

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

Institutions, Governance, and International Development

PADM-GP 2201.001/2

Fall 2013

Lecture (001)	Iskander	Mondays 12:20 PM – 1:55PM	<u>Meyer 102</u>
Lecture (002)	Iskander	Mondays 6:45PM – 8:25PM	<u>Waverly 567</u>

Instructor:

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Office Hours: Tuesday 5-6:30 (or by appointment)

Teaching Colleague (001):

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Office hours: Mondays 4:00pm-5:00pm or by appointment

Teaching Colleague (002):

Julia Behrman jab965@nyu.edu
Office hours: 8:30-9:00pm Mondays or by appointment

Description:

This course introduces the theory and practice of institutional reform in developing and transitional countries. International development became a global concern in the 1940s and 1950s, as the world grappled with the end of the World War II, decolonization in Africa and Asia, and the establishment of international organizations such as the United Nations, the World Bank, 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 capabilities has increased, particularly in large countries such as Brazil, Russia, India and China. On the other hand, problems still abound. Nowadays, industrialization coexists with environmental degradation; urbanization with spatial exclusion; medical breakthroughs with drug resistance; and technological innovation with illiteracy.

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. It does not offer blueprints, pre-packaged tools, ready-to-use frameworks or any one-right-answer. Rather, it directs students to go beyond easy dichotomies and search for the levers of change that matter, particularly concerning the governing of the economy. Of course, 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, and this course provides an intellectual structure to support that examination and analysis. The goal of the course is in essence to ask "what is development?" -- How might we conceive it? How might we enact it? And what elements of social, political, and economic life must we consider as we reflect on that question. A review of past practice and understanding is critical to this endeavor, just as are explorations of potential useful practice and theory. In both the review of the past and our envisioning of possibilities going forward, the reasonable people in this course will disagree, and one important aim of this class is to learn how to mine those disagreements for questions or perspectives that may still be implicit or overlooked.

The course begins with a case study to ground our discussion of development and the institutions that support it. Four thematic modules follow this prelude. 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 explores theories around the rule of law, with an emphasis on property rights, and contemplates efforts to apply legal frameworks, enforce accountability, and address corruption. The third module considers the role of knowledge in industrial development, and the application of industrial policy, with particular attention to the impact on labor. The fourth module examines diverse governance structures, especially those that allow for civic participation, and investigates the processes through which government can innovate in policy and in the generation of new institutions. The course concludes with a glimpse of the path ahead. Most centrally, it features student explorations of these questions through your final projects. The course closes with a discussion of new possibilities for development, and the questions we need to ask to begin to envision them.

Course objectives

To support students in the ability to:

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, and with the ability to articulate their ideas about these issues carefully and effectively

Requirements:

The grade will be based on the following:

20% Class Participation

15% participation in discussion

5% case study reaction essay (Graded in whole letter grades only: A/B/C)

40% Reflection essays

20% 1st reflection essay

20% 2nd reflection essay

40% Group Exercise

10% group presentation

30% 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. Quality of participation is more important than quantity, but these two are often correlated. Class participation is a central component of the pedagogical experience in the course. Students have consistently noted that learning from their colleagues has been a highlight of the class: students'

reflections on the material assigned but also student accounts of their own experience in development practice enrich the course experience enormously.

All students are required to write one short reaction essay, 500 words in length, on the documentary that will be screened during the first class – *Good Fortune*. The reaction essays should address one of the themes or questions raised by the film, and relate it to one of the readings assigned for the second class period. These essays are due **Sunday September 15 at noon**.

Each student is required to prepare *two reflection essays*, of 1000 words in length, on two of the four modules. These essays are due the week after the completion of the modules, and are designed to support deeper consideration of the themes and queries raised in each module. The reflection essays **should not** summarize the readings; they should provide *commentary* on the readings, linking the main themes and insights presented to current events where appropriate. You may briefly recap the argument of the readings that you will comment on – please note that you must comment on **at least four** of the readings assigned for each module. The essays should be considered and polished, and should synthesize the ideas presented in each module. Please think carefully before you write; you may find it helpful to outline your thoughts before you begin. Please pay attention to the logic and organization of your argument and to the craft of your writing. You will typically receive a grade and feedback on your essay from Teaching Colleague within ten days of submission. A sign-up sheet for reflection essays will be passed around on the second lecture of class, with due dates indicated for each module. Please use the first week to peruse the readings, check your schedules against assignments from other classes and work obligations, and come to the lecture on September 16 with a clear idea of at least three possible dates for your reflection essay.

