

Essay 2

Essay question:

In discussing industrial policy, how useful, or counterproductive, is the concept of a country's comparative advantages?

Deadline: to be submitted by **May 18th, 2020**

Maximum number of words: **2.000 words** (approximately 5-6 A4 pages, excluding the cover page and the page with references)

Recommended Readings (Those with an asterisk, *, are the essential readings. Those without an asterisk are important readings. All these readings have been uploaded to Aquila. Be aware that some readings are chapters of books and, in some cases, the whole book, not only the chapter, has been uploaded to Aquila. Students can and would benefit from also searching other references for this essay):

Chang, Ha-Joon. 2012. *Kicking Away the Ladder: Neoliberalism and the 'Real' History of Capitalism*. In Kyung-Sup, Chang; Ben Fine & Linda Weiss (eds.) *Developmental Politics in Transition: The Neoliberal Era and Beyond*. Palgrave MacMillan: London. *

Deraniyagala, Sonali & Ben Fine. 2006. *Kicking away the logic: Free trade is neither the question nor the answer for Development*. In Jomo KS & Ben Fine (eds.). *The new development economics after the Washington Consensus*. Zed Books: London and New York. *

Fine, Ben & Elisa Van Waeyenberge. 2013. A Paradigm Shift that Never Was: Justin Lin's New Structural Economics. *Competition and Change*, Vol. 17 No. 4, October, 355–71. *

Lee, Kwon-Hyung. 2013. *An Alternative Perspective on Industrial Policy: The Case of the South Korean Car Industry*. In Fine, Ben; Jyoti Saraswati & Daniela Tavasci (eds.) *Beyond the Developmental State: Industrial Policy into the Twenty-First Century*. Pluto Press: London. *

Lin, Justin & Ha-Joon Chang. 2009. Should Industrial Policy in Developing Countries Conform to Comparative Advantage or Defy it? A Debate between Justin Lin and Ha-Joon Chang. *Development Policy Review*, Vol. 27, Issue 5, pp. 483-502, September. Available at SSRN: <https://ssrn.com/abstract=1484135> or <http://dx.doi.org/10.1111/j.1467-7679.2009.00456.x>. *

- Ocampo, José António & Lance Taylor. 1998. Trade liberalization in developing economies: modest benefits but problems with productivity, macro prices and income distribution. *The Economic Journal* 108 (September), pp 1523-1546.
- Singh, Ajit. 2011. Comparative advantage, industrial policy and the World Bank: back to first principles. *Centre for Business Research, University of Cambridge*. Working Paper No. 418. Available at <https://mpra.ub.uni-muenchen.de/39050/> *
- Wade, Robert. 2015. *The role of industrial policy in development countries*. In UNCTAD. Rethinking Development Strategies after the Financial Crisis – Volume I: Making the Case for Policy Space. United Nations: New York.
- Weiss, John. 1985. Manufacturing as an Engine of Growth – Revisited. *Industry & Development* no. 3, pp39-62.

Instructions for writing the essay (PLEASE, READ THEM CAREFULLY):

- 1) Read the booklet “how to write an essay”, which you can download from Aquila.
- 2) Keep the essay short and focus your attention on understanding AND answering the question.
- 3) Include a cover page in which you write the essay title, your full name and your student number.
Essays without clear and adequate identification of the author will not be evaluated.
- 4) Include a list of references at the end of the essay (only the references that you have utilised and quoted in the essay).
- 5) 3) and 4), above, do not count as essay words or pages.
- 6) Read the notes about the evaluation of essays (in Aquila), which will help you understand what is expected of your work, how it is evaluated, and the penalties involved. These are the same instructions utilised for essay 1.
- 7) Please, respect the rules regarding plagiarism. We are going to use urkund or other software to check each essay for significant plagiarism. As you are aware, the theoretical test 1 was annulled because of massive problems of voluntary or involuntary plagiarism (copy and paste of parts of texts written by other people without adequate academic referencing). Plagiarism is not the right way to do things and is not the right thing to do. Therefore, plagiarism incurs in heavy penalties defined by the regulations of ISEG and of the University of Lisbon regarding this issue.
- 8) Send your essay by email, until the end of the day of 18th of May, to macro2iseg@gmail.com AND ALSO TO the institutional email of the lecturer of your practical class (alexandreabreu@iseg.ulisboa.pt,

for the practical classes in Portuguese, **OR** cnbranco@iseg.ulisboa.pt, for the practical classes in English. Please, do not send your essay to both lecturers).

9) The name of your essay file, in WORD, should include your name and reference to the essay topic. For example: **Carla_Cardoso_Industrial Policy.doc** **OR** **Antonio_Sousa_Industrial Policy.doc**. This rule facilitates recording and tracking the expected 200 essays in alphabetical order, thus helping lecturers to keep a proper record of all the files. Failure to comply with this will imply a 1 (one) mark penalty on a scale of 0-20.

Good luck to everybody.