

**800031 WKLA II : Trade-related and Macroeconomic Issues in Latin
American Economic Policy Making
Module: M.WiWi.VWL.0023 (Seminar)
11-12 JULY 2014**

**How to promote development?
The role of trade, aid and FDI**

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 4th of April, 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 level¹. It is important to attend the introductory meeting as the final allocation of topics will take place there and some information on the course will be given.

Reservation of a topic will only be possible starting on 04/04/2014 at 12:00 (noon; not before & only through Stud IP!).

Introductory session and final allocation of topics:

24 April 2014, 12-13h, Room 0.167

Last possible course enrollment to earn credit points:

12 May 2014 (via FlexNow; withdrawal from the course after this date is only possible with a medical certificate)

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

4 July 2014 (12h), (the seminar paper counts 2/3 towards the final grade)

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

9 July 2014 (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:

11-12 July, 2014. Permanent presence during these two days is required.

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.

Location/room on first and second day: ZHG 1.141

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.

Iris Butzlaff

Office hours by appointment, Heinrich-Düker-Weg 12, Raum 0.126, Tel: 0551 39-20207, 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. Trade and Development

Topic 1 (IB): Do Free Trade Agreements (FTAs) affect the Latin American region positively?

Vos, R. (2007) *Who Gains from Free Trade: Export-Led Growth, Inequality and Poverty in Latin America*, Routledge.

Székely, M. and Sámano, C. (2012). Did Trade Openness Affect Income Distribution in Latin America? Evidence for the Years 1980 - 2010 (*WIDER Working Paper*), <http://www.econstor.eu/handle/10419/80891>.

Topic 2 (IB): Are natural resources a curse or a blessing for Latin America?

van der Ploeg, F. and Poelhekke, S. (2009). Volatility and the Natural Resource Curse, *Oxford Economic Papers* 61, no. 4: 727–760, doi:10.1093/oep/gpp027.

Sinnott, E., Nash, J. and de la Torre, A. (2010). Natural Resources in Latin America and the Caribbean: Beyond Booms and Busts? *World Bank Publications*.

John, J. (2011). *Is There Really a Resource Curse? A Critical Survey of Theory and Evidence*, Lynne Rienner Publishers, <http://journals.rienner.com/doi/abs/10.5555/1075-2846-17.2.167>.

II. Aid and Development

Topic 3 (IB): 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 4 (IB): Are 'new' donors different?

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.

Topic 5 (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.

Topic 6 (FN): Does aid promote human development? There is much more to life than income

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.

Ziesemer, 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 7 (FN): Is aid for trade (AfT) a better type of aid? Does AfT promote recipient countries' exports?

Calí, 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.

III. Foreign Direct Investment (FDI) and Development

Topic 8 (FN): What are determinants of FDI? What makes Latin America attractive for inward 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. *HWI 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): Does FDI promote development?

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

Busse, M., Nunnenkamp, P. and Spatareanu, M. (2011) Foreign direct investment and labour rights: a panel analysis of bilateral FDI flows. *Applied Economics Letters* 18(2): 149-153.

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