

Princeton University

WWS561/POL523

Fall Term 2011

Comparative Political Economy of Development

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Tue. 1:30 – 4:20pm
WWS - Robertson - 001

This course will provide a graduate level introduction to the comparative study of development. The course is organized around the issue of why some parts of the developing world have done better at “development” than other parts. Whereas Asia is often viewed as developing rapidly, sub-Saharan Africa has just as often been treated as a failure. Latin America is commonly perceived as a mixed case, with pockets of both success and failure. While defining what success or failure may mean, and qualifying these assessments as necessary, our collective focus will be on how best to understand such variations. The main contending explanations of developmental success and failure that we will examine generally point to varying roles of national states, markets and of globalization.

The course is divided into three parts. After a brief overview that will emphasize the interaction of states, markets and globalization as our conceptual framework, we will examine a variety of development pathways. The readings will introduce you to main regions of the developing world—and to their experience with development—as well as to some specific countries. I will often draw my examples from four cases, namely, Korea, Nigeria, India, and Brazil. The cross-regional focus will also enable us to discuss some standard issues that ought to be covered in such a course: state-led growth, growth versus distribution, managing external dependencies, structural adjustment, role of institutions, and democracy versus authoritarianism. We will finally end the course by focusing on emerging issues that cut across the regions and that are likely to be significant enough to merit our special attention. I have picked four such issues for discussion: Globalization; Democracy, Ethnic Conflict; and Distribution and Poverty.

Course Requirements:

The course is designed as a **heavy** reading course. Do notice that no readings are assigned for the first and the last session. If you spread out your ten week concentrated readings over 12 weeks, the reading load ought to be manageable. All seminar members will be expected to keep up with the readings and to participate in discussions; a grade

will be assigned to the quality of participation in the precepts. There will be two take-home exams, a mid-term and a final. I will provide further details in the class. Doctoral students will have the option of writing a research paper. Depending on the size of the class, the structure of the course and of the assignments may have to be modified. Three precepts (discussion groups) are currently scheduled; each will meet for one hour on Wednesday mornings (starting in the second week of the course; the time for one of these three precepts may be changed; location of where these precepts will meet will be announced in class).

Readings:

All “required” readings are (or ought to be) on e-reserve set up by the WWS library. The books that you will read cover to cover (or nearly) have been ordered at the university bookstore and ought to be available; these are listed below. You can also order these from Amazon.

Books Ordered:

Dani Rodrik, The Globalization Paradox, W.W. Norton, 2011.

Nicholas van de Walle, African Economies and the Politics of Permanent Crisis, 1979-1999, Cambridge University Press, 2001.

Atul Kohli, State-Directed Development: Political Power and Industrialization in the Global Periphery, Cambridge University Press, 2004.

Doug Guthrie, China and Globalization, Routledge, 2009.

Evan Lieberman, Boundaries of Contagion, Cambridge University Press, 2009.

Francisco Panizza, Contemporary Latin America: Development and Democracy Beyond the Washington Consensus, Zed Books, 2009.

Abhijit Banerjee and Esther Duflo, Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty, Public Affairs, 2011.

Weekly Course Topics and Readings

Session 1: Introduction to the course; no readings are assigned for the first week.

Note: Do get started on readings for next week and try to stay ahead.

Session 2: Four major debates in comparative political economy of development:

- a. States versus Markets
- b. Global arena: opportunity or constraint
- c. Growth versus Distribution (as ends but also as means)
- d. Democracy versus Authoritarianism (as ends but also as means)

Robert Wade, Governing the Market 1990. 8-33.

World Development Report (from here on, WDR), 1991, pp. 1-11.

Anne O. Krueger, "Government Failures in Development," Journal of Economic Perspectives, Summer 1990, pp. 9-23.

Atul Kohli, "State-Directed Development, 2004, pp. 1-24.

World Bank, Economic Growth in the 1990s, 2005, foreword, xi-xiii and Ch. 1, 1-30.

