

**Princeton University**

**WWS561/POL523**

**Fall Term 2002**

**Comparative Political Economy of Development**

Professor Atul Kohli  
Course Assistant: Erik Kuhonta

Tues. 1:00 – 4:00pm  
WWS Room - 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 East Asia has often been viewed as economically successful, sub-Saharan Africa has just as often been treated as a failure. Latin America and South Asia are commonly perceived as mixed cases, 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 developmental pathways. While the readings will generally introduce you to the main regions of the developing world—and to their experience with development—the lectures will focus on specific countries. I will often draw my examples from four countries, 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; Distribution and Poverty; Ethnic Conflict; and Democracy.

### **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 (depending on class size, separate discussion sections may be arranged). There will be two exams. The mid-term exam will be a “take-home” exam (over the mid-term break) and the final will probably be “in-class,” scheduled during regular exam period. I will provide further details in the class.

Grading for the course will be done mainly by the course assistant, Erik Kuhonta (except for Ph.D. students, whose work I will grade personally).

### **Readings:**

All “required” readings are (or ought to be) on reserve in 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. If some of these books are out of print, feel free to copy them (while respecting copyright laws, of course). The remaining “required” readings will be available as a “course package” at Pequod.

### **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.

Human Development Report 1997, Oxford University Press, 1997.

Bimal Jalan, India’s Economic Crisis, Oxford University Press, 1992.

Robert Wade, Governing the Market, Princeton University Press, 1990.

Carl Riskin, China’s Political Economy, Oxford University Press, 1987.

Robert Bates, Markets and States in Tropical Africa, University of California Press, 1981.

## 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 (the master debate)
- 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, pp. 8-22.

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.

Peter Evans, "Predatory, Developmental and Other Apparatuses," Sociological Forum, Dec. 1989, pp. 561-87.

WDR, 1997, pp. 1-15.

Stephan Haggard, Pathways from the Periphery, 1990, pp. 9-22.

Samuel Huntington, "Goals of Development" in Huntington and Weiner, eds., Understanding Political Development, 1987, pp. 3-32.

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.

### **Supplementary Readings:**

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

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

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.

Lloyd Reynolds, Economic Growth in the Third World, 1985.

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

Douglas North, Institutions, Institutional Change and Economic Performance, 1990.

Peter Evans, Embedded Autonomy, 1995.

John Waterbury, Exposed to Innumerable Delusions, 1993.

### **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.

Dani Rodrik, “King Kong Meets Godzilla: The World Bank in the East Asian Miracle,” in Albert Fishlow, et al., Miracle or Design? Lessons from the East Asian Experience, ODC Policy Essay No. 11, pp. 13-38.

Alice Amsden, Asia’s Next Giant, 1989, Ch. 6, pp. 139-155.

Robert Wade, Governing the Market, 1990, pp. 22-33 and Chs. 2, 10, 11.

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.

### **Supplementary Readings:**

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

Paul Krugman, “The Myth of Asia’s Miracle,” Foreign Affairs, November 1994.

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.

Roy Hofheinz and Kent E. Calder, The Eastasia Edge, 1982.

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

Note: There is quite an extensive literature by now on the "Asian Financial Crisis." If the topic interests you, consult one or more of the following: T.J. Pempel, ed., 1999; Stephan Haggard, 2000; Yun-Peng Chu and Hal Hill, eds., 2001; Joseph Stiglitz and Shahid Yusuf, eds., 2001; and Ha-Joon Chang, Gabriel Palma and D. Hugh Whittaker, eds., 2001.

#### **Session 4: The False Start in Africa**

Robert Bates, Markets and States in Tropical Africa, 1981, pp. 1-132 (skim).

Richard Sandbrook, Politics of Africa's Economic Stagnation, 1985, especially pp. 1-144 (skim).

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

#### **Supplementary Readings:**

Benno Ndulu and Nicolas van de Walle, eds., Agenda for Africa's Economic Renewal, 1996.

William Reno, Warlord Politics and African States, 1998.

Leonardo Villalon and Phillip Huxtable, eds., The African State at a Critical Juncture, 1998.

Colin Leys, The Rise and Fall of Development Theory, 1996.

Thomas Callaghy and John Ravenhill, Hemmed In: Responses to Africa's Economic Decline, 1994.

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, July 1991, 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).

Simon Teitel, ed., Towards a New Development Strategy for Latin America, 1992, pp. 355-84.

William C. Smith et al., eds., Latin American Political Economy in the Age of Neoliberal Reform, 1994, pp. 181-208 (the essays by Pereira, Maravall and Przeworski)

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

### **Supplementary Readings:**

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.

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

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, The Way Ahead, 1991.

Shankar Acharya, "Macroeconomic Management in the 1990s," Economic and Political Weekly, April 20, 2002, pp. 1515-1538.

#### **Supplementary Readings:**

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

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

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 (skim the rest if interested).

Barry Naughton, Growing Out of the Plan, 1995, pp. 1-25 and 309-26.

#### **Supplementary Readings:**

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**

Robert Gilpin, The World Economy in The 21<sup>st</sup>. Century, 2000, Ch. 10.

Barbara Stallings, ed., Global Change, Regional Response, 1995, Chs. 1, 5 and 11.

Joseph Stiglitz, Globalization and its Discontents, 2002.

### **Supplementary Readings:**

Robert Gilpin, Global Political Economy, 2001.

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

Hans-Henrik Holm and George Sorensen, ed., Whose World Order: Uneven Globalization and the End of the Cold War, 1995.

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.

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

William Greider, Roller Coaster Capitalism, 1997.

### **Session 9: Poverty and Distribution**

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

HDR 1996, Ch. 3, 66-85.

Human Development Report 1997, (skim or read as per your interest).

Atul Kohli, The State and Poverty in India, pp. 1-14 and 95-144.

Kurt Weyland, Democracy without Equity, 1996, Chs. 1, 3, and 5.

Irene Tinker, Persistent Inequalities, 1990, Ch. 3.

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:**

Amartya Sen, Development as Freedom, 1999.

Michael Lipton and Martin Ravillion, "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.

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 10: Ethnic Conflicts**

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

Ted Robert Gurr and Barbara Harff, Ethnic Conflict in World Politics, 1994, pp. 1-26.

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.

Saul Newman, "Does Modernization Breed Ethnic Political Conflict," World Politics, April 1991, pp. 451-78.

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

### **Supplementary Readings:**

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

Donald Horowitz, The Deadly Ethnic Riot, 2001.

Donald Horowitz, Ethnic Groups in Conflict, 1985.

Crawford Young, The Politics of Cultural Pluralism, 1976.

Benedict Anderson, Imagined Communities, 1983.

Arend Lijphart, "The Power Sharing Approach," in Joseph Montville, ed., Conflict and Peacemaking in Multi-Ethnic Societies, 1987, pp. 491-510.

Deborah Yashar, (forthcoming book).

### **Session 11: 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.

Axel Hadenius, ed., Democracy's Victory and Crisis, 1997, pp. 71-80 (essay by Atul Kohli).

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

Guillermo O'Donnell, "Delegative Democracy," Journal of Democracy, January 1994, pp. 55-70.

### **Supplementary Readings:**

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

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

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 12: Conclusion** (no readings assigned).