

The Public Diplomacy of Trade in the Americas  
PUBD 599  
**DRAFT Syllabus**  
University of Southern California  
Spring 2008  
Dr. Pamela K. Starr

Office: STO L1  
Office Hours:

Phone: 740-4122  
Email: pkstarr@usc.edu

### **Course Description and Content**

The global trade debate has shifted significantly during the past 25 years ago. For most of the second half of the 20<sup>th</sup> century, developing countries hesitated to embrace the idea of open trading relations, favoring instead a strategy of protecting their domestic economies from foreign competition. This changed markedly during the 1990s when Eastern Europe and Latin America led the move among less-developed countries to embrace freer trade. Even as voices decrying the shortcomings of free trade grew stronger, agreements establishing more open trade ties among countries became ever more common. This dynamic was particularly pronounced in Latin America where the 1990s and early 21<sup>st</sup> century have been marked by an explosion in the number of regional free trade agreements.

This course analyzes the role of Public Diplomacy, and soft power more broadly, in the formation, maintenance, and failure of trade agreements in the Americas since the early 1990s. Latin America's initial embrace of freer trade with the United States and Canada, growing opposition to this strategy, and regional policy variations cannot be understood independent of hard power drivers. But neither can these developments be fully explained without taking into account the soft power and public diplomacy strategies employed by a wide variety of actors in the regional trade debate. This is the piece of the story we will emphasize.

This class unfolds in three phases. The first four class sessions introduce briefly 1) the foundations of the historic debate about free trade, especially as it relates to developing economies; 2) the origins and character of the post-World War II international economic order which has framed this debate for a half century; and 3) the "victory" of free trade over protectionism as the dominant global trade strategy in the early 1990s. The second section of the course looks at three regional free trade agreements – the North American Free Trade Agreement (NAFTA), Mercosur, and the Free Trade Area of the Americas – to illuminate the role of Public Diplomacy in the negotiations that defined their structure and in their ultimate approval or rejection. The final section considers the regional backlash to free trade in the last decade, how opponents of free trade have used public diplomacy to strengthen their position, and what this could mean for free trade in the Americas and beyond.

## **Course Requirements**

### Attendance and Class Participation:

All students are required to have completed the assigned readings before class each week and to participate in the class discussion. Students writing a review paper for that week will begin the discussion and the rest of the class must be prepared to join in the discussion. Since participation in these discussions is an integral portion of the course, attendance is key to students successfully completing the class.

### Short review papers:

During weeks 5-13 of the course (the sections on “free trade agreements” and “free trade backlash”) each student will write two short papers (1500 words) on the assigned readings. Each paper should summarize the main arguments presented in this body of work, highlighting the role of soft power and public diplomacy in the free trade debate, and draw conclusions about the relative effectiveness of these policy tools. Topics for the review papers will be assigned during the first week of class.

### Research paper:

Students will write an original research paper (4000 words) on the role of public diplomacy in the current trade debate in the Americas. Each paper will compare and contrast the PD tools used by at least two actors attempting to shape the regional debate and holding different policy positions. The object of this exercise is to draw conclusions about the relative effectiveness of the policy tactics employed by the actors analyzed. Why was a particular tactic or set of tactics either effective or ineffective and how might they be improved?

Students are encouraged to meet with the professor to define the topic of their paper during the first three weeks of class. At the 4<sup>th</sup> class meeting, students will turn in a proposal (500-800 words) that defines the topic of the research paper and sources. Students will deliver a draft of their paper (about 2/3 complete) to their reader at the 14<sup>th</sup> class meeting; readers will return this draft with their comments to the author within 72 hours.

### Reader:

Every student in the course will be assigned to read and comment on a draft paper submitted by another student. The quality of the comments will count toward the participation grade.

## **Grading**

Participation:	20%
Short Papers:	30% (15% each)
Research Paper:	50%

## **Statement on Academic Integrity**

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. *Scampus*, the Student Guidebook, contains the Student Conduct Code in Section 11.00, while the recommended sanctions are located in Appendix A: <http://www.usc.edu/dept/publications/SCAMPUS/gov/>. Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty.

### **Disability**

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered me by the end of the third week of the semester. DSP is located in STU 301 and is open 8:30 a.m. - 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776

Topics and Readings  
**DRAFT**

Week 1: Introduction

Discussion: What is the market and how does it operate?

