

POLITICAL ECONOMY OF MEXICO AND NAFTA

CAS IR 575/PO 553

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TR 9:30 - 11A.M.

IRB 102

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OBJECTIVES:

This course examines the closely related topics of Mexican political economy and Mexico's participation in the North American Free Trade Agreement (NAFTA). The course addresses both the causes and effects of the profound transformations that Mexico has undergone in recent years. Part I introduces Mexico's historical, cultural, political and economic context. Part II considers the economic crisis of the 1980s and the efforts undertaken to reform the Mexican economy via stabilization and market opening. Part III assesses Mexico's participation in NAFTA, including the negotiation and politics of the agreement. Part IV addresses a series of political crises and democratic reforms since the mid 1990s. Part V explores the effects of Mexico's economic reforms. Part VI examines the human element of Mexican political economy, including migration, human development, drug trafficking and corruption. The course concludes with a consideration of the contemporary reality of Mexican political economy and its possible future course in light of the country's transition to democracy and neoliberalism.

PREREQUISITES:

EC 101 and EC 102 or their equivalents are prerequisites for this course. Students seeking an exception should speak to the instructor the first week of class.

REQUIREMENTS:

Grades will be based on 1) class participation, 2) a 5 page analysis of one topic's readings and an in-class presentation of the analysis, 3) participation in a simulation, and 4) a research paper on an approved topic of approximately 15 pages for undergraduates and 20 pages for graduate students. Students will hand in a two- to three-page, typed reaction to the week's readings at the beginning of each Thursday's class. These short papers will be checked but not graded, and will count toward class participation. (They must be complete to receive full credit.) Instructions and signups for the reading analysis will be handed out the first day of class and can be found at <http://www.bu.edu/sthacker/575commentary.htm>. Participation in the simulation requires advance preparation and short writing assignments. Before beginning their final research papers, students will submit a written proposal and a preliminary outline and working bibliography by the dates listed below. Email and Internet access is required.

ACADEMIC INTEGRITY:

Apart from the simulation, all work for this class is expected to be individual, i.e., not the result of collaboration or a group project. It is imperative that any and all sources used in papers be cited properly. For guidance, see the guideline for source citation on page three of this syllabus or at <http://www.bu.edu/sthacker/source.htm>, the CAS Academic Conduct Code (available at CAS or at <http://www.bu.edu/cas/students/undergrad-resources/code/>) and the GRS Academic Discipline Procedures (available at GRS or at <http://www.bu.edu/cas/students/grad-resources/forms/discipline/>). Cases of academic misconduct will be referred to the Dean's office.

KEY DATES:

- *Feb. 15:* Hand in written paper proposal, 1-2 pages
- *Mar. 24:* Hand in preliminary outline and working bibliography
- *April 26:* Hand in final research papers at beginning of class

GRADING:

- 20% Class participation
- 20% Reading analysis & presentation, due at the beginning of class on the assigned date
- 10% Simulation
- 50% Final paper, due at the beginning of class on April 26
- Improvement over the course of the semester and exceptional class participation can raise a borderline grade.

Grades are calculated on a 100-point scale, converted to letter grades as follows:

93-100	A	90-92	A-	87-89	B+	83-86	B	80-82	B-
77-79	C+	73-76	C	70-72	C-	60-69	D	Below 60	F

ABSENCES AND LATE WORK:

Students are expected to attend all class sessions and to make presentations at the scheduled times, unless documentation is given excusing an absence for medical, religious or personal reasons, or for official university business. Every effort should be made to notify the instructor as soon as possible (preferably in advance) of the reason for the absence. Late papers will be penalized five (5) points for the first day late, and three (3) points each day thereafter.

READINGS:

Students are required to complete all reading assignments before class. Frequent seminar discussions will require a thorough understanding of the readings.

The following required texts are available for purchase at Barnes and Noble at Boston University and on reserve (call numbers in parentheses) at Pardee Library, SMG, 595 Commonwealth Avenue (3rd floor).

- Cameron, Maxwell A. and Brian Tomlin. 2000. *The Making of NAFTA: How the Deal Was Done*. Ithaca, NY: Cornell University Press. ([HF1746 .C36 2000](#)). ISBN 9780801487811.
- Camp, Roderic Ai. 2007. *Politics in Mexico: The Democratic Consolidation*, 5th edition. New York: Oxford University Press. ([JL1281 .C35 2007](#)). ISBN 9780195313321.
- Haber, Stephen, Herbert S. Klein, Noel Maurer and Kevin J. Middlebrook (HKMM). 2008. *Mexico Since 1980*. New York: Cambridge University Press. ([F1236 .M482 2008](#)). ISBN 9780521608879.
- Oppenheimer, Andres. 1998 (1996). *Bordering on Chaos: Mexico's Roller-Coaster Journey Toward Prosperity*. Boston: Little Brown. ([F1236 .O68 1996](#), but note that the library's version lacks the required afterword). ISBN 9780316650250.

An electronic subscription to the monthly *Mexico-NAFTA Report* is also required. The cost is \$10 for the semester. Details on obtaining it will be discussed in class.

