

Case Study Exercise: “Matching Development Theory and Development Success Stories”

As described in the course outline, this exercise will attempt to link the “Africa Success Story” case studies from Shata Devarajan’s *Africa Can End Poverty Blog* listed in Unit 4 with the theories studied throughout the course. You should have already carefully read the following case studies: (1) “Achieving shared growth in post-stabilization Mozambique (number 1),” (2) “Rebuilding Local Governments in Post-conflict Sierra Leone (number 7),” (3) “Leveraging Regional Markets to Build a Domestic Manufacturing Sector in Africa (number 19),” and (4) “Rural Electrification in Mali (number 33).”

As an exercise, try to link the successes and risks in these case studies back to the various theories covered in this course. Match each case study with a single theory on the basis of the “achievements” and “key success factors” described for that case study. There may be multiple theories which could be connected to a single case study, but try to choose the theory which is most strongly represented. There is no strict answer key for this exercise, but some potential connections are included in the box on the second page of this exercise entitled, “Suggested responses.”

Case Study:

1. “Achieving shared growth in post-stabilization Mozambique (number 1)”
2. “Rebuilding Local Governments in Post-conflict Sierra Leone (number 7)”
3. “Leveraging Regional Markets to Build a Domestic Manufacturing Sector in Africa (number 19)”
4. “Rural Electrification in Mali (number 33)”

Theories:

- A. Neo-Classical Approach
- B. Geography as the Main Determinant of Development
- C. New Institutional Economics
- D. Social Capital and Development



Suggested responses:

1. “Achieving shared growth in post-stabilization Mozambique (number 1)” → A. Neo-Classical Approach

Justification: The case study emphasizes the importance of sound monetary and fiscal policies, improved competitiveness and openness, and high levels of public investment. This mirrors the major tenets of the Neo-Classical school of economic growth. If you need a refresher on this theory, please go back and review the readings for section 2.5 of Unit 2 of the course.

2. “Rebuilding Local Governments in Post-conflict Sierra Leone (number 7)” → C. New Institutional Economics

Justification: This case study emphasizes the importance of the establishment of basic state institutions to allow for the resumption of basic service delivery (health and education) and economic growth. The case study also references social structures when it cites the important role that civil society plays in the process of rebuilding local governments. This observation relates directly to the New Institutional Economics idea that social structure and political institutions are closely linked, as are political institutions and economic development.

3. “Leveraging Regional Markets to Build a Domestic Manufacturing Sector in Africa (number 19)” → B. Geography as the Main Determinant of Development

Justification: The Geography as the Main Determinant of Development school suggests that Africa has been slow to develop because of a number of geographical factors. The Gallup and Mellinger reading assigned in section 3.2 of the course cites the following characteristics: “a high concentration of land in the tropics; a population concentrated in the interior (only 19 percent of Africans live within 100 kilometers of the coast), with more than a quarter living in landlocked countries (the highest of any region); lack of proximity to core markets in Europe; and low population densities in coastal and interior regions.”¹ Other authors in this school focus on the fact that Africa has many small countries, which have small internal markets. The combination of these two issues makes it difficult for Africa to develop a vibrant manufacturing sector, which depends on large economies of scale. The case study on the development of regional markets for

¹ Sachs, Jeffrey, John Luke Gallup, and Andrew Mellinger. “Geography and Economic Development,” *International Regional Science Review*, Vol. 22, No. 2, pp. 179-232, August 1999.



the expansion of the manufacturing section in Africa also references the size of the scale of markets in Africa and the problem of high transportation costs, and proposes regional cooperation as a solution.

4. “Rural Electrification in Mali (number 33)” → D. Social Capital and Development

Justification: The rural electrification project in Mali was a success in large part because of the participation of women’s associations and community organizations. In this case, civil society—not simply the private or public sectors (which is more often the case in high income countries)—ensured the success of the project. The cooperation between these actors allowed for the rural electrification project to be a success. This phenomenon is most closely related to the Social Capital school of development, which emphasizes the importance of civil society in the economic development process.

