

INTERNATIONAL RELATIONS 322 Poverty and Development

First draft

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Office Hours: Tu/Th 1:15-2:15 pm

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This course will examine development processes in the Third World and the effect of international economic transactions on them. Because of the current state of development in poor countries, we will focus especially on the causes of and solutions to widespread poverty. Student activities will center around team research of a specific country.

"Whenever I watch TV and see those poor starving kids all over the world, I can't help but cry. I mean I'd love to be skinny like that, but not with all those flies and death and stuff." --Mariah Carey

IR 322 is focused on the national level, emphasizing the policy issues that arise from nations living within the systemic context discussed in IR 222 and applying development theory to a particular case. Students are expected to take both courses in the same semester, creating an intensive immersion in both the general theory of international political economy and its specific application in solving concrete development problems.

The centerpiece of IR 322 will be a semester-long team research project in which each group will study the development problems of a single country, applying general theory and empirical findings to the particular case. Each team will monitor the development performance of a particular nation and regularly report to the class on it. During the first part of the course, the emphasis of that monitoring will be *descriptive*: *what* developmental processes and trends are underway in the nation? In the second part of the course, the emphasis will shift to *explanatory* questions: *why* is development proceeding as it is? Increasingly, our focus will be directed as well toward *prescriptive* issues: *how* can specific problems be solved?

The culminating product of that project will be a development plan designed to achieve real progress in solving the poverty and development problems of the chosen country. The oral and written presentation of that development plan will be conducted within a role playing context in which the team will seek to convince an important actor – a head of state, World Bank official, foreign aid staffer, NGO director, or multinational corporation executive, for example – that the development plan should be adopted and resources expended in pursuit of it. An important goal of the course is to provide students with experience in working within a team environment and writing/presenting for a particular audience, both skills that are essential in LAL (life after Lehigh).

READINGS

- John Rapley, *Understanding Development: Theory and Practice in the Third World*, 3rd edition, Boulder, Colorado: Lynne Rienner Publishers, 2007.
- Additional readings will be available via Blackboard at <http://ci.lehigh.edu>.
- Students should monitor contemporary events with a high-quality news source, particularly with respect to their chosen country.

STUDENT RESPONSIBILITIES

There will be no exams. The bulk of the course grade will be made up of seminar participation and a team project. The grading procedures will be very flexible (i.e. vaguely defined) to take advantage of the instructor's ability to closely evaluate all aspects of student performance in such a small class with such frequent open-ended assignments. **Attendance and participation in class discussions are required**; reading the assigned material *prior to* the class at which it will be discussed is also required.

Contributing to the effort of your group, including attending all meetings and facilitating completion of assignments, is also required. You will have the opportunity to grade your team members. Any student not thought to be contributing to the group effort will be either removed from the group or dropped from the course.

Many class meetings will have brief written assignments designed to facilitate discussion and insure that the reading has been completed. These will take the form of either Blackboard assignments (marked "BB" in syllabus), which require posting a brief message in the Discussion Board segment of Blackboard, or email assignments directly to the instructor. *Both are due by 9 am the day of the class meeting for which they have assigned.*

The form of the "project" component of the course is described in the hand-out available on Blackboard under Course Assignments. It will be centered around group research in which students explore development problems in specific countries and formulate plans to cope with them. This involves a team-written background report at the end of March and a final team report at the end of the semester. Both will involve an oral presentation. Intermediate assignments will guide the teams toward those reports.

Blackboard assignment. Respond to the discussion board question by 9 am..

SCHEDULE

Readings and assignments should be completed *before* the session for which they are assigned. Students will need to monitor closely our progress through the syllabus. It would not be unusual if we were to fall behind. The BB assignments are listed in a shadowed text box. Class sessions will consist of an ongoing dialogue between the readings and the research results reported by teams.

Part One: How developed (poor) is your country? Definitions, Perspectives, and Descriptions.

January 13 Tu Introduction to development in the context of North-South relations. Introduction to the course and the project. Introduction of seminar participants. Team work. Our mission is to prescribe policies for our countries which will alleviate poverty and improve development prospects.

BB handout: Consult the assignment “[Introduction to group projects](#)” on Blackboard (under “Assignments”). Also read “[Teamwork](#)” on Blackboard (under Course Documents).

