

Political Economy of Development

(As of 1/22/12)

Amherst College
Political Science 232, spring 2012
Tue and Thu 8:30am+

Course website: moodle.amherst.edu
Personal website: www.amherst.edu/users/C/jcorrales

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Office Hrs: Tue 3:40-5pm, and by appt.

Course Description

We will review arguments about the:

- a) rise and decline of nations historically and in the contemporary period;
- b) role of states in promoting and hampering development;
- c) role of markets in generating incentives, information, positive and negative externalities, bubbles, cycles, and inequality;
- d) ways in which states and markets help or hinder each other.
- e) extent to which democracy can be considered a cause of development, an outgrowth of development, or neither;
- e) capacity of political institutions to alleviate or exacerbate both state and market failures;
- e) ways in which resource dependence distorts the economy and politics;
- f) extent to which education helps or impairs development;
- g) extent to which external actors (aid donors, lending institutions, foreign powers) encourage or discourage development.

This course fulfills requirements for the:

Political Science Major
Five College Certificate in International Relations
Five College Certificate in Latin American Studies

Exams:

All students are required to take **3 in-class exams**. Your best grade will count 35 percent, your second-best grade will count 25, and your lowest grade will count 20 percent.

There will be several **pop quizzes** throughout the semester (20 percent of grade).

Attendance:

Class attendance is mandatory. In addition, you are required to come to class having completed the readings for that class meeting. Attendance will be taken. I will only allow one absence per semester. Additional absences will lower your participation grade.

Lead Discussants:

At the beginning of the semester, you will be assigned to one of the various groups of lead discussants. On designated class meetings, lead discussants will be expected to participate more actively and be better prepared than the rest of the class. I will not call on you, but I will expect more participation from you. Lead discussants who raise their hand to make a comment or answer a question will have priority over other students. The list of assignments indicates what days each group is expected to take the lead. This is an opportunity to demonstrate that you are engaged, which can help your final grade.

My Participation: This is a lecture course. Occasionally, I will expect some class discussion. One objective of class discussion is to allow me to respond to your own comments—to point out good thinking or bad thinking when I hear it. I want to make everyone feel comfortable participating. But at the same time, I must correct comments for factual errors or faulty logic, and sometimes challenge them with rival arguments or extend them into new territory. Please do not take offense by my corrections or challenges, or be discouraged to participate in fear of being corrected. I do not expect your comments in class to be perfect. Class time is not test time. I simply expect you to be engaged and to offer ideas that we as a group can work with. In assessing participation grade, I look for relevance, not necessarily accuracy. Making mistakes is part of the learning process. If a comment is wrong, unclear or debatable, it is my duty to point that out for the sake of everyone.

Readings:

This is a heavy-reading course. You should be prepared to read approximately 80 pages per class meeting.

Lectures will be devoted to discussing arguments in the readings. I will focus on noteworthy points. There will be times when a reading won't be discussed in class, either because of lack of time or because I feel the argument in that reading is sufficiently self-explanatory. You are still required to be familiar with all readings in the syllabus, even undiscussed ones.

A quick tip on how to read: Pace yourself. Avoid waiting until the night before class to start reading, or even worse, waiting until the night before a test. It's too much material. Try to read a bit every night. Prepare summaries in advance, read the summaries (or review readings) before each class. Think about the readings comparatively: how are these readings debating other readings in the course. In other words, find the debates. Sometimes, the debates are implied rather than explicitly stated in the readings. In class, I will try to point out some of these debates, but feel free to make your own connections.

For more tips, please refer to the "How to read" sheet I've prepared for the course, available in Moodle.

The following books are required. They are available for purchase at Amherst Bookstore in downtown Amherst:

- Collier, Paul. 2007. *The Bottom Billion*. Oxford University Press.
- Corrales, Javier and Michael Penfold. 2011. *Dragon in the Tropics: The Political Economy of Revolution in Venezuela* (Washington DC: Brookings Institution Press).
- Easterly, William. 2002. *The Elusive Quest for Growth*. Cambridge, MA: The MIT Press.
- Goddard, C. Roe, Patrick Cronin and Kishore C. Dash, eds. 2003. *International Political Economy: State-Market Relations in a Changing Global Order*, 2nd Ed., Boulder, CO: Lynne Rienner.

In addition, we will read a number of articles and excerpts. These readings will be available online (with an Amherst username and password) at:

<https://www.amherst.edu/academiclife/departments/courses/0910S/POSC/POSC-32-0910S/ereserves>

Most of them will also be available as part of a course packet, or multilith. The multilith offers the convenience on printed copies of these readings. It is available for purchase in the Political Science Department. You must place your order no later than during the add/drop period.

Etiquette:

Please arrive punctually (I know, it's hard at 8:30am), but arriving late is better than simply not showing up. Do not sleep or chat with your neighbors. Raise your hand and wait for your turn to speak. Do not interrupt others, but feel free to interrupt me if I seem to be moving on to a new topic and you are not ready to move on. If you need to leave early, please let me know before the beginning of class.

