

Politics and Policies of Foreign Aid

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Office hours: Tuesday, 1.30 – 3.30

Fall term 2018

CEU Credits: 2

This class uses the CEU e-learning platform.

Please register on the website and download schedule and reading materials.

This class is an introduction to development aid policies. The major questions to be addressed are: How did aid regimes evolve? What is the difference between bi- and multilateral aid and aid provided by NGOs? Who supports foreign aid among domestic constituencies and why? Does aid conditionality work? What are the problems of EU foreign aid policies? Who does the emergence of China as a new donor alters the foreign aid regime? Is foreign aid effective? Does it help the poor? Students will become familiar with the type of donors and their motivations, understand the key tools of foreign aid, understand the theoretical debates related to foreign aid, learn to assess the effects of foreign aid in two exemplary policy areas and learn to think critically about the challenges, limits and the future of foreign aid. Regarding public policy research, students will acquire knowledge how to construct and judge generative mechanisms, which is a key prerequisite for research and public policy evaluation.

Requirements and assessment

Students are expected to attend seminars regularly, to prepare the required readings, to participate actively in the seminar discussions, participate in group assignments, to present an outline of the research paper and to write a final research paper. Grading is based on group assignments (30%) and a final research paper (70%). The final research paper comprises **3000 words** (excluding bibliography). Deadline for paper submission is [...]. Extensions can be granted with a written medical note only.

Schedule

	Date	Topic	Replacement date
1	19 September	Introduction	
2	26 September	What is development cooperation?	
	3 October		12 October
3	10 October	Aid effectiveness	
4	17 October	Poverty reduction	
5	12 October (Friday)	Bilateral aid	
	24 October	Reading week	
	31 October		9 November
6	7 November	Multilateral aid	
7	9 November (Friday)	NGOs and foreign aid	
8	14 November	Public support for foreign aid	
9	21 November	Guest speaker: Mark Furness	
10	28 November	Aid conditionality	
11	5 December	New donors	

1 Introduction

19 September, 5:20-7:00, O/234

Markovits, D., Strange, A., and Tingley, D. (2017) "Conceptual and Historical Foundations of Foreign Aid." Unpublished manuscript.

2 What is development cooperation?

26 September, 5:20-7:00, O/234

Required reading

Klingebiel, Stephan (2014) *Development Cooperation. Challenges of the New Aid Architecture*. Palgrave Macmillan. Chs 1, 4

Recommended reading

Radelet, R. (2006) 'A Primer on Foreign Aid.' Center for Global Development Working Paper 92.

Riddell, R. (2008) *Does Foreign Aid Really Work?* New York: Oxford University Press. Chs 2, 3.

De Haan, A. (2009) *How the Aid Industry Works: An Introduction to International Development*. Sterling, VA: Kumarian Press, pp. 63-89.

3 Aid effectiveness

10 October, 5:20-7:00, O/234

Required reading

Klingebiel, Stephan (2014) *Development Cooperation. Challenges of the New Aid Architecture*. Palgrave Macmillan. Ch. 5

Recommended reading

Hyden, G. (2008) "After the Paris Declaration: Taking on the Issue of Power." *Development Policy Review*, 26:3, 259-274.

OECD (2005) *The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action*.

Riddell, R. (2008) *Does Foreign Aid Really Work?* New York: Oxford University Press. Chs 10, 15.

4 Poverty reduction

17 October, 5:20-7:00, O/234

Required reading

Bodenstein, T. and Kemmerling, A. (2015) 'A Paradox of Redistribution in International Aid? The Determinants of Poverty-Oriented Development Assistance.' *World Development*, 76: 359-369.

Kanbur, R. and Sumner, A. (2012) 'Poor Countries or Poor People? Development Assistance in the New Geography of Global Poverty.' *Journal of International Development*, 24:6, 686-695.

Recommended reading

Barder, O. (2009) 'What Is Poverty Reduction?' Center for Global Development, Working Paper no. 170.

Carr, E.R. (2008) 'Rethinking Poverty Alleviation: A "Poverties" Approach.' *Development in Practice*, 18:6, 726-734.

Hanlon, J. (2004) 'Is It Possible to Just Give Money To the Poor?', in: Pronk, J. (ed.): *Catalyzing Development: A Debate on Aid*. Oxford: Blackwell Publishing, pp. 181-188.

