ECO 371: Political Economy of Africa

Department of Economics
Princeton University
REVISED SYLLABUS

Professor Steve O'Connell
Wallace 363

Spring, 2005
Office hours Thursdays 9-10:30

An introduction to the contemporary economies of Africa. This course examines the interlocking influences of economic structure, the state, the private sector, external forces, and institutions in the evolution of African economic performance since independence. Case material comes from all of Africa south of the Sahara. Analytical frameworks come from mainstream economics, as applied to markets and resource allocation as well as to policy formation and governance.
Prerequisite: Introductory Economics

Required texts:

Bates, Robert H. (1981), *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. Berkeley: University of California Press.

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

van de Walle, Nicolas (2001), *African Economies and the Politics of Permanent Crisis, 1979-1999* (Cambridge: Cambridge University Press).

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

Additional readings will be available on Reserve or on a blackboard website.

You will find useful material in journals and periodicals like the *Journal of African Economies*, *Journal of Modern African Studies*, and *Africa News*. *Keesing's Contemporary Index* is a good source of recent developments by country or regional organization. For mainstream development economics, see M. Gillis, et al, *Development Economics*, 4th Edition (or earlier). To browse the economics research literature, use the Econlit CD-ROM. The Centre for Study of African Economies has an excellent set of working papers (http://users.ox.ac.uk/~csaeinfo/). Finally, you may want to consult the Penn African Studies Home Page, which provides links to Africa resources on the web (www.sas.upenn.edu/African_Studies).

Course Requirements: You are responsible for:

- attending class and participating actively in discussions, which will require doing the assigned reading before class.
- passing a geography quiz.
- taking an in-class midterm and a final exam at the scheduled time.
- writing a term paper and presenting a summary in class.

Grading: Class participation 10%, Midterm exam 20%, Final exam 40%, Writing assignments/presentations 30% (TOTAL 100%)

Course Outline
[* = required]

Weeks 1-2. African economic performance, 1960-2000

*O'Toole, T. (1996), "The Historical Context" in A. A. Gordon and D. L. Gordon, eds, *Understanding Contemporary Africa*, 2nd edition (Boulder: Lynne Rienner).

*Chapter 1 ("Can Africa Claim the 21st Century?") in World Bank (2000), *Can Africa Claim the 21st Century?* (Washington, DC: The World Bank): 7-47.

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

*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*.

Collier, P. and S. O'Connell (2004), draft chapter on opportunities, episodes, and policy syndromes.

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. and A. Warner (2001), "The curse of natural resources," *European Economic Review* 45(4-6): 827-38.

Week 3. Seizing sovereignty

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

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

*Collier, P. (1991) "Africa's external relations, 1960-1990," *African Affairs*.

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

Sandbrook (1986), *The Politics of Africa's Economic Stagnation*

Weeks 4-5. Intervention and redistribution

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

*Braverman and Kanbur (1987), "Urban bias and the political economy of agricultural reform," *World Development* 15(9): 1179-87.

*Ndulu, B. and S. O'Connell (1999), "Governance and growth in Sub-Saharan Africa," *Journal of Economic Perspectives*.

*Chapters 2 (Improving Governance, Managing Conflicts, and Rebuilding States), 3 (Addressing Poverty and Inequality) and 4 (Investing in People) in *Can Africa Claim the 21st Century?*

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

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)

Killick, T. (1978) *Development Economics in Action: A Study of Development Policy in Ghana*, New York: St. Martin's Press.

Weeks 6-7. Logic and limits of structural adjustment

*Bates, Robert H. (2005), "Political Reform," AERC Growth Project, March 17-18 Weatherhead Center workshop, Harvard University.

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

*Chapters 5 (Lowering Infrastructure, Information, and Finance Barrriers) and 6 (Spurring Agriculture and Rural Development) in *Can Africa Claim the 21st Century?*

Berry, S. (1993), *No Condition is Permanent: the Social Dynamics of Agrarian Change in Sub-Saharan Africa* (Madison, WI: University of Wisconsin Press).

Mkandawire, T. and C. Soludo (2001) *Our Continent, Our Future: African Perspectives on Structural Adjustment.*

Week 8. Polarization, conflict, and politics

*Azam, Jean-Paul (2005), "Political Geography and Redistribution" [AERC Growth Project; see web link to Weatherhead Center workshop below.]

*Collier, Paul (2000), "Ethnicity, Politics and Economic Performance," *Economics and Politics* 12(3), November: 225-45.

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

*Miguel, Ted (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)

*Nkuruziza, Janvier and Floribert Ngaruko (2005), "Why Has Burundi Grown So Slowly?" [AERC Growth Project; see web link to Weatherhead Center workshop below.]

Ake, Claude *Democracy in Africa*.

Bates, Robert H. (2005), "Political Insecurity and State Failure in Contemporary Africa," Center for International Development, CID Working Paper No. 114, January. [AERC Growth Project; see web link to Weatherhead Center workshop below.]

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

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

Week 9. Natural resource and boom economies

*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, Paul and Jan Gunning (2005), "Intertemporal Syndromes: Redistribution from the Future to the Present." [AERC Growth Project; see web link to Weatherhead Center workshop below.]

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

*Davies, Victor (2005), "Sierra Leone's Growth Performance: 1961-2000." [AERC Growth Project; see web link to Weatherhead Center workshop below.]

*Gogue, Aime and Kodjo Evlo (2005), "Explaining African Economic Growth Performance: Togo Case Study." [AERC Growth Project; see web link to Weatherhead Center workshop below.]

*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).

*Maipose, Gervase (2005), "Indigenous Developmental State and Growth in Botswana." [AERC Growth Project; see web link to Weatherhead Center workshop below.]

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

Week 10. Coastal and landlocked economies

*Chapter 7 (Diversifying exports, reorienting trade policy, and pursuing regional integration) in *Can Africa Claim the 21st Century?*

*Gallup, J. and J. Sachs (1997), "Geography and economic growth," In B. Plescovic and J. Stiglitz, eds, *Proceedings of the World Bank Conference on Development Economics* (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).

*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.

Fosu, Augustin and Ernest Aryeetey (2005), "Economic Growth in Ghana: 1960-2000." [AERC Growth Project; see web link to Weatherhead Center workshop below.]

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

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

Week 11: Roundtable: student papers

Week 12: Regional initiatives and aid

*NEPAD documents.

*Africa Commission Report, 2005.

*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.

Berthelemy, Jean-Claude (2005), "Convergence traps," presented at the World Bank 17th Annual Bank Conference on Development Economics (ABCDE), Dakar, Senegal, January.

Note: For papers presented at Weatherhead Center workshop on the AERC Explaining African Economic Growth project: http://www.wcfia.harvard.edu/confdetail.asp?ID=97.