**The Debate**

Week 2: Free Trade or Protectionism

Todd Buchholz, *New Ideas from Dead Economists*, Plume Books, 1990. Chapters on Smith, Keynes, and Monetarism (pp. 10-41 and 198-240).

Raul Prebisch, "Peripheral Capitalism", *CEPAL Review*, no. 1 (1976).

"Infant Industry Argument". <http://cias.snu.ac.kr/wthong/course/relation/re17.pdf>

Pamela Starr. "Perfecting Reform in Latin America: What Role for the State?" *Latin American Research Review*, 37:2 (2002): 183-199.

**The History**

Week 3: Making the world safe for free trade

G. John Ikenberry. The Political Origins of Bretton Woods. In Bordo, Michael D. and Barry Eichengreen, editors, *A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform*, National Bureau of Economic Research Project Report (NBER-PR), 1993.

David Lake, *Entangling Relations: American Foreign Policy in its Century*. Princeton University Press, 1999 (selected chapters).

Peter Hall. *The Political Power of Economic Ideas: Keynesianism across Nations*. Princeton, 1989 (selected chapters).

John Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order" *International Organization*, Spring 1982. 194-230.

Enrique V. Iglesias. "Latin America at the Time of the Prebisch Report". In Enrique V. Iglesias. *Reflections on Economic Development: Toward a New Latin American Consensus*. Washington, DC: Inter-American Development Bank, 1992: 1-24.

Tussie, Diana. 1998. Globalization and World Trade: From Multilateralism to Regionalism. *Oxford Development Studies* 26, 1.

Hurrell, Andrew, 'Regionalism in the Americas,' in Louise Fawcett and Andrew Hurrell (eds.), *Regionalism in World Politics. Regional Organization and International Order*, Oxford University Press, 1995.

## **Free Trade Triumphant**

Week 4: Globalization trumps Protectionism

Francis Fukuyama, "The End of History?" *The National Interest*, Summer 1989.

Beth Simmons and Zachry Elkins, "The Globalization of Liberalization: Policy Diffusion in the International Political Economy", *American Political Science Review* (2004), 98: 171-189.

Miles Khaler (1995), *International Institutions and the Political Economy of Integration*, Washington DC: The Brookings Institution.

Robert Zoellick, "Congress and the Making of U.S. Foreign Policy", *Survival* 41:4 (Winter 1999-2000).

Enrique Iglesias. "Evolution and Crisis of the Economies of Latin America." In *Reflections on Economic Development: 25-38*.

Glen Biglasier, "The Internationalization of Chicago's Economics in Latin America", *Economic Development and Cultural Change* 50 (2001): 269-286.

Pamela K. Starr, "Pax Americana in Latin America: The Hegemony behind Free Trade", in Jorge I. Dominguez and Kim Byung-Kook, eds., *Between Compliance and Conflict: East Asia, Latin America, and the "New" Pax Americana*, Routledge, 2005: 77-109.

Michael Lusztig. "The Evolution of Liberalization in Canada's Trade Policy", in Patrick James, et al ed. *Handbook of Canadian Foreign Policy*, Lexington Books, 2006: 83-104.

## **Three Free Trade Agreements**

Week 5-6: (Over) Selling NAFTA

Peter Hakim, "President Bush's Southern Strategy: The Enterprise for the Americas Initiative", *The Washington Quarterly*, 1992.

Maxwell Cameron and Brian Tomlin, *The Making of NAFTA: How the Deal was Done*, Cornell University Press, 2000.

John J. Audley. *Green Politics and Global Trade: Nafta and the Future of Environmental Politics*, Georgetown University Press, 1997

Carlos Salinas. Remarks before a Joint Session of the US Congress (4 October 1989).

Ralph Nader, et al. *The Case Against Free Trade: GATT, NAFTA, and the Globalization of Corporate Power*, North Atlantic Books, 1993.

Thomas Donahue, Testimony before Senate Labor and Human Resources Committee, 1993.

Wesley R. Smith, "The NAFTA Debate, Part I: A Primer on Labor, Environmental, and Legal Issues", The Heritage Foundation, April 9, 1993.  
<http://www.heritage.org/Research/TradeandForeignAid/BG936.cfm>

Barbara Franklin, "The NAFTA: Challenging Its Critics", Speech given at the heritage Foundation, May 6, 1993. <http://www.heritage.org/Research/TradeandForeignAid/HL448.cfm>

M. Delal Baer and Sidney Weintraub, eds., *The Nafta Debate: Grappling With Unconventional Trade Issues*, Lynne Rienner, 1994.

