



NYU | WAGNER

Institutions, Governance, and International Development

PADM-GP 2201.002
Spring 2014

Mondays 6:45 - 8:25 pm
Tisch Hall (40 West 4th Street) Room LC9

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Office Hours: Thursdays 2:00PM to 3:00PM or by appointment

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Course description

This course introduces students to the theory and practice of institutional and governance reform in developing countries. International development became a topic of concern after World War II, when the Western world grappled with the reconstruction of Europe, decolonization in Africa and Asia, and the ascension of nationalist governments in Latin America. It was a time of deep ideological divides and partisan alliances; and also of hope for a new world order, as symbolized by the birth of institutions like the United Nations, the World Bank, the General Agreement on Tariffs and Trade (GATT, later transformed into the WTO) and the International Monetary Fund.

Since then, progress has been uneven. On one hand, many economies have transformed themselves. The proportion of the global population living in absolute poverty has decreased considerably, and access to basic life sustaining services such as health, housing, electricity and education has increased, particularly in large countries such as Brazil, Russia, India and China. On the other hand, problems still abound, in both advanced industrial nations, middle-income countries, and the least-developed nations.

The challenge of development remains enormous, and the meaning, ethics, and appropriateness of this enterprise continue to be highly political and therefore hotly contested. Not surprisingly, reasonable people disagree on what development is, what should be pursued first, how it ought to be done, and who should pay the costs and reap the benefits.

The field of international development is overwhelmingly large, and this course carves out a narrow slice of this larger pie. In fact, this course is based on the premise that - to a large extent - international development revolves around the establishment of well-functioning markets, the building of governments (and governing structures) to sustain, channel and complement these markets, the provision of public services and the assurance of human and civil rights.

The course is composed of four modules. The first module offers a brief survey of the history of development thinking, leading to the contemporary emphasis on institutions and governance. The second module introduces the contested concept of “institutions”, examines how this construct relates to economic activity, and analyzes the prospects and opportunities for institutional change. The third module explores the challenges of governance, i.e. the processes and structures that society adopts to manage its collective affairs, with an emphasis on the implementation of government programs. The fourth module examines some concrete realms of development action, including contemporary development projects, how small farmers can prosper in global markets, and the promotion of collective action and citizen participation. The course concludes with an opportunity for reflection on what we learned and what remains to be known.

All in all, the course does not offer blueprints, pre-packaged tools, ready-to-use frameworks or any one-right-answer. Rather, it challenges students to go beyond easy dichotomies and search for the levers of change that matter. It is much easier to criticize other people’s ideas than to suggest something new, pragmatic, and likely to work. Rigorous analysis is essential to this task, but at the end of the day development professionals must be creative to find opportunities for constructive action.

Course objectives

By the end of the course students will:

1. Understand the evolution of the theory and practice of international economic development, including current trends and challenges
2. Acquire a critical perspective on blueprints, received wisdoms and other misconceptions prevalent in international development thinking
3. Identify some of the roles played by national and local governments, private businesses, NGOs, citizens and international organizations in promoting economic development
4. Think analytically and strategically about existing levers of institutional reform, improved governance and opportunities for pragmatic change
5. Be a step closer to becoming reflective practitioners, i.e. professionals endowed with a sophisticated grasp of the art, science, opportunities, limits and dangers of action in the international development sphere

Requirements

Grades will be based on class participation (20%), a midterm assignment (30%) and a final assignment (50%).

Active class participation (20%) means coming to class prepared to engage in thoughtful discussion, and being able to ask good questions at least as much as being able to answer them. Quality of participation is more important than quantity, but these two are often correlated. Do not be afraid to speak up if you have something meaningful to say, and do not wait too long to do it. Shyness increases with time, so do not let it sink in. Two of our classes will not have assigned readings or lectures. Rather, they will be devoted entirely to discussion and student participation, which creates additional opportunities for students to contribute to the class.

For the midterm (30%), students can choose between:

- An individual reflection memo that mentions at least five of the readings covered up to March 10th (inclusive). The memo is take-home, open book and open note. Students should feel free to consult and discuss relevant matters with their colleagues, but all words on the page must be one's own.

OR

- A research paper analyzing the governing rules, structures, practices and procedures that sustain, channel and complement a cluster of industries, a supply chain or a market of one's own choosing. More details to be announced. This paper can be written individually, in pairs or trios. Students form their own groups, and everyone in a group will receive the same grade. If forming a team is difficult for any reason, proceed solo.

The midterm assignment should be no longer than 5 (double-spaced) pages, including a brief title, bibliography and footnotes, in the format indicated below. More details will be provided in class. Both the paper and the memo have the same deadline for submission: March 24th BEFORE class.