Country interests. Explore the country interests of seminar participants so that like-minded students can discuss the formation of teams.

BB assignment: Post your preferences for the country you wish to study on the Discussion Board on Blackboard (under “Country interests”). Explore possibilities with others. Continue to monitor this Discussion Board to see what others are saying about country choices.

January 15 Th “**Money doctors, Economic hit men, Social entrepreneurs**”. Advisors from the North have long played a controversial role in the development of the South. Like us, they have professed to be helping the poor, but have they? Perkins says “no”: they are only “economic hitmen” who create and exploit dependency. Bornstein says “yes”: they can be “social entrepreneurs” who solve social problems rather than earn profits, like Jim Grant, Nobel laureate Muhammad Yunus, or former Lehigh IR major [Ben Gucciardi](#). Drake has a more complex answer: “money doctors” offer advice and money, which produce variable outcomes. In-class discussion will focus on his questions. What tools have they used? What theories have they propounded? (Rapley, Midgley and Krugman provide alternative preliminary guides: Note the tension between Midgley’s thesis and Krugman’s footnote 2. Guess which one is an economist.) *What interests have they served?* What has been their impact on 3rd world development processes? All of this is preliminary to the central question of this course: **What kind of money doctor do you want to be?** What do you want to achieve?

Review the linkage to the IR 222 assignment: Why should we care about the Third World?

Reflect on the IR 222 assignment for help in answering those questions.

Reading: •Paul W. Drake, “The Political Economy of Foreign Advisers and Lenders in Latin America”, chapter 1, *Money doctors, foreign debts, and economic reforms in Latin America from the 1890s to the present* (SR Books, Wilmington, Delaware, 1994)

- Interview by Amy Goodman for *Democracy Now* of author John Perkins, “Confessions of an Economic Hit Man”
- David Bornstein, “Restless people,” “The role of the social entrepreneur,” and “Morality must march with capacity (about James Grant),” chapters 1, 8, and 19 in *How to Change the World: Social Entrepreneurs and the Power of New Ideas* (Penguin India, 2005). Remainder of book is recommended.
- Interview with Muhammad Yunus, CNN/Asia.
- Rapley, Chapter 1.
- James Midgley, “Social Development: The Intellectual Heritage” *Journal of International Development* 15 (2003): 831-844.
- Paul Krugman, “Cycles of Conventional Wisdom on Economic Development,” *International Affairs* 71, 4 (October 1995): 717-732.

Email assignment (NOT BB) ASAP: Consult the assignment “Introduction to group projects” and review the postings of others concerning country interests. Email me your preference for the project: countries, members, scenarios. What countr(y/ies) would you like to study? Who would you

like to work with? If we are all prompt with this assignment, we can assign teams today and begin our research. If not, we'll start the semester behind.

BB Assignment: As soon as country teams are confirmed, begin the "Geography" assignment for January 24. See below. Achtung!: If that assignment seems more like work than fun, you may be in wrong course – or the wrong major!

Basic geography (start now, post by 1/24). Summarize highlights in rough draft briefing form. Keep notes with URLs and full citations for later reference.

- Physical geography: what does the country look like in terms of land forms, transportation access, climate, agricultural conditions, natural resources.
- Economic geography: what does the country produce and why? What other options are available?
- Political geography: the structure of government, level of democracy, human rights, political culture, major political figures, political history.
- Human geography: religion, language, culture, ethnic groups, classes, inter-group issues.

January 22

Tu **The meaning of development,**

Meaning of
Development

especially in the liberal and Sussex schools. The values component of development (like the values component of trade dilemmas). Understanding the meaning of development – knowing what you are trying to accomplish – is central to everything else in this course. We will return to it daily. We will use a variant of Goulet's simple typology of different meanings to organize our discussion, but read with special care the Seers piece, a true classic that has profoundly influenced thousands of political economists. When I picked it up the first time, I was an economic liberal. An hour later I wasn't. Introduction to **the measurement of development**, which is frequently confused with its meaning. What's wrong with GDP? Seers and Nobel laureate Sen both offer a humanist's critique. Coleman suggests that it's the wrong target for more practical reasons. *The Economist* notes that it's a lot harder to measure than we usually assume. Anand and Ravallion introduce a major critique of neo-liberalism, that GDP itself matters less than how it is allocated. Team/country assignments.

