

POLITICAL SCIENCE 231E  
POLITICS OF DEVELOPMENT  
Spring 2013  
Friday, 12 - 2:50 PM (SSB 104)

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Office Hours: Friday 3-4:30 PM  
Social Sciences Building #367

**COURSE SUMMARY**

This graduate seminar explores key factors that shape the development trajectory of nations, drawing on work from political science, economics, and sociology. We will examine various aspects of development, with a particular focus on economic growth. A primary area of inquiry is how political institutions influence development outcomes. Topics covered include the relationship between democracy and development, the role of the state, consequences of natural resources and corruption, and the impact of foreign aid. The seminar is designed for graduate students preparing for the comprehensive examination in comparative politics or designing a dissertation prospectus for study of the developing world, but students from other sub-disciplines are welcomed and encouraged to enroll.

Political Science 231E is organized around ten themes:

1. Defining Development
2. Traditional Economic Approaches to Development
3. The Rise of Institutional Economics
4. Democracy, Dictatorship, and Development
5. Rule of Law, Property Rights, and Development
6. States and Development
7. Corruption and Development
8. Clientelism and Development
9. Natural Resources and Development
10. Aid and Development

**COURSE REQUIREMENTS**

*Participation*

Students are expected to complete all readings prior to each session and to attend every seminar. Seminar participation will count for 40% of the overall grade. In addition to unstructured contributions to the conversation, participation will consist of two other responsibilities:

(1) Weekly “defenses” of a reading: Each student will choose a particular reading that he or she wishes to “defend” during each seminar discussion. All research has flaws, and it is constructive to identify and discuss these shortcomings. But discussions in graduate seminars

sometimes become one-sidedly critical. In order to maintain a healthy appreciation for the challenges entailed in original research, the defender's informal role will be to counter critiques of the particular reading and offer support for the scholar's methodological approach or substantive claims. Students do not need to inform the instructor or other students which reading they plan to defend each week.

(2) Short presentations: During some weeks, students will be asked to prepare a brief presentation on a particular reading or debate. These presentations can be highly informal. The aim is to introduce the rest of the group to as broad of range of material as possible while keeping the mandatory reading at a reasonable level. Further information about these presentations will be provided at a later date.

### *Final Paper*

The writing assignment in this seminar is a 5,000-word final paper, worth 60% of the overall grade. The paper deadline is **Tuesday, June 11<sup>th</sup> at 5 PM** – no late papers will be accepted unless extraordinary circumstances apply and you have prior permission from the instructor. A one-paragraph tentative proposal of your paper is due at the start of class on May 10<sup>th</sup>.

You may choose your own topic related to the study of development. The writing assignment may consist of a research paper or a critical literature review. With the first option, there is no expectation that you will write a full-fledged research paper; it is acceptable to write a paper that is somewhere between a research design and a research paper. The paper should clearly specify an empirical puzzle, synthesize the relevant literature, posit hypotheses, and analyze and discuss whether available evidence (quantitative and/or qualitative) supports your hypotheses versus alternative hypotheses. If you do not have sufficient evidence, specifically elaborate the type of evidence you would collect, and the types of analyses you would conduct to weigh different hypotheses. If you choose to write a critical literature review, there is no set number of books and/or articles that you must cover, but you should assess influential works representing multiple perspectives.

My primary aim is that the assignment facilitates students' dissertation prospectus, publication of a journal article, and/or preparation for a field exam. With this in mind, I may be willing to tailor the assignment to individual students' goals. You must e-mail or speak with me by May 10<sup>th</sup> about any such requests. Papers previously written or simultaneously submitted for another course will not be accepted.

