

# Political Science 351

## Political Economy of Development

### Fall 2014

Professor Jonathan Hanson  
johanson@syr.edu  
Office: 324 Eggers, 443-4032  
Office Hours: Fridays 10:00-12:00

Despite a long and vigorous debate over the causes of development and underdevelopment, the income gap between the world's wealthiest and poorest nations continues to grow. This course examines the interrelationship of the political, social, and economic factors that produce development outcomes, with emphasis on the political. Broad themes of the course include the following: the relationship between political and economic change; the role of the state in fostering or hindering economic development; the role of cultural, religious, and ethnic factors in the process of development; and sources of political conflict.

#### **Readings**

The following book will be available for purchase at the Syracuse University Bookstore:

- Baker, Andy. 2014. *Shaping the Developing World: The West, the South, and the Natural World*. Los Angeles: CQ Press.

All other readings will be placed on electronic reserve using the Blackboard system.

#### **Assignments and Grading**

Students are expected to read all assignments, with the exception of those marked optional. Readings should be completed prior to lecture, or at least before the second lecture on a given topic. To promote regular engagement with course readings, a set of 4-5 response papers will be assigned during the term. These papers will be 1-2 pages in length, and their purpose will be to summarize the main arguments from a reading or set of readings.

Each student will choose a country from the developing world for which he or she is the designated "class expert." Over the course of the term, students will perform research to learn about that country's history, economy, politics, and social

characteristics. The goal is for students to examine how the theoretical material from lectures and readings is manifested in specific cases. I hope that students will use their country knowledge to contribute concrete examples for class discussions. A mid-term exam will be administered in class on October 20. There will be one 5-6 page paper assignment due on November 10. The topic(s) for this paper will be provided a few weeks in advance of this date. The final exam is scheduled for December 8.

Your course grade will be calculated as follows:

Response papers: 20%

Class Participation: 15%

Mid-term Exam: 20%

Paper: 20%

Final Exam: 25%

### **Attendance Policy**

Class participation, which I define as active engagement with the course, is 15% of the course grade. If you are absent, you are not participating. If you will be absent for a medical reason or an official university activity, please provide me with appropriate information.

### **Religious Observances**

SUs religious observances policy, found at [http://supolicies.syr.edu/emp\\_ben/religious\\_observance.htm](http://supolicies.syr.edu/emp_ben/religious_observance.htm), recognizes the diversity of faiths represented among the campus community and protects the rights of students, faculty, and staff to observe religious holy days according to their tradition. Under the policy, students are provided an opportunity to make up any examination, study, or work requirements that may be missed due to a religious observance provided they notify their instructors before the end of the second week of classes. For fall and spring semesters, an online notification process is available through MySlice → Student Services → Enrollment → My Religious Observances from the first day of class until the end of the second week of class.

### **Technology in the Classroom**

Use of laptops for note-taking purposes is permitted. Students are expected to show common courtesy to avoid distracting fellow students. Any distracting use of electronic devices may lead to your dismissal from the classroom.

### **Academic Integrity**

The Syracuse University Academic Integrity Policy holds students accountable for the integrity of the work they submit. Students should be familiar with the Policy and know that it is their responsibility to learn about instructor and general academic expectations with regard to proper citation of sources in written work.

The policy also governs the integrity of work submitted in exams and assignments as well as the veracity of signatures on attendance sheets and other verifications of participation in class activities. Serious sanctions can result from academic dishonesty of any sort.

### **Academic Accommodations for Students with Disabilities**

If you believe that you need accommodations for a disability, please contact the Office of Disability Services (ODS), <http://disabilityservices.syr.edu>, located at 804 University Avenue, room 309, or call 315-443-4498 for an appointment to discuss your needs and the process for requesting accommodations. ODS is responsible for coordinating disability-related accommodations and will issue students with documented disabilities "Accommodation Authorization Letters," as appropriate. Since accommodations may require early planning and generally are not provided retroactively, please contact ODS as soon as possible. You are also welcome to contact me privately to discuss your academic needs, although I cannot arrange for disability-related accommodations.

