

GVPT 404: The Political Economy of Foreign Aid

Spring 2023

TuTh 12:30pm - 1:45pm

Tydings 0102

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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.

Course Objectives:

This course is designed to provide students with the tools necessary to evaluate the effectiveness, ethics, and generalizability of foreign aid and other policies and projects. This will be valuable for those pursuing a career in international development, but the tools taught in this class should also be useful for students who choose to work in academia, policy, or even those evaluating and designing projects in this private sector. Understanding and interpreting a variety of academic and non-academic arguments and sources of evidence is necessary for most professional careers. These are the abilities that students should come away with after this class.

Effectiveness

How can we evaluate the effectiveness of a project or policy? What baseline can we use to compare a project's effectiveness? How can we communicate effectiveness? The ability to analyze and communicate effectiveness requires a foundation of statistical literacy, and we will spend time reading and interpreting quantitative and qualitative information in academic articles.

Ethics

How can we evaluate the ethics of a project or policy? How do we differentiate between various ethical trade-offs? How can we communicate and promote our ethical intentions? The ability to assess ethical trade-offs requires us to take a step back and reassess assumptions, and we will spend time in class determining ethical nuances.

Generalizability

How can we determine the scope of a particular project or policy? To what extent are projects/policies similar enough to compare, and when do they become too distinct? In order to learn from past successes and failures, we must find a way to determine the extent to which lessons from one experience can be applied elsewhere.

Throughout the course, we will discuss these questions as they relate to foreign aid. Class discussions will revolve around questions of effectiveness, ethics, and generalizability.

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 and online discussions** of major concepts and events in foreign aid. I will disseminate suggested discussion questions prior to the class and ask students 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.

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.

Discussions in this class come in two forms, and all students are expected to participate in both.

1- Online Discussions will take place on ELMS before each class. Each student will be expected to contribute to online discussions four (4) times as a primary poster *and* four (4) times as a respondent.

- Primary posters will provide their (1-2 paragraph) analysis of one or more of the posted discussion questions, which should take into account the class readings.
- Respondents will provide a (1-5 sentence) response to another student's analysis, in order to further the discussion.

All discussion will be public and closely monitored by TAs and the professor. I might bring some students' postings forward to the class discussion, so be prepared to hear your ideas described in class and, hopefully, to expand on them.

2- In-Class Discussions will carry on from the online postings. They will involve a component of small-group discussion, and I expect each student to participate in some way. If you are not comfortable speaking up in class, **please see me** at the beginning of the semester so that we can arrange an alternative way for you to participate.

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: Class Overview

TH *What Is Foreign Aid?*

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

Week 2: Basics of Foreign Aid Research

TU *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.

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.
- <https://blogs.lse.ac.uk/usappblog/2015/03/13/white-americans-are-supportive-of-redistribution-to-foreigners-of-african-descent-but-for-prejudicial-and-paternalistic-reasons/>

Week 3: Foreign Aid Effectiveness

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://foreignpolicy.com/2018/04/11/foreign-aid-makes-america-safer/>

TH *Boosting Effectiveness*

- <https://www.washingtonpost.com/news/monkey-cage/wp/2017/12/13/development-aid-isnt-reaching-the-poorest-heres-what-that-means/>
- <https://www.theguardian.com/global-development-professionals-network/2015/nov/09/five-reasons-donors-give-for-not-funding-local-ngos-directly>

Week 4: Does Foreign Aid Work?

DEADLINE: *Project Evaluation Assignment (Due Sunday, February 19 at 11:59 PM)*

TU *How Do We Know if It Works?*

- Miller, Daniel. "Sachs, Easterly and the Banality of the Aid Effectiveness Debate: Time to Move On." *Mapping Politics* 3 (2012).
- https://www.ted.com/talks/esther_duflo_social_experiments_to_fight_poverty

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 5: Why Give 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 6: Political Motivations for 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 and Targeted Development*

- <https://www.brookings.edu/blog/future-development/2018/02/07/development-self-interest-and-the-countries-left-behind/>
- <https://www.nytimes.com/interactive/2022/05/20/upshot/ukraine-us-aid-size.html>

Week 7: 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 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: 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 12: International Lending

TU *Bretton Woods Institutions*

- <https://www.cfr.org/backgrounder/world-bank-groups-role-global-development>
- <https://www-jstor-org.proxy-um.researchport.umd.edu/stable/4152984>

Additional Reading (Optional):

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

– <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 13: Multilateral Foreign Aid

TU *Why Multilateralism?*

- <https://www.brookings.edu/research/multilateralism-under-stress/>
- <https://www.nytimes.com/2022/08/22/world/middleeast/humanitarian-aid-gap-un.html?searchResultPosition=3>

Additional Reading (Optional):

- Easterly, William, and Tobias Pfütze. “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 14: New Issues in Foreign Aid

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”*

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

Additional Reading (Optional):

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

Week 15: Final Review

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.52-insights.com/interview-politics-enlightenment-steven-pinker-why-our-world-is-getting-better/>

TH Final Review Session

DEADLINE: *Take-Home Final (Due Thursday, May 18, 3:30pm)*

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.

Attendance and In-Person 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: 5%

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.

Online Discussions: 10%

Students are expected to take part in discussions on ELMS, which will take place before each class. Each student must contribute to online discussions four (4) times as a primary poster *and* four (4) times as a respondent.

- Primary posters will provide their (1-2 paragraph) analysis of one or more of the posted discussion questions. In doing so, they must discuss at least one of the week's readings.
- Respondents will provide a (1-5 sentence) response to another student's analysis, in order to further the discussion. This response need not cite a class reading, although citing readings as evidence is strongly encouraged.
- All primary posters and respondents should be prepared to discuss their posts and responses in class.

Aid Project Evaluation: 20%

Students are required to evaluate a foreign aid project from the World Bank's Impact Evaluation website (through [this link](#)). 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: Due Sunday, February 19 at 11:59 PM

Mid-Term: 25%

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: 30%

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: Due Thursday, May 18, 3:30pm

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 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.