**GVPT 404: The Political Economy of Foreign Aid**

Spring 2022

Tu/Th 2:00PM – 3:15pm

Tydings 1108

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Office Hours: Thursdays 11:00-12:15

**Course Overview:**

The world spends hundreds of billions of dollars on foreign aid every year. The effects of this aid spending are controversial. Research supports both pessimistic and optimistic views of foreign aid’s effectiveness, with little consensus. Where does aid money go? How do the identities and motivations of aid donors and scholars matter? Is foreign aid effective at achieving its goals? Why or why not? This course is designed to survey the promise and the challenges of foreign aid as a policy tool.

The first half of the course will focus on the motivations and goals of foreign aid. We will consider various foreign aid donors, such as countries, institutions, and individuals, to understand the motivations behind and effects of global giving. We will also consider how the racial and cultural identity of donors and scholars shape the landscape of how we understand foreign aid.

The second half of the course will consider the challenges specific to foreign aid. This includes both technical challenges and political challenges. We will consider the strategies that aid donors, organizations, and recipients themselves, have taken to try to overcome these challenges.

Throughout the semester, I will ask students to consider ethical questions and trade-offs specific to foreign aid policy. Discussions will be focused around questions in which there are no easy answers. I encourage students to consider issues from multiple lenses and question the dominant contexts presented by scholars and observers.

**Readings:**

There is no required text for this course. All weekly readings will be uploaded onto the course website or included as links.

Please familiarize yourself with the library resources available to you in order to access paywalled papers. Often, these can be difficult to access if you are not physically on campus. If at any point in this course you cannot access a journal article, there are a few steps you can take to gain access:

1- Enter the paper title into the search bar at <https://scholar.google.com/>. Often there are free versions of papers around the internet.

2- Enter the title into the library catalog at <https://www.lib.umd.edu/>. The library often has online versions of journals that you can access by logging in.

3- Download UMD’s Virtual Private Network client software at <https://terpware.umd.edu/Windows/title/1840>. This will not only allow you access campus resources remotely, it will also encrypt your connection.

4- Contact a librarian at <https://umd.libanswers.com/>. UMD librarians are amazing resources and can generally answer your questions within minutes.

5- If you are still unable to access the reading after trying all of these steps, contact me. If you contact me, mention that you have tried all of the steps suggested in the syllabus.

**Discussions:**

A major component of this seminar will involve in-class discussions of major concepts and events in foreign aid. I will disseminate suggested discussion questions prior to the class to give students the opportunity to prepare responses. Students are encouraged to think about issues beyond the rhetoric and talking points that often pepper the surface of policy debates. I expect students to use knowledge of the research on foreign aid to drive understanding of policy outcomes.

If you are not comfortable speaking in the class, **please see me** at the beginning of the semester so that we can arrange an alternative way for you to participate.

Policy debates will undoubtedly emerge, but they will be secondary to the goal of evaluating the causes and effects of foreign aid policy. Personal attacks will not be tolerated. I do not expect it, but if a debate becomes negative or unnecessarily contentious, I will step in. Be respectful and professional.

**Weekly Overview:**

**\*\*Please note that readings may change slightly as the semester progresses. Continue to watch ELMS for updates\*\***

*PART 1: Motivations and Goals for Foreign Aid*

Week 1: Overview of Foreign Aid

TU *What Is Foreign Aid?*

– https://www.oxfamamerica.org/static/media/files/Foreign-Aid-101-Mar2014-single-Oxfam-America.pdf

TH *What Is Political Economy?*

– https://www.cgdev.org/sites/default/files/8846\_file\_WP92.pdf

*Additional Reading (Optional):*

– Chapter 1: Drazen, Allan. *Political Economy in Macroeconomics*. Princeton University Press, 2002.

Week 2: Does Foreign Aid Work?

TU *The Foreign Aid Debate*

– https://foreignpolicy.com/articles/2014/01/21/the\_case\_for\_aid

 – https://foreignpolicy.com/2014/01/23/aid-amnesia/

– https://www.washingtonpost.com/news/monkey-cage/wp/2017/12/13/development-aid-isnt-reaching-the-poorest-heres-what-that-means/

TH *Who Studies Foreign Aid? Who Gives Foreign Aid?*

– Briggs, Ryan C., and Scott Weathers. "Gender and Location in African Politics Scholarship: The Other White Man's Burden?" *African Affairs* 115.460 (2016): 466-489.

 – Baker, Andy. "Race, Paternalism, and Foreign Aid: Evidence from US Public Opinion." *American Political Science Review* 109.1 (2015): 93-109.

Week 3: How Does Foreign Aid Work?

