
BLOCK SEMINAR

CONTROVERSIES IN DEVELOPMENT ECONOMICS

Summer Term 2024 (this version: March 1, 2024)

Apl. Prof. Dr. Jann Lay: jann.lay@giga-hamburg.de

Lena Merkel: lena.merkel@giga-hamburg.de

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY. THEY SHOULD ANSWER ALL YOUR QUESTIONS.

Preliminary discussion: April 12, 2024, 10:00-12:00

Block course: May 27 and 31, 9:00-13:00 h

The application process follows the centralized seminar slot allocation process. Please follow the instructions as communicated in the economics newsletter. If you would like to attend this seminar, please indicate accordingly in this form until 27 March.

Contested slots will be allocated via lottery, you will be informed whether you received a slot between 28 March and 2 April. Lena Merkel will contact you directly to select the seminar paper's topic after the centralized application process has ended.

COURSE DESCRIPTION

The seminar addresses controversial issues in development economics. Based on the seminar papers, which take a balanced position on a specific controversy, students will prepare a presentation that assumes a one-sided position during the seminar. Moderated discussions between two positions will be preceded and followed by a vote of the entire group to assess how convincing the respective presenter has made his or her argument. The seminar topics are subject to change every term.

Language of instruction: English, but seminar papers may be written in German.

Compulsory meeting I: You should be present at the preliminary discussion. Slots may already be limited at the meeting.

Compulsory meeting II: You should meet your supervisor (either Lena Merkel or Jann Lay) at least once to discuss the table of contents of your paper. This meeting is compulsory. Appointments can be made via email.

TIME SCHEDULE

March 1 - 27	Application for seminar through centralized application process (see above)
April 12	FlexNow registration
April 12	Compulsory preliminary discussion
May 22	Deadline for seminar papers. An electronic version should be submitted no later than 12:00 am.
May 27 and 31	Seminar

COURSE REQUIREMENTS

To acquire 6 credit points students will have to write a seminar paper (60%), prepare a presentation and participate in the discussions (which together accounts for the other 40%). The full participation in the seminar, i.e. during all presentations, is compulsory.

ELIGIBLE PARTICIPANTS

The seminar is open to MA students in economics or one of the three business MA programs. Ideally (but not necessarily), you have previously participated in development economics classes.

SEMINAR PAPERS

The seminar papers should be written in English or German, comprising no more than 10 pages (Times New Roman, 12pt, 1.5 spaced, margins: left 2.5 cm, right 3.5; top/bottom 2.5, 10 pages excluding title page, table of content, bibliography and exhibits, max. 15 pages total). In addition, a short abstract of about 200 words has to be composed. The papers should be analytical and critical, develop a coherent argument, draw own conclusions, and go beyond a pure summary of existing literature. Guidelines on well-written papers can be found on the webpage of Prof. Fuchs.

Students should hand in an electronic (pdf) copy of their seminar papers. The electronic version will then be made available to all other students for reading.

PRESENTATIONS AND DISCUSSIONS

We will have two presentations on each topic. Depending on the course size a third person will be assigned the role of the moderator. Before the presentation, the “audience” will vote on the controversial issues (for example, “Does aid do more harm than good: Yes or no?”). In the presentations, each presenter will then take one of the possible views on the issue and make an attempt to convince fellow students of that view. The speakers can use any visual device for their presentations (e.g. handouts, transparencies) and should be able to answer short questions during the presentation. Note that the one-sided view will only be required in the presentation. The seminar paper will be more balanced.

After the presentations, the audience – in a panel discussion format – can ask questions and let the presenters defend their positions before there is another vote on the same issue. It is expected

that all other students have briefly gone through the papers of the other participants before the seminar so that a productive and interesting discussions can take place.

TOPICS [PRELIMINARY, AS OF MARCH 1, 2024]

TOPIC 1: FAIR TRADE: (A) FAIR DEAL OR (B) GREEN MARKETING GAG: IS FAIR TRADE PROMOTING DEVELOPMENT? (LENA MERKEL)

- De Janvry, A., McIntosh, C., Sadoulet, E., (2015). Fair Trade And Free Entry: Can A Disequilibrium Market Serve As A Development Tool? *Review Of Economics And Statistics*, 97(3): 567-573.
- De Janvry, A., & Sadoulet, E. (2020). Using Agriculture For Development: Supply-and Demand-side Approaches. *World Development*, 133.
- Fairtrade (2023). Fair Trade Living Income. Progress Report 2023. [Link To Report](#)
- Meemken, E. M., Sellare, J., Kouame, C. N., & Qaim, M. (2019). Effects Of Fairtrade On The Livelihoods Of Poor Rural Workers. *Nature Sustainability*, 2(7): 635-642.
- Oya, C., Schaefer, F., & Skolidou, D. (2018). The Effectiveness Of Agricultural Certification In Developing Countries: A Systematic Review. *World Development*, 112: 282-312.

