

University of Mannheim
Chair of Empirical Democracy Research
Prof. Nikolay Marinov, Ph.D.
Instructor: Verena Fetscher
Spring 2017

International Development and Democracy

Syllabus

Monday, 19 March 2018 - 28 May 2018, 5.15pm - 6.45pm

and Monday, 9 April - 7 May, 7.00pm - 8.30pm

A5,6; room B 318

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Course Outline

This course introduces students to current issues in international development. Why are some nations rich and others poor? What do we mean when we talk about development? Who are the main actors in international development? What are their interests and strategies? Finally, what role do institutions play for international development? Which institutions? And why should we be concerned about the role of civil society?

We start with a theoretical understanding of the concept of development, and discuss different approaches to international development. We get familiar with the resource curse, a situation in which a country with an abundance of natural resources experiences stagnant economic growth. International institutions are a key actor in international development. The course sheds a critical light on their main strategies and common practices for promoting international development. Some institutions appear to be more successful in fostering long-term development than others. We get familiar with different types of institution, discuss the role of democracy, and go further in assessing the quality of governance. A civil society is often claimed to be essential for the working of democracy. We question why this could be the case.

The goals of the course are the following. At the end of the course, you have a well-founded overview of relevant topics in international development. You will be familiar with some of the main approaches in the literature and have an overview of key scholarly contributions. You engage in critical thinking and approach complex topics systematically. The course will lead you towards developing your own research questions and assessing it critically with existing literature. You will be able to present your own ideas in a coherent and convincing fashion.

Requirements

Readings. You must read the assigned literature (marked with *) thoroughly before class. Readings are diverse and cover a wide span of topics. Learning takes place through a critical and active engagement with the course material. All required readings will be uploaded on ILIAS.

When you read the literature, try to answer the following questions (if applicable):

- What is the political phenomena that the author is interested in?
- What is the research question?
- What is the theoretical argument?
- Which hypotheses do(es) the author(s) propose?
- Which methodological approach do(es) the author(s) use in order to test the hypotheses empirically?
- How are the central concepts operationalized?
- Which empirical model is estimated?
- What are the empirical results?

Discussion Questions. Prepare one question for each class which is based on the readings for the respective session. The questions will be discussed in class.

Short Essays. During the semester, you will write two short essays. The purpose of the essay is to analyze and critically discuss the assigned and recommended readings (marked with * and ×).

Guidelines:

- Each session makes a claim or poses a question. This helps you to frame your essay. Use the assigned readings in order to respond to the claim or to answer the question.
 - Extract the main points from the literature in a way that helps you to put forward your own ideas.
 - Provide two or three concise points that you back up with argument or evidence.
 - Avoid, if possible, obvious and normative points.
- Essays are written in concise prose. They begin with a short introduction where you introduce the main topic and derive the claim or the question which you are going to respond to. This is followed by the main discussion. The essay ends with a conclusion, where you summarize your main points.
- Essays should be no longer than 3-4 pages (1,5 spaced, Times New Roman 12pt, formatted as justified text) and be sent to the instructor no later than Sunday, 5pm, before the respective session.

- Essays are marked along a scale ranging from 1-5 points. Points have the respective meanings: (5) clever and independent, (4) well-understood and well-structured, (3) meets expectations, (2) need for revisions, (1) serious improvements necessary.

In addition to the questions listed above, you may focus on the following points when discussing the readings. What are the main positions in previous literature? Why do some authors disagree? Is there another way of measuring the theoretical concepts? Why could it be important to think about alternative measures? Do the results support the argument? Why, or why not? Is there an alternative explanation which would lead to a similar outcome?

Policy Analyst. International development is a topic of public interest. Stay informed on current events. Be engaged in relating these events to the scholarly literature we work with during this course. In one session, you will be in the role of a “policy analyst”. In small groups, you choose a topic that you consider relevant with regard to the readings for the respective session. You may choose a current event, historical development or a specific case you are familiar with.

You prepare a short 3-slide presentation which takes approximately 10 minutes. Slide one introduces the topic and the surrounding discussion. Slide two proposes explanations for the observed phenomena. Slide three introduces implications for topics of international development. When preparing your presentation, think about the regional context, the stakeholders who are involved, and their interests. Send your slides to the instructor no later than Friday, 5pm, in the week before the respective session.

