

Professor Mike Tierney
Office: 341 Tyler Hall and 427 Scotland Street
mjtier@wm.edu
757-221-3039

W&M Program in Public Policy
College of William & Mary
Fall Semester, 2018
Office Hours: 12:30-1:30 TT

Public Policy 601:
The Political Environment of Policymaking in Comparative and International Context

The goal of this class is to understand the institutions and some of the key actors that make public policy at the national and international level. While no policy area is hermetically sealed off from others, the substantive focus of this course will be **international and comparative development policy**. Many of the lessons learned about policymaking in the area of development policy will be applicable to other issue areas (such as trade, security, environment, health, etc...) as well. Illustrative questions that will guide our inquiry include: How do government donors make decisions about how to allocate their foreign aid? Why do donor governments sometimes delegate authority to international organizations (IOs) and allow those IOs to allocate their own tax dollars? How do non-state actors, such as university researchers, advocacy NGOs, and for-profit consulting firms shape policymaking and policy implementation in this area? How does public opinion in donor and recipient countries shape development policy and development outcomes? How do local political institutions within developing countries shape the allocation and effectiveness of development finance? Where do global norms come from and to what degree do they guide the policies of governments, IOs, and other actors in international and domestic politics?

While there are numerous answers to these questions in the academic and policy literature, this course will focus substantial attention on the utility and shortcomings of **a political economy approach** to the subject of development policy. Students will be introduced to principal-agent theory, which focuses on the locus of policy making authority and the conditions under which actors who have policymaking authority (principals) will delegate authority to other actors (their agents). We will also attempt to understand the incentives that agents have to behave in particular ways. Principal-agent theory does not explain everything about the policy process or policy outcomes, but it is a powerful analytic framework that helps us to think clearly about the actors who have policymaking authority, the incentives they face, and the policy outcomes that result from these interactions.

We will move **from the macro to the micro in this course**. We will start by looking at the international development regime, then focus on various actors from IOs, states, government agencies, NGOs, private companies, and individuals. In the process of exploring the questions listed above and

the various answers in the academic and policy literature, we will analyze specific case studies of key issues and organizations within the global development regime (based in part on the interests of the students enrolled in this course). These may include organizations such as USAID, the MCC, the U.S. Congress, DFID in the UK, MOFCOM in China, the World Bank, the United Nations, the Gates Foundation, Save the Children, and/or Chemonics or other beltway bandits. We will add other organizations and issue areas depending on the substantive interests of class members.

Required and Recommended Reading

All required reading will be posted on the course Blackboard site.

Recommended Reading:

There are five books that are recommended for students interested in international development policy and/or the principal-agent approach to explaining the politics of international development policy.

Martens, Mumert, Murrell, and Seabright, *The Institutional Economics of Foreign Aid*. Cambridge University Press, 2001.

Hawkins, Lake, Nielson and Tierney, *Delegation and Agency in International Organizations*. Cambridge University Press, 2006.

Sebastian Malleby, *The World's Banker: A Story of Failed States, Financial Crises, and the Wealth and Poverty of Nations*. Council on Foreign Relations Books (Penguin Press) 2006.

William Easterly, *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*. Basic Books, 2014.

Daniel Honig, *Navigation by Judgement: Why and When Top Down Management of Foreign Aid Doesn't Work*. Oxford University Press, 2018.

Assignments. Grading in the class will be based on the following assignments:

Four Reading Quizzes:	15%
Class Participation:	15%
Four page policy memo:	20%

Group project (PPT and Briefing):	20%
Final exam (Wed. Dec. 13 at 2pm):	30%

The Reading Quizzes will test student comprehension of the assigned reading. These will not be conceptual tests, but will be designed to ensure that all members of the class are doing the reading and understand the central ideas in the texts. If we all do the reading for every class, we will not only do well on these quizzes, but our discussions will be more interesting and useful. These quizzes will be conducted at the start of class and will be unannounced. Come to every class on time and prepared to take a quiz. If you have done the reading, you will do well on these quizzes. Each quiz should take no more than 5 minutes. There will be a total of 5 quizzes over the course of the semester and your grade for this portion of the course will be based on the average score of your top 4 quizzes. If you miss a quiz, you will receive a zero.

Attendance and class participation. You are expected to attend all classes. Classes will be a combination of lecture, discussion, and student-led presentation/discussion. At least two times during the semester, you will be expected to lead discussion and give a short presentation on a particular reading or set of readings. The quality and usefulness of participation in class will be a factor in assigning final grades. If you miss class, your participation grade will suffer. We have a small group of people in this class, so if you are not prepared to engage the readings and participate, it will be very obvious. In addition to the required class meetings, students will have the opportunity to receive extra credit by attending outside speaker events. Over the course of the semester at least 10 outside speaker events will be identified by the instructor, if you attend at least 6 of these events and write a short response on the Blackboard Discussion Board, your final participation grade will be raised by one letter grade. Aside from the grade incentive, these outside speakers will provide you with the opportunity to explore the themes from this course in other settings. These are great opportunities for anyone interested in public policy in general and international/comparative development policy in particular.

