

POL S 527b

International Political Economy II: Economic Development Winter 2008

Instructor: Aseem Prakash
Class Time: Wednesday, 1:30 - 4:20 p.m.
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Course Objective

Why do economies perform differently across space and time? We will focus on this core question and systematically examine its key explanations or schools of thought. To a lesser degree, we will also focus on the consequences of economic growth for democracy, inequality, and poverty. My expectation is that this seminar will provide you the requisite exposure to systematically think about issues of economic development while paying careful attention to alternative explanations as well potential endogeneity problems that may bedevil your preferred explanation.

Readings

Books:

The following are available at the UW bookstore.

North, Douglass. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.

World Bank, 1993. *East Asian Miracle*. Oxford University Press.

Peter Evans. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton University Press.

Robert Bates. 2001. *Prosperity and Violence: The Political Economy of Development*. W.W. Norton.

Robert Bates. 2005. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. University of California Press. 2nd Edition

Articles and Reports:

I have created an electronic reserve for the assigned articles and reports:

- <http://catalog.lib.washington.edu/search/p?SEARCH=prakash>

You will need your UW email password to access the course reserve.

The articles can also be accessed through UW's online e-journal library. Here are the URLs:

- On campus: <http://www.lib.washington.edu/types/ejournals/>
- Off campus: <http://offcampus.lib.washington.edu/menu>

Course Expectations

This doctoral seminar *requires* active student participation. You are expected to energetically and thoughtfully contribute to class discussions and the collective learning processes in the following ways.

Student Presentations

For every session, students will present and critique the assigned articles. The discussant-presenter is expected to prepare a two page (single-spaced) summary and critique of article and email it to the class by Tuesday, 12:00 noon. In other words, imagine a prominent journal has requested you to review and comment on the assigned article. Share your evaluation of the article with the class. The discussant-presenter should budget about 10-15 minutes for the in-class presentation. I will circulate a sign-up sheet on the first day of class.

Class Participation

Everybody is required to carefully review all readings and email the questions or issues they want to discuss in the class. This one page memo should reach me by Tuesday 12:00 noon. I am expecting you to list 2-3 key questions that emerge from the readings and a short discussion on how your questions relate to the theoretical or empirical issues that the assigned readings have raised.

While the discussants will have the responsibility for guiding the discussion for a given reading (and emailing their evaluations), they need to review other readings as well. In effect, the discussants will email two documents: the first on the assigned reading, and second on the discussion questions. The non-discussants will email one document only: discussion questions.

Research Proposal

A five page (single-spaced) research proposal is due March 12. Treat this as a first cut for a grant proposal or your MA/PhD thesis proposal. One page proposal outlines are due February 20. The research proposal could be structured as follows:

<i>Research Puzzle</i>	What is the central issue you want to study and why is it theoretically important? What is (are) your dependent variable (s), independent variable(s), and the logic connecting the two?
<i>Research Context</i>	How does your topic fit in the existing development literature? What are relevant concepts or models? What are the research gaps?
<i>Research Design</i>	What is the appropriate research strategy to examine your research puzzle? What are your hypotheses? Are they falsifiable? What are your data requirements? How would you analyze and interpret the data?
<i>Research Contributions</i>	What new theoretical insights your research is expected to provide? What are the implications for future research on economic development?

In-class proposal presentations are scheduled for March 12.

Evaluation

“Key questions” and class participation:	40 points
Article critique:	40 points
Research proposal:	20 points

Class Schedule

Session 1: January 9

Overview-I

- Arthur Lewis. 1984. The State of Development Theory. *American Economic Review*. 74(March): 1-10.
- United Nations Development Programme. 1990. *Human Development Report: Concept and Measurement of Human Development*. 9-41.
http://hdr.undp.org/en/media/hdr_1990_en.pdf

