class attendance is required throughout the program, and all unexcused absences will result in a lower participation grade for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, unexcused absences that constitute more than 10% of the total course will result in a written warning.

Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.

For CIEE classes, excessively tardy (over 15 minutes late) students must be marked absent. Attendance policies also apply to any required co-curricular class excursion or event, as well as to Internship, Service Learning, or required field placement. Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent and unexcused. No make-up or re-sit opportunity will be provided.

Attendance policies also apply to any required class excursion, with the exception that some class excursions cannot accommodate any tardiness, and students risk being marked as absent if they fail to be present at the appointed time. Unexcused absences will lead to the following penalties:

<table>
<thead>
<tr>
<th>Percentage of Total Course Hours Missed</th>
<th>Equivalent Number of Open Campus Semester classes</th>
<th>Minimum Penalty</th>
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<tr>
<td>Up to 10%</td>
<td>1 content classes, or up to 2 language classes</td>
<td>Participation graded as per class requirements</td>
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<tr>
<td>2 content classes, or 3-4 language classes</td>
<td>3 content classes, or 5 language classes</td>
<td>Automatic course failure, and possible expulsion</td>
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<td>Participation graded as per class requirements; written warning</td>
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**Weekly Schedule**

NOTE: this schedule is subject to change at the discretion of the instructor to take advantage of current experiential learning opportunities.

**Week 1 Orientation Week**

Class 1.1: Introduction to the Course: What Does Economic Integration Mean?

The professor will present the syllabus and its underlying logic to the students. Q&A session about the course, its goals, methods, scope and expectations of both students and instructor will be held. As a transition to the next session, the students will be given an overview of how three International Relations theories (realism, liberalism and constructivism) analyze the process of regional integration.

The presentation is followed by a discussion about the significance and differences between key terms and concepts, such as globalization, regionalization, regionalism, regional cooperation.

**Required Reading:**

**Optional Reading:**
Class 1.2: European Unification and the First Wave of Economic Integration

The objective of this class is to explore the European Community as a unique and highly successful example of deep trade integration. Through an analysis of the political and social context of the postwar years, students will learn about the endogenous and exogenous factors that made economic integration possible. After watching a video, the students, with the help of the instructor, will build a timeline linking the data provided with the political process of constructing the European Union through treaties and enlargements.

Required Reading:

Optional Reading:

Additional video/film https://www.youtube.com/watch?v=PDsNKUmp1ZM See the growth and change of membership within the EU over the years as well as it's inner programs such as the Eurozone and Schengen agreement.

Class 1.3: Building a Market: Trade and Politics in the European Community

Using Europe as a case study, the objective of this class is to introduce students to the theoretical and conceptual debates about integration, focusing in particular on the theories of functionalism and intergovernmentalism.

Required Reading:
Week 2

Class 2.1: Trade Integration Outside Europe: A Tool for Development

Students will examine the debate about the ideas advanced by economists and technocrats of ECLAC regarding the need to integrate the small economies of the region into a wider production and consumer market. In order to facilitate an understanding of the theory of development and dependency, on which the ECLAC ideas are based, the teacher will show a video introducing students to the work of Raul Prebisch.

Required Readings:

Additional Resources:
Visit to the old customs union and the Museo de la Deuda in the Department of Economic Sciences at the University of Buenos Aires.

Class 2.2: The Early Failures of Latin America

Latin America is one of the few regions in which European ideas of building a regional market managed to be implemented during the post-war period. Nonetheless, these regions were unable to reach the level of institutional development of the European market. The objective of this class is to analyze the scope and results of these regional initiatives in Latin America and contrast them with the more successful cases in Europe. Students will work in groups using maps and internet research.

Required Reading:
Class 2.3: The Second Wave of Regionalism: Big Theory and Bad Practices

The objective of this class is to introduce students to the second wave of regionalism that took place in Latin America in the 1990s. In the first part of the class, the instructor will describe and analyze the economic and political context of these new, so-called “open” regionalisms, which have proliferated around the whole world.

Required Reading:

Additional Resources
Regional integration as mudding or stepping block towards globalization: https://www.youtube.com/watch?v=YDUq0DiNhYk

Optional Reading:

Week 3

Class 3.1 Trade Integration in North America: Objectives, Institutions and Agendas

The objective of this class is to examine selected elements of the North American Free Trade Agreement (NAFTA), which is considered the most successful empirical case of the second wave of regional integration in the world. Using comparative methodology, the instructor will describe the construction of intergovernmental institutions used by the United States, Canada and Mexico to build this regional bloc. The absence of supranational incentives, considered by the theorists of European integration as a main requirement for the success of integration, will be the topic for this session's open debate.

Required Reading:

Optional Reading:

Class 3.2: NAFTA: Economic Outcomes of Productive Integration

Continuing with the debate on NAFTA, students will delve deeper into an analysis of NAFTA outcomes. For this, students will analyze statistical data provided by the instructor. In a second phase, students will view a film and debate on the effects that NAFTA has had on Mexican society.

Required Reading:

Optional Reading:

Additional Resources:
Maquilas in Mexico: https://www.youtube.com/watch?v=QfSH4kZ_y0g&feature=youtu.be
https://www.youtube.com/watch?v=IQ_xBY5pRZU

Class 3.3: The Second Wave of Integration in Latin America and the Case of MERCOSUR

In this session we will study regional blocs that were created in Latin America in the 1990s, such as the Andean Community of Nations (CAN) and MERCOSUR, which integrated the economies of Argentina, Brazil, Paraguay and Uruguay for the first time.

