

ECON-358/658-002 and SIS-396-012

Economics of the World's Regions: Economics of North America

American University
Department of Economics
Spring 2007
Time: T F 11:20 am-12:35 pm
Room: Watkins 110

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Office hours: Tues. 10-11 am, 4-6 pm;
Weds. 2-4 pm; Fri. 10-11 am

Syllabus

This course will focus on the process of economic integration between Canada, Mexico, and the United States, including the effects of the North American Free Trade Agreement (NAFTA) as well as the impact of “globalization” in the region. The course will examine the trade, financial, migration, and environmental relations among the three countries, as well as the impact of the integration process on their domestic economic structures, macroeconomic performance, and income distribution. Differences in national economic policies and how they affect the integration process will also be considered, along with the future prospects for greater integration of the North American economies with each other, with the rest of Latin America, and with the larger global economy. North America will also be used as a case study in the political economy of globalization and the pros and cons of “neoliberal” development, trade, and macro policies.

Prerequisites: ECON-100 and ECON-200, or ECON-603, or permission of instructor.

Additional background in subjects such as international economics, economic development, financial economics, labor economics, statistics and econometrics, and intermediate macroeconomics or is helpful, but not required.

Class Website

A class website will be created using Blackboard (www.american.edu/blackboard). The website will contain this syllabus (and any updates) plus announcements, assignments, and other useful information. The website will contain links to readings that are available electronically (look under either “Course Documents” or “E-Reserves”) as well as related websites (see “External Links”). This website will also be used for sending e-mail messages to class participants; I will use this feature extensively for making announcements. You are responsible for accessing the class website and checking it (and your e-mail) regularly. Note that, by default, the Blackboard system sends e-mail to your official @american.edu student address; you can use the my.american.edu web portal to have messages forwarded to another e-mail address, or you can change your e-mail address under your personal settings in Blackboard. *It is **your** responsibility to make sure you are enrolled in this course in Blackboard and to configure and check your e-mail so that you receive messages regarding this course.*

Books

NOTE: Course readings are distributed among a large number of books and on-line resources. The following books have been ordered for sale at the Campus Store for your convenience, but all of these books should also be available on reserve in the library. You are *not* required to buy any of these books, but you are required to do the assigned readings and if you don't have a book you may need to read the assigned chapter(s) in the reserve room at the library. So, you should just buy the books that look most interesting to you, depending on your interests. If you order any of these books on-line, please be sure to get the right editions using the correct ISBNs. Most of these books have a mixture of economic and political chapters; we will read mainly the economic ones for this course.

Books ordered as “required” (to get more copies):

Russell Crandall, Guadalupe Paz, & Riordan Roett, editors, *Mexico's Democracy at Work: Political and Economic Dynamics*, Boulder: Lynne Rienner, 2005. ISBN 1-58826-325-8.
Michael Howlett, Alex Netherton, & M. Ramesh, *The Political Economy of Canada: An Introduction*, 2nd edition, Don Mills, Ontario: Oxford University Press Canada, 1999. ISBN 0-19-541348-2.
Kevin P. Gallagher, *Free Trade and the Environment: Mexico, NAFTA, and Beyond*. Stanford, CA: Stanford University Press, 2004. ISBN 0-8047-5125-0.
Kevin Middlebrook & Eduardo Zepeda, editors, *Confronting Development: Assessing Mexico's Economic and Social Policy Challenges*, Stanford, CA: Stanford University Press, 2003. ISBN 0-8047-4720-2.

Books ordered as “recommended” (so there will be less copies):

Edward J. Chambers & Peter H. Smith, editors, *NAFTA in the New Millennium*, La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, and Edmonton: University of Alberta Press, 2002. ISBN 1-878367-41-1.
Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited: Achievements and Challenges*, Washington: Institute for International Economics, 2005. ISBN 0-88132-334-9.
Sidney Weintraub, editor, *NAFTA's Impact on North America: The First Decade*, Washington: Center for Strategic and International Studies (CSIS), 2004. ISBN 0-89206-451-X.

Work Requirements and Grading (due dates are subject to change, *except* the final!)