- World Bank. 1991. *World Development Report: The Challenge of Development*. 1-49.
http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/1998/11/17/000009265_3981005112648/Rendered/PDF/multi0page.pdf
- Mancur Olson. 1996. Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor. *Journal of Economic Perspectives*. 10(Spring): 3-24.
- Lant Pritchett. 1997. Divergence, Big Time. *Journal of Economic Perspectives*. 11(Summer): 3-17.
- World Bank. 2000/2001. *World Development Report: Attacking Poverty*. 1-29.
<http://siteresources.worldbank.org/INTPOVERTY/Resources/WDR/English-Full-Text-Report/ch1.pdf>

Session 2: January 16

Overview-II

- Paul Romer. 1994. The Origins of Endogenous Growth. *Journal of Economic Perspectives*. 8: 3-22.
- Jim Granato, Ronald Inglehart, David Leblang. 1996. The Effect of Cultural Values on Economic Development. *American Journal of Political Science*. 40(3): 607-631.
- Gianmarco Ottaviano and Diego Puga. 1998. Agglomeration in the Global Economy: A Survey of the 'New Economic Geography.' *The World Economy*. 21(August): 707-731.
- Paul Whiteley. 2000. Economic Growth and Social Capital. *Political Studies*. 48(3): 443-466.
- Tim Dyson. 2001. A Partial Theory of World Development: The Neglected Role of the Demographic Transition in the Shaping of Modern Society. *International Journal of Population Geography*. 7(2): 67-90.
- Robert Bates. 2001. *Prosperity and Violence: The Political Economy of Development*. W.W. Norton.

Session 3: January 23 (Out of town. Need to schedule a make-up class)

Institutions

- Douglass North. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.
- Adam Przeworski and Fernando Limongi. 1993. Political Regimes and Economic Growth. *The Journal of Economic Perspectives*. 7(3): 51-69.
- Paolo Mauro. 1995. Corruption and Growth. *The Quarterly Journal of Economics*. 110(3): 681-712.
- Dani Rodrik. 2000. Institutions for High-Quality Growth: What They Are and How to Acquire Them. *Studies in Comparative International Development*. 35(3): 3-31.
- Daron Acemoglu, Simon Johnson, and James Robinson. 2002. Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. *Quarterly Journal of Economics*. 117(4): 1231-94.
- Abhijit Banerjee and Lakshmi Iyer. 2005. History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India. *American Economic Review*. 95(4): 1190-1213.

Session 4: January 30

Inequality

- Simon Kuznets. 1955. Economic Growth and Income Inequality. *American Economic Review*. 45: 1-28.
- Lourdes Beneria and Gita Sen. 1982. Class and Gender Inequalities and Women's Role in Economic Development. *Feminist Studies*. 8(1): 157-176.
- Stephan Klasen. 2002. Low Schooling for Girls, Slower Growth for All? *World Bank Economic Review*. 16: 345-373.
- Robert Bates. 2005. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. University of California Press. 2nd Edition
- William Easterly. 2005. Inequality Does Cause Underdevelopment. <http://www.nyu.edu/fas/institute/dri/Easterly/File/inequality%20does%20cause%20underdevelopment.pdf>
- David Richards and Ronald Gellent. 2007. Women's Status and Economic Globalization. *International Studies Quarterly*. 51 (4): 855-876.

Session 5: February 6

Democracy

- Mancur Olson. 1993. Dictatorship, Democracy, and Development. *American Political Science Review*. 87(September): 567-76.
- Dani Rodrik. 1999. Democracies Pay Higher Wages. *Quarterly Journal of Economics*. 114(3): 707-738
- Paul Collier. 2000. Ethnicity, Politics, and Economic Performance. *Economics and Politics*. 12: 225-245.
- Matthew Baum and David Lake. 2003. The Political Economy of Growth: Democracy and Human Capital. *American Journal of Political Science*. 47 (2): 333–347.
- John Gerring, Philip Bond, William Barndt, and Carola Moreno. 2005. Democracy and Economic Growth: A Historical Perspective. *World Politics*. 57(3): 323-364.
- Michael Ross. 2006. Is Democracy Good for the Poor? *American Journal of Political Science*. 50 (4): 860–874.

