

**AMERICAN UNIVERSITY
School of International Service
International Development Program**

**DEMOCRACY AND DEVELOPMENT
Autumn 2006 – SIS 400-003**

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Class seminars: Wednesday, 8:10-10:40 pm
Office hours: Wednesdays, 7pm and by appointment

Overview: The ‘Governance Problem’ – Why Does It Matter?

‘Governance’ has emerged as a central theme in economic, political and social development, and international assistance programs. There is a growing recognition that how societies are governed largely determines how successful they will be in tackling poverty, expanding opportunity and achieving sustained development. In the 1990’s the international community (driven largely by the transition from communist societies in Central and Eastern Europe and the former Soviet Union) saw the primary governance problem as the state. The challenge was to diminish, curtail or overcome its power. As a result, there was a heavy emphasis on support for civil society, democratic elections, mechanisms for citizen participation and popular accountability.

More recently, however, fragile, failing and failed states in Afghanistan, Pakistan, Iraq, Palestine, West Africa, parts of Sudan, Somalia and Haiti have all demonstrated the extent to which collapsed state capacity can result in massive humanitarian crises, significant regional stability and direct threats U.S. national security. Without sufficient state capacity to maintain security and order, enforce laws, mobilize resources, and deliver services, no external military occupation, financial aid, technical assistance or political support will yield meaningful results.

This course will analyze the recent and growing worldwide interest in building state capacity: how it is defined; what the drivers of poor governance are; how state capacity is assessed; and how it can be strengthened. There is a strong emphasis on identifying, articulating and critically examining the strategic assumptions and underpinnings of programs to strengthen governance and improve state capacity.

The course deliberately draws on two distinct sources of analysis and insight: academic literature, and the experience of managers of development programs. Course participants can expect academic analysis to alternate with case studies, operational handbooks and

program evaluations. The objective is to draw on academic literature, but to ‘test’ academic hypotheses against the operational guidelines and experiences of development agencies.

Course Structure

Weekly meetings will include both lectures and seminar discussions. Students will be expected to participate actively in discussions. For each of the seminar discussions, some students will be identified in advance to serve as Lead Discussants. These individuals will be responsible for initiating discussions, framing issues, identifying and examining competing theories or analyses, and drawing on supplementary materials to augment core required readings. They are expected to be familiar not only with required reading for that particular week, but also with arguments put forward in the Suggested Additional Reading. This lead discussant role will be a major part of the basis for assessing the class participation of each student, and during the term each student will be expected to serve as Lead Discussant at least once.

There will be *one mid-term examine* that will be taken in class on October 11.

All students will also complete one *term paper* of 12-15 pages, due on Wednesday, December 6. Further information and guidance on this assignment will be forthcoming. In general, these papers are expected to focus on how theoretical constructs and approaches examined in the course are applied and utilized in the practical day-to-day challenges of program management by institutions such as the World Bank, UNDP or USAID. This will require examination of field reports, project evaluations, program designs, policy statements and operational guidance, and then showing how these confirm, contradict or modify academic analyses.

A *final exam* will be a take-home exam. The exam will be available at 5 pm on Friday, December 15. Students will be given 72 hours to complete their responses to the questions and return them to the SIS office by 5 pm, Monday, December 18. This is a firm deadline and is not negotiable. For every one day of delay in submitting final exams, the maximum grade possible will be reduced by one full grade. A day will be treated as a single and indivisible unit. That is, an exam submitted at 6 pm on Monday, December 18, will be counted as one day late. There is no calculating fractions of days and fractional reduction in the maximum possible grade.

Performance Assessment:

Students will be assessed on the following basis:

Class participation	20%
Mid-term exam	25%
Term paper	25%
Final exam	30%

Academic integrity

Plagiarism means stealing someone else’s ideas or passing off someone else’s work as your own. This can range from copying someone else’s answers for a test to failing to acknowledge sources in a term paper. It is a fundamental violation of academic integrity,

incompatible with the mission of the American University and in violation of the university's Academic Integrity Code. The standards and procedures of the Academic Integrity Code will be rigorously enforced in this course. Therefore, students are urged to be familiar not only with the Code itself, but also with the accompanying guidelines on 'Citing Sources and Avoiding Plagiarism' to avoid inadvertent errors and omissions.

