

Ec 82: Political Economy of Africa

Department of Economics
Swarthmore College

Professor Steve O'Connell
Kohlberg 205, x8107

Fall 2008, MWF 930-1020
Office hours M 1030-1130am, Th 11am-noon

WHERE THIS COURSE FITS: This course introduces the contemporary economies of Africa, drawing on the economics and political science literatures to examine the influences of geography, governance, and external forces in the evolution of African economic performance since independence. Case material comes from all of Sub-Saharan Africa. Prerequisite: Ec 1.

COURSE OBJECTIVES: To present the central themes and cross-country variations in development experience in Africa since 1960, and develop the student's ability to apply the tools of economic analysis to contemporary issues in African development.

REQUIRED TEXTS: Students should purchase the following 4 paperbacks. Additional required readings will be available on blackboard or on General Reserve in McCabe library.

Bates, R. H. (1981) *Markets and States in Tropical Africa* (Berkeley, CA: University of California Press)

Collier, P. (2007), *The Bottom Billion* (Oxford: Oxford University Press)

Herbst, J. H. (2000), *States and Power in Africa* (Princeton: Princeton University Press)

Suberu, R. T. (2001), *Federalism and Ethnic Conflict in Nigeria* (Washington, DC: United States Institute of Peace)

FURTHER READING: See the weekly supplementary readings. For mainstream development economics, see a recent edition of D. Perkins, et al, *Economics of Development*. For a comprehensive treatment of post-independence growth experience in Africa, see volume 1 of Ndulu *et al.*, eds (2007) *The Political Economy of Economic Growth in Africa* (Cambridge: CUP), and the World Bank's *Can Africa Claim the 21st Century?* (Washington, DC: The World Bank, 2000). Volume 2 of Ndulu *et al.* (Country Case Studies) contains 26 country studies covering the post-independence period. Useful academic journals include *Journal of African Economies* and *Journal of Modern African Studies*; the Centre for Study of African Economies has an excellent set of working papers (<http://www.csae.ox.ac.uk>). To browse the economics journal literature, use the Econlit database accessible via Tripod. Periodicals like *Africa Confidential* and *Africa News* contain useful material, and the Penn African Studies Home Page provides links to Africa resources on the web (www.sas.upenn.edu/African_Studies).

COURSE POLICIES:

Attendance: Attendance is required.

Exams: You must pass a geography quiz. There will be an in-class midterm and a final exam at the scheduled time.

Grading: Class participation 10%, midterm exam 20%, final exam 40%, term paper 30%.

Make-up exams: Scheduling conflicts must be worked out in advance. Make-ups granted within a week of the exam require an emergency or medical excuse certified by the Dean's office or Worth Health Center.

Late term papers: I automatically grant extensions, but at a cost: your grade on the paper drops by 1/3 of a grade for each 2 days of extension.

Plagiarism: Plagiarism is defined as passing off the work of others as your own. It is easy to avoid, not by ignoring the work of others but by citing it whenever you use it. For instructions on avoiding plagiarism see *Referencing Source Material and Avoiding Plagiarism in Economics* under the 'Classes' link on my web page. Students will be required to submit their term papers electronically. Any student caught plagiarizing will fail the course and will face the College's judicial procedure which may lead to suspension or expulsion.

TERM PAPER ASSIGNMENT: 10-12 pages of text, double spaced with standard font and margins (not including tables, figures, and references which can be placed at the end; please place footnotes on the page rather than at the end). Choose an economic topic that interests you and on which there has been some scholarly debate. Briefly review the debate and then contribute to it by developing case material from a particular country, region or episode (Did structural adjustment policies invigorate the agricultural sector in Africa? Review the relevant literature and write a case study of agricultural reforms and supply response in Tanzania. Can African countries compete in global textile markets? In light of the relevant literature, contrast the success of Mauritius with the failure of Senegal.). Alternatively, focus on the debate itself and develop a critical review what one or more leading researchers has contributed (What is the likely impact of HIV/AIDS on economic growth in Africa? Why do diamonds fuel conflict in Angola but not Botswana?).

Term paper deadlines:

- Fri Oct 10, in class: 1 paragraph on proposed research topic. I will return proposals by Fri Oct 17. Approval required.
- Fri Oct 24, in class: Annotated outline (2 pages, with at least 4 refs). Outline the paper and indicate the analytical framework and evidence you plan to use. Approval required.
- Fri Nov 14 (this step optional): Rough draft of paper to Writing Center to be WAed.
- Fri Dec 5, in class: Final draft to me in hard copy; also an electronic copy by email (see 'course policies' above about extensions).

