

SoSe 2025/summer term 2025

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 10-11, 2025**

To be better able to foresee the demand for seminar places, we would like you to sign-up for seminars (not yet topics!)

Sign-up

The sign-up for this seminar is centralised. You can sign-up between **8 March and 2 April** via this form:

<https://survey.academiccloud.de/index.php/145565?lang=en>

Contested slots will be allocated via lottery, you will be informed whether you received a slot between 3 and 7 April.

Many thanks for your collaboration!

## **1. Organizational issues**

Topic selection: Please register for the seminar for which you obtained a place in Stud.IP. Then preselect your preferred TOPIC via Stud.IP. In order to state your preference for a specific topic 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 14, 2025 (noon).**

The final allocation of topics will take place on **April 16 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.

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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.

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

- 14-04-2025** Start of *preliminary* topic selection in Stud IP (at 12:00 (noon))  
**16-04-2025** FlexNow opens for enrollment and is open until **April 30, 2025**  
**16-04-2025** **INTRODUCTION MEETING in OEC 0.168 and final allocation of topics**  
**30-04-2025** **April 30 is the last possible enrollment date in FlexNow (in order to earn credits!!)**  
**04-07-2025** Handing-in of seminar papers (send PDF via email to [fnowak@uni-goettingen.de](mailto:fnowak@uni-goettingen.de)) no later than 12:00 (noon).  
**09-07-2025** Upload of power point presentations via Stud IP no later than 12:00/noon (folder for documents).  
**10-07-2025** **OEC 0.211** and **11-07-2025** **OEC 0.211** **Block Seminar. Presence and full participation during the block seminar are 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).

## SEMINAR: Trade Related and Macroeconomic Policy Making in Comparative Perspective

### 3. List of topics

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

#### I. The Fight against Inflation and the Choice of Exchange Rate Regimes in Latin America

##### General literature:

IMF (2022). Latin America hit by one inflationary shock on top of another. IMF. Washington, D.C.

<https://www.imf.org/en/News/Articles/2022/04/15/cf-latin-america-hit-by-one-inflationary-shock-on-top-of-another>

##### **Topic 1: Causes and consequences of inflation and macroeconomic strategies to fight inflation. A critical analysis of a specific Latin American country (e.g., Argentina)**

Appendido, M. (2021). Latin America's inflation challenge. IMF/Blogs

<https://www.imf.org/en/Blogs/Articles/2021/11/16/latin-americas-inflation-challenge>

IMF (2022). Latin America hit by one inflationary shock on top of another. IMF. Washington, D.C.

<https://www.imf.org/en/News/Articles/2022/04/15/cf-latin-america-hit-by-one-inflationary-shock-on-top-of-another>

##### **Topic 2: How do floating/flexible exchange rate regimes perform under stress? Theoretical considerations and Chile's experience with (quasi) flexible exchange rates (after 2000)**

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>

Saylor Academy (2012). Policy effects with floating exchange rates (Chap. 10), in: International Finance: Theory and policy. Open educational resources.

[https://saylordotorg.github.io/text\\_international-finance-theory-and-policy/s13-policy-effects-with-floating-e.html](https://saylordotorg.github.io/text_international-finance-theory-and-policy/s13-policy-effects-with-floating-e.html)

## **II. Current Account Deficits and Fiscal Austerity: Different Approaches Worldwide**

**Topic 3: Latin America and the U.S. have very frequent current account (CA) deficits. What are the problems? How can CA deficits be addressed through macroeconomic and other policies? [Choose either the U.S. or Chile as case studies].**

Obstfeld, M. and Rogoff, K.S. (2005) Global current account imbalances and exchange rate adjustments. *Brookings Papers on Economic Activity*. 1: 2005.

[https://www.brookings.edu/wp-content/uploads/2005/01/2005a\\_bpea\\_obstfeld.pdf](https://www.brookings.edu/wp-content/uploads/2005/01/2005a_bpea_obstfeld.pdf)

The America First Trade Policy (2025) <https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/>

**Topic 4: The German austerity policy. Can it serve as a role model for Latin American countries?**

Federal Ministry of Finance (2024) German stability programme 2024. Berlin, Germany.