Basic/Core Texts

* Fukuyama, Francis, *State Building: Governance and World Order in the 21st Century* (Ithaca: Cornell University Press, 2004)

North, Douglass C., *Institutions, Institutional Change and Economic Performance*, (New York: Cambridge University Press, 1990)

* Turner, Mark and David Hulme, *Governance, Administration and Development: Making the State Work* (West Hartford CT: Kumarian Press, 1997)

** World Bank, *The State in a Changing World: World Development Report 1997* (New York: Oxford Univ. Press, 1997)

* -- Recommended for purchase

** - Available online and for purchase

August 31:

1. Definitions and Significance: What is 'governance' and what makes it a development problem? What do we mean by state capacity and why is it important?

Required Reading:

Fukuyama (2004), Chapters 1-2

World Bank (1997), Overview and Part One (pp 1-37)

Turner and Hulme (1997), Chapter 1

Suggested Additional Reading:

Patrick, Stewart, *Weak States and Global Threats: Assessing Evidence of Spillovers*, (Washington: Center for Global Development, 2006), Working Paper 73.

Preble, Chris and Justin Logan, *Failed States and Flawed Logic: The Case Against a Standing Nation-Building Office*, (Washington: Cato Institute, 2006), Policy Analysis No. 560.

USAID, *At Freedom's Frontier: A Democracy and Governance Strategic Framework* (Washington DC: USAID, 2005)

September 7:

2. The experience of the West – Theory and Practice: What are the characteristics of ‘modern’ governance as they have been identified and defined by social science in the developed world? How did these practices in fact emerge?

Required Reading:

Weber, Max, *The Theory of Social and Economic Organization*, ed. by Talcott Parsons, (New York: The Free Press, 1964), Section III (‘The Types of Authority and Imperative Coordination’) and Section IV (‘The Transformation of Charisma in an Anti-Authoritarian Direction’).

September 14:

3. Visions – Scope and Reach: what are we aiming for? What would ‘good governance’ and a capable state look like if we achieved them?

Required Reading:

World Bank (1997), Part Two (pp. 41-75)

Rondinelli, Dennis A. and G. Shabbir Cheema, *Reinventing Government for the Twenty-First Century: State Capacity in a Globalizing Society* (West Hartford, CT: Kumarian Press, 2003), Chapter 13: “The Competent State: Governance and Administration in an Era of Globalization”

Suggested Additional Reading:

Osborne, David and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, (New York: The Penguin Group, 1993), Chapters 1-2

September 21:

4. Causes and Explanations (1): what are some of the explanations for ‘poor governance’? What are the assumptions underlying the identification of the key drivers of poor governance or capable states?

Required Reading:

Turner and Hulme (1997), Chapters 2-4

Suggested Additional Reading:

Fukuyama, Francis, ‘The Primacy of Culture’, *Journal of Democracy*, vol. 6, no. 1 (January 1995), pp. 1-14

Migdal, Joel S., *State-in-Society: Studying How States and Societies Transform and Constitute One Another* (New York: Cambridge Univ. Press, 2001)

Rotberg, Robert I., 'The Failure and Collapse of Nation-States: Breakdown, Prevention and Repair' in Rotberg, ed., *When States Fail: Causes and Consequences* (Princeton: Princeton Univ. Press, 2004), pp. 1-49

September 28:

5. Causes and Explanations (2) – Institutional Economics:

Required Reading:

Fukuyama (2004), Chapter 3

North (1990)

Suggested Additional Reading:

Geddes, Barbara, *Politician's Dilemma: Building State Capacity in Latin America*, (Berkeley: Univ. of California Press, 1994), pp. 1-43

Ostrom, Eleanor, *Governing the Commons: The Evolution of Institutions for Collective Action*, (Cambridge: Cambridge University Press, 1990)

October 4:

6. Strategies, instruments and mechanisms : what are various approaches to strengthening state capacity? What are the assumptions that underlie these strategies and approaches? What are the various mechanisms available to strengthen governance and build state capacity? How might the choice of instrument or mechanism have an impact on developing state capacity?

