

ECON 4855 – 001: US-MEXICO ECONOMIC RELATIONS

Fall 2025

Professor: *David J. Molina*
Phone: *940-565-4543*
E-mail: **david.molina@unt.edu**
Office: *344 Wooten Hall*
Class: *Monday, Wednesday, Friday 10:00-10:50, Rm #117 Wooten Hall*
Office Hrs. *Monday and Wednesday from 2-3 or by appointment*

Course Purpose and Objectives

This course is a study of the economic relations between the two countries with a particular emphasis on the relation between Texas-Mexico. This border is not only of significance because it is our border but because the U.S. and Mexico have the longest border between a first world economy and a developing economy. In addition, the US is the largest export and import country for Mexico and Mexico ranks among the largest external markets for the US. Mexico is a large source of labor for the US and Mexico receives a large portion of its international currency through remittances sent back by these workers. The economic ties also extend to illegal contraband. This includes the northbound drug trade and the southbound goods (including guns). To fully understand the economic ties we will review historical aspects, political aspects, environmental issues, as well as labor and capital mobility issues.

Required Text

There is no required text.

Recommended readings will be placed on CANVAS

Grading

This semester's course will be weighted as follows:

Exam I	25%
Paper 1 – NAFTA/USMCA	15%
Homework	10%
Paper 2 – Approved Topic	20%
Final Exam	30%

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COURSE OUTLINE

Subject

I.) *Introduction*

Background: U.S.-Mexico war and establishment of the U.S. Border, US-Mexico Trade patterns, oil discoveries in Mexico, labor issues, etc.

II.a) *The Border and the Maquiladora Industry*

The Border Industrialization Program(BIP). The misnomer of the term “industry.” The integration of Mexican industrial production and US offshore production. The four stages of the Maquiladora industry.

II.b) *Maquiladora Industry (cont.)*

Maquiladora industry as the precursor to the NAFTA. Senator Lloyd Millard Bentsen (TX) attempts to create a Free Trade Zone (FTZ) between US and Mexico. USITC hearings on FTZ that sets a governmental blueprint for a US-Mexico Free Trade agreement (1985).

III) *International Economic Integration and NAFTA*

Different levels of economic integration. FTA is the least inclusive of all levels of economic integration. Early work by Sidney Weintraub (1984) entitled: ‘Free Trade Between Mexico and the U.S.’

IV) *The Forces Behind NAFTA*

Fall of the Soviet Union and Mexico’s admittance to GATT. Political benefit and strategic benefit to establishing FTA with Mexico and Mexico’s desire to show national benefits to open markets. Transnationals interest in reducing tariffs, establishing clear dispute resolution procedures, increasing trucking availability on both sides of the border, and ensuring Mexico’s commitment to open markets. US having relative and absolute capital advantage, US labor oppose and join forces with environmental groups. Mexico having the relative labor advantage places Mexican labor in a economic and political conundrum.

V) *The NAFTA negotiations*

US desire to keep talks out of the public eye and Mexico’s desire to make them public. Canada joins into a tri-national negotiation as a means of renegotiating the US-Canada FTA particularly the automobile sector. Economic models used to predict outcome of a NAFTA (including computable general equilibrium models). Negotiations under a Uruguay-GATT format. The importance of the Anatole Hotel in Dallas as Mexico concedes maiz. Fast-Track and WTO/NAFTA. Clinton’s side agreements.

VI) *Issues Addressed by NAFTA*

Sector by sector evaluation of the NAFTA

VII) *NAFTA: Evaluation and Future Prospects*

U.S.-MEXICO-CANADA AGREEMENT (USMCA)

VIII) *Migration*

The Bracero program and the exclusion of Texas. End of Bracero program and BIP. Models of migration. Migration networks. Impact of remittances to the Mexican economy. Unauthorized population in the US. Economic impact of migrants in the US.

IX) *Environmental Issues*

NAFTA and Environmental side agreement. NADBank. Industrial development along the border and the environment.

X) *The Militarization of the Border (War on Drugs and post 9/11)*

Increase of resources (both civilian and military) along the US Mexican border.

XI) *Regional Integration*

State export data to Mexico in absolute terms, as percentage of state total exports and as a percentage of State Domestic product. Unauthorized Mexican population in each state. Mexican state's exports of goods and services and migrants to the US

XII) *Income Distribution and other economic issues*

Gini coefficient and other measurements of income distribution in each country. Impact of remittances and foreign direct investment on income distribution in Mexico as well as different regions.

Paper Dates

You must clear your topic with me. Failure to clear subject with me will lower grade by 3 points. If you wish to have your paper graded and have the opportunity to improve upon it, you must hand it in by the *Early Review*. You will get it back ASAP. If you do not wish to submit your paper for early review it is due on either NAFTA or TOPIC due dates. Failure to hand in a paper by those due dates will result in late points been taken off (5 pts per day late - not including weekends or school holidays).

DO NOT NEED TO HAND IN A HARD COPY OF YOUR PAPER.