Adam Przeworski and Fernando Limongi, "Political Regimes and Economic Growth," Journal of Economic Perspectives, Summer 1993, pp. 51-69.

Human Development Report (from here on, HDR), 1996, pp. 1-10 and p. 20.

World Bank, Commission on Growth and Development, The Growth Report, 2008, 1-12 (Overview).

Branko Milanovic, "Two Faces of Globalization," World Development, 2003, Vol. 31, No. 4, pp. 667-83.

Joseph Stiglitz, "Is There a Post-Washington Consensus Consensus?" in Narcis Serra and Joseph Stiglitz, eds., The Washington Consensus Reconsidered, 2008, pp. 41-56.

Supplementary Readings:

Studies in Comparative International Development, (special issue on 'dependency and development revisited,') V. 44, No. 4, Dec. 2009.

Narcis Serra and Joseph Stiglitz, eds., The Washington Consensus Reconsidered, 2008.

Robin Broad and John Cavanaugh, Development Redefined, Paradigm Publishers, 2008.

Alice Amsden, Escape from Empire: The Developing World's Journey through Heaven and Hell, 2007.

Richard Sandbrook et. al., Social Democracy in the Global Periphery, 2007.

Dani Rodrik, ed., In Search of Prosperity: Analytic Narratives on Economic Growth, 2003.

Ha-Joon Chang, Kicking Away the Ladder: Development Strategy in Historical Perspective, 2002.

Jeff Sachs, "Tropical Underdevelopment," CID Working Paper No. 57, 2000.

Alice Amsden, The Rise of the "Rest": Challenges to the West from Late-Industrializing Economies, 2001.

Charles Lindblom, Politics and Markets: The World's Political-Economic Systems, 1977.

John Williamson, "A Short History of the Washington Consensus" in Narcis Serra and Joseph Stiglitz, eds., The Washington Consensus Reconsidered, 2008.

Samuel Huntington, Political Order in Changing Societies, 1968.

Deepak Lal, The Poverty of Development Economics, 1983.

Peter Evans, et al., Bringing the State Back In, 1985.

Joel Migdal, Strong Societies and Weak States: State-Society Relations and State Capabilities in The Third World, 1988.

Peter Evans, Embedded Autonomy, 1995.

William Easterly, The Elusive Quest for Growth, 2001.

Amartya Sen, Development as Freedom, 1999.

Session 3: The East Asian "Miracle"

Bela Balassa, "Lessons of East Asian Development," Economic Development and Cultural Change, 1988, S273-290.

Chalmers Johnson, "Political Institutions and Economic Performance," in Fredric Deyo, ed. The Political Economy of the New Asian Industrialism, 1987, pp. 136-164.

World Bank, The East Asian Miracle, 1993, pp. 1-26.

Atul Kohli, State-Directed Development, Chs. 1-3 (skim Ch. 1).

K.S. Jomo, "Globalization. Liberalization and Equitable Development: Lessons from East Asia," United Nations Research Institute for Social Development, Overarching Concerns 3, 2003.

Joseph Wong, Healthy Democracies, 2004, 1-17, 154-73.

Andrew MacIntyre, T.J. Pempel and John Ravenhill, eds., Crisis as Catalyst: Asia's Dynamic Political Economy, 2008, 1-24 and 271-92.

Supplementary Readings:

Note: Korea Economic Institute of America publishes an annual review of the Korean economy that provides a non-technical overview of recent developments; the opening issue of Asian Survey every year provides articles that analyze recent political and economic developments in all major Asian countries, including South Korea.

Andrew MacIntyre, T. J. Pempel and John Ravenhill, eds., Crisis as Catalyst: Asia's Dynamic Political Economy, 2008.

Kevin Cai, The Political Economy of East Asia: Regional and National Dimensions, 2008.

Barry Eichengreen and Duck-Koo Chung, eds., The Korean Economy: Beyond the Crisis, 2004.