- One essay (6-8 pages) related to one of the three countries' interests in the creation of CUFTA and/or NAFTA, 15% of grade. [**due Fri., Feb. 23**]
- Take-home midterm (essay-oriented), 25% of grade. [**due Tues., Mar. 27**]
- Policy position paper (8-10 pages), based on a choice of assigned topics, 25% of grade for written submission and 5% for mandatory oral presentation [**paper due Tues., Apr. 24**]. (NOTE: the oral presentation may be scheduled *before* the written paper is due.)
- Final exam at the officially scheduled time (**Tues., May 8, 11:20am-1:50pm**), 30% of grade.
- You are expected to do the required readings and to participate in class discussions. Class

participation will be monitored and students with good participation may receive a grade boost if they are on the margin between two grades.

- M.A. students and undergraduates taking the course as an honors supplement must write a longer research paper, approximately 20 pages, on a topic to be approved in advance by the instructor, *in lieu of* the policy position paper, and will also make an oral presentation of their findings. Papers involving econometric data analysis are especially encouraged, and are required for master's students seeking research credit. The research paper will count for 40% of the grade and the other assignments will be pro-rated accordingly. Research papers are due Tuesday, April 24, but oral presentations of work in progress may be required earlier.

Course Outline and Reading List

NOTES:

- All *required* (*) readings will be available in *either*
 - Books ordered at the bookstore (see above list—these are marked **B**);
 - Books on reserve at the AU library (marked **R**);
 - Electronic files you can download from the class Blackboard website (marked **D** for Course Documents or **E** for E-reserves) or the internet (see link to download); or
 - Photocopies to be distributed in class.
- This list is ***subject to change (especially topic 5)***; changes in required readings will be announced electronically (i.e., on the class website or via e-mail).
- *Although the readings are classified where they fit best, there is much overlap in what they cover, so readings listed for any given topic may contain material relevant to other topics.*
- Students who read Spanish may ask the professor for Spanish-language references.

1. Introduction: North America Thirteen Years After NAFTA [read any 3 *'s]

*Jim Stanford, "The North American Free Trade Agreement: Context, Structure, and Performance," in Jonathan Michie, ed., *Handbook of Globalization*, Edward Elgar, 2003. (**D**)

*Robert A. Blecker, "The North American Economies After NAFTA: A Critical Appraisal," *International Journal of Political Economy*, 2005 (**D**).

*Sidney Weintraub, *NAFTA's Impact on North America*, chaps. 1 ("Trade, Investment, and Economic Growth," by S. Weintraub) and 15 ("North American Integration," by Jesús F. Reyes-Heroles). (**B/R**)

*Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited*, chap. 1 (Overview). (**B/R**)

Daniel Lederman, William F. Mahoney, & Luis Servén, *Lessons from NAFTA for Latin America and the Caribbean*, World Bank and Stanford University Press, 2005, chap. 1. (**R**)

Edward J. Chambers & Peter H. Smith, eds., *NAFTA in the New Millennium*, chaps. 7-9. (**B/R**) [political background].

Anthony J. Venables & L. Alan Winters, "Economic Integration in the Americas: European Perspectives," chap. 3 in A. Estevadeordal et al., eds., *Integrating the Americas*. (**R**)

2. Background on the Three National Economies

A. United States

- *Robert Pollin, *Contours of Descent*, Verso, 2003, chaps. 1-4. **(R)** **OR**
- *Samuel Rosenberg, *American Economic Development Since 1945*, Palgrave, 2003, chaps. 9-12. **(R)**
- *Lawrence Mishel, Jared Bernstein, & Sylvia Allegretto, *State of Working America 2006-07*, Economic Policy Institute, 2007, Executive Summary, Introduction and chaps. 1, 3, 5, 8; download from <http://www.stateofworkingamerica.org/excerpt.html> (graphs and tables will be available on-line later this semester).
- Joseph E. Stiglitz, *The Roaring Nineties: A New History of the World's Most Prosperous Decade*, New York: Norton, 2003 **(R)**.
- Alan B. Krueger & Robert M. Solow, editors, *The Roaring Nineties: Can Full Employment Be Sustained?* Russell Sage and Century Foundation Press, 2001. [more advanced articles]
- Mary E. Burfisher, Sherman Robinson, & Karen Thierfelder, "The Impact of NAFTA on the United States, *Journal of Economic Perspectives*, vol. 15, no. 1 (Winter 2001), pp. 125-144.