No computers or electronic devices allowed in the classroom, except with special permission.

List of Assignments
(P) = Book for Purchase

Date	Reading Assignment
Section 1: Trends and Traditional Theories of Development	
Tue Jan 24	No Class
Thu Jan 26	<p>Introduction: It's all about growth, growth and...? (P) Gilpin, Robert. "The Nature of Political Economy." In Goddard et al., pp. 9-24. (P) Easterly, Chapter 1. Drazen, Allen. 2000. <i>The Political Economy of Macroeconomics</i> (Princeton University Press), read pp. 3-8 only.</p>
Tue Jan 31 G-1	<p>Growth and Happiness Friedman, Benjamin M. 2006. "The Moral Consequences of Economic Growth." <i>Society</i> (January/February):15-22. <i>The Economist</i>. 2005. "The mountain man and the surgeon" (December 20). Sen, Amartya. 1994. "Freedoms and Needs." <i>The New Republic</i>, Nos. 2 and 3 (January):31-38 Development Today... and in 2015 UNDP. 2003. <i>Human Development Report 2003</i>, pp. 33-44, 60-65.</p>
Thu Feb 2 G-2	<p>The Rise of the West, part I: Attitudes, Technology and ... Political Competition..? Easterly, Chapter 9. Bueno de Mesquita, Bruce. 2003. <i>Principles of International Politics</i>. Washington, DC: CQ Press, pp. 24-36, 87-92. Rietbergen, P.J. 2008. <i>A Short History of the Netherlands</i>, 8th edition. Amersfoort: Bekking and Blitz Uitgevers, pp. 92-97, 109-110.</p>
Tue Feb 7 G-3	<p>The Rise of the West, Part II and the Rest A. The Scientific Revolution, Industrialization B. Modernization Theory Lipset, Seymour Martin. 1963. <i>Political Man. The Social Bases of Politics</i>. Baltimore: Johns Hopkins Univ. Press, pp. 27-58. C. An Alternative Theory: Gerschenkron, Alexander. 1966. <i>Economic Backwardness in Historical Perspective</i>. The Belknap Press, pp. 5-30.</p>
Thu Feb 9 G-4	<p>Challenges to Modernization Theory (from the left and the right) (P) Karl Marx and Friedrich Engels. 1867/1848. Excerpts from <i>Capital</i> and the <i>Communist Manifesto</i>. In Goddard et al., 151-165. (P) Dos Santos, Theotonio. 1970. "The Structure of Dependence" in Goddard et al., 167-177. Huntington, Samuel J. 1968. <i>Political Order in Changing Societies</i>. Yale University Press, pp. 1-8, 32-39, 47-56.</p>
Tue Feb 14 G-5	<p>Challenges to Dependency Theory World Bank. 1993. <i>The East Asian Miracle. Summary</i>. Washington, D.C. The World Bank, pp. 6-34.</p>

	<p>Krueger, Anne O. 1990. Government Failures in Development. <i>Journal of Economic Perspectives</i> 4, 3, Summer, pp. 9-23.</p> <p>(P) Easterly, William. Chapter 11</p> <p>Larraín, Felipe, et al., 2000. "Intel: A Case Study of Foreign Direct Investment in Central America," Cambridge, MA: Center for International Development Working Paper No. 58, Harvard University.</p>
Thu Feb 16 G-1	<p>The Washington Consensus</p> <p>Bierkester, Thomas J. 1995. "The Triumph of Liberal Ideas in the Developing World." in Barbara Stallings, ed. <i>Global Change, Regional Responses</i>. Cambridge University Press, pp. 174- 196.</p> <p>Birdsall, Nancy et al. 2010. <i>The Washington Consensus: Assessing a Damaged Brand</i>, Washington, DC, pp. 1-15.</p>
Tue Feb 21 G-2	<p>The Post-Washington Consensus: The State, Export-Oriented Models, and Growth with Equity</p> <p>Birdsall, 2010. Finish reading.</p> <p>Stiglitz, Joseph. 1996. "Some Lessons from the East Asian Miracle." <i>World Bank Research Observer</i> 2 (August):151-177.</p> <p>Gore, Charles. 2000. The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries, read only p. 317-319 and 326-340.</p> <p>Wade Robert vs. Martin Wolf. 2002. "Are Global Poverty and Inequality Getting Worse? In David Held and Anthony McGrew, eds. <i>The Global Transformation Reader</i>. Second Edition, Cambridge, UK: Polity Press, pp. 440-446.</p>
Part 2: Political Determinants of Development	
Thu Feb 23 G-3	<p>Is it the state?</p> <p>(P) Evans, Peter. "States and Industrial Transformation." In Goddard, pp. 119-139.</p> <p>(P) Lindsey, Brink. "The Invisible Hand vs. the Dead Hand." In Goddard, pp. 59-70.</p> <p>(P) Easterly, Chapter 10.</p>
Tue Feb 28	Exam
Thu Mar 1	No Classes
Sun SPECIAL SESSION G-4	<p>Is it regime type? Does Democracy foster development; does development foster democracy?</p> <p>Olson, Mancur. 2000. <i>Power and Prosperity</i>. Basic Books, pp. 1-43.</p>
Tue Mar 6 G-5	<p>Regime type, part II</p> <p>Przeworski, Adam, Michael E. Alvarez, Jose Antonio Cheibub, and Fernando Limongi. 2000. <i>Democracy and Development: Political Institutions and Well-Being in the World, 1950- 1990</i>. New York: Cambridge University Press, pp. 78-117, 136-137, 269-278.</p> <p>Easterly, Chapter 12.</p>
Thu Mar 8	No Classes
Tue Mar 13 G-1	<p>Regime Type, part III</p> <p>Seawright, Jason. 2007. "Democracy and Growth: A Case Study in Failed Causal Inference. In Gerardo L. Munck, ed., <i>Regimes and Democracy in Latin America: Theories and Methods</i>. Oxford University Press.</p> <p>Bermeo, Nancy. 2009. Does Electoral Democracy Boost Economic Equality?" <i>Journal of Democracy</i> (October):21-35.</p>