Joseph Stiglitz and Shahid Yusuf, eds., Rethinking the Asian Miracle, 2001.

Iyanatul Islam and Anis Chowdhry, The Political Economy of East Asia: Post-Crisis Debates, 2000.

Meredith Woo-Cumings, ed., The Developmental State, 1999.

Paul Krugman, "The Myth of Asia's Miracle," Foreign Affairs, November 1994.

Robert Wade, Governing the Market, 1990.

Alice Amsden, Asia's Next Giant: South Korea and Late Industrialization, 1989.

Helen Hughes, Achieving Industrialization in East Asia, 1988.

Leroy Jones and Il Sakong, Government Business, and Entrepreneurship in Economic Development: The Korean Case, 1980.

World Development, Vol. 22, #4, Various articles on the World Bank's, "The East Asian Miracle Report."

Session 4: From Crisis to Crisis in Africa

Nicholas van de Walle, African Economies and the Politics of Permanent Crisis, 1979-1999.

Steven Radelet, Emerging Africa: How 17 Countries are Leading the Way, 2010, 9-25.

Atul Kohli, State-Directed Development, Chs. 8 and 9 (skim Ch. 8).

Supplementary Readings:

Steven Radelet, Emerging Africa: How 17 Countries are Leading the Way, 2010

Dambiso Moyo, Dead Aid: Why Aid is not working and how there is a better way for Africa, 2009.

Nicholas van de Walle, "The Institutional Origins of Inequality in Sub-Saharan Africa," Annual Review of Political Science, 2009.

Robert Bates, When Things Fell Apart: State Failure in Late Century Africa, 2008.

Benno Ndulu, et. al., The Political Economy of Economic Growth in Africa, 2008.

Peter Lewis, "Growth without Prosperity in Africa," Journal of Democracy, October 2008.

Benno J. Ndulu, et. al., Challenges of African Growth, 2007.

Todd Moss, African Development: Making Sense of Issues and Actors, 2007.

Paul Collier, The Bottom Billion, 2007.

Nicholas van de Walle, Overcoming Stagnation in Aid-Dependent Countries, 2005.

Catherine Boone, Political Topographies of the African State, 2003.

Daron Acemoglu et al., "An African Success Story: Botswana," in Dani Rodrik, ed., In Search of Prosperity, 2003.

Richard Sandbrook, Politics of Africa's Economic Stagnation, 1985.

William Reno, Warlord Politics and African States, 1998.

Jeffrey Herbst, States and Power in Africa: Comparative Lessons in Authority and Control, 2000.

Giovanni Andrea Cornia, et al., Africa's Recovery in the 1990s: From Stagnation and Adjustment to Human Development, 1993.

Session 5: Dependent Development and Beyond: Latin America

Francisco Panizza, Contemporary Latin America: Development and Democracy Beyond the Washington Consensus, 2009.

Atul Kohli, State-Directed Development, Chs. 4 and 5 (skim ch. 4).

Kurt Weyland, et. al. eds, Leftist Governments in Latin America, 2010 (**selections**)

Supplementary Readings:

Sebastian Edwards, Left Behind: Latin America and the False Promise of Populism, 2010.

Patrice Franko, The Puzzle of Latin American Economic Development, 2007.

Michael Reid, Forgotten Continent: The Battle for Latin America's Soul, 2007.

Andrés Solimano, Vanishing Growth in Latin America: The Late Twentieth Century Experience, 2006.

Pedro-Pablo Kuczynski and John Williamson, eds., After the Washington Consensus: Restarting Growth and Reform in Latin America, 2003.

Daedalus, Spring 2000 (Special issue on Brazil).

The Quarterly Review of Economics and Finance, V. 42, 2002 (Focus: Sovereignty and Neo-Liberalism: The Case of Brazil, ed., Werner Baer).

Thomas Skidmore, "Brazil's Persistent Income Inequality," Latin American Politics and Society, Summer 2004.

