



Course information 2018–19

DV3165 Development management

This course uses an institutional approach to examine the development process and to analyse the roots of developmental and anti-developmental experiences in countries, regions and organisations. The approach draws on institutional theories from political science, sociology and the new institutional economics.

Aims and objectives

The objectives specifically include:

- To explain institutions and organisations as theoretical concepts.
- To analyse the development implications of different organisational forms.
- To examine coordination in the increasingly complex institutional systems that characterise the most advanced countries.
- To explore how characteristics of this complex interdependence are related to the persistence of high and low states of development.

Essential reading

For full details please refer to the reading list.

North, D. *Institutions, Institutional Change and Economic Performance*. (Cambridge: CUP)

Brett, E.A. *Reconstructing Development Theory*. (Basingstoke: Palgrave-Macmillan)

Putnam, R.D. *Making Democracy Work: Civic Traditions in Modern Italy*. (Princeton: Princeton University Press)

Rodrik, D. (ed.) *In Search of Prosperity: Analytical Narratives on Economic Growth*. (Princeton: Princeton University Press)

Learning outcomes

At the end of the course and having completed the essential reading and activities students should be able to:

- ☑ explain the role of incentives in political behaviour and economic performance
- ☑ map the links from different organisations and institutions to the incentives they put in place
- ☑ compare and contrast why certain organisations are better suited to certain types of services and/or environments than others
- ☑ map the links from incentive systems to micro and macro-level economic performance
- ☑ discuss what stable institutional constellations comprise, how they come about, and under which conditions they perish.

Assessment

This course is assessed by a three hour unseen written examination.

Students should consult the appropriate *EMFSS Programme Regulations*, which are reviewed on an annual basis. The *Regulations* provide information on the availability of a course, where it can be placed on your programme's structure, and details of co-requisites and prerequisites.

Syllabus

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Part 1: Theoretical background

Institutional theories: Institutions, organisations and development management; the importance of managing the transformation from less to more effective institutions.

Part 2: Governance

Public order and theories of the State: The origins and role of the state; Leviathan vs. social contract approaches; political accountability, order, and public policy-making in conditions characteristic of less-developed countries.

Democracy and decentralisation: Fiscal architecture, hierarchical relations within government, and government responsiveness; residual power; interest groups vs. civic groups, organisation and voice, and political representation.

International aid and international governance: Aid, conditionality and national sovereignty; the concept and limitations of 'global governance'; its effects on trade and aid flows; their ultimate effects on countries' development prospects.

Part 3: Private provision: The market and beyond

Hierarchy, co-operation & incentives in private firms: Pure market exchange; the theoretical origins of firms; the role of hierarchy in efficiency and coordination.

Real firms, small firms: microentrepreneurs and the informal sector: Theory of the firm applied to real, third-world market conditions; the origins of the informal sector; prospects for its development.

Common resources and private solutions for collective action: The economic characteristics of common property resources; the pervasiveness of Tragedies of the Commons and environmental degradation in LDCs; implications for efficiency; possibilities for private solutions and collective action; empirical examples from LDCs

Part 4: Empirical studies of transformation and decomposition

Institutions vs. geography vs. values: Why are some countries rich and others poor? Competing theories of the determinants of development; empirical evidence for each.

Analytical narratives on development failure: Why do some countries 'de-develop'? The cases of Venezuela, Zimbabwe and Pakistan; cross-country evidence of development failure.

Analytical narratives on development success: Why do some countries succeed? Can their success be replicated? The cases of China and Botswana; cross-country evidence of development success.

Towards a theory of development management: A synthesis of the theory of parts 1 and 2 with the empirics of part 3; the determinants of development success; successful management of the transition to a rapid development process.