5 Bilateral aid

12 October (Friday!), ...

Required reading

Riddell, R. (2008) *Does Foreign Aid Really Work?* New York: Oxford University Press. Ch. 4.

Easterly, W. and Williamson, C. (2011) 'Rhetoric versus Reality: The Best and Worst of Aid Agency Practices.' *World Development*, 39:11, 1930-1949.

Valters, C. and Whitty, B. (2017) 'The Politics of the Results Agenda in DFID 1997-2017.' ODI Report.

Recommended reading

Alesina, A. and D. Dollar (2000) 'Who Gives Foreign Aid to Whom and Why?' *Journal of Economic Growth*, 5:1, 33-63.

Easterly, W. and Pfitze, T. (2008) 'Where Does the Money Go? Best and Worst Practices in Foeign Aid.' *Journal of Economic Perspectives*, 22:2, 29-52.

Schraeder, P.J., Hook, S.W. and Taylor, B. (1998) 'Clarifying the Foreign Aid Puzzle: A Comparison of American, Japanese, French and Swedish Aid Flows.' *World Politics*, 50:2, 294-323.

6 Multilateral aid

6 November, 5:20-7:00, O/234

Required reading

Riddell, R. (2008) *Does Foreign Aid Really Work?* New York: Oxford University Press. Ch. 5.

Michaelowa, K., Reinsberg, B. and Schneider, C. (2017) 'Multi-bi Aid in European Development Assistance: The Role of Capacity Constraints and Member State Politics.' *Development Policy Review*, 35:4, 513-530.

Recommended reading

Faure, R., Prizzon, A. and Rogerson, A. (2015) 'Multilateral Development Banks: A Short Guide.' Overseas Development Institute.

Milner, H. (2006) 'Why Multilateralism?', in: Hawkins, D., Lake, D., Nielson, D.L., Tierney, M.J. (eds.): *Delegation and Agencies in International Organizations*. Cambridge University Press, pp. 107-139.

Rodrik, D. (1995) 'Why Is There Multilateral Lending?' NBER Paper 5160.

7 NGOs and foreign aid

9 November (Friday!), ...

Required reading

Riddell, R. (2008) *Does Foreign Aid Really Work?* New York: Oxford University Press. Ch. 16.

Reimann, K.D. (2006) 'A View From the Top: International Politics, Norms and the Worldwide Growth of NGOs.' *International Studies Quarterly*, 50:1, 45-67.

Recommended reading

Grugel, J. (2000) 'Romancing Civil Society: European NGOs in Latin America.' *Journal of Inter-American Studies and World Affairs*, 42:2, 87-107.

Reith, S. (2010) 'Money, Power, and Donor-NGO Partnerships.' *Development in Practice*, 20:3, 446-455.

Salomon, L.M. (1994) 'The Rise of the Nonprofit Sector.' *Foreign Affairs*, 73:3, 109-122.

Schuller, M. (2007) 'Invasion or Infusion? Understanding the Role of NGOs in Contemporary Haiti.' *Journal of Haitian Studies*, 13:2, 96-119.

Townsend, J.G., Porter, G. and Mawdsley, E. (2002) 'Creating Spaces of Resistance: Development NGOs and their Clients in Ghana, India and Mexico.' *Antipode*, 36:5, 871-889.

8 Public support for aid

14 November, 5:20-7:00, O/234

Required reading

Riddell, R. (2008) *Does Foreign Aid Really Work?* New York: Oxford University Press. Ch. 7.

Paxton, P. and Knack, S. (2012) 'Individual and Country-Level Factors Affecting Support for Foreign Aid.' *International Political Science Review*, 33:2, 171-92.

Recommended reading

Bodenstein, T. and Kemmerling, A. (2017) 'The European Union as a Collective Actor: Aid and Trade in African Public Opinion.' *Development Policy Review*, 35:4, 567-586.

Milner, H.V. and Tingley, D. (2013) 'Public Opinion and Foreign Aid: A Review Essay.' *International Interactions*, 39:3, 389-401.

Michael G. Findley, Adam S. Harris, Helen V. Milner, and Daniel L. Nielson (2017) Who Controls Foreign Aid? Elite versus Public Perceptions of Donor Influence in Aid-Dependent Uganda. *International Organization*, 71: 4, 633-663.

