



**EAEPE Symposium 2017**  
**Developing Economics: Towards a Critical Research Agenda**  
**for Development Economics**  
**DIW Berlin, 10-11 June 2017**

**PROGRAM (last updated: 7 June 2017)**

**Saturday, 10 June**

09:30	Welcome & opening
09:45-10:45	<b>Input Speech 1: Erik Reinert</b> (Tallinn University of Technology) Alternative theories of development
<i>Coffee break</i>	
11:00-13:00	<b>Workshop phase 1: Global dependencies and political economy I</b> <i>Discussant: Erik Reinert</i> Claudio Amitrano (Ipea & Capes Brasilia): Institutions and development in Latin American Structuralism and the French School of Regulation: two cases of a dynamic approach to institutional complementarity and hierarchy Stephan Panther (Cusanus Hochschule): Center-Periphery Processes - Dieter Senghaas's 'Von Europa lernen' revisited after 35 years Johannes Jäger (University of Applied Sciences BFI Vienna): Critical Political Economy and the Analysis of Development Processes Maryse Helbert (University of Melbourne): Learning the lessons of oil-led economic development
<i>Lunch (provided at DIW)</i>	
14:30-16:15	<b>Workshop phase 2: Global dependencies and political economy II</b> <i>Discussant: Claudius Gräbner</i> Barbara Fritz (FU Berlin): Center and Periphery in International Monetary Relations: Implications for Macroeconomic Policies in Emerging Economies Benjamin Selwyn (University of Sussex): From Class-Relational Political Economy to Labour-Led Development Carla Coburger & Patrick Klösel (University of Tübingen): Peg your currency, boost your economy? A TIPS-approach to the post-colonial legacy of West-Africa's CFA-franc zone
<i>Coffee break</i>	
16:30-18:30	<b>Workshop phase 3: Behavioural approaches</b> <i>Discussant: Theresa Neef</i> Robert Lepenies (FU Berlin): Nudging the Poor. What is critical behavioral public policy, and why does it matter? Agnès Labrousse (Université de Picardie - Jules Verne, Amiens): The Economist as a Plumber, RCTs as an anti-politics machine?

	Svenja Flechtner (European University Flensburg): Towards embedded behavioural approaches
19:30	Informal dinner (info to be provided)

### Sunday, 11 June

10:15-11:15	<b>Input Speech 2: Smita Srinivas</b> (Visiting Professor of Economics @ IKD Centre, Open University and Visiting Senior Fellow @ LSE) Re-framing the economics of innovation: Cognitive and structural elements in developing economies
11:15-11:45	<b>Workshop phase 4: Technology and innovation</b> <i>Discussant: Benjamin Selwyn</i> Claudius Gräbner (Johannes Kepler University Linz): The complexity approach to economic development - a new rationale for industrial policy? <b>[CANCELED]</b> Cornelia Staritz (Austrian Foundation for Development Research): African-owned Firms building Capabilities in Global Value Chains: The Apparel Export Sector in Ethiopia
<i>Coffee break</i>	
12:00-13:00	<b>Workshop phase 5: Why it is important to look at gender relations</b> <i>Discussant: Agnès Labrousse</i> Holly Ritchie (Erasmus University Rotterdam): Gender and local economic development in fragile refugee settings: uncertain institutional change amidst structural constraints and social pressures Thi Anh-Dao Tran (University of Rouen): Feminization of employment in export manufacturing industries: a cross-country analysis
<i>Lunch (provided at DIW)</i>	
14:00-15:00	<b>Input Speech 3: Sanjay Reddy</b> (New School for Social Research New York) Beyond Development Economics
15:00-16:00	<b>Final discussion: What can we learn from each other to develop a critical and comprehensive agenda of development economics?</b> Moderation: Jakob Hafele
<i>Farewell</i>	

**Venue:** DIW Berlin, Mohrenstraße 58, 10117 Berlin

**Organizers:** Svenja Flechtner (European University Flensburg), Jakob Hafele (University of Vienna), Theresa Neef (DIW Berlin)

**Program committee:** Svenja Flechtner (European University Flensburg), Claudius Gräbner (Johannes Kepler University of Linz), Jakob Hafele (University of Vienna), Agnès Labrousse (University of Amiens), Theresa Neef (DIW Berlin)

The symposium enjoys financial support by the Fritz Thyssen foundation.

**EAEPE Symposium 2017**

## **Developing Economics: Towards a Critical Research Agenda for Development Economics**

**DIW Berlin**

**10-11 June 2017**

**BOOK OF ABSTRACTS**

### **WORKSHOP PHASE 1: GLOBAL DEPENDENCIES AND POLITICAL ECONOMY I**

#### **Claudio Amitrano: Institutions and development in Latin American Structuralism and the French School of Regulation: two cases of a dynamic approach to institutional complementarity and hierarchy**

This paper will discuss the relationship between Latin American Structuralism and the French Theory of Regulation and show that they can be seen as two cases of a dynamic approach to institutional complementarity and hierarchy. It will be argued that because of that, institutions play an important role in explaining economic development.