Other required readings are available at <http://blackboard.bu.edu/> (select this course, then click Course Documents, then Course Packet) and/or on reserve at Pardee Library (SMG) and marked by an asterisk ().

The following text is *recommended* (portions are required reading) and is available in electronic format:

- Walton, Michael and Santiago Levy. 2009. *No Growth Without Equity? Inequality, Interests, and Competition in Mexico*. Washington, D.C.: World Bank Publications. ISBN 9780821377673.
<http://siteresources.worldbank.org/INTMEXICO/SPANISH/Resources/nogrowthwithoutequity.pdf>

USE OF SOURCE MATERIALS*

Correct use and acknowledgment of source materials is vital to any research project. Only through accurate documentation can the reader distinguish the writer's original contribution from those of others. This allows the reader (1) to consult the source of a fact or opinion if he or she so desires and (2) to assign credit or blame judiciously — to the writer or to the writer's sources. Moreover, failure to acknowledge source material properly constitutes plagiarism and is subject to the appropriate penalties.

The basic rule is this: If you use material drawn from something beside your own first-hand experience, and the material is not “common knowledge,” that is, something that “everybody knows,” give credit to your source.

If you quote directly, even a word or phrase, use quotation marks and footnote.**

If you paraphrase (i.e., take the ideas and put them into your own words), footnote.

If you organize material in the unique manner of someone else, give that person credit in the text and, usually, in a footnote as well.

A good rule of thumb is to ask yourself: “Could a reader who consulted the works listed in my bibliography recognize in my paper sentences, phrases, and even striking words; patterns of organization; interpretations or attitudes or points of view or whole ideas or facts, as deriving from any one of these sources?” If the reader could, you must footnote those passages. Any clear parallels between your paper and any of its sources that a reader would discover from consulting these sources, you should already have told him or her through footnotes or informal acknowledgments.

If you borrow everything in your paper, footnote everything in your paper!

Once your paper is turned in, the reader has the right to assume that whatever appears in the paper, unless otherwise indicated, is your own work or is “common knowledge.”

It should be noted that a paper that is merely a patchwork of other people’s words and ideas is a poor paper. Because of the particular slant on the topic you have been asked to consider; because of the particular combination of sources you have consulted; because of the independence of your own creative mind, your paper should be organically different from any of the various sources that have contributed to it.

* This statement is adapted from a document entitled “Use of Source Materials,” Pomona College Department of Government, Claremont, CA.

** Parenthetical references [e.g., (Smith 1991, 234)] may be substituted for footnotes.

COURSE OUTLINE

PART I: THE MEXICAN CONTEXT

Jan. 18: *Introduction*

Jan. 20: *History and culture*

- Camp, Chapters 1-3
- HKMM, Chapter 2: pp. 20-27

Jan. 25: *The political system*

- Camp, Chapters 4, 5

Jan. 27: *Political actors and institutions*

- Camp, Chapters 6, 7
- HKMM, Chapter 2: pp. 27-37

Feb. 1: *Development strategies*

- HKMM, Chapter 2: pp. 37-65
- Walton and Levy, Chapter 3 (Robinson)

PART II: ECONOMIC CRISIS AND REFORM

Feb. 3: *The debt crisis*

- *Nora Lustig (1998), *Mexico: The Remaking of an Economy*, 2nd ed., Washington, DC: Brookings Institution Press, Chapters 1 and 2.

Feb. 8: *Economic stabilization*

- *Robert R. Kaufman, Carlos Bazdresch and Blanca Heredia, "Mexico: Radical Reform in a Dominant Party System," in Stephan Haggard and Steven B. Webb (eds.) (1994), *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment*, New York: Oxford University Press, pp. 360-410. (HD82 .V63 1994)

Feb. 10: *Economic reforms*

- HKMM, Chapter 1, Chapter 3: pp. 66-77

PART III: MEXICO AND THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

Feb. 15: *US-Mexico relations and NAFTA background*

Paper proposals due

- Camp, Chapter 9
- Cameron and Tomlin, Chapters 1-3

Feb. 17: *Simulation*

Feb. 24: *Migration*

Film: *Mojados: Through the Night*

- *Unger, Kurt (2005), "Regional Economic Development and Mexican Out-Migration," NBER Working Paper 11432, Cambridge, MA: National Bureau of Economic Research, June.
- *López-Córdova, Ernesto (2006), "Globalization, Migration and Development: The Role of Migrant Remittances," INTAL-ITD Working Paper 20, Washington, DC: Inter-American Development Bank.

March 1: *Simulation*

March 3: *The NAFTA negotiations*

- Cameron and Tomlin, Chapters 4-7

March 8: *U.S. politics and NAFTA*

- Cameron and Tomlin, Chapters 8, 9

March 10: *Mexican politics and NAFTA*

- Cameron and Tomlin, Chapter 11
- *Thacker, Strom C. (1999), "NAFTA Coalitions and the Political Viability of Neoliberalism in Mexico," *Journal of Interamerican Studies and World Affairs* 41(2): 57-89.

