**International Development Cooperation: Theory and Practice**

This course introduces students to the complex and changing field of international development cooperation. Focusing on both multilateral and bilateral foreign aid, it will answer key questions such as: Why do international donors give foreign aid? Who are the players and what are the issues in international development aid and lending? Why are developing countries interested in receiving development assistance? Does foreign aid work? How should we understand and evaluate past and current foreign aid and development assistance? Do foreign aid and loans do more harm than good?

**Class Sequence**

**Week 1. Introduction to the Course**

**Week 2. Foreign Aid: Theories and Issues**

• Kanbur, Ravi, “The Economics of International Aid,” Paper prepared for the Handbook on “The Economics of Giving, Reciprocity and Altruism,” edited by Serge Christophe-Kolm and Jean Mercier-Ythier, North-Holland.

• Paul, Elisabeth, (2006), “A Survey of the Theoretical Economic Literature on Foreign Aid,” Asian-Pacific Economic Literature: 1-17.

**Week 3. History of Foreign Aid**

• Stephen Brown, *Beyond Aid: From Patronage to Partnership*, London, Ashgate, 1999. pp. 5-50.

• Paula Hoy, *Players and Issues in International Aid,* Kumarian Press, 1998, Introduction.

• UNDP, *2004 World Development Report*, World Bank. Overview and Chapter 1.

**Week 4. ODA in Figures**

**Week 5. Determinants of Aid Flows**

• Alberto Alesina and David Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 5(1): 33-63.

• Round, Jeffery I. and Matthew Odedokun, “Aid Effort and its Determinants”, International Review of Economics & Finance, 2004, vol. 13, issue 3, pages 293-309

• Bandyopadhyay, Subhayu and Howard J.Wall, “The Determinants of Aid in the Post-Cold War Era,” *Federal Reserve Bank of St. Louis Review*, November/December 2007, 89(6), pp. 533-47

• Tuman, John, Craig Emmert and Robert Sterken, “Explaining Japanese Aid Policy in Latin America: A Test of Competing Theories,” *Political Research Quarterly* 2001; 54; 87.

• Beenstock, Michael, (1980), “Political Econometry of Official Development Assistance,” *World Development*, Vol. 8, pp. 137-144.

**Week 6. Comparative Foreign Aid Approaches: USA**

• Paula Hoy, Chapter 1, “US Government Assistance”, in *Players and Issues.*

• Jeffrey Sachs, “The Development Challenge”, *Foreign Affairs*, March/April 2005.

**Week 7. Comparative Foreign Aid Approaches: EC, Japan, and China**

• Kawai, Masahiro and Takagi, Shingo, “Japan's Official Development Assistance: Recent Issues and Future Directions” World Bank Policy Research Working Paper No. 2722, November 21, 2001.

• Thomas Lum et al., Comparing Global Influence: China’s and U.S. Diplomacy, Foreign Aid, Trade, and Investment in the Developing World, CRS Report for Congress, Congressional Research Service, August 15, 2008

• Peter R. Baehr, “Problems of Aid Conditionality: The Netherlands and Indonesia”, *Third World Quarterly*, June 1997.

• Peter Schraeder, Steven Hook & Bruce Taylor, “Clarifying the Foreign Aid Puzzle: A Comparison of American, Japanese, French and Swedish Aid Flows,” *World Politics*, 50(2), January 1998.

• Carlos Santiso, “Reforming European Foreign Aid: Development Cooperation as an Element of Foreign Policy”, *European Foreign Affairs Review*, Volume 7, Issue 4, 2002.

• Steven W. Hook, *National Interest and Foreign Aid*, Lynne Rienner, 1995.

• Robert S. Chase, Emily B. Hill, and Paul Kennedy, “Pivotal States and US Strategy”, *Foreign Affairs*, Volume 75, No. 1, 1996.

• Deen K. Chatterjee, Editor, *The Ethics of Assistance: Morality and the Distant Needy*, Cambridge University Press, 2004.

• Scott Lasensky***,*** Paying for peace: the Oslo process and the limits of American foreign aid. *The Middle East Journal***,** Spring 2004 v58 i2.

**Week 8. International Organizations, NGOs and the Foreign Aid Process**

• Paul Hoy, Chapters 2-5, *Players and Issues.*

• World Bank, “Rethinking the Money and Ideas of Aid”, in *Assessing Aid*, 1998.

• Phyllis R. Pomerantz, *Aid Effectiveness in Africa: Developing Trust between Donors and Governments*, Lexington Books, 2004. Skim entire book.

• John Degnbol-Martinussen and Poul Engberg-Pedersen, *Aid: Understanding International Development Cooperation*, Zed Books, 2003.

• Joseph Hanlon, “It is Possible to Just Give Money to the Poor”, in Jan P. Pronk, editor, *Catalysing Development,* Blackwell Publishers, 2004.

