

## 800031 WKLA II : Trade-related and Macroeconomic Issues in Latin American Economic Policy Making

Module: M.WiWi.VWL.0023 (Seminar)

JUNE 28-29, 2018

### Organizational issues

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 April 9, 2018 (noon).

Up to two students may work on the same topic. Each student, however, is required to write individual seminar papers. In terms of presentations, students are encouraged to organize joint-presentations (with someone working on the same topic).

Topics are allocated according to a first come, first serve basis and by certain priority criteria<sup>1</sup>. 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.

You can select your topic preferences starting on April 9, 2018 at 12h (noon; not before, and only through Stud.IP).

Introductory session and final allocation of topics:

April 13, 2018 (12-13h), OEC 1.162

Last possible enrollment day in order to earn credit:

by April 20, 2018 latest (via FlexNow; withdrawal from the course after this date is only possible with a medical certificate)

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

June 22, 2018 (12h), (the seminar paper counts 2/3 towards the final grade)

Upload of power point presentations via Stud IP (folder for documents):

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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 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.

June 27, 2018 (12:00) 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 from:  
June 29 (and June 28 afternoon, if necessary), 2018. Presence and full participation during these days is required.

Location/room on June 28, 2018: 16:00-20:00, Waldweg 26, Altbau PIZ 4484-3.113  
Location/room on June 29, 2018: 8:00-18:00, OEC 0.167

## 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](mailto:fnowak@uni-goettingen.de).

Sophia Kan  
Office hours by appointment, OEC 2.146, Tel: 0551 39-8169, [skan@uni-goettingen.de](mailto:skan@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 SK (Sophia Kan).

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

# **Seminar on Globalization and Development, with Special Focus on Latin America (LA)**

## **I. Exchange Rate Systems in a Globalized World [FN]**

**Topic 1 [FN]: Is there an optimal exchange rate system for developing countries? The Latin American (LA) experience with fixed and flexible exchange rate systems (choose one LA country)**

Kim, Chong Y. (2003) The System of Currency Board: The Experience of Argentina. Working Paper WP2003-006. Le Moyne College. Syracuse, NY.

Morandé, F. (2001) Exchange Rate Policy in Chile: Recent Experience. Draft. Central Bank of Chile. Santiago.

Yagci, F. (2001) Choice of Exchange Rate Regimes for Developing Countries. Africa Region Working Paper Series No. 16, World Bank, Washington D.C.

**Topic 2 [FN]: How do fixed exchange rate systems cope with capital in- and outflows? Theoretical aspects and empirical evidence from Latin America (choose one LA country)**

Edwards, S. (2001) Exchange rate regimes, capital flows and crisis prevention. Draft for NBER Research conference in Woodstock, 2000.

Jeanne, O. (2012) Capital Flow Management. American Economic Review: Papers and Proceedings, 102(3): 203-206.

Powell, A. and Tavella, P. (2012) Capital Inflow Surges in Emerging Economies: How Worried should LAC be? Inter-American Development Bank. Department of Research and Chief Economist, Washington D.C.

## **II. Financial Openness and Economic Development [FN]**

**Topic 3 [FN]: Are free capital flows beneficial for developing countries? The Latin American experience with free capital flows. Theoretical aspects and empirical evidence (choose one LA country)**

De La Torre, A., Ize, A. and Schmukler, S.L. (2011) *Financial Development in Latin America and the Caribbean. The Road Ahead*. The World Bank. Washington, D.C.

Klein, M.W. and Olivei, G.P. (2008) Capital Account Liberalization, Financial Depth, and Economic Growth? *Journal of International Money and Finance* 27: 861-875.

Nunnenkamp, P. (2001) Too Much, Too Little, or Too Volatile? International Capital Flows to Developing Countries in the 1990s. Kiel working Paper No. 1036, Kiel Institute of World Economics.

Stiglitz, J. (2000) Capital Market Liberalization, Economic Growth, and Instability. *World Development* 28(6): 1075-1086.