For the final assignment (50%), students can choose between:

- An individual reflection memo that mentions at least ten readings covered during at least seven classes. The memo is take-home, open book and open notes. Students should feel free to consult and discuss relevant matters with their colleagues, but all words on the page must be one's own.

OR

- A research paper on a topic of students' own choosing. This paper can be written individually, in pairs or trios. Students form their own groups, but everyone in a group will receive the same grade. If forming a team is difficult for any reason, proceed solo.

The final assignment should be no longer than 10 (double-spaced) pages, including a brief title, bibliography and footnotes, in the format indicated below. More details will be provided in class. Deadline for submission: May 16th

Voluntary additional assignments

In the spirit of crowdsourcing, I invite students to contribute to future iterations of the course, in two ways:

First, students may submit newspaper and magazine articles, podcasts, short videos, documentaries, maps, and other resources that illustrate, challenge, or establish a dialogue with the theories, problems and interventions discussed in class, to be added to the course. Each submission must be accompanied by a brief memo (from one paragraph to one page) introducing the piece, explaining its main point, and arguing why it should be added to the syllabus (and where). If you are intent on finding something, the “Innovations for Successful Societies”, at Princeton University, is a good place to start.

Second, students may also submit insightful comments on any of the readings listed on the syllabus. Comments should range from one paragraph to one page, and should explain why the reading should be promoted (from recommended to required), demoted (from required to recommended), removed from the syllabus, or transferred to a different section. I am not asking for summaries or a list of reasons why the author is “wrong”. A good memo analyzes the pedagogical merit of the piece. Students may also suggest novel questions for discussion or reflection associated with any of the assigned readings.

Submissions are individual and voluntary. Still, they will be graded as a regular assignment and carry the weight of 10% for each submission, up to a maximum of 20%. In practice, a student who submits two pieces and gets a perfect 10 on both of them sees his/her final grade for the course increase by 2.0 points. A student who does not submit anything, or gets a zero, will not suffer any penalty.

Format and submission:

All assignments should be written on Times New Roman size 12, doubled-spaced lines (not 1.5), one inch margins all around.

The assignments must include citations in the text and a bibliography at the end of the document. Use the following format for citations: if you are citing an idea or a concept, include (author’s last name year) immediately after the passage, once per paragraph. If you are transcribing a passage, include the page number. For instance:

“...this type of engagement has been called responsive (Ayres and Braithwaite 1992, Braithwaite 2005), flexible (Bardach and Kagan 1982), tit-for-tat (Scholz 1984), creative (May and Burby 1998), and adaptive (Hawkins 1984).”

Use footnotes instead of endnotes.

Please remember to include your mailbox number in the paper and use the following convention to name your files: IGID S2014 [your last name] [assignment]

For instance: IGID S2014 Alvarez midterm.pdf

To submit your assignments, go to: <http://www.dropitto.me/salocoslovsky>. From there, you can upload the file directly to my computer. You will need a password, which I will distribute in class.

Grading Policy:

There is no curve in this course. Everyone may receive an A or everyone may receive an F. I grade class participation and assignments on a scale of 0 (zero) to 10 (ten), in which zero is absolute failure and 10 is a perfect score. Students who fail to submit the required assignments will automatically receive an F for the course, unless you ask for an incomplete. At the end of the semester, I use the weights listed above to calculate your final score, and convert it to a letter grade according to the following table:

Numeric Grade	Letter Grade
Incomplete	Incomplete
<4.00	F
4.00 – 5.00	C
5.00 – 6.00	B-
6.00 – 7.00	B
7.00 – 8.00	B+
8.00 – 9.00	A-
>9.00	A

(Borderline cases will be decided based on contribution to the class)

I do not look forward to failing any student. If you are having difficulty keeping up, talk to me so we can devise a remedial plan for you to catch up and, hopefully, excel in the course.

Late Policy and Incompletes

Extensions will be granted only in case of emergency. This policy is adopted out of respect to those who have abided by deadlines, despite equally hectic schedules. Papers handed in late without extensions will be penalized 0.25 points per day. For more information on the official school policy, see Wagner's website: <http://wagner.nyu.edu/students/policies/incompletes.php> .

A note on Academic Integrity and Plagiarism

I take matters of academic integrity very seriously. It is your responsibility to identify quotes and to cite facts and borrowed ideas. If you need guidance, please consult the NYU-Wagner Academic Code (<http://wagner.nyu.edu/students/policies/>) and additional references listed there. You may also consult the teaching assistants, tutors, or the designated librarian at Bobst. Naturally, you may consult me at any time. Please note that NYU-Wagner subscribes to a commercial service that compares papers to a gigantic database to flag plagiarism. I will refer all cases of plagiarism to the appropriate disciplinary committee, either at Wagner or at the student's home school.