Merilee Grindle, Audacious Reforms: Institutional Invention and Democracy in Latin America, 2000.

Rosemary Thorp, Progress, Poverty and Exclusion: An Economic History of Latin America in the Twentieth Century, 1998.

Deborah J. Yashar, Demanding Democracy: Reform and Reaction in Costa Rica and Guatemala, 1870s – 1950s, 1997.

Ruth and David Collier, Shaping the Political Arena, 1991.

Fernando Cardoso and Enzo Falletto, Dependency and Development in Latin America, 1979.

Peter Evans, Dependent Development, 1979.

Alfred Stepan, The State and Society: Peru in Comparative Perspective, 1978.

Guillermo O'Donnell, Modernization and Bureaucratic-Authoritarianism, 1973.

Session 6: From Slow to High Growth: India

Atul Kohli, State-Directed Development, Chs. 6 and 7 (skim Ch. 6).

Atul Kohli, Poverty amid Plenty in the New India: Politics, Economics and Inequality (forthcoming; ms. on reserve; depending on your interests, feel free to skip the long chapter on regional diversities).

Angus Deaton and Jean Dreze, "Food and Nutrition in India," Economic and Political Weekly, Feb. 14, 2009, 42-63.

Supplementary Readings:

Pranab Bardhan, Awakening Giants, Feet of Clay, 2010.

Niraja Gopal Jayal and Pratap Mehta, eds. The Oxford Companion to Politics in India, especially Part VI (Politics and Policy), 2010.

Arvind Panagariya, India: The Emerging Giant, 2008.

R. Nagaraj, Aspects of India's Economic Growth and Reforms, 2006.

Bimal Jalan, The Future of India, 2005.

T. N. Srinivasan and Vijay Tendulkar, Reintegrating India with the World Economy, 2003.

Atul Kohli, eds., The Success of India's Democracy, 2001.

Rob Jenkins, Democratic Politics and Economic Reform in India, 1999.

Bimal Jalan, India's Economic Crisis, The Way Ahead, 1991.

Pranab Bardhan, The Political Economy of Development in India, 1989.

Atul Kohli, Democracy and Discontent, 1991.

Baldev Raj Nayar, India's Mixed Economy, 1989.

Vijay Joshi and I.M.D. Little, India: Macroeconomics and Political Economy, 1964-1991, 1994.

Isher Ahluwalia, Productivity and Growth in Indian Manufacturing, 1991.

Paul Brass, The Politics of India since Independence, 1994.

Bipin Chandra, et. al., India after Independence, 1947-2000, 2000.

Session 7: Communism and Beyond: China

Barry Naughton, The Chinese Economy: Transition and Growth, 2007, 55-112, 209-227 (if the Chinese economy is of special interest to you, also read pp. 271-325 in this volume; these pages will not be on e-reserve for copyright reasons).

Doug Guthrie, China and Globalization, 2009.

Supplementary Readings:

Marc Blecher, China Against the Tide, 2010.

Pranab Bardhan, Awakening Giants, Feet of Clay, 2010.

Loren Brandt and Thomas Rawski, eds., China's Great Economic Transformation, 2008.

Victor C. Shih, Factions and Finance in China, 2008.

Hongbin Cai and Daniel Treisman, "Did Government Decentralization Cause China's Economic Miracle?", World Politics July 2006, 505-35.

David Zweig, Internationalizing China: Domestic Interests and Global Linkages, 2002.

Carl Riskin, Inequality and Poverty in China in the Age of Globalization, 2001.

Barry Naughton, Growing Out of the Plan, 1995.

Dali Yang, Remaking the Chinese Leviathan, 2004.

Yasheng Huang, Selling China: Foreign Direct Investment during the Reform Era, 2003.

Kellee S. Tsai, Back-Alley Banking: Private Entrepreneurs in China, 2002.

