

INS 524

POLITICAL ECONOMY OF DEVELOPMENT

Professor: Dr. Laura Gomez-Mera
Office Hours: M, W 4.15-5.15 PM

Class: M, 12:25-3:00 PM
Place: MB 307

Office: 317 Ferré Building
Phone: (305) 284 8272
E-mail: lgmera@miami.edu

Course Objectives

This course examines the various issues and problems associated with economic growth and development from both a theoretical and a policy-oriented perspective. It seeks to provide the student with a good understanding of the multifaceted relationship between economic growth, human development and international interdependence by linking conceptual and theoretical debates with empirical evidence from numerous case studies. Three central questions will help organize the course: how do states and markets interact to shape development strategies and outcomes? Is the international system a source of opportunities or constraints for developing countries? And why have some parts of the developing world succeeded at “developing” while others have not?

The course is divided into three parts. The first part covers the main theoretical and conceptual debates in the political economy of development, including competing approaches to economic development, the role of the state in development, the links between democracy and development and the contemporary debate on the effects of globalization and openness broadly defined for developmental outcomes. The second part concentrates on international issues, such as developing countries in the multilateral trading system, the risks and opportunities for developing countries of increased international financial integration, the politics of multilateral lending and foreign aid and the links between conflict and development. The third part examines recent regional and national experiences in Latin America, Africa and Asia.

Course Organization

The class will follow a seminar format. The first part of each session will be held in an inter-active lecture format. I will begin by providing an overview of the material, highlighting the main conceptual issues but I will expect all students to engage actively and meaningfully in class discussions. In addition, all students will be responsible for three (3) oral and written presentations, analyzing the readings and addressing a specific question on the topic of their choice. The outline below provides at least three questions for each topic covered in the course. Students must choose three questions on three different topics and write an essay and prepare a presentation. (We will distribute the questions on the first class, trying as much as possible to maximize collective happiness but ensuring that all students get different questions).

Course Requirements

Final grades will reflect written work as well as participation and performance in seminar discussions:

- (1) **Oral and written presentations (30%):** Essays should be between 2000 and 2500 words. They should be **analytical**, not purely descriptive pieces. The questions are open-ended and there is no right or wrong answer. Students must show that they can think critically and that they can successfully present and defend their arguments. Essays must be submitted on the day of the scheduled presentation. Students are highly encouraged to prepare a handout with the outline of their presentation to distribute among all seminar participants.
- (2) **Take-home midterm exam (25%) and take-home final exam (25%):** Each exam will require students to write three brief essays. The final will not be cumulative. Essay questions for the midterm exam will be distributed by e-mail on Friday October 13. The completed exam is due on October 16. Essay questions for the final will be distributed on Nov. 27. The completed exam is due on December 4.
- (3) **Class participation (20%):** Active and (very important) **meaningful** class participation is of critical importance. Your participation grade will take into account the quality of your contribution to discussions.

Readings

Seminar readings will consist of a combination of books and numerous journal articles and book chapters. Required books may be purchased at the bookstore. Students are expected to complete all required readings (identified with a *) before each class. In addition, a list of recommended readings is provided for each topic.

Karen Ballentine and Jake Sherman (eds.), *The Political Economy of Armed Conflict: Beyond Greed and Grievance* (Boulder: Lynne Rienner, 2003).

Andrew Charlton and Joseph Stiglitz, *Fair Trade for All: How Trade Can Promote Development* (Oxford-New York: Oxford University Press, 2005)

Stephan Haggard and Steven Webb (eds.), *Voting for Reform: Democracy, Political Liberalization and Economic Adjustment*, (New York –Oxford: Oxford University Press, 1994).

Atul Kohli, *State-Directed Development: Political Power and Industrialization in the Global Periphery* (New York: Cambridge University Press, 2004)

Dani Rodrik, *The New Global Economy and Developing Countries: Making Openness Work* (Washington DC: Overseas Development Council, 1999)

Ngairé Woods, *The Globalizers: The IMF, The World Bank and Their Borrowers* (Ithaca: Cornell University Press, 2006).