Classroom Etiquette

Come prepared to engage with your fellow students, professor, and the material to be discussed. I assume everyone has read the articles and chapters indicated in this syllabus. I may start the class by asking a student to summarize the main points to initiate the discussion so come prepared. If you have professional (or personal) experience relevant to the discussion, share it with the class. In the past, students have said that learning from colleagues with field experience was a highlight.

Many people bring their laptops or tablets / iPads to class. That is fine if you are taking notes or sporadically consulting relevant materials online. Access to internet can be handy to find data or settle a factual dispute. However, do not navigate the web, check your facebook page, post on twitter, read the news, respond to email or conduct any activity not directly related to the class. I will not be seeing your screen, but those sitting next to you will, and aimless navigation can be distracting. Please respect your colleagues and keep your focus.

Finally, occasional absences are tolerated and do not need justification. Systematic non-attendance will affect your grade and may lead to an F or Incomplete

Readings

In the past, students have asked for a textbook. There are some textbooks devoted to international development out there, but none covers the materials we cover in this course. This is not necessarily a coincidence or a market opportunity. Rather, it is an indication that international development remains a contested field, without a main corpus of agreed upon theories, and is therefore filled with hopes and possibilities.

All readings will be available on NYU Classes. In the past, we tried assembling a Course Packet, but students complained about the high price and low quality of the copies.

Assigned readings cover a wide range of topics. Authors come from different countries and represent different political positions, academic disciplines and research traditions. Some texts may seem old, but to dismiss them would be a mistake. They are assigned because they make important points that remain valid, or are the original articulation of a powerful idea.

Students come to this course with diverse interests and heterogeneous backgrounds. The syllabus includes a range of optional readings to help more advanced students advance even further. Feel free to read any selection of the optional readings. Bringing them up in class knowledgeably will boost your participation grade. Some of the optional readings are on NYU Classes, others are online, and some may require a visit to the library.

This course in context

This is an introductory course and therefore it does not include some important, often cited, and sometimes-controversial topics related to international development. Many of these topics are covered in the other international development courses offered by core Wagner faculty, including:

- PADM-GP.2202: Politics of International Development, taught by John Gershman
- PADM-GP.2203: International Economic Development, taught by Jonathan Morduch or Rajeev Dehejia
- PADM-GP.2204: Development Assistance: Accountability and Effectiveness co-taught by Paul Smoke and John Gershman
- URPL-GP.2666: Water Sourcing and Climate Change taught by Natasha Iskander

- URPL-GP.2665: Decentralized Development Planning and Policy Reform in Developing Countries taught by Paul Smoke.
- HPAM-GP.1831: Introduction to Global Health Policy taught by Karen Grepin

Other faculty at NYU who teach courses relevant to international development include Rosalind Fredericks and Gianpaolo Baiocchi (both at Gallatin) and Gustavo Setrini and Dana Burde (both at Steinhardt). Make sure to check their course offerings.

The full list of international development courses and pre-approved NYU-wide development electives is provided at: <http://wagner.nyu.edu/courses/listings.php?subc=intdev>

Still, the scope of international development is so large that some topics may not be covered at all. If you think any particular topic deserves additional coverage in this class, you may join (or form) a student group to organize events, or talk to me and I will be happy to help you engage on your own.

Class dynamics, how to read academic articles and other good habits of mind

Classes will be a mix of lecture, discussion, and applied exercises. All classes (and practically all readings) will mix theory (i.e. generalizations) and practice (i.e. concrete cases), and these two will systematically inform each other. I am aware that students sometimes complain about “too much theory”. In my view, this is rarely the real problem. Rather, this type of complain indicates that the theory under review does not explain the phenomenon at hand or clarify the course ahead. In these cases, the challenge is not to have less theory, but to have better theory, or better match between theory and the practical concern at hand. If you feel this tension, ask for examples.

Living with anxiety: Sometimes students point out that this course is a reality shock that dismantles prior certainties and policy beliefs. Albeit disconcerting (even upsetting), this is often a step in the right direction. Yet, nihilism is not the goal. In addition to criticizing other people’s ideas, students should strive to ask the questions that allows one to make meaningful distinctions, identify relevant variables, and devise better theories and interventions.