TU *How Do We Know if It Works?*

– https://www.ted.com/talks/esther\_duflo\_social\_experiments\_to\_fight\_poverty

– Miller, Daniel. “Sachs, Easterly and the Banality of the Aid Effectiveness Debate: Time to Move On.” *Mapping Politics* 3 (2012).

TH *Direct Cash Transfers*

– https://www.npr.org/sections/money/2013/11/08/243967328/episode-494-what-happens-when-you-just-give-money-to-poor-people

 – https://www.npr.org/sections/goatsandsoda/2017/09/13/542261863/cash-aid-changed-this-family-s-life-so-why-is-their-government-skeptical

– https://www.theatlantic.com/ideas/archive/2018/09/ab-testing-foreign-aid/570325/

*Additional Reading (Optional)*

– Baird, Sarah, Craig McIntosh, and Berk Özler. “Cash or Condition? Evidence from a Cash Transfer Experiment.” *The Quarterly Journal of Economics* 126.4 (2011): 1709-1753.

Week 4: Why Foreign Aid?

TU *Individual Donors*

– https://www.abc.net.au/religion/ethical-foundations-of-foreign-aid/10358882

 – https://www.brookings.edu/research/american-public-support-for-foreign-aid-in-the-age-of-trump/

*Additional Reading (Optional)*

 – https://ggsc.berkeley.edu/images/uploads/GGSC-JTF\_White\_Paper-Generosity-FINAL.pdf (Pages 1-18)

TH *The Media*

– https://www.theguardian.com/global-development/poverty-matters/2014/oct/22/ethiopian-famine-report-influence-modern-coverage

– Eisensee, Thomas, and David Strömberg. "News Droughts, News Floods, and US Disaster Relief." *The Quarterly Journal of Economics* 122.2 (2007): 693-728.

*Additional Readings (Optional):*

– https://www.nytimes.com/2003/03/01/arts/does-democracy-avert-famine.html

Week 5: Geopolitics of Foreign Aid Giving

TU *UN Voting*

– Kuziemko, Ilyana, and Eric Werker. “How Much is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations.” *Journal of Political Economy* 114.5 (2006): 905-930.

– https://www.cgdev.org/publication/linking-us-foreign-aid-un-votes-what-are-implications

TH *Political Alliances*

– Clarke, Duncan L., and Daniel O'Connor. “US Base-Rights Payments After the Cold War.” *Orbis* 37.3 (1993): 441-457.

– https://www.nytimes.com/2018/10/14/world/asia/donald-trump-foreign-aid-bill.html

Week 6: NGOs and Private Aid

TU *Non-Governmental Organizations*

– http://politicalviolenceataglance.org/2015/10/05/the-challenges-of-american-ngos-abroad/

– Murdie, Amanda, and Craig S. Stapley. "Why Target the Good Guys? The Determinants of Terrorism Against NGOs." *International Interactions* 40.1 (2014): 79-102.

TH *Private Donors*

– Watch: *Poverty, Inc*. 2015

– https://www.forbes.com/sites/mikemontgomery/2015/04/28/how-entrepreneurs-can-avoid-the-philanthropy-pitfalls/#4badec9b1c38

*Additional Reading (Optional):*

– Büthe, Tim, Solomon Major, and André de Mello e Souza. “The Politics of Private Foreign Aid: Humanitarian Principles, Economic Development Objectives, and Organizational Interests in NGO Private Aid Allocation.” *International Organization* 66.4 (2012): 571-607.

Week 7: Claiming Credit for Foreign Aid

TU *Local Credit Claiming*

 – Cruz, Cesi, and Christina J. Schneider. “Foreign Aid and Undeserved Credit Claiming.” *American Journal of Political Science* 61.2 (2017): 396-408.

 – https://www.cgdev.org/blog/case-against-branding-development-aid-fragile-states

TH *International Credit Claiming*

– Andrabi, Tahir, and Jishnu Das. “In Aid We Trust: Hearts and Minds and the Pakistan Earthquake of 2005.” World Bank Policy Research Working Paper Series, Vol (2010).

– https://thehill.com/opinion/international/436018-losing-the-war-for-hearts-and-minds

Week 8: Mid-Term

TU *Mid-term Review*

TH *Mid-term Exam*

*PART 2: Foreign Aid Challenges*

Week 9: Authoritarianism and Foreign Aid

TU *The “Aid Curse”*

– https://ips-dc.org/foreign\_aid\_is\_afghanistans\_resource\_curse/

– Ahmed, Faisal Z. “The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival.” *American Political Science Review* 106.1 (2012): 146-165.

TH *Solutions*

– Dietrich, Simone, and Joseph Wright. “Foreign Aid Allocation Tactics and Democratic Change in Africa.” *The Journal of Politics* 77.1 (2014): 216-234.

