

**GLBL 89H**  
**BEG, BORROW, AND STEAL:**  
**THE POLITICAL ECONOMY OF FOREIGN AID, FOREIGN DIRECT**  
**INVESTMENT, AND CORRUPTION**  
**GLOBAL STUDIES**  
**UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL**

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Spring 2017 / 3 Units / SS and GL  
Professor Brigitte A. Seim (Zimmerman)  
Office Hours: *To be announced in class*

*Wednesday 2:30-5:00 PM / Graham Memorial 0038*  
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### **DESCRIPTION**

This class is fundamentally about global inequality. The three phenomena covered in this class – foreign aid, foreign direct investment (FDI), and corruption – are purported to affect global inequality. However, lying at the intersection of politics, economics, and sociology, these three phenomena are not unambiguously positive or negative. This course examines how politics and economics condition different countries’ path towards and experience with foreign aid, foreign investment, and corruption. In doing so, we will examine the effect of political conditions on economic outcomes and the effect of economic conditions on political outcomes. Through the exploration of the academic literature, policy briefs from practitioners, and popular media, students are encouraged to critically examine the prevailing views on these topics and to build the analytical and communication skills necessary to contribute to some of the most salient policy arenas facing our world today.

### **OBJECTIVES**

This class is less about facts and figures than it is about expanding students’ awareness of global dynamics and exposure to key concepts and themes. Although the breadth of substantive material covered in a course is important, it is equally valuable to learn skills that can be applied across a broad range of issue areas.

Upon completing this course, students should be able to demonstrate:

- Substantive knowledge of the political economy of foreign aid, FDI, and corruption;
- Understanding of the challenges of designing and implementing policies in these arenas at the national and international levels;
- Critical thinking about the complex causes and consequences of these arenas;
- An ability to construct well-reasoned arguments and express them both orally and in writing; and
- An ability to critically evaluate the quality and credibility of diverse sources of information.

### **READING**

A substantial amount of the reading for this course is from articles. Links to these articles are provided on Sakai at <https://sakai.unc.edu/portal/site/spring2017glbl89h>. Outside of class, you should expect to spend approximately six hours reading, taking notes on the reading,

reviewing your notes from lecture each week, and working on the research assignment. All of the assigned reading for the day should be completed before attending lecture.

## News

In addition, students will be assigned to a region of the world for which they will be required to:

1. Follow top news stories for countries in that region by regularly (i.e., at least four times a week) reading, watching, and/or listening to at least one of the following news sources:
  - a. National Public Radio WUNC 91.5 Chapel Hill (“Morning Edition,” “BBC News Hour,” “BBC World Service,” “PRI’s The World,” or “All Things Considered”) See <http://wunc.org/schedule> for local schedule or <http://www.npr.org/> for newsfeeds and podcasts to download. Also see <http://www.npr.org/sections/world/> for world news stories.
  - b. *New York Times*
  - c. *Washington Post*
  - d. *Christian Science Monitor*
  - e. *The Economist*
  - f. *Al Jazeera English*
  - g. “The News Hour” on PBS or podcast <http://www.pbs.org/podcasts/>

Through the UNC library you have access to all major newspapers and *The Economist*. See the course site on Sakai for links to these sources and more.

2. Be prepared to briefly report on news from countries in your region as it relates to the global issue we are studying (e.g., international trade, poverty, or human rights) during course meetings. Periodically, you will be expected to briefly describe a recent event or development in one or more of the countries in your region, citing content from diverse news sources. These reports will partially determine your participation grade.

## COURSE WEBSITE

Assignments, readings, links to resources, announcements, and your grades can all be accessed on Sakai. You need regular access to the internet to successfully complete this course. To ensure that you receive my emails, have them forwarded to an account you check regularly.

