

WS2018-19

Dr. Felicitas Nowak-Lehmann D.

Dr. Adriana Cardozo

Seminar on the Economic Situation of Latin America in the 21st Century:

'Challenges of Economic Development in Latin America (LA)'

Module: M.WiWi-VWL.0024.Mp

January 25-26, 2019

1. Organizational issues

Topic selection: Please register and select 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 October 10, 2018 (noon).

Topics are allocated according to a first come, first serve basis and by certain priority criteria¹. Please note that the introductory meeting is mandatory. The final allocation of topics will take place there and some information on the course will be given. If you cannot personally attend, please send a substitute person to attend for you, and to share the pertinent information with you.

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

10-10-2018 Start of topic selection in Stud IP (at noon)

19-10-2018 Introductory session and final allocation of topics (12-13h in KWZ 0.602)

19-10-2018 Flex Now opens for enrollment

26-10-2018 Last possible enrollment date in Flex Now (in order to earn credits!!)

¹ You have a high priority if you are in the 4th or 5th semester in the MA program. Therefore, please state 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.

18-01-2019 Handing-in of seminar papers (2 hard copies) no later than 12h.

23-01-2019 Upload of power point presentations via Stud IP no later than 12h (folder for documents).

25-01-2018 and 26-01-2018 Block Seminar. Presence and full participation during both days is required. Location: OEC 1.134

Office hours:

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.

Adriana Cardozo

Thursdays from 10 to 12. OEC 2.146, Tel: 0551 39-8169, acardoz@uni-goettingen.de

3. List of topics

To find out who is the supervisor in charge for the topic, please refer to the initials FN (Felicitas Nowak) or AC (Adriana Cardozo).

The introductory literature (listed below) is downloadable by following the LINKS on pages 3-6 of this syllabus.

I. The Investment-Savings Gap and Economic Development [FN]

Topic 1 [FN]: The role of domestic savings for investment and growth. Theoretical aspects and empirical evidence for LA

Cavallo, E. and Serebrisky, T. (2016) saving for development: Fixing the saving problem in Latin America and the Caribbean. VOX CEPR Policy portal. 29 July 2016. Web 10 September 2018. <https://voxeu.org/article/fixing-saving-problem-latin-america-and-caribbean>.

Gutiérrez, M. (2007) Savings in Latin America after the mid 1990s. Determinants, constraints and policies. Serie macroeconomía del desarrollo no. 57. CEPAL. Santiago, Chile. https://repositorio.cepal.org/bitstream/handle/11362/5424/1/S0700037_en.pdf

Taylor, M.M. (2016) Latin America's savings problem. Council on Foreign Relations. 14 July 2016. Web 10 September 2018. <https://www.cfr.org/blog/latin-americas-savings-problem>

Topic 2 [FN]: Capital account problems in LA. Desirable and undesirable compositions of the capital account: A case study of a LA country

Ocampo, J.A. and Erten, B. (2014) Latin America's lessons from capital account liberalization (pdf). Workshop Boston University. February 13, 2014. <https://slideplayer.com/slide/4668469/>

Palma, J. G. (2012) How the full opening of the capital account to highly liquid financial markets led Latin America to two and a half cycles of 'mania, panic and crash. Cambridge Working Papers in Economics (CWPE) 1201. <https://www.repository.cam.ac.uk/handle/1810/242211>

Taylor, M.M. (2016) Latin America's savings problem. Council on Foreign Relations. 14 July 2016. Web 10 September 2018. <https://www.cfr.org/blog/latin-americas-savings-problem>

II. Dependency on Foreign Savings [FN]

Topic 3 [FN]: Foreign direct investment (FDI): what are the key factors of attraction and which sectors and which LA countries do receive most FDI?

Bárcena, A., Cimoli, M., García-Buchaca, R. and Pérez, R. (2018) Foreign direct investment in Latin America and the Caribbean. Briefing paper 2018. ECLAC (Economic Commission for Latin America). <https://www.cepal.org/en/publications/type/foreign-direct-investment-latin-america-and-caribbean>

Blanco, L., Ruiz, I., Swayer, W.C. and Wooster, R. (2015) Crime, institutions and sector-specific FDI in Latin America. Economics faculty Publications and presentations. Portland State University. https://pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1046&context=econ_fac

Giorgi, J. (2017) Why is foreign direct investment in Latin America falling again? In: Guest blog FocusEconomics (Latinoamerica21, August 23, 2017). <https://www.focus-economics.com/blog/why-is-foreign-direct-investment-in-latin-america-falling-again>

Topic 4 [FN]: External debt in LA: Debt over-hang and debt crises. Causes and consequences (case study of one LA country)

Damill, M., Frenkel, R., Kappel, D. and Rapetti, M. (2015) Debt overhang: A review of the Latin American experiences of the eighties. The case of Brazil. Technical Paper No.