### **COURSE MATERIALS**

The course draws on a wide range of sources, and there are no books that we will read in their entirety. All journal articles and book chapters will be made available via the course website on TED. That said, I encourage you to purchase the following books if you do not own them already:

- William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics* (The MIT Press, 2002)

- Amartya Sen, *Development as Freedom* (New York: Anchor Books, 1999)
- Douglass North, *Structure and Change in Economic History* (New York: WW Norton & Co., 1981)
- Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton University Press, 1995)
- Michael Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (Princeton University Press, 2012)

If you are unfamiliar with some of the econometric techniques in the readings, the following, PDFs of which can be found online for free, might be good resources:

- Paul Gertler, Sebastian Martinez, Patrick Premand, Laura Rawlings, and Christel Vermeersch, *Impact Evaluation in Practice* (Washington, DC: The World Bank, 2011)
- Shahidur Khandker, Gayatri Koolwal, and Hussain Samad, *Handbook on Impact Evaluation: Quantitative Methods and Practices* (Washington, DC: The World Bank, 2010)

For additional background on development debates, see the following:

- Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It* (Oxford University Press, 2007)
- Jeffrey Sachs, *The End of Poverty: Economic Possibilities for Our Time* (New York, NY: Penguin Books, 2005)
- Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Publishers, 2012)
- Abhijit Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* (New York: PublicAffairs, 2011)
- Abhijit Banerjee, Roland Benabou, and Dilip Mookherjee, eds., *Understanding Poverty* (Oxford University Press, 2006)
- Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth* (Princeton University Press, 2007)

## COURSE OVERVIEW

### **Week 1: Defining Development**

*Friday, April 5*

Key questions:

- How should development be defined?
- How should development be measured?
- How is economic growth related to other development indicators?
- What are the key development trends in recent years?

Assigned Readings:

- Lant Pritchett, "Divergence, Big Time," *Journal of Economic Perspectives* 11,3 (1997): 3-17
- Xavier Sala-i-Martin, "The World Distribution of Income: Falling Poverty and Convergence, Period!," *Quarterly Journal of Economics* 121,2 (2006): 351-397
- Amartya Sen, *Development as Freedom* (New York: Anchor Books, 1999)
  - Chapters 1-2
- Robert Costanza, Maureen Hart, Stephen Posner, and John Talberth, "Beyond GDP: The Need for New Measures of Progress," *The Pardee Papers* No. 4 (January 2009)
- Angus Deaton. "Global Patterns of Income and Health: Facts, Interpretations and Policies." NBER Working Paper 12735 (December 2006).

Other Readings:

#### *Alternative Indicators to GDP*

- Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi, *Report by the Commission on the Measurement of Economic Performance and Social Progress* (2009)

#### *Overviews of Development Trends*

- Angus Maddison, "The World Economy: A Millennial Perspective," OECD Development Centre Studies (OECD, 2001)
  - Pages: 27-31, 44-48, 125-130
- Jeffrey Sachs, *The End of Poverty: Economic Possibilities for Our Time* (New York, NY: Penguin Books, 2005) (see Chapter 2)
- Elhanan Helpman, *The Mystery of Economic Growth* (Harvard University Press, 2004) (see Chapter 1)
- Branko Milanovic. *Worlds Apart: Measuring International and Global Inequality* (Princeton University Press, 2007) (see Chapters 4-9)

- Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It* (Oxford University Press, 2007) (see Chapter 1)
- William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics* (The MIT Press, 2002) (see Chapter 1)

*What are Markets?*

- Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston, MA: Beacon Press, 1944)
- Amartya Sen, *Development as Freedom* (New York: Anchor Books, 1999) (see Chapter 5)
- Charles Lindblom, *Politics and Markets: The World's Political Economic Systems* (New York: Basic Books, 1977)

## Week 2: Traditional Economic Approaches to Development

Friday, April 12

Key questions:

- What are the sources of economic growth?
- How well do theories explain actual economic growth?
- How have theories of growth evolved over time?

