New York University  
Robert F. Wagner Graduate School of Public Service  

Institutions, Governance, and International Development  

P11.2214 (001-004)  

Tuesdays  
Lecture: (001)  6:45-8:25  207 Silver  
Discussion:  8:35-9:15  
Section 002  Smoke  705 Silver  
Section 003  Gershman  712 Silver  
Section 004  Coslovsky  706 Silver  
Section 005  Munoz  500 Silver  

Instructors:  
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Office Hours: By appointment  

Description:  
This course introduces the theory and practice of institutional reform in developing and transitional countries. It reviews the evolution of international development paradigms, examining how the role, structure, and management of institutions, the public sector, and non-governmental organizations have changed in response to shifting economic and political trends, with a particular emphasis on accountability. The focus is on major institutional and managerial reforms intended to promote good governance as less developed economies liberalize and their societies democratize. Key topics include the organizational and fiscal framework, property rights, rule of law, regulation, decentralization and intergovernmental relations, public-private partnerships and citizen engagement. In addition, the roles and operation of international development aid and the external institutions that support institutional and managerial reform in developing and transitional countries are introduced. The course concludes with a comparative case study exercise.
**Goals:**

The main goals of the class are:

1) To familiarize students with the evolution of the theory and practice of the relationships between institutions, governance, public sector reform, and development in developing and transitional countries, with a focus on current trends and challenges;
2) To introduce students to international development aid and the various types of organizations that support it; and,
3) To help students to think analytically and synthetically about current trends in public sector institutional and managerial reform and the actors involved in it.

**Requirements:**

The grade will be based on the following:

- Two Exams (50% total; 20% for first exam and 30% for second)
- Class Participation (20%; 10% participation in discussion, 10% précis on class readings)
- Group Exercise (30%; 10% group presentation, 20% final paper)

Active class participation means coming to class prepared to engage in a thoughtful and reflective discussion, and being able to ask good questions at least as much as being able to answer them. As part of the participation requirement, each student is required once during the semester to prepare a 3-5 double-spaced page précis on two or more of the week’s readings and to play an active role in class discussions based on those readings. Separate instructions will be provided on how to sign up for and to prepare the précis.

The group exercise is a focused synthetic analysis of institutional reform in a particular country. The class will be divided into country groups that will each examine one aspect of institutional structures and reforms in a case country. Groups must form prepare a one-page abstract of the topic by September 29, and they must clear that topic with the professors by October 13. Groups will conduct research on their topic, using a wide range of sources. These should include academic research, reports from aid agencies, and government documents. Some groups in the past have conducted interviews as well.

The groups will meet outside of class time to discuss the case materials, prepare group presentations, and write a final group paper of approximately 25 pages in length (double-spaced, normal margins, not including bibliography, notes, or appendices). During the last few classes, the groups will make their presentations. Final group papers will be due on December 15, one week after the last day of class.

As you conduct research you should exploit the expertise of Public Affairs librarian Gretchen Gano at Bobst Library.
Readings:

There is one required book and one recommended book for the course:


Paula Hoy, Players and Issues in International Aid (West Hartford, CT: Kumarian Press, 1999). (Recommended for those with limited background on aid agencies)

These required/recommended books are available for purchase at the NYU Professional Bookstore and are also on reserve at Bobst Library.

All required readings that are not in the required books are available on Blackboard under Course Documents and/or can be downloaded directly from websites provided in the reading list. Please note that some of the websites for journals that the NYU Library subscribes to can only be accessed from your NYU email account unless you have a personal subscription to the journal.

The reading list also provides a number of optional readings, some of which are available in provided internet links or in books in Bobst Library. Guidance about the required and optional readings will be given regularly during the semester.
OVERVIEW OF COURSE SCHEDULE

SECTION I: THE CONCEPTUAL FOUNDATIONS AND PRACTICAL CHALLENGES OF INSTITUTIONS IN DEVELOPMENT

September 8  Evolving Development/Institutional Reform Paradigms I: Statism and the Rise of the Washington Consensus

September 15  Evolving Development/Institutional Reform Paradigms II: Washington Confusion and the Rise of Institutions and Governance

September 22  Development Assistance Agencies: Multilaterals, Bilaterals, and NGOs

September 29  Development Assistance Debates
   Group topic abstract due; Exam 1 distributed (Due Sat Oct 3)

SECTION II: INSTITUTIONS, GOVERNANCE, AND PUBLIC SECTOR REFORM THEMES

October 6  Property Rights

October 13  Rule of Law
   Final Deadline for approval of group topics

October 20  Public Sector Reform and the Fiscal Framework

October 27  Regulation

November 3  Decentralization and Intergovernmental Relations

November 10  Public Private Partnerships (PPPs)
   Exam 2 distributed, (Due Sat Nov 21)

November 17  Citizen Engagement

SECTION III: INSTITUTIONAL AND GOVERNANCE REFORM IN COMPARATIVE CONTEXT

November 24  Country Case Presentations I

December 1  Country Case Presentations II

December 8  Country Case Presentations III and wrap-up

December 15  Final group papers due
I. The Conceptual Foundations and Practical Challenges of Institutions in Development (September 8-29)

A. Evolving Development/Institutional Reform Paradigms (September 8 and 15)

1. Statism and the Rise of the Washington Consensus (September 8)

*Please come to the first class having read the required readings.*


2. Washington Confusion and the Rise of Institutions & Governance (September 15)


Required readings are marked as follows: one "*" indicates available in one of the required texts; "**" indicates available on Blackboard; and "***" indicates downloadable from the provided internet site. Unmarked readings are supplementary and optional.