B. Mexico

- *Juan Carlos Moreno-Brid & Jaime Ros, "Mexico's Market Reforms in Historical Perspective," *CEPAL Review* 84, December 2004, pp. 35-56. **(D)**
- *Manuel Pastor & Carol Wise, "The Fox Administration and the Politics of Economic Transition," chap. 5 in R. Crandall et al., eds., *Mexico's Democracy*. **(B/R)**
- *Manuel Pastor & Carol Wise, "A Long View of Mexico's Political Economy, chap. 7 in J. Tulchin & A. Selee, eds., *Mexico's Politics and Society in Transition*, Lynne Reinner, 2003. **(R)**
- Kevin Middlebrook & Eduardo Zepeda, editors, *Confronting Development*, chaps. 1, 15. **(B/R)**
- Center for Strategic and International Studies (CSIS), *Hemisphere Focus*, look for recent papers on Mexico's economy, plus old ones such as: Rogelio Ramirez de la O, "Tax Reform in Mexico" (vol. 12, issue 7, 4/09/04), and Sidney Weintraub, "Mexico: Pessimism Is Rational" (vol. 11, issue 30, 11/04/03), on-line at <http://csis.org/americas/> (click on the "Newsletters" link on the left, and search the Archives for old issues by year) .
- Nora Lustig, "Life is Not Easy: Mexico's Quest for Stability and Growth," *Journal of Economic Perspectives*, vol. 15, no. 1 (Winter 2001), pp. 85-106.
- Nora Lustig, *Mexico: The Remaking of an Economy*, 2nd ed., Brookings, 1998, chaps. 1-5. **(R)**

C. Canada

- *Michael Howlett, et al., *The Political Economy of Canada*, 2nd edition, Oxford University Press Canada, 1999, especially chaps. 5-6, 9-11. **(B/R)**
- *John Helliwell, "Canada: Life Beyond the Looking Glass," *Journal of Economic Perspectives*, vol. 15, no. 1 (Winter 2001), pp. 107-124. **(D)**
- *Andrew Jackson, "From Leaps of Faith to Hard Landings: Fifteen Years of Free Trade," Canadian Centre for Policy Alternatives, December 2003. **(D)** **OR**
- *Bruce Campbell & David Macdonald, "Straight Talk: Big Business and the Canada-US Free Trade Agreement Fifteen Years Later," Canadian Centre for Policy Alternatives, December

2003. (D) Also look for more recent articles from the Canadian Centre for Policy Alternatives, such as: Ed Finn, “Tackling the NAFTA Challenge” (July 2006), and Bruce Campbell, “NAFTA’s Broken Promises” (July 2006), on-line at www.policyalternatives.ca.
- Stephen Clarkson, *Uncle Sam and Us: Globalization, Neoconservatism, and the Canadian State*, U. of Toronto Press and Woodrow Wilson Center, 2002, chaps. 1-4, 11-12. (R)
- Edward J. Chambers & Peter H. Smith, eds., *NAFTA in the New Millennium*, chaps. 3-4. (B/R)
- Morley Gunderson, “North American Economic Integration and Globalization,” in P. Grady & A. Sharpe, eds., *The State of Economics in Canada*, McGill-Queen’s University Press, 2001, pp. 355-377.
- Bruce Campbell & Ed Finn, editors, *Living with Uncle: Canada-US Relations in an Age of Empire* (Toronto: Lorimer, forthcoming 2007). [not available yet]
- Ricardo Grinspun & Yasmine Shamsie (editors), *The Slippery Slope: Canada, Free Trade and Deep Integration in North America* (Montreal/Kingston: McGill-Queen’s University Press, forthcoming 2007). [not available yet]