Reading academic articles: Academic articles are a diverse genre. Some may flow like a compelling novel while others are dry and filled with jargon and complex equations. Independent of the writing style of the author or the tools of the discipline, your task is to identify the main problem or research question; the method deployed by the author(s) to answer the question, and the conclusion. Do not be sidetracked by side points and minor details.

Politics of development: Issues of power, inequality, and minority representation are interspersed throughout the semester. Whenever we discuss a new theory or element of the development puzzle, you should try to identify how the proposed theory and resulting interventions affect the distribution of power in society and creates (or negates) opportunities for a more inclusive and participatory economy.

Also, do not fall prey to the easy dichotomy of identifying everything that comes from abroad or are of a different persuasion than “the local people” as colonialist, detrimental, abusive, imperialist or exploitative, and everything that is home-grown as genuine, selfless and beneficial. In the real world, there is plenty of exploitation within countries, conducted by otherwise equals. Likewise, there is plenty of positive change triggered and supported by foreign entities and individuals. To be able to identify

(and possibly create) cross-cutting alliances is a crucial skill for anyone interested in understanding and promoting development.

Along similar lines, students sometimes advocate for everything local and participatory. These tend to be good things, but as warlords, ward bosses, “caciques”, “coronéis”, and other incarnations of the local autocrat have repeatedly shown, not everything local is wholesome, selfless, and beneficial to the poor. Moreover, what some people define as development can be disruptive to others, and these people will surely oppose the change. Do not forget the politics.

Additional Resources

Wagner tutors are available to help students with their writing skills. Please see details on <http://wagner.nyu.edu/students/services/writing.php>. This webpage has additional details on other useful resources, including NYU Writing Center and several links concerning plagiarism and how to cite properly. Also, make sure to read the document titled “How to write a memo”, available on that same webpage and on this link: <http://wagner.nyu.edu/students/services/files/WritingMemos.pdf>

Getting up to speed, moving forward

If you want to learn more about international development prior to this course, want to regain fluency, or simply want to survey the field, you can read a selection of the books below, listed in no particular order, and accessible to a general audience:

***These books are optional / recommended for your enjoyment and general education.
They are not part of the course and will not be discussed in class***

- Chang, HJ. Kicking Away the Ladder: Development Strategy in Historical Perspective
- Amsdem, A. *Escape from Empire: The Developing World's Journey through Heaven and Hell*
- Rodrik, D. The Globalization Paradox: Democracy and the Future of the World Economy
- Collier, P. The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It
- Easterly, W. The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics
- Kenny, C. Getting Better: Why Global Development Is Succeeding - And How We Can Improve the World Even More
- Banerjee A and E. Duflo, Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty
- Mallaby, S. The World's Banker: A Story of Failed States, Financial Crises, and the Wealth and Poverty of Nations
- Munk N., The Idealist
- Acemoglu D and J. Robinson, Why Nations Fail

Course Schedule

PART 1 – The Development Experience

- 1 **January 27** How to create a job
- 2 **February 3** Market reforms
- 3 **February 10** Institutions: the long view

PART 2 – How Institutions affect Development

- 4 **February 24** Law-in-action; anchoring institutions in organizations
 - 5 **March 3** Business development
 - 6 **March 10** Governing structures and the topology of markets
- Spring Break**

PART 3 – Governance

- 7 **March 24** Understanding public sector organizations - **midterm is due**
- 8 **March 31** Working with corruption
- 9 **April 7** Delivering public services
- 10 **April 14** Public sector reform

Part 4 – Development in practice

- 11 **April 21** Show and tell: development today
 - 12 **April 28** Small farmers in global markets
 - 13 **May 5** Collective action and citizen participation
 - 14 **May 12** In-class reflections – this is the last class
- May 16** **Final exam is due**

Class 1 January 27

How to create a job

1 - Required Readings

Amsden, Alice (2010) Say's Law, Poverty Persistence, and Employment Neglect

Murphy et al (1989) Industrialization and the Big Push

Gunder Frank, Andre (1966) The Development of Underdevelopment

Hirschman, Albert O. (1968) The Strategy of Economic Growth; chapter 1 (skip pp 14-24); chapter 4

2 – Recommended Readings

Hamilton (1791) Report on Manufactures

Rostow, W (1959) *The Stages of Economic Growth*, pp 1-16, rest optional

Rosenstein-Rodan, Paul. 1943. Problems of Industrialization of Eastern and Southeastern Europe. *The Economic Journal*, vol.53, no 210/211 (Jun-Sep 1943), pp 202-211

Lewis, Arthur. 1954. "Economic Development with Unlimited Supplies of Labor." *Manchester School of Economics and Social Studies*, 22(May), 139–91.