The paper will be divided in three sections beyond the introduction and the final remarks. The first one will describe the main features of both schools of thought. In the second, it will be showed the connections between them and Post-Keynesian economics. Finally, the last section will develop the concept of institutions as shared modes of interpretation and its relationship with the dynamic approach to complementarity and hierarchy.

#### **Stephan Panther: Center-Periphery Processes - Dieter Senghaas's ‚Von Europa lernen‘ revisited after 35 years**

In the late 1970's Dieter Senghaas, a German social scientist based in Bremen was engaged in a multi-step comparative study on the conditions for what he called auto-centered development. Starting from the hypothesis – derived from dependency theory – that successful auto-centered development would need an at least partial dissociation from the world market, he and his collaborators embarked on a long journey of comparative case studies. In the end a complex pattern emerged where internal and external conditions interplayed in intricate ways. The present contribution reconstructs these findings in the light of recent advances in the methodology of comparative case studies.

#### **Johannes Jäger: Critical Political Economy and the Analysis of Development Processes**

The study of development is usually fragmented due to the disciplinary split in social sciences which emerged in the second half of the 19th century. The paper starts with the assumption that development processes are characterized by multiple interlinked interdependencies and a focus on “the economy” leaves out important elements and

relations. As a viable alternative for a critical research agenda a Critical Political Economy (CPE) perspective is proposed. The paper discusses the methodological and ontological core elements of CPE. In addition, it shows how CPE can be connected with concepts at lower levels of abstraction such as the dependency approach and what this implies for the analysis of concrete experiences of development.

### **Maryse Helbert: Learning the lessons of oil-led economic development**

Bringing together critical political economy and feminist political ecologies, I will show that the mainstream approach (green politics) to address climate change reproduces the local unequal ecological exchange patterns of the fossil fuel era. Indeed, the need of powerful regions to access uninterrupted cheap fossil fuel has created local unequal ecological exchange where the ecosystem and the local population have borne the environmental cost of the fossil fuel dependence of other regions. I use feminist political ecologies to highlight the specific ways in which women suffer more than men of the local unequal ecological exchange. Green politics approach to mitigate climate change reproduces these gendered unequal relationships of the fossil fuel era.

## **WORKSHOP PHASE 2: GLOBAL DEPENDENCIES AND POLITICAL ECONOMY II**

### **Barbara Fritz: Center and Periphery in International Monetary Relations: Implications for Macroeconomic Policies in Emerging Economies**

We translate the structuralist center-periphery approach to international currency relations and analyze the implications for macroeconomic policies of emerging market countries. While the Post Keynesian literature offers a rather clear concept for growth-oriented policies, it is necessary to adapt them for peripheral emerging economies. We depart from the concept of currency hierarchy, where the currencies of these economies have a lower liquidity premium than those of advanced economies. Under these conditions, we argue that domestic economic policy coordination should lay a major focus on a competitive exchange rate for obtaining, at least, a balanced current account, in order to prevent boom-bust-cycles in capital flows with subsequent financial crises. We conclude that it is a rather ambitious and long-term goal to climb up the currency hierarchy, especially under the current conditions of financial globalization.

### **Benjamin Selwyn: From Class-Relational Political Economy to Labour-Led Development**

Much development thinking – including variants of liberalism, statist political economy, and Marxism – is elitist. It privileges the decision-making, actions and outcomes of elite organisations, in particular those of states and corporations. The collective actions of labouring classes to generate their own developmental dynamics are ignored, or are regarded as detracting from elite objectives, strategies and policies. These elite development theories legitimate and actively contribute to the reproduction of a world system where wealth is highly concentrated, poverty is widespread and the majority of the world's population is systematically disempowered.

Against elite-development theories, this paper discusses how evolving and contested class relations are core determinants of social change, and how collective actions by labouring classes can generate genuine human development. It outlines a class-relational theoretical approach to development and a labour-led, normative, conception of social change.

**Carla Coburger & Patrick Klösel: Peg your currency, boost your economy? A TIPS-approach to the post-colonial legacy of West-Africa's CFA-franc zone**

Two out of four currency unions in operation today, the CFA franc zones, are conceptionally peculiar. They are formed by formerly colonized countries in West Africa ranking among the poorest and most heavily indebted worldwide. We argue that the mainstream approach to poor economic development in West Africa misses the transferred institutional power structures (TIPS) originating from extractivist economic policies and institutions created by the colonial powers. Combining insights from institutional economics, international political economy, and postcolonial studies we examine the financial infrastructure of the CFA franc zone and ask for the effect that European monetary policy still has on the West African currency union. The answer is likely to shed light on broader institutional constellations in postcolonial West Africa.