## **Setting the Stage**

### **August 25: Introduction and Course Mechanics**

### **August 27: No Class**

### **September 3: Wealth and Poverty in the World Today**

- Baker, chapter 1.
- Jeffrey D. Sachs. 2005. "The Spread of Economic Prosperity," in *The End of Poverty: Economic Possibilities for Our Time*, chapter 2. New York: Penguin Books.
- Dani Rodrik. 2011. "Poor Countries in a Rich World," in *The Globalization Paradox: Democracy and the Future of the World Economy*, chapter 7. New York: W.W. Norton & Co.
- *Optional*: Abhijit V. Banerjee and Esther Duflo. 2007. "The Economic Lives of the Poor." *The Journal of Economic Perspectives* 21(1): 141–168.

### **September 8: What is Development?**

- Baker, chapters 2 and 3.
- Amartya Sen. 1999. "The Ends and the Means of Development," in *Development as Freedom*, chapter 2. New York: Anchor Books.

- Daniel Lerner. 1958. "The Grocer and the Chief: A Parable," in *The Passing of Traditional Society: Modernizing the Middle East*, Glencoe, Ill., The Free Press.

## Perspectives on the Deep Determinants of Development

### September 10: The Culture Hypothesis

- Baker, chapter 7.
- David Landes, David. 2000. "Culture Makes Almost All the Difference," in *Culture Matters: How Values Shape Human Progress.*, Lawrence E. Harrison and Samuel P. Huntington, eds. New York: Basic Books.
- Ha-Joon Chang. 2008. "Lazy Japanese and Thieving Germans," in *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism*, chapter 9. New York: Bloomsbury Press.

### September 15: The Geography Hypothesis

- Baker, chapter 13, pp. 309–320.
- Jared Diamond. "Why Did Human History Unfold Differently on Different Continents for the Last 13,000 Years?"
- Jeffrey D. Sachs, Andrew D. Mellenger, and John L. Gallup. 2001. "The Geography of Poverty and Wealth." *The Scientific American* (March): 70–75.
- *Optional*: John L. Gallup and Jeffrey D. Sachs. 2001. "The Economic Burden of Malaria." Supplement to the *American Journal of Tropical Medicine and Hygiene* 64(1).

### September 17 & 22: Legacies of Colonialism

- Baker, Chapter 4.
- Kenneth L. Sokoloff and Stanley L. Engerman. 2000. "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World." *Journal of Economic Perspectives*, 14(3): 217–232.
- Daron Acemoglu and James A. Robinson. 2012. "Reversing Development," in *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, chapter 9. New York: Crown Publishers.

### September 24: Dependency Theories

- Baker, chapter 5.

- Samuel J. Valenzuela and Arturo Valenzuela. 1978. "Modernization and Dependency: Alternative Perspectives in the Study of Latin American Development." *Comparative Politics* 10(4): 543–550.
- *Optional*: Peter Evans. 1979. "Imperialism, Dependency, and Dependent Development," in *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*, chapter 1. Princeton: Princeton University Press.

### **September 29: Institutions as the Key**

- Daron Acemoglu, Simon Johnson and James A. Robinson. 2005. "Institutions as a Fundamental Cause of Long-Run Growth," in *Handbook of Economic Growth*, 1A(5): 385–421.

## **States and Markets**

### **October 1: The "Big Push" and Import-Substituting Industrialization**

- Baker, chapter 8, pp. 183–194.
- Anne O. Krueger. "Import Substitution Versus Export Promotion," *Finance & Development*, 22(2): 20-23.

### **October 6: Neo-Liberalism and the "Washington Consensus"**

- Baker, chapter 8, pp. 195–208.
- Deepak Lal. 1985. "The Misconceptions of 'Development Economics'." *Finance & Development* 22(2): 10-13.
- John Rapley. 2007. "The Neoclassical Answer to Failure," in *Understanding Development: Theory and Practice in the Third World*, chapter 4. Boulder, CO: Lynne Rienner Publishers.
- *Optional*: Anne O. Krueger. 1990. "Government Failures in Development." *Journal of Economic Perspectives* 4(3): 9-23.

### **October 8: The New Institutionalism**

- Douglass North. "The New Institutional Economics and Development." Unpublished Essay.
- Mancur Olson. 1996. "Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others are Poor." *Journal of Economic Perspectives* 10(2): 3-24.
- Baker, Chapter 9.

### **October 13: Developmental vs. Predatory States**

- Adrian Leftwich. 2000. "Developmental States: Bringing Politics Back In," in *States of Development: On the Primacy of Politics in Development*, chapter 7. Malden, MA: Blackwell Publishers Inc.
- Peter Evans. 1995. "States," in *Embedded Autonomy: States and Industrial Transformation*, chapter 3. Princeton: Princeton University Press.
- *Optional*: Peter Evans. 2008. "In Search of the 21st Century Developmental State." Working Paper No. 4. The Centre for Global Political Economy, University of Sussex.

