

SoSe 2020/summer term 2020

Dr. Felicitas Nowak-Lehmann D.

**800218: Seminar on the Economic Situation of Latin America in the 21<sup>st</sup> Century:  
'Trade-related and Macroeconomic Issues in Latin American (LA) Policy Making'**

**Module: M.WiWi-VWL.0023.Mp**

**July 17-18, 2020**

**1. Organizational issues**

Topic selection: Please register and preselect your preferred TOPIC via Stud.IP.

In order to state your preferences, in Stud.IP, go to 'Participants' – 'Functions/Groups', and choose a topic by joining a group. Only one topic per person can be chosen. **Registration begins on April 9, 2020 (noon).**

Topics are allocated according to a first come, first serve basis and by certain priority criteria<sup>1</sup>. The final allocation of topics will take place on **April 20 (by emailing your topic number to fnowak@uni-goettingen.de** and reaffirming your interest including a quarter-page concept for your paper). Thereafter some relevant information on the course will be sent to you via email.

If I do not receive an email from you, your topic preselection becomes invalid.

Up to two students may work on the same topic. Each student, however, is required to write individual seminar papers. The seminar paper counts 2/3 towards the final grade).

In terms of presentations, students are encouraged to organize joint-presentations (with someone working on the same topic). Presentations should be created in a printer-friendly version (white background!). Presentation and participation in discussions count together 1/3 towards the final grade.

Registration: Please register also in Flex Now to be formally enrolled in the seminar and be able to earn credits (see dates below). Withdrawal from the course after registration deadline in Flex Now is only possible with a medical certificate.

**2. Important Dates**

**09-04-2020** Start of *preliminary* topic selection in Stud IP (at 12:00 (noon))

**20-04-2020** *Final* allocation of topics via email confirmation by F. Nowak who will respond to a prior email from you (with an expression of interest)

**20-04-2020** FlexNow opens for enrollment and is open for 6 days until April 26, 2020

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<sup>1</sup> You have a high priority if you are in the 4<sup>th</sup> or 5<sup>th</sup> semester in the MA program. Therefore, please state in your email which MA semester you are currently in and whether you are a student of MA Development Economics or MA International Economics or any other MA program.

**26-04-2020** April 26 is the last possible enrollment date in Flex Now (in order to earn credits!!)

**09-07-2020** Handing-in of seminar papers (1 hard copy) no later than 12h.

**15-07-2020** Upload of power point presentations via Stud IP no later than 12h (folder for documents).

**17-07-2020 and 18-07-2020 Block Seminar (I will keep you updated on the possibility to have classroom presentations. If classroom presentations are not possible, we will find a solution.)**

**Otherwise, presence and full participation during the block seminar is required.** Location: tba

**Office hours after the university has reopened :**

Felicitas Nowak-Lehmann

Wednesday, 11-12h (without appointment) & Thursday, 14-16h only by appointment, OEC 2.205, Tel: 0551 39-7487, [fnowak@uni-goettingen.de](mailto:fnowak@uni-goettingen.de).

### **3. List of topics**

The introductory literature (listed below) is provided in this syllabus.

## **I. Trade and Economic Development in Latin America (LA)**

**Topic 1: Is trade openness always a good trade and/or development strategy? Theoretical aspects and empirical evidence for a specific LA country**

Akman, S. et al. (2018) Mitigating the adjustment costs of international trade. T20\_Argentina 2018. CARI (Consejo Argentina para las Relaciones Internacionales)

<https://www.g20-insights.org/wp-content/uploads/2018/07/Tf-7-7-1-AdjustmentCostsG20FormatMay232018-2.pdf>

Huchet-Bourdon, M., Le Mouel, C. & Vijil, M. (2018) The relationship between trade openness and economic growth. Some new insights on the openness measurement issue. *The World Economy* 41(1): 59-76.

<https://onlinelibrary.wiley.com/doi/full/10.1111/twec.12586>

**Topic 2: Is the Asian trade strategy superior to the Latin American trade strategy to promote economic development (in terms of per capita income/GDP growth)? Theory and empirical evidence**

Agosin, M.R. (2007) Trade and growth: Why Asia grows faster than Latin America, in: *Economic Growth with Equity*, pp.201-219. Springer Nature Switzerland.