TOPIC 2: ACHIEVING SUSTAINABILITY IN GLOBAL SUPPLY CHAINS THROUGH “NORTHERN” REGULATION (IN EUROPE OR GERMANY): (A) EFFECTIVE FOR BETTER WORK AND ENVIRONMENT (B) MEANINGLESS BUREAUCRATIC EXERCISE? (JANN LAY)

- Boudreau, L., Cajal-Grossi, J. and Macchiavello, R. (2023). Global Value Chains in Developing Countries: A Relational Perspective from Coffee and Garments. *Journal of Economic Perspectives*, 37(3), pp. 59–86. Available at: <https://doi.org/10.1257/jep.37.3.59>.
- Felbermayr, G. et al. (2022) Ökonomische Bewertung eines Lieferkettengesetzes. Research Report 42. Kieler Beiträge zur Wirtschaftspolitik. Available at: <https://www.econstor.eu/handle/10419/262223> (Accessed: 1 March 2024).
- Lay, J. et al. (2024). “Europäische Lieferkettenregulierung nicht aufhalten! Sie ist ein wichtiger Schritt für eine bessere Globalisierung“ at <https://www.sustainablesupplychains.org/blog/europaische-lieferkettenregulierung-nicht-aufhalten-sie-ist-ein-wichtiger-schritt-fur-eine-bessere-globalisierung/>

TOPIC 3: INTEGRATION INTO GLOBAL VALUE CHAINS: (A) PROMOTING FORMAL JOBS AND HIGHER WAGES OR (B) INCREASING PRECARIOUSNESS? (JANN LAY)

- Blattman, C. and Dercon, S. (2018) ‘The Impacts of Industrial and Entrepreneurial Work on Income and Health: Experimental Evidence from Ethiopia’, *American Economic Journal: Applied Economics*, 10(3), pp. 1–38.
- Crescenzi, R., & Limodio, N. (2021). The Impact Of Chinese FDI In Africa: Evidence From Ethiopia. *Geography And Environment Discussion Paper Series*, (22).
- Hoekman, B., Sanfilippo, M., & Tambussi, M. (2023). Foreign Direct Investment And Structural Transformation In Africa. *CEPR Press Discussion Paper*, (17838).

- Lay, J., & Tafese, T. (2020). Promoting Private Investment To Create Jobs: A Review Of The Evidence. Kiel Institute for the World Economy. Poverty Reduction, Equity And Growth Network.
- Tafese, T., Lay, J. and Tran, V. (2023). From Fields to Factories: Special Economic Zones, Foreign Direct Investment, and Labour Markets in Vietnam. GIGA Working Papers, 338.
- Toews, G., & Vézina, P. L. (2022). Resource Discoveries, FDI Bonanzas, And Local Multipliers: Evidence From Mozambique. *Review of Economics and Statistics*, 104(5), 1046-1058.

TOPIC 4: INVESTMENTS IN AGRICULTURE AND LAND: (A) LAND GRAB OR (B) DEVELOPMENT OPPORTUNITY? (JANN LAY)

- Barrett, C. B., Christiaensen, L., Sheahan, M., & Shimeles, A. (2017). On The Structural Transformation Of Rural Africa. *Journal Of African Economies*, 26(suppl_1), I11-i35.
- Dell'angelo, J., D'odorico, P., Rulli, M. C., & Marchand, P. (2017). The Tragedy Of The Grabbed Commons: Coercion And Dispossession In The Global Land Rush. *World Development*, 92, 1-12.
- Lay, J., & Nolte, K. (2018). Determinants Of Foreign Land Acquisitions In Low-and Middle-income Countries. *Journal Of Economic Geography*, 18(1), 59-86.
- Lay, J., Anseeuw, W., Eckert, S., Flachsbarth, I., Kubitz, C., Nolte, K., & Giger, M. (2021). Taking Stock Of The Global Land Rush: Few Development Benefits, Many Human And Environmental Risks. Analytical Report III. Bern, Montpellier, Hamburg, Pretoria: Centre For Development And Environment, University Of Bern; Centre De Coopération Internationale En Recherche Agronomique Pour Le Développement. German Institute For Global And Area Studies.

TOPIC 5: DIGITALIZATION AND TECHNOLOGICAL CHANGE: (A) THREAT OR (B) OPPORTUNITY FOR WORKERS AND FIRMS IN DEVELOPING COUNTRIES? (LENA MERKEL)

- Alonso, C., Berg, A., Kothari, S., Papageorgiou, C., & Rehman, S. (2022). Will The AI Revolution Cause A Great Divergence?. *Journal Of Monetary Economics*, 127: 18-37.
- Fietz, K. & Lay, J. (2023). Digitalization And Labor Markets In Developing Countries. GIGA Working Papers 335. [Link To Working Paper](#)
- Hjort, J., & Poulsen, J. (2019). The Arrival Of Fast Internet And Employment In Africa. *American Economic Review*, 109(3), 1032-79.
- Lewandowski, P., Park, A., Hardy, W., Du, Y., & Wu, S. (2022). Technology, Skills, And Globalization: Explaining International Differences In Routine And Nonroutine Work Using Survey Data. *The World Bank Economic Review*, 36(3), 687-708.
- Maloney, W. F., & Molina, C. (2019). Is Automation Labor-displacing In The Developing Countries, Too? Robots, Polarization, And Jobs. The World Bank.
- World Bank. (2018). World Development Report 2019: The Changing Nature Of Work. The World Bank.

TOPIC 6: DECENTRALIZATION REFORMS: (A) SUCCESS OR (B) FAILURE IN TERMS OF GREATER ACCOUNTABILITY AND DEMOCRATIZATION? (LENA MERKEL)

Bardhan, P., & Mookherjee, D. (2000). Capture And Governance At Local And National Levels. *American Economic Review*, 90(2), 135-139.

Fisman, R., & Gatti, R. (2002). Decentralization And Corruption: Evidence Across Countries. *Journal Of Public Economics*, 83(3), 325-345.

Mokherjee, D. (2023). Voxdevtalk: Decentralizing Governance In Developing Countries. [Link To Video](#)

Narasimhan, V., & Weaver, J. (2023). Polity Size And Local Government Performance: Evidence From India. SSRN Working Paper 4678837. [Link To Working Paper](#)

World Bank (1999). Decentralization: Rethinking Government. In: The World Bank (1999). *Entering The 21st Century: World Development Report 1999/2000*.