Due dates for reflection essays are as follows:

Section 1: Conceptual foundations and practical challenges of institutions in development. Due date: **Sunday October 13, noon**.

Section 2: Rule of Law and Good Governance. Due date: **Sunday November 3, noon**.

Section 3: Knowledge and Industrial Policy. Due date: **Sunday November 17, noon**.

Section 4: Institutions, Governance, and Public Sector Reform. Due date: **December 1, noon**.

The *group exercise* is a synthetic analysis of materials on institutional reform in a particular country. The class will be divided into country groups, and each group will examine one aspect of the institutional makeup and suggest courses for its reform in the country studied. Please submit your team preferences by **September 23**. You will get your team assignments by September 28. Groups are expected to choose an area of institutional reform to study. They must prepare a 1-page abstract of the topic and a short 1-page bibliography (10 items) by **October 7**. You will get initial feedback on your abstract from the professor by October 14. You will either get approval or be asked to resubmit a revised abstract. Groups must get final approval for the abstract topic by **October 21**. Groups will conduct research on their topic, using a wide range of sources. The groups will meet outside of class time to discuss the case materials, prepare group presentations, and write a final group paper of approximately 20-25 pages in length. You are strongly encouraged to meet with the professor as you prepare the abstract, and throughout the process of researching and drafting your paper.

Presentations:

Groups will make their presentations to the class on December 2nd and December 9th.

Final Project Papers—due date:

Papers are due **Friday December 13 at noon.**

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. Please submit them as .doc or .docx

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.

One important skill this class seeks to cultivate is the clear and grounded articulation of ideas about development. If you would like additional support with the craft of writing, 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. A handy resource for writing tips is Ross-Larson, Bruce. 1996. *Edit Yourself: A Manual for Everyone Who Works with Words*. New York: Norton & Co.

Please submit:

- Reaction essay to the Teaching Colleague (amw289@nyu.edu or jab965@nyu.edu) and instructor (natasha.iskander@nyu.edu).
- Abstract for final project to the instructor (natasha.iskander@nyu.edu)
- Reflection Essays (2) and Abstracts to the instructor (natasha.iskander@nyu.edu) and Teaching Colleague (amw289@nyu.edu or jab965@nyu.edu) by email.
- Final Paper to the instructor (natasha.iskander@nyu.edu) and Administrative Assistant (craig.schott@nyu.edu) by email

- Team Preferences and all logistical questions/issues to the Teaching Colleague (amw289@nyu.edu or jab965@nyu.edu) by email.

Please put IGID and the name of your assignment in your email subject line. Also, please remember to include your mailbox number in the paper and use the following convention to name your files:

Email subject line: IGID Alvarez Reflection Essay 1

IGID [your lastname (or country team for final projects)] [assignment]

For example: IGID Alvarez Reflection Essay 1.doc

Late submissions: late submissions for reflection essays will not be accepted. Please consult with the teaching colleague if you will not be able to turn in your reflection essay, and if a substitute essay is possible, it may be accepted. To change a due date for the reflection essay, you must inform the teaching colleague by Friday noon the week your essay is due that you will not be able to submit it.

Late submissions for essays will be penalized by half a letter grade per day.

Readings:

There is one required book for the course. This book offers an easily accessible synthesis of many of the ideas we will be considering in the course, and will prove especially valuable to students who are newer to the field of economic development

Rodrik, Dani. 2011. The Globalization Paradox. W. W. Norton & Company

This book is available for purchase at the NYU Professional Bookstore and is also on reserve at Bobst Library. It is also available in electronic format through varied vendors, such as amazon.com, etc.