Required Reading:

Turner and Hulme (1997), Chapters 5-6

Carothers, Thomas, *Aiding Democracy Abroad: The Learning Curve* (Washington, DC: Carnegie Endowment for International Peace, 1999), Chapters 1-5, 7 and 9

Carothers, Thomas, *Critical Mission: Essays on Democracy Promotion* (Washington, DC: Carnegie Endowment for International Peace, 2005), pp. 167-218

Suggested Additional Reading:

Grindle, Merilee S., ed., *Getting Good Government: Capacity Building in the Public Sector of Developing Countries* (Cambridge, MA: Harvard Institute for International Development, 1997), Chapters 13-15

Teskey, Graham, *Capacity Development and State Building: Issues, Evidence and Implications for DfID*, (London: Department for International Development (DfID), Governance and Social Development Group, October 2005)

World Bank, *Reforming Public Institutions and Strengthening Governance: A World Bank Strategy* (Washington, DC: The World Bank, 2000)

World Bank, *Reforming Public Institutions and Strengthening Governance: A World Bank Strategy – and Implementation Update* (Washington, DC: The World Bank, 2003)

October 11:

Mid-Term Examination: in-class

7. Assessments and Measurements: how can we assess or measure the status and condition of governance and state capacity in a given country?

Required Reading:

Carothers (1999), Chapters 10-11

Grindle (1997), Chapters 2 and 3

Suggested Additional Reading:

Besancon, Marie, *Good Governance Rankings: The Art of Measurement*, World Peace Foundation Reports, number 36 (Cambridge, MA: World Peace Foundation)

Kaufmann, Daniel, Francesca Recanatini and Sergiy Biletsy, ‘Assessing Governance: Tools and Applied Methods for Capacity Building and Action Learning’ (Washington, DC: The World Bank, June 2002)

Kaufmann, Daniel, A. Kraay and M. Mastruzzi *Governance Matters IV: Governance Indicators for 1996-2004* (Washington, DC: The World Bank, 2005)

‘Conducting a DG Assessment: A Framework for Strategy Development’ (Washington, DC: United States Agency for International Development, 2000)

October 18:

8. Sectors (1): Justice and Security

Required Reading:

Carothers, Thomas, *Promoting the Rule of Law Abroad: In Search of Knowledge* (Washington, DC: Carnegie Endowment for International Peace, 2006), Chapters 1-7

Suggested Additional Reading:

Blair, Harry and Gary Hansen, 'Weighing in on the Scales of Justice: Strategic Approaches for Donor-Supported Rule of Law Programs', USAID Program and Operations Assessment Report no. 7. Washington, DC: USAID, 1994.

Dezalay, Yves and Bryant C. Garth, *Global Prescriptions: The Production, Exportation and Importation of a New Legal Orthodoxy* (Ann Arbor: Univ. of Michigan Press, 2002)

Faundez, Julio, ed., *Good Government and Law: Legal and Institutional Reform in Developing Countries* (New York: St. Martin's Press, 1997)

October 25:

9. Sectors (2): Social Sector and Service Delivery

Required Reading:

Pritchett, Lant and Michael Woolcock, *Solutions when the Solution is the Problem: Arraying the Disarray in Development*, (Washington, DC: Center for Global Development) Working Paper No. 10, September 2002.

Tendler, Judith, *Good Government in the Tropics* (Baltimore: Johns Hopkins University Press, 1997), Chapters 2-4

November 1:

10. State and civil society: making the state accountable. How do concepts such as 'transparency', 'accountability' and 'participation' affect governance? What is the role of civil society in promoting good governance?

Required Reading:

Turner and Hulme (1997), Chapter 9

Tendler (1997), Chapter 6

Suggested Additional Reading:

Brinkerhoff, Derick W. and Benjamin L. Crosby, *Managing Policy Reform: Concepts and Tools for Decision-Makers in Developing and Transitioning Countries*, (Bloomfield, CT: The Kumarian Press, 2002), Chapters 2,3, 6-8

November 18:

11. Devolution and decentralization: What are the global trends and why are they significant for democratic governance? What are the anticipated benefits and costs? What are the potential threats? What are some key dimensions and strategies for decentralization?

Required Reading:

Turner and Helme (1997), Chapter 7

Rondinelli, Dennis A. and G. Shabbir Cheema (2003), Chapters 10-11

Suggested Additional Reading:

Blair, Harry, *Assessing Democratic Decentralization: A CDIE Concept Paper*. Washington, DC: USAID, November 6, 1995.

