

**Seminar on Contending Perspectives on the Political Economy of Development
V53.0795.02**

Fall 2007-Tuesday (9:30-12:00)

**Department of Politics in Conjunction with the Alexander Hamilton Center for
Political Economy**

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Course Description

The question of why some countries stagnate economically while others grow rapidly is one of most important in the field of economics. It is now widely acknowledged that politics plays a central role in influencing growth. This makes the political economy of economic development one of the cutting edge areas of research. The field is characterized by fierce debate over several critical issues. In this course we will study major issues of contention from multiple perspectives.

Organization

We will read one or two books every week. The class will be divided into five groups of four students each. The first half of each class will be devoted to a presentation by a group to the rest of the class of the main arguments of the book(s), and the evidence offered in support of its main claims. The second half of each class will be devoted to a discussion of the book and the key issues discussed therein.

Requirements

Two thirds of the class grade will be based on class participation, i.e. the quality of presentation and the quality of contributions to classroom discussion. In order to get a good grade it is essential to demonstrate that you have carefully read the assigned readings. The remaining third of the grade will be for writing a ten page paper explaining the development trajectory of any country of your choice in the context of the theories that we will have studied in class. The last two classes of the semester will be devoted to presentations of the highlights of these papers.

Availability of books

All books are available at the reserves desk in Bobst Library. They may also be easily purchased via the internet. (Many are available used or at deep discounts.) Groups may also economize by sharing copies of some books. Links have been provided below for all the assigned articles.

Readings

- 1) September 4- Introduction to course.

No readings.

- 2) September 11- Fundamental Issues in Economic Development:

William Easterly. 2002. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge: MIT Press.

- 3) September 18- Foreign Aid and Development (Part 1): The Planners

Jeffrey Sachs. 2005. *The End of Poverty: Economic Possibilities for Our Time*. New York: Penguin.

- 4) September 25- Foreign Aid and Development (Part 2): The Searchers

William Easterly. 2006. *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*. New York: Penguin.

Amartya Sen. 2006. *The Man Without a Plan*. *Foreign Affairs* (March-April).
<http://www.foreignaffairs.org/20060301fareviewessay85214/amartya-sen/the-man-without-a-plan.html>

- 5) October 2- Foreign Aid and Development (3)- Neo-colonialism

Paul Collier. 2007. *The Bottom Billion*. New York: Oxford University Press.

Niall Ferguson. 2004. *Colossus*. New York: Penguin.

- 6) October 9- Globalization and Development (1)

Jagdish Bhagwati. 2007. *In Defense of Globalization*. New York: Oxford University Press.

Edward Leamer. 2007. *A Flat World, a Level Playing Field, a Small World After All, or None of the Above? A Review of Thomas L. Friedman's The World is Flat*. *Journal of Economic Literature* vol XLV (March), pp. 83-126.

http://uclaforecast.com/reviews/Leamer_FlatWorld_060221.pdf

7) October 16- Globalization and Development (2)

Joseph Stiglitz. 2002. *Globalization and Its Discontents*. New York: Norton.

Joseph Stiglitz. 2006. *Making Globalization Work*. New York: Norton.

8) October 23- Systems of Governance (1)-

William Baumol, Robert Litan, and Carl Schramm. 2007. *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*. New Haven: Yale University Press.

Raghuram Rajan and Luigi Zingales. *Saving Capitalism from the Capitalists: Unleashing the Power of Financial Markets to Create Wealth and Spread Opportunity*. Princeton: Princeton University Press.

9) October 30- Systems of Governance (2)-

Daron Acemoglu, Simon Johnson, and James Robinson. 2004. *Institutions as the Fundamental Cause of Economic Growth*. NBER Working Paper 10481.
<http://www.nber.org/papers/w10481>

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

10) November 6- Who Lost Russia?/Russia: A Normal Country?

Peter Reddaway and Dmitri Glinski. 2001. *Tragedy of Russia's Reforms: Market Bolshevism Against Democracy*. New York: United States Institute for Peace.

Andrei Shleifer and Daniel Treisman. 2001. *Without a Map: Political Tactics and Economic Reform in Russia*. Cambridge: MIT Press.

Andrei Shleifer and Daniel Treisman. 2004. *A Normal Country*. *Foreign Affairs* (March/April 2004).
<http://www.foreignaffairs.org/20040301faessay83204/andrei-shleifer-daniel-treisman/a-normal-country.html>

11) November 13- Latin America's Leftward Turn

Patrice Franko. 2007. *The Puzzle of Latin American Economic Development*. New York: Rowman and Littlefield.

Steve Ellner. 2006. Venezuela: Hugo Chavez and the Decline of “an Exceptional Democracy”. New York: Rowman and Littlefield.

12) November 20- Emerging Giants: China and India

Alan Winters and Shahid Yusuf. 2007. Dancing with Giants: China, India, and the Global Economy. Washington D.C: The World Bank.

13) November 27- Student presentations

14) December 4- Student presentations

15) December 11- No class (Thursday schedule)