All the other required readings are either available on Blackboard or available online. Finally, this syllabus does not include optional readings, but there are plenty of those available. If interested in further reading in a particular topic, please consult the instructor.

A final word on the readings: In the past, students have asked for a textbook. There are some textbooks devoted to international development out there, but as far as I know none of them 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 therefore filled with hopes and possibilities.

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. Please consider the readings on their own terms, but also in terms of the insight they may offer emergent discussion about development today.

One valuable contribution to the project of considering and reconsidering development is the suggestion and circulation of readings that you may find relevant or interesting for the discussion at hand. The materials presented in this course are not exhaustive, nor are they meant to be. They represent a sampling of “mainstream” development theory and practice – by that, I mean the development theory and practice that has garnered the most institutional and political support. There is much to critique in this array of development practice, but a critique must begin with a familiarity with the logical underpinnings of the theory and practice. Please feel free to complement the course's emphasis with readings that challenge these perspectives, or with materials that offer real world illustrations of dynamics relevant to the course.

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 more than thirty international development courses offered at Wagner, including PADM-GP.2202: Politics of International Development with John Gershman, PADM-GP.2203: International Economic Development with Jonathan Morduch, PADM-GP.2204: Development Assistance: Accountability and Effectiveness with John Gershman and Paul Smoke, PADM-GP.2226: Protecting Rights and Promoting Development with Salo Coslovsky, HPAM-GP.1831: Introduction to Global Health Policy with Karen Grepin, and URPL-GP.2665: Decentralized Development Planning and Policy Reform in Developing Countries with Paul Smoke. 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>

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, I encourage you to share it with the class.

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.

Overview of Course Schedule

PRELUDE: DEVELOPMENT PROJECTS AND UNINTENDED CONSEQUENCES

September 9 **Case: Good Fortune – development projects in Kenya**

September 16 **Case discussion: Vying notion of development...**
Reaction essays due – Sunday September 15, noon.

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

September 23 **Evolving Development/Institutional Reform Paradigms: From Plan...**
Submission: group exercise - Team Preference

September 30 **To Market...**

October 7 **...and Back, and Beyond**
Submission: group exercise - Abstract

October 14 **Fall recess – NO CLASS**

SECTION II: RULE OF LAW AND GOOD GOVERNANCE

October 21 **Rule of Law and Property Rights**

October 28 **Accountability, Anti-Corruption and Good Governance**

SECTION III: KNOWLEDGE AND INDUSTRIAL POLICY

November 4 **Knowledge and Development**

November 11 **Industrial Policy and Labor Relations**

SECTION IV: INSTITUTIONS, GOVERNANCE, AND PUBLIC SECTOR REFORM

November 18 **Public-Private Partnerships and Citizen Engagement**

November 25 **Governing Knowledge**

**SECTION V: SYNTHESIS: INTEGRATED INSTITUTIONAL REFORM IN
COMPARATIVE CONTEXT**

December 2 **Country Case Presentations**

December 9 **Country Case Presentations**

December 11 **Conclusion**

December 13 *Submission: group exercise – Final Paper*

Institutions, Governance and International Development

Outline and Reading List

PRELUDE: DEVELOPMENT PROJECTS AND UNINTENDED CONSEQUENCES

A. Case: Good Fortune – development projects in Kenya

Good Fortune. 2010. POV - PBS documentary.

B. Case Discussion – vying notions of development....

Good Fortune PBS website with external links: <http://www.pbs.org/pov/goodfortune/>
Please explore this page as you wish. Please pay particular attention to the “mapping development” and “film update” links.

Hidalgo, N., D. Kong, and L. Murchison. 2013. “Upgrading Kibera: The Role of Community Engagement in the KENSUP Rehousing Project.” IGID Final Paper – Spring 2013.