*Additional Reading (Optional):*

– Bermeo, Sarah Blodgett. “Aid is Not Oil: Donor Utility, Heterogeneous Aid, and the Aid-Democratization Relationship.” *International Organization* 70.1 (2016): 1-32.

– Dietrich, Simone. “Bypass or Engage? Explaining Donor Delivery Tactics in Foreign Aid Allocation.” *International Studies Quarterly* 57.4 (2013): 698-712.

Week 10: Foreign Aid and Conflict

TU *Causes of Conflict*

– Nielsen, Richard A., *et al*. “Foreign Aid Shocks as a Cause of Violent Armed Conflict.” *American Journal of Political Science* 55.2 (2011): 219-232.

– https://www.newyorker.com/magazine/2010/10/11/alms-dealers

TH *Solutions to Conflict*

– Savun, Burcu, and Daniel C. Tirone. “Foreign Aid, Democratization, and Civil Conflict: How Does Democracy Aid Affect Civil Conflict?” *American Journal of Political Science* 55.2 (2011): 233-246.

– https://blogs.worldbank.org/dev4peace/most-people-think-peacekeeping-doesn-t-work-they-re-wrong

*Additional Reading (Optional):*

– https://www.foreignaffairs.com/articles/asia/2015-01-21/aid-peace

Week 11: International Lending

TU *Bretton Woods Institutions*

 – https://www.cfr.org/backgrounder/world-bank-groups-role-global-development

– Przeworski, Adam, and James Raymond Vreeland. “The Effect of IMF Programs on Economic Growth.” *Journal of development Economics* 62.2 (2000): 385-421.

*Additional Reading (Optional):*

– https://www.vox.com/future-perfect/2020/2/21/21144624/development-aid-world-bank-paper

TH *Microfinance*

– https://www.npr.org/sections/money/2010/09/28/130194702/the-tuesday-podcast-what-s-better-for-helping-poor-people----greed-or-charity

– https://www.npr.org/sections/money/2011/01/10/132803684/the-microfinance-backlash

 – https://www.cfr.org/blog/financing-egypts-missing-middle

Week 12: Multilateral Foreign Aid

TU *Why Multilateralism?*

– https://www.brookings.edu/research/multilateralism-under-stress/

Optional:

– Easterly, William, and Tobias Pfutze. “Where Does the Money Go? Best and Worst Practices in Foreign Aid.” *Journal of Economic Perspectives* 22.2 (2008): 29-52.

TH *Politics of Multilateral Aid*

– Clark, Richard, and Lindsay R. Dolan. "Pleasing the principal: US influence in World Bank policymaking." *American Journal of Political Science* 65.1 (2021): 36-51.

Week 13: Immigration and Power

***DEADLINE****: Project Evaluation Assignment (Due Saturday, April 30 at 11:59 PM)*

TU *Aid and* *Immigration*

– Bermeo, S. & Leblang, D. (2015). “Migration and Foreign Aid.” *International Organization*. 69(3): 627-657.

 – https://theglobepost.com/2019/06/19/central-america-migration-aid/

TH *The* “*New Scramble for Africa”*

– The New Scramble for Africa; Geopolitics." *The Economist*, vol. 430, no. 9133, 9 Mar. 2019, p. 9(US). Gale In Context: Opposing Viewpoints, link.gale.com/apps/doc/A577449160/OVIC?u=umd\_um&sid=bookmark-OVIC&xid=ca0cfe56.

 – Richard Aidoo, “African Countries Have Started to Push Back Against Chinese Development Aid. Here’s Why.” *Washington Post*, October 16, 2018.

*Additional Reading (Optional):*

– https://esoc.princeton.edu/publications/esoc-working-paper-15-china-and-world-bank-how-contrasting-development-approaches

Week 14: New Issues in Foreign Aid

TU *Foreign Aid Scandals*

– https://www.scientificamerican.com/article/how-cia-fake-vaccination-campaign-endangers- us-all/

– https://www.npr.org/sections/thetwo-way/2016/08/18/490468640/u-n-admits-role-in-haiti-cholera-outbreak-that-has-killed-thousands

– https://www.foxnews.com/politics/usaid-programs-hit-by-fraud-corruption-and-bid-rigging-allegations

– https://www.52-insights.com/interview-politics-enlightenment-steven-pinker-why-our-world-is-getting-better/

TH *The Future of* *Foreign Aid*

– To be Assigned…

Week 15: Final Review

TU Final Review Session

***DEADLINE****: Take-Home Final (Due Monday, May 16, 12:30pm)*

**Grading:**

The grading scale will be as follows, and will be based on the percentage of total assessment points earned. When grades fall between percentages, I will round up after 0.5:

A = 93-100 A- = 90-92

B+ = 87-89 B = 83-86 B- = 80-82

C+ = 77-79 C = 73-76 C- = 70-72

D+ = 67-69 D = 63-66 D- = 60-62

F = < 60

Students will have up-to-date access to their current grades throughout the semester through the course site on ELMS. I will periodically update students on their progress.