## EVALUATION

### Summary

Final grades will be determined as follows:

<b>70%</b>	<b>Course Research Project</b>
10%	Research Proposal
20%	Grant Proposal
20%	Policy Brief Paper
20%	Policy Conference Presentation
<b>10%</b>	<b>Discussant Role</b>
<b>20%</b>	<b>Participation</b>
5%	Attendance
5%	Participation
10%	In-Class Presentation

## Course Research Project

Students will be assigned one region of the world to follow over the course of the semester and will pursue a research project based on 1-3 countries from this region. In this project, you will draw on course content to develop and pursue policy-relevant research. It will require additional research beyond reading the texts for the course. There will be four graded components of this research project:

First, within the first two weeks of the term, students will turn in a research proposal, proposing a topic and method of exploration for their term's research project. This will be a two-page summary designed for an academic audience. Papers must be submitted on Sakai by *January 24* at 2:30 PM. Papers turned in after this time will incur a grade penalty of 10% immediately and 5% each additional day after the deadline. I do not accept late assignments more than one week after the original deadline.

Approximately three weeks before students turn in their policy brief papers, students will turn in a 6-page grant proposal based on your research to date. Some of the pieces of the grant proposal will overlap with the policy brief, but students will be asked to propose a broader research agenda extending their research project, and offer a budget and project timeline. This proposal will be designed for a grant-making audience, such as those who review research proposals at AidData, USAID, or JPAL. Papers must be submitted on Sakai by *February 21* at 2:30 PM. Papers turned in after this time will incur a grade penalty of 10% immediately and 5% each additional day after the deadline. I do not accept late assignments more than one week after the original deadline.

Next, students will turn in a 10-page research paper designed to mimic a policy brief. The paper will overview the research question, review the core debate in the literature on the topic, present your contribution to the debate, and offer empirical evidence to buttress the argument. Papers must be submitted on Sakai by *April 11* at 2:30 PM. Papers turned in after this time will incur a grade penalty of 10% immediately and 5% each additional day after the deadline. I do not accept late assignments more than one week after the original deadline.

Finally, in the last two sessions of the course, students will present their research to the class in individual 20-minute presentations (dates to be assigned later in the term). This presentation will mimic the format of a research presentation given to a policy audience, meaning that it will involve reviewing the research but also discussing the policy implications of the research in a broader sense.

## Discussant Role

In addition to giving a presentation on your own research project, you will be assigned to be the discussant on another student's research project. In this role, you will read the student's paper in advance and compile comments. After the student's presentation, you will offer your comments before we open the floor for questions from the rest of the class. We will spend class time preparing for this assignment by collectively acting as discussants on the course's assigned readings. The following resources are also helpful:

- [http://www.columbia.edu/~mh2245/Discussant\\_Checklist.pdf](http://www.columbia.edu/~mh2245/Discussant_Checklist.pdf)
- <https://chrisblattman.com/2010/02/22/the-discussants-art/>

## **Participation**

There are three components of your participation grade. First, you are expected to attend all course sessions (5% of your course grade). This is your opportunity to ask questions, discuss readings and other course material, and engage in activities that will deepen your understanding of course topics in a small group setting. Second, you will also be graded on the quality of your participation, including reporting on your region and demonstrating you have thoughtfully completed the reading (5% of your course grade). I expect students to come prepared, and to be respectful, attentive, and actively engaged. In-classroom discussions and activities are an integral part of this course, intended to be additional learning opportunities.

Finally, you will be assigned one day to give a 20-30 minute presentation at the beginning of the session. This presentation should summarize and synthesize the readings, expand on them in applying them to your assigned reading, and then conclude with discussion questions for the class to consider.

## **Office Hours**

You have the opportunity to earn 2% in extra credit by attending office hours. You need not have an objective or topics of discussion prepared for our meeting.

### Three Guidelines for In-Class Time (Lecture or Section):

*Be present.* By choosing this course, you are making a commitment to your classmates, yourself, and me to be an active and engaged participant in our academic community. You have something unique to contribute; class can go on without you, but everyone's learning will suffer from your absence. That said, I understand that other things are happening in your life besides this class. If you cannot come to lecture at all or cannot come to lecture or section sufficiently prepared, you should let me know *prior* to our class session (either by email or a quick comment upon entering class). Per university policy, only some absences will be counted as "excused," which means that we will work with you to make up what you missed.

