# POL2012 Theories and models in political economy

Poverty and development

Marius Swane Wishman

ISS

8th November 2021



# What went wrong in Africa?

- What is the y?
- What would a causal model look like?



# What went wrong in Africa?

- What is the y?
- What would a causal model look like?



- Why did governments choose policies that impoverished their citizens?
- Fruits of independence



- Why did governments choose policies that impoverished their citizens?
- Fruits of independence



- Why did governments choose policies that impoverished their citizens?
- Fruits of independence



#### Discussion

#### Zambian automobiles Did the "Zambia's" of Africa in the 60-ties follow Reinert's advice?

- Why?
- To establish some political order and maximize private gains?
- Genuine attempt at development through evolutionary economics?



#### Discussion

Zambian automobiles Did the "Zambia's" of Africa in the 60-ties follow Reinert's advice?

- Why?
- To establish some political order and maximize private gains?
- Genuine attempt at development through evolutionary economics?



## A delicate equilibrium

- Where did public revenue come from?
- What would Keynes say?
- Control regimes



## A delicate equilibrium

- Where did public revenue come from?
- What would Keynes say?
- Control regimes



## A delicate equilibrium

- Where did public revenue come from?
- What would Keynes say?
- Control regimes



#### How Asia did it

- ► Land reform
- Manufacturing focus anchored in export discipline
- ► Financial manipulation to these ends



#### How Asia did it

- ► Land reform
- ► Manufacturing focus anchored in export discipline
- ► Financial manipulation to these ends



#### How Asia did it

- ► Land reform
- ► Manufacturing focus anchored in export discipline
- ► Financial manipulation to these ends



What is the theory?



- Land reform
- The perfect market
- "Gardening" economies of scale in reverse
- A sturdy foundation



- Land reform
- The perfect market
- "Gardening" economies of scale in reverse
- A sturdy foundation



- Land reform
- The perfect market
- "Gardening" economies of scale in reverse
- A sturdy foundation



- Land reform
- The perfect market
- "Gardening" economies of scale in reverse
- A sturdy foundation



# Manufacturing

- The usual suspects
- "Export discipline"



# Manufacturing

- The usual suspects
- "Export discipline"



#### The short leash

- Control/manipulate financial markets to achieve the two previous steps
- What of monetary policy/exchange rates?



#### The short leash

- Control/manipulate financial markets to achieve the two previous steps
- What of monetary policy/exchange rates?



Why did the Asian chose differently than the African?



11