



**IPED**  
FORDHAM UNIVERSITY

THE GRADUATE PROGRAM IN INTERNATIONAL POLITICAL ECONOMY & DEVELOPMENT, FORDHAM UNIVERSITY

# GLOBAL BRIEFS

VOLUME 5

SPRING 2019

## FORDHAM | IPED

Fordham University's graduate program in International Political Economy and Development trains graduate students in the advanced interdisciplinary analysis of global economic relations and international development issues. Graduates frequently pursue professional careers in global finance and banking, international economic policy, and international relief and development.

*Global Briefs* is a student-run newsletter of Fordham's IPED program. It aims to share students, alumni, and faculty's public policy insights on global economic relations, international development, and regional conflict.

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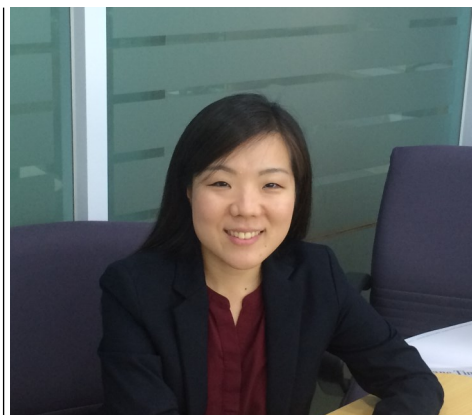
## Mayu Sakaguchi Overcomes Development Hurdles in Lao PDR

**M**ayu Sakaguchi (Class of 2011) became interested in international affairs and the United Nations (UN) after spending her childhood in both the US and Japan. That interest led her to Fordham's IPED program, where she was awarded the Presidential Fellowship and given the opportunity to intern with the United Nations Development Programme (UNDP) Equator Initiative.

Sakaguchi was able to leverage her skills from IPED and her internship to pursue a career in development. "That experience was inspiring and motivating and it renewed the feeling of wanting to work in developing countries. After graduating, I joined the Japan International Cooperation Agency (JICA) Volunteer program in Malawi for two years, living and working on the grassroots level on improving livelihoods of the people living in rural villages." After her time at JICA, Sakaguchi joined the Japanese diplomatic mission in Karachi, Pakistan before moving to Lao PDR to work for the UNDP.

"At UNDP Lao PDR, I oversee the Unexploded Ordinance (UXO) Programme. There were more than two million tons of cluster bombs that were dropped during the Vietnam War (we call it the Indochina War in Laos) and it is estimated that about 30% of the bombs did not explode. Every year there are still many casualties in the rural villages where children, men and women are injured or killed by these small cluster bombs. The people in the provinces are currently and have been living with the risk for more than 40 years." In 2016 Lao PDR launched their own Sustainable Development Goal, *SDG 18, Lives Safe from UXO*, which shows the government is committed to tackling this important issue.

Sakaguchi's roles in these efforts are to coordinate with her government counterparts and stakeholders in the sector, ensure annual work plans and financial budgets are



set, monitor program activities, provide oversight on the usage of funds, and to communicate with donors on potential funding opportunities. While she works primarily in Lao PDR, she has also been on assignment in UNDP Afghanistan in their Livelihoods and Resilience Unit, overseeing projects related to livelihoods and climate change.

Sakaguchi was able to take advantage of IPED's various program offerings and additional courses. While in IPED, she was given a Language Immersion Study Award (LISA) to study French in Senegal. She also took the opportunity to go to South Africa with the Emerging Markets course. To her though, "the most important thing that I gained through IPED were my classmates. Having study groups and exchanging ideas with people of different background and experiences broadened my own horizon."

Having entered the job market recently, Sakaguchi knows the difficulties that students face when starting their career. "Take risks and challenges when the opportunity presents itself...when looking for jobs, you are more likely to get a rejection (or no response at all) than an offer letter. Don't give up and keep applying. Depending on your nationality, there are also various opportunities which can be looked into."

## IDEASCAPE — Proposals in International Public Policy

### The Rise of China in Africa: United States Food Aid and the Future of Development Assistance

BY STEPHANIE SWINEHART

As the largest provider of food aid globally, the United States significantly contributes to humanitarian, economic, and political crises around the world. The way the United States distributes food aid, however, is inefficient economically in terms of cost, and politically in terms of the controversial distribution mechanisms. Over the second half of the 20<sup>th</sup> century, the United States increased its monetary and in-kind humanitarian aid, beginning with the Marshall Plan for European reconstruction before shifting to humanitarian aid in Africa and developing countries.