*Be punctual.* As part of your commitment to this course, you are expected to arrive in class on time. If you are more than 20 minutes late without an acceptable excuse, you will be asked to leave for the day. If you must leave class early for some reason, you must notify me beforehand.

*Be prepared.* I expect you to arrive at class prepared and without technological distractions. You should read the assigned readings prior to coming to class and be willing and able to contribute your thoughts about them to discussion. I may call on you for a contribution to discussion at any time.

## **CLASS POLICIES**

### **Honor Code**

The University of North Carolina at Chapel Hill has had a student-led honor system for over 100 years. Academic integrity is at the heart of Carolina and we all are responsible for upholding the ideals of honor and integrity. The student-led Honor System is responsible for adjudicating any suspected violations of the Honor Code and all suspected instances of academic dishonesty will be reported to the honor system. Information, including your responsibilities as a student is outlined in the Instrument of Student Judicial Governance. Your full participation and observance of the Honor Code is expected (see <http://honor.unc.edu/>).

In order to ensure effective functioning of the Honor System at Carolina, students are expected to:

- a. Conduct all academic work within the letter and spirit of the Honor Code, which prohibits the giving or receiving of unauthorized aid in all academic processes. If unsure about the limits of group work versus individual work on papers and projects, ask the instructor. Do not guess.
- b. Consult with faculty and other sources to clarify the meaning of plagiarism; to learn the recognized techniques of proper attribution of sources used in written work; and to identify allowable resource materials or aids to be used during completion of any graded work.
- c. Sign a pledge on all graded academic work certifying that no unauthorized assistance has been received or given in the completion of the work.
- d. Treat all members of the University community with respect and fairness.
- e. Report any instance in which reasonable grounds exist to believe that a student has given or received unauthorized aid in graded work or in other respects violated the Honor Code. Reports should be made to the office of the Student Attorney General.

The Instrument of Student Judicial Governance requires that you sign a pledge on all written work. Please type the following on ALL your work and sign your name next to it: **“On my honor, I have neither given nor received unauthorized aid on this assignment.”**

### **Plagiarism**

You are encouraged to form study groups to review course material and discuss general approaches for assignments. However, you are expected to complete assignments independently. Plagiarism of published work is a violation of the honor code. Any two assignments that are submitted containing the same sentences will be considered a breach of the honor code. In written work (including overheads or handouts used in presentations), words drawn from others should be indicated by quotation marks and ideas drawn from others should refer to their source. If you are unsure about what needs to be cited, please talk with me or ask for assistance from the writing center. Plagiarism is a serious offense that can result in failure of the course and suspension from the University. To make sure that you understand what plagiarism is, please read

<http://writingcenter.unc.edu/handouts/plagiarism/>. Also see the following link for an engaging animated tutorial on plagiarism: <http://www2.lib.unc.edu/instruct/plagiarism/>.

### **Grade Determination**

Writing and public speaking are essential to success in public policy and in many other careers. Students will be held to professional standards. Students should not submit first drafts and should carefully proof read all work. The following factors will be considered in evaluating student assignments:

- **Content:** Responds to the assignment’s questions. Develops and supports a central thesis. Provides a focused argument throughout the essay/talk.
- **Clarity and Presentation:** Writes/speaks clearly by: developing a coherent, well-organized argument; arranging sentences in a logical and coherent manner; using correct punctuation, spelling, and grammar; and providing correct citations in the APA

format.

- **Comprehensiveness:** Reviews the relevant literature and material, shows an in-depth understanding of the topic, and critiques differing points of view on the topic.
- **Creativity:** Draws the reader/listener in and engages him/her in the topic. Makes an original contribution to the topic. Presents material in an interesting and unique way that elucidates the ideas.
- **Accuracy:** Free of obvious errors. All facts are derived from assigned course material and properly cited.

### Grade Definitions

The following definitions of grades were adopted by the University Faculty and are the official basis for assigning and interpreting undergraduate grades. Note that they are based on performance, not on effort or individual improvement.