Reading: • Denis Goulet, "Development...or Liberation?" *International Development Review* 13, 3 (September 1971)

• Dudley Seers, "The Meaning of Development," *International Development Review* 11, 4 (December 1969):

2-6. **Warning: Always read footnotes and endnotes!**

• Coleman, "Measuring Real Progress", Redefining Progress web site.

• *Economist*, "Price of Light", 22 October 1994.

• E. Wayne Nafziger, "From Seers to Sen: The meaning of economic development," UN University/World Institute for Development Economics Research Jubilee Conference, 17-18 June 2005.

• Sudhir Anand and Amartya Sen, "Human Development and Economic Sustainability" *World Development* 28, 12 (2000): 2029-2049. (read through p. 2036, skim the remainder)

• Sudhir Anand and Martin Ravallion, "Human Development in Poor Countries: On the Role of Private Incomes and Public Services" *Journal of Economic Perspectives* 7, 1 (Winter 1993): 133-150.

Recommended: Rapley, pp. 1-3 (Introduction).

Assignment: Come prepared (i.e. prepared) to *dissect* the position of Seers, especially what he means by "development". Does Sen agree? Ommmmmmmmmmmm. Repeat after me: "All *measures* of development are built upon alternative conceptions of the *meaning* of development." Ommmmmmmmmmmm. To describe a nation's level of development in a way that would satisfy Seers (hint: Moon, too!), what statistical data would you have to gather? Not a trivial question – see the assignment for January 29. Come prepared.

Team email assignment: Describe your members, country, and likely scenario. Provide contact information. Explore your team's strengths and weaknesses. Who can write? Who can PowerPoint? PhotoShop? Who can produce an Excel graph? Who speaks the language? Who has an economics background? Who's a slacker? How's the meeting schedule?

Team assignment: Explore your country. See the geography assignment for the next session. It should be well underway by now. Find a source of contemporary news coverage.

January 24

Meaning of Development

Patterns of Poverty.ppt

Th The measurement of development (continued). Patterns of development. Basic Human Needs. Dimensions of development. **Patterns of Poverty**. Cleavages of class, gender, sector. Where is poverty concentrated? Regional, sectoral, geographic patterns. Using statistics. Presenting statistical information. How to argue with statistics.

Reading: • Moon, “Basic Human Needs”, chapter 1, *The Political Economy of Basic Human Needs* (Cornell University Press, 1991)

• Anirudh Krishna, “Escaping poverty and becoming poor: Who gains, who loses, and why?” *World Development* 32, 1 (2004): 121-136.

Recommended: •Edward, “The Ethical Poverty Line: A moral quantification of absolute poverty,” *Third World Quarterly* 27, 2 (2006): 377-393.

• Anirudh Krishna, “For reducing poverty faster: Target reasons before people,” *World Development* 35,11 (2007): 1947-1960.

• Anirudh Krishna, “Pathways out of and into poverty in 36 villages of Andhra Pradesh, India,” *World Development* 34, 2 (2006): 271-288.

Team assignment: Conduct a crash course on the basic geography of your country. Share the highlights with your team members so that you all have a basic understanding and each of you has more detailed knowledge on some facet of that geography. For the moment, the purpose of the

Basic geography. Summarize highlights in rough draft briefing form.

assignment is to get you acquainted with your country, but take good notes because you will need to write about this in more detail soon in the context of geographical theories of development. Physical geography: what does the country look like in terms of land forms, transportation access, climate, agricultural conditions, natural resources. Economic geography: what does the country produce and why? What other options are available? Political geography: the structure of government, level of democracy, human rights, political culture, major political figures, political history. Human geography: religion, language, culture, ethnic groups, classes, inter-group issues.

January 29

Soc&Pol Impl. of Development

Tu Why do poor people stay poor? Clues from the urban-rural divide. “**Urban bias**” as an element of development that reflects economic, political, social, culture, environmental, and technical causes. Lipton’s book is one of the great works in the history of development studies; it undermines the growth vs. equity conception of trade-offs that sustain ideological divisions in the study of development.