*Discussion Attendance and Participation: 10%*

Students are expected to engage with assigned readings and lectures and attend class prepared to discuss them. Showing up is not enough—you also need to show me you are digesting the material. If you are uncomfortable speaking up in class, **please see me** at the beginning of the semester so that we can arrange alternative ways for you to participate.

*Weekly Quizzes: 10%*

Once per week, on either Tuesday or Thursday, I will conduct an in-class clicker quiz that covers the week’s readings (see below on accessing clicker software). Students must **arrive to class on time** in order to take the quiz. Students may drop their lowest two quiz scores in their final grade. I may occasionally offer extra credit quizzes.

*Aid Project Evaluation: 15%*

Students are required to evaluate a foreign aid project from the World Bank’s Impact Evaluation website (through [this link](http://documents.worldbank.org/curated/en/docsearch/collection-title/Impact%20Evaluation%20series?colT=Impact%20Evaluation%20series)). This evaluation will include a description of the major actors involved, an analysis of the political factors behind a foreign aid project, an assessment of the project’s effectiveness, and an explanation for any lack of effectiveness. See ELMS for a description of the assignment.

***DEADLINE****: Saturday, April 30 at 11:59 PM*

*Mid-Term: 30%*

The Mid-term will be composed of a fill-in-the-blanks section, a short-answer section, and one essay question. I will reveal a set of potential essay questions the weekend before the mid-term to allow students to prepare an answer, but no notes will be allowed into the exam. The Tuesday before the mid-term will consist of a preparation section, in which we will discuss the class topics and potential essay questions.

*Take-Home Final: 35%*

The take-home final will ask students to integrate multiple components of the class. The last class will be devoted to preparing for the final exam, which I will release after the class.

***DEADLINE****: Monday, May 16, 12:30pm*

**Campus Policies:**

It is our shared responsibility to know and abide by the University of Maryland’s policies that relate to all courses, which include topics like:

• Academic integrity

• Student and instructor conduct

• Accessibility and accommodations

• Attendance and excused absences

• Grades and appeals

• Copyright and intellectual property

Please visit [www.ugst.umd.edu/courserelatedpolicies.html](http://www.ugst.umd.edu/courserelatedpolicies.html) for the Office of Undergraduate Studies’ full list of campus-wide policies and follow up with me if you have questions.

**Course Policies and Expectations:**

1. Assignments that are turned in past the deadline will be penalized one letter grade per day.

2. Absences for valid reasons such as medical or family emergencies will be excused with appropriate documentation, but you will still be responsible for missed material, such as quizzes. Please contact me if you know you will be late or absent.

3. Making-up exams is not permitted unless: 1) there is an official excuse for having missed an exam (with proper documentation); or 2) a prior arrangement is made.

4. Neither cheating nor plagiarism in any form will be tolerated. Familiarize yourself with the campus policies on academic honesty, and when in doubt, \*\*\****ask me\*\*\****.

5. Recent findings in social psychology discourage the use of laptops and phones in class (see youtu.be/WwPaw3Fx5Hk). However, the nature of this course leads me to provisionally accept technology in the classroom, to allow for a broader discussion. If it seems that students are spending more time online shopping than having productive discussions, I will revoke those privileges, so be responsible.

6. Any student with disabilities/special needs or who will miss class due to a religious observance should contact me during the first week of classes so that the proper arrangements can be made.

7. Class participation is challenging for some. If you have particular concerns or anxieties about participating in class discussion, please come to my office hours early on. We can work to find a less stressful and more effective way for you to participate.

8. While I am happy to answer brief questions by email, I will not respond right away and may ask you to come to my office hours for broader questions and issues, whether they be about the class, the field more generally, or even about your career. I hope to see you at my office!

**Communication:**

Communication is an important life skill, and this course is no different. If you have any personal, health, or other barrier keeping you from succeeding in this class, **please talk to me.**

To reiterate: I want to do everything I can to support you. To do this, I need to know about a problem *when it arises*, not after it has already derailed your ability to keep up with class. I don’t need to know details. Letting me know sooner rather than later, though, is key. It is MUCH harder to accommodate you if you wait until the end of the term.

**Policy on Excused Absences related to COVID-19:**

In light of the COVID-19 epidemic, I will take COVID-related absences on a case-by-case basis.