

Political Economy of International Organizations

Course title – Intitulé du cours	Political Economy of International Organizations
Level / Semester – Niveau /semestre	M2 / S1
School – Composante	Ecole d'Economie de Toulouse
Teacher – Enseignant responsable	Josepa (Pepita) Miquel-Florensa
Other teacher(s) – Autre(s) enseignant(s)	
Other teacher(s) – Autre(s) enseignant(s)	
Other teacher(s) – Autre(s) enseignant(s)	
Other teacher(s) – Autre(s) enseignant(s)	
Other teacher(s) – Autre(s) enseignant(s)	
Lecture Hours – Volume Horaire CM	30
TA Hours – Volume horaire TD	-
TP Hours – Volume horaire TP	-
Course Language – Langue du cours	English
TA and/or TP Language – Langue des TD et/ou TP	-

Teaching staff contacts – Coordonnées de l'équipe pédagogique :

Josepa (Pepita) Miquel-Florensa, email : pepita.miquel@tse-fr.eu

Course Objectives – Objectifs du cours :

International development assistance has evolved considerably from WWII. Although some of the initial development agencies are still operating and remain influential, the way they function has evolved and important new players have entered the field. This course provides an overview of the organizational structure of aid organizations, the contractual arrangements with the recipient countries, and the political and economic motivations behind these relationships.

In the first part of the course we will study the different players on the aid game: on the one side, the aid recipients, and on the other side the aid donors. On the aid donors, we will study the governance structure and behaviour of multilateral agencies (like the World Bank or the Inter-American Development Bank), of bilateral agencies (like the AFD, GTZ, USAid,...) and of Non-Governmental organizations. We will also look at the new donors (like China or the Arab Donors) recent entrants on the aid game with their own strategies and motivations.

We will study the comparative advantage of each of these institutions, how they allocate funds, how they interact, and how their behaviour affects the aid recipients' behaviour. We will also look in detail into the effectiveness of aid flows, and the factors that affect this effectiveness. We will conclude with a discussion on the (lack of) coordination between donors and how it affects the effectiveness of transferred funds.

Prerequisites – Pré requis :

Applied econometrics

Practical information about the sessions – Modalités pratiques de gestion du cours :

Grading system – Modalités d'évaluation :

The grade of the course will be: project proposal (90%) and class participation (10%).

The proposal - groups of 2 students – is to be presented to the class (in the last weeks of the course) and handed in the week of term exams. A preliminary one-page version of the proposal should be handed in by the 2nd week of October to be discussed with the professor.

The project proposal should be the foundation of a paper, and should (i) lay out the scientific question you want to address, (ii) explain why it is important, (iii) summarize the literature on the topic, and (iv) provide an overview of the theory, data and empirical methods you would employ to answer the question. You need to motivate the research idea (in the context of the existing literature), present suggestive statistics from available data, lay out the research design, and present preliminary results when possible. Length: 10-15 pages.

Bibliography/references – Bibliographie/références :

Session planning – Planification des séances :

Part 1 : Introduction

Part 2 : Major actors in development aid

- Chris Humphrey and Katharina Michaelowa "The Business of Development: Trends in Lending by Multilateral Development Banks to Latin America, 1980 – 2009" World Development 2013
- William Easterly and Claudia Williamson "Rhetoric versus Reality: The Best and Worst of Aid Agency Practices" World Development 2013
- Axel Dreher, Andreas Fuchs, Brad Parks, Austin M Strange and Michael J Tierney "Apples and Dragon Fruits: The Determinants of Aid and Other Forms of State Financing from China to Africa" International Studies Quarterly 2018
- Gani Aldashev and Cecilia Navarra "Development NGOs: Some Basic Facts" Annals of Public and Cooperative Economics 2017

Part 3 : Political economy of donor - recipient relationships

- Alesina and Dollar "Who gives aid to whom and why?" Journal of Economic Growth 2000
- Axel Dreher, Andreas Fuchs, Roland Hodler, Bradley C. Parks, Paul A. Raschky, and Michael J. Tierney "Aid on Demand: African Leaders and the Geography of China's Foreign Assistance" Working paper

Part 4 : Aid effectiveness and contracting

- Raghuram G. Rajan and Arvind Subramanian "Aid and Growth: What Does the Cross-Country Evidence Really Show?" *Review of Economics and Statistics* 2008
- Christopher Kilby and Erasmus Kersting "With a little help from my friends: Global electioneering and World Bank lending" *Journal of Development Economics* 2016
- Diego Hernandez "Are "New" Donors Challenging World Bank Conditionality?" Working paper

Part 5: Humanitarian and Food Aid

- Nathan Nunn, and Nancy Qian "The Determinants of Food Aid Provisions to Africa and the Developing World" Working paper
- Nancy Qian and Nathan Nunn "U.S. Food Aid and Civil Conflict" *American Economic Review* 2014
- Oeindrila Dube, and Suresh Naidu "Bases, Bullets, and Ballots: The Effect of US Military Aid on Political Conflict in Colombia" *Journal of Politics* 2015
- Michael Clemens and Hannah Postel "Deterring Emigration with Foreign Aid: An Overview of Evidence from Low-Income Countries" Working paper CGD 2018 Axel Dreher, Andreas Fuchs and Sarah Langlotz "The Effects of Foreign Aid on Refugee Flows" Working paper

Distance Learning:

- Lectures will be on zoom at the established class times.
- Materials to be prepared for the lecture, as well slides, will be available on Moodle. The aim will be to have a set of slides on academic papers to cover in class, and some press articles to discuss how the papers relate to current political discussions.
- Office Hours will be on Tuesdays 5-6pm (after the lecture). Students are encouraged to contact the instructor to set zoom appointments during these office hours – or at a mutually agreed time – to discuss the topic and progress of the proposal required for the course.