Required Reading:
Council on International Educational Exchange™
HUMANIZING INTERNATIONAL RELATIONS SINCE 1947
300 Fore Street
Portland, ME 04101
207-553-4000

ciee.org

**Optional Reading:**

**Week 4**

**Class 4.1: Institution Building through MERCOSUR**

Students will explore and analyze the scope of MERCOSUR, considered by economists as a successful example of open regionalism among countries at a similar stage of economic development. Students will look closely at the original objectives, agendas and the development of MERCOSUR’S regional institutions, using the tools of comparative regionalism.

**Required Reading:**

**Optional Reading:**

**Class 4.2 MERCOSUR Trade Integration: Economic Outcomes**

In this class, students will learn about the controversy among economists and political scientists on whether MERCOSUR is to be judged as a successful example of new regionalism or not. We will use this controversy as an opportunity to review the central concepts of the new regionalism approach and understand in what ways they are both ambiguous and contested.

**Required Reading:**
*Council on International Educational Exchange™*

HUMANIZING INTERNATIONAL RELATIONS SINCE 1947
300 Fore Street
Portland, ME 04101
207-553-4000 ciee.org

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**Optional Reading:**

**Additional Resources:**

Class 4.3: Productive Integration through MERCOSUR: Success or Failure?

Returning to the comparison of results between NAFTA and MERCOSUR, this class session is aimed at analyzing and evaluating outcomes of productive integration.

**Required Reading:**

**Additional Resources:**
Talk with an official of the Ministry of Economy who held a key position in the Common Market Group of MERCOSUR.

**Week 5**

**Class 5.1: Regional Cooperation in Latin America: Social and Political Issues**

The objective of this session is to address the progress of MERCOSUR in the cooperation on political and social agendas.

**Required Readings:**
Ribeiro Hoffman, A. & Van Der Vleuten (2007) “Political Conditionality and Democratic Clauses in the UE and Mercosur” in Closing or widening the gap? Ashgate, pp 174 and 189

Optional Reading:

Additional Resources:
Democracy in Latin America Trends and Outlooks

Class 5.2: The Crisis of MERCOSUR and the Dilemmas of Peripheral Development

This session aims to explore and discuss the difficulties that arise in peripheral countries that attempt a balanced national development and regional integration at the same time. The history of recurrent crises in MERCOSUR countries provide ample material for research and debate.

Required Reading:

Additional Resources:
Visit to the History National Museum that is housed in the old galleries of Taylor’s customs of the city of Buenos Aires, closed to the executive mansion and office of the President of Argentina. The palatial mansion is known officially as Casa de Gobierno, ("House of Government" or "Government House").

Class 5.3: Third Wave of Regionalism in Latin America and the Role of the USA

Students will analyze the evolution of a third wave of regionalism in Latin America. As part of this process, students will explore the Union of South American Nations (UNASUR), the creation of which is unique not only to Latin America but also in the
world. We will focus on endogenous and exogenous factors that promoted this new regional trading process, in which the United States has played a key role.

**Required Reading:**

**Optional Readings:**


**Week 6**

**Class 6.1: Building New Agendas & Institutions through UNASUR**

Following the general logic of the course, the objective of this session is to deepen our understanding of the institutional construction within the framework provided by UNASUR. We will identify key elements by looking at the treaty, objectives, institutions and agendas that are part of this third wave of integration in Latin America. Students will work with comparative regionalism tools to view the points of continuity and rupture that differentiate the third wave from the two previous waves.

**Required Reading:**

**Optional Reading:**
Class 6.2. Democracy and Defense as Main Regional Issues of UNASUR

The objective of this session is to analyze the progress of regional cooperation for the years 2006 to 2015. Students will be invited to a talk with an official of the Ministry of Defense who had a position (2012-2015) at the Centre for Strategic Defense Studies, which advises ministers and the Defense Council of UNASUR.

Required Readings:

Class 6.3: Conclusion of the Course and Final Exam

Course Materials

Readings


Dornbusch, R (1996) North South trade relations in the Americas, in Trade Liberalization the western hemisphere IAB, Washington DC


Hettne, B. (2005)” The new regionalism revisited” en Hettne & Shaw (eds.) Theories of new Regionalism: London Palgrave


Molteni, G; G. De León & L, Giudice (2011) " 20 años después: logros y desafíos pendientes del Mercosur” en Revista Integración y Comercio N33 año 15, julio/dic . pp. 51-74


ment. Macmillan Press, UK, pp 27 -50


Online Resources
- UNASUR Treat
  http://www.linguee.es/ingles-espanol/traduccion/constitutive+treaty+of+unasur.html

- MERCOSUR Treaty

- Rome Treaty
  https://www.britannica.com/event/Treaty-of-Rome

- NAFTA

Media Resources
- About European Union
  https://www.youtube.com/watch?v=PDsNKUMp1ZM

- About NAFTA
  https://www.youtube.com/watch?v=8Mh_AJMsMN8&feature=youtu.be

- About social impacts of NAFTA (Chiapas/ Maquilas
  https://www.youtube.com/watch?v=QfSH4kZ_y0g&feature=youtu.be
  https://www.youtube.com/watch?v=IQ_xBY5pRZU

- About mercosur
  https://www.youtube.com/watch?v=r5Z23vXdMyI&feature=youtu.be
Democracy in Latin America Trends and Outlooks