Reading: • Lipton, “Why Poor People Stay Poor: Urban Bias in World Development”

Team Paper I: What is development? How will we measure it (in Papers 2 and 3)?
 Steps: 1. Please meet to initiate a semester-long discussion concerning the definition(s) of development you will eventually adopt as an appropriate “guiding star” for your nation and goal for your proposal. *At this stage, be sure that this discussion reflects the full range of meanings of “development” we have encountered thus far.*
 2. For each element of this composite definition of the level of development of a nation (and/or progress in improving it), consider how it might best be measured.
 3. Explore what data is available from reputable sources that matches these measurement strategies.

Team BB assignment: After meeting to discuss the best way of measuring the level of development of a nation and/or progress in improving it, post a description of your nation in terms of those measures. Be prepared to present this data to the seminar. Look at the contributions of other teams, learn from them how it can be done better. Make sure you emphasize the meaning of development that you think best captures your goals, which will constitute Part 1 of the Background Paper.

Optional assignment: The editor of *The Encyclopedia of International Political Economy* commissions you to write 500 words for the entry "urban bias".

January 31 Th

Soc&Pol Impl. of
Development**Social, Political, and Environmental Implications of Economic Development Choices.**

Development is a multi-dimensional process with intertwined economic, political, social, cultural, and technological components. It operates over a very long time period, better measured in decades (over even centuries) than years. Current choices have far-reaching implications that require broad vision. In El Salvador, coffee was introduced as the main crop and nothing would ever be the same. Be careful what you wish for! A preliminary critique of team paper 1.

Reading: • E. Bradford Burns, "The Modernization of Underdevelopment: El Salvador, 1858-1931," *Journal of Developing Areas* 18 (April 1984): 293-316, reprinted.

BB assignment: What is the key sentence on page 132? Why?

Burns: key sentence on p. 132. What is the key sentence? Why? What principle does it illustrate?

Hint: Many students have told me that they didn't really understand

IR 125 until they had taken IR 322. Here's where it starts: do you see the five laws of political economy illustrated here? Bonus point for correct answer; 3 bonus points for *first* correct answer.

Optional BB assignment: All measures of development are built upon alternative conceptions of it. For example, the HDI and GDI are measures that emphasize basic needs attainment and gender equality rather than the aggregate production emphasized by GDP per capita, etc. How would you measure the "sustainable development" of your country? Creative or indirect measurement of difficult concepts is often necessary. How would you recognize a country with relatively large or relatively small inequality on dimensions like class, gender, sector, region, etc. How would you measure it?

Measures of inequality (optional). How would you measure a country's level of inequality across dimensions like class, gender, sector, region, etc.? Sustainable development?

February 5 Tu

Catch up on readings and discussions. Preview the sequence of assignments culminating in the final paper. First critique of Paper 2, if time allows.

Team Assignment: Write Paper#2 that describes how developed your country is, informed by your understanding of what development means and what your priorities are among its many elements. **Note:** Remember why you want to assess different dimensions of development. The pattern of relative successes and failures may suggest the causal dynamics that dominate your country's path of development.

Warning: **Before** this assignment, read the hand-out on "The use of statistics".

Hint: If you do a thorough job of this, Paper 3 will be *much* easier. This is the preliminary version of that paper, due next week. Glance ahead at that assignment and review the handout "Introduction to group projects." Check for a model paper on BB.

Team Paper 2. How developed is our country? Using Paper 1 as the preamble, write a paper that describes how developed your country is (with respect to the dimensions of development you believe significant) What are the most significant achievements and shortfalls? In order to illustrate, document and dramatize why you have come to the conclusions you have, use charts, graphs, and statistics to compare your country with similar nations or appropriately chosen model nations.

February 7 Th

How to write for a professional audience. How developed is your country? Critique of the first team submissions. We will spend the entire session poring over every minute failure in your Team Paper 2 assignment. Come with sharpened claws to critique others and a thick skin to learn from their opinions of your work.

Part Two: Why is Your Country So Poor? Applying Theories of Development and Underdevelopment

We have now completed the basic *descriptive* task: We know the major patterns of poverty and development in our countries. We know to what degree and in which respects our countries are developed. It is now time to begin the *explanatory* task – understanding *why* those patterns exist and what potential exists for changing them.