J. Fewsmith, Dilemmas of Reform in China: Political Conflict and Economic Debate, 1994.

Harry Harding, China's Second Revolution, 1987.

Dali Yang, Calamity and Reform in China, 1996.

Kenneth Lieberthal, Governing China, 1995.

Elizabeth Perry and Christine Wong, The Political Economy of Reform in Post-Mao China, 1985.

Lynn White, The Politics of Chaos: the Organizational Causes of China's Cultural Revolution, 1989.

Susan Whiting, Power and Wealth in Rural China, 2000.

Carl Riskin, China's Political Economy, 1987, Chapters 1 and 9-15.

Session 8: Globalization

Dani Rodrik, The Globalization Paradox.

Supplementary Readings:

Colin Crouch, The Strange Non-Death of Neoliberalism, 2011

Branko Milanovic, The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality, 2010.

Studies in Comparative International Development, December 2009 (especially articles by Fernando Henrique Cardoso and Peter Evans; I also have an essay in this volume from which I will present some materials during the class).

Richard Peet, The Unholy Trinity: The IMF, World Bank and WTO, 2009.

Joseph Stiglitz, Making Globalization Work, 2007.

David Harvey, A Brief History of Neoliberalism, 2007.

Machiko Nissanke and Erik Thorbecke, "Channels and Policy Debate with Globalization-Inequality-Poverty Nexus," World Development, v. 34 no. 8, 2006, 1338-60.

Jagdish Bhagwati, In Defense of Globalization, 2004, Oxford University Press, 51-195.

Robert Wade, "Is Globalization Reducing Poverty and Inequality?" World Development, 2004, Vol. 32, No. 4, pp. 567-89.

Joseph Stiglitz, Globalization and its Discontents, 2002.

World Bank, Globalization, Growth, and Poverty, 2002.

Robert Gilpin, Global Political Economy, 2001.

Robert Gilpin, The Challenge of Global Capitalism: The World Economy in the 21st Century, 2000.

Richard O'Brian, Global Financial Integration: The End of Geography, 1992.

Dani Rodrik, Has Globalization Gone Too Far? Economic and Social Development in the 21st Century, 1995.

Barbara Stallings, ed., Global Change, Regional Response, 1995.

William Greider, Roller Coaster Capitalism, 1997.

Session 9: Democracy

Samuel Huntington, The Third Wave, 1991, pp. 1-108.

Jan Teorell, Determinants of Democraticization: Explaining Regime Change in the World, 1972-2006, 2010, 1-15 and 141-54.

Michael Bratton and Nicolas van de Walle, Democratic Experiments in Africa, 1997, pp. 1-18, 61-127 and 268-279.

David Held, Democracy and the Global Order, 1995, pp. 1-27.

Steven Levitsky and Lucan Way, Competitive Authoritarianism: Hybrid Regimes after the Cold War, 2010, 3-36.

A.K. Sen, Development as Freedom, 1999, pp. 3-11, 146-59.

Supplementary Readings:

Jason Brownlee, Authoritarianism in the Age of Democratization, 2007.

Daron Acemoglu and James Robinson, Economic Origins of Dictatorship and Democracy, 2006.

Nancy Bermeo, Ordinary People in Extraordinary Times, 2003.

Carles Boix, Democracy and Redistribution, 2003.

Marina Ottaway, Democracy Challenged: The Rise of Semi-Authoritarianism, 2003.

Adam Przeworski, et. al., Democracy and Development, 2000.

A.K. Sen, Development as Freedom, 1999.

Ruth Collier, Paths Towards Democracy, 1999.

Larry Diamond, Developing Democracy: Toward Consolidation, 1999.

Stephan Haggard and Robert R. Kaufman, The Political Economy of Democratic Transitions, 1995.

Dietrich Rueschemeyer et. al. Capitalist Development and Democracy, 1992.

Guillermo O'Donnell, Philippe Schmitter and Laurence Whitehead, Transitions from Authoritarian Rule, 1988.

