



FLACSO  
ARGENTINA

Facultad  
Latinoamericana de  
Ciencias Sociales.  
Sede Argentina.

Área Estudios  
Latinoamericanos.

<b>Program offering course</b>	<b>Sociocultural Studies of Latin America</b>
<b>Course name</b>	<b>ECONOMIC DEVELOPMENT AND TRADE INTEGRATION IN LATIN AMERICA. DILEMMAS AND CERTAINTIES</b>
<b>Course code</b>	<b>INTR301/SEM</b>
<b>Areas of interest</b>	Sociology, Political Science, Communication, Literature, History, Leadership, International Relations, Business, Sustainability and Development.

<b>Language of instruction</b>	English/Spanish
<b>U.S. Semester Credits</b>	3
<b>Contact Hours</b>	45
<b>Term</b>	Fall 2020
<b>Course meeting times</b>	TBD
<b>Course meeting place</b>	FLACSO Argentina
<b>Professor</b>	Mercedes Botto
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<b>Office hours</b>	TBD



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## **Course Description**

This course aims to provide analytical tools to comprehend the scope of Latin American economic development and trade integration. Broadly speaking, these choices of development models reflect two opposite paradigms (*competing ideas*). They are not abstract models, but rather options that evolved from ideas embedded within the historical experience of Latin America and the insertion of the region into global capitalism (Vivares, 2018). The first model suggests a development blueprint based on the strategic production and export of primary goods, such as agricultural or mining products. This model for national capital accumulation is aligned with an "Open Regionalism" approach. Since the region already possesses such comparative advantages at the global level, it does not require any substantial intervention on the part of the national government. The second model, known as "Closed Regionalism", focuses on production diversification through a process of industrialisation based on the substitution of imports in order to ensure better domestic employment levels and income distribution. Thus, this model requires more active government intervention for capital accumulation to ensure import substitution industrialization (ISI) at the domestic level. At the international level, it also requires a stricter scheme of regional integration, where member states agree to fund common policies to coordinate industrial production and guarantee a fair distribution of costs and benefits.

The Common Market of the South (MERCOSUR in Spanish) is a regional organization, comprising Argentina, Brazil, Uruguay, Paraguay, and Venezuela (since 2012 with suspended membership). Established in 1991, MERCOSUR is considered a part of the "second wave of regionalism". In 2019, MERCOSUR, excluding Venezuela, represents 2.90% of the global GDP, 266 million people or 3.48% of the global population, or 1.63% of the total global trade in goods. Currently, its original objective of establishing a common market is still pending, with progress, setbacks, and stagnations. To which of these two models of regional integration does MERCOSUR follow? This course work will attempt to demonstrate that both development models have been implemented alternatively, either implicitly or explicitly, during more than twenty years of the Mercosur construction process. Nevertheless, neither of them has definitively prevailed over the other. Over time, this lack of consensus generated a series of contradictions, ambiguities, setbacks and postponements to the extent that the efficacy and credibility of the process were undermined.

## **Students learning outcomes**

By completing this course, students will be able to:





- Apply different theories, relying on the conceptual apparatus of political science and 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 understand the main objective 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 complete a level 2000 class in Latin American Studies and/or International Affairs and/or International Economics and/or Business prior to taking this course.

### **Course Structure**

#### **Class Dynamics**

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 instructor. Classes usually start with an open brainstorming on students' beliefs and knowledge around the topic or issue and then continue with a brief and descriptive presentation of the particular "case" of regionalism that will be analyzed, focusing on the similarity and differences from a comparative point of view. Through the use of PowerPoint presentations, the lecturer will provide key concepts and elements (historical, statistical data, etc.) required to produce a meaningful interpretation of the "case". Guest professors will be invited to give lectures on special topics of interest to this course.

### **Assessment and Final Grade**

Written assignments (5)	25%
Group presentation	15%
Middle term exam	15%





Final exam	25%
Class Participation	20%
TOTAL	100%

## Course Requirements

### Midterm Exam

The students will be asked to synthesize an integrative written analysis by the midterm, at home, it would be a conceptual analysis rewarding both type of bibliography (required and optional). And it should be 1500 words long. APA style will be required.

### Assignments

Students are expected to produce 2 short essay (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

Students will be asked to synthesize 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.