February 12 Tu The roots of explanations for poverty and assessments of **national developmental potentials** in alternative theories of development. Each development theory – and there are many – identify key factors that are posited to determine the speed and direction of development. According to each, there are *requisites* of development – conditions that must be present or processes that must be at work in order for successful development or poverty alleviation to occur. Their presence or absence can be used to characterize a nation's development potential. Universal vs. contingent policy advice. Matching particular national characteristics with the assumptions of general development theories in order to evaluate national development strategies. We begin our survey of the requisites of development suggested by various theories by judging the potential and problems of your country through the lens of **geographic theories** and other long-term considerations suggested by “Why the West?” discussions. Consider alternative approaches, ranging from Page's attempt to extract universal lessons from a group of model nations, to Hamilton's attempt to predict the growth potential of one group of nations on the basis of important requisites identified in another group (take note of his warning on “policy volunteerism”) to Sachs' explicit checklist of factors he extracts from his experience. Review of the assignment for the background paper, Team Paper #3.

Requisites of Development

Team Assignment: Write Paper#3 that describes how your country is doing, informed by the understanding of *why* you would want to assess how it is doing. First, because money doctors must adopt their own version of the Hippocratic Oath — first, do no harm! Or, if you prefer, “If it ain't broke, don't fix it.” Second, you must *begin* to think about your priorities among various development problems for your final proposal. Your final proposal must begin by deciding (1) if any change must occur in your country, and, if so, (2) what kind. You can't know that until you project what the future will look like and — as I explain in the handout on determining development potential — one way of doing that is to look at the present and recent past. Another is the theoretical approach we'll be taking for the next three weeks or so. Review handouts that describe the logic of building the background briefing piece by piece. See the project description for the requirements of the background report, because if you do this right, you will have completed the first item under “Problems and Opportunities” for the background report. Use charts, graphs, and statistics.

Team Paper 3. How is our country doing? Using Paper 1 as the preamble, write a paper that describes the recent record of development performance of your country. How developed is it? At what rate, if at all, has your country been developing recently? In order to illustrate, document and dramatize why you have come to the conclusions you have, use charts, graphs, and statistics to compare your country with similar nations or appropriately chosen model nations, as well as your own country's past performance and potential.

Hint: This would be an excellent time to begin thinking about items 2-5 under “Goals and Opportunities”. For example, what are the most positive elements of your country's development status? (potential on which to build?) What are the greatest weaknesses (problems to be resolved?)

Reading: • Rapley, chapter 3

- John Page, “The East Asian Miracle: Building a Basis for Growth,” World Bank Policy Research Report
- Clive Hamilton, “Can the Rest of Asia Emulate the NICs?,” *Third World Quarterly* 87, 4 (1987): 1225-1256.
- Jeffrey Sachs, “Why some countries fail to thrive” and “Clinical economics,” chapters 3&4, *The End of Poverty: Economic Possibilities for our Time* (New York, Penguin, 2005)
- Dani Rodrik, “Trading in illusions,” *Foreign Policy* March/April 2001: 54-62.

Recommended: • Commission on Growth and Development, [The Growth Report: Strategies for Sustained Growth and Inclusive Development](#)

Requisites from Requisite.grow

February 14 Th Seeing the growth potential and problems of your country through the lens of **neo-classical (Solow) growth** IR 222: Orthodox development theory

models and growth accounting: growth as a function of land, labor, capital, and x-efficiency (total factor productivity). Mobilizing, employing, expanding, and improving factors of production. After this morning's emphasis on the capital and efficiency terms, we will focus this afternoon on **land** and climate constraints, and on building **labor** and human capital through education and improved health. Some of this will return us the broader-gauge theories we have previously discussed, allowing us to integrate narrower economic theories with broader political economy ones.

- Reading:*
- Paul Krugman, "The Myth of Asia's Miracle" *Foreign Affairs* 73, 6 (Nov/Dec. 1994): 62-78.
 - David Bloom & Jeffrey Williamson, "Demographic Transitions and Economic Miracles in Emerging Asia," *World Bank Economic Review* 12, 3: 419-455 (skim)
 - Kenneth Hadden and Bruce London, "Educating Girls in the Third World" *International Journal of Comparative Sociology* 37, 1-2 (1996): 31-46.
 - Peter Lorenzen, John McMillan, and Romain Wacziarg, "Death and Development" *Econometric Society World Conference 2005* (lightly skim)

Labor / Human capital. [Due 2/18] Are your labor supplies adequate in quantity and quality? Illustrate.