[https://link.springer.com/chapter/10.1057/9780230800915\\_9](https://link.springer.com/chapter/10.1057/9780230800915_9)

Camarero, M., Martínez-Zarzoso, I., Nowak-Lehmann, F. , Tamarit, C. (2016) Trade openness and income: A tale of two regions. *The World Economy* 39(3): 386-408.

<https://onlinelibrary.wiley.com/doi/full/10.1111/twec.12306>

**Topic 3: Does export diversification promote economic development? Theoretical aspects and experience of a specific LA country**

Hesse, H. (2008) Export diversification and economic growth. Working Paper No. 21. Commission on Growth and Development. World Bank. Washington, D.C.

Kilolo, J-M., and Osakwe, P.N. (2018) What drives export diversification? New evidence from a panel of developing countries. UNCTAD Research Paper No. 3. United Nations Conference on Trade and Development. Geneva.

McIntyre, A., Li, M.X., Wang, K. and Yun, H. (2018) Economic benefits of export diversification in small states. IMF Working Papers WP/18/86. International Monetary Fund. Washington, D.C.

**Topic 4: Is strategic trade policy/industrial policy a good option to promote economic development in Latin America? What are the theoretical issues and the actual results (e.g. in Mexico or Brazil)?**

Linbo, J. (2017) The development of strategic trade policy and its application in China. *The Chinese Economy* 50(2): 97-111.

<https://www.tandfonline.com/doi/abs/10.1080/10971475.2016.1227163?scroll=top&nedAccess=true&journalCode=mces20>

Ramos Silva, J. and Crespo Faustino, H. (2000) Strategic trade policy and the new WTO round.

[https://www.researchgate.net/publication/242595891\\_Strategic\\_Trade\\_Policy\\_and\\_the\\_New\\_WTO\\_Round](https://www.researchgate.net/publication/242595891_Strategic_Trade_Policy_and_the_New_WTO_Round)

**Topic 5: The Costs and benefits of moving from multilateral to bilateral trade agreements. Theoretical aspects and the experience of a specific Latin American country (e.g. Chile or Mexico)**

LatAm Investor (2018) Why Latin America loves trade deals. June 26, 2018. <http://latam-investor.com/2018/06/latin-americas-love-trade-deals/#>

Perales, J.R. (2012) The hemisphere's Spaghetti bowl of free trade agreements. *Americas Quarterly*. Issue: Social Inclusion, Spring 2012. <https://www.americasquarterly.org/perales>

## **II. Foreign Aid and Economic Development**

**Topic 6: Does foreign aid promote per capita income? Theoretical and empirical insights for developing countries in general and the Latin American region in particular**

Doucouliaagos, H. and Paldam, M. (2013) The robust result in meta-analysis of aid effectiveness: A response to Mekasha and Tarp. *Journal of Development Studies* 49(4): 584-587. <https://www.tandfonline.com/doi/full/10.1080/00220388.2013.764595>

Rajan, R. and Subramanian, A. (2008) Aid and growth: What does the cross-country evidence really show? *Review of Economics and Statistics* 90(4): 643-665. <http://www.mitpressjournals.org/doi/pdf/10.1162/rest.90.4.643>

**Topic 7: Are certain types of aid more effective than others? Which type of aid does work better to stimulate growth?**

Rajan, R. and Subramanian, A. (2008) Aid and growth: What does the cross-country evidence really show? *Review of Economics and Statistics* 90(4): 643-665. <http://www.mitpressjournals.org/doi/pdf/10.1162/rest.90.4.643>

Biscaye, P.E., Reynolds, T.W. and Anderson, C.L. (2017) Relative effectiveness of bilateral and multilateral aid on development outcomes. *Review of Development Economics* 21(4): 1425-1447. <https://doi.org/10.1111/rode.12303>

**Topic 8: Is aid for trade (AfT) effective in promoting trade in developing countries?**

Cali, M. and te Velde, D.W. . 2011. Does Aid for Trade Really Improve Trade Performance?

*World Development* 39 (5): 725–40. <https://doi.org/10.1016/j.worlddev.2010.09.018>

Vijil, M. (2014) Aid for trade effectiveness: Complementarities with economic integration.

*The World Economy* 37(4): 555-566. <https://doi.org/10.1111/twec.12140>