3. A NAFTA Retrospective: Motivations, Provisions, Predictions, and Debates, pre-1994

- *Class handout on economic effects of a preferential trade agreement (TBA).
- *Robert A. Blecker, “The Political Economy of the North American Free Trade Agreement,” chap. 5 in R. Blecker, ed., *U.S. Trade Policy and Global Growth*, M.E. Sharpe, 1996. (R)
- *Stephen D. Cohen, Robert A. Blecker & Peter D. Whitney, *Fundamentals of U.S. Foreign Trade Policy*, 2nd edition, Westview, 2003, chap. 12. [Also, chapter 3 is required for anyone who never had a course on international trade, and recommended for everyone who did.] (R)
- *Jim Stanford, “Economic Models and Economic Reality: North American Free Trade and the Predictions of Economists,” *International Journal of Political Economy*, vol. 33, no. 3 (Fall 2003, published 2005), pp. 28-49. (D)
- Raúl Hinojosa-Ojeda & Robert K. McCleery, “NAFTA as Metaphor,” chap. 1 in E. Chambers & P. Smith, eds., *NAFTA in the New Millennium*. (B/R)

4. Trends and Issues in North American Economic Integration

A. Trade in goods and services and industrial impact

- *Gary Gereffi & Martha A. Martínez, “Mexico’s Economic Transformation,” chap. 6 in R. Crandall et al., eds., *Mexico’s Democracy*. (B/R)
- *Kevin Middlebrook & Eduardo Zepeda, eds., *Confronting Development*, chaps. 5-7 (by G. Vega & de la Mora, Gereffi, & Dussell-Peters). (B/R)
- Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited*, chap. 6 (Auto Sector). (B/R)
- Ernesto López-Córdova & Mauricio Mesquita Moriera, “Regional Integration and Productivity,” chap. 17 in A. Estevadeordal, et al., eds., *Integrating the Americas*. (R)
- John Mutti, *NAFTA: The Economic Consequences for Mexico and the United States* (Economic Strategy Institute, 2001), chaps. 1-3, 5 (R).
- Daniel Lederman, et al., *Lessons from NAFTA for Latin America*, chaps. 4, 6-7. (R)
- José Luis Valdés-Ugalde, “NAFTA and Mexico,” chap. 2 in E. Chambers & P. Smith, eds., *NAFTA in the New Millennium*. (B/R)

B. Investment rules, foreign direct investment, property rights, and dispute resolution

- *Edward J. Chambers & Peter H. Smith, eds., *NAFTA in the New Millennium*, 18 (Ortiz Mena) & 19 (Reif).
- *Jorge Máttar, Juan Carlos Moreno Brid, & Wilson Peres, “Foreign Investment in Mexico After Economic Reform,” in K. Middlebrook & E. Zepeda, eds., *Confronting Development*, chap. 4 (B/R). An earlier version (July 2002) is available on the class website (D).
- *Lorraine Eden & Dan Li, “The New Regionalism and Foreign Direct Investment,” chap. 2 in S. Weintraub, ed., *NAFTA’s Impact on North America*. (B/R)
- *Public Citizen/Global Trade Watch, “NAFTA and Investment (ch. 11),” available on-line at www.citizen.org/trade/nafta (see link on the right and also look for related readings).
- *Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited*, chap. 4 (disputes). (B/R)
“Bill Moyers Reports: Trading Democracy” (video # VHS 6898 in AU Media Services; may be shown in class).
- John Mutti, *NAFTA: The Economic Consequences for Mexico and the United States*, chap. 4 (R).
- Daniel Lederman, et al., *Lessons from NAFTA*, pp. 175-202. (R)