Developing some familiarity with major journals in the field is also highly recommended. These include: *Journal of International Development*, *The World Economy*, *World Development*, *Studies in Comparative International Development*, *Review of International Political Economy*, *Journal of Developing Areas*, *Journal of International Relations and Development*, *Third World Quarterly*, *Journal of Development Studies*, etc. Publications by International Organizations that we will be using weekly include: *World Development Report*, *Human Development Report*, *Global Development Finance*, *Development and Finance*, *World Investment Report*, etc.

Course Outline

PART I. INTRODUCTION: CONCEPTUAL AND THEORETICAL DEBATES

1. Aug. 28 Introduction

Introduction to the course. What is development? The developing world. Characteristics of developing countries. Poverty and Inequality.

2. Sept. 11 Competing Approaches to Development

Neoliberal/Neoclassical economics. Dependency theory. From economic to human development. Sen's capabilities approach. Alternative measures of development.

Questions:

- (1) What is development and how can we measure it?
- (2) How have prevailing ideas about development and its causes changed over time?
- (3) What are the advantages/disadvantages of the human development approach?

Required:

- * M. Todaro & S. Smith, *Economic Development*, Eight Edition (New York: Addison Wesley, 2003), ch.1 (Blackboard).
- * J. S. Valenzuela and A. Valenzuela, "Modernization and Dependency: Alternative Perspectives in the Study of Latin American Underdevelopment," *Comparative Politics*, 10: 4 (July 1978).
- * J. Waelbroeck, "Half a Century of Development Economics: A Review Based on the Handbook of Development Economics," *World Bank Economic Review*, 12: 2 (1998).
- * A. Sen, "Development as Capability Expansion," *Journal of Development Planning*, 19 (1989).
- * Mahbub ul Haq, "The Human Development Paradigm," in M. Haq, *Reflections on Human Development* (Oxford: OUP, 1995). (Blackboard)
- A. Gunder Frank, "The Development of Underdevelopment," *Monthly Review*, 17 (September 1966).
- D. Seers, "What Are We Trying to Measure?" *Journal of Development Studies*, (April 1972).
- P. Streeten, "Human Development: Means and Ends." *American Economic Review*, 84 (1994).
- UNDP, *Human Development Report*, (Oxford: OUP, 1990), ch. 1.
- A. Sen, *Development as Freedom*, A. A. Knopf, 1999, ch. 2.
- D. Lal, "The Misconceptions of Development Economics," *Finance & Development* 22 (1985).

3. Sept. 18 The State and Development

The role of the state (vs. the market) in development. The state as a solution: the developmental state. The state as a problem: neoclassical political economy and rent-seeking theories. The cases of Korea and Nigeria.

- (1) Does state intervention promote or hinder development? Discuss using specific examples.

- (2) Assess Kohli's contribution to the 'state vs. market' debate. Discuss using specific examples.
- (3) What accounts for the differences in the development trajectories of South Korea and Nigeria?

*Kohli, ch. 1, 2, 3, 8 & 9.

*WDR 1997, Overview and Part I.

*A. Krueger, "Government Failures in Development," *Journal of Economic Perspectives*, 4: 3 (1990).

Z. Onis, "The Logic of the Developmental State: Review Article," *Comparative Politics*, 24: 1 (1991).
Haggard & Webb, ch. 11.

D. Rodrik, "Getting Interventions Right: How South Korea and Taiwan Grew Rich," *Economic Policy*, 20 (1995).

A. Krueger, "The Political Economy of the Rent-Seeking Society," *American Economic Review*, 64 (1974).

A. Goldsmith, "Africa's Overgrown State Reconsidered: Bureaucracy and Economic Growth," *World Politics*, 51:4 (1999).

R. Broad et. al., "Development: The Market is Not Enough," in J. Frieden & D. Lake (eds.), *International Political Economy* (Blackboard).

P. Landell-Mills and I. Serageldin, "Governance and the Development Process." *Finance & Development* 28: 3 (1991).

4. Sept. 25 Democracy and Development

Conceptual issues: links between democracy and development. The case for authoritarian government. The cases of India and Brazil. State-building and democratization. The role of external actors in the promotion of democratization.

- (1) Does democracy promote or hinder development? Discuss using specific examples.
- (2) Why has the democratization of developing countries become such an important international security issue?
- (3) What has been the role of external actors in promoting democratization? How successful have they been?
- (4) What is the role of regime type in developmental outcomes, according to Kohli? Compare Korea with Brazil or India (Choose one).

