

**Draft**

**Princeton University**

**WWS561/POL523**

**Fall Term 2008**

**Comparative Political Economy of Development**

Professor Atul Kohli  
Course Assistant: Ilan Nam

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

This course will provide a graduate level introduction to the comparative study of development. A central question will help organize the course: why have some parts of the developing world succeeded at “development,” while others have not? Whereas Asia is increasingly 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 both pockets of 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 and/or of markets.

The course is divided into three parts. After a brief overview that will emphasize the interaction of states and markets 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, 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. All seminar members will be expected to keep up with the readings and to participate in discussions. 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, including the possibility of adding smaller discussion groups.

**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.

**Books Ordered:**

Joseph Stiglitz, Globalization and Its Discontents, W.W. Norton, 2002.

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.

Atul Kohli, Chung-In Moon, and George Sorensen, eds., States, Markets, and Just Growth: Development in the Twenty-first Century, United Nations University Press, 2003.

Doug Guthrie, China and Globalization, Routledge, 2006.

## Weekly Course Topics and Readings

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

**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.

Atul Kohli, et al., States, Markets, and Just Growth, 2003, pp. 1-6.

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:**

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

Gregory W. Noble and John Ravenhill, "Causes and Consequences of the Asian Financial Crisis," in Gregory W. Noble and John Ravenhill, eds., The Asian Financial Crisis and the Architecture of Global Finance, eds., Cambridge, 2000, pp. 1-35.

Yun-han Chu in Kohli, et al. States, Markets, and Just Growth, 2003, Ch. 5.

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

**(add an article on recent political and economic trends; may be Haggard, 2004)**

**Supplementary Readings:**

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.

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: The False Start in Africa**

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

Dickson Eyoh and Richard Sandbrook in Kohli, et al. States, Markets, and Just Growth, Ch. 8.

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

**(add a section from the Ndulu volume on recent developments)**

**Supplementary Readings:**

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.

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**

David Collier, ed., The New Authoritarianism in Latin America, 1979, pp. 3-16 and 363-97.

Karen Remmer, “New Wine or Old Bottlenecks? The Study of Latin American Democracy,” Comparative Politics, Oct. 1990, Vol. 23, No. 1: pp. 479-95.

Jeffrey Sachs, “External Debt and Macroeconomic Performance in Latin America and East Asia,” Brookings Papers on Economic Activity, 2:1985, pp. 523-64.

Albert Fishlow, “Some Reflections on Comparative Latin American Economic Performance and Policy,” Wider Working Papers, 22, August 1987.

Rudiger Dornbusch and Sebastian Edwards, eds., The Macroeconomics of Populism in Latin America, 1991, pp. 1-35 (especially the essay by Kaufmann and Stallings).

Barbara Stallings and Wilson Peres, Growth, Employment and Equity: The Impact of the Economic Reforms in Latin America and the Caribbean, 2000, Chaps. 1 and 7.

Robert Kaufman, in Kohli, et al., States, Markets and Just Growth, Ch. 4.

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

Matthew R. Cleary, "A Left Turn in Latin America? Explaining the Left's Resurgence," Journal of Democracy, October, 2006, 35-49.

Edmund Amann and Werner Baer, "Economic Orthodoxy versus Social Development? The Dilemmas Facing Brazil's Labour Government," Oxford Development Studies, June 2006, 219-41.

**Supplementary Readings:**

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.

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.

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

Victor Bulmer-Thomas, The Economic History of Latin America Since Independence, 2<sup>nd</sup> ed., 2003.

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

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

**Session 6: Import Substitution and Beyond: India**

Bimal Jalan, India's Economic Crisis, pp. 1-60.

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

Atul Kohli, "Politics of Economic Growth in India, 1980-2005," Economic and Political Weekly, April 1 and 8, 2006.

Isher Ahluwalia, "Indian Economy," in Alyssa Ayres and Philip Oldenberg, eds. India Briefing, 2005, 45-80.

Angus Deaton and Jean Dreze, "Poverty and Inequality in India," Economic and Political Weekly, Sept. 7, 2002, 3729-48.

### **Supplementary Readings:**

Arvind Panagariya, India: The Emerging Giant, 2008.

Atul Kohli, "State and Redistributive Development in India," unpublished ms. (available on Kohli's home page).

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**

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

Doug Guthrie, China and Globalization, 2006.

### **Supplementary Readings:**

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

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.

### **Session 8: Globalization**

Joseph Stiglitz, Globalization and its Discontents, 2002.

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

Barbara Stallings, in Kohli et al., States, Markets and Just Growth, 2003, Ch. 1.

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

### **Supplementary Readings:**

Joseph Stiglitz, Making Globalization Work, 2007.

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

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 21<sup>st</sup> 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.

Stephan Haggard and Robert R. Kaufman, The Political Economy of Democratic Transitions, 1995, pp. 3-21 and 309-79.

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.

Atul Kohli, "Democracy and Development: Trends and prospects," in States, Markets, and Just Growth, 2003, Ch. 2.

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

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

### **Supplementary Readings:**

Nancy Bermeo, Ordinary People in Extraordinary Times, 2003.

Fareed Zakaria, The Future of Freedom, 2003.

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

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

William I. Robinson, "Globalization, the world system and 'democracy promotion' in U.S. foreign policy," Theory and Society 25, 1996.

Robert Dahl, Democracy and its Critics, 1986.

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

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

Larry Diamond and Marc Plattner, Democracy in Developing Countries, 1993.

Larry Diamond and Marc Plattner (eds.), The Global Resurgence of Democracy, 1993.

Adam Przeworski, Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America, 1991.

### **Session 10: Ethnic Conflicts**

John Hutchinson and Anthony Smith ed., Ethnicity, Oxford Readers, 1996, pp. 3-14, 32-51, 85-98, 275-347 (an essay that review new research on ethnicity).

Crawford Young, The Rising Tide of Cultural Pluralism, 1993, pp. 3-35.

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

Ashutosh Varshney, "Ethnic Conflict and Civil Society: India and Beyond," World Politics, April 2001, V. 53, No. 3, pp. 362-98.

Stephen Wilkinson, Votes and Violence, 2004, Chapter 1.

(add a couple of readings surveying new research)

**Supplementary Readings:**

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.

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

Donald Horowitz, Ethnic Groups in Conflict, 1985.

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

Crawford Young, The Politics of Cultural Pluralism, 1976.

Benedict Anderson, Imagined Communities, 1983.

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

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

**Session 11: Poverty and Distribution**

Jeffrey Sachs, The End of Poverty, 2005, pp. 1-25.

Gary Fields, Distribution and Development, 2001, Chs. 3 and 5.

HDR 1996, Ch. 3, 66-85.

Mick Moore and Howard White in Kohli et al., eds., States, Markets and Just Growth, 2003, Ch. 3.

Richard Sandbrook, et. al., Social Democracy in the Global Periphery, 2007, 3-62, 177-254.

HDR, 1995, pp. 1-10.

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

**Supplementary Readings:**

Paul Collier, The Bottom Billion, 2007.

Jeffrey Sachs, The End of Poverty, 2005.

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.

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

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

Amartya Sen, Poverty and Famines, 1981.

Amartya Sen, Development as Freedom, 1999.

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

John Sheahan, Patterns of Development in Latin America, 1987, Ch. 2.

Ester Boserup, Women's Role in Economic Development, 2<sup>nd</sup> ed., 1989.

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

Mahboob ul Haq, Reflections on Human Development, 1995.

Sonia E. Alvarez, Engendering Democracy in Brazil, 1990.

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

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

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