Shah, Anwar, *Corruption and Decentralized Public Governance*, (Washington: World Bank, 2006), Policy Research Working Paper.

USAID Center for Democracy and Governance, *Decentralization and Democratic Local Governance Programming Handbook* (Washington, DC: USAID, 2000)

November 25: Thanksgiving Holiday

November 30:

12. Governance, corruption and state capture: What is 'state capture' and how does it undermine democratic governance? What are some strategies to avoid state capture and combat corruption? What are the assumptions and track records of these various strategies

Required Reading:

Klitgaard, Robert, Ronald MacLean-Abaroa and H. Lindsay Parris, *Corrupt Cities: A Practice Guide to Cure and Prevention*, (Washington, DC: The World Bank Institute, 2000), Chapters 1-4

Rondinelli, Dennis A. and G. Shabbir Cheema (2003), Chapter 6

Suggested Additional Reading:

Brinkerhoff, Derick W., 'Assessing Political Will for Anti-Corruption Efforts: An Analytic Framework,' *Public Administration and Development*, vol. 20, no. 3 (2000), pp. 239-252

Hellman, Joel, Geraint Jones and Daniel Kaufmann, 'Seize the State, Seize the Day: State Capture, Corruption and Influence in Transition' Policy Research Working Paper 2444 (Washington, DC: The World Bank, 2000),

Kaufmann, Daniel, 'Myths and Realities of Governance and Corruption,' in *Global Competitiveness Report, 2005-2006* (Washington, DC: The World Economic Forum, 2005)

Stepenhurt, Rick and Sahr J. Kapundeh, eds., *Curbing Corruption: Toward a Model for Building National Integrity* (Washington, EDC: The World Bank, 1999), Chapters 1-2, 6-10.

USAID, *Money in Politics Handbook: A Guide to Increasing Transparency in Emerging Democracies* (Washington, DC: USAID, 2003)

USAID, *Handbook on Fighting Corruption* (Washington, DC: USAID, 1999)

December 6:

Term papers due

13. Governance and state capacity in post-conflict environments. What are the special challenges of working in post-conflict environments? What are the implications for international assistance?

Required Reading:

Rotberg, Robert I., *When States Fail: Causes and Consequences*, (Princeton: Princeton Univ. Press, 2004), esp. Chapters 1, 7, 9 and 12

Suggested Additional Reading:

Chesterman, Simon, Michael Ignatief and Romesh Thakur, eds., *Making States Work: State Failure and the Crisis of Governance* (New York: United Nations University, 2005), Chapters 1-3, 13-17

Commission on Weak States and U.S. National Security, *On the Brink: Weak States and U.S. National Security* (Washington, DC: Center for Global Development, 2004)

Covey, Jock, Michael Dziedzic and Leonard Hawley, eds., *The Quest for a Viable Peace: International Intervention and Strategies for Conflict Transformation*, (Washington: U.S. Institute of Peace, 2005)

Orr, Robert, ed., *Winning the Peace: An American Strategy for Post-Conflict Reconstruction*, (Washington: CSIS Press, 2004)

Ottaway, Marina, "Rebuilding State Institutions in Collapsed States" in Jennifer Milliken, ed., *State Failure and Reconstruction* (London: Blackwell, 2005)

Scheye, Eric and Gordon Peake, "To Arrest Insecurity: Time for a Revised Security Sector Reform Agenda", *Conflict, Security and Development*, vol 5, no. 3 (December 2005).

USAID, *Fragile States Strategy* (Washington, DC: USAID, 2005)

U.S. Department of Defense, *Military Support for Stability, Security, Transition and Reconstruction (SSTR) Operations Directive 3000.05* (November 28, 2005)

December 13:

14. Governance and state capacity in the context of globalization: Is globalization fundamentally changing the nature of governance, creating a new environment, with new threats and challenges?

Required Reading:

Rondinelli, Dennis A. and G. Shabbir Cheema (2003), Chapters 1-3, 9, 12

Suggested Additional Reading:

Naim, Moises, *Illicit: How Smugglers, Traffickers and Copycats are Hijacking the Global Economy*

Panitch, Leo, 'Rethinking the Role of the State,' in James H. Mittelman (ed), *Globalization: Critical Reflections* (Boulder CO: Lynne Rienner Publishers, 1996)