## Weekly Schedule

### WEEK 1

#### **Introduction to the course: what is economic integration?**

The lecturer will present the syllabus and its underlying logic to the students. Q&A session about the course, its goals, approaches, 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) analyse the regionalism. The presentation will be followed by a discussion about the significance and differences between key terms and concepts, such as globalisation, regionalisation, regionalism and



regional cooperation. The objective is to discuss and understand the ambiguity of the concept of regionalism and its diverse political uses.

Required reading Börzel (2016) and Hurrell (1995)

## WEEK 2

### **Comparative regionalism as a method to analyse and measure the scope and depth of regional integration**

This class provides the student a meaningful tool-box to analyse and measure regional integration. After introducing and reviewing the different goals and approaches used by mainstream and new regionalism approaches, the comparative studies approach will be presented by the lecturer. This class will end with a group and participatory exercise in which students will classify and compare the main questions and methods used by different theories of regionalism.

Required reading Mattli (1999) and Laursen (2010)

## WEEK 3

### **First wave of Latin American regionalism: The ECLAC's utopia**

Latin America is one of the few regions in which the European ideas of building a regional market was eventually implemented during the post-war period. Students will examine the debate amongst ECLAC economists and technocrats regarding the need to integrate the small economies in 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 lecturer will show the economic results of Latin American regional integration such as ALALC, ALADI, and MCCA. The materialisation was considered a failure because of domestic and external factors and the role of private sector. Students will work in groups using statistical data.

Required reading Ruiz (2017)  
Optional reading Adebajo (2014)

## WEEK 4

### **Field trip: Museo del Bicentenario (The Bicentennial Museum) Buenos Aires**

In this class student will learn about the history of Argentina since the colonial era until the present day. The exhibition is divided





into different periods, with video and objects representing its time. Regionalism has been an essential part of the Argentine external relations, especially after the 1980s. Student then will have to write a short essay, utilising the content from the classes and the museum on their topic of interest.

## WEEK 5

### **The Second Wave of Regionalism: Big Theory and Bad Practices**

This class introduces the students to the global second wave of regionalism that took place in the 1990s. The unexpected proliferation and revitalisation of existing regional projects prompted academics and politicians to explain this emergence. The explanation varied among economists and internationalists. While the former continued suggesting states responses, the latter present it as a new phenomenon led by markets. In the first part of the class, the lecturer will describe and analyse changes on Latin American economic and political context within the so-called "open" regionalisms. Then, students will discuss in group the linkages between structural reforms, regional, and multilateral trade liberalization and present their arguments.

Required reading Inter-American Development Bank (2002)  
Optional reading Hettne (2003)

## WEEK 6

### **The North America Free Trade Area: a successful case of open regionalism**

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 a comparative method, the lecturer will describe the construction of intergovernmental institutions by the United States, Canada and Mexico to build this regional bloc. Continuing with the debate on NAFTA, students will delve deeper into the outcomes of NAFTA regionalism. For this, students will analyse statistical data provided by the instructor and will work on them

Required reading Villarreal and Fergusson (2017)  
Optional reading Dornbusch (1995)

## WEEK 7

### **Institutional Building of MERCOSUR: peak, crisis, and relaunches**

The objective of this class is to analyse changes and continuities of Mercosur institutions in Mercosur along its 40 years of existence. Students will be asked to do some practices on the





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evolution of the objectives, agendas as well as the regional institutions, using the Mercosur website. When was MERCOSUR created (domestic and external context?); What type of institutions were created and to what extent were functional for its objectives/goals? Were MERCOSUR's goals successfully implemented? Why yes or why not? After that, there will be a discussion on the statement of IADB economists, that the Mercosur was the most successful case of open regionalism in Latin America.

Required reading Gómez-Mera (2008)  
Gardini (2011)

## **WEEK 8                      MERCOSUR Trade Integration: Economic Outcomes**

In this class, students will learn about the debates amongst economists and political scientists on whether MERCOSUR is categorised as a successful example of new regionalism or not. We will use this debate 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 Baer and Silva (2014)  
Optional reading Vaillant (2005).

## **WEEK 9                      Field trip: Visit to Translatina (TBA)**

This week students will visit a transnational company that operates at a regional level, also known as "translatina". This trip aims to give information and insight of regionalism from the private actor's perspective regarding the effects, challenges, opportunities, and interests. Students will have to submit a short essay on this trip, using the knowledge from the previous classes to present the arguments.