Byron Dorgan. "The NAFTA Debate that Never Was", *Columbia Journalism Review*, January 1994.

Paul Blustein, "NAFTA: Free Trade Bought and Oversold", *Washington Post*, September 30, 1996 <http://wpni.com/wp-srv/politics/special/trade/stories/tr093096.htm>

In Class: Selections from the Gore-Perot Debate over NAFTA, 10 November 1993.

## Week 7: Selling Mercosur

Federico Foders, "Mercosur: A New Approach to Regional Integration?" The Kiel Institute of World Economics, Kiel Working Paper, 746 (1996).

Andrew Hurrell. "The Politics of Regional Integration in MERCOSUR", in Victor Bulmer-Thomas, ed. *Regional Integration in Latin America and the Caribbean: The Political Economy of Open Regionalism*. London: Institute of Latin American Studies, University of London, 2001: 194-211.

Andres Malamud, "Presidential Diplomacy and the Institutional Underpinnings of Mercosur: An Empirical Examination", *Latin American Research Review*, 40:1, 2005: 138-164.

David R. Davila-Villers, "Competition and Co-operation in the River Plate: The Democratic Transition and Mercosur," *Bulletin of Latin American Research*, Vol. 11, No. 3 (Sep., 1992), pp. 261-277

Dominique Fournier, "The Alfonsín Administration and the Promotion of Democratic Values in the Southern Cone and the Andes," *Journal of Latin American Studies*, Vol. 31 (1999): 39-74.

Patricio Silva, "Democratization and Foreign Policy: The Cases of Argentina and Brazil, in Benno Galjart and Patricio Silva (eds.), *Democratization and the State in the Southern Cone. Essays on South American Politics*, CEDLA, Amsterdam (1989).

Week 8-9: Angling for FTAA

Gordon Mace, Louis Bélanger, and contributors. *The Americas in Transition: The Contours of Regionalism*, Lynne Rienner, 1999.

Jose M. Salazar-Xirinachs and Maryse Robert, eds., *Toward Free Trade in the Americas*, Washington, DC: Organization of American States/Inter-American Dialogue.

Jagdish Bhagwati, "Beyond NAFTA: Clinton's Trading Choices", *Foreign Policy*, No. 91 (Summer, 1993), pp. 155-162

Donald Mackay, "Challenges Confronting the Free Trade Area of the Americas". Policy Paper FPP-02-7. Ottawa: Canadian Foundation for the Americas (2002).

Jose M. Salazar-Xirinachs and Jose Tavares de Araujo, Jr., "The Free Trade Area of the Americas: A Latin American Perspective". *World Economy* 22, 6 (August 1999): 783-98.

Robert A. Pastor, "The Clinton Administration and the Americas: The Postwar Rhythm and Blues", *Journal of Inter-American Studies and World Affairs*, Vol. 38, No. 4 (Winter, 1996), pp. 99-128

David Sheinin, "The New Dollar Diplomacy in Latin America", *American Studies International*, 37, 3 (1999): 81-99.

Richard Feinberg, *Regionalism and Domestic Politics: U.S.-Latin American Trade Policy in the Bush Era*. (Policy Issues). University of Miami, International and Comparative Studies, 2002.

## **The Free Trade Backlash**

Week 10: The Dream Turns Sour: The Peso Crisis and Beyond

### Mexico

Denise Dresser, "Falling from the Tightrope: The Political Economy of the Mexican Crisis", in Moises Naim and Sebastian Edwards, eds., *Mexico 1994: Anatomy of an Emerging-Market Crash*, Carnegie Endowment for International Peace, 1998.

Paul Rich, "NAFTA and Chiapas", *Annals of the American Academy of Political and Social Science*, Vol. 550, *NAFTA Revisited: Expectations and Realities* (Mar., 1997), pp. 72-84.

Steven D Morris and John Passe-Smith, "What a Difference a Crisis Makes: NAFTA, Mexico and the United States", *Latin American Perspectives*, 28:3 (May 2001): 124-149.

