Overview:
The first question people often ask about this course is, “What’s North and South?” In the jargon of political economy, the terms refer to rich and poor countries, with implications about the power dynamics between them. ‘North’ refers to the global power of the US and Europe, in partnership with Canada, Japan and Australia. Poorer countries – euphemistically referred to as developing, Third World or, now, the ‘South’ – have struggled to catch up economically and to exert more influence in international relations.

Two matters will concern us: The first is the extent to which North-South relations drive development in poor countries. Does humanitarian aid actually do any good? Does it foster corruption? Do US farm subsidies help to feed the world or do we undermine markets for poor farmers? Do our purchases of electronics and apparel build skills or enable sweatshop abuse? Are free trade agreements an impediment to poverty alleviation?

The second concern is the extent to which changes in the global economy affect relations between rich and poor countries. Emerging countries such as China, India and Brazil are a challenge to the hegemony of the North, a fact acknowledged by their inclusion in multilateral organizations like the G-20 and World Trade Organization. Are the poorest countries better off as a consequence of new relationships with the BRICs? Do China’s trade and investment promote growth in Africa, Latin America and Southeast Asia? Are the rules of engagement different than those with the old North?

Whether one views North-South relations as exploitative or cooperative, the importance of aid, trade, migration and finance reveals itself in everyday life – in Haiti’s ongoing recovery crisis, in the fires that kill garment workers in Pakistan, and in the frustration of undocumented immigrants in the US. We will use real cases to explore the role of asymmetric power in shaping economic relations and consider policies that might constructively foster development.

Course Requirements:
Students should have a good grasp of economic principles before beginning this course.

There is one required book: Katherine Boo, *Behind the Beautiful Forevers*, Random House, 2012. All other readings will be posted on Blackboard under “Course Documents.”

Grades will be based on two in-term exams (25% each), a final exam (25%), homework (15%) and class participation (10%). Homework consists of group projects and problem sets. Problem sets are graded on a pass/fail basis. (They do not affect your average unless you fail to do them adequately.) You may work on them with other students, provided the work you submit reflects your own understanding. Expect one or two assignments per week.

A policy-oriented class like this is ideal for discussion of conflicting social values, paradigms and empirical evidence. To succeed, you must be here and engaged. Absence from an exam will be excused only in extreme circumstances. If you require accommodation in exams, let me know soon so that we can make appropriate arrangements. As for academic honesty, the University’s policy is posted at [http://www.bu.edu/cas/academics/programs/conductcode.html](http://www.bu.edu/cas/academics/programs/conductcode.html). Please let me know promptly if you are ill or struggling to keep up.

Welcome to the class.
COURSE OUTLINE

Starred readings are required. Check Blackboard for updates, particularly on current events. Non-starred readings will inform class discussion but close reading is not necessary.

I. INTRODUCTION: DEVELOPMENT CHALLENGES AND THE ROLE OF THE NORTH
   a. Why is the South poor? What factors promote or hinder development?
   b. How is progress in the South affected by what happens in the North?
   c. Case: Mumbai’s Annawadi slum: How much is about globalization? What would enable it to prosper?


   Read the entire book. It goes quickly. We are less interested in the particulars of each character than about how contextual factors like corruption, access to education, global markets for metals, and foreign aid affect the lives of residents in this Mumbai slum. It may be hard to believe the book won major prizes for nonfiction. Try to read it as such. We’ll talk about it as we define the challenges to development.

II. WHAT ARE THE GOALS OF DEVELOPMENT? GLOBAL POVERTY AND INEQUALITY
   a. Is development just about money? What else matters?
   b. Is GDP the right measure of development? How can we assess multidimensional poverty?
   c. Is the South on track to convergence with the North? Who is left behind?


   Oxford Poverty and Human Development Center, Multidimensional Poverty Index, “MPI One-Pager” and links to maps and country studies at http://www.ophi.org.uk/multidimensional-poverty-index/mpi-resources/

III. DEPENDENCY THEORY, COLD WAR ALLIANCES AND LINGERING RESENMENT
   a. What are the North’s interests in the South’s development?
   b. Patterns of exploitation under colonialism and neo-colonial reprises (a very brief look!)
   c. Dependency theory: what still resonates? Why are the US and Europe seen in a negative light?


IV. FOREIGN AID
   a. Who gives how much, to whom and why?
   b. Does it accomplish anything? If not much, why?
   c. Haiti: Why is it still a mess?
Data:


The Sachs/Easterly debate:


Haiti: Guest Speaker: Professor Enrique Silva, Metropolitan College, Boston University


V. Corruption
a. What causes it? Is it more pervasive in some sectors?
b. Do relations with the North exacerbate or mitigate corruption?
c. Can policies like the OECD’s Anti-Bribery Convention reduce corruption?


VI. THE SOUTH’S COMPETITIVENESS IN THE WORLD ECONOMY

a. Does trade foster development? Do some exports such as oil distort development?
b. Trade patterns: Are poor countries stuck in low wage assembly and primary commodities?
c. What trade policies support growth? Import substitution versus export-led growth
d. Exchange rates and competitiveness

*Commodity Dependence and Import Substitution:*
**“The Paradox of Plenty,” The Economist, December 20, 2005.**


*Exchange Rates:*


VII. TRADE BARRIERS: AGRICULTURE AND FOOD SECURITY


*T. A. Wise and S. Murphy, “Resolving the Food Crisis,” GDAE and IATP, January 2012.


EWG Farm Subsidies data base: http://farm.ewg.org/region.php?fips=00000

VIII. THE WTO AND FREE TRADE AGREEMENTS

a. How do WTO rules affect trade patterns? Is the WTO effective in resolving disputes?
b. Do free trade agreements undermine sovereignty? Do they hurt the poor and impede human rights?

*Susan Schwab, “After Doha: Why the Negotiations are Doomed and what We Should Do About It,” Foreign Affairs, May/June 2011.


IX. LABOR IN THE GLOBAL ECONOMY: SWEATSHOPS AND FAIR LABOR PRACTICES

a. Productivity, wage and jobs: what drives competitiveness?
b. Outsourcing and labor standards
SWEATSHOPS: GUEST SPEAKER: BEN HENSLER, WORKER RIGHTS CONSORTIUM
(www.workersrights.org)


X. MIGRATION AND REMITTANCES
a. Is migration good for growth in sending and receiving countries?
b. Are US policies just? Effective?
c. How do remittances affect development?
d. Does migration cause a brain drain or brain gain?

GUEST LECTURE: ANTHONY MARINO, ESQ. US IMMIGRATION LAWYER, JOYCE ASSOCIATES


Pew Hispanic Center, http://www.pewhispanic.org/topics/immigration/


“Liberalising Migration Could Deliver a Huge Boost to Global Output,” The Economist, Nov 17th 2012, summarizing three NBER papers.


XI. DRUG TRAFFICKING AND RELATED VIOLENCE
a. Evolving patterns of drug trade
b. The impact of drug trade on governance and development


XII. CHANGING GLOBAL RELATIONSHIPS IN THE 21ST CENTURY

a. The rise of China, India and Brazil, and implications for other developing countries
b. How do these economies differ from one another? Why does this matter for their future roles?
c. Do these emerging economies offer development lessons for the rest of the South?
d. Is the North/South framework and implied hegemonic power structure still useful?


XIII. SOUTH–SOUTH FINANCIAL FLOWS

a. Balance of payments: loans, foreign direct investment and portfolio flows
b. The rising and controversial role of China’s investments


## Tentative schedule

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<td>January 23</td>
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<td>Dependency Theory, Cold War Alliances and Lingering Resentment</td>
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