*Kohli, ch. 4, 5, 6 & 7.

*Sen, A., "Democracy as a Universal Value," *Journal of Democracy*, 10: 3 (1999).

*Przeworski A. and F. Limongi, "Political Regimes and Economic Growth," *Journal of Economic Perspectives*, 1: 3 (1993).

*Olson, M., "Dictatorship, Democracy, and Development," *American Political Science Review*, 87: 3 (1993).

P. Bardhan, "Symposium on Democracy and Development," *Journal of Economic Perspectives* 7: 3 (1993).
Secretary-General Kofi Annan, "Why Democracy is an International Issue," Cyril Foster Lecture, Oxford, June 2001. Available online.

Haggard & Webb, ch.1.

- S. Huntington, "Democracy's 'Third Wave.'" In *The Global Resurgence of Democracy*, edited by L. Diamond and M. F. Plattner (Baltimore: Johns Hopkins University Press, 1996).
- A. Etzioni, "A self-restrained approach to nation-building by foreign powers," *International Affairs*, 80: 1 (2004).
- L. Whitehead, *The International Dimensions of Democratization* (Oxford: OUP, 1996), ch. 1.
- Siegle et. al., "Why Democracies Excel," *Foreign Affairs* (September/October 2004).
- G. O'Donnell, "On the State, Democratization and Some Conceptual Problems: A Latin American View with Glances at Some Postcommunist Countries," *World Development*, 21 (1993).
- D. Landa, and E. B. Kapstein, "Inequality, Growth, and Democracy (Review Article)," *World Politics*, 53: 2 (January 2001).

5. Oct. 2 Globalization and Development

Is the international system a threat or an opportunity for developing countries? Does openness lead to growth? The debate on the developmental impact of globalization. Does growth lead to poverty reduction? The growth diagnostics approach.

(1) Has the experience of globalization proven 'dependency' theorists wrong about the impact of integration into the global economy on the capacity and power of the state in developing countries?

(2) Is Globalization good for the poor?

(3) Has globalization gone too far?

(4) Discuss the advantages and disadvantages of the growth diagnostics approach.

*Rodrik, ch. 1 & 2.

*D. Rodrik, *Has Globalization Gone Too Far?* (Washington, D.C.: Institute for International Economics, 1997), Introduction (Blackboard)

*K. Watson, "Making Globalization work for the Poor" *Finance and Development*, 39: 1 (March 2002).

*UNDP, *Human Development Report 1999: Globalization with a Human Face*, chapter 1.

*D. Rodrik et. al., "Growth Diagnostics" (Blackboard).

J. Bhagwati, *In Defense of Globalization* (Oxford: OUP, 2004), ch. 1, 2 & 3.

M. Wolf, *Why Globalization Works* (New Haven: Yale University Press, 2004).

D. Dollar, and A. Kraay, "Spreading the Wealth" *Foreign Affairs*, 81: 1 (Jan/Feb. 2002).

Weisbrot et. al, On Dollar & Kraay (Blackboard).

J. Stiglitz, J., *Globalization and its Discontents*, (W. W. & Company, Inc, 2003), ch. 1 & 2.

D. Rodrik, "Is Globalization Good for the Poor?" Commentary (May 2002).

G. Arrighi et al, "Industrial Convergence, Globalization, and the Persistence of the North-South Divide," *Studies in Comparative International Development*, 38: 1 (2003).

E. Kapstein, "Winners and Losers in the Global Economy," *International Organization*, 54: 2 (2000).

R. Hausmann, and D. Rodrik. "Economic Development as Self-Discovery," *Journal of Development Economics*, 72 (2003).

M. Naim, "The Five Wars of Globalization," *Foreign Policy* (Jan-Feb 2003).

II. INTERNATIONAL ISSUES

6. Oct. 9 Developing Countries in the International Trading System

Trade and Development: the conceptual debate. The creation and evolution of the GATT. The Uruguay Round. Developing countries in the WTO. The Doha Development Round. The G-21. Regionalism as an alternative for developing countries.