Final Essay. The final paper is due on **Friday, 29 June 2018, 10am**. We will discuss further details in the course of the term.

Please note that the fulfillment of the previous requirements, as well as regular attendance, is necessary in order to be accepted to take the final paper.

Absences. The course is organized in a cumulative manner, it is necessary for you to catch up with the material in case of missing a class. Regular attendance is strongly recommended. Please inform me in advance if you will not be able to attend a session.

Cheating. The University’s minimum penalty for plagiarism is to fail the course. Cheating or plagiarism can lead to expulsion (Exmatrikulation) from the University.

Suggestions. Suggestions for improvement are welcome at any time.

Office hours. You are always welcome to meet with me by appointment.

Schedule

March 19 Introduction

Defining International Development

April 9 The Concept of Development
April 9 Economic Growth and Human Development
April 16 Explaining Differences in Economic Development

Promoting International Development

April 16 International Organizations and the Washington Consensus
April 23 Conditionality and Economic Reforms
April 23 Political Economy of Foreign Aid

Institutions

April 30 Institutions and International Development
April 30 Political and Economic Institutions
May 7 State Building
May 7 Democracy Promotion

Quality of Institutions and Civil Society

May 14 Good Governance
May 21 no class (Pentecost)
May 28 Civil Society

Recommended Books

Daron Acemoglu and James A. Robinson. 2013. *Why nations fail: The origins of power, prosperity, and poverty*. London: Profile

William Easterly. 2007. *The white man's burden: Why the west's efforts to aid the rest have done so much ill and so little good*. Pbk. ed. Oxford: Oxford University Press

Amartya Sen. 2001. *Development as freedom*. Oxford: Oxford University Press

Session 1: Introduction

Defining International Development

Session 2: The Concept of Development

Low income is clearly one of the major causes of poverty. Discuss.

* Amartya Sen. 2001. *Development as freedom*. Oxford: Oxford University Press, Ch. 3, Ch. 4

Martha Nussbaum. 2002. “Capabilities and Social Justice.” *International Studies Review* 4 (2): 123–135

Session 3: Economic Growth and Human Development

Economic growth is necessary for human development and can therefore be considered to be the most important factor for reducing poverty. Discuss.

* Gustav Ranis, Frances Stewart, and Alejandro Ramirez. 2000. “Economic Growth and Human Development.” *World Development* 28 (2): 197–219

× Charles Kenny and David Williams. 2001. “What Do We Know About Economic Growth? Or, Why Don’t We Know Very Much?” *World Development* 29 (1): 1–22

Jeni Klugman, Francisco Rodríguez, and Hyung-Jin Choi. 2011. “The HDI 2010: new controversies, old critiques.” *The Journal of Economic Inequality* 9 (2): 249–288

Lant Pritchett. 1997. “Divergence, big time.” *The Journal of Economic Perspectives* 11 (3): 3–17

Michael P. Todaro and Stephen C. Smith. 2015. *Economic development*. Twelfth edition. Pearson series in economics. Boston: Pearson, Ch. 2

Session 4: Explaining Differences in Economic Development

Why do states often fail to take measures that could change resource abundance from being a curse to being a driver for economic development? Discuss possible explanations.

* Michael L. Ross. 1999. “The Political Economy of the Resource Curse.” *World Politics* 51 (2): 297–322

* Sachs, Jeffrey D., Mellinger, Andrew D., Gallup, John L. 2001. “The Geography of Poverty and Wealth.” *Scientific American* 284 (3): 70–75

× Daron Acemoglu and James A. Robinson. 2001. “The Colonial Origins of Comparative Development: An Empirical Investigation.” *The American Economic Review* 91 (5): 1369–1401

Daron Acemoglu, Simon Johnson, and James Robinson. 2003. “Disease and Development in Historical Perspective.” *Journal of the European Economic Association* 1 (2-3): 397–405

Paul Collier. 2008. *The bottom billion: Why the poorest countries are failing and what can be done about it*. Oxford: Oxford University Press

Nathan Nunn and Leonard Wantchekon. 2011. “The Slave Trade and the Origins of Mistrust in Africa.” *American Economic Review* 101 (7): 3221–3252

Nathan Nunn. 2009. “The importance of history for economic development.” *Annu. Rev. Econ.* 1 (1): 65–92

David S. Landes. 1990. “Why are We So Rich and They So Poor?” *The American Economic Review* 80 (2): 1–13

Promoting International Development

Session 5: International Organizations and the Washington Consensus

There is a set of macro-economic policies that will, if implemented correctly, lead to economic development. Discuss.