Gulyani, S. and Talukdar, D. 2010. Inside Informality: The Links Between Poverty, Microenterprises, and Living Conditions in Nairobi’s Slums. *World Development*. Vol. 38, No. 12, pp. 1710–1726

Rice, A. 2009. “Is There Such a Thing as Agro-Imperialism,” (Nov 22, 2009)
<http://www.nytimes.com/2009/11/22/magazine/22land-t.html>

World Bank. 2008. *World Development Report: Agriculture for Development*. Overview.
http://siteresources.worldbank.org/INTWDRS/Resources/477365-1327599046334/8394679-1327606607122/WDR08_01_Overview.pdf
(Optional: Chapter 7)

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

A. Evolving Development/Institutional Reform Paradigms: From Plan...

Rostow, W. 1960. *The Stages of Economic Growth, A Non-Communist Manifesto*, Cambridge University Press, pp 1-35

Scott, James. 1998. *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. New Haven: Yale U.P. Chapter 1: State Projects of Legibility and Simplification (p. 11-52) and Chapter 7: Compulsory Villagization in Tanzania: Aesthetics and Miniaturization (p. 223-261)

Klein, Naomi. 2007. *The Shock Doctrine: The Rise of Disaster Capitalism*. New York: Metropolitan Books. Chapters 2-3 (p. 49-97).

Rodrik, Dani. 2011. *The Globalization Paradox*. Chapters 1 & 2. Optional: Chapter 4.

B. To Market...

Lepenes, P. 2008. Possibilism: An Approach to Problem-Solving Derived from the Life and Work of Albert O. Hirschman. *Development and Change* 39(3): 437–459

Hirschmann, A. 1971. *A Bias for Hope: Essays on Development and Latin America*. New Haven: Yale University Press. Introduction: Political Economics and Possibilism: 1-38.

Williamson, J. 1993. "Democracy and the Washington Consensus." *World Development*. Vol. 21, No. 8. Pages 1329-1336

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

Rodrik, Dani. 2011. *The Globalization Paradox*. Chapter 5. Optional: Chapter 3.

C. ...and Back, and Beyond – Institutions for coordination or knowledge?

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

Evans, Peter. 2004. "Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation." *Studies in Comparative International Development*. Vol. 38, No. 4. pp.30-52

Stiglitz, J. 1989. "Markets, Market Failures, and Development." *American Economic Review*. 79(2): 196-203

Surowieki, James. 2007. India's Skills Famine. *The New Yorker*. April 16, 2007.
http://www.newyorker.com/talk/financial/2007/04/16/070416ta_talk_surowiecki

Rodrik, Dani. 2011. *The Globalization Paradox*. Chapter 10. Optional: Chapter 9.

SECTION II: RULE OF LAW AND GOOD GOVERNANCE

A. Rule of Law Property Rights

Frank Upham, 2002. "Mythmaking in the Rule of Law Orthodoxy," Carnegie Endowment for International Peace Working Paper #30 (Rule of Law Series), September.

De Soto, Hernando, *The Mystery of Capital, Finance and Development*, volume 38, number 1, March 2001 – available at <http://www.imf.org/external/pubs/ft/fandd/2001/03/desoto.htm>

Gravois, John. 2005. *The De Soto Delusion*, Slate, January 29, 2005 available at <http://www.slate.com/id/2112792>

Razzaz, O. 1994. "Contestation and Mutual Adjustment: The Process of Controlling Land in Yajouz, Jordan." *Law & Society Review*, **28**(1): 7-39.

B. Accountability, Anti-Corruption, and Good Governance

Brinkerhoff, D.W. and Goldsmith, A. 2005. "Institutional Dualism and International Development: A Revisionist Interpretation of Good Governance," *Administration and Society*, Vol. 37 (2005), No. 2, pp. 199-224.

Jenkins, R. and Anne-Marie Goetz. 2001. "Hybrid Forms of Accountability: Citizen Engagement in Institutions of Public-Sector Oversight", *Public Management Review*, vol. 3, no. 3 (2001), pp. 363-84.

Klitgaard, R. 1988. *Controlling Corruption*, Berkeley, CA: University of California Press, 1988 (paperback 1991), Chapter 2, pp. 24-48 (from "The costs and benefits of corruption" to "Justice Plana's Objectives")

Locke, Richard M., Fei Qin, and Alberto Brause. 2007. "Does Monitoring Improve Labor Standards? Lessons from Nike." *Industrial and Labor Relations Review* 61, no. 1 (2007): 3-31.

