

POSC 4661: Political Economy of Development

Marquette University, Dept. of Political Science
Spring 2019; Tuesday, Thursday 3:30-4:45, 232 Lalumiere

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Office Hours: Tuesday, Thursday 1:00-2:30 or by appointment

Course Overview:

This course introduces students to the major academic debates regarding economic policy in developing countries as well as the implications of these debates for development policy practice. Readings and activities will deal with a number of important questions in development: Why are some countries poor, violent, and unstable? What lessons do the histories of the industrialized nations have for economic development in the Global South? How are economic development, social welfare, and democratic governance interconnected? What role do rich countries have in promoting development in the Global South?

The readings for this course are aggressively interdisciplinary, reflecting the wide variety of voices in development scholarship and industry today. We will draw on work in Political Science, Development Economics, Economic History, Development Sociology, and development practice. Students will note that scholars from different fields tend to have different prescriptions. A recurring theme throughout the semester will be the question of how compatible these distinct views are. Are scholars in different disciplines working on different sections of a massive puzzle or does each field have its own puzzle and distinct set of goals? Has a consensus developed regarding the sequencing of reforms meant to spur economic growth, consolidate democratic institutions, or empower marginalized populations?

This course is divided into five units. (1) We begin by discussing *historical development models*, looking both at the industrialization process in advanced-industrialized countries and late industrialization. (2) We then discuss *development policy goals and tradeoffs* between economic growth, democratic institutions, and human capabilities. (3) The third unit explores the construction of *market institutions* that have been posed as prerequisites for development, including structural adjustment policies, property rights, and trade policy. (4) A unit on *political institutions* surveys elements of democratic governance and civil society participation.

Course Objectives:

1. Gain an understanding of different theoretical frameworks and methodological approaches used to analyze development processes and policies.
2. Interrogate the goals of development interventions and tradeoffs between economic growth, democracy promotion, and expansion of societal capacity and human potential.
3. Improve your reading, writing, and research skills.

Student Assessment:

Your final grade for the course will be calculated as follows:

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|-----|-----------------------------------|
| 10% | Attendance, Participation |
| 20% | Reading Response Comments |
| 10% | Group Presentation |
| 20% | Millennium Development Goals Memo |
| 15% | Midterm Exam |
| 25% | Final Exam |

Attendance and Participation

You are expected to attend every class session and the professor will take attendance. If you must miss a class due to illness or some other exceptional circumstance, please notify the professor no later than the day before class. Participation is also part of your grade. This can take the form of participation in group discussion, but raising your hand and asking a question is not the only way to participate. Throughout the course we will regularly participate in small-group work. For students who are uncomfortable with extemporaneous speaking in front of the class, being a leader in your group and in sharing your group's findings with the class will be important ways to participate in the class.

Country Expert Reports

Throughout the semester, each student is responsible for posting **at least** 10 posts to the D2L discussion page about their countries of expertise or another country in their region (see "Country Experts" below). You will be expected to post 5 *original posts* and 5 *response posts*. Each of these posts is worth 2% percent of your grade and will be graded on a check-minus, check, check-plus basis. You may submit up to one of each in any given week. If you end up submitting more than 10 posts, I will count your top 10 grades.

- *Original posts* should consist of at least two paragraphs and must be posted by **midnight on Monday**. In the first paragraph, you describe some recent event that occurred in your assigned country or region, including a link to at least one news article. In the second paragraph, you analyze the causes or potential consequences of that event using material from the upcoming week in the course.
- *Response posts* will also consist of two paragraphs and must be posted by **midnight on Wednesday**. The first paragraph will *compare* the event discussed in the original post with a similar event in your country or region (again including a link to a news source). The second paragraph will suggest an explanation for the different or similar outcomes based on material from the current week in the course. Response posts cannot be posted to original posts by other members of your region group.

Group Presentation

On March 28 and April 4 students will present in their regional groups. Presentations will last roughly 30 minutes. These presentations will discuss trends and policy approaches in the region regarding: 1) market institutions; 2) human development; and 3) state institutions. For each category of institutions, students will discuss which countries in their region constitute success cases, which constitute cautionary tales, and suggest explanations for the divergence.