- (1) Does free trade lead to development?
- (2) What were the main achievements of the Uruguay Round from a developing country perspective? What were DCs main concerns in the post- Uruguay Round period?
- (3) Why is the Doha Round referred to as the “Development” round? Is this term justified?
- (4) Discuss the incentives for developing countries to create and/or join regional trade agreements. What is the impact of this recent accelerating trend on the multilateral trading system?
- (5) “The existence of the WTO is advantageous to developing countries.” Discuss.

Class Debate: “The existence of the WTO is advantageous to developing countries”

What are the arguments “for” and “against” in this debate? (Do developing countries, the weaker players in the system, benefit from the existence of the present multilateral trading system? Does the WTO provide a common set of fair and liberal rules? What are the potential gains from the strengthening of a "rules-based" global trading system?)

*Stiglitz & Charlton, ch. 1, 2, 3, 4, 7.

*Rodrik, ch. 3

*M. Finger and A. Winters “What Can the WTO Do For Developing Countries?” in A. Krueger, ed., *The WTO as an International Organization* (University of Chicago Press, 2000).

*E. Petersmann “Mini-symposium on developing countries in the Doha Round: Introduction,” *Journal of International Economic Law*, 8: 2 (2005).

*D. McRae, “Developing countries and the future of the WTO,” *Journal of International Economic Law*, 8: 3 (2005).

T.N. Srinivasan, “Developing Countries and the Multilateral Trading System after Doha”, Discussion Paper 842, Economic Growth Center, Yale University (2002).

M. Finger and P. Schuler, “Implementation of the Uruguay Round Commitments: The Development Challenge,” *The World Economy*, 23 (2000).

D. Rodrik, “The Global Governance of Trade as if Development Really Mattered”, Paper prepared for UNDP (October 2001), pp. 1-27 (i.e., first part only).

R. Dornbusch, “The case for trade liberalization in developing countries,” *Journal of Economic Perspectives*, 6: 1 (1992).

T. N. Srinivasan, *Developing Countries and the Multilateral Trading System: From the GATT to the Uruguay Round and the Future* (Westview Press, 1997), ch. 1 and 5.

J. Schott (ed.), *Completing the Uruguay Round: A Results-Oriented Approach to the GATT Negotiations* (Washington DC: IIE, 1990).

B. Hoekman and M. Kosteci, *The Political Economy of the World Trading System* (Oxford: OUP, 2001).

World Bank *Global Economic Prospects and the Developing Countries 2002: Making Trade Work for the World's Poor* (Available online at www.worldbank.org).

The Economist, "Global Trade: Weighed in the balance." (Dec. 10, 2005).

The Economist, "World Trade Talks: In the Rough." (Nov. 5, 2005).

A. Oyejide, "Interests and Options of Developing and Least Developed Countries in a New Round of Multilateral Trade Negotiations" (May 2000) can be downloaded from www.ksg.harvard.edu/rodrik/G24Papers.htm

7. Oct. 16 **Developing Countries in the International Financial System**

Risks and benefits of financial globalization for developing countries. Private sources of finance for development. Financial globalization and changes in the composition of investment flows to emerging markets. Financial globalization, volatility and international financial crises.

- (1) How has financial globalization affected the composition (and volume) of financial flows to DCs?
- (2) Is financial globalization good or bad for development?
- (3) What are the advantages of FDI relative to other types of financial flows/foreign investment in DCs?
- (4) Analyze the international and domestic causes of the Argentine (Russian/East Asian) financial crisis

*Rodrik, ch. 3 & 4.

*World Bank, *World Development Report, 1999/2000*, chapter 3.

*B. Stallings, "Globalization and Liberalization: The Impact on Developing Countries" ECLAC Working Paper, No. 4 (Dec. 2001).

*J. Ocampo, "A Broad Agenda for International Financial Reform," in J.A. Ocampo et al., eds. *Financial Globalization and the Emerging Economies* (Santiago: ECLAC, 2000), 41-62.

*E. Prasad, K. Rogoff et. al. "Effects of Financial Globalization on Developing Countries: Some Empirical Evidence," IMF Working Paper (Blackboard)

R. Dornbusch, "A Primer on Emerging Market Crises," NBER Working Paper No. 8326 (June 2001).

The World Bank, *Global Development Finance*, 1999, 2000 and 2001.

