

Ec 82: Political Economy of Africa

Department of Economics
Swarthmore College

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Spring, 2008
Office hours T 9-1030am, Th 2-3pm

This course is an introduction to the contemporary economies of Africa. It draws 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 Sub-Saharan Africa. The prerequisite is Ec 1.

Required texts: Students should purchase the two books below. Additional required readings will be available on Reserve or blackboard.

Ndulu, B. J., S. A. O'Connell, R. H. Bates, P. Collier and C. C. Soludo, eds (2007) *The Political Economy of Economic Growth in Africa, 1960-2000*, Volume 1 (Cambridge University Press), 2007.

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

A very useful general reference is World Bank (2000), *Can Africa Claim the 21st Century?* (Washington, DC: The World Bank). In volume 2 of Ndulu *et al.* (2007) you can find a large set of country case studies covering the post-independence period. Academic journals like the *Journal of African Economies* and *Journal of Modern African Studies* and periodicals like *Africa Confidential* and *Africa News* contain a lot of good material; to browse the economics journal literature, use the Econlit database accessible via Tripod. For recent developments by country or regional organization, see *Keesing's Contemporary Index*. For mainstream development economics, see D. Perkins, et al, *Development Economics*, 5th edition. The Centre for Study of African Economies has an excellent set of working papers (<http://users.ox.ac.uk/~csaeinfo/>), and the Penn African Studies Home Page provides links to Africa resources on the web (www.sas.upenn.edu/African_Studies).

Course Requirements: Attendance is required. You must pass a geography quiz with at most 2 mistakes. There will be an in-class midterm and a final exam at the scheduled time, and a term paper due towards the end of the semester.

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

Term paper: Your paper should be 12-15 pages of text, double spaced with standard font and margins (not including tables and figures which can be placed 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 (for example: 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. How should education budgets be spent in African countries? Summarize the overall debate and then focus on lessons from randomized interventions in northern Kenya). Alternatively, focus on the debate itself and develop a critical review what one or more leading researchers has contributed (e.g., What is the likely impact of HIV/AIDS on economic growth in Africa? Why do diamonds fuel conflict in Angola but not Botswana? What role do private remittances play in the economies of West Africa?).

For instructions on avoiding plagiarism, all students must read the following:
<http://www.swarthmore.edu/SocSci/soconne1/documents/plagiarism.pdf>

Weekly syllabus

*Required readings are in large font and marked with an asterix. Required readings that are not in the required texts will be available on blackboard or other venues.

Readings in small font are included as bibliographic suggestions for paper writers.

Weeks 1 and 2. The historical context

- *O'Toole, T. (1996), "The Historical Context" in A. A. Gordon and D. L. Gordon, eds, *Understanding Contemporary Africa*, 2nd edition (Boulder: Lynne Rienner).
- *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.
- *Herbst, J. (2000), *States and Power in Africa*, Chapters 1-3.
- *Soyinka, Wole (1999), "The Federal Quest", *West Africa Review*.
- *End of week 2: Map quiz, in class.

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

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].

Sandbrook, R. with J. Barker (1986), *The Politics of Africa's Economic Stagnation*. (Cambridge: Cambridge University Press)

Week 3. Rural livelihoods

- *Dercon, S. (2002), "Income risk, coping strategies, and safety nets", *World Bank Research Observer* 17: 141-66.
- *Gunning, J. (2007), "Shocks, risk, and African growth", in Ndulu *et al.*, vol 1.

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.

Morduch, J. (1995), "Income smoothing and consumption smoothing", *Journal of Economic Perspectives* 9, Summer: 103-14.

Scott, J. C. (1976), *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven: Yale University Press).

Weeks 4 and 5. Transformation and development after 1960

- *Herbst, J. (2000), *States and Power in Africa*, Chapters 4 and 5.
- *Ndulu, B. J. and S. A. O'Connell (2007) "Policy plus: African economic performance, 1960-2000", Chapter 1 in Ndulu *et al.* vol 1.
- *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).

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.

Collier, P. and J. W. Gunning (1999), "Explaining African economic performance," *Journal of Economic Literature*.

Hill, C. (1989), Chapter on Botswana in R. Bheenick et al, *Successful Development in Africa: Case Studies of Projects, Programs and Policies* (Washington, DC: The World Bank).

- Hill, C. (1994), "Trade policies and the promotion of manufactured exports," Chapter 11 in Lindauer and Roemer, eds, *Asia and Africa: Legacies and Opportunities in Development* (San Francisco: ICS Press).
- Journal of African Economies* symposium on pro-poor growth.
- Maipose, Gervase (2005), "Indigenous Developmental State and Growth in Botswana.", in Ndulu *et al.*, vol 2.
- Meade, J. E. and others (1961), *The economic and social structure of Mauritius: report to the Governor of Mauritius* (London: Methuen).
- 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.]