Increasingly, Chinese economic influence in monetary, fiscal, and development policy has infringed upon the role of the United States. China is now the biggest contributor of aid to Sub-Saharan African countries (Amusa, Monkam, and Viegi 2016). China's assistance reflects its own economic and resource interests, but in a contrary approach to that of U.S. development assistance. China's funding follows a "no strings attached" policy and comes without the requirements on transparency and governance unlike aid administered by the United States (Amusa, Monkam, and Viegi 2016).

This paper proposes to investigate the rise of China in Africa by focusing on the United States' food aid and agricultural policies as a tool to explain a funding vacuum in Africa being filled by China. In doing so, it attempts to establish a relationship concerning Chinese investment in Africa. Many authors argue that Western globalization has hurt Africa through declining trade volumes, terms of trade, capital flight, and brain drain and that Chinese influence on the continent is simply the result of a logical growth strategy for the emerging country (Edoho 2015). Such a relationship, if it exists, could help explain the African continent's embrace of non-Western funding streams and provide insight on future development assistance. This analysis could also serve as a cautionary tale for aid provision in general and provide policy recommendations for international development going forward.

According to Richard Ball and Christopher Johnson (1996), food aid policy in the United States can be characterized by four



*Arusha Region of Northern Tanzania, image courtesy of Stephanie Swinehart*

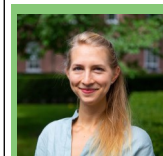
principle objectives first outlined in its 1954 policy: (1) disposal of surplus agricultural commodities, (2) promotion of American geopolitical interests, (3) provision of humanitarian assistance, and (4) development of potential commercial markets. Further, restrictions on its provision are inefficient and often harmful to the recipient economies. Given the controversial role of U.S. aid in Africa, and food aid in particular, I propose that U.S. policy inconsistencies throughout the mid-20<sup>th</sup> century created a "perverse political economy" and contributed to the decline of its hegemonic legitimacy in Africa (Kennedy 2012). I propose testing this hypothesis empirically through exploration of variables relating to levels of Chinese investment in Africa and the provision of food aid by the United States.

I would expect to find that countries with higher levels U.S. food aid also have higher rates of Chinese investment today than compared to other countries that did not receive high levels of food aid from the United States. If the empirical evidence holds, then the politicized and inconsistent role of food aid from the United States may have created a perverse political economy in which distrust of the U.S. in general provided a pathway for increased Chinese funding streams. While changes in the structure and distribution mechanisms for U.S. aid have occurred in recent years, inefficient political and economic motivations of food aid today highlight the continued need for reform.

Understanding the politicized role of food aid in this context illustrates the dangers of conditional aid and provides lessons to donor countries. To be most effective and continue into the long term as economic partners, aid should be mutually beneficial for both donor and recipient countries. Even here though, all conditionalities should not be ignored; indeed, aid restrictions concerning environmental, political, social, and human rights should be strategically pursued so as to best protect the populations aid aims to serve.

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Stephanie Swinehart is a Coverdell Fellow and a graduate of the IPED program currently pursuing her MA in Economics from Fordham University.



# IDEASCAPE — Proposals in International Public Policy

## The Determinants of the Capitalist Peace In the South China Sea

BY ENRICO ANTONIO LA VIÑA

**O**n July 11th, 2016, the Hague's Permanent Court of Arbitration (PCA) rebuked China for constructing artificial islands in the South China Sea. Almost two years later, Rodrigo Duterte, the incumbent president of the Philippines proclaimed his love for China: "I need China. More than anybody else at this point, I need China. I simply love Xi Jinping" (Quiano and Wescott 2018). That very week, China held large-scale navy exercises and installed defense infrastructure in the South China Sea islands under its control (Associated Press 2018). This episode embodies the paradoxical relationship between China and its rival claimants: relations have generally improved despite the aggressive turn in Beijing's foreign policy. My research proposal will attempt to understand this phenomenon.

I posit that the Capitalist Peace Theory, which states that developed capitalist economies are unlikely to engage in war with one another, can explain the situation in the South China Sea. There are several permutations of the Capitalist Peace Theory. Gasiorowski (1994) argues that increase in international trade will make conflict between trade partners less likely. Meanwhile, Morrow (1989) asserts that financial integration makes conflict less likely between economically integrated countries. In this research project, I hope to utilize Capitalist Peace Theory to explain the situation in the South China Sea.