- A - *Mastery* of course content at the *highest* level of attainment that can reasonably be expected of students at a given stage of development
- B - *Strong* performance demonstrating a *high* level of attainment for a student at a given stage of development
- C - A totally *acceptable* performance demonstrating an *adequate* level of attainment for a student at a given stage of development
- D - A *marginal* performance demonstrating a *minimal passing* level of attainment for a student at a given stage of development
- F - For whatever reasons, an unacceptable performance. The F grade indicates that the student's performance in the required exercises has revealed almost no understanding of the course content

### Grade Appeals

I take the evaluation and grading of your assignments very seriously because I know that most of you take the preparation and writing of your assignments very seriously. If you think you deserve a higher grade on an assignment, you may write a memo and explain why you would like to appeal the grade. Before making an appeal, you should review your work and course material. After I receive your memo, I will re-read your assignment within 1-2 class periods. Depending on my re-reading, your grade may stay the same, be raised, or be lowered. This system is designed to minimize frivolous grade appeals and to ensure that you have carefully examined and reflected on the quality of your work before deciding to initiate a grade appeal.

### Communication<sup>1</sup>

- **Mind Your Manners:** Think of the basic rules you learned growing up, like saying please and thank you. Only address someone by first name if they imply it is acceptable to do so. You should address me as Professor or Dr. Seim in your emails, just as you would in person.
- **Watch Your Tone:** Merriam-Webster defines tone as an "accent or inflection expressive of a mood or emotion." It is very difficult to express tone in writing. Please attempt to come across as respectful, friendly, and approachable. Please avoid coming across as

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<sup>1</sup> See also: <http://www.wikihow.com/Email-a-Professor> and <http://chrisblattman.com/2010/11/08/students-how-to-email-to-your-professor-employer-and-professional-peers/>

<sup>2</sup> Sana, Faria, Tina Weston, and Nicholas J. Cepeda. 2013. "[Laptop multitasking hinders](#)



curt or demanding.

- **Be Concise but Complete:** Get to the point of your e-mail as quickly as possible, but don't leave out important details that will help your recipient answer your query. Be sure to include your full name and the course name in every email.
- **Be Professional:** Stay away from abbreviations and don't use emoticons. Don't use a cute or suggestive e-mail address for professional communication.
- **Use Correct Spelling and Proper Grammar:** Use a dictionary or a spell checker. While you can write in a conversational tone (contractions are okay), pay attention to basic rules of grammar and use complete sentences. This means that you totes can't brb or lol.
- **Be Prompt:** Bring an issue to my attention as soon as it becomes an issue. This includes conflicts with assignments and last minute illnesses.
- **Don't Make Excuses:** Everyone (including professors and TAs) know what it is like to procrastinate or to prioritize other things before school assignments. We also know what it is like to try to invent an acceptable reason to have done so. Further, we read many, many emails from students in a semester. To top it off, I study corruption, which is fundamentally about skirting procedures and towing the line of acceptability to serve one's own interests. In brief, we can detect any fudging or lying a mile away. If you have a conflict or need to admit that you made a mistake, be up front and honest.
- **Ask Reasonable and Appropriate Questions:** Attempt to evaluate whether your question or request is reasonable and appropriate before you send me an email. Check the syllabus and Google for an answer first. For example, it is not reasonable to ask me the definition of genocide. It is reasonable to ask how the definition of genocide I've been using in class might differ from that in a reading. Also, please feel free to email me to set up an appointment to meet if the topic is too sensitive to raise in an email.

*I reserve the right to delete any emails or refuse to speak to individuals that do not follow these guidelines.*

### **Discrimination and Harassment**

Any form of violence or harassment, including sexual assault, relationship violence, and stalking is unwelcome at the University. If you or someone you know has been harassed or assaulted, you can find the appropriate UNC resources at <http://sexualassaultanddiscriminationpolicy.unc.edu/>. See [this blog post](#) for a discussion regarding one form of prevalent in-classroom discrimination to which I will be particularly sensitive.