Robert Blecker, *NAFTA and the Peso Collapse: Not a Coincidence*, Economic Policy Institute, briefing paper, May 1997. [http://www.epinet.org/briefingpapers/1997\\_bp\\_nafta.pdf](http://www.epinet.org/briefingpapers/1997_bp_nafta.pdf)

Bradford DeLong, Christopher DeLong, and Sherman Robinson, "The Case for Mexico's Rescue: The Peso Package Looks Even Better Now", *Foreign Affairs*, May/June 1996.

Brett M. Humphrey, "The Post-Nafta Mexican Peso Crisis: Bailout or Aid? Isolationism or Globalization?" *Hinckley Journal of Politics*, Vol 2, No. 1 (Spring 2000): 33-40.  
[www.lib.utah.edu/epubs/hinckley/v2/humphrey.htm](http://www.lib.utah.edu/epubs/hinckley/v2/humphrey.htm)

Howard Wiarda, "After Miami: The Summit, the Peso Crisis and the future of US-Latin American Relations", *Journal of Interamerican Studies and World Affairs* 37:1 (Spring 1995): 43-68.

### Argentina

Pamela Starr, "Argentina: Anatomy of a Crisis Foretold", *Current History* 102 (February 2003): 65-71.

Anthony Faiola, "Argentina Doubts Market Wisdom: Crisis Weakens Region's Embrace of Capitalism, Many Say", *Washington Post*, August 6, 2001; Page A01

William C. Prillaman, "Bailout in Buenos Aires?", *Washington Times*, 17 November 2002. [http://www.brookings.edu/opinions/2002/1117southamerica\\_prillaman.aspx](http://www.brookings.edu/opinions/2002/1117southamerica_prillaman.aspx)

Ana I. Eiras and Stephen Johnson, "More Loans Without Reform Will Only Prolong Argentina's Economic Woes", Heritage Foundation, Executive Memorandum #888, June 25, 2003. <http://www.heritage.org/Research/LatinAmerica/EM888.cfm>

### Regional

Manuel R. Agosin and Ricardo Ffrench-Davis, "Trade Liberalization and Growth: Recent Experiences in Latin America", *Journal of Interamerican Studies and World Affairs* 37:3 (Fall 1995): 9-58.

Joseph F. Stiglitz, "Trade and the Developing World: A New Agenda", *Current History* (November 1999): 387-393.

John Sheahan, "Effects of Liberalization Programs on Poverty and Inequality", *Latin American Research Review* 32:3 (1997): 7-37.

### Week 11-12: The Global Free Trade Backlash

Roberto Patricio Korzeniewicz and William C. Smith, *Protest and Collaboration: Transnational Civil Society Networks and the Politics of Summitry and Free Trade in the Americas*, Agenda Paper 51, Coral Gables: North-South Center (September 2001).

Benjamin Barber. "Jihad Vs. McWorld" *Atlantic Monthly* (March 1992): 53-65.

### Zapatistas

Harry M. Cleaver Jr., "The Zapatista Effect: The Internet and the Rise of an Alternative Political Fabric", *Journal of International Affairs*, 51:2 (1998): 621-640.

Jerry W Knudson, "Rebellion in Chiapas: Inaurrection by Internet and Public Relations", *Media, Culture & Society*, vol. 20, 1998, 507-518.

Gabriel García Márquez and Roberto Pombo, "The Punch Card and the Hourglass: Interview with Subcomandante Marcos," *New Left Review*, 9 (may-June) 2001.

### Seattle

Margaret Levi and David Olson, "The Battles in Seattle", *Politics & Society*, 28:3 (2000): 309-329.

J. Aart Scholte, "Cautionary Reflections on Seattle", *Millennium: Journal of International Studies*, 29:1 (2000): 115-121.

Pierce M. Eagleton, "The Internet and the Seattle WTO Protests", *Peace Review*, 13:3 (1 September 2001): 331-337.

Chuck Munson, "Five Years After WTO Protests", *Counterpunch Magazine*, <http://www.counterpunch.org/munson11302004.html>

### World Social Forum

Michael Hardt, "Porto Alegre: Today's Bandung", *New Left Review*, 14 (March-April 2002)

Boaventura De Sousa Santos, "The Future of the World Social Forum: The Work of Translation", *Development* 48 (2005): 15-22.