### **III. Trade Openness and Development [FN]**

#### **Topic 4 [FN]: Benefits and costs of trade liberalization. The developing country perspective. The case of Latin America/one specific LA country**

Edwards, S. and Lederman, D. (1998) The Political Economy of Unilateral Trade Liberalization: The Case of Chile. NBER Working Paper Series No. 6510. National Bureau of Economic Research. Cambridge, MA.

Felbermayr, G., Prat, J. and Schmerer, H.-J. (2011) Trade and Unemployment: What Do the Data Say? *European Economic Review* 55(6): 741-758.

Fernandez de Cordoba, S., Laird, S., Maur, J.-C. and Serena, J.M. (2006) Adjustment Costs and Trade Liberalization (Chap. 2), in: *Coping with Trade Reforms*, S. Laird et al. (eds.): Basingstoke, UK: Palgrave Macmillan.

#### **Topic 5 [FN]: Does trade openness promote growth in developing countries? Theory and empirical evidence. Are there differences between Latin America and Asia?**

Birdsall, N. and Jaspersen, F. (1997) Pathways to growth: Comparing East Asia and Latin America. Chap. 1,2,3, 8. Inter-American Development Bank. Washington, D.C.

Felbermayr, G.J. (2005) Dynamic panel data evidence on the trade-income relation. *Review of World Economics*, 141, 583-611.

Zettelmeyer, J. (2006) Growth and Reforms in Latin America: A Survey of Facts and Arguments. Working Paper 06/210. International Monetary Fund.

**Topic 6 [FN]: How does trade liberalization affect export diversification? The Latin American experience/the experience of one specific LA country**

Jetter, M. and Ramírez Hassan, A. (2013) The roots of export diversification. Documentos de Trabajo. Economía y Finanzas, Universidad EAFIT, Medellín, Colombia.

Shafaeddin, S.M. (2005) Trade liberalization and economic reform in developing countries: Structural change or de-industrialization). Discussion Paper, No. 179. UNCTAD. United Nations Conference on Trade and Development, Geneva.

**IV. Globalization and its Impact on Inequality and Poverty [SK]**

**Topic 7 [SK]: How does globalization affect income inequality? Are developed countries and Latin American countries affected differently?**

Bergh, A. and Nilsson, T. (2010) Do Liberalization and Globalization Increase Income Inequality? *European Journal of Political Economy* 26: 488-505.

Cabral, R., García-Díaz, R. and Varella Mollick, A. (2016) Does Globalization Affect Top Income Inequality? *Journal of Policy Modeling* 38: 916-940.

Jaumotte, F., Lall, S. & Papageorgiou, C. (2013) Rising Income Inequality: Technology, or Trade and Financial Globalization? *IMF Economic Review* (2013) 61: 271.  
<https://www.imf.org/external/pubs/ft/wp/2008/wp08185.pdf>

Meschi, E. and Vivarelli, M. (2009) Trade and Income Inequality in Developing Countries. *World Development* 37(2): 287-302.

**Topic 8 [SK]: The effect of trade liberalization on gender equality, case study of Brazil**

Gaddis, I., & Pieters, J. (2017). The Gendered Labor Market Impacts of Trade Liberalization Evidence from Brazil. *Journal of Human Resources*, 52(2): 457-490.

Connolly, L. The Effects of a Trade Shock on Gender-Specific Labor Market Outcomes in Brazil.

Green, F., Dickerson, A., & Arbache, J. S. (2001). A picture of wage inequality and the allocation of labor through a period of trade liberalization: the case of Brazil. *World Development*, 29(11): 1923-1939.

**Topic 9 [SK]: How does trade liberalization affect poverty? Are there regional differences?**

Attanasio, O., Goldberg, P. and Pavcnik, N. (2004) Trade reforms and wage inequality in Colombia, *Journal of Development Economics* 74 (2): 331-366.

Castilho, M., Menendez, M. and Sztulman, A., (2012) Trade Liberalization, Inequality, and Poverty in Brazilian States, *World Development* 40(4): 821-835.

Harrison, A. (2006) Globalization and Poverty. NBER Working Papers 12347. National Bureau of Economic Research. Cambridge, MA.