Millennium Development Goals Memo

Students will write memos analyzing the progress of their expert countries towards their Millennium Development Goals and suggesting further goals for development. Memos should be roughly 2,000 words. Reports on progress toward the MDG's can be found at the following link: <http://www.undp.org/content/undp/en/home/librarypage/mdg/mdg-reports.html>, but students are encouraged to also incorporate other sources to learn about their countries' MDG approach and outcomes. These memos should be composed of three sections: (1) Summary of the country's MDG's and progress toward those goals; (2) Analysis of the country's institutional inheritance, incorporating ideas from Part One of the course; (3) Suggesting a next step for development policy interventions, based on ideas from Parts Two and Three of the course.

Midterm and Final Exams

An in-class midterm exam will be held following Part II and we will have a final exam during the university-allocated time slot. These exams will test knowledge of the material covered in readings and lecture and will also ask students to apply theories from class to analyze the development trajectories of diverse countries. The final exam will focus mainly on the second half of the course, but will require you to incorporate knowledge of main concepts from the first part of the course.

Required Readings:

You are required to attain copies of the following three books. These books are available at Bookmarq, the university bookstore, or you may acquire them through alternate means.

Rodrik, Dani. *The Globalization Paradox: Democracy and The Future of the World Economy*. Norton & Company, 2012.

Rothstein, Bo. *The Quality Of Government: Corruption, Social Trust, And Inequality In International Perspective*. University of Chicago Press, 2011.

Sen, Amartya. *Development as Freedom*. Oxford University Press, 2001.

Additional readings will be posted to D2L.

You will also be required to conduct **original research** for your reading response comments and policy analysis memo. This will probably take place mostly through online

searches of periodicals such as the Economist, the New York Times, the Guardian, BBC News, or many others. (If you don't have one already, I strongly suggest getting a subscription to the Economist. Discounted subscriptions are available for students.) Students are also encouraged to take advantage of Marquette's library resources to access data about country cases.

Country Experts:

Students will select countries about which to become experts and will work in groups with other students studying their same region. There will be groups for Africa, Asia, Eastern Europe, and Latin America. These expert counties and their regions will serve as the case material for:

1) Country Expert Reports; 2) Policy Analysis Memos; and 3) Group Presentations.

Discovery Tier:

This course partially fulfills requirements under the *Basic Needs and Justice* theme of the Marquette Core Curriculum's Discovery tier. This theme emphasizes the identification of what constitutes "basic needs," the variation fulfillment of these needs around the world, and the extent to which such variation is connected to understandings of justice. This course not only examines topics like inequality, well-being, social policy, and governance failures, but also addresses public policy approaches to address disparities in these core values. These topics and their connection to these themes will be a regular focus of class discussion. Connection between course topics and these themes will also be something that you will be asked to address in discussion posts, group work and exams.

Course Policies:

Communication

- *Office hours:* Office hours are for you, the student. Please come to discuss course material, assignments, or any other thoughts or concerns you may have.
- *Checking your email:* I expect you to check your email daily. I will send course announcements over email. It is your responsibility to make sure that the email account that is registered in D2L is the one that you check regularly.
- *Professor's email:* If you have a very short clarifying question, it may be appropriate to email the professor. I only ask that prior to emailing me you consult the syllabus and ask your classmates to see if it is something that has already been covered.

Laptops and Other Electronic Devices

Research has shown that students retain information better when they take notes by hand than when they take notes on a computer. For this reason, I have a no-device policy in my classroom. Laptops may only be used by those with special learning needs that have consulted with me in advance. If you need advice on how to take notes effectively using paper and pen, you can come to office hours and I can suggest note-taking strategies. Cell phones should be turned off during class. If you have a special need to keep your cell phone on, such as to monitor a sick child, see me *before* class and I will make an accommodation.

Grade Appeals

If you want to appeal an assigned grade, you must submit to me a typed, one-page statement explaining why the grade should be changed. Note that doing so gives me license to adjust the questioned grade either upward or downward. At the same time, I am more than happy to discuss your papers and exams during office hours with the goal of helping you to improve your performance the next time.

Academic Dishonesty

All students have participated in training activities at Marquette to learn about what constitutes academic dishonesty. Any instance of academic dishonesty in this course such as plagiarism, copying others' work, or consulting unauthorized sources during exams will be handled according to university policy. Violating students will automatically receive a zero on the assignment or exam in question and be referred to the Marquette University Honor Council: <http://www.marquette.edu/provost/integrity-index.php>. If you have any uncertainty about whether you are adhering to academic honesty standards, please consult with me in advance.