## **WEEK 10                    Theory to fertilize third wave: post liberalism and post hegemony**

This so-called third wave of regionalism can only be observed in Latin America, pointing not only the particularities of the region in the world but also the diversity within the region. The literature that deals with this phenomenon is regionally produced, which explains the causes of emergence and changes of agendas.

Required reading Riggirozzi and Tussie (2012)  
Optional reading Briceño Ruiz (2013)



## WEEK 11

### **The Union of South American Nations (UNASUR) as a paradigmatic case of Latin American new regionalism**

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 of this so called "third wave of regionalism" by looking at the treaty, objectives, institutions and agendas. Students will be asked to select one issue or agenda of Unasur and make a short research and oral presentation on drivers, goals, institutional building, funding, actors involved on it and to evaluate to what extent we can speak about integration, coordination or regional cooperation. They should also justify to what extent we should speak of continuity and/or breakdown with the previous waves.

Required reading Sanahuja (2012)  
Optional reading Petersen and Schulz (2018)

## WEEK 12

### **What is new in the Pacific Alliance: new agendas and economic outcomes?**

The objective of this class is to introduce students to the current debates on regional trade in Latin America and to discuss the changes (scope and depth) as well as the factors (endogenous and exogenous). The lecturer will show and analyse statistical data of trade flows in the region. Students will compare Pacific Alliance and Unasur, using the concepts learnt in the previous class.

Required reading Bárcena (2016)  
Optional reading EY (2017)

## WEEK 14

### **Summary and conclusion**

In this class, there will be brief revisiting of each wave of the Latin American regionalism. Students will ask questions and clarify their queries. Then, feedback on their work will be given as well as guidance for the final exam.

Required reading Botto, M. (2019) "Regional integration in Latin America: An impossible aspiration? The case of Mercosur (1991-2019)". In R. Lubbock, E. Vivares, E. & T. Muhr (Eds), *The Reconfiguration of 21st Century Latin American Regionalism: Actors, Processes, Contradictions, and Prospects*. Chapter submitted for publication.





## WEEK 15

## Final exam

### Course Materials

#### Readings

- Adebajo, A. (2014). Two Prophets of Regional Integration: Prebisch and Adedeji. In B. Currie-Alder, R. Kanbur, D. M. Malone, & R. Medhora (Eds.), *International Development* (pp. 323–338). Oxford: Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780199671656.003.0020>
- Baer, W., & Silva, P. (2014). Mercosul: Its Successes and Failures During Its First Two Decades. *Latin American Business Review*, 15(3–4), 193–208. <https://doi.org/10.1080/10978526.2014.931778>
- Bárcena, A. (2016). The Pacific Alliance: trade, investment and strategic challenges. In M. Torres Jarrín & J. Violante Pica (Eds.), *Emerging Markets: The Pacific Alliance Perspectives and Opportunities for Latin America* (pp. 45–64). Salamanca: European Institute of International Studies. Retrieved from [http://www.ieeiweb.eu/wp-content/uploads/2016/01/The-Pacific-Alliance\\_book.pdf](http://www.ieeiweb.eu/wp-content/uploads/2016/01/The-Pacific-Alliance_book.pdf)
- Börzel, T. A. (2016). Theorizing Regionalism: Cooperation, Integration, and Governance. In T. A. Börzel & T. Risse (Eds.), *The Oxford Handbook of Comparative Regionalism* (pp. 42–63). New York: Oxford University Press. <https://doi.org/10.1093/oxfordhb/9780199682300.013.4>
- Briceño Ruiz, J. (2013). Ejes y modelos en la etapa actual de la integración económica regional en América Latina. *Estudios Internacionales*, 45(175), 9–39. <https://doi.org/10.5354/0719-3769.2013.27352>
- Briceño Ruiz, J. (2017). Raúl Prebisch and the theory of regional economic integration. In M. E. Margulis (Ed.), *The Global Political Economy of Raúl Prebisch* (pp. 79–95). Abingdon: Routledge. <https://doi.org/10.4324/9781315414614>
- Dornbusch, R. (1995). North-South trade relations in the Americas: the case for free trade. In *Trade liberalization in the Western Hemisphere* (pp. 33–51). Washington, D.C.: Economic Commission for Latin America and the Caribbean. Retrieved from <http://hdl.handle.net/11362/1411>
- EY. (2017). Pacific Alliance Business and Investment Guide. Retrieved from <https://www.ey.com/Publication/vwLUAssets/EY-pacific-alliance-business-and-investment-guide-2017-2018/%24File/EY-pacific-alliance-business-and-investment-guide-2017-2018.pdf>
- Gardini, G. L. (2011). MERCOSUR: What You See Is Not (Always) What You Get. *European Law Journal*, 17(5), 683–700. <https://doi.org/10.1111/j.1468-0386.2011.00573.x>
- Gómez-Mera, L. (2008). How “new” is the “New Regionalism” in the Americas? The