Munk, Nina. 2007. Jeffrey Sachs's \$200 Billion Dream

3- The readings in context (pointers for readers)

In her article, Alice Amsden argues against the layering of multiple relatively small "social" interventions and for purposeful policies that create jobs. Her article sets the tone for the others. When reading the remaining pieces, try to answer the following question: what does it take to create economic dynamism in a place where it does not exist? According to the different authors, what should be done, who should do it, and how should the effort be financed?

Class 2 February 3

Market Reforms

1 – Required Readings

Krueger, Anne. 1990. "Government Failures in Development," *Journal of Economic Perspectives*. Vol. 4, No. 3, pp. 9-23.

Williamson, John. 1990. What Washington Means by Policy Reform?

Sachs, Jeffrey. The End of Poverty, Bolivia's High-Altitude Hyperinflation (chapter 5)

Finnegan, W. (2002) Leasing the Rain. The New Yorker

2 - Recommended Readings

Strange, Susan. 1995. The Defective State

Cox, Harvey. 1999. The Market as God: Living in the New Dispensation

Krueger, Anne. 2004. Meant Well, Tried Little, Failed Much: Policy Reforms in Emerging Market Economies

Sachs, Jeffrey 1994. Shock Therapy in Poland: Perspectives of Five Years

Passell, Peter. 1993. Dr. Jeffrey Sachs, Shock Therapist

Parker, David and Colin Kirkpatrick, 2007 Privatisation in Developing Countries: A review of the evidence and the policy lessons, *The Journal of Development Studies*

3- The readings in context (pointers for readers)

This week we read (i) a classic piece by Anne Krueger, who analyzes the failings of government as an agent of economic development; (ii) a concrete set of policy proposals compiled by John Williamson and that became known as the "Washington Consensus"; (iii) a testimony by Jeffrey Sachs on how he helped Bolivia overcome serious economic malfunctions in the mid-1980s; and (iv) a more recent piece by William Finnegan describing some of the limits of market reform.

When reading these pieces, keep the following questions in mind: what happens when governments get too involved in directing economic activity? And then, on the other side of this equation, what happens when technical experts make economic decisions on behalf of governments?

Class 3 February 10

Institutions: the long view

1 – Required Readings:

North, D. Institutions, *The Journal of Economic Perspectives*, Vol. 5, No. 1. (Winter, 1991), pp. 97-112.

Williamson, Oliver E. *The New Institutional Economics: Taking Stock, Looking Ahead*, *Journal of Economic Literature*, 38:3 (Sept 2000), pp 595-613

Posner, Richard (1998) Richard Creating a Legal Framework for Economic Development, *The World Bank Research Observer*

Fafchamps, Marcel and Bart Minten (2001) Property Rights in a Flea Market Economy (*skim for main points, do not get sidetracked by methodological wizardry*)

2 - Recommended Readings:

Acemoglu and Robinson, *Why Nations Fail, The Making of Prosperity and Poverty* (chapter 3)

Acemoglu, D., S. Johnson and J. Robinson. "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 2001, v.91 (5), pp. 1369-1401.

Trubek, Law and Development, *International Encyclopedia of Social and Behavioral Sciences*

La Porta, Rafael et al. (1998) Law and Finance. *Journal of Political Economy*

World Bank (1998) *Beyond the Washington Consensus: Institutions Matter*

Acemoglu, Daron. Challenges for social sciences: institutions and economic development

Arrunada (2007) Pitfalls to avoid when measuring institutions: Is Doing Business damaging business? *Journal of Comparative Economics*

3- The readings in context (pointers for readers)

This week we read two classic pieces on New Institutional Economics: one by Douglass North and another by Oliver Williamson. We also read a more applied piece by Richard Posner, who translates some of the abstract principles laid out by North and Williamson into actionable policy advice. Finally, we read a piece by Marcel Fafchamps and Bart Mintzen, who use these theories to make sense of the grain industry in Madagascar, its limitations and upward potential. When reading these articles, keep the following questions in mind: what are institutions, why do we need them, and how can they be changed?

Class 4 February 24

Law-in-action

1 – Required Readings

Macaulay, S. "Non-contractual Relations in Business: A Preliminary Study." *American Sociological Review*, Vol. 28 (1963), No. 1, pp 55-67.

Bittner, Police on Skid Row: A study of peace keeping, *American Sociological Review* Vol. 32, No. 5 (Oct., 1967), pp. 699-715

Cardozo, Benjamin, 1921. *The Nature of the Judicial Process* (*this is a book; skim it for main points*)

2 – Highly recommended Readings

Silbey and Bittner, 1982. The availability of law

Posner, Richard 1987. What Am I, a Potted Plan?