You must submit your paper on Canvas

MAKE SURE THAT YOUR PAPER IS IN ONLY ONE FILE AND THAT THE FILE CONTAINS YOUR LAST NAME AND TITLE (OR ABBREVIATED TITLE)

Semester Schedule

Week	TOPIC
8/18	<i>I – Introduction</i>
8/25	<i>I - Continue ; IIa – The Border and the Maquiladora Industry</i>
9/1	<i>IIa - Continue</i>
9/8	<i>III - International Economic Integration and NAFTA and IV - The Forces Behind NAFTA</i>
9/15	<i>IV – Continue V - The NAFTA negotiations</i>
9/22	<i>VI - Issues Addressed by NAFTA</i> <i>Early Review of First Paper 9/26</i>
9/29	<i>VI – Continue VII - NAFTA: Evaluation and Future Prospects: U.S.-MEXICO-CANADA AGREEMENT (USMCA)</i>
10/6	<i>VI – Continue VII - NAFTA: Evaluation and Future Prospects: U.S.-MEXICO-CANADA AGREEMENT (USMCA)</i>
10/10	<i>VII – EXAM October 10th(Tentative)</i>
10/13	<i>VIII – Migration</i> <i>NAFTA Paper due on 10/17</i>
10/20	<i>VIII – Continue</i>
10/27	<i>IX - Environmental Issues</i>
11/3	<i>X – The Militarization of the Border (War on Drugs and post 9/11) and The Wall</i> <i>Early Review of Second Paper 11/7</i>
11/10	<i>X – Continue</i>
11/17	<i>XI - Regional Integration</i>
11/24	<i>Thanksgiving Break (all week)</i>
12/1	<i>XII - Income Distribution and other economic issues</i> <i>TOPIC Paper due on 12/1</i>
12/6	<i>Final Exam (Saturday) 8:00-10:00 a.m. <u>(Note the day and time)</u></i>



PAPER GUIDELINES: ECON 4885

The two papers will be: 1) First one is on a NAFTA/USMCA topic. 2) A pre-approved top

1. Your paper must contain the following elements:

- a. A title page set up to include:

TITLE

COURSE/SEMESTER

YOUR NAME

- b. An abstract (no longer than 75 words).
c. An introduction outlining the topic you are to write about
d. The body of the paper should explain *the main issues regarding your topic. Make sure to highlight economic issues though other aspects such as political, cultural, environmental, etc. can (and in some cases **should** be included).*
e. A conclusion, that brings together your arguments and maybe even possible other aspects to be discussed in another research.
f. Proper citations and bibliography should be according to a mainstream manual of style. For Internet and electronic mail you can use the citation format found in: <http://www.bedfordstmartins.com/online/citex.html>, or any other format you were taught in an English class.
g. You must have at least three sources. Several pages with one web site are probably not different sources. If in doubt you should check with me. WIKIPEDIA.COM is not an acceptable source.

2. Your paper must be between 5 and 8 typewritten pages. It must be double-spaced on white paper, using one-inch margins. **You must submit your paper in electronic form.**

Attendance Policy

Attendance will be taken until the census date to ensure that you are on the roll. After that, attendance is encouraged. The exams will be guided by the time devoted to certain topics in the class sessions. In other words, missing class will reduce your knowledge of what topics will be covered more extensively in the exam.

Students are expected to attend class meetings regularly. It is important that you communicate with me prior to being absent, so you and I can discuss and mitigate the impact of the absence on your attainment of course learning goals. Please inform me if you are unable to attend class meetings because you are ill, in mindfulness of the health and safety of everyone in our community.

Cheating and Plagiarism

AI, Plagiarism, and Academic Integrity

The "unauthorized" use of any person or technology that assists in a student's assignment, project, or paper is considered cheating under the UNT Student Academic Integrity Policy (UNT Policy 6.003). Unless a professor or instructor gives explicit "authorization," AI cannot be used to complete assignments, projects, or papers. Doing so will result in a "cheating" violation.

Office of the Provost. 2024. "Frequently Asked Questions -- Faculty." Student Success. <https://vpaa.unt.edu/ss/integrity/faq-faculty.html>

AI should not be used to assist in writing papers, searching for sources, or creating citations. Citations provided by AI are fabricated by mimicking existing bodies of work. In most cases, AI will pull direct quotes from existing sources to answer queries and make-up information about the source.

AI can be used ethically to help you develop an outline for a paper, generate ideas, and learn a citation style. Talk to your [subject librarian](#) or professor about how you can use AI ethically.

Academic Integrity and Plagiarism at UNT

UNT values academic integrity. The Office of the Provost and Student Success provide the following resources to understanding academic integrity, policies, and resources for students, faculty, and administration leadership.

Academic integrity emanates from a culture that embraces the core values of trust and honesty necessary for full learning to occur. As a student-centered public research university, the University of North Texas promotes the integrity of the learning process by establishing and enforcing academic standards. Academic dishonesty breaches the mutual trust necessary in an academic environment and undermines all scholarship.

See UNT Policy [06.003, Student Academic Integrity](#)

The Office of the Provost and the Office for Student Success is responsible for issues concerning academic integrity. The Academic Integrity Officer works with faculty and students regarding investigations of misconduct. Please submit all questions related to academic integrity to academic.integrity@unt.edu.

ADA Accommodation

The University of North Texas makes reasonable academic accommodation for students with disabilities. Students seeking accommodation must first register with the Office of Disability Accommodation (ODA) to verify their eligibility. If a disability is verified, the ODA will email the instructor with an accommodation letter. You must begin a private discussion with the faculty regarding your specific needs in a course. You may request accommodation at any time, however, ODA notices of accommodation should be provided as early as possible in the semester to avoid any delay in implementation. Note that students must obtain a new letter of accommodation for every semester and must meet with each

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faculty member prior to implementation in each class. For additional information see the Office of Disability Accommodation website at <https://studentaffairs.unt.edu/office-disability-access/students/register-for-services> . You may also contact them by phone at 940.565.4323.

The Economics Department cooperates with the Office of Disability Accommodation (ODA) to provide reasonable accommodation for qualified students with disabilities. If you have not registered with ODA, we encourage you to do so.