I assert that states with more economic power involved in a territorial dispute will promote economic interdependence with the weaker parties of the dispute to decrease the likelihood of conflict. This is accomplished through the promulgation of trade and investment treaties. Hence, Capitalist Peace Theory is understood to be the intended consequence of a relatively powerful state's economic and foreign policy. This is dependent on the idea that the global flow of trade and investments is largely facilitated and promoted by states with more economic power (Krasner 1976). I therefore hypothesize that conflict is less likely to occur when states with more economic power initiates trade and investment



*Image courtesy of Pixabay*

agreements with the other parties of a territorial dispute. Conversely, an alternative hypothesis is that congruence in the worldviews of the parties involved in the dispute may make violence more improbable.

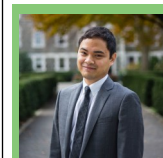
My proposed research design will test my argument by process tracing three relationships: (1) China-Malaysia, (2) China-Vietnam, and (3) China-Philippines. Process tracing is defined by Collier (2011, 824) as an analytical tool "for drawing descriptive and causal inferences from diagnostic pieces of evidence." I will analyze events, policies, archival documents, interview transcripts, and other sources to determine whether the South China Sea policies of Philippines, Malaysia, and Vietnam was affected by the promise or delivery of trade and investment agreements.

I expect to find that deeper economic ties had a larger impact on the improvement in relations between China and its neighbors than the convergence of worldviews. This is for two reasons. First, an analysis of China's grand strategy demonstrates that they have continuously used economic tools to influence the policy and norms of other countries. Second, an examination of the actions, policies, and statements by Malaysia, Vietnam, and the Philippines reveals that the promise and dispensation of more trade and investments has likely had an influence on their stance on the South China Sea.

I believe that my research proposal has significant theoretical and political implications. Moreover, I am confident that process tracing the relationship of China with its neighbors will prove that Beijing has used its considerable economic might to influence the foreign policy of its South China Sea rivals. It is necessary to conduct this research and understand the determinants of peace in the area.

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**Enrico Antonio La Viña** was a Presidential Scholar and is a recent graduate of the IPED program.

## Faculty Feature: Dr. Ralf Hepp

**D**r. Ralf Hepp was first drawn to economics in high school when he realized just how influential economic events had been on German history. After completing his undergraduate degree in Economics from the University of Bonn in Germany, he was accepted as a doctoral candidate to the University of California, Santa Cruz and completed his PhD there in International Economics. He then served as a post-doctoral fellow at the University of California, Davis before coming to Fordham in 2006.

Dr. Hepp has had varied research interests throughout his career, and wrote his dissertation on the effectiveness of debt relief initiatives and foreign aid for low-income countries. He has also done work on the effectiveness of monetary policy and the role of globally operating banks. Currently he is researching the effect of current account balances in the European Union (EU), with a particular focus on Germany, which has one of the highest current account balances relative to Gross Domestic Product (GDP).

He is currently teaching International Finance with the purpose of helping students expand their knowledge of international macroeconomic issues. "We cover theories of exchange rate determination; we study determinants of the current ac-



count balance of a country and when current account deficits or surpluses become concerning; we study what factors can lead to a currency crisis and how countries can recover from them; and some other current issues."

Students from all different backgrounds can benefit from this course, whether they plan to work in the financial sector or development organizations given the interconnectedness of global markets and the increasing role of the private sector in development work.

Dr. Hepp has seen many IPED classes throughout the years, and he has always been impressed by the diversity of students and the range of backgrounds that they bring to the IPED program.

"Every year, I am fascinated by the new cohort of IPED students who always bring several lifetimes' worth of experiences to the class room. By the end of their time in the program, they have formed friendships for life amongst themselves as well as with IPED alumni and the new incoming students. I don't have any specific advice to give IPED students other than to keep doing what they are passionate about and make use of all the opportunities that come along during their time at Fordham."

### Public Service Assistantship

Designed to attract highly qualified full-time students into the IPED program who are interested in pursuing a career in public service with the United States Government, the Public Service Assistantship include a generous stipend combined with a full tuition scholarship. Award-ees are expected to do a summer internship with the federal government, preferably overseas at a US Embassy. Additional stipends to cover the travel and living expenses of a summer internship are included with the assistantship. Eligibility criteria are: US citizenship, intent to apply for a US Presidential Management Fellowship or a Fulbright or Boren Fellowship, and willingness to complete one of IPED's economic specializations (international, development, or environmental). The application deadline is early January for the following fall semester.

For further information, go to [iped.fordham.edu](http://iped.fordham.edu) and follow the link to "Financial Aid."



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