

Political Science 1240
M, W, F, 2:00-2:50
MacMillan 115
Brown University
Fall 2009

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Office Hours: Fri, 3:00-5:00

Politics, Markets, and States in Developing Countries

I. About this Class

Across developing countries we see striking differences in economic performance and policy. Some countries are praised as economic “miracles,” only to turn from boom to bust. Others appear mired in inescapable stagnation. With regard to economic policies, developing countries have oscillated between state-led and free-market approaches. Recently, there is increasing experimentation with hybrid policies that challenge the old orthodoxies. Because most of the world’s population lives in lower income countries, these differences in economic performance and policy have a major impact on the lives of literally billions of people.

This course explores the causes and consequences of these differences across lower income countries by introducing the fundamental issues, concepts, and theoretical perspectives that comprise the field of the political economy of development. The first part of the class focuses on the shifting balance between states and markets that has defined development policy over the last 50 years. The second part turns to some of the core actors and issues in the contemporary developing world. Cases and empirical examples are drawn from Africa, Asia, and Latin America.

II. Requirements

There are **five** requirements for this course:

1. In-class mid-term (20%)
2. In-class final exam (30%)
3. Occasional short in-class quizzes (10%)
4. A 10-15 page research paper (30%)
5. Participation in class and in discussion section (10%)

There will be no make-up mid-term or final exams, with the exception of bona fide medical or other emergencies as validated by appropriate documentation (e.g., a doctor’s note). Late research papers will be penalized. Regarding class participation, students will be evaluated on a) attendance, including arriving to class on time, b) contributions to class and section discussions, and c) contributions to class and section exercises.

III. Readings

A required reader of photocopied articles is available for purchase at Allegra Print and Imaging on Thayer Street. In addition, the following two books are available for purchase at the Brown University Bookstore:

Daniel Yergin and Joseph Stanislaw, *The Commanding Heights: The Battle between Government and the Marketplace that is Remaking the Modern World* (New York: Simon and Schuster, 2002).

Paul Collier, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It* (New York: Oxford University Press, 2007).

IV. Schedule and Reading Assignments

1. Why Study Development?

- Poole, "\$50 Billion Question" [Reader #1]
- Bhagwati, et al. "Expert Panel Ranking" [Reader #2]
- Singer, "What Should a Billionaire Give – and What Should You?" [Reader #3]
- Schwartz and Leyden, "The Long Boom" [Reader #4]
- Kaplan, "The Coming Anarchy" [Reader #5]
- Polgreen and Simons, "Global Sludge Ends in Tragedy for Ivory Coast" [Reader #6]

2. The Shifting Balance between States and Markets

Introduction

- Yergin and Stanislaw, *The Commanding Heights* (pp. ix-xvii)

The Rise of Statism

- Yergin and Stanislaw, *The Commanding Heights* (chapter 3)
- Smith, "The Rise and Fall of the Developmental State in Latin America" [Reader #7]
- Green, "State vs. Market: The Rise and Fall of Import Substitution" [Reader #8]
- Gunder Frank, "The Development of Underdevelopment" [Reader #9]
- Alfred Stepan, *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton University Press, 1978), pp. 230-89 ["The State and Foreign Capital"]. **Posted online at My Courses.**
- Scott, *Seeing Like a State* (chapter 7) [Reader #10]
- Healy, *Llamas, Weavings, and Organic Chocolate* (pp. 1-5) [Reader #11]

Kicking the State Out: The Turn to the Market

- Yergin and Stanislaw, *The Commanding Heights* (chapters 5, 8, and 9)
- Edwards, *Crisis and Reform in Latin America* (chapters 1 and 3) [Reader #12]
- De Soto, *The Other Path* (pp. xiii-xxii, and pp. 131-158) [Reader #13]
- "The Poor Mans' Capitalist" (Interview with Hernando de Soto) [Reader #14]
- Becker and Becker, "The Results are In: Overregulation Kills Growth," "Why

- Public Enterprises Belong in Private Hands,” and “The Best Industrial Policy is None at All,” [Reader #15]
- Alessandra Stanley, “Full Moon Haircut Breaks Italy’s Law” [Reader #16]
 - Harford, “Yes, We Have Bananas, We Just Can’t Ship Them” [Reader #17]
 - Interview with Jeffrey Sachs, *Omni* [Reader #18]

Bringing the State Back In: Is the Pendulum Reversing?

