

SoSe 2021/summer term 2021

Dr. Felicitas Nowak-Lehmann D.

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

Module: M.WiWi-VWL.0023.Mp

July 16-17, 2021

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 1, 2021 (noon).**

Please email your topic number and quarter-page concept for your paper to fnowak@uni-goettingen.de to reaffirm your interest in the selected topic by April 13. If I do not receive an email from you, your topic preselection in Stud IP becomes invalid.

The final allocation of topics will take place on **April 15 in the introduction meeting**. Topics are allocated according to a first come, first serve basis and by certain priority criteria¹.

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

01-04-2021 Start of *preliminary* topic selection in Stud IP (at 12:00 (noon))

01-04-2021 FlexNow opens for enrollment and is open until **April 23, 2021**

13-04-2021 Email expression of interest to fnowak@uni-goettingen.de

14-04-2021 If applicable, email confirmation by F. Nowak that you can work on the topic

15-04-2021 Introduction meeting and *final* allocation of topics

¹ You have a high priority if you are in the 4th or 5th 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.

23-04-2021 April 23 is the last possible enrollment date in Flex Now (in order to earn credits!!)

09-07-2021 Handing-in of seminar papers (1 hard copy) no later than 12:00 (noon).

14-07-2021 Upload of power point presentations via Stud IP no later than 12:00/noon (folder for documents).

16-07-2021 and 17-07-2021 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 via ZOOM meetings:

Felicitas Nowak-Lehmann

Wednesday, 11-12h (via Stud IP (my profile...consultation hours), OEC 2.205, Tel: 0551 39-27487, fnowak@uni-goettingen.de).

3. List of topics

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

Trade and Economic Development in Latin America (LA)

Topic 1: Does trade liberalization really promote development? Theoretical aspects (long-term versus short-term consequences) and empirical evidence for developing countries (preferably for Chile)

Andersen,L. & Babula, R. (2008) The link between trade openness and long-run economic growth. The United States Trade Commission: Journal of International Commerce and Economics: web version. July 2008

https://www.usitc.gov/publications/332/journals/openness_growth_link.pdf

Riley, B. & Tyrell, P. (2017) 2018 Index of Economic Freedom: Freedom to Trade is Key to Prosperity. The Heritage Foundation.

<https://www.heritage.org/trade/report/2018-index-economic-freedom-freedom-trade-key-prosperity>

Tarr, D. & Matusz, S.J. (2005) The adjustment costs of trade liberalization. World Bank. Working Paper WP-111779.

<http://documents1.worldbank.org/curated/en/459791485150513352/pdf/111779-WP-PUBLIC-ADJUSTMENT-COSTS-OF-TRADE-LIBERALIZATION-THEADJUS.pdf>

Topic 2: When can trade interventions (protectionist measures) spur development? Theoretical aspects (perfect competition versus imperfect competition, scale effects, externalities) and empirical evidence for developing countries (preferably for Brazil or Argentina)

Chang, W.W. & Katayama, S. (1995) *Theory and policy of trade with imperfect competition*. In: Imperfect competition in international trade. pp.15-52.

https://link.springer.com/chapter/10.1007/978-1-4615-2249-2_2

Gallas, D. (2018) The country [Brazil] built on trade barriers. BBC News. South America.

<https://www.bbc.com/news/business-44902104>

Topic 3: 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

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 4: Is strategic trade policy a good instrument 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

Topic 5: Does export diversification really 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 6: Is aid for trade (AfT) effective in promoting trade in developing countries?

Calì, 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>

Topic 7: Are modern trade regimes the way forward? Theoretical aspects and the case of Chile

Sáez, S. and Valdés, J.G. (1999) Chile and its 'lateral' trade policy. CEPAL Review 67.

<https://www.cepal.org/en/publications/10678-chile-and-its-lateral-trade-policy>

Stalling, B. (2008) Chile: A pioneer in trade policy. Working Paper 2008-E-11. Watson Institute for International Studies. Brown University

https://www.files.ethz.ch/isn/139264/wp2008-E-11_Stalling.pdf

WTO (2015) Chile. Trade Policy Review

https://www.wto.org/english/tratop_e/tpr_e/s315_e.pdf