P. Loungani and A. Razin, "How Beneficial Is Foreign Direct Investment for Developing Countries?" *Finance and Development*, 38: 2 (June 2001).

S. Haggard and S. Maxfield, "The PE of Financial Internationalization in the Developing World", in H. Milner and R. Keohane, *Internationalization and Domestic Politics*.

Fernandez Arias and Hausmann, "Is FDI a safer form of financing?" IADB Research Department, Working Paper No. 416 (2000).

Gabriele et. al., "Instability and Volatility of Capital Flows to DCs," *The World Economy*, 23: 8 (2000).

T. Makin, "The Great East Asian Capital Flow Reversal," *The World Economy*, 22: 3 (1999).

L. Hernandez and H. Rudolph, "Sustainability of Private Capital Flows to Developing Countries: Is a Generalized Reversal Likely?" World Bank Policy Research Paper, 1518 (Oct. 1995).

8. Oct. 23 Multilateral Lending

The World Bank and the International Monetary Fund. The conditionality bargain. From Structural Adjustment Programs and the Washington Consensus to the Comprehensive Development Framework and the Poverty Reduction Strategy Papers.

(1) Do the IMF, the World Bank offer developing countries a forum in which they can exercise voice and influence?

(2) Is conditionality good? Why?

(3) Discuss the origins of the CDF, its main principles and what its advantages are relative to previous WB and IMF programs (such as SAPs).

(4) Have Poverty Reduction Strategy Papers (PRSPs) been effective in increasing national ownership of development programs?

*Woods, ch. 1-4 and ch. 7.

*J. Williamson, "What should the World Bank think about the Washington Consensus?" *The World Bank Research Observer*, 15: 2 (2000).

*D. Rodrik, "Goodbye Washington Consensus, Hello Washington Confusion," *Journal of Economic Literature* (1996).

*F. Stewart and M. Wang, "Do PRSPs empower poor countries and disempower the World Bank, or is it the other way around?, QEH Working Paper No. 108 (2003).

*DFID, "Partnerships for poverty reduction: rethinking conditionality," A UK Policy Paper (March 2005).

K. Rogoff. "The IMF Strikes Back" *Foreign Policy* (Jan/Feb 2003).

K. Rogoff, "The Sisters at 60," *The Economist* (Jul. 22, 2004).

P. Blustein, *The Chastening: Inside the Crisis that Rocked the Global Financial System and Humbled the IMF* (Public Affairs, 2001) chapter 1. (Blackboard).

J. Stiglitz, "The Post Washington Consensus," Initiative for Policy Dialogue Working Paper Series, Task Force on Governance of Globalization (November 2004).

A. Krueger, "Wither the World Bank and the IMF?" *Journal of Economic Literature*, 36 (1998).

N. Birdsall et. al, "Washington Contentious: Economic Policies for Social Equity in Latin America" Findings of the Commission on Economic Reform in Unequal Latin American Societies (2001).

Available online at: <http://www.thedialogue.org/publications/carnegie.pdf>

9. Oct. 30 Foreign Aid

The debate on foreign aid: is it good for development? The loans vs. grants debate. Why do countries give aid? Aid management and aid effectiveness. The Monterrey Consensus. Debt relief and the Highly Indebted Poor Countries Initiative (HIPC). The Millennium Development Goals (MDGs).

(1) What impact did the World Bank's report *Assessing Aid* have on the debate on foreign aid and aid effectiveness?

(2) How important is foreign aid for developing countries in relation to their other sources of foreign exchange inflows, such as FDI? Discuss the expected benefits and costs of each.

- (3) Why do donors give aid?
- (4) Discuss the strengths and weaknesses of the HIPC initiative.
- (5) Can global poverty be eliminated?

- *I. Goldin et. al., "The Role and Effectiveness of Development Assistance: Lessons from World Bank Experience," *World Bank Research Paper*.
- *UNDP, *Human Development Report, 2003: Overview, The Millennium Compact*, ch. 1 & 8. (Available at: <http://hdr.undp.org/reports/global/2003/>).
- *J. Martens, "Rethinking ODA: Towards a renewal of Official Development Assistance," Working Paper (Background for the UN Financing for Development Process (April 2001).
- *C. Burnside and D. Dollar, "Aid Spurs Growth – In a Sound Policy Environment," *Finance and Development* (Dec. 1997).
- *Clements et. al., "Foreign Aid: Grants vs. Loans," *Finance and Development* (Sept. 2004).