**WORKSHOP PHASE 3: BEHAVIOURAL APPROACHES**

**Robert Lepenies: Nudging the Poor. What is critical behavioral public policy, and why does it matter?**

Behavioral and experimental approaches are progressively relied upon in a variety of policy fields and have been particularly influential in development policy. “Nudging” is increasingly institutionalized. Around the world, behavioral insights teams have been created while new behavioral policy organizations (such as J-PAL) have gained influence. Normative critiques of nudging abound. Yet, few critics have studied how behavioral approaches are working in practice, how proponents legitimize their policy recommendations and methodological choices, and which intellectual sources proponents of behavioral policy draw upon. To evaluate behavioral approaches, complementary empirical and methodological research is needed. A research program in critical behavioral public policy could weave these normative and empirical strands together (a sketch of which will be presented in the talk).

**Agnès Labrousse: The Economist as a Plumber, RCTs as an Anti-politics Machine?**

This contribution focuses on RCTs as they are practiced by the J-PAL, the leading economic lab in this field. One of its foremost members, Esther Duflo, compares the economist to a plumber, understood as a figure of social engineering. The ‘randomista’ appears as a neutral and impartial scientist, the spearhead of the ‘credibility revolution in empirical economics’ (Angrist and Pischke, 2010). We will scrutinize how, in Duflo’s science-based nudge paternalism, the experimental technique works as an ‘anti-politics machine’ (Ferguson, 1990), social goals being predefined and RCT outcomes settling ideally ambiguities and

conflict. Furthermore, carrying out randomized experimentation requires complex engineering involving diverse groups of actors. As a result, it is exposed to social contingencies that often compromise a protocol's internal validity. One frequently observes major discrepancies between the planned protocol and the way it is implemented on the ground. Eventually, the last part of the paper highlights that the practical problems encountered during the experiments are not new. They belong to a long-standing history, that of an "experimenting society"—of the hopes it raised and the (relative) disenchantment that it caused. Indeed, we are dealing with a recurrent project of governing by evidence, which, ever since the first social randomized controlled experiments of the 1920s, has given way to cycles of enthusiasm and deception among scientific and political actors.

#### **Svenja Flechtner: Towards embedded behavioural approaches**

This paper discusses how behavioural economics could be a research program that integrates analyses from the structural and individual levels. Such an approach would have the appeal that it could strive for embeddedness without denying agency. Using the case of aspiration traps, I illustrate how behavioural economics approaches to individual behavior can take account of socio-economic structures, local contexts, hierarchies etc., and thereby improve our understanding of processes that contribute to the reproduction of poverty and inequalities.

### **WORKING PHASE 4: TECHNOLOGY AND INNOVATION**

#### **Claudius Gräbner: The complexity approach to economic development - a new rationale for industrial policy?**

This paper presents empirical and theoretical arguments for a research agenda in development economics that is based on the theory of economic complexity. Quantitative measures of economic complexity have only been developed recently and there is not yet any coherent theory on the mechanisms underlying economic complexity. We argue that the technology gap framework developed by Dosi et al. (1990) may fill this gap. If this were correct, active industrial policy would qualify as a viable tool to push countries on superior development trajectories. To verify the credibility of this approach a couple of empirical and methodological challenges have to be addressed. We make suggestions on how this can be done.

### **WORKING PHASE 5: WHY IT IS IMPORTANT TO LOOK AT GENDER IMPACTS**

#### **Holly Ritchie: Gender and local economic development in fragile refugee settings: uncertain institutional change amidst structural constraints and social pressures**

This paper elaborates on critical processes of institutional change and the implications for local economic development in fragile settings. Building on previous research in Afghanistan, this article examines refugee women's evolving economic lives, and related gender dynamics in refugee communities. Case studies look specifically at two Islamic refugee contexts: Nairobi, Kenya (Somali refugees), and Jordan (Syrian refugees). The discussion draws

attention to the precarious nature of refugee women's new practices and work norms under forced and strained circumstances, without a process of negotiation and agreement with male family members. The article reflects on emerging gender roles and relations in less certain institutional change, particularly as men remain excluded, and struggle for their own identity and authority. The research contributes to a micro-social perspective of institutional change.

**Thi Anh-Dao Tran: Feminization of employment in export manufacturing industries: a cross-country analysis**

Under the accelerating pace of globalization, an increasing number of women in Developing Countries (DCs) have been absorbed into labor-intensive, export-oriented manufacturing sectors. However, the changing structural features which accompany export promotion, as well as the international environment the South is faced with today, have modified dramatically current transmission processes of macroeconomic shocks. The question is whether export-led growth, which tends to be "female" intensive at the early stages, has increased the vulnerability of DCs that have become embedded in complex subcontracting networks. By examining women's labor force participation rate in Vietnam, we show how patterns of gender relations stemming from structural characteristics but also from social norms and institutional factors, impact on the macroeconomic outcomes of an export oriented strategy.