* John Williamson. 1993. “Democracy and the “Washington consensus”.” *World Development* 21 (8): 1329–1336

× Joseph E. Stiglitz. 1996. “Some Lessons from the East Asian Miracle.” *The World Bank Research Observer* 11 (2): 151–177

Nancy Birdsall, Augusto de La Torre, and Felipe Caicedo Caicedo. 2010. “The Washington Consensus: Assessing a Damaged Brand.” *Center for Global Development Working Paper 213*

Agnes Binagwaho and et al. 2005. *Investing in Development A Practical Plan to Achieve the Millennium Development Goals*. London: Earthscan, Ch. 1, Ch. 4

Dani Rodrik. 2006. “Goodbye Washington Consensus, Hello Washington Confusion?” *Journal of Economic Literature* 44 (4): 973–987

Joseph E. Stiglitz. 1998. *More Instruments and Broader Goals*. Helsinki, Finland

John Williamson. 2000. “What Should the World Bank Think about the Washington Consensus?” *The World Bank Research Observer* 15 (2): 251–264

Session 6: Conditionality and Economic Reforms

The political environment needs to be taken into account when implementing economic reforms. Discuss.

* Quintin H. Beazer and Byungwon Woo. 2016. “IMF Conditionality, Government Partisanship, and the Progress of Economic Reforms.” *American Journal of Political Science* 60 (2): 304–321

× Michael N. Barnett and Martha Finnemore. 1999. “The politics, power, and pathologies of international organizations.” *International Organization* 53 (04): 699–732

Session 7: Political Economy of Foreign Aid

Research shows that the allocation of foreign aid is in large part determined by strategic and political considerations. What implications could this have for development-related outcomes?

* Alberto Alesina and David Dollar. 2000. “Who Gives Foreign Aid to Whom and Why?” *Journal of Economic Growth* 5 (1): 33–63

× Ilyana Kuziemko and Eric Werker. 2006. “How Much Is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations.” *Journal of Political Economy* 114 (5): 905–930

Matthew S. Winters and Gina Martinez. 2015. “The Role of Governance in Determining Foreign Aid Flow Composition.” *World Development* 66:516–531

Alberto Alesina and Beatrice Weder. 2002. “Do Corrupt Governments Receive Less Foreign Aid?” *The American Economic Review* 92 (4): 1126–1137

Axel Dreher, Jan-Egbert Sturm, and James Raymond Vreeland. 2009. “Development aid and international politics: Does membership on the UN Security Council influence World Bank decisions?” *Journal of Development Economics* 88 (1): 1–18

Elise Huillery. 2009. “History Matters: The Long-Term Impact of Colonial Public Investments in French West Africa.” *American Economic Journal: Applied Economics* 1 (2): 176–215

Bruce Bueno de Mesquita and Alastair Smith. 2009. “A Political Economy of Aid.” *International Organization* 63 (02): 309

Institutions

Session 8: Institutions and International Development

Keefer and Knack (1997) hypothesize that the ability of poor countries to catch up is at least partially determined by the institutional environment in which economic activity in these countries takes place. Why do different countries have different economic institutions?

* Philip Keefer and Stephen Knack. 1997. “Why Don’t Poor Countries Catch Up? A Cross-National Test of an Institutional Explanation.” *Economic Inquiry* 35 (3): 590–602

× Abhijit V. Banerjee and Esther Duflo. 2011. *Poor economics: A radical rethinking of the way to fight global poverty* / Abhijit V. Banerjee, Esther Duflo. New York: PublicAffairs, Ch. 10

Session 9: Political and Economic Institutions

Redistribution of income comes with redistribution of political power, and changes in the distribution of political power lead to further redistribution of income. Inclusive institutions allow this process to take place. Discuss.

- * Daron Acemoglu and James A. Robinson. 2013. *Why nations fail: The origins of power, prosperity, and poverty*. London: Profile, Ch. 3, Ch. 7, Ch.15
- × Macartan Humphreys and Robert Bates. 2005. “Political Institutions and Economic Policies: Lessons from Africa.” *British Journal of Political Science* 35 (3): 403–428

Session 10: State Building

“I was wrong. It turns out that the rule of law is probably more basic than privatization” (Friedman 2002). Why would a state with strong institutional effectiveness but limited scope for state functions be more desirable than a state with both, strong institutional effectiveness and a broad scope of state functions?

- * Francis Fukuyama. 2004. “The Imperative of State-Building.” *Journal of Democracy* 15 (2): 17–31
 - × Lant Pritchett, Michael Woolcock, and Matt Andrews. 2013. “Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation.” *The Journal of Development Studies* 49 (1): 1–18
- James Mahoney. 2001. “Path-Dependent Explanations of Regime Change: Central America in Comparative Perspective.” *Studies in Comparative International Development* 36 (1): 111–141

Session 11: Democracy Promotion

Pressures from international organizations can facilitate democratic development. Democratization therefore does not need to be an internally driven process. Discuss.

- * Steven E. Finkel, Aníbal Pérez-Liñán, and Mitchell A. Seligson. 2007. “The effects of US foreign assistance on democracy building, 1990–2003.” *World Politics* 59 (03): 404–439
- × Faisal Z. Ahmed. 2012. “The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival.” *American Political Science Review* 106 (01): 146–165

Allison Carnegie and Nikolay Marinov. 2017. “Foreign Aid, Human Rights, and Democracy Promotion: Evidence from a Natural Experiment.” *American Journal of Political Science*

William Easterly. 2007. *The white man’s burden: Why the west’s efforts to aid the rest have done so much ill and so little good*. Pbk. ed. Oxford: Oxford University Press, Ch. 10, Ch.11

William Easterly. 2009. “Can the West Save Africa?” *Journal of Economic Literature* 47 (2): 373–447

Johannes Haushofer and Jeremy Shapiro. 2016. “The Short-Term Impact of Unconditional Cash Transfers to the Poor: Experimental Evidence from Kenya.” *Working Paper*

Evelyn Huber, Dietrich Rueschemeyer, and John D. Stephens. 1993. “The Impact of Economic Development on Democracy.” *Journal of Economic Perspectives* 7 (3): 71–86

Quality of Institutions and Civil Society

Session 12: Good Governance

The link between governance and poverty alleviation contains trade-offs and differences in sequencing of what has to be done, when, and how. Country-specific factors need to be understood first before recommending governance reform. Discuss.

* Merilee S. Grindle. 2004. “Good Enough Governance: Poverty Reduction and Reform in Developing Countries.” *Governance* 17 (4): 525–548

× Bo Rothstein and Jan Teorell. 2008. “What Is Quality of Government? A Theory of Impartial Government Institutions.” *Governance* 21 (2): 165–190

Rafael La Porta et al. 1999. “The quality of government.” *Journal of Law, Economics, and organization* 15 (1): 222–279

Judith Tendler. 1997. *Good government in the Tropics*. Johns Hopkins University Press

Thomas G. Weiss. 2000. “Governance, good governance and global governance: Conceptual and actual challenges.” *Third World Quarterly* 21 (5): 795–814

Session 13: Civil Society

Inglehart and Welzel (2010) argue that modernization leads to enduring mass attitudinal changes that are conducive for democracy. What are the implications for democracy promotion?

* Ronald Inglehart and Christian Welzel. 2010. “Changing Mass Priorities: The Link between Modernization and Democracy.” *Perspectives on Politics* 8 (02): 551–567

× Francis Fukuyama. 2001. “Social capital, civil society and development.” *Third World Quarterly* 22 (1): 7–20

Stephen Knack. 2002. “Social capital and the quality of government: Evidence from the states.” *American Journal of Political Science*: 772–785

Juan J. Linz. 1993. “State building and nation building.” *European Review* 1 (04): 355–369

Lily L. Tsai. 2007. “Solidary groups, informal accountability, and local public goods provision in rural China.” *American Political Science Review* 101 (02): 355–372