

SoSe 2021/summer term 2021

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 22-23, 2022**

## 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 4, 2022 (noon).**

Please email your topic number and statement of interest for selected topic to *fnowak@uni-goettingen.de* to reaffirm your interest in the selected topic by April 19. 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 21 in the introduction meeting**. Topics are allocated according to a first come, first serve basis and by certain priority criteria<sup>1</sup>.

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

**04-04-2022** Start of *preliminary* topic selection in Stud IP (at 12:00 (noon))

**04-04-2022** FlexNow opens for enrollment and is open until **April 30, 2022**

**19-04-2022** Email expression of interest in topic to *fnowak@uni-goettingen.de*

**20-04-2022** If applicable, email confirmation by F. Nowak that you can work on the topic

**21-04-2022** Introduction meeting in **OEC 1.163** and *final* allocation of topics

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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.

**30-04-2022 April 30 is the last possible enrollment date in Flex Now (in order to earn credits!!)**

**15-07-2022** Handing-in of seminar papers (1 hard copy) no later than 12:00 (noon).

**20-07-2022** Upload of power point presentations via Stud IP no later than 12:00/noon (folder for documents).

**22-07-2022 (ZHG 1.140) and 23-07-2022 (OEC 1.163) Block Seminar. Presence and full participation during the block seminar is required.**

### **Office hours:**

Felicitas Nowak-Lehmann

Wednesday, 11-12h

Please book appointment via Stud IP (right top corner in stud IP: WHAT ARE YOU LOOKING FOR: type 'Felicitas Nowak', click on 'Felicitas Lehmann Danzinger', click 'consultation hours' and select!

OEC 2.205, Tel: 0551 39-27487, [fnowak@uni-goettingen.de](mailto:fnowak@uni-goettingen.de).

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

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

#### **I. Exchange rate regimes in Latin America**

##### General literature:

IMF. Exchange rate regimes in an increasingly integrated world economy (2000). IMF. Washington, D.C.

<https://www.imf.org/external/np/exr/ib/2000/062600.htm>

#### **Topic 1: Dollarization in Latin America: Theory (pros and cons) and evidence from Ecuador and El Salvador**

Looney, R. (2022) Dollarization in Latin America. Milken Institute Review.

<https://www.milkenreview.org/articles/dollarization-in-latin-america>

**Topic 2: Fixed exchange rate systems: Theory (pros and cons) and experience with Argentina's Currency Board**

Hanke, S. (2002) Currency Boards. The Annals of the American Academy of Political and Social Sciences.

<https://journals.sagepub.com/doi/10.1177/000271620257900107>

Kiguel, M.A. (1999) The Argentine Currency Board

<https://www.google.com/search?client=firefox-b-e&q=currency+board+system+argentina>

**Topic 3: Floating/Flexible exchange rate systems: Theory (pros and cons) and Chile's or Mexico's experience with quasi flexible exchange rates**

Albagli, E., Calani, M., Hadzi-Vaskov, M., Marcel, M. and Ricci, L.A. (2020) Comfort in floating: Taking stock of twenty years of freely-floating exchange rate in Chile. IMF Working Paper No. 2020/100.

<https://www.imf.org/en/Publications/WP/Issues/2020/06/19/Comfort-in-Floating-Taking-Stock-of-Twenty-Years-of-Freely-Floating-Exchange-Rate-in-Chile-49513>

Ghosh, A.R. and Ostry, J. D. (2009) Choosing an exchange rate regime. Finance and Development 46(4).

<https://www.imf.org/external/pubs/ft/fandd/2009/12/ghosh.htm>

## **II. Trade strategies in Latin America**

### General literature:

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>

Beaton, K., Cebotari, A. & Komaromi, A. (2017) Revisiting the link between trade, growth and inequality: lessons for Latin America and the Caribbean: IMF Working Paper WP/17/46.

<https://www.imf.org/en/Publications/WP/Issues/2017/03/09/Revisiting-the-Link-between-Trade-Growth-and-Inequality-Lessons-for-Latin-America-and-the-44732>

**Topic 4 : Latin America's main trade strategies: Protectionism and trade liberalization. Theoretical justifications and experience (outlined for the one specific country, e.g. Chile/Mexico/Argentina)**

Irwin, D.A. (2020) Import substitution is making an unwelcome comeback. Peterson Institute for International Economics. Washington D.C.