Robert Dahl, Democracy and its Critics, 1986.

Barrington Moore Jr., Social Origins of Democracy and Dictatorship, 1966.

Session 10: Ethnic Conflicts

John Hutchinson and Anthony Smith ed., Ethnicity, Oxford Readers, 1996, pp. 3-14, 32-51, 85-98, 275-347.

Evan Lieberman, Boundaries of Contagion, 2009.

Supplementary Readings:

Kanchan Chandra, "What is Ethnic Identity and Does it Matter," Annual Review of Political Science, 2006, 9, 397-424.

Deborah Yashar, Indigenous Movements and the State in Latin America, 2005.

Daniel Posner, Institutions and Ethnic Politics in Africa, 2005.

Stephen Wilkinson, Votes and Violence, 2004.

Arend Lijphart, "Constitutional Design for Divided Societies," Journal of Democracy, April 2004, 96-109.

James D. Fearon and David Laitin, "Ethnicity, Insurgency and Civil War," American Political Science Review, 97(1), 2003.

Ashutosh Varshney, Ethnic Conflict and Civic Life: Hindus and Muslims in India, 2002.

Donald Horowitz, The Deadly Ethnic Riot, 2001.

Kanchan Chandra, ed., "Cumulative Findings in the Study of Ethnic Politics," (a symposium), APSA-CP Newsletter, Winter 2001, pp. 7-25.

William Easterly and Ross Levine, "Africa's Growth Tragedy: Policies and Ethnic Divisions," Quarterly Journal of Economic, 112(4), 1997.

Crawford Young, The Rising Tide of Cultural Pluralism, 1993.

Donald Horowitz, "Democracy in Divided Societies," Journal of Democracy, October 1993, pp. 18-38.

Donald Horowitz, Ethnic Groups in Conflict, 1985.

Paul Brass, ed., Ethnic Groups and the State, 1985.

Benedict Anderson, Imagined Communities, 1983.

Crawford Young, The Politics of Cultural Pluralism, 1976.

Session 11: Poverty and Distribution

Gary Fields, Distribution and Development, 2002, Chs. 3 and 5.

Abhijit Banerjee and Esther Duflo, Poor Economics, 2011.

United Nations Research Institute for Social Development, Combating Poverty and Inequality, 2010, Overview (1-28) and Chapter 10 (257-82.)

Supplementary Readings:

Human Development Report, 2010.

Richard Sandbrook, et. al., Social Democracy in the Global Periphery, 2007.

Paul Collier, The Bottom Billion, 2007.

Jeffrey Sachs, The End of Poverty, 2005.

Daniel Lütte, The Paradox of Wealth and Poverty, 2003.

Joseph Tulchin, ed. Democratic Governance and Social Inequality, 2002.

Ravi Kanbur, "Economic Policy, Distribution and Poverty: The Nature of Disagreements," World Development, V. 29, No. 6, pp. 1083-1094, 2001.

Martin Ravallion, "Growth, Inequality and Poverty," World Development, 2001, Vol. 29, No. 11, 1803-15.

Robert Wade, "Making the World Development Report 2000," World Development, 2001, Vol. 29, No. 8.

Amartya Sen, Development as Freedom, 1999.

Michael Lipton and Martin Ravallion, "Poverty and Policy," in Holis Chenery and T.N. Srinivasan, eds., The Handbook of Development Economics, V. III, 1995.

Mahboob ul Haq, Reflections on Human Development, 1995.

Bina Agarwal, A Field of One's Own, 1994.

Naila Kabeer, Reversed Realities: Gender Hierarchies in Development Thought, 1994.

Ester Boserup, Women's Role in Economic Development, 2nd ed., 1989.

Jean Dreze and A.K. Sen, Hunger and Public Action, 1987.

Amartya Sen, Poverty and Famines, 1981.

Session 12: Conclusion (If you have not read it, please read the Conclusion to Kohli, State-Directed Development).