

## **800031 WKLA II : Seminar on “Latin American Economies: Crises and Reforms”**

**Module: M.WiWi.VWL.0024 (Seminar)  
15-16 January 2016**

### **How to promote development? The role of development aid and institutional reform**

#### **Organisational issues**

**Please register and make a preliminary reservation of your TOPIC via Stud IP.**

In order to signal your preferences, you have to register in Stud IP on **1st of October (12:00)**, go to ‘Participants’ – ‘Functions/Groups’, and choose a topic by joining a group. Only one topic per person can be chosen.

**Topics are allocated according to first come, first served and priority level<sup>1</sup>.** It is important to attend the introductory meeting (29 October 2015) as the **final allocation** of topics will take place there and some information on the course will be given. In case you are unable to attend this meeting you must send a substitute.

**Reservation of a topic will only be possible starting on 01/10/2015 at 12:00 (noon; not before & only through Stud IP!).**

#### **Introductory session and final allocation of topics:**

29 October 2015, 12-13h, Room 0.168

#### **Last possible course enrollment to earn credit points:**

5 November 2015 (via FlexNow; withdrawal from the course after this date is only possible with a medical certificate)

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

8 January 2016 (12h), (the seminar paper counts 2/3 towards the final grade)

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

13 January 2016 (12h) PPT in a printer-friendly (white background!) version; (presentation and participation in discussions count together 1/3 towards the final grade)

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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.

**The BLOCK SEMINAR takes place:** 15-16 January, 2016. Permanent presence during these two days is required.

**Location/room on first and second day:** 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).

### Iris Butzlaff

Office hours by appointment, Heinrich-Düker-Weg 12, Raum 0.221, Tel: 0551 39-20208, [ibutzla@uni-goettingen.de](mailto:ibutzla@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 IB (Iris Butzlaff).

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

## I. Aid and Development

### **Topic 1 (FN): Does aid promote human development in all regions of the world?**

Dreher, A., Nunnenkamp, P. and Thiele, R. (2006) Does aid for education educate children? Evidence from Panel data. KOF Working Papers 06-146, 42 pages. KOF Swiss Economic Institute.

Thiele, R., Nunnenkamp, P. and Dreher, A. (2006) Sectoral aid priorities: Are donors really doing their best to achieve the Millenium Development Goals? KOF Working Papers 06-124, 38 pages. KOF Swiss Economic Institute.

Zieseimer, T. (2012) The impact of development aid on education and health: Survey and new evidence from dynamic models. *UNU-Merit Working Paper Series* 057. United Nations University - Maastricht Economic and Social Research Institute on Innovation and Technology.

### **Topic 2 (FN): Does aid promote growth of per capita income? Are there regional differences?**

Arndt, C., Jones, S. and Tarp, F. (2010) Aid, growth and development: Have we come full circle? *Journal of Globalization and Development* 1(2): 1-29

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.

## **Are specific types of aid more effective?**

**Topic 3 (FN): Is aid for trade (AfT) a better type of aid? Does AfT promote recipient countries' exports? Are there regional differences?**

Call, M. and Te Velde, D.W. (2011) Does aid for trade really improve trade performance? *World Development* 39(5): 725-740.

Helble, M., Mann, C.L. and Wilson, J.S. (2012) Aid-for-trade facilitation. *Review of World Economics* 148(2): 357-376.

Hühne, P., Meyer, B. and Nunnenkamp, P. (2013) Who benefits from aid for trade? Comparing the effects on recipient versus donor exports. *Kiel Working Paper* No. 1852. Kiel: Kiel Institute for the World Economy.

**Topic 4 (FN): Is untied aid better than tied aid? What are the effects of untying for donors and recipients?**

Arvin, M. and Baum, C. (1997) Tied and untied foreign aid: theoretical and empirical analysis. *Keio Economic Studies* 34(2): 71-79.

Arvin, M., Cater, B. and Choudhry, S. (2000) A Causality Analysis of Untied Foreign Assistance and Export Performance: The Case of Germany, *Applied Economics Letters* 7, 315-319.

Miquel-Florensa, J. M. (2007) Aid effectiveness: A comparison of tied and untied aid. Working Paper 3, York University.  
[https://ideas.repec.org/p/yca/wpaper/2007\\_3.html](https://ideas.repec.org/p/yca/wpaper/2007_3.html)

## **Does the effectiveness of aid depend on donors' motives?**

**Topic 5 (FN): What are the determinants of aid allocation. How important is development orientation and how does aid allocation affect certain regions of the world?**

Fuchs, A., Dreher, A. and Nunnenkamp, P. (2014) Determinants of donor generosity: A survey of the aid budget literature. *World Development*, 56: 172-199.

Dreher, A., Nunnenkamp, P. and Schmaljohann, M. (2013) The allocation of German aid: self-interest and government ideology. *Kiel Working Paper* No. 1817. Kiel: Kiel Institute for the World Economy.

**Topic 6 (FN): Are 'new' donors different? Do they have a preference for certain regions?**

Dreher, A., Fuchs, A. and Nunnenkamp, P. (2013) New donors. *International Interactions: Empirical and Theoretical Research in International Relations*. 39(3): 402-415.

Dreher, A., Nunnenkamp, P. and Thiele R. (2011) Are 'New' Donors Different? Comparing the Allocation of bilateral Aid Between nonDAC and DAC Donor Countries. *World Development* 39(11): 1950-1969.

## **II. Institutions and development**

**Topic 7 (IB): Do institutions matter for economic growth. The experience of developing countries/Latin America**

Acemoglu, D., Johnson, S. and Robinson, J.A. (2005) Institutions as a fundamental cause of long-run growth. In: *Handbook of Economic Growth*. Vol. 1A. Chapter 6. Edited by Philippe Aghion and Steven N. Durlauf. pp. 385-472.

Flachaire, E., García-Peñalosa, C. and Konte, M. (2011) Political versus economic institutions in the growth process. GREQAM Universités d'Aix-Marseille. Working Paper no 2011-20.

**Topic 8 (IB): How does corruption impact on decision processes and economic development? Theoretical and empirical findings**

Bardhan, P. (1997) Corruption and development: A Review of issues. *Journal of Economic Literature* 35(3): 1320-1346.

Mauro, P. (1995) Corruption and Growth. *The Quarterly Journal of Economics* 110(3): 681-712.

## **III. Gender, ethnic diversity and development**

**Topic 9 (IB): How does gender inequality affect development? Are there regional differences?**

Klasen, S. (2000) Does gender inequality reduce growth and development? Evidence from cross-country regressions. Sonderforschungsbereich 386, Paper 212. Ludwig-Maximilian University Munich.

Garcia-Peñalosa, C. and Konte, M. (2014) Why are women less democratic than men? Evidence from Sub-Saharan African Countries. *World Development* 59: 104-119.

**Topic 10 (IB): Does ethnic fractionalization reduce economic growth? Are there regional differences?**

- Alesina, A., Devleeschauwer, A., Easterly, W., Kurlat, S. and Wacziarg, R. (2003) Fractionalization. *Journal of Economic Growth*, 8(2): 155-194.
- Garcia-Montalvo, J. and Reynal-Querol, M. (2002) Why ethnic fractionalization? Polarization, ethnic conflict and growth. Working Paper, Pompeu Fabra, Barcelona; <https://repositori.upf.edu/bitstream/handle/10230/530/660.pdf?sequence=1>