<https://www.piie.com/blogs/trade-and-investment-policy-watch/import-substitution-making-unwelcome-comeback>

Cai, C. and Li, K. (2020) Trade and welfare effects of the great liberalization in Latin America and the Caribbean: a general equilibrium approach. IDB-DP-00742.

[https://publications.iadb.org/publications/english/document/Trade\\_and\\_Welfare\\_Effects\\_of\\_the\\_Great\\_Liberalization\\_in\\_Latin\\_America\\_and\\_the\\_Caribbean\\_A\\_General\\_Equilibrium\\_Approach\\_en.pdf](https://publications.iadb.org/publications/english/document/Trade_and_Welfare_Effects_of_the_Great_Liberalization_in_Latin_America_and_the_Caribbean_A_General_Equilibrium_Approach_en.pdf)

**Topic 5 : Trade liberalization and economic growth in developing countries. Theoretical aspects and evidence for LA**

Paudel, R.C. (2014) Trade liberalization and economic growth in developing countries. Does stage of development matter? Crawford school Research Paper No. 14-13, December 2014.

[https://www.researchgate.net/publication/270572731\\_Trade\\_Liberalisation\\_and\\_Economic\\_Growth\\_In\\_Developing\\_Countries\\_Does\\_Stage\\_of\\_Development\\_Matter](https://www.researchgate.net/publication/270572731_Trade_Liberalisation_and_Economic_Growth_In_Developing_Countries_Does_Stage_of_Development_Matter)

Warcziarg, R. And Horn Welch, K. (2003) Trade liberalization and growth: new evidence. NBER Working Paper 10152.

[https://scholar.google.de/scholar\\_url?url=https://www.nber.org/system/files/working\\_papers/w10152/w10152.pdf&hl=de&sa=X&ei=qoM4YuXULNO5mAHvsYjIBg&scisig=AAGBfm2BhA9ZhH2q8Qw9ownnE4O-Rf9jFw&oi=scholar](https://scholar.google.de/scholar_url?url=https://www.nber.org/system/files/working_papers/w10152/w10152.pdf&hl=de&sa=X&ei=qoM4YuXULNO5mAHvsYjIBg&scisig=AAGBfm2BhA9ZhH2q8Qw9ownnE4O-Rf9jFw&oi=scholar)

### **III. Natural Resources: Curse or Blessing?**

General literature:

Ross, M. L. (2015) What have we learned about the resource curse? The Annual Review of Political Science 18: 239-259.

<https://escholarship.org/content/qt8tp5x1hb/qt8tp5x1hb.pdf>

Van der Ploeg, F. (2011) Natural resources: curse or blessing? Journal of Economic Literature 49(2): 366-420.

<http://hdl.handle.net/10419/38934>

**Topic 6 : Comparative advantage based on natural resources. How dangerous is this development model? The experience of Chile/Argentina**

Mesquita Moreira, M. and Blyde, J. (2006) Chile's integration strategy: is there room for improvement? IDB (Intal-ITD) Working Paper 21.

<https://publications.iadb.org/publications/english/document/Chile-Integration-Strategy-Is-There-Room-for-Improvement.pdf>

**Topic 7 : Do natural resources boost or impede economic growth? Theoretical insights and evidence for developing economies**

Havranek, T., Horvath, R. and Zeynalov, A. (2016) Natural resources and economic growth: a meta-analysis. World Development 88: 134-151.

<https://katalog.ub.tu-braunschweig.de/vufind/Search2Record/OLC1987755022>

**Topic 8 : Do natural resources matter for violent conflict? Theoretical insights and evidence for developing economies**

Nillesen, E. E. and Bulte E.H. (2014) Natural resources and violent conflict. Annual Review of Resource Economics 6:69-83.

[https://www.researchgate.net/publication/280760093\\_Natural\\_Resources\\_and\\_Violent\\_Conflict](https://www.researchgate.net/publication/280760093_Natural_Resources_and_Violent_Conflict)