
BLOCKSEMINAR

“GLOBALIZATION AND DEVELOPMENT”

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ESSENTIAL INFORMATION

Block course: December 16-17, 2011; VG 3.105 (Friday) and MZG 1213 (Saturday)

Introductory meeting: October 26, 2011, 17-18 h; VG 4.104

Course Description

This MA seminar will deal with selected topics regarding the relationship between globalization and economic development. The focus will be on the effects of trade and trade liberalization on growth, inequality, and poverty in developing countries.

Course Requirements

To acquire 6 credit points students will have to write a seminar paper (50%), prepare a presentation, participate in the discussions and briefly discuss a paper of another student (which together accounts for the other 50%).

Eligible Participants

The seminar is open to MA students in economics, MA students in the three business MA programs, and Diplom students in VWL or BWL.

Seminar Papers

The seminar papers should be written in English, comprising no more than 15 pages (Times New Roman, 12pt, 1.5 spaced, margins: left 2.5 cm, right 3.5; top/bottom 2.5, 15 pages excluding title page, table of content, bibliography and exhibits, max. 22 pages total). In addition, a short abstract of about 200 words (key question, methodology and main results) has to be composed. The papers should be analytical and critical, develop a coherent argument, draw own conclusions and should go beyond the pure summary of existing literature. Guidelines on well-written papers can be found on the webpage of Prof. Klasen (<http://www.uni-goettingen.de/de/64390.html>).

Students should hand in an electronic (pdf) as well as two printed copies of their seminar papers. The electronic version will then be made available to all other students for reading.

Presentations

The presentations should be in English and have a maximum (!) length of 30 min focusing on the main insights of the research papers. The speaker can use any visual device for her or his presentation (e.g. handouts, transparencies) and should be able to answer short questions during the presentation. (Please don't forget about your audience and prepare a well structured, interesting and educational presentation!)

Discussions

In addition, each student will be assigned to another paper which she or he should briefly (5 min) discuss after the presentation. The discussion should be a critical reflection of the paper and presentation (content, structure, unclear points) and come up with two or three questions to start a discussion. It is also expected that all other students have briefly gone through the papers of the other participants before the seminar, so that a good discussion after the presentations can take place.

TIME SCHEDULE

01.09.2011	Registration opens
26.10.2011	Obligatory initial meeting with final assignment of the topics
26.10. – 06.11.2011	Registration with FlexNow
11.12.2011	Deadline for seminar papers.
16.-17.12.2011	Seminar with presentations and discussions

APPLICATION

Please send your application (indicating your three preferred topics) to igaddis@uni-goettingen.de.

TOPICS (PRELIMINARY)

Topic 1: Defining and measuring globalization

Goldberg, P. K. and N. Pavcnik (2007). "Distributional Effects of Globalization in Developing Countries". *Journal of Economic Literature* 45(1), 39-82, in particular p. 41-42.

Dreher, A., N. Gaston, and P. Martens. (2008). "Measuring Globalisation: Gauging its Consequences". Springer Verlag, in particular p. 5-74.

Scholte, J. A. (2008). "Defining Globalisation." *World Economy*, 31(11), 1471-1502.

Topic 2: Does trade lead to higher growth? Cross-country evidence

Rodríguez, F. and D. Rodrik (2000). "Trade Policy and Economic Growth: A Skeptic's Guide to the Cross-National Evidence". In: B. Bernanke and K. Rogoff (eds). *NBER Macroeconomics Annual*. MIT Press for NBER, Cambridge, MA.

Chang, R., L. Kaltani, N. Loayza (2009). "Openness Can be Good for Growth: The Role of Policy Complementarities". *Journal of Development Economics* 90(1), 33-49.

Joshua Aizenman and M. Spiegel (2010). "Takeoffs". *Review of Development Economics* 14(2), 177 – 196.

Dollar, D. and A. Kraay (2004). "Trade, Growth, and Poverty". *The Economic Journal*, 114(493), F22-F49.

Topic 3: Capital account liberalization, financial globalization and development

Rogoff, K., M. Kose, E. Prasad and S. Wei (2004). "Effects of Financial Globalization on Developing Countries: Some Empirical Evidence". *IMF Occasional Papers* 220, International Monetary Fund.