Assigned Readings:

- William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics* (The MIT Press, 2002)
  - Chapters 2-4
- Elhanan Helpman, *The Mystery of Economic Growth* (Harvard University Press, 2004)
  - Chapters 2-3
- Dani Rodrik, "Introduction: What Do We Learn From Country Narratives?," in Dani Rodrik, ed., *In Search of Prosperity: Analytical Narratives on Economic Growth* (Princeton University Press, 2003)
  - Read pages 1-10
- John Gallup, Jeffrey Sachs & Andrew Mellinger, "Geography and Economic Development," *International Regional Science Review* 22 (1999).
- Jeffrey Sachs and Andrew Warner, "Economic Reform and the Process of Integration," *Brookings Papers on Economic Activity* 1 (1995)

Other Readings:

For those who are encountering the Solow model for the first time, I encourage you to watch Tyler Cowen and Alex Tabarrok's short online overview here:

- <http://mruniversity.com/solow-model-1-%E2%80%93-introduction>
- <http://mruniversity.com/solow-model-2-%E2%80%93-comparative-statics>
- <http://mruniversity.com/solow-model-3-%E2%80%93-taking-model-data>

*On Methodological Approaches*

- Daron Acemoglu, "Theory, General Equilibrium, Political Economy and Empirics in Development Economics," *Journal of Economic Perspectives* 24, 2 (2010): 17-32
- Paul Krugman, *Development, Geography, and Economic Theory* (The MIT Press, 1995)
  - Chp 1: The Fall and Rise of Development Economics
- Macartan Humphreys and Jeremy Weinstein, "Field Experiments and the Political Economy of Development," *Annual Review of Political Science* (2009)

### *On Economic Theories of Growth*

- Karla Hoff and Joseph Stiglitz, “Modern Economic Theory and Development,” in Gerald Meier and Joseph Stiglitz, eds., *Frontiers of Development Economics: The Future in Perspective* (Oxford University Press and The World Bank, 2001)
- Abhijit Banerjee and Esther Duflo, “Growth Theory Through the Lens of Development Economics,” in Philippe Aghion and Steven Durlauf, *Handbook of Economic Growth* (Elsevier, 2005)
- Elhanan Helpman, *The Mystery of Economic Growth* (Harvard University Press, 2004) (see remainder of book)

### *Empirical Work on Growth*

- Robert Barro, “Economic Growth in a Cross Section of Countries,” *The Quarterly Journal of Economics* 106,2 (1991): 407-443
- Gregory Mankiw, David Romer, and David Weil, “A Contribution to the Empirics of Economic Growth,” *The Quarterly Journal of Economics* 107, 2 (1992): 407-437
- Jeffrey Sachs, “Tropical Underdevelopment,” NBER Working Paper 8119 (2001)

### *Other Recommended Readings*

- David Lindauer and Lant Pritchett, “What’s the Big Idea? The Third Generation of Policies for Economic Growth,” *Economia* (Fall 2002)
- Jessica Cohen and William Easterly, eds., *What Works in Development? Thinking Big and Thinking Small* (Brookings Institution Press: Washington DC, 2009)

## Week 3: The Rise of Institutional Economics

Friday, April 19

Key questions:

- What are institutions?
- How do institutions affect development?
- How can institutions be studied?

Assigned Readings:

- Douglass North, *Institutions, Institutional Change, and Economic Performance* (Cambridge University Press, 1990)
  - Chapter 1
- Daron Acemoglu, Simon Johnson, and James Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review* 91 (2001): 1369-1401
- Dani Rodrik, "Getting Institutions Right," *CESifo DICE Report* 2 (2004)
- Dani Rodrik, Arvind Subramanian, and Francesco Trebbi, "Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development," *Journal of Economic Growth* 9, 2 (2004): 131-165
- Daron Acemoglu, Simon Johnson, and James Robinson, "Institutions as a Fundamental Cause of Long-Run Growth," in *Handbook of Economic Growth*, Philippe Aghion and Stephen Durlauf, eds. (Amsterdam: Elsevier, 2005)

Other Readings:

For those not familiar with instrumental variables or who need a review, see the Gertler et al. (2011) or Khandker et al. (2010) readings cited on Page 3, or alternatively:

- Joshua Angrist and Alan Krueger, "Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments," *The Journal of Economic Perspectives* 15,4 (2001): 69-85

*Debate Over "Colonial Origins" Paper*

- David Albouy, "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review* 102, 6 (2012): 3059-3076
- Daron Acemoglu, Simon Johnson, and James Robinson, "Hither Thou Shalt Come, But No Further: Reply to "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review* (forthcoming)