94. ITF (iniciativa per la transparencia financiera) Argentina.

http://www.itf.org.ar/pdf/documentos/94_2015.pdf

Beker, V.A. (2016) Argentina's debt crisis (chap. 2) in: *Modern Financial Crises*. Springer International Publishing Switzerland.

<https://www.google.com/search?q=Beker%2C+V.A.+%282016%29+Argentina%E2%80%99s+debt+crisis+%28chap.+2%29+in%3A+Modern+Financial+Crises.+Springer+International+Publishing+Switzerland&ie=utf-8&oe=utf-8&client=firefox-b>

III. Foreign Aid and Economic Development [FN]

Topic 5 [FN]: The role of development aid in LA. How does development aid impact on key economic variables? Theoretical expectations and empirical evidence

Guillaumont, P. and Wagner, L. (2014) Aid effectiveness for poverty reduction: lessons from cross-country analyses, with a special focus on vulnerable countries. FERDI, Working Paper 96, March 2014. <https://halshs.archives-ouvertes.fr/halshs-01112609/document>

Rajan, R.G. and Subramanian, A. (2008) Aid and growth: what does the cross-country evidence really show? *The Review of Economics and Statistics* 90(4): 643-665. <https://faculty.chicagobooth.edu/raghuram.rajana/research/papers/aid1.pdf>

IV. Social Cohesion and Development [AC]

Topic 6 [AC]: Inequality in Latin America. Reasons for declines and increases in inequality.

De Ferranti, D., Perry, G.E., Ferreira, F.H.G. and Walton, M. (2004) Inequality in Latin America. Breaking with history. World Bank Latin American and Caribbean Studies. World Bank, Washington, D.C. <http://documents.worldbank.org/curated/en/804741468045832887/pdf/28989.pdf>

Gasparini, L., and Lustig, N. (2011) The rise and fall of income inequality in Latin America. ECINEQ WP2011-213. Society for the Study of Inequality. <http://www.ecineq.org/milano/wp/ecineq2011-213.pdf>

Gasparini L. and Guillermo Cruces and Leopoldo Tornarolli (2009). Recent trends in income inequality in Latin America, Working Papers 132, ECINEQ, Society for the Study of Economic Inequality. <https://ideas.repec.org/p/inq/inqwps/ecineq2009-132.html>

Topic 7 [AC]: Is inequality good or bad for growth? Theoretical and empirical evidence

Bénabou, R. (1996) Inequality and growth. NBER Working paper 5658. National Bureau of Economic Research. Cambridge, MA. <http://www.nber.org/papers/w5658.pdf>

Forster, M. and Cingano, F. (2014) Does income inequality hurt economic growth? Focus on inequality and growth. December, 2014. OECD. Directorate for Employment, Labour and Social Affairs. <https://www.oecd.org/social/Focus-Inequality-and-Growth-2014.pdf>

V. Migration and Remittances [AC]

Topic 8 [AC]: How does migration (either domestic or international) affect the wellbeing and development of the sending country? Case study on one country in Latin America.

Beaton, K. et al. (2017) Migration and remittances in Latin America and the Caribbean: Engines of growth and macroeconomic stabilizers? IMF Working Paper No. 144. International Monetary Fund. <https://www.imf.org/en/Publications/WP/Issues/2017/06/29/Migration-and-Remittances-in-Latin-America-and-the-Caribbean-Engines-of-Growth-and-44956>

Fajnzylber, P., & Lopez, J. H. (Eds.). (2008). Remittances and development: lessons from Latin America. World Bank Publications. <https://openknowledge.worldbank.org/handle/10986/6911>

Ratha, D., Mohapatra, S., & Scheja, E. (2011). Impact of migration on economic and social development: A review of evidence and emerging issues. <https://openknowledge.worldbank.org/handle/10986/3328>

Topic 9 [AC]: Remittances in LA: Do the poor benefit from them? Do they affect inequality and how? Country-level and household-level evidence.

Adams, R. H., & Page, J. (2005). Do international migration and remittances reduce poverty in developing countries?. *World Development*, 33(10), 1645-1669. <https://www.sciencedirect.com/science/article/pii/S0305750X05001270>

Pernia, E.M. (2008) Migration remittances, poverty and inequality: The Philippines. UPSE Discussion Paper, No. 2008, 01. University of the Philippines School of Economics (UPSE). <https://www.econstor.eu/bitstream/10419/46674/1/565335251.pdf>

Ziesemer, T.H.W. (2012) Worker remittances, migration, accumulation and growth in poor developing countries: Survey and analysis of direct and indirect effects. *Economic Modelling* 29, 103-118. <https://www.sciencedirect.com/science/article/pii/S0264999311002057>