Arestis, P. and A. Caner (2010). "Capital Account Liberalization and Poverty: How Close is the Link?". *Cambridge Journal of Economics* 34(2), 295-323.

Kose, M., E. Prasad, K. Rogoff and S. Wei (2009). "Financial Globalization: A Reappraisal". *IMF Staff Papers* 56(1), 8-62.

Topic 4: Competing concepts of inequality in the globalization debate

World Bank (2005). "World Development Report 2006: Equity and Development", in particular p. 57.

Milanovic, B. (2005). "Worlds Apart: Measuring International and Global Inequality". Princeton, NJ, Princeton University Press, in particular p. 1-30.

Ravallion, M. (2004). "Competing Concepts of Inequality in the Globalization Debate". In S. Collins and C. Graham (eds.). *Brookings Trade Forum 2004*. Brookings Institution, Washington, DC.

Ravallion, M and F. Ferreira (2008). "Global Poverty and Inequality. A Review of the Evidence". World Bank Policy Research Working Paper 4623, The World Bank, Washington, DC.

Bourguignon, F. and C. Morrisson (2002). "Inequality Among World Citizens: 1820-1992". *American Economic Review* 92(4), 727-744.

Topic 5: Does globalization make the poor poorer and the rich richer? Inequality trends within developing countries

Goldberg, P. K. and N. Pavcnik (2007). "Distributional Effects of Globalization in Developing Countries". *Journal of Economic Literature* 45(1), 39-82.

Hanson, G. H. and A. Harrison (1999). "Trade Liberalization and Wage Inequality in Mexico". *Industrial and Labor Relations Review* 52(2), 271-288.

Ferreira, F., P. Leite and M. Wai-Poi (2007). "Trade Liberalization, Employment Flows and Wage Inequality in Brazil." Policy Research Working Paper 4108, The World Bank, Washington, DC.

Topic 6: The links between trade liberalization and poverty

Winters, A. (2002). "Trade Liberalization and Poverty: What are the Links?". *The World Economy* 25(9), 1339-1367.

McCulloch, N., A. Winters and X. Cirera (2001). "Trade Liberalization and Poverty: A Handbook". Centre for Economic Policy Research.

Topic 7: Do agricultural subsidies in rich countries really hurt the poor?

Winters, A. (2005). "The European Agricultural Trade Policies and Poverty". *European Review of Agricultural Economics* 32(3), 319-346.

McMillan, M., A. Zwane and N. Ashraf (2007). "My Policies or Yours: Does OECD Support for Agriculture Increase Poverty in Developing Countries?". NBER Chapters, in: National Bureau of Economic Research, *Globalization and Poverty*, 183-240.

Anderson, K. and E. Valenzuela (2007). "Do Global Trade Distortions Still Harm Developing Country Farmers?". *Review of World Economics* (Weltwirtschaftliches Archiv) 143(1), 108-139.

Tokarick, S. (2008). "Dispelling Some Misconceptions about Agricultural Trade Liberalization". *Journal of Economic Perspectives* 22 (1), 199-216.

Topic 8: Agricultural high value products: Pathway out of poverty?

Maertens, M. and J. Swinnen (2009). "Trade, Standards, and Poverty: Evidence from Senegal". *World Development* 37(1), 161-178.

Minot, N. and D. Roy (2007). "Impact of High-Value Agriculture and Modern Marketing Channels on Poverty: An Analytical Framework". International Food Policy Research Institute, Washington, DC.

Topic 9: Manufacturing in poor countries: Yet another form of exploitation?

Nicita, A. (2006). "Export Led Growth, Pro-Poor or Not? Evidence from Madagascar's Textile and Apparel Industry". *Journal of African Economies* 2008 17(3):465-489

Kabeer, N. and S. Mahmud (2004). "Globalization, Gender and Poverty: Bangladeshi Women Workers in Export and Local Markets". *Journal of International Development* 16(1), 93-109.

Justino, P., J. Litchfield and H. Pham (2008). "Poverty Dynamics During Trade Reform: Evidence From Rural Vietnam". *Review of Income and Wealth* 54(2), 166-192.

Topic 10: Rising food prices and the poor

All the papers in: *Agricultural Economics* (2008). Vol. 39, Supplement s1

In particular: Headey, D. and S. Fan (2008). "Anatomy of a Crisis: The Causes and Consequences of Surging Food Prices". *Agricultural Economics* 39(s1), 375-391.