C. Labor markets, income distribution, employment, and social costs

- *Sandra Polaski, “Jobs, Wages, and Household Income,” Chap. One in John J. Audley, et al., *NAFTA’s Promise and Reality*. (D)
- *Robert E. Scott, Carlos Salas, & Bruce Campbell, “Revisiting NAFTA: Still Not Working for North America’s Workers,” Economic Policy Institute, September 2006. (D)
- *Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited*, chap. 2 (Labor). (B/R)
- *Gordon H. Hanson, “What Has Happened to Wages in Mexico Since NAFTA?” chap. 15 in A. Estevadeordal, et al., eds., *Integrating the Americas*. (R) An earlier version (March 2003) is available on-line (D).
- *Daniel Trefler, “Successful Economies, Failed Economics: What the Canada-U.S. Free Trade Agreement Teaches Us about International Economics,” October 2004. (D)
Daniel Trefler, “The Long and Short of the Canada-U.S. Free Trade Agreement,” *American Economic Review*, vol. 94, no. 4 (September 2004). (D) [technical version for grad. students]
- *Jesus Cañas, Roberto Coronado, & Robert W. Gilmer, “U.S., Mexico Deepen Economic Ties,” Southwest Economy (Federal Reserve Bank of Dallas), January/February 2006. (D)
Daniel Chiquiar, “Why Mexico’s Regional Income Convergence Broke Down,” *Journal of Development Economics*, vol. 77, no. 1 (2005), pp. 257-275. (E)
- *Graciela Bensusán, “NAFTA and Labor,” chap. 10 in E. Chambers & Pe. Smith, eds., *NAFTA in the New Millennium*. (B/R) **OR**
- *Sidney Weintraub, ed., *NAFTA’s Impact on North America*, chap. 5 (Bensusán) [chap. 12 (Scott) is recommended]. (B/R)
- Kevin Middlebrook & Eduardo Zepeda, eds., *Confronting Development*, chaps. 11 (Boltvinik), 12 (Alarcón), 14 (Salas & Zepeda). (B/R)
- Pablo Ruiz-Nápoles, “Exports, Growth, and Employment in Mexico, 1978-2000,” *Journal of Post Keynesian Economics*, vol. 27 no. 1 (Fall 2004), pp. 105-124. (E)
- Daniel Lederman, et al., *Lessons from NAFTA*, pp. 202-233. (R)
- Dani Rodrik, *Has Globalization Gone Too Far?* Institute for International Economics, 1997, chaps. 1-3 (R).

Kathryn Kopinak, editor, *The Social Costs of Industrial Growth in Northern Mexico*, University of California, San Diego, Center for U.S.-Mexican Studies, 2004, chaps. TBA (R).

D. The agricultural sector

*Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited*, chap. 5. (B/R)

*Kirsten Appendini, "The Challenges to Rural Mexico," chap. 9 in J. Tulchin & A. Selee, eds., *Mexico's Politics and Society*. (R) OR

Hubert C. de Grammont, "The Agricultural Sector," chap. 10 in K. Middlebrook & E. Zepeda, eds., *Confronting Development*. (B/R) OR

Michele Veeman et al., "NAFTA and Agriculture," chap. 13 in E. Chambers & P. Smith, *NAFTA in the New Millennium*. (B/R)

E. Migration and remittances [Note: read at least 3 of the * readings]

*Gordon H. Hanson, "Illegal Migration from Mexico to the United States," NBER Working Paper No. W12141, March 2006 (forthcoming in *Journal of Economic Literature*). (D)

*Frank D. Bean & B. Lindsay Lowell, "NAFTA and Mexican Migration," chap. 10 in S. Weintraub, ed., *NAFTA's Impact*. (B/R)

*Wayne A. Cornelius, "Impacts of NAFTA on Mexico-to-U.S. Migration," chap. 13 in E. Chambers & P. Smith, eds., *NAFTA in the New Millennium*. (B/R)

*Phillip Martin, "Mexico-US Migration," chap. 8 in G. Hufbauer & J. Schott, *NAFTA Revisited*. (B/R) [an earlier version is available on-line (D)]

*IRC Americas Program, "Reframing the Immigration Debate: The Actors and the Issues," on-line at <http://americas.irc-online.org/am/2959> .