Land, water, and agriculture. [Due 2/18] Are land and water supplies adequate in quantity and quality for productive agriculture?

Assignment: Read the handout on Assessing Development Potential again. Meet to begin preparing for the next team assignment. What information do you need?

February 19

Requisites from factors

Tu The One Gap. The centrality of capital accumulation in neo-classical growth theory (Solow models). Demonstrating the role of investment in predicting empirical growth rates. Using the concept of the One Gap and Harrod-Domar equations to choose a target growth rate.

Team Paper 3, next draft. How is our country doing? (Optional) Improve the previous draft and give greater attention to points (2-4) of the Background Report..

One gap. [Due 2/21] Are your savings and investment rates adequate for your growth goals? Why or why not? Do you require external finance?

Detecting a 1-gap. Alternative measures of savings rates and their meaning. Alternative sources of savings, including external finance, to close the "1 gap". Closing the One gap from external sources usually opens the Two gap. The dangers of external reliance. There are no miracles.

February 21

Development finance

Th Development finance and the two gap. Introduction to the balance of payments and balance of payments accounting. Sources of external finance and the Two gap. Recognizing a Two gap. What is happening to the value of your nation's currency? Why? Sources of demand for currency. What is the trade balance? Trade compression and economic crisis. Are there discernable trends in the terms of trade? Analyzing the import basket and composition of exports. Which exports could be expanded? Which imports could be limited? What pattern of capital flows can you detect from the balance of payments? Does it accord with descriptive narratives? What is the debt level? To whom is it owed? Is foreign direct investment present? Can/should it be expanded? Where are the opportunities?

Two gap. [Due 2/28] Is your currency stable, capital flows adequate, foreign debt manageable, and deficits sustainable? Can you tolerate external finance?

IR 222: Trade deficits

Reading: • Lex Rieffel, *Restructuring Sovereign Debt*, chapters 2-4.

February 26

Tu In depth analysis of the balance of payments to detect a 2-gap. What are your options for closing the 2-gap? Analyzing the pattern of capital flows.

IR 222: Exam 1

Development financing. Trade balances. Capital flows. Debt. Ben Franklin: "Think what you do when you run into debt; you give to another power over your liberty." Avoiding external dependence.

February 28 Th Catch up

March 1-9 Sat-Sun Spring Break - no class

March 11 Tu The role of the state in development. Infrastructure, human capital, structural change. Recognizing and closing the **Three gap**. Budget deficits. State spending for development. The state of infrastructure. Research strategies for background papers. Team meetings. Discussion and critique of gap analysis as time permits.

IR 222: Planning paradigm

Three gap. [Due 3/13] Is government revenue adequate for necessary expenditures? Is national (sovereign) debt manageable and sustainable? Where can you cut spending or enhance revenue?

Reading: • Rodrik on institutions (from IR 222).

Team Paper 4 Development Potential. Describe the development problems and potential of your nation in a way that hints at development priorities and possible solutions. This should include a thorough analyses of the 1-, 2-, and 3-gaps. It may also employ the schemes of Sachs, Page, Hamilton or similar ones of your own creation. (Recommended pre-draft submission prior to 3/18 due date.)

Part Three: Development strategies: How can your country develop (solve its poverty problems)?

Solutions may lie in broad gauge government policies, small scale projects of NGOs, or anything in between. Nearly all the class sessions in this part of the course can be adapted to focus on potential solutions being considered by the various teams and some sessions near the end have been left open to choose those topics which arise in the team research.

March 13 Th Social entrepreneurship and its promise for solving social problems. Varieties of organizations concerned about creating social value (with and without profit).

Readings: • J. Gregory Dees, "The meaning of 'social entrepreneurship?'"

Entrepreneurship

- Kim Alter, "Social Enterprise Typology" [<http://www.virtueventures.com/typology>].
- Re-read the chapters from Daniel Bornstein, 19 in *How to Change the World: Social Entrepreneurs and the Power of New Ideas* originally assigned for 17 January.