Weekly syllabus

*Required readings are marked with an asterisk; those outside of the required texts will be available on blackboard [bb] or other venues as indicated. Readings in small font are included supplementary material (e.g. for paper writers) and will not necessarily be readily available.

PART 1 [Weeks 1-3] BACKGROUND AND OVERVIEW

Week 1 [Mon 9/1]. Historical background

- *O'Toole, T. (1996), "The Historical Context" in A. A. Gordon and D. L. Gordon, eds, *Understanding Contemporary Africa*, 2nd edition (Boulder: Lynne Rienner) [bb]
- *Herbst, J. (2000), *States and Power in Africa*, Chapters 1-4.

Fieldhouse, D. K. (1986), *Black Africa 1945-80: Economic Decolonization and Arrested Development* (London, Allen & Unwin), Part I: The End of the Colonial Period

Week 2 [Mon 9/8] Development in global perspective, 1960-2000

➔ **Fri 9/12, in class: Map quiz.**

- *Ndulu, B. J. and S. A. O'Connell (2007) "Policy plus: African economic performance, 1960-2000" Chapter 1 in Ndulu *et al. The Political Economy of Economic Growth in Africa, 1960-2000*, Volume 1 (Cambridge: Cambridge University Press) [bb]

Lindauer, D. and M. Roemer (1994), *Asia and Africa: Legacies and Opportunities in Development* (San Francisco: ICS Press)

Sachs, J. and D. Bloom (1998), Geography, demography, and economic growth in Africa," *Brookings Papers on Economic Activity*, 1998:2, 207-73 [see Collier's discussion immediately following].

Sachs, J. D. and A. Warner (2001), "The Curse of Natural Resources," *European Economic Review* 45(4-6): 827-38

Mshomba, Richard (1998), *Africa in the Global Economy* (Boulder, Lynne Rienner)

Wood, A. and K. Berge (1997), "Exporting manufactures: human resources, natural resources and trade policy," *Journal of Development Studies* 34: 35-59

Week 3 [Mon 9/15] Opportunities and choices, 1960-2000

- *Collier, P. and S. A. O'Connell (2007) "Opportunities and choices" Chapter 2 in Ndulu *et al.* *The Political Economy of Economic Growth in Africa, 1960-2000*, vol 1 [bb]
- *Fosu, A. (2007), "Anti-growth syndromes in Africa: A synthesis of the case studies" Chapter 3 in Ndulu *et al.*, vol 1 [bb]

-
- Bheenick, R. *et al.* (1989), *Successful Development in Africa: Case Studies of Projects, Programs and Policies* (Washington, DC: The World Bank).
- Collier, P. and J. W. Gunning (1999), "Explaining African economic performance," *Journal of Economic Literature*
- Maipose, Gervase (2007), "Indigenous Developmental State and Growth in Botswana.," in Ndulu *et al.*, volume 2.
- O'Connell, S. A. (2000), "Promoting Economic Development in Sub-Saharan Africa", Presentation to Bureau of Intelligence and Research of U.S. Department of State, and National Intelligence Council, December 13 (on my web page under 'presentations, discussions, reports')
- Ndulu, B. J. and S. A. O'Connell (1999), "Governance and growth in Sub-Saharan Africa," *Journal of Economic Perspectives*.
- Sandbrook, R. with J. Barker (1986), *The Politics of Africa's Economic Stagnation*. (Cambridge: Cambridge University Press)
- Subramanian, A. and D. Roy (2001), "Who Can Explain the Mauritian Miracle: Meade, Romer, Sachs, or Rodrik?" IMF Working Paper WP/01/116, August [subsequently published in D. Rodrik, ed (2003), *In Search of Prosperity: Analytical Narratives on Economic Growth*. Princeton: Princeton University Press.]

PART 2 [Weeks 4-6] AGRICULTURE AND INDUSTRY

Week 4 [Mon 9/22] Rural livelihoods

- *Eswaran and Kotwal (2007), "The role of agriculture in development" in A. Banerjee *et al.*, eds, *Understanding Poverty* (Oxford: Oxford University Press) [bb]
- *Dercon, S. (2002), "Income risk, coping strategies, and safety nets" *World Bank Research Observer* 17: 141-66 [bb]

-
- Bauer, Peter (2000), *From subsistence to exchange and other essays* (Princeton: Princeton University Press)
- Berry, S. (1993), *No Condition is Permanent: the Social Dynamics of Agrarian Change in Sub-Saharan Africa* (Madison, WI: University of Wisconsin Press)
- Dercon, S., J. Hoddinott, T. Woldehanna (2005), "Shocks and consumption in 15 Ethiopian villages" *Journal of African Economies* 14(4), August: 559-585
- Gunning, J. (2007), "Shocks, risk, and African growth" in Ndulu *et al.*, vol 1
- Morduch, J. (1995), "Income smoothing and consumption smoothing" *Journal of Economic Perspectives* 9, Summer: 103-14
- O'Connell, S. A. (2006) "The agricultural surplus in dual-economy models" [bb]
- Scott, J. C. (1976), *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven: Yale University Press)