### Week 13: The NAFTA backlash in the US

Geri Smith, "Was NAFTA Worth It?", *Business Week*, 23 December 2003.  
[www.businessweek.com/magazine/content/03\\_51/b3863008.htm](http://www.businessweek.com/magazine/content/03_51/b3863008.htm)

Louis Uchitelle "NAFTA should have stopped Illegal Immigration, Right?", *New York Times*, 18 February 2007.  
<http://www.nytimes.com/2007/02/18/weekinreview/18uchitelle.html?pagewanted=print>

Carolyn L. Deere & Daniel C. Esty eds., *Greening the Americas: NAFTA's Lessons for Hemispheric Trade*. MIT Press (Fall 2002).

Sherrod Brown, *Myths of Free Trade: Why American Trade Policy has Failed*, The New Press, 2006.

John R. MacArthur, *The Selling of "Free Trade": NAFTA, Washington, and the Subversion of American Democracy*, University of California press, 2001.

Robert B. Zoellick, Statement before the US Senate Committee on Finance, February 6, 2002

Daniel Drezner, *U.S. Trade Strategy: Free Versus Fair*, Council on Foreign Relations, 2006.

Woodrow Wilson International Center for Scholars, *NAFTA at 10: Progress, Potential, and Precedents*, 2004.

In Class: Video selections, including Lou Dobbs, the News Hour, and others.

### **The Future of Trade in the Americas**

Week 14: Free Trade Area of the Americas versus the Bolivarian Alternative

Isabel Studer and Carol Wise, eds., *Requiem or Revival? The Promise of North American Free Trade*, Brookings, 2007.

Jeffrey J Schott, Gary C Hufbauer, "Whither the Free Trade Area of the Americas?" *World Economy*, 22 (6), 1999: 765–782.

Robert B. Zoellick "Free Trade and the Hemispheric Hope", Prepared Remarks, Council of the Americas, Washington, DC (May 7, 2001).

"Free Trade Agreements get a Mixed Review", Pew Research Center: The People and the Press, (December 2006). <http://people-press.org/reports/display.php3?ReportID=299>

Latin Barometer Survey.

Teresa Arreaza. "ALBA: Bolivarian Alternative for Latin America and the Caribbean" (2004). <http://www.venezuelanalysis.com/doc/339>

Paul Kellogg, "The Bolivarian Alternative for the Americas: Dawn of an Alternative to Neoliberalism?" Paper presented to the 2006 annual meeting of the Canadian Political Science Association, York University, Toronto, May 1, 2006.

Ana Julia Jatar and Sidney Weintraub eds., *Integrating the Hemisphere: Perspectives from Latin America and the Caribbean*. Washington, DC: Inter-American Dialogue (1997).

Mario E. Carranza, Can Mercosur Survive? Domestic and International Constraints on Mercosur, *Latin American Politics and Society*, 45:2 (Summer, 2003): 67-103

"Brazil Increasingly Unenthusiastic about U.S. FTAA Proposals," Americas Program Analytical Article (Interhemispheric Resource Center, February 1, 2002).  
<http://americas.irc-online.org/briefs/2002/0202brazil.html>

Barbosa, Rubens Antonio, "A View from Brazil", *The Washington Quarterly* 24:2 (Spring 2001): 149-157

In Class: Video selections including Hugo Chavez, Evo Morales (on Jon Stewart), and Vicente Fox (on Larry King)

Week 15: CAFTA and the Future of Free Trade in the Americas

Daniel C Esty, "The World Trade Organization's Legitimacy Crisis" *World Trade Review*, 1 (2002): 7-22

Saskia Sasson, "The State and the New Geography of Power", in Saskia Sasson, *Losing Control? Sovereignty in an Age of Globalization*, Columbia University Press, 1996, chapter 1.

Remmer, Karen L., "Does Democracy Promote Interstate Cooperation? Lessons From the Mercosur Region", *International Studies Quarterly*, 42 (1998): 25-52.

Kurt Weyland, "Assessing the Political Sustainability of Latin American "Neoliberalism", paper presented at Brown University, November 2002.

Inter-American Dialogue, *Bridging the Divide: Toward Consensus on Free Trade in the Americas*, Washington, DC, December 1, 2003.

Jose M. Salazar-Xirinachs, "A Free Trade Agreement Between the United States and Central America: Background and Prospects", Remarks made at the conference "Negotiating Free Trade in the Hemisphere," sponsored by the Inter-American Dialogue. Washington, DC, February 20, 2002.