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case of MERCOSUR. *Journal of International Relations and Development*, 11(3), 279–308. <https://doi.org/10.1057/jird.2008.14>

Hettne, B. (2003). The New Regionalism Revisited. In F. Söderbaum & T. M. Shaw (Eds.), *Theories of New Regionalism* (pp. 22–42). London: Palgrave Macmillan UK. [https://doi.org/10.1057/9781403938794\\_2](https://doi.org/10.1057/9781403938794_2)

Hurrell, A. (1995). Regionalism in Theoretical Perspective. In L. Fawcett & A. Hurrell (Eds.), *Regionalism in World Politics: Regional Organization and International Order* (pp. 37–73). Oxford: Oxford University Press.

Inter-American Development Bank. (2002). *Beyond borders: the new regionalism in Latin America*. Washington D.C.: Inter-American Development Bank. Retrieved from [https://issuu.com/idb\\_publications/docs/book\\_en\\_66478/45](https://issuu.com/idb_publications/docs/book_en_66478/45)

Mattli, W. (1999). *The Logic of Regional Integration*. Cambridge: Cambridge University Press. <https://doi.org/10.1017/CBO9780511756238>

Petersen, M., & Schulz, C.-A. (2018). Setting the Regional Agenda: A Critique of Posthegemonic Regionalism. *Latin American Politics and Society*, 60(1), 102–127. <https://doi.org/10.1017/lap.2017.4>

Riggiozzi, P., & Tussie, D. (2012). The Rise of Post-Hegemonic Regionalism in Latin America. In P. Riggiozzi & D. Tussie (Eds.), *The Rise of Post-Hegemonic Regionalism* (pp. 1–16). Dordrecht: Springer Netherlands. [https://doi.org/10.1007/978-94-007-2694-9\\_1](https://doi.org/10.1007/978-94-007-2694-9_1)

Sanahuja, J. A. (2012). *Post-liberal Regionalism in South America: The case of UNASUR* (EUI RSCAS No. 2012/05). San Domenico di Fiesole. Retrieved from <https://cadmus.eui.eu/handle/1814/20394>

Söderbaum, F. (2016). Old, New, and Comparative Regionalism. In T. A. Börzel & T. Risse (Eds.), *The Oxford Handbook of Comparative Regionalism* (pp. 16–40). New York: Oxford University Press. <https://doi.org/10.1093/oxfordhb/9780199682300.013.2>

Vaillant, M. (2005). MERCOSUR: Southern Integration under Construction. *Internationale Politik Gesellschaft*, 2(2), 52–71.

Villareal, M. A., & Fergusson, I. (2017). *The North American Free Trade Agreement (NAFTA) (CRS Report R42965)*. Federal Publications. Washington, D.C. Retrieved from [https://digitalcommons.ilr.cornell.edu/key\\_workplace/1937/](https://digitalcommons.ilr.cornell.edu/key_workplace/1937/)

## Online Resources

UNASUR Treaty

<http://www.linguee.es/ingles-espanol/traduccion/constitutive+treaty+of+unasur.html>

MERCOSUR Treaty

[https://idatd.cepal.org/Normativas/MERCOSUR/Ingles/Treaty\\_of\\_Asuncion.pdf](https://idatd.cepal.org/Normativas/MERCOSUR/Ingles/Treaty_of_Asuncion.pdf)

Rome Treaty

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

NAFTA

<https://www.nafta-sec-alena.org/Home/Texts-of-the-Agreement/North-American-Free-Trade-Agreement?mvid=2>



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CEPALSTAT

<http://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>

## 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](https://www.youtube.com/watch?v=8Mh_AJMsMN8&feature=youtu.be)

About mercosur

<https://www.youtube.com/watch?v=r5Z23vXdMyI&feature=youtu.be>

Democracy in Latin America Trends and Outlooks

<http://webtv.un.org/topics-issues/global-issues/watch/democracy-in-latin-america-trends-and-outlooks/491174816700>

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