Session 6: February 13

Structure and Dependency

- Tony Smith. 1979. The Underdevelopment of Development Literature: The Case of Dependency Theory. *World Politics*. 31(2): 247-288.
- Stephan Hymer. 1970. The Efficiency (Contradictions) of Multinational Corporations. *The American Economic Review*. 60(2): 441-448.
- Daniel Chirot and Thomas Hall. 1982. World System Theory. *Annual Review of Sociology*. 8: 81-106.
- Gary Gereffi. 1989. Rethinking Development Theory: Insights from East Asia and Latin America. *Sociological Forum*. 4(4): 505-533.
- Peter Evans. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton University Press.
- Glenn Firebaugh and Frank Beck. 1996. Does Economic Growth Benefit the Masses? *American Sociological Review*. 59(5): 631-653.

Session 7: February 20 (Research proposal outlines to be turned in)

East Asia

- Bruce Cumings. 1984. The Origins and Development of the Northeast Asian Political Economy. *International Organization*. 38(1): 1-40.
- World Bank. 1993. *The East Asian Miracle*. Oxford University Press.
- Paul Krugman. 1994. The Myth of Asia's Miracle. *Foreign Affairs*. 73(November-December): 62-78.
- Dajin Peng. 2002. Invisible Linkages: A Regional Perspective of East Asian Political Economy. *International Studies Quarterly*. 46 (3): 423–447.
- Richard Doner, Bryan Ritchie and Dan Slater. 2005. Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective. *International Organization*. 59 (April): 327-361.
- Hongbin Cai and Daniel Treisman. 2006. Did Government Decentralization Cause China's Economic Miracle? *World Politics*. 58(4): 505-535.

Session 8: February 27(out of town, need to schedule a make-up class)

Sustainable Development

- Donella Meadows, Dennis Meadows, Jorgen Randers, and William Behrens. 1972. *The Limits to Growth: A Report to The Club of Rome*.
<http://www.clubofrome.org/docs/limits.rtf>
- Francis Sandbach. 1978. The Rise and Fall of the Limits to Growth Debate. *Social Studies of Science*. 8(4): 495-520
- Gene Grossman and Alan Krueger. 1995. Economic Growth and the Environment. *The Quarterly Journal of Economics*. 110(2): 353-377.
- Giles Atkinson and Kirk Hamilton. 2003. Savings, Growth and the Resource Curse Hypothesis. *World Development*. 31(11): 1793-1807.
- Richard York, Eugene Rosa, and Thomas Dietz. 2003. Footprints on the Earth: The Environmental Consequences of Modernity. *American Sociological Review*. 68 (2): 279-300.
- Indra de Soysa and Eric Neumayer. 2005. False Prophet or Genuine Savior? Assessing the Effects of Economic Openness on Sustainable Development. *International Organization*. 59(3): 731-772.

- Quan Li and Rafael Reuveny. 2006. Democracy and Environmental Degradation. *International Studies Quarterly*. 50: 935-956.

Session 9: March 5

Aid

- Craig Burnside and David Dollar. 2000. Aid, Policies, and Growth. *American Economic Review*. 90(4): 847-68.
- Stephen Knack. 2001. Aid Dependence and the Quality of Governance. *Southern Economic Journal*. 68(2): 310-329.
- Paul Collier and David Dollar. 2004. Development Effectiveness: What Have We Learnt? *The Economic Journal*. 114 (June): F244-F271.
- Karen Remmer. 2004. Does Foreign Aid Promote the Expansion of Government? *American Journal of Political Science*. 48 (1): 77-92.
- William Easterly. 2006. The Big Push Déjà Vu: A Review of Jeffrey Sachs's 'The End of Poverty: Economic Possibilities for Our Time'. *Journal of Economic Literature*. 44(March): 96-105.
- Stephen Kosack and Jennifer Tobin. 2006. Funding Self-Sustaining Development: The Role of Aid, FDI, and Government in Economic Success. *International Organization*. 60 (1): 205-243.

Session 10: March 12

In-class student presentations