*Demetrios G. Papademetriou, "The Shifting Expectations of Free Trade and Migration," Chap. Two in John J. Audley, et al., *NAFTA's Promise and Reality*. (D)

Daniel Chiquiar & Gordon Hanson, "International Migration, Self-Selection, and the Distribution of Wages: Evidence from Mexico and the United States, *Journal of Political Economy*, vol. 113, no. 2 (2005), pp. 239-81. (E)

Kurt Unger, "Regional Economic Development and Mexican Out-Migration," NBER Working Paper No. W11432, June 2005.

Joseph S. Tulchin & Andrew D. Selee, eds., *Mexico's Politics and Society in Transition*, chaps. 11 (Pitti), and 12 (Bach), pp. 255-275, 289-341 (R).

George J. Borjas, "The Economic Impact of Mexican Immigration," chap. 6 in B. Bosworth, et al., eds., *Coming Together? Mexico-U.S. Relations*. (R)

F. Macroeconomic dimensions: exchange rates, balance of payments, and growth

*Robert A. Blecker, "Macroeconomic and Structural Constraints on Export-led Growth in Mexico," Working Paper, American University, March 2006 (D).

*Stephen D. Cohen, Robert A. Blecker, & Peter D. Whitney, *Fundamentals of U.S. Foreign Trade Policy*, 2nd edition, chap. 4. (R)

*Mario Seccareccia, "Some Critical Macroeconomic Aspects of Deepening North American Economic Integration," unpublished manuscript, University of Ottawa. (D)

- *International Monetary Fund, "Mexico: Selected Issues," Country Report No. 06/351, August 2006. (D)
- *Catherine L. Mann, "Managing Exchange Rates: Achievement of Global Re-balancing or Evidence of Global Co-dependency?" *Business Economics*, July 2004, pp. 20-29. (D)
- *Robert A. Blecker, "Why the Dollar Needs to Fall Further," *Challenge*, September-October 2003, pp. 15-36. (D) OR
- *Robert A. Blecker, "Economy at Risk: The Growing U.S. Trade Deficit," Speech at AFLCIO/USBIC Conference, Washington, DC, July 12, 2006. (D)
- Alejandro Nadal, "Macroeconomic Challenges for Mexico's Development Strategy," chap. 2 in K. Middlebrook & E. Zepeda, eds., *Confronting Development*. (B/R)
- John Williamson, "Mexican Policy Toward Foreign Borrowing," in Barry Bosworth, et al., eds., *Coming Together? Mexico-U.S. Relations* (Brookings Institution, 1997), chap. 3, pp. 59-90 (R).
- Penelope Pacheco-López & A. P. Thirlwall, "Trade Liberalisation in Mexico: Rhetoric and Reality," *Banca Nazionale del Lavoro Quarterly Review*, no. 229 (June 2004), pp. 141-67. (E)
- Robert A. Blecker, "The Economic Consequences of Dollar Appreciation for US Manufacturing Investment: A Time-Series Analysis," Working Paper No. 2006-07, American University, August 2006 (forthcoming in *International Review of Applied Economics*, 2007). (D)
- C. Fred Bergsten & John Williamson, eds., *Dollar Overvaluation and the World Economy*, Institute for International Economics, February 2003.
- Jim Stanford, *Paper Boom: Why Real Prosperity Requires a New Approach to Canada's Economy*, Canadian Centre for Policy Alternatives and James Lorimer Pub., 1999 (R).
- Brian K. MacLean, ed., *Out of Control: Canada in an Unstable Financial World*, Canadian Centre for Policy Alternatives and James Lorimer Pub., 1999 (R)
- Daniel Lederman, et al., *Lessons from NAFTA*, chaps. 2-3. (R)
- Mark Weisbrot, David Rosnick, & Dean Baker, "Getting Mexico to Grow With NAFTA: The World Bank's Analysis," Center for Economic and Policy Analysis, October 2004. (D)