Week 5 [Mon 9/29] Taxing agriculture and trade

- *Bates, R. H. (1981), *Markets and States in Tropical Africa* (Berkeley: University of California Press)
- *Breisinger, Clemens *et al* (2008), "Accelerating growth and structural transformation: Ghana's options for reaching middle-income status," IFPRI Discussion Paper 00750, February [bb]

-
- Bevan, David, Paul Collier, and Jan W. Gunning (1992), "Anatomy of a Temporary Trade Shock: The Kenyan Coffee Boom of 1976-79," *Journal of African Economies* 1(2), August: 271-305

- Collier, P. (1997), "Globalization: Implications for Africa," In Z. Iqbal and M. S. Khan, eds, *Trade Reform and Regional Integration in Africa* (Washington, DC: International Monetary Fund): 147-181
- Corden, W. Max (1989), "Macroeconomic Adjustment in Developing Countries," *World Bank Research Observer* 4(1), January: 51-62
- Lewis, W. Arthur (1954), "Economic Development with Unlimited Supplies of Labor," *The Manchester School of Economic and Social Studies* 22, May: 139-92
- Killick, T. (1978) *Development Economics in Action: A Study of Development Policy in Ghana*, New York: St. Martin's Press
- McMillan, M. (2001), "Why kill the Golden Goose? A political economy model of export taxation," *Review of Economics and Statistics*, 83(1), February: 170-84. Available on McMillan's web page: (http://ase.tufts.edu/econ/faculty_staff/mcmillan/McMillan-GoldenGoose.pdf)
- Ndulu, B. J. (2007), "The evolution of global development paradigms and their influence on African growth", chapter 9 in Ndulu *et al.* vol 1

Week 6 [Mon 10/6] Structural adjustment

→ Fri 10/10, in class: midterm exam, covering weeks 1-5

- *Braverman and Kanbur (1987), "Urban bias and the political economy of agricultural reform," *World Development* 15(9): 1179-87 [**bb]
- *Mkandawire, T. and C. C. Soludo (2004), *Our Continent, Our Future: African Perspectives on Structural Adjustment* (New Jersey: ICS Press) [**selection on bb]

Acemoglu, D., S. Johnson, and J. Robinson (2001), "An African success story: Botswana" in D. Rodrik, ed (2003), *In Search of Prosperity: Analytical Narratives on Economic Growth* (Princeton: Princeton University Press)

- *Bates (2007), "Domestic interests and control regimes", chapter 4 in Ndulu *et al.* vol 1 [**bb]
- Bates, R. H. and P. Collier (1993) chapter on Zambia in Bates and Krueger, eds
- Elbadawi, I. A., D. Ghura, and G. Uwujaren (1992), "Why structural adjustment has not succeeded in sub-Saharan Africa", World Bank Policy Research Working Papers No. 1000, October.
- Golub, S. (2008), on liberalization of the cotton sector in Benin
- Hyden, G. and B. Karlstrom (1993), "Structural Adjustment as a Policy Process: The Case of Tanzania", *World Development* 21(9), September: 1395-404
- Leith, J. C. and M. F. Lofchie (1993), "The Political Economy of Structural Adjustment in Ghana", in R. H. Bates and A. O. Krueger, eds, *Political and economic interactions in economic policy reform: Evidence from eight countries* (Cambridge, Mass. and Oxford: Blackwell): 225-93

FALL BREAK: Week of Monday October 13

PART 3 [Weeks 7-10] POWER AND REDISTRIBUTION

Week 7 [Mon 10/21] Restraining predation

- *Collier, P. (1991) "Africa's external relations, 1960-1990," *African Affairs* [**bb]
- *Herbst, States and Power in Africa, chapter 7 [**monetary policy]

Adam, C. S. and S. A. O'Connell (1999), "Aid, taxation and development in Sub-Saharan Africa," *Economics and Politics*.

