

**800031 WKLA II : Trade-related and Macroeconomic Issues in Latin
American Economic Policy Making
Module: M.WiWi.VWL.0023 (Seminar)
12-13 JULY 2013**

Organisational issues

Please register and reserve your TOPIC via Stud IP.

In order to get a topic, you have to register in Stud IP on 3 April, go to 'Participants' – 'Functions/Groups', and choose a topic by joining a group. It is first-come, first-served and every topic is available for two students. If you don't show up in the introductory meeting on 12 April without excuse, your topic will be automatically allocated to the next person on the waiting list.

Reservation of a topic will only be possible starting on 3rd April at 12:00 (noon; not before & only through Stud IP!).

Introductory session and final allocation of topics:

12 April 2013, 13-14h, OEC Room 0.168

Last possible course enrollment to earn credit points:

15 May 2013 (via FlexNow; withdrawal from the course after this date is only possible with a medical certificate)

Handing-in of seminar papers (2 hard copies):

5 July 2013 (12h), (the seminar paper counts 2/3 towards the final grade)

Sending of power point presentations via Stud IP e-mail distribution list:

10 July 2013 (12h) PPT in a printer-friendly (white background!) version; (presentation and participation in discussions count together 1/3 towards the final grade)

The BLOCK SEMINAR takes place:

12-13 July, 2013. Permanent presence during these two days is required.

Location/room on first and second day: OEC 1.165

Office hours

Feli Nowak-Lehmann

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

Malte Reimers

Office hours by appointment, OEC 2.206, Tel: 0551 39-7300, mreimer@uni-goettingen.de

List of topics

To find out who is the **supervisor** in charge for the topic, please refer to the initials FN (Feli Nowak) or MR (Malte Reimers).

The introductory literature (listed below) is downloadable under *documents* in Stud IP.

I. Why are people afraid of trade liberalization? Adjustment costs and uncertain benefits in the long run...

Topic 1 (FN): The short-run effects of trade liberalization on production and employment: Theoretical predictions and the Latin American experience (based on a case study of your choice)

Laird, S., Vanzetti, D. and Fernández de Córdoba, S. 2006. "Smoke and mirrors: making sense of the WTO industrial tariff negotiation." Policy issues in international trade and commodities study series. No. 30. New York: United Nations.

Fernandez de Cordoba, S., Laird, S., Maur, J.-C. and Serena, J.M. 2006. "Adjustment costs and trade liberalization." Chap. 2. UNCTAD.

Clarete, R.L. 2005. " Ex-post effects of trade liberalization in the Philippines." Discussion Paper. School of Economics, University of the Philippines No. 0504.

Topic 2 (FN): How successful was Latin America (or a single LA country) in exploiting comparative advantage and in generating new production following trade liberalization?

Ventura-Dias, V., Cabezas, M. and Contador, J. 1999. " Trade reforms and trade patterns in Latin America." Serie comercio internacional. CEPAL. Santiago de Chile. December 1999.

Ben Ayed Mouelhi, Rim. 2007. "The impact of trade liberalization on Tunisian manufacturing: Structure, performance and employment. *Région et Développement*, No. 25.

II. The challenge of being competitive and achieving productivity growth for LA countries

Topic 3 (FN): What is and what determines competitiveness ? How competitive is Latin America?

Krugman, P. 1992. *The Age of Diminished Expectations (Chap. 1: Productivity Growth)* U.S. Economic Policy in the 1990s. Cambridge, Mass.: MIT Press.

THE GLOBAL COMPETITIVENESS REPORT 2011-2012. World Economic Forum, Geneva, Switzerland 2011.

López-Claros, A. 2006. *The Latin America Competitiveness Review 2006. Paving the Way for Regional Prosperity.* The World Economic Forum. Geneva.

Topic 4 (MR): The importance of innovation for productivity and economic growth in Latin America.

Crespi, G. and P. Zuniga. 2011. "Innovation and productivity: evidence from six Latin American countries." *World Development*, 40(2): 273-290.

Hall, R. E., and C. I. Jones. 1999. "Why do some countries produce so much more output per worker than others?" *Quarterly Journal of Economics*, 114(1): 83-116.

III. Determinants of growth in Latin America

Topic 5 (MR): How do export orientation and growth go together? Is Latin America different from Asia?

Balassa. B. 1978. "Exports and economic growth." *Journal of Development Economics*, 5: 181-189.

Hausmann, R., J. Hwang, and D. Rodrik. 2007. „What you export matters.“ *Journal of Economic Growth* 12(1): 1-25.

Agosin, M. R. 2007. "Trade and growth: Why Asia grows faster than Latin America." Economic Sector and Study Series. Inter-American Development Bank: Washington D.C.

Topic 6 (MR): Quality of institutions and economic growth: Is there a link?

Acemoglu, D., S. Johnson, and J. A. Robinson. 2002. "Reversal of fortune: geography and institutions in the making of the modern world income distribution." *The Quarterly Journal of Economics*: 1231-94.

Glaeser, E. L., R. La Porta, F. Lopez-de-Silanes, and A. Shleifer. 2004. "Do institutions cause growth?" *Journal of Economic Growth*, 9(3): 271-303.

Topic 7 (MR): Does higher human capital lead to faster economic growth?

Mankiw, N. G., D. Romer, and D. N. Weil. 1992. "A Contribution to the empirics of economic growth." *The Quarterly Journal of Economics*, 107(2): 407-437.

Pritchett, L. 2001. "Where has all the education gone?" *The World Bank Economic Review*, 15(3): 367-91.

IV. Is foreign direct investment (FDI) desirable for Latin America?

Topic 8 (FN): Determinants of FDI. The case of Brazil, a country that has both inward and outward FDI

Nunnenkamp, P. 2002. "The determinants of FDI in developing countries: Has globalization changed the rules of the game?" Kiel Working Paper No. 1122.

Barthel, F., Busse, M. and Osei, R. 2008. "The characteristics and determinants of FDI in Ghana. HWWI Research Paper 2-15. Hamburg Institute of International Economics.

Roberts, B.M. and Almamood, A. (2009) "Source country characteristics and the inflow of foreign direct investment into Saudi Arabia." *World Economy* 32(12): 1730-1746.

Topic 9 (FN): FDI and economic development. Conclusions for Latin America

Toulaboe, D., Terry, R. and Johansen, T. 2009. "Foreign direct investment and economic growth in developing countries." *Southwestern Economic Review*: 155-170.

Busse, M. and Groizard, J.L. 2008. "Foreign direct investment, regulations and growth." *World Economy* 31(7): 861-886.