Upham, F. 2002. Mythmaking in the Rule of Law Orthodoxy

3- The readings in context (pointers for readers)

This week we read classic treatments of the law-in-action, with three main themes: (i) private contracts (Macaulay 1963); criminal law enforcement (Bittner 1967); and the courts (Cardozo 1921).

When reading these pieces, keep the following questions in mind: in practice, if the laws cannot be derived unambiguously from the legal texts alone, what defines them? In other words, which variables we should take into account to understand the law? And then, how do the findings reported in these pieces confirm /refute/ask for a modification of the idea of institutions discussed in the previous class?

Class 5 March 3

Business Development

1 – Required Readings:

Bloom N. and J. van Reenen (2010) Why do Management Practices Differ across Firms and Countries?

Bessant J and R Kaplinsky (1995) Industrial Restructuring: Facilitating Organizational Change at the Firm Level, World Development

Evans, Peter (1995) Embedded Autonomy (chapters 1 and 3)

Tendler, J. and M. Amorim (1996) Small Firms and their Helpers, World Development

2 - Recommended Readings

Syverson C (2011) What determines productivity?

Block, Fred (2008) Swimming Against the Current: The Rise of a Hidden Developmental State in the United States

Bruhn et al (2012) The impact of consulting services on small and medium enterprises: Evidence from a randomized trial in Mexico

Hausman, Rodrik and Sabel (2007) Reconfiguring Industrial Policy: A framework with application to South Africa

3- The readings in context (pointers for readers)

The article by Bloom and Van Reenen suggests that private-sector firms do not always optimize their performance or maximize their results (see also Syverson 2011 in the recommended list). How can we make sense of this disparity, given that competitive markets are supposed to wipe out the laggards? The other three articles / chapters examine how governments (or other concerned actors) coax firms into improving their performance.

When reading these pieces, keep the following questions in mind: who is doing what to whom, and how come it delivers results?

Class 6 March 10

Governing structures and the topology of markets

1 – Required Readings:

Dolan, C and J Humphrey (2000) Governance and Trade in Fresh Vegetables: The Impact of UK Supermarkets on the African Horticulture Industry

Locke, R (2001) Building Trust

Coslovsky, S. (2014) Economic Development without Pre-Requisites: How Bolivian producers met strict food safety standards and dominated the global brazil nut market, World Development

Daniel Carpenter (2010), Confidence Games: How does regulation constitute markets? **

2 - Recommended Readings

Vogel, S (1996) Freer Markets, More Rules?

Snyder R. (2001) Politics after neoliberalism: Reregulation in Mexico

Garcia-Parpet, MF (2007) The social construction of a perfect market : the strawberry auction at Fontaines-en-Sologne, in Do economists make markets? On the performativity of economics

Nadvi, K (1999) Collective Efficiency and Collective Failures: The response of the Sialkot Surgical Instrument Clusters to Global Quality Pressures

3- The readings in context (pointers for readers)

Markets, clusters and supply chains require a governance structure to function properly. What do these structures look like, how do they emerge, what happens when they are absent, and how can these structures be changed? Also, do the conceptual tools of New Institutional Economics help us understand the cases examined in these readings? If so, how? If they are not helpful, which new concepts do we need to make sense of these types of institutions?

Class 7 March 24 (midterm is due at the beginning of class)

Understanding public sector organizations

1 – Required Readings:

Blumenthal WM (1979) Candid Reflections of a Businessman in Washington, Fortune Magazine

Gordon, A (2000) Taking Liberties, City Limits

Coslovsky, SV (2011) Relational Regulation in the Brazilian Ministerio Publico

Van Maanen, J (1973) Observations on the making of a policeman

2 - Recommended Readings

Kauffman, Herbert (1968) The Forest Ranger (chapters 1 and 3)

Lawrence and Lorsch (1969) Integration and Differentiation

Pfeffer and Salancik (1978) External Control of Organizations

Chetkovich, Carol and David Kirp (2001) Cases and Controversies: How novitiates are trained to be masters of the public policy universe, Journal of Policy Analysis and Management 20 (2), pp 283-314

Dilulio, J, Principled Agents: The Cultural Basis of Behavior in a Federal Bureaucracy

3- The readings in context (pointers for readers)

This week we read two testimonies by public officials describing what it is like to work for the government. W. Michael Blumenthal served as Secretary of Treasury for President Carter. Akka Gordon was a caseworker with NYC Child Protection Services. And then, we read qualitative analyses of two public bureaucracies, the police, by John Van Maanen, and the prosecutors' office in Brazil, by me). When reading these pieces, keep the following question in mind: why do public servants (and public-sector managers) do what they do? Which variables help determine their behavior, and which of these variables are amenable to change?