*Debate Over Effects of Institutions*

- Adam Przeworski, "The Last Instance: Are Institutions the Primary Cause of Economic Development?" *European Journal of Sociology* 45, 2 (2004): 165-188



- Edward Glaeser, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, “Do Institutions Cause Growth?” *Journal of Economic Growth* 9, 3(2004): 271-303
- William Easterly and Ross Levine, “Tropics, Germs, and Crops: How Endowments Influence Economic Development,” *Journal of Monetary Economics* 50,1 (2003): 3-39
- Jeffrey Sachs, “Institutions Don’t Rule: Direct Effects of Geography on Per Capita Income,” NBER Working Paper 9490 (January 2003)
- Stephen Knack and Philip Keefer, “Institutions and Economic Performance: Cross-Country Tests,” *Economics and Politics* 7,3 (1995): 207–228

#### *General Work on Institutions and Development*

- Douglass North, *Structure and Change in Economic History* (New York: WW Norton & Co., 1981)
- Daron Acemoglu, Simon Johnson, and James Robinson, “Reversal of Fortune: Geography and Institutions in the Making of the Modern World,” *Quarterly Journal of Economics* 117 (2001): 1231-1294
- Joel Mokyr, “The Institutional Origins of the Industrial Revolution,” in Elhanan Helpman, ed., *Institutions and Economic Performance* (Harvard University Press, 2008)
- Avner Greif, *Institutions and the Path to the Modern Economy* (Cambridge University Press, 2006)
- Douglass North, John Joseph Wallis, and Barry Weingast, *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History* (Cambridge University Press, 2009)
- Stanley Engerman and Kenneth Sokoloff, “Colonialism, Inequality, and Long-Run Paths of Development,” in *Understanding Poverty*, Abhijit Banerjee, Rolan Benabou, and Dilip Mookherjee, eds. (Oxford University Press, 2006)
- Abhijit Banerjee and Esther Duflo, “History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India,” *American Economic Review* (2005)
- Daron Acemoglu and Simon Johnson, “Unbundling Institutions,” *Journal of Political Economy* 113, 5 (2005)

## Week 4: Democracy, Dictatorship, and Development

Friday, April 26

Key questions:

- Does development cause democracy?
- Does democracy cause development?

Assigned Readings:

- Dietrich Rueschemeyer, Evelyne Huber Stephens, and John Stephens, *Capitalist Development & Democracy* (University of Chicago Press, 1992)
  - Chapters 1 and 7
- James Robinson, "Economic Development and Democracy," *Annual Review of Political Science* 9 (2006): 503-527
  - Read pages 517-524
- Daron Acemoglu, Simon Johnson, James Robinson, and Pierre Yared, "Income and Democracy," *American Economic Review* 98,3 (2008): 808-842
- Carles Boix, "Democracy, Development, and the International System," *American Political Science Review* 105, 4 (2011): 809-828
- John Gerring, Philip Bond, William Barndt, and Carola Moreno, "Democracy and Economic Growth: A Historical Perspective," *World Politics* 57 (2005): 323-364
- Dani Rodrik, "Institutions for High-Quality Growth: What They Are and How to Acquire Them," *Studies in Comparative International Development* 35, 3 (2000)
  - Read pages 15-27

Other Readings:

*Development's Effect on Regime*

- Daniel Treisman, "Income, Democracy and the Cunning of Reason," NBER Working Paper #17132 (June 2011)
- Fabrice Murtin and Romain Wacziarg, "The Democratic Transition," NBER Working Paper #17432 (August 2011)
- Ghada Fayad, Robert Bates and Anke Hoeffler, "Income and Democracy: Lipset's Law Inverted," Oxcarre Working Paper #61 (April 2011)
- Carles Boix and Susan Stokes, "Endogenous Democratization," *World Politics* 55, 4 (2003): 517-549
- Adam Przeworski, Michael Alvarez, Jose Antonio Cheibub, and Fernando Limongi, *Democracy and Development: Political Institutions and Material Well-Being in the World, 1950-1990* (Cambridge University Press, 2002)
- Robert Barro, "The Determinants of Democracy," *Journal of Political Economy* 107 (1999): 158-183
- Adam Przeworski and Fernando Limongi, "Modernization: Theories and Facts," *World Politics* 49,2 (1997)