### **Accessibility Resources and Services**

The Office of Accessibility Resources & Services provides services and reasonable accommodations to currently enrolled students with disabilities. Their mission is to provide students with disabilities equal access to the services, programs and activities of University so that they may, as independently as possible, meet the demands of University life. For more information, see <https://accessibility.unc.edu/>. Students with disabilities who require individualized testing or other accommodations should discuss this with me within as soon as possible.

### **Other Resources**

Need help with writing? See a tutor at The Writing Center - [writingcenter.unc.edu](http://writingcenter.unc.edu)

Need help with structuring study time or taking tests? Learning Center - [learningcenter.unc.edu](http://learningcenter.unc.edu)

## Other Policies

- Computer, tablet, and cell phone use is strongly discouraged in class. Please plan on taking notes by hand or on a tablet. Cell phones should be silenced (and vibrate is *not* silent) and put away when class begins. This policy will ensure the best possible learning environment, encourage active participation by all students, and minimize distractions.<sup>2</sup> However, if you strongly prefer using a computer or have a medical reason that necessitates it, you are allowed to do so. Please note that if I see a computer, phone, or tablet, I will assume you are ready to be called on to participate in discussion.
- Students should keep copies of the assignments they turn in until they receive their final course grade.
- If any problems that will affect your performance in this class arise during the course of the semester, please come see me as soon as possible. I can do more to help you if you let me know what is happening before you miss a test or deadline.
- Twenty-four hours before assignments are due, I reserve the right to stop responding to emails with questions or concerns. Please prepare in advance of this window.
- Be respectful of others' points of view. You are encouraged to disagree with one another, but do not make personal attacks

## COURSE SCHEDULE AND WEEKLY ASSIGNMENTS

### 1. January 11 - Introduction

### 2. January 18 - Policy Research Design

- Read Chapters 1-4, 7-8: Gertler, Paul J, Sebastian Martinez, Patrick Premand, Laura B. Rawlings, and Christel M. J. Vermeersch. 2016. *Impact Evaluation in Practice*, 2<sup>nd</sup> Edition. World Bank Group.
- "10 Strategies for Figuring Out if X Caused Y." *Experiments in Governance and Politics*.
- "10 Things You Need to Know About Causal Inference." *Experiments in Governance and Politics*.

### 3. January 25 - Aid Overview

- Radelet, Steven. 2006. "A Primer on Foreign Aid." *Center for Global Development Working Paper No. 92*.
- Cohen, Jessica, and William Easterly. 2009. "Thinking Big versus Thinking Small." In *What Works in Development? Thinking Big and Thinking Small*, eds. Jessica Cohen and William Easterly. Washington, DC: Brookings Institution.
- Werker, Eric D., and Faisal Z. Ahmed. 2008. "What Do Non-Governmental Organizations Do?" *Journal of Economic Perspectives* 22(2): 73-92.

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<sup>2</sup> Sana, Faria, Tina Weston, and Nicholas J. Cepeda. 2013. "[Laptop multitasking hinders classroom learning for both users and nearby peers.](#)" *Computers & Education*. 62:24-31. There are dozens of other research articles that find the same thing.



#### **4. February 1 – Aid Effectiveness**

- Banerjee, Abhijit V., and Ruimin He. 2008. “Making Aid Work.” In *Reinventing Foreign Aid*, ed. William R. Easterly. Cambridge, MA: MIT Press.
- Clemens, Michael, and Todd Moss. 2005. “What’s Wrong with the Millennium Development Goals?” *Center for Global Development Brief*.
- Krehbiel, Keith. 2015. “Al-Shabaab, Gatekeepers, and the Ethics of Humanitarian Aid.” *Stanford Graduate School of Business Case ETH-1*.

#### **5. February 8 – Aid: Focus on Cash Transfers**

- Baird, Sarah, Craig McIntosh, Berk Ozler. 2011. “Cash or Condition? Evidence from a Cash Transfer Experiment.” *The Quarterly Journal of Economics* 126, 1709-1753.
- “If You Give People Cash, Does it Help?” 2013. *From Evidence to Policy Brief* 82633, *The World Bank*.
- Talbot, Theodore. 2016. “Give Aid to Poor People, Not Poor Places?” *Center for Global Development Blog*, January 18, 2016.