PART IV: POLITICAL CRISIS AND REFORM

March 22: *The Chiapas uprising*

- Oppenheimer, Chapters 2-4
- *Neil Harvey, "Rural Reforms and the Zapatista Rebellion: Chiapas, 1988-1995," in Gerardo Otero (ed.) (1996), *Neoliberalism Revisited: Economic Restructuring and Mexico's Political Future*, Boulder, CO: Westview Press, pp. 187-208.

March 24: *1994: Political crisis and assassinations*

Preliminary outline and working bibliography due

- Oppenheimer, Chapters 9-15

March 29: *The peso crisis and tequila effect*

- Oppenheimer, Chapter 1
- *Nora Lustig (1998), *Mexico: The Remaking of an Economy*, 2nd ed., Washington, DC: Brookings Institution Press, Chapters 6 and 7.

March 31: Film: *Frontline: Murder, Money and Mexico*

- Cameron and Tomlin, Chapter 10

April 5: *Political reform and democratization*

- Camp, Chapter 8
- HKMM, Chapter 5
- Oppenheimer, Chapters 5-8, 16 and Afterword

April 7: *Democratic consolidation?*

- *Klesner, Joseph L. (2007), "The July 2006 Presidential and Congressional Elections in Mexico," *Electoral Studies* 26(4):803-08.
- *Moreno, Alejandro (2007), "The 2006 Mexican Presidential Election: The Economy, Oil Revenues, and Ideology," *PS: Political Science and Politics* 40(1): 15-19.
- *Estrada, Luis and Alejandro Poiré (2007), "The Mexican Standoff: Taught to Protest, Learning to Lose," *Journal of Democracy* 18(1): 73-87.
- *Schedler, Andreas (2007), "The Mexican Standoff: The Mobilization of Distrust," *Journal of Democracy* 18(1): 88-102.
- *Castañeda, Jorge G. and Marco A. Morales (2007), "The Mexican Standoff: Looking to the Future," *Journal of Democracy* 18(1): 103-112.

PART V: IMPACT OF REFORMS

April 12: *The macroeconomic effects of reforms*

- HKMM, Chapter 3: pp. 77-94
- Walton and Levy, Chapters 4 and 5 (Guerrero *et al.*, Elizondo)

April 14: *The microeconomic effects of reforms*

- HKMM, Chapter 4
- Walton and Levy, Chapter 7 (Maloney)
- *Dussell Peters, Enrique (2009), "Manufacturing Competitiveness: Toward a Regional Development Agenda," in *The Future of North American Trade Policy: Lessons from NAFTA*, ed. Kevin P. Gallagher, Enrique Dussell Peters and Timothy A. Wise, Boston University Pardee Center Task Force Report, pp. 27-34 (Pardee report)
- *Wise, Timothy A. (2009), "Reforming NAFTA's Agricultural Provisions," in Pardee report, pp. 35-42.

April 19: *Mexico and the world*

- *Zepeda, Eduardo, Timothy A. Wise and Kevin P. Gallagher (2009), "Rethinking Trade Policy for Development: Lessons from Mexico under NAFTA," Carnegie Endowment for International Peace Policy Outlook, December.
- *Hanson, Gordon H. (2010), "Why Isn't Mexico Rich?" *Journal of Economic Literature* 48(4): 987-1004.
- *Gallagher, Kevin P. and Roberto Porzecanski (2008), "China Matters: China's Economic Impact on Latin America," *Latin American Research Review* 43(1): 185-200.
- *Gallagher, Kevin P. (2009), "NAFTA and the Environment: Lessons from Mexico and Beyond," in Pardee report, pp. 61-70.
- *Pastor, Robert A. (2008), "The Future of North America: Replacing a Bad Neighbor Policy," *Foreign Affairs* 87(4): 84-98.

PART VI: THE HUMAN SIDE OF REFORM

April 26: *Migration*

Papers due at the beginning of class

- *García Zamora, Rodolfo (2009), "Migration Under NAFTA: Exporting Goods and People," in Pardee report, pp. 79-83.
- Review Unger and López-Córdova articles from Feb. 24.

April 28: *Human development*

- HKMM, Chapter 6
- Walton and Levy, Chapter 6 (Levy)

May 3: *Drugs, violence and corruption*

- *Bonner, Robert C. (2010), "The New Cocaine Cowboys: How to Defeat Mexico's Drug Cartels," *Foreign Affairs* 89(4): 35-47.
- *O'Neil, Shannon (2009), "The Real War in Mexico: How Democracy Can Defeat the Drug Cartels," *Foreign Affairs* 88(4):63-77.
- *Davis, Diane E. (2006), "Undermining the Rule of Law: Democratization and the Dark Side of Police Reform in Mexico," *Latin American Politics and Society* 48(1): 55-86.

May 5: *Looking ahead*

- Camp, Chapter 10
- HKMM, Chapter 7
- *Starr, Pamela K. (2009), "Mexico and the United States: A Window of Opportunity?" Pacific Council on International Policy Special Report, Los Angeles, CA, April.