Torre de David: <http://www.upworthy.com/wow-the-crazy-story-of-how-a-skyscraper-became-a-45-story-slum?c=one1>

Anderson, J. 2013. Letter from Caracas, "Slumlord," *The New Yorker*, January 28, 2013, p. 40

SECTION III: KNOWLEDGE AND INDUSTRIAL POLICY

A. Knowledge

Amsden, A. H. 2001. *The rise of "the rest": challenges to the west from late-industrializing economies*. New York: Oxford University Press (paperback 2004). Chapter 1 (pp.1-28) and Chapter 8 (pp.190-220)

Wade, R. 2005. Escaping the Squeeze: Lessons on How Middle Income Countries Can Grow Faster. In B. Laperche. *John Kenneth Galbraith and the Future of Economics*. London: Palgrave.

Kim, L. 1998. Crisis Construction and Organizational Learning: Capability Building in Catching Up at Hyundai Motor. *Organization Science*. 9(4)

Huang, Y. 2000. Korea: On the Back of a Tiger. Harvard Business School Case 700097. http://harvardbusinessonline.hbsp.harvard.edu/b02/en/common/item_detail.jhtml?id=700097

Optional: Rodrik, Dani. 2011. *The Globalization Paradox*. Chapter 7.

B. Industrial Policy and Labor Relations

The Economist. 2010. The Global Revival of Industrial Policy. April 5.

Kelley, R. 2001. "The Political Economy of Labor Control in the Philippines." *Economic Geography*. 77 (1)

Rossi, A. 2013. "Does Economic Upgrading Lead to Social Upgrading in Global Production Networks? Evidence from Morocco." *World Development*. Vol 46, pp 223-233.

Apayadin, F. 2012. "Partisan Preferences and Skill Formation Policies: New Evidence from Turkey and Argentina." *World Development*. Vol. 40, No. 8.

SECTION IV: INSTITUTIONS, GOVERNANCE, AND PUBLIC SECTOR REFORM

A. Public-Private Partnership and Citizen Engagement

Heller, P. 2001. Moving the State: The Politics of Democratic Decentralization in Kerala, South Africa, and Porto Alegre. *Politics & Society*. 29 (1)

E. Ostrom. 1997. "Crossing the Great Divide: Co-production, Synergy, and Development." In Peter Evans, ed. *State-Society Synergy: Government and Social Capital in Development*. (Berkeley, CA: University of California-Berkeley, 1997), pp. 85-118

Edwards, Michael. 2008. Just Another Emperor: The Myths and Realities of Philanthro-Capitalism. New York: Demos. http://www.futurepositive.org/edwards_WEB.pdf. Chapters 1,2, and 4.

Tendler, Judith. 1997. *Good Government in the Tropics*. Baltimore: Johns Hopkins. Chapters 1 and 5.

B. Governing Knowledge: Organizational Learning and Change

Von Hippel, Eric. 2008. Open Innovation & LEGO Mindstorms. http://fora.tv/2008/04/08/MITs_Eric_von_Hippel_Open_Innovation

Sabel, Charles. 1993. Learning by monitoring. Pp. 1-11 (sections 1 & 2). http://www.law.columbia.edu/null/Working+paper+No?exclusive=filemgr.download&file_id=64129&showthumb=0

Gawande, Atul. 2013. "Slow Ideas." *The New Yorker*. July 29, 2013

Iskander, N. 2010. *Creative State: Forty Years of Migration and Development Policy*. Ithaca: Cornell UP. Chapter 1 and 5: "Introduction" and "Practice and Power"

SECTION V: SYNTHESIS: INTEGRATED INSTITUTIONAL REFORM IN COMPARATIVE CONTEXT

A. Student Presentations

B. Musing...how far have we traveled, where shall we go?

Rodrik, Dani. 2011. *The Globalization Paradox*. Chapters 11 & 12. Optional: Epilogue.