- Yergin and Stanislaw, *The Commanding Heights* (chapter 13)
- Holmes, “What Russia Teaches Us Now” [Reader #19]
- Kuttner, et al. “The Road to Enron” [Reader #20]
- Coll, “Peace Without Justice: A Journey to the Wounded Heart of Africa” [Reader #21]
- Traub, “The Worst Place on Earth” [Reader #22]
- Ellis, *The Mask of Anarchy*, pp. 110-132 and 141-149 [Reader #23]
- Sengupta, “Beggar, Serf, Soldier, Child” [Reader #24]
- Yergin and Stanislaw, *The Commanding Heights* (chapter 6)
- Evans, “State Structures, Government-Business Relations, and Economic Transformation” [Reader #25]
- World Development Report, 1997*, (pp. 1-15) [Reader #26]
- Yergin and Stanslaw, *The Commanding Heights* (chapter 14)
- Fernando Henrique Cardoso, “New Paths: Globalization in Historical Perspective”, *Studies in Comparative International Development* 44:4 (December 2009): forthcoming. **Posted online at My Courses.**
- Peter Evans, “From Situations of Dependency to Globalized Social Democracy”, *Studies in Comparative International Development* 44:4 (December 2009): forthcoming. **Posted online at My Courses.**
- Gerardo L. Munck, “Development and Democracy in a Globalized World: Thinking about Latin America from Within” *Studies in Comparative International Development* 44:4 (December 2009): forthcoming. **Posted online at My Courses.**
- Documentary: “Cry Freetown”

3. Actors and Issues in the Contemporary Developing World

Big Business: Hero or Villain?

- Hutchcroft, *Booty Capitalism* (chapter 1) [Reader #27]
- Articles on corruption in the Philippines and Indonesia in *Far Eastern Economic Review* by Schwartz, Sender, Clad, Galang, and Tiglao [Reader #28]
- Stopford, “Multinational Corporations” [Reader #29]
- Wilson, “A Life Worth More Than Gold” [Reader #30]
- Perlez and Johnson, “Behind Gold’s Glitter: Torn Lands and Pointed Questions;” Perlez and Bergman, “Tangled Strands in Fight Over Peru Gold Mine;” and Perlez and Bonner, “Below a Mountain of Wealth, a River of Waste” [Reader #31]
- “Background Information on Publish What You Pay” [Reader #32]
- Snyder, “Does Lootable Wealth Breed Disorder?” [Reader #33]
- Documentary: “Peru - The Curse of Inca Gold”

Social Entrepreneurs

- Hsu, "Entrepreneur for Social Change" [Reader #34]
- Ashoka: Innovators for the Public, *Leading Social Entrepreneurs: Changing the World* (Arlington, VA: 2004), pp. 127-64, 187-88, 220-221. [Reader #35]
- Bornstein, "The Light in My Head Went On" [Reader #36]
- Dugger, "Brain Drain" [Reader #37]
- Traub, "The Statesman: Why, and How, Bono Matters" [Reader #38]
- Theroux, "The Rock Star's Burden" [Reader #39]
- Documentary: "The New Heroes"

Falling Behind and Apart in The Poorest Countries: What Can be Done?

- Collier, *The Bottom Billion* (Chapters TBA)

****** In-Class Midterm Exam, DATE TBA ******

****** Research Paper Due, Friday, December 11, 5:00 PM ******

****** In-Class Final Exam, Monday, December 14, 9:00 AM (Exam Group: 07) ******

Political Science 1240
Politics, Markets, and States in Developing Countries

Fall 2009, Professor Richard Snyder

1. Gary Andrew Poole, "\$50 Billion Question: World, Where to Begin?" *The New York Times*, June 5, 2004, p. A 15, 17.
2. Jagdish N. Bhagwati, et al. "Expert Panel Ranking," Pp. 605-8 in Bjorn Lomborg, ed. *Global Crises, Global Solution* (Cambridge: Cambridge University Press, 2004).
3. Peter Singer, "What Should a Billionaire Give – and What Should You?" *New York Times Magazine*, Dec. 17, 2006.
4. Peter Schwartz and Peter Leyden, "The Long Boom: A History of the Future, 1980-2020," *Wired* 5, no. 7 (July 1997).
5. Robert D. Kaplan, "The Coming Anarchy," *Atlantic Monthly* 273, no. 2 (Feb. 1994).
6. Lydia Polgreen and Marlise Simons, "Global Sludge Ends in Tragedy for Ivory Coast," *The New York Times*, October 2, 2006.
7. Peter H. Smith, "The Rise and Fall of the Developmental State in Latin America," pp. 51-73 in Menno Vellinga, ed. *The Changing Role of the State in Latin America* (Boulder, CO: Westview, 1999).
8. Duncan Green, "State vs. Market: The Rise and Fall of Import Substitution," pp. 19-38 in Duncan Green, *Silent Revolution: The Rise and Crisis of Market Economies in Latin America* (New York: Monthly Review Press, 2003).
9. André Gunder Frank, "The Development of Underdevelopment," pp. 1-17 in James D. Cockroft, André Gunder Frank, and Dale L. Johnson, eds. *Dependence and Underdevelopment: Latin America's Political Economy* (Garden City, NY: Anchor Books, 1972).
10. James C. Scott, "Compulsory Villagization in Tanzania: Aesthetics and Miniaturization," pp. 223-261 in James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven: Yale University Press, 1998).
11. Kevin Healy, *Llamas, Weavings, and Organic Chocolate: Multicultural Grassroots Development in the Andes and Amazon of Bolivia* (Notre Dame, IN: University of Notre Dame Press, 2001), pp. 1-5.
12. Sebastian Edwards, *Crisis and Reform in Latin America: From Despair to Hope* (New York: Oxford University Press, 1995), Chapters 1 and 3.
13. Hernando de Soto, *The Other Path: The Invisible Revolution in the Third World* (New York: Harper and Row, 1989), pp. xiii-xxii; and pp. 131-158.