Course Schedule:

Week 1: Development and Underdevelopment (Jan. 15, Jan. 17)

Handelman, Howard. *Challenges of the Developing World*, "Chapter 1: Understanding Underdevelopment."

PART I: HISTORICAL DEVELOPMENT MODELS

Week 2: Industrialization and Late Industrialization (Jan. 22, Jan. 24)

Jan 22: Country Expert Selection

Rostow, W.W. 1959. "The Stages of Economic Growth." *The Economic History Review* 12.1: 1-16.

Gerschenkron, Alexander. 1962. *Economic Backwardness in Historical Perspective*, ch. 1.

Week 3: Institutional Legacies (Jan. 29, Jan. 31)

Acemoglu, Daron and James Robinson. 2012. *Why Nations Fail*, Chapters 1-3 (ESPECIALLY CHAPTER 3).

Week 4: 20th Century Industrialization (Feb. 5, Feb. 7)

Johnson, Chalmers. "Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea, and Taiwan." In Deyo, ed, *The Political Economy of the New Asian Industrialism*, pp. 136-164.

Kaufman, Robert. "How Societies Change Developmental Models or Keep Them: Reflections on the Latin American Experience in the 1930s and the Postwar World." In Gereffi and Wyman, eds. *Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia*, pp. 110-135.

PART II. DEVELOPMENT GOALS AND SEQUENCING

Week 5: Economic Growth (Feb. 12, Feb. 14)

Easterly, William. 2001. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, pp. 1-15, 145-169.

Rodrik, Dani. 2001. *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*, pp. 13-21, 85-95.

Week 6: Human Capabilities (Feb. 19, Feb. 21)

Sen, Amartya. 1999. *Development as Freedom*, pp. 13-53, 87-110.

Week 7: Political Institutions (Feb. 26, Feb. 28)

Rothstein, Bo. 2011. *The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective*, Chapters 2 and 7.

Collier, Paul. *The Bottom Billion*. Chapter 3: "The Natural Resource Trap."

Week 8: Political Institutions (cont.) (March 5)

Evans, Peter. 1995. *Embedded Autonomy: States and Industrial Transformation*, pp. 43-73.

MIDTERM: MARCH 7

NO CLASS MARCH 12, MARCH 14 SPRING BREAK

Week 9: Millennium Development Goals (March 19, March 21)

UN Millennium Project, Jeffrey D. Sachs. 2005. Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, list of goals, recommendations, ch. 1 and 2 (xviii-27).

Fehling, Maya, Brett D. Nelson, and Sridhar Venkatapuram. "Limitations of the Millennium Development Goals: A Literature Review." *Global Public Health* 8.10 (2013): 1109-1122.

March 21: LIBRARY VISIT

PART III: BUILDING MARKET INSTITUTIONS

Week 10: Liberalization and Structural Adjustment (March 26, March 28)

Williamson, John. 2008. "A Short History of the Washington Consensus" in Narcis Serra and Joseph Stiglitz, eds., *The Washington Consensus Reconsidered*, pp. 14-20.

Rodrik, Dani. 2007. *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*, 153-169.

March 28: STUDENT PRESENTATIONS—Latin America and Eastern Europe

Week 11: Trade and Industrial Policy (April 2, April 4)

Rodrik, Dani. *The Globalization Paradox*. 2011, Chapters 3, 7, 8

April 4: STUDENT PRESENTATIONS—Africa and Asia

Week 12: Property Rights (April 9, April 11)

Hernando De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, Chapter 2.

MDG MEMOS DUE ON D2L APRIL 16

NO CLASS APRIL 16, APRIL 18 EASTER

PART IV: BUILDING STATE INSTITUTIONS

Week 13: Corruption and Accountability (April 23, April 25)

Rothstein, Bo. 2011. *The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective*, Chapter 5: "Curbing Corruption."

Kosack, Stephen, and Archon Fung. 2014. "Does Transparency Improve Governance?" *Annual Review of Political Science* 17: 65-79.

Week 14: Civil Society and Participation (April 30, May 2)

Baiocchi, Gianpaolo, et al. 2011. *Bootstrapping Democracy: Transforming Local Governance and Civil Society in Brazil*, Chapters 2 and 3.

FINAL EXAM: THURSDAY MAY 9, 8:00 AM