9 Guest speaker: Mark Furness (on the EU)

21 November, 5:20-7:00, O/234

Required reading

Bodenstein, T., Faust, J. and Furness, M. (2016) 'European Union Development Policy: Collective Action in Times of Global Transformation and Domestic Crisis.' *Development Policy Review*, 35:4, 441-453.

Carbone, M. (2008) 'Mission Impossible: The European Union and Policy Coherence for Development.' *Journal of European Integration*, 30:3, 323-342.

Recommended reading

Furness, M. and Gänzle, S. (2016) 'The Security-Development Nexus in European Union Foreign Relations after Lisbon: Policy Coherence at Last?' *Development Policy Review*, 35:4, 475-492.

Koch, S., Leiderer, S, Faust, J. and Molenaers, N. (2016) 'The Rise and Demise of European Budget Support: Political Economy of Collective European Union Donor Action.' *Development Policy Review*, 35:4, 455-473.

Michaelowa, K., Reinsberg, B. and Schneider, C. (2016) 'Multi-bi Aid in European Development Assistance: The Role of Capacity Constraints and Member State Politics.' *Development Policy Review*, 35:4, 513-530.

Molenaers, N. and Nijs, L. (2009) 'From the Theory of Aid Effectiveness to the Practice: The European Commission's Governance Incentive Tranche.' *Development Policy Review*, 27:5, 651-680.

Orbie, J., Bossuyt, F., Debusscher, P., Del Biondo, K., Delputte, S., Reynaert, V. and Verschaeve, J. (2016) 'The Normative Distinctiveness of the European Union in International Development: Stepping Out of the Shadow of the World Bank.' *Development Policy Review*, 35:4, 493-511.

10 Aid conditionality and selectivity

28 November, 5:20-7:00, O/234

Required reading

Riddell, R. (2008) *Does Foreign Aid Really Work?* New York: Oxford University Press. Ch. 14.

Bodenstein, T. and Faust, J. (2017) 'Who Cares? European Public Opinion on Foreign Aid and Political Conditionality.' *Journal of Common Market Studies*, 55:5, 955-973.

Recommended reading

Collier, P., Guillaumont, P., Guillaumont, S. and Gunning, J.W. (1997) 'Redesigning Conditionality.' *World Development*, 25:9, 1399-1407.

Hackenesch, C. (2015) 'It's Domestic Politics, Stupid! EU Democracy Promotion Strategies Meet African Dominant Party Regimes.' *World Development*, 75: 85-96.

Koch, S. (2015) 'A Typology of Political Conditionality Beyond Aid: Conceptual Horizons Based on Lessons from the European Union.' *World Development*, 75: 97-108.

Molenaers, N., Dellepiane, S. and Faust, J. (2015) 'Political Conditionality and Foreign Aid.' *World Development*, 75: 2-12.

11 New donors

5 December, 5:20-7:00, O/234

Required reading

Recommended reading

Anuradha Chenoy, Marina Larionova, Richard Manning, Jennifer Constantine (2016) "Looking Across BRICS: An Emerging International Development Agenda?" In: Jing Gu, Alex

Shankland, Anuradha Chenoy (eds.) *The BRICS in International Development*. London: Palgrave Macmillan. pp. 207-242.

Brautigam, D. (2011) 'Aid With "Chinese Characteristics": Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime.' *Journal of International Development*, 23:5, 752-764.

Grimm, S. and Hackenesch, C. (2017) 'China in Africa: What Challenges for a Reforming European Union Development Policy? Illustrations from Country Cases.' *Development Policy Review*, 35:4, 549-566.

Jing Gu, Yunnan Chen, Wang Haibin (2016) "China on the Move: The 'New Silk Road' to International Development Cooperation?" In: Jing Gu, Alex Shankland, Anuradha Chenoy (eds.) *The BRICS in International Development*. London: Palgrave Macmillan. pp. 119-138.

Kragelund, P. (2008) 'The Return on Non-DAC Donors to Africa: New Prospects for African Development?' *Development Policy Review*, 26:5, 555-584.

Tan-Mullins, M., Mohan, G., Power, M. (2010) 'Redefining "Aid" in the China-Africa Context.' *Development and Change*, 41:5, 857-881.

Woods, N. (2008) 'Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance.' *International Affairs*, 84:6, 1205-1221.