Mitchell, D. (2008). "A Note on Rising Food Prices". Policy Research Working Paper 4682. The World Bank, Washington, DC.

Ivanic, M., W. Martin and H. Zaman (2011). "Estimating the Short-Run Poverty Impacts of the 2010-11 Surge in Food Prices". Policy Research Working Paper 5633, The World Bank, Washington, DC.

Ferreira, F., A. Fruttero, P. Leite and L. Lucchetti (2011). "Rising Food Prices and Household Welfare. Evidence from Brazil in 2008". Policy Research Working Paper 5652, The World Bank, Washington, DC.

Wodon, Q. and H. Zaman (2009). Higher Food Prices in Sub-Saharan Africa: Poverty Impact and Policy Responses. *The World Bank Research Observer* 25(1), 157-176.

Topic 11: Land grab or beneficial investment? Large-scale agricultural investments in developing countries

FAO (2009). "From Land Grab to Win-Win - Seizing the Opportunities of International Investments in Agriculture". Economic and Social Development Department of the Food and Agriculture Organization of the United Nations (FAO).

Cotula, L., S. Vermeulen, R. Leonard and J. Keeley (2009). "Land Grab or Development Opportunity? Agricultural Investment and International Land Deals in Africa". FAO, IIED and IFAD.

Von Braun, J. and R. Meinzen-Dick (2009). "Land Grabbing" by Foreign Investors in Developing Countries: Risks and Opportunities". IFPRI Policy Brief 13.

Topic 12: What does the rise of India and China imply for other developing countries?

Lederman, D., M. Olarreaga and G. Perry (eds) (2008). "China's and India's Challenge to Latin America: Opportunity or Threat?". The World Bank, Washington DC.

Zafar, A. (2007). "The Growing Relationship Between China and Sub-Saharan Africa: Macroeconomic, Trade, Investment, and Aid Links". *The World Bank Research Observer* 22(1), 103-130.

Topic 13: Globalization and development in China

Huang, J., Y. Liu, W. Martin and S. Rozelle (2008). "Agricultural Trade Reform and Rural Prosperity: Lessons from China". NBER Working Papers 13958.

Ravallion, M. and S. Chen (2007). "China's (Uneven) Progress Against Poverty". *Journal of Development Economics* 82 (1), 1-42.

Montalvo, J. and M. Ravallion (2010). "The Pattern of Growth and Poverty Reduction in China." *Journal of Comparative Economics* 38(1), 2-16.

Dollar, D. (2007). "Poverty, Inequality, and Social Disparities during China's Economic Reform". Policy Research Working Paper 4253, The World Bank, Washington, DC.

Topic 14: Globalization and development in India

Topalova, P. (2007). "Trade Liberalization, Poverty, and Inequality – Evidence from Indian Districts". In: Harrison, A., ed. (2007) *Globalization and Poverty: An NBER Study* (chapter 7). University of California at Berkeley and NBER (<http://www.nber.org/books/harr06-1>).

Jha, R. (2002). "Reducing Poverty and Inequality in India: Has Liberalization Helped?" Departmental Working Papers from Australian National University.

Ravallion, M. and G. Datt (2009). "Has India's Economic Growth Become More Pro-Poor in the Wake of Economic Reforms?". Policy Research Working Paper 5103, The World Bank, Washington, DC.

SOME GENERAL READINGS

Bhagwati, J. (2004). "In Defense of Globalization". Oxford University Press, New York.

Bhagwati, J. and T. N. Srinivasan (2002). "Trade and Poverty in the Poor Countries". *American Economic Review* 92(2), 180-183.

Dollar, D. (2005). "Globalization, Poverty, and Inequality since 1980". *The World Bank Research Observer* 20, 145-175.

Winters, A., N. McCulloch and A. McKay (2004). "Trade Liberalization and Poverty: The Evidence So Far". *Journal of Economic Literature* 42 (1), 72-115.

Harrison, A. (ed) (2007). "Globalization and Poverty: An NBER Study." University of California at Berkeley and NBER.

Wade, R. H. (2004). "Is Globalization Reducing Poverty and Inequality?" *World Development* 32(4), 567-589.

Other resources

Website of the World Bank Trade Research Group, Centre for Global Development (www.cdev.org), Eldis (www.eldis.org)