	Lewis, Peter. 2008. "Growth Without Prosperity in Africa." <i>Journal of Democracy</i> , pp. 95-109.
Thu Mar 15 G-2	Is it Institutions? World Bank. 2001. <i>Building Institutions for Markets. World Development Report 2002.</i> pp. 99-111 North, Douglass, William Summerhill and Barry R. Weingast. 2000. "Order, Disorder, and Economic Change: Latin America versus North America. In Bruce Bueno de Mesquita and Hilton L. Root, eds. <i>Governing for Prosperity</i> , Yale University Press, pp. 17-59. (P) Easterly, Chapter 6. "How to Grease a palm." <i>The Economist</i> . December 23, pp. 115-6 (P) Collier, David, Chapter 5, pp. 64-75.
Mar 18/22	Spring Break
Tue Mar 27 G-3	More on Institutions Fish, M. Steven. 2009. "Fighting Reversion: Strong Legislatures as the Key to Bolstering Democracy" (mimeo). Education and Development I: (P) Easterly, Chapter 4. Hannum, Emily and Claudia Buchmann. 2003. "The Consequences of Global Educational Expansion." Cambridge, MA; American Academy of Arts and Sciences. Weiner, Myron. 1991. <i>The Child and the State in India</i> . Princeton Univ. Press, pp. 3-15, 180-207.
Thu Mar 29 G-4	Education and Development II Weiner, Myron. 1991. <i>The Child and the State in India</i> . Princeton University Press, pp. 109-153,. "Is Our Children Learning." <i>The Economist</i> , July 15, 2006, p. 76. One more reading TBA. Ramachandran, V.K. 2000. "Human Development Achievements in and Indian State: A Case Study of Kerala." In Dharam Ghai, ed., <i>Social Development and Public Policy</i> . St Martin's Press.
Tue Apr 3	No class
Thu Apr 5 G-5	Education Implementation Corrales, Javier. The State Is Not Enough.
Tue Apr 10 G-1	Violence (P) Easterly, Chapter 13, pp. 255-283 (P) Collier, Paul. 2007. Chapters 2, 7 and 10 Drug Trade and Violence O'Neil, Kathleen. 2011. Constructing Democratic Governance in Mexico (mimeo) Farah, Doug. 2011. Testimony before Congress.
Thu Apr 12 G-2	The Arab Spring Readings TBA.
Tue Apr 17 G-3	Catching Up
Thu Apr 19	No Class Exam

Part 4: The Resource Curse: Venezuela Compared	
Tue Apr 24 G-4	<p>Oil, Development, and Chavismo (P) Collier, Paul. 2007. <i>The Bottom Billion</i>, Chapter 3, pp. 38-52 (P) Corrales and Penfold Chapter 1 and 2.</p>
Thu Apr 26 G-5	<p>More on Chavismo: (P) Corrales and Penfold, Chapter 3-5 Reading on the Gulf States TBA.</p>
Tue May 1	<p>Escaping the Resource Curse: Venezuela and Botswana (P) Collier, Chapter 4. Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2003. "An African Success Story: Botswana." In Dani Rodrik, ed., <i>In Search of Prosperity</i>. Princeton University Press, pp. 80-119.</p>
Thu May 3	<p>Concluding Thoughts On the rise of the middle class (Center for Global Development on poverty in middle-income countries). Greig, Alastair, David Hulme, and Mark Turner. 2007. <i>Challenging Global Inequality</i>. New York: Palgrave, Chapter 11 (pp. 240-258). Sachs, Jeffrey. On different development needs.</p>