Heise, A. (2024) Austerity and the political economy of the German debt brake. ZÖSS-Discussion Paper, University of Hamburg. Hamburg.

Truger, A. (2013) Austerity in the Euro area: The sad state of economic policy in Germany and the EU. Working Paper No. 22/2013. Institute of International Political Economy Berlin. Berlin School of Economics and Law. Berlin.

## **III. Trade Strategies in the Americas (North America and South America)**

General literature:

Holtfrerich, C.-L. (1999) *Wirtschaft USA. Strukturen, Institutionen und Prozesse*. De Gruyter Oldenbourg. Re-print 2018.

Trade Policy Review United States of America (2022)  
[https://www.wto.org/english/tratop\\_e/tpr\\_e/s434\\_e.pdf](https://www.wto.org/english/tratop_e/tpr_e/s434_e.pdf)

Trade Policy Review USA. Executive Summary (2022)

[https://www.wto.org/english/tratop\\_e/tpr\\_e/s434\\_sum\\_e.pdf](https://www.wto.org/english/tratop_e/tpr_e/s434_sum_e.pdf)

The America First Trade Policy (2025) <https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/>

**Topic 5: Trump's quasi withdrawal from the North American Free Trade Agreement (NAFTA, later replaced by USMCA). What does it mean and how should it be assessed?**

Ballesteros, A. (2025) We have a deal: US-Mexico trade negotiations reach a breakthrough. Wilson Center. Washington, D.C., <https://www.wilsoncenter.org/article/we-have-deal-us-mexico-trade-negotiations-reach-breakthrough>

Sperling, J. (2025) Understanding Trump's new trade policies: Insights on tariffs, Mexico, Canada and China, January 21, 2025. Columbia Business School.

U.S. Mission Geneva (2022). <https://geneva.usmission.gov/2022/12/14/15th-trade-policy-review-of-the-united-states/>

Wood, D. et al. (2019) Response to Trump's announcement of tariffs on Mexican imports. Wilson Center. Washington, D.C., <https://www.wilsoncenter.org/article/response-to-trumps-announcement-tariffs-mexican-imports>

**Topic 6: Can Donald Trump's strategic trade policy serve as an example for Latin America or other countries?**

Saylor Academy (2012). The case for selected protection (Chap. 11.4).in: International Economics: Theory and policy. Open educational resources.

[https://saylordotorg.github.io/text\\_international-economics-theory-and-policy/s14-04-the-case-for-selected-protecti.html](https://saylordotorg.github.io/text_international-economics-theory-and-policy/s14-04-the-case-for-selected-protecti.html)

The America First Trade Policy (2025) <https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/>

**IV. Comparative and Competitive Advantage in Latin America and the World**

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 7: Comparative advantage based on natural resources. How dangerous is this model of development? The Chilean way of dealing with it**

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>

Osborn, C. (2022) Chile bets big on green hydrogen. Foreign Policy.

<https://foreignpolicy.com/2022/04/22/chile-green-hydrogen-clean-energy-industry-investment-climate-change/>

REUTERS (2022). Chile signs agreement for green hydrogen production.

<https://www.reuters.com/business/sustainable-business/chile-signs-agreements-green-hydrogen-production-2022-05-26/>

Serpell, O., Paren, B. and Chu, W.-Y. (2021). Rare earth elements. Kleinman Center for Energy Policy. University of Pennsylvania,

<https://kleinmanenergy.upenn.edu/wp-content/uploads/2021/05/KCEP-Rare-Earth-Elements.pdf>

**Topic 8: China's competitive advantage as a threat to Latin American (and European/US) manufacturing. What are the causes and possible countermeasures?**

Center for Strategic and International Studies (2025) China dominates global manufacturing. CSIS. Georgetown University. Washington, D.C.

Lall, S., Weiss, J. and Oikawa, H. (2005) China's competitive threat to Latin America: An analysis for 1990-2002. *Oxford Development Studies* 33(2): 163-194.

Lederman, D. and Maloney, W. (2012) Does what you export matter? In search of empirical guidance for industrial policies. The World Bank. Washington, D.C.