Recommended: See the "social entrepreneurship collection" on Blackboard, which may give you some ideas about the kind of things that can be done by the brave and energetic. Many of the people discussed there are actually Lehigh alums.

Team BB assignment: Identify what actors or forces could prevent the adoption or success of a given development policy? Who are the individuals or groups that command respect and might become allies in development efforts? Who rules your country? Where are the opportunities for transformation? What does this imply about the strategy you will recommend?

IR 222: Constraints on development strategy.

Constraints. What actors or forces could prevent the adoption or success of a given development policy?

March 18 Tu Comments on Paper IV. Prepare for background report (Paper V).

Team Assignment: Write Paper #4 that describes the development potential of your country, with an emphasis upon the 1-, 2-, and 3-gaps. Do you require external finance, for example to close an investment deficit, trade deficit, budget deficit? What sources of external finance are available to your nation? Use charts and statistics. See the project description for the requirements of the background

report. If you do this right, you will have completed the third and fourth items under “Goals and Opportunities.”

March 20 Th Development strategies involving foreign direct investment from multinational corporations. Investment incentive packages. Meeting the conditions of multinational corporations. The policy requisites of joining a commodity chain.

Development strategy

Reading: • Milner, “Trade Strategies and Economic Development: Theory and Evidence”

- Moon, “Exports, Outward-Oriented Development, and Economic Growth”
- UNCTAD, World Investment Report 1998, Chapter 4, “Host country determinants of foreign direct investment” (skim)

Review: Rapley, chapters 1-5.

BB assignment: Does Moon believe that nations should emphasize exports in seeking development? Do you agree?

Does Moon believe that nations should emphasize exports in seeking development? What kinds of exports? Why or why not?

March 25 Tu What can we do about agriculture? For many poor countries, poverty alleviation involves dealing with agriculture and/or the rural economy dominated by it. We will delve as deeply as we can into the diagnosis of agricultural problems in our countries. Agricultural productivity. Inputs. Government programs. Possible initiatives.

Agriculture, Food & rural development

Reading: • Andrew Dorward et. al., “A Policy Agenda for Pro-Poor Agricultural Growth”

- Additional reading TBA for agriculture in the selected countries.

March 27 Th Microfinance. No intervention in the area of development has attracted as much attention as the microfinance approach made famous by Mohammad Yunus and the Grameen Bank of Bangladesh. Indeed, even Lehigh University has an initiative in microfinance. We will discuss this principally as an NGO intervention, even though the commercialization of microfinance is proceeding rapidly. Emergency team meetings. Guidance on presentation styles.

Microfinance

Microfinance impacts

Reading: • Matin, Imran, David Hulme, and Stuart Rutherford (2002)

“Finance for the poor: From microcredit to microfinancial services,”

Journal of International Development 14: 273-294.

Background Reports (Paper 5).

Team assignment: **Background reports due: the development experience and prospects of nations**

April 1 Tu **Presentation of background reports.**

April 3 Th Ben Gucciardi, Lehigh Entrepreneur in Residence, on “How to start an NGO”.

April 8 Tu What makes a good presentation? Moving from problem diagnosis to problem resolution. The Final Proposal: Drawing Conclusions, Adopting a Plan, and Convincing an Audience.

Email Assignment: Grade the presentations.

April 10 Th The design of a typical stand-by agreement. Stabilization. Austerity programs. Meeting the conditions of the IMF and World Bank.

Readings: TBA

April 15 Tu ... and other social entrepreneurship projects. Good ideas from all over. Heifer Project. FAO. Alice Visionary Foundation. Soccer Without Borders. Ashoka. Sharing examples from countries and NGOs. Typical RFP from AID.

Mobilizing
savings

Readings: TBA

April 17 Th Foreign aid and worker remittances.

Reading: • UNCTAD, "Trade and Development Report, 2006", chapter 3, "Changes and trends in the external environment for development", especially pp. 89-104.

April 22 Tu Catch up. Proposal review. Team meetings. Team research.

April 24 Th Final Written Project Due Date

TBA Presentations of Final Reports probably RCS or our final exam period

April 26 Sat RCS

April 29 (Tu) -May 7 (W) Final Exam

IR 222 SAT, MAY 03, 2008 08:00-11:00 AM

IR 322 SUN, MAY 04, 2008 08:00-11:00 AM