### **October 15: Review of the Course to Date**

### **October 20: Mid-Term Exam**

## **Political Regimes, Governance, and Development**

### **October 22 & 27: Development → Democracy?**

- Adam Przeworski and Fernando Limongi. 1997. "Modernization: Theories and Facts," *World Politics*, 49(2): 155-183.
- Evelyne Huber, Dietrich Rueschemeyer, and John D. Stephens. 1993. "The Impact of Economic Development on Democracy," *The Journal of Economic Perspectives*, 7(3): 71-85.

### **October 29 & November 3: Democracy → Development?**

- Baker, chapter 10.
- Amartya Sen. 1999. "The Importance of Democracy." In *Development as Freedom*, chap. 6. New York: Anchor Books.
- Adam Przeworski and Fernando Limongi. 1993. "Political Regimes and Economic Growth," *The Journal of Economic Perspectives*, 7(3): 51-69.
- *Optional*: Mancur Olson. 1993. "Dictatorship, Democracy, and Development." *American Political Science Review*, 87(3): 567-576.

### **November 5: Incentives for Good Governance**

- Gary W. Cox and Matthew D. McCubbins. 2001. "The Institutional Determinants of Economic Policy Outcomes." In *Presidents, Parliaments and Policy*, Stephan Haggard and Matthew D. McCubbins, eds., chapter 2. Cambridge: Cambridge University Press.

- Nicolas van de Walle. 2001. "Decisionmaking in Postcolonial Africa," in *African Economies and the Politics of Permanent Crisis, 1979-1999*, chapter 3. Cambridge: Cambridge University Press.

## **Topics in the Political Economy of Development**

### **November 10: Development Assistance**

- **Paper Due.**
- Baker, Chapter 6.
- Dambisa Moyo. 2009. "Aid is Not Working" and "The Silent Killer of Growth," in *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa*, chapters 3 and 4. New York: Farrar, Straus and Giroux.
- Angus Deaton. 2013. "How to Help Those Left Behind," in *The Great Escape: Health, Wealth, and the Origins of Inequality*, chapter 7. Princeton: Princeton University Press.
- *Optional*: William Easterly. 2006. "Reliving the 1950s: The Big Push, Poverty Traps, and Takeoffs in Economic Development." *Journal of Economic Growth* 11(4): 289–318.

### **November 12: Inequality**

- Baker, Chapter 12.
- Michael L. Ross. 2006. "Is Democracy Good for the Poor?" *American Journal of Political Science* 50(4): 860–874.

### **November 17: Ethnic Identity and Development**

- Baker, Chapter 11.
- Mwangi S. Kimenyi. 2006. "Ethnicity, Governance and the Provision of Public goods." *Journal of African Economies* 15: 62–99.
- *Optional*: Daniel A. Posner. 2004. "The Political Salience of Cultural Difference: Why Chewas and Tumbukas Are Allies in Zambia and Adversaries in Malawi," *American Political Science Review*, 98(4): 529-545.

### **November 19: Conflict**

- Baker, chapter 11.
- *Optional*: Philip Gourevitch. "Letter from Rwanda: After the Genocide," *The New Yorker*, December 18, 1995.

### **December 1: The “Resource Curse”**

- Baker, chapter 13, pp. 320–329.
- Macartan Humphreys, Jeffrey D. Sachs, and Joseph Stiglitz. 2007. “What is the Problem with Natural Resource Wealth?” in *Escaping the Resource Curse*, chapter 1. New York: Columbia University Press.
- *Optional*: John Ghazvinian. 2007. “The Onshore Effect,” in *Untapped: The Scramble for Africa’s Oil*, chapter 1. Orlando, Florida: Harcourt Inc., pp. 17-82.

### **December 3: Forging a New Development Agenda**

- Paul Collier. 2007. “An Agenda for Action,” in *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*, chapter 11. New York: Oxford University Press.
- Kingsley Chiedu Moghalu. “Africa’s Future – and China Inc.” in *Emerging Africa: How the Global Economy’s ‘Last Frontier’ Can Prosper and Matter*, chapter 14. Penguin Global.
- William Easterly. 2006. “The Future of Western Assistance.” In *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good*, chap. 11. New York: The Penguin Press.

### **December 8, 12:45-2:45 pm: Final Exam**