- Acemoglu, D., S. Johnson and J. Robinson (2001), "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review* 91, December: 1369-1401
- Bigsten, A. and K. O. Moene (1996), "Growth and Rent Dissipation: The Case of Kenya", *Journal of African Economies* 5(2), June: 177-98.
- Collier, P. and J. W. Gunning (2007) "Sacrificing the future: intertemporal strategies and their implications for growth", chapter 5 in Ndulu *et al.* vol 1.
- Nkuruziza, Janvier and Floribert Ngaruko (2007), "Why Has Burundi Grown So Slowly?" Chapter 2 in Ndulu *et al.*, vol 2.
- O'Connell, S. A. (1997), "Monetary integration and regional trade in Sub-Saharan Africa," in Oyejide *et al.*, eds, *Trade Liberalization and Regional Integration in Africa* (London: Macmillan)

Week 8 [Mon 10/27] Distributional struggle in Nigeria

*Suberu, R. T. (2001), *Federalism and Ethnic Conflict in Nigeria* (Washington, DC: United States Institute of Peace)

Collier, P. (2001), "Implications of ethnic diversity", *Economic Policy: A European Forum* 0(32), April: 127-55

Easterly, William and Ross Levine (1998) "Africa's Growth Tragedy: Politics and Ethnic Divisions," *Quarterly Journal of Economics* 62: 1203-1250.

Kimenyi, Mwangi S. (2006), "Ethnicity, Governance and the Provision of Public Goods", *Journal of African Economies*. Supplement 1, vol. 15(0): 62-99.

Rodrik, Dani, "Where Did All the Growth Go? External Shocks, Social Conflict and Growth Collapses" *Journal of Economic History*.

Soyinka, Wole (1999), "The Federal Quest", *West Africa Review* [**bb]

Week 9 [Mon 11/3] Civil war and the shadow of war

*Azam, J.-P. (2007), "The political geography of redistribution", chapter 6 in Ndulu *et al.* vol 1
Collier, P. (2007), *The Bottom Billion*, chapters 1-5.

Ake, Claude *Democracy in Africa* (Washington, DC: The Brookings Institution)

Azam, J.-P. and N. Djimtoingar (2007), "Cotton, war and growth in Chad, 1960-2000", Chapter 3 in Ndulu *et al.* vol 2

Azam, J.-P. (1995), "How to pay for the peace? A theoretical framework with reference to African countries," *Public Choice* 83, April: 173-84

Collier, Paul and Anke Hoeffler (2002), "Greed and Grievance in Civil War," *Oxford Economic Papers* 56(4), October: 563-595

Davies, Victor (2007), "Sierra Leone's Growth Performance: 1961-2000." in Ndulu *et al.*, vol 2

Gourevich, P. (1998) *We Wish To Inform You That Tomorrow We Will Be Killed With Our Families*. New York: Farrar, Straus and Giroux.

Week 10 [Mon 11/10] Building the nation

*Herbst, States and Power in Africa, chapters 5-end

*Miguel, E. (2004), "Tribe or Nation? Nation-Building and Public Goods in Kenya versus Tanzania," *World Politics* 56, April: 327-62.

(http://emlab.berkeley.edu/users/emiguel/miguel_nation.pdf)

Reinikka, R. and P. Collier (2004), "Reconstruction and Liberalization: An Overview", chapter 2 in R. Reinikka and P. Collier, eds, *Uganda's Recovery: The Role of Farms, Firms, and Government* (Washington, D.C.: The World Bank).

PART 4 [Weeks 11-13] AFRICAN RENAISSANCE

Week 11 [Mon 11/17] External partners

*Collier, P. (2007), *The Bottom Billion*, chapters 6-end.

Easterly, W. "The Big Push Deja Vu: A Review of Jeffrey Sachs's *The End of Poverty: Economic Possibilities for Our Time*", *Journal of Economic Literature* 44(1), March: 96-105.

Hinkle, L. E. and R. Newfarmer (2005), "Risks and Rewards from Regional Trading Arrangements in Africa – Economic Partnership Agreements (EPAs) between the EU and SSA," Paper presented at the World Bank 17th Annual Bank Conference on Development Economics (ABCDE), Dakar, Senegal, January.

Limao and A. Venables (2002), "Transport Costs, Infrastructure and Growth," *World Bank Economic Review*.

Sachs, Jeffrey *et al* (2004) "Ending Africa's Poverty Trap," *Brookings Papers on Economic Activity* 1.

van de Walle, N. (2001) *African Economies and the Politics of Permanent Crisis* (Cambridge: Cambridge University Press).

Week 12 [Mon 11/24] Seizing opportunities

*Collier, P. et al (2007), “Harnessing opportunities: how Africa can advance,” Chapter 12 in Ndulu *et al.*, vol 1.

NEPAD charter (available online).

World Bank (2000), *Can Africa Claim the 21st Century?* (Washington, DC: The World Bank).

Week 13 [Mon 12/1] Student presentations

➔ **Final exam at scheduled time during finals week**