- Seymour Martin Lipset, "The Social Requisites of Democracy Revisited," *American Sociological Review* 59,1 (1994): 1-22
- Seymour Martin Lipset, "Political Man: The Social Bases of Politics" (University of Chicago Press, 1963)
- Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53 (1959): 69-105
- Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics* (Berkeley, CA.: Institute of International Studies, University of California, 1973)
- David Collier, "Overview of the Bureaucratic-Authoritarian Model," in David Collier, ed., *The New Authoritarianism in Latin America* (Princeton University Press, 1979)

### *Regime Effect on Development*

- Jason Seawright, "Regression-Based Inference: A Case Study in Failed Causal Assessment," in Henry Brady and David Collier, eds., *Rethinking Social Inquiry: Diverse Tools, Shared Standards* (Lanham, Maryland: Rowman & Littlefield, 2010)
- Torsten Persson and Guido Tabellini, "Democracy and Development: The Devil in the Details," *American Economic Review* 96, 2 (2006): 319-324
- Dani Rodrik and Romain Wacziarg, "Do Democratic Transitions Produce Bad Economic Outcomes?" *American Economic Review Papers and Proceedings* 95,2 (2005): 50-55
- Fabrice Murtin and Romain Wacziarg, "The Democratic Transition," NBER Working Paper #17432 (August 2011)
- Torsten Persson and Guido Tabellini, "Democratic Capital: The Nexus of Political and Economic Change," *American Economic Journal: Macroeconomics* 1, 2 (2009): 88-126
- Hristos Doucouliagos and Mehmet Ali Ulubaşoğlu, "Democracy and Economic Growth: A Meta-Analysis," *American Journal of Political Science* 52,1 (2008): 61-83
- Jose Tavares and Romain Wacziarg, "How Democracy Affects Growth," *European Economic Review* 45 (2001): 1341-1378
- Robert Barro, "Democracy and Growth," *Journal of Economic Growth* 1, 1 (1996)
- Jose Maria Maravall, "The Myth of the Authoritarian Advantage," *Journal of Democracy* 5,4 (1994): 17-31
- John Gerring, Strom Thacker, and Rodrigo Alfaro, "Democracy and Human Development," *The Journal of Politics* 74,1 (2012): 1-17
- Adam Przeworski and Fernando Limongi, "Political Regimes and Economic Growth," *The Journal of Economic Perspectives* 7,3 (1993)
- James Mahoney, *Colonialism and Postcolonial Development: Spanish America in Comparative Perspective* (Cambridge University Press, 2010)
- Mancur Olson, "Democracy, Dictatorship, and Development," *American Political Science Review* 87,3 (1993)

### *Regime Type and Public Policy*

- Daron Acemoglu, Simon Johnson, James Robinson and Pierre Yared, "From Education to Democracy?" *American Economic Review Papers and Proceedings* 95, 2 (2005): 44-49

- Edward Glaeser, Giacomo Ponzetto, Andrei Shleife, “Why Does Democracy Need Education?” *Journal of Economic Growth* 12, 2 (2007): 77-99
- Timothy Besley and Masayuki Kudamatsu, “Health and Democracy,” *American Economic Review* (2006)
- Dani Rodrik, “Democracies Pay Higher Wages,” *Quarterly Journal of Economics* (1999)
- Torsten Persson and Guido Tabellini, “Constitutional Rules and Fiscal Policy Outcomes,” *American Economic Review* 94, 1 (2004): 25-45
- Torsten Persson and Guido Tabellini, *The Economic Effects of Constitutions* (The MIT Press, 2003)
- Casey Mulligan, Ricard Gil, and Xavier Sala-i-Martin, “Do Democracies Have Different Public Policies than Nondemocracies?” *Journal of Economic Perspectives* 8,1 (2004): 51-74

## Week 5: Rule of Law, Property Rights, and Development

Friday, May 3

### Key Questions:

- What is the role of law and property rights in development?
- What specific institutional arrangements are conducive to development?
- How do we account for growth in countries