Four Page Policy Memo. A policy memo clearly defines a policy problem facing an actual decision maker. So, you are writing to someone who has the authority to make a meaningful decision and his/her time is likely limited. The target of your memo could be the U.S. Secretary of State, a Vice President at the World Bank, the Minister of Planning in Uganda, or the CEO of CARE or the Red Cross. You will be stating the problem faced by your client, articulating different policy options, and then making a recommendation about why your client should adopt one policy rather than another. Clarity of exposition is very important here.

Group Project. Students will become experts on a development policy issue and will prepare a 15 minute briefing accompanied by a slide show. Students will make a coherent argument to a client

organization. Members of this client organization will then ask questions of the student experts for up to 30 minutes. Students will need to demonstrate substantive expertise, but also should be able to explain the political feasibility of different policy proposals. You will demonstrate that you understand the development implications of different proposals, but also which proposals could actually be funded by Congress, approved by the relevant Executive Board, articulated by a successful political candidate, embraced by key bureaucratic actors, or implemented in a particular developing country context. Because we want to make sure students are exposed to multiple issue areas and policy problems in this course, you should make sure that your group project does not overlap significantly with the topic of your policy memo.

Final Exam. The final exam will cover all the readings and lectures from the course. It will require students to define and explain the significance of key concepts and to demonstrate mastery of basic facts regarding the international development regime. A take home portion of the exam will require students to make clear arguments in written form. **The final exam will be held Thursday December 13 at 2pm.**

Laptop usage. Students are welcome to use laptop computers in class for note-taking, but they are not to use laptops to engage in non-class related activity. These activities are distracting to other students and detrimental to the quality of class discussions. Cell phones will not be used in class and should be turned off.

Tentative List of Readings to be fleshed out after initial survey.

9/4	Describing the International Development Regime: Ideas, Trends, Actors, and Politics	<ol style="list-style-type: none"> 1. Hook and Rumsey, “The Development Aid Regime at 50,” <i>International Studies Perspectives</i>, 2016. 2. Easterly, Chapter 1 from <i>The Tyranny of Experts</i>, 2014. <p>Optional: Chapters 2 and 12 (on technology). Can also see: Easterly, “Dictator Worship,” <i>Prospect</i>, 2014.</p> <ol style="list-style-type: none"> 3. Blog Posts and News Articles as Assigned on BB. <p>Optional: 1. Bellemare, “How Mission Creep Hurts the Poor,” <i>Foreign Affairs</i>, 2014; Solberg, “From MDGs to SDGs: The Political Value of Common Global Goals.” <i>Harvard Review</i>, 2015; SDG Funding Widget. http://aiddata.org/sdg</p>
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9/6	Intersection of Politics and Economics: Ideas, Experts, and Political Constraint	<p>2. Reviewer Responses to Easterly Book: Deaton, Lomasky, and Goldstone, 2015.</p> <p>3. Easterly, “Response to Reviewers,” <i>Review of Austrian Economics</i>. 2015.</p> <p>OPTIONAL READING:</p> <p>1. World Bank Report. “Making Politics Work for Development: Harnessing Transparency and Citizen Engagement,” 2016.</p>
9/11	Political Economy Approach to Development Policy: Principal-Agent Theory I	<p>1. Martens et al, “The Institutional Economics of Foreign Aid,” 2001.</p> <p>2. Nielson and Tierney, “Delegation to International Organizations,” <i>International Organization</i>, 2003.</p> <p>OPTIONAL: Gutner vs NT, 2005.</p>
9/13	A Political Economy Approach to Development Policy: Principal-Agent Theory II	<p>1. Cooley and Ron, “The NGO Scramble,” <i>International Security</i>, 2002.</p> <p>2. Erin Graham, “International organizations as collective agents: Fragmentation and the limits of principal control at the World Health Organization,” <i>EJIR</i>, 2014.</p> <p>3. Blog Post on UN SDGs: Who is the Principal Here? What, if any, authority has been delegated?</p>
9/19	See Survey Results and Fill in Readings	
9/21		
9/26		
9/28		
9/27		
9/29		
10/4		
10/6		
10/11		
10/13		
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11/24		
11/29		
12/1		

From Macro to Micro
 International Development Regime Complex
 International Development Norms – From MDGs to SDGs
 History of Big Ideas in Development – Easterly

Principal-Agent Theory and Alternatives
 PA Introduction
 Focus on P
 Focus on A
 Transparency as solution to PA Problems?
 Honig and Weaver
 Blockchain as Tech Solution to PA Problems?
 Reinsberg

Case Studies:

USAID vs DFID: Autonomous or Within DOS?
 MCC: The Creation of a New Bureaucracy. Ideology or Evidence?
 Gates Foundation vs Clinton Foundation
 Chinese Foreign Aid: Bureaucratic Disorganization and Allocative Efficiency
 The NGO Scramble

Participation:

Video of the Perfect Agent