Final Paris Declaration on Aid Effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability. High Level Forum, Paris, March 2005.

United Nations, Report of the International Conference on Financing for Development, Monterrey, March 2002.

J. Sachs et. al., Millennium Project Report, Overview. (http://www.unmillenniumproject.org/reports/index_overview.htm).

J. Sachs, *The End of Poverty: Economic Possibilities for Our Time* (Penguin Press, 2005).

W. Easterly, *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good* (Penguin Press, 2006).

J. Sachs, "What's good for the poor is good for America," *The Economist* (Jul. 12, 2001).

The Economist, "Aid Effectiveness: Help in the Right Places" (March 14, 2002).

D. Brautigam, "Foreign Aid, Institutions and Governance in Sub-Saharan Africa," *Economic Development and Cultural Change*, 52: 2 (2004).

10. Nov. 3 Civil War and Development

The links between conflict and development. Economic causes of conflict: the greed vs. grievance debate. Resource wars. The political economy of the "new wars". The development impact of conflict. The role of external actors in peace negotiations and post-conflict reconstruction. The cases of Sierra Leone, Colombia and Afghanistan.

- (1) Discuss the links between conflict and development (or underdevelopment).
- (2) What is new about the "new" wars?
- (3) What is the role of natural resources in civil conflict in the developing world?

*Ballantine & Sherman, ch. 1, 2 and case studies.

*P. Collier, et al. *Breaking the Conflict Trap: Civil War and Development Policy*. World Bank and Oxford University Press, 2003, ch. 1, 2 (Available on line).

*P. Collier, and A. Hoeffler. "Greed and Grievance in Civil War." *Oxford Economic Papers* 56 (2000)

P. Collier, "The Market for Civil War," *Foreign Policy*, 136 (May/June 2003).

F. Stewart and V. Fitzgerald, "Assessing the Economic Costs of War." (Blackboard).

- M. Ottaway, "Rebuilding State Institutions in Collapsed States," *Development and Change*, 33: 5 (2002).
- P. Collier and N. Sambanis, *Understanding Civil War*, Vol. 1: Africa.
- S. Schiavo-Campo, "Financing and Aid Management Arrangements in Post-Conflict Situations," CPR Working Papers No. 6, (June 2003)
- J. Hamre and G. Sullivan, "Toward Postconflict Reconstruction," *The Washington Quarterly* (Autumn 2002).
- G. Peake et. al. "From Warlords to Peacelords" UNU-ENCORE Research Report (2005).

PART III. RECENT REGIONAL AND NATIONAL EXPERIENCES

11. Nov. 13 The Political Economy of Market Reform in Latin America

The Washington consensus. Political economy of economic policy making: conceptual issues. Role of crises, institutions and interest groups in the reform process. The political economy of trade and financial policy reform and privatizations in Latin America. Case studies: Argentina, Chile, Brazil and Mexico.

- (1) What are the political conditions necessary to sustain programs of structural economic adjustment?
- (2) What was the role of economic crises and international pressures in the shift to the market?
- (3) Discuss the relationship between the processes of economic and political liberalization in the 1990s.
- (4) Discuss the political and social consequences of reforms in Latin America

*Haggard & Webb, ch. 3, 7 & 9.

*Woods, ch. 4.

*J. Williamson, "Democracy and the 'Washington Consensus,'" *World Development*, 21: 8 (August 1993)

*The Economist, "The Latinobarometro Poll", Oct. 27, 2005

*M. Naím, "Latin America: Post-Adjustment Blues," *Foreign Policy*, (Summer 1993).

Green, D., "Latin America: Neoliberal Failure and the Search for Alternatives," *Third World Quarterly*, 1:7 (1996).

B. Geddes, "The Politics of Economic Liberalization," *Latin American Research Review*, 30: 2 (1995).

J. Corrales, "Do Economic Crises Contribute to Economic Reform? Argentina and Venezuela in the 1990s," *Political Science Quarterly*, 112: 4 (Winter 1997-8).

Weyland, K., "The Political Fate of Market Reform in Latin America, Africa, and Eastern Europe," *International Studies Quarterly*, 42 (1998).