The goal of skimming the paper is to get a sense of how the index is constructed and how the World Bank has operationalized the concept of governance. (Don’t be alarmed by the length.. its is about 25 pages of text and many tables) Play around with the data, perhaps on the country of your group project and some others. Do you find anything interesting?

**Recommended:**


**B. Development Assistance Agencies (September 22 and 29)**

*P. Hoy, *Players and Issues in International Aid* (West Hartford, CT: Kumarian Press, 1999). [Recommended for review by all and required for those with limited background on aid agencies; no précis required for this reading]*


1. **Multilaterals, Bilaterals, and NGOs (September 22)**


**UN Millennium Project (J. Sachs), *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, (New York, NY: United Nations, 2005), intro material (pp. i-xxii—SKIM ONLY) and Chapter 13 (pp. 193-210).


Note: Please browse the folder of supplementary materials on development assistance provided on of Blackboard under this topic. Some of these materials will be used or referred to during the class session.

Recommended


**S. Radelet, Challenging Foreign Aid: A Policymaker's Guide to the Millennium Challenge Account (Washington, DC: Center for Global Development, 2003), Chapters 1 (pp. 1-18) and 10 (pp. 165-174); full volume available from http://www.cgdev.org/content/publications/detail/2920


C. Debates on the Role of Aid and Development Assistance Agencies (September 29)


**Case:**


**Recommended:**


II. Institutions, Governance, and Public Sector Reform Themes (October 6-November 17)

A. Property Rights (October 6)


http://www.slate.com/id/2112792/


***Simon Retallack, IPPR, “Greening the South” Prospect, February 28, 2008
http://www.ippr.org/articles/?id=3022

Recommended:


B. Rule of Law (October 13) [To be Finalized, some changes here]


**Case:**

***Aiding or Abetting? World Bank and the 1997 Judicial Reform Project and Aiding or Abetting? (Case 1779.0). Available at http://www.ksgcase.harvard.edu/casetitle.asp?caseNo=1779.0 [NOTE: You need to purchase the case through this site]***

**Recommended:**


Open Society Institute’s Justice Initiative
http://www.justiceinitiative.org/

Public Interest Law Initiative
http://www.pili.org/2005r/

**C. Public Sector Reform and the Fiscal Framework (October 20)**


**M. Moore, “Taxation and the Political Agenda, North and South” Forum on Development Studies, Number 1 (2004).**


**B. Heredia and B. Schneider, "The Political Economy of Administrative Reform in Developing Countries," in B. Heredia and B. Schneider, Reinventing Leviathan. (Miami: North South Center Press, 2002), pp. 1-29.**

*Cases:*


*Recommended*


**D. Regulation (October 27)**


Elgin, Brian, "Little Green Lies", Business Week, October 29, 2007

Piore, Michael and Andrew Schrank, "Toward Managed Flexibility: The revival of labour inspection in the Latin world" International Labour Review, Volume 147 Issue 1, Pages 1 - 23

**Recommended:**


**E. Decentralization and Intergovernmental Relations (November 3)**

**J. Cohen and S. Peterson, Administrative Decentralization Strategies for the 1990s and Beyond (West Hartford, CT: Kumarian Press, 1999), Chapters 1-3 (pp. 1-68).—for reference only


**P. Smoke and E. Gomez, “The Dynamics of Decentralization in Asia and Latin America,” in P. Smoke, E. Gomez and G. Peterson (eds), Decentralization in Asia and Latin America: Towards a Comparative Interdisciplinary Perspective (Chichester, UK: Edward Elgar, 2007).

Cases:


Recommended:


P. Bardhan and D. Mookherjee (eds), Decentralization in Developing Countries (Cambridge, MA: MIT Press, 2006).


F. Public Private Partnerships (November 10)


**Case:**

***“The Hyderabad Metropolitan Water Supply and Sewerage Board”***
http://www.ksgcase.harvard.edu/casetitle.asp?caseNo=1828.0

*(NOTE: You need to purchase the case through this site)*

**Recommended:**


Global Public-Private Partnerships in Infrastructure Web Portal

Center for Global Development Research on Private Sector
http://www.cgdev.org/section/topics/privateinvest

**G. Citizen Engagement (November 17)**


**World Bank, Case Study 2 - Porto Alegre, Brazil: Participatory Approaches in Budgeting and Public Expenditure Management Social Development Notes (Washington, DC: The World Bank, 2003).**


**Case:**

***”The Challenge of Participation: Drafting Mauritania's PRSP (A)”***
http://www.ksgcase.harvard.edu/casetitle.asp?caseNo=1623.0

*(NOTE: You need to purchase the case through this site)*
Recommended:


D. Hulme, “Reinventing the Third World State: Service Delivery and the Civic Realm,” in McCourt and Minogue (2001), pp. 129-152.


III. Institutional and Governance Reform in Comparative Context (November 24-December 8)

Illustrative readings for individual case countries covered in the comparative final activity are posted on Blackboard.

Case studies will be prepared by groups of class members and presented during the last three classes. The schedule will be worked out after the groups are formed.

During the final class we will reserve some time for a synthetic concluding discussion.

December 15 Final Papers Due