G. Energy and the environmental impact of economic integration [read Gallagher and any two other *'s]

- *Kevin P. Gallagher, *Free Trade and the Environment: Mexico, NAFTA, and Beyond*. Stanford University Press, 2004.
- *Sidney Weintraub, ed., *NAFTA's Impact on North America*, chap. 4. (R)
- *Scott Vaughan, "The Greenest Trade Agreement Ever?" Chap. Three in John J. Audley, et al., *NAFTA's Promise and Reality*. (D)
- *Edward J. Chambers & Peter H. Smith, eds., *NAFTA in the New Millennium*, 2002, chap. 11.
- *Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited*, chaps. 3, 7. (B/R)
- A. Estevadeordal, et al., eds., *Integrating the Americas*, chap. 20 (Esty).
- Raymond MacDermott, "Trade Agreements and the Environment: An Industry Level Study for NAFTA," *Global Economy Journal*, vol. 6, no. 3, article 3, www.bepress.com/gej/vol6/iss3/3.

5. Beyond NAFTA: Proposals for Changes and Extensions [NOTE: This part of the syllabus is preliminary and subject to change; required readings are TBA]

A. Proposals for Deeper North American Integration: Customs Union, Monetary Union, Development Funds, Social Policies, Etc.

- Robert A. Pastor, "North America's Second Decade," *Foreign Affairs* (vol. 83, no. 1, January/February 2004), pp. 124-135. (E)
- Rogelio Ramírez de la O, "Prospects for North American Monetary Cooperation," chap. 3 in S. Weintraub, ed., *NAFTA's Impact*. (B/R)
- Gary C. Hufbauer & Jeffrey J. Schott, *NAFTA Revisited*, chap. 9. (B/R)
- Robert A. Pastor, Sherman Robinson, Samuel Morley, & Carolina Díaz-Bonilla, "The Paramount Challenge for North America: Closing the Development Gap," CNAS, American University, March 2005 (D) [NOTE: This includes 3 parts: an introduction and executive summary; an economic model of Mexican growth; and a proposal for a North American Investment Fund.]
- Council on Foreign Relations, *Building a North American Community*, Report of an Independent Task Force, May 2005. <http://www.cfr.org/publication/8102/> [note: you may download this for free in either English, French, or Spanish; do not pay to order it!!]
- Jeff Faux, "Economics and Democracy under the NAFTA 'Constitution,'" *Foreign Affairs en Español* (English translation), vol. 4 no. 1 (2004). (D) **OR**
- Jeff Faux, "Corporate Control of North America," *The American Prospect*, January 13, 2003, pp. 24-27. (D) [NOTE: more recent articles by this author may be substituted]
- Edward J. Chambers & Peter H. Smith, eds., *NAFTA in the New Millennium*, chaps. 15 (Customs Union), 16 (Dollarization), 17 (Regional Policy). (B/R)
- Peter Hakim & Robert E. Litan, eds., *The Future of North American Integration: Beyond NAFTA*, Brookings Institution, 2002. (R).
- Robert A. Pastor, *Toward a North American Community: Lessons from the Old World for the New*, Institute for International Economics, 2001. (R).

B. Neoliberal policies in Latin America and proposals for more regional FTAs

- Mark Weisbrot & David Rosnick, "Another Lost Decade? Latin America's Growth Failure Continues into the 21st Century," Center for Economic Policy Research, November 2003 (D).
- Thomas I. Palley, "After Cancun: Possibilities for a New North-South Grand Bargain on Trade?" Open Society Institute, Washington, DC, November 2003. (D)
- Pedro Pablo Kuczynski & John Williamson, eds., *After the Washington Consensus: Restarting Growth and Reform in Latin America*, Institute for International Economics, 2003 (R?).
- Peter H. Smith, "From NAFTA to FTAA?" chap. 20 in E. Chambers & P Smith, eds., *NAFTA in the New Millennium*. (B/R)
- A. Estevadeordal et al., eds., *Integrating the Americas*, chaps. 3, 5, 8, 10-13, 19, 21-23. (R)
- Interhemispheric Resource Center (IRC), look for articles on the FTAA and other proposed trade agreements, online at www.irc-online.org.
- Public Citizen/Global Trade Watch, download relevant reports from www.citizen.org/trade.
- Jessica Todd, Paul Winters, & Diego Arias, *CAFTA and the Rural Economies of Central America: A Conceptual Framework for Policy and Program Recommendations* (D).