K. Weyland, "Swallowing the Bitter Pill," *Comparative Political Studies*, 31: 5 (1998).

K. Remmer, "Democracy and Economic Crisis: The Latin American Experience," *World Politics*, 42:3 (1990).

The Economist, "The Debate on Latin American Economic Reform," April 24, 2003.

Inter-American Development Bank (IADB), "Latin America after a Decade of Reforms," Economic and Social Progress in Latin America: 1998-99 Report (Johns Hopkins University Press, 1999), p.11-23.

S. Etchemendy, "Constructing Reform Coalitions: The Politics of Compensation in Argentina's Economic Liberalization," *Latin American Politics and Society*, 43: 3 (2001).

12. Nov. 20 The Development Crisis in Africa

What explains Africa's development crisis? Competing explanations. Different development strategies implemented since independence: From ISI to SAPs to NEPAD Success stories: Botswana, Mauritius and Uganda.

- (1) What explains Africa's poor economic performance? Give examples
- (2) Is Botswana a "success story"? What explains the differences in performance between Botswana and Zambia?
- (3) Discuss the evolution of development policy in Africa since independence. Do you agree with claims that recent policies reflect a newly emerging "convergence" among different stakeholders?

*Owusu, F., "Pragmatism and the Gradual Shift from Dependency to Neoliberalism: The World Bank, African Leaders and Development Policy in Africa," *World Development*, 31: 10 (2003).

*UK Commission for Africa Report "Our Common Interest" (March 2005), Part I.

*D. Craig, "PRSPs: A New Convergence," *World Development*, 31: 1 (2002).

*Rodrik, ch. 5.

*Woods, ch. 6.

Haggard & Webb, ch. 8.

G. Dijkstra, "What does the show case show? Evidence of and lessons from Uganda," *World Development*, 29: 5 (2001).

"Africa's Special Needs", Chapter 10 in UN Millennium Project, "Investing in Development" (2005).
<http://www.unmillenniumproject.org/documents/MainReportChapter10-highres.pdf>

Arrighi, G., "The African Crisis: World Systemic and Regional Aspects", *New Left Review*, 15 (May/June 2002)

Collier, P. and J. Gunning, "Why Has Africa Grown Slowly?", *Journal of Economic Perspectives*, 13: 3 (Summer 1999)

A. Subramanian, "Mauritius: A Case Study," *Finance and Development*, 38:4 (2001)

World Bank, Country Assistance Strategy for Mauritius, (April 2002), Parts I and II (p. 1-16)

Bhowon et. al. "Mauritius: Policy-Making in Africa" IDRC Paper, http://web.idrc.ca/cs/ev-71255-201-1-DO_TOPIC.html

UNDP, Botswana Human Development Report 2005, Chapter 2 only
<http://www.unbotswana.org/bw/undp/docs/UNDP%20BHDR%202005%20-%20Botswana.pdf>

13. Nov. 27 China and India

Historical overview of development record. Gradual transitions to the market. Explanations for success. Comparison of different approaches.

- (1) Discuss the role of the state in the process of development and growth of China and India
- (2) Do the cases of China and India suggest that globalization is in fact good for development?
- (3) Can India overtake China?

*UNDP, CHINA *Human Development Report, 1999: Transition and the State* (Oxford: OUP, 1999).

*The Economist, A Survey of China & India (2005) – Blackboard.

*H. Yasheng and T. Khanna, “Can India Overtake China?” *Foreign Policy* (2003).

O. Jean, “Two Decades of Rural Reform in China: An Overview and Assessment,” *The China Quarterly*, (1999).

J. Petersen, “Explaining Economic Liberalization in India: State and Society Perspectives,” *World Development*, 28:2 (2000).

K. Dutt, “Uncertain Success: The Political Economy of Indian Economic Reform,” *Journal of International Affairs*, 51 (1997).

S. Kothari, “Whose Independence? The Social Impact of Economic Reform in India,” *Journal of International Affairs*, 51:1 (1997).

R. Thakur, "Restoring India's Economic Health," *Third World Quarterly*, 14:1 (1993).

P. Krugman, “The Myth of Asia’s Miracle” *Foreign Affairs*, (Nov/Dec. 1994).