**Week 9. Effects of Aid on Recipients: Millennium Development Goals and Poverty Reduction**

• Keyzer, Michiel, and Lia Van Wesenbeeck, (2006), “The Millennium Development Goals, How Realistic are They?” *De Economist* 154:443–466.

• Weiss, John (2008), “The Aid Paradigm for Poverty Reduction: Does It Make Sense?” *Development Policy Review*, 2008, 26 (4): 407-426.

• Roger Thurow and Scoot Kilman, “Farmers, Charities Join Forces to Block Famine Relief Revamp”, *Wall Street Journal*, October 26, 2005.

**Week 10. Effects of Aid on Recipients: Growth**

• Burnside, Craig and David Dollar, “Aid, Policies, and Growth,” *American Economic Review* 90(4) (September 2000): pp. 847–68.

• William Easterly, Ross Levine, and David Roodman "New Data, New Doubts: A Comment on Burnside and Dollar's "Aid, Policies, and Growth"(2000)", *American Economic Review*, 2003.

• Burnside, Craig and David Dollar (2004) “Aid, Policies, and Growth: Reply,” *American Economic Review* 94 (3): 781~784.

• Burnside, Craig and David Dollar (2004) “Aid, Policies, and Growth: Revisiting the Evidence,” World Bank Policy Research Working Paper No. 3251.

• Hansen, Henrik, and Finn Tarp, (2001), “Aid and Growth Regressions,” *Journal of Development Economics*, Vol. 64, pp. 547-570.

• Hansen, Henrik, and Finn Tarp, (2001), “Aid effectiveness disputed,” *Journal of International Development*, 12, 375-398.

• Dalgaard, Carl-Johan, Henrik Hansen and Finn Tarp, “On the Empirics of Foreign Aid and Growth,” *The Economic Journal*, 114 (June), F191–F216.

• Al-Khaldi, Mwafaq Dandan, “Impact of Foreign Aid on Economic Development in Jordan,” *Journal of Social Sciences* 4 (1): 16-20, 2008.

• Clemens, Michael A., Steven Radelet, Rikhil Bhavnani, (2004) “Counting chickens when they hatch: The short-term effect of aid on growth,” Center for Global Development, Working Paper No. 44.

**Week 11. Effects of Aid on Recipients: Institution**

• Djankov, Simeon, Jose G. Montalvo, and Marta Reynal-Querol, “The Curse of Aid,” *Journal of Economic Growth* (2008) 13: 169-194.

• Alesina, Alberto and Beatrice Weder, 1999, “Do Corrupt Governments Receive Less Foreign Aid?” NBER Working Paper Series #7108.

• Jakob Svensson, "Foreign Aid and Rent-Seeking", *Journal of International Economics*, 2000, Vol. 51 (2): 437-461.

• Mary B. Anderson, *Do No Harm: How Aid Can Support Peace – or War*, Lynn Rienner Press, 1999.

• Sarah L. Henderson, “Selling Civil Society: Western Aid and the Nongovernmental Organization Sector in Russia”, *Comparative Political Studies*, March 2002 v35 i2 p139(29)

• Peter Boone. “Politics and the Effectiveness of Foreign Aid.” *European Economic Review*, 1996, *40*(2), pp. 289–329.

• Jakob Svensson, “Why Conditional Aid Doesn’t Work and What Can Be Done About It?", *Journal of Development Economics*, 2003, vol. 70 (2): 381-402.

• Chatterjee, Santanu, Paola Giuliano, and Ilker Kaya, (2007), “Where has All the Money Gone? Foreign Aid and the Quest for Growth,” IZA DP No. 2858.

**Week 12. Effects of Aid on Recipients: Institution**

• Blaise, Severine, (2005), “On the Link between Japanese ODA and FDI in China: a Microeconomic Evaluation using Conditional Logit Analysis,” *Applied Economics*, 37: 51-55.

**Week 13. Other Issues**

• James Petras, Henry Veltmeyer, “Age of Reverse Aid: Neo-Liberalism as Catalyst of Regression”, in Jan P. Pronk, editor, *Catalysing Development,* Blackwell Publishers, 2004.

• John Pilger, “As the workings of foreign aid in Cambodia demonstrate, behind the charade of "loans", "assistance" and "partnerships" lies systematic western plunder and corruption”, *New Statesman*, 5/30/2005. Volume 134 Issue 4742**.**

• Ngaire Woods, “The Shifting Politics of Foreign Aid”, *International Affairs*, 81, 2, 2005.

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• “Real Aid: An Agenda for Making Aid Work”, ActionAid International, May 2005. Download at ActionAid.org.uk

• Carol C. Adelman, “The Privatization of Foreign Aid”, *Foreign Affairs*, 82, 6, 2003

• Steven C Radelet, Will the Millennium Challenge Account be Different? *The Washington Quarterly*, Volume 26, Number 2, Spring 2003.