14. "The Poor Man's Capitalist" (Interview with Hernando de Soto), *New York Times Magazine*, July 1, 2001.
15. Gary S. Becker and Guity Nashat Becker, "The Results are In: Overregulation Kills Growth," "Why Public Enterprises Belong in Private Hands," and "The Best Industrial Policy is None at All," pp. 25-27, 32-33, and 191-93 in Gary S. Becker and Guity Nashat Becker, *The Economics of Life* (New York: McGraw Hill, 1997).
16. Alessandra Stanley, "Full Moon Haircut Breaks Italy's Law," *The New York Times*, June 18, 2000.
17. Tim Harford, "Yes, We Have Bananas. We Just Can't Ship Them." *The New York Times*, December 16, 2005.
18. "Interview: Jeffrey Sachs," *Omni* 13, no. 9 (June 1991): pp. 76+.
19. Stephen Holmes, "What Russia Teaches Us Now: How Weak States Threaten Freedom," *The American Prospect* 33 (July-August 1997): 30-39.
20. Robert Kuttner, "The Road to Enron," and articles by Ralph Nader, Louis Lowenstein, Jeff Faux, Damon Silvers, and Richard Rosen, *The American Prospect* 13:6 (March 25, 2002), 2-3 and 18-22.
21. Steve Coll, "Peace Without Justice: A Journey to the Wounded Heart of Africa," *Washington Post Magazine* January 9, 2000.
22. James Traub, "The Worst Place on Earth," *New York Review of Books*, June 29, 2000, pp. 61-66.
23. Stephen Ellis, *The Mask of Anarchy: The Destruction of Liberia and the Religious Dimension of an African Civil War* (New York: New York University Press, 1999), pp. 110-132 and 141-149.
24. Somini Sengupta, "Beggar, Serf, Soldier, Child," *The New York Times*, Dec. 12, 2004.
25. Peter Evans, "State Structures, Government-Business Relations, and Economic Transformation," Pp. 63-87 in Sylvia Maxfield and Ben Ross Schneider, eds. *Business and the State in Developing Countries* (Ithaca: Cornell University Press, 1997).
26. *World Development Report, 1997: The State in a Changing World*, (New York: Oxford University Press, 1997), pp. 1-15.
27. Paul D. Hutchcroft, "The Political Foundations of Booty Capitalism in the Philippines," pp. 13-30 in Paul D. Hutchcroft, *Booty Capitalism: The Politics of Banking in the Philippines* (Ithaca: Cornell University Press, 1998).

28. Adam Schwartz, "All is Relative," "From Oil to Aircraft," and "Monopoly Under Fire," *Far Eastern Economic Review* (April 30, 1982); Henny Sender, "The Suhartos: Bambang's Challenge," *Far Eastern Economic Review* (September 5, 1996); James Clad, "Still All in the Family," *Far Eastern Economic Review* (March 26, 1987); Jose Galang, "Wealth Rooted Deep in a Sugar Empire," *Far Eastern Economic Review* (March 26, 1987); and Rigoberto Tiglao, "Teflon Friends," *Far Eastern Economic Review* (July 16, 1998).
29. John Stopford, "Multinational Corporations," *Foreign Policy* (Winter 1998-99): 12-24.
30. Scott Wilson, "A Life Worth More Than Gold: Peruvian Town Tries to Turn Away Mining Company," *Washington Post*, June 9, 2002.
31. Jane Perlez and Kirk Johnson, "Behind Gold's Glitter: Torn Lands and Pointed Questions," *The New York Times*, October 24, 2005; Jane Perlez and Lowell Bergman, "Tangled Strands in Fight Over Peru Gold Mine," *The New York Times*, October 25, 2005; and Jane Perlez and Raymond Bonner, "Below a Mountain of Wealth, a River of Waste," *The New York Times*, December 27, 2005.
32. "Background Information on Publish What You Pay," www.publishwhatyoupay.org
33. Richard Snyder, "Does Lootable Wealth Breed Disorder? A Political Economy of Extraction Framework" *Comparative Political Studies*, 39:8 (October 2006): 943-968.
34. Caroline Hsu, "Entrepreneur for Change," *U.S. News & World Report* Vol. 139, No 16 (October 31, 2005).
35. Ashoka: Innovators for the Public, *Leading Social Entrepreneurs: Changing the World* (Arlington, VA: 2004). 127-64, 187-88, 220-221;
36. David Bornstein, "The Light in My Head Went On," Pp. 20-39 in David Bornstein, *How to Change the World: Social Entrepreneurs and the Power of New Ideas* (New York: Oxford University Press, 2004).
37. Celia Duggers, "Study Finds Small Developing Lands Hit Hardest by 'Brain Drain,'" *The New York Times*, Oct. 25, 2005.
38. James Traub, "The Statesman: Why and How, Bono Matters," *The New York Times Magazine*, Sept. 18, 2005, pp. 80-89, 96, 98, 113, 120, 180, 187.
39. Paul Theroux, "The Rock Star's Burden," *The New York Times*, Dec. 15, 2005.