Working with corruption, clientelism, patronage, and other pathologies of the public sector

1 – Required Readings:

Teaford, Jon C. (1984). *The Unheralded Triumph: City Government in America, 1870-1900*. Baltimore: Johns Hopkins Press. Chapter 1

Arriola, L. (2009) Patronage and Political Stability in Africa, Comparative Political Studies

Ellwood, John, Patashnik, Eric (1993). "In Praise of Pork." *The Public Interest* (110):19-33.

Davis, Jennifer, "Corruption in Public Services: Experiences from South Asia's Water and Sanitation Sector". *World Development*, Vol. 32 (2004), No. 1, pp. 53-71.

2 - Recommended Readings

Scott, James C. (1969). "Corruption, Machine Politics, and Political Change." *American Political Science Review* 63 (no. 4, December): 1142-1158.

Gibson, Edward. 1997. "The Populist Road to Market Reform: Policy and Electoral Coalitions in Mexico and Argentina," *World Politics* 49, no. 3 (April 1997).

Alston, Lee and B. Mueller (2005) Pork for Policy: Executive and Legislative Exchange in Brazil

Leff, Nathaniel H., 1964, "Economic Development through Bureaucratic Corruption," *The American Behavior Scientist*, November, 8(2): 8-14.

3- The readings in context (pointers for readers)

This week we examine the problems of corruption, clientelism, patronage and other maladies that often affect the public sector. We will not lament their existence or devise plans to attack these problems head on. Rather, the assigned readings invite students to think of ways in which corruption might not be as fatal an impediment to economic progress as many think. Pushing things a little further, can skillful development practitioners design projects or interventions that minimize the threat posed by corruption and / or are relatively immune to its deleterious effects?

Class 9 April 7

Delivering public services

1 – Required Readings:

Tendler J. and S. Freedheim (1996) Trust in a Rent-Seeking World: Health and Government Transformed in Northeastern Brazil

Ravitch, Diane (2012) Schools we can envy, New York Review of Books

Joshi, A (1999) Progressive Bureaucracy: An Oxymoron? The case of joint forest management in India

Rasul and Rogger (2012) Management of Bureaucrats and Public Service Delivery: Evidence from the Nigerian Civil Service

2 - Recommended Readings

Sabel et al (2011) Individualized service provision in the new welfare state

Masud, Mohammad (2002) Co-producing citizen security: The citizen-police liaison committee in Karachi, IDS working paper n. 172

Sheely, Ryan (2012) Maintaining local public goods: Evidence from Rural Kenya

Watson, G. (1995) Good Sewers Cheap: Agency-customer interactions in low-cost urban sanitation in Brazil

Tendler, J. 1993 "Tales of Dissemination in Small-farm Agriculture: Lessons for Institution Builders." World Development 21, No. 10, pp. 1567-1582.

3- The readings in context (pointers for readers)

This week, three of the readings are case studies of successful public interventions. Tendler examines preventative health in Brazil; Ravitch examines primary education in Finland; and Joshi analyzes forest management in India. What are the common threads that run through these cases? How were these programs designed? Were there risks involved in their implementation? How can their success be replicated?

Class 10 April 14

Public sector reform

1 – Required Readings:

Majeed, Rushda. (2010) Strengthening Public Administration: Brazil 1995-1998

Johnson and Libecap (1994) Replacing political patronage with merit: the roles of the president and the congress in the origins of the federal civil service system (chapter 2 in The Federal Civil Service System and the Problem of Bureaucracy)

Coslovsky & Nigam (2014) Public sector reform from within: The case of the *Ministerio Publico* in Brazil **

2 - Recommended Readings

Ha, Yong-Chool and Myung-koo Kang. 2011. Creating a Capable Bureaucracy with Loyalists: The Internal Dynamics of the South Korean Developmental State, 1948-1979

Gore, Al 1993. From Red Tape to Results: Creating a government that works better and costs less. Report to the National Performance Review

Osborne, David (1993) Reinventing Government. Public Productivity and Management Review

Pollitt, Christopher 1995. Justification by Works of by Faith? Evaluating the New Public Management

3- The readings in context (pointers for readers)

The required readings for this week fall into two groups. In the first group we read a piece by Rushda Majeed in which she examines how an attempt to implement “new public management”-type reforms played out in Brazil. In the second group, we read a piece by Johnson and Libecap examining the process through which the US reformed its civil service system some decades ago. We also read a piece I’m currently working on, examining how a particular Brazilian public sector organization transformed itself. When reading the assigned articles, keep the following question in mind: why would incumbents ever renounce their authority to make patronage appointments and keep tight control over the public bureaucracies?