#### **6. February 15 – Volunteering**

- Green, Tyler, Heidi Green, Jean Scandlyn, and Andrew Kestler. 2009. “Perceptions of Short-Term Medical Volunteer Work: A Qualitative Study in Guatemala.” *Globalization and Health* 5(4).
- Lough, Benjamin J., Amanda Moore McBride, Margaret S. Sherraden, and Kathleen O’Hara. 2011. “Capacity Building Contributions of Short-Term International Volunteers.” *Journal of Community Practice* 19(2): 120-137.
- Elliott, Dorinda. 2013. “Giving Back: A Special Report on Volunteer Vacations.” *Condé Nast Traveler*.

#### **7. February 22 – Corruption Overview**

- Olken, Benjamin A., and Rohini Pande. 2012. “Corruption in Developing Countries.” *Annual Review of Economics* 4(1): 479-509.
- Svensson, Jakob. 2005. “Eight Questions about Corruption.” *The Journal of Economic Perspectives* 19(3): 19-42.
- “Making Aid Effective: An Anti-Corruption Agenda.” 2011. *Transparency International Policy Position Paper 06*.

#### **8. March 1 – Corruption Forms**

- Fisman, Raymond, and Edward Miguel. 2007. “Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets.” *Journal of Political Economy* 115(6J): 1020-1048.
- Olken, Benjamin, and Patrick Barron. 2009. “The Simple Economics of Extortion: Evidence of Trucking in Aceh.” *Journal of Political Economy* 117(3): 417-52.
- Rose, Richard, and Aranzuzu Montero. 2015. “Reducing Bribery for Public Services Delivered to Citizens.” *U4 Brief* 11.

## **9. March 8 – Corruption Consequences**

- Findley, Michael G., Daniel L. Nielson, and J. C. Sharman. 2014. "Introduction." In *Global Shell Games: Experiments in Transnational Relations, Crime, and Terrorism*, eds. Michael G. Findley, Daniel L. Nielson, and J. C. Sharman. Cambridge: Cambridge University Press.
- "Poverty and Corruption." 2008. *Transparency International Working Paper 02*.
- "Scale of Corruption in Africa." 3 December 2015. *The Economist*.

## **10. March 22 – Corruption and Transparency**

- Ferraz, Claudio, and Finan, Frederico. 2008. "Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes." *Quarterly Journal of Economics* 123(2): 703-745.
- "A Fight for Light." 24 October 2015. *The Economist*.

## **11. March 29 – Multinational Corporations and Corruption**

- Malesky, Edmund J., Dimitar D. Gueorguiev, and Nathan M. Jensen. 2015. "Monopoly Money: Foreign Investment and Bribery in Vietnam, a Survey Experiment." *American Journal of Political Science* 59(2): 419-439.
- Beevers, Michael D. "Large-Scale Mining in Protected Areas Made Possible Through Corruption: Options for Donors." 2015. *U4 Brief 07*.

## **12. April 5 – Multinational Corporations and Fair Trade**

- Ruben, Ruerd, and Ricardo Fort. 2012. "The Impact of Fair Trade Certification for Coffee Farmers in Peru." *World Development* 40(3): 570-582.
- Murray, Sarah, and Laura Arrillaga-Andreessen. 2014. "Gap Inc. Corporate Philanthropy and the Gap Inc. P.A.C.E. Program" *Stanford Graduate School of Business Case SI-123*.

## **13. April 12 – Multinational Corporations and Local Management**

- Li, Quan, and Adam Resnick. 2003. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* 57(1): 175-211.
- De Clara, Laurent, and John-Paul Ferguson. 2014. "Blue Skies: Connecting African Farmers to Global Markets." *Stanford Graduate School of Business Case IDE-08*.
- Robertson, Winslow, and Lina Benabdallah. 2016. "China Pledged to Invest \$60 Billion in Africa. Here's What That Means." *Monkey Cage, The Washington Post*, January 7, 2016.

## **14. April 19 – Student Presentations**

## **15. April 26 – Student Presentations**