Week 6 and 7. Intervention and liberalization

- *Bates (2007), "Domestic interests and control regimes", chapter 4 in Ndulu *et al.* vol 1.
- *Collier, P. (1991) "Africa's external relations, 1960-1990", *African Affairs*.
- *Aryeetey, E. A. and A. K. Fosu (2007), "Economic growth in Ghana, 1960-2000", chapter 9 in Ndulu *et al.* vol 2.

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- Bates, R. (1981) *States and Markets in Tropical Africa* (Berkeley: University of California Press).
- Bigsten, A. and K. O. Moene (1996), "Growth and Rent Dissipation: The Case of Kenya", *Journal of African Economies* 5(2), June: 177-98.
- Braverman and Kanbur (1987), "Urban bias and the political economy of agricultural reform," *World Development* 15(9): 1179-87.
- Hyden, G. and B. Karlstrom (1993), "Structural Adjustment as a Policy Process: The Case of Tanzania", *World Development* 21(9), September: 1395-404.
- Killick, T. (1978) *Development Economics in Action: A Study of Development Policy in Ghana*, New York: St. Martin's Press.
- 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.
- 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)
- Mwase, N. and B. J. Ndulu (2007), "Tanzania: Explaining four decades of episodic growth", Chapter 13 in Ndulu *et al.* vol 2.
- Mwega, F. and N. N. Ndung'u (2007), "Explaining African economic growth performance: the case of Kenya", Chapter 10 in Ndulu *et al.* vol 2.
- Ndulu, B. J. (2007), "The evolution of global development paradigms and their influence on African growth", chapter 9 in Ndulu *et al.* vol 1.
- Ndulu, B. and S. O'Connell (1999), "Governance and growth in Sub-Saharan Africa," *Journal of Economic Perspectives*.

Weeks 8 and 9. Unsustainable policies

- *Herbst, J. (2000), *States and Power in Africa*, Chapter 7.
- *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.
- *Sachs, J. and A. Warner (2001), "The curse of natural resources," *European Economic Review* 45(4-6): 827-38.

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- Wood, A. and K. Berge (1997), "Exporting manufactures: human resources, natural resources and trade policy," *Journal of Development Studies* 34: 35-59.
- Suberu, R. T. (2001) *Federalism and Ethnic Conflict in Nigeria* (Washington, DC: US Institute of Peace).

- 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.
- Corden, W. Max (1989), "Macroeconomic Adjustment in Developing Countries," *World Bank Research Observer* 4(1), January: 51-62.

Weeks 10 and 11. Buying the peace

- *Herbst, J. (2000). *States and Power in Africa*, Chapters 6, 8-end.
- *Azam (2007), "The political geography of redistribution", chapter 6 in Ndulu *et al.* vol 1.
- *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

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- 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.
- Collier, P. (2001), "Implications of ethnic diversity", *Economic Policy: A European Forum* 0(32), April: 127-55
- Davies, Victor (2007), "Sierra Leone's Growth Performance: 1961-2000." in Ndulu *et al.*, vol 2.
- 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.
- Gourevich, P. (1998) *We Wish To Inform You That Tomorrow We Will Be Killed With Our Families*. New York: Farrar, Straus and Giroux
- Nkuruziza, Janvier and Floribert Ngaruko (2007), "Why Has Burundi Grown So Slowly?" Chapter 2 in Ndulu *et al.*, vol 2.
- 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).
- Rodrik, Dani, "Where Did All the Growth Go? External Shocks, Social Conflict and Growth Collapses" *Journal of Economic History*.

Week 12. The aid debate

- *Mkandawire, T. and C. Soludo (2001) *Our Continent, Our Future: African Perspectives on Structural Adjustment* <selection on blackboard>
- *Collier, P. (2007), "Aid to the rescue?" chapter 7 in *The Bottom Billion* (Oxford: Oxford University Press).
- *Easterly, W. (2007), "Are Aid Agencies Improving?" *Economic Policy* 0(52): October: 633-68, 675-78

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- Collier, P. (2007), *The Bottom Billion* (Oxford, Oxford University Press).
- 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.
- 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.
- Limao and A. Venables (2002), "Transport Costs, Infrastructure and Growth," *World Bank Economic Review*.
- World Bank (2000), *Can Africa Claim the 21st Century?* (Washington, DC: The World Bank).

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).

Weeks 13 and 14. African renaissance

- *Breisinger, Clemens *et al* (2008), "Accelerating growth and structural transformation: Ghana's options for reaching middle-income status," IFPRI Discussion Paper 00750, February.
- *Collier, P. *et al* (2007), "Harnessing opportunities: how Africa can advance," Chapter 12 in Ndulu *et al.*, vol 1.
- *O'Connell, Stephen A. (2008), "Inflation targeting as a monetary framework: issues and concerns," Paper prepared for CBN Seminar on Monetary Policy and Inflation Targeting, Abuja, January 19.

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.

Mshomba, Richard (1998), *Africa in the Global Economy* (Boulder, Lynne Rienner).
NEPAD charter (available online).

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