Class 11 April 21

Show and Tell: Development Today

There are no required readings.

Instead, students must identify an ongoing or recently finished development project, read the pertinent documentation, and prepare a brief (one to two-pages) memo describing the effort. In particular, students should identify who is doing what to whom, what the sponsors / implementers hope to achieve, which theory underscores the initiative (i.e. why / how they think that the intervention will lead to the desired results), and who is paying for the enterprise.

CRUCIALLY, a lot of these documents tend to be written in abstract language and heavy jargon. Student memos must cut through the obfuscation and describe, in simple and concrete terms, what the selected project is about.

In class, students will present their findings. The class will criticize the interventions and place them in context, with help from the theories examined during the course.

Unfortunately, we will not have time for everyone to present their memos so we will cover as many as we can. I'll compile the memos into a single package and distribute them to the class.

If you are unsure where to start, here some pointers:

- Multilateral development banks such as The World Bank; Inter-American Development Bank; Asian Development Bank, African Development Bank
- Bilateral agencies such as USAID, DFID (UK), and GTZ (Germany)
- Private foundations, such as the Gates Foundation, Moore Foundation, and Ford Foundation
- NGOs such as OXFAM, and ACCION

Recommended Readings

Easterly, W. 2013. The Aid Debate is Over (review of Munk's book), Reason

Rodrik, Dani. 2012. Doing Development Better, Project Syndicate

Ferguson, James. 1994. The Anti-Politics Machine: Development and Bureaucratic Power in Lesotho

Kapur, Devesh. World Bank's first 50 years

Class 12 April 28

Small Farmers in Global Markets (Guest lecturer: Professor Gustavo Setrini)

1 - Required Readings

TBA

2 - Recommended Readings

TBA

3- The readings in context (pointers for readers)

TBA

Guest Speaker: Gustavo Setrini

Gustavo Setrini, Assistant Professor of Food Studies at NYU-Stenhardt, is a political scientist who studies globalization, agriculture, and rural development. His doctoral dissertation, "Global Niche Markets and Local Development: Clientelism and Fairtrade Farmer Organizations in Paraguay's Sugar Industry" develops a framework to understand how small farmers' dependent political and economic relations evolve at the local level in response to global initiatives like Fairtrade and Organic certification.

His research has also examined the effectiveness of donor-funded, NGO-led development projects to promote sustainable agricultural techniques and integrate small farmers into global supply chains. After receiving his Ph.D. (MIT 2011), Professor Setrini served as a post-doctoral research associate at MIT's Center for International Studies and Department of Urban Studies and Planning.

During this time, he examined the mismatch between the regulatory and educational institutions that developed on Puerto Rico to govern 'mass-market' agriculture during the twentieth century and the new approaches to agriculture that have arisen through entrepreneurial activities of two sets of actors: agribusiness firms that are focused on high-value export niches and sustainable agriculture movements focused on local markets and food security.

Class 13 May 5

Collective Action and Citizen Participation (Guest lecturer: Professor John Gershman)

1 - Required Readings

TBA

2 - Recommended Readings

TBA

3- The readings in context (pointers for readers)

TBA

Guest Lecturer: John Gershman

John Gershman is a Clinical Associate Professor of Public Service and the Deputy Director of NYU's MPH Program. Previously he was the Director of the Global Affairs Program at the International Relations Center and the Co-Director of Foreign Policy in Focus, a progressive think tank on U.S. foreign policy and international affairs. He has worked at a series of nonprofit think tanks since the early 1990s, including the Institute for Food and Development Policy and Partners in Health. His research, writing, and advocacy work has focused on issues of U.S. foreign policy in East and Southeast Asia, the politics of international financial institutions and multilateralism, the political economy of democracy and development, the political economy of land and water rights in Ghana and the Philippines, the politics of sanitation, and rights-based approaches to development.

Class 14 **May 12**

In Class Reflections

1 – Required Readings

Hirschman, Albert O. "The Contriving of Reform." In: *Journeys Toward Progress: Studies of Economic Policy-Making in Latin America*. (New York, NY: The Twentieth Century Fund, 1963), pp. 251-264 and 271-275 (rest optional).

2 – Recommended Readings

n/a

3- The readings in context (pointers for readers)

Students should come to class prepared to reflect on the course, their personal experiences, what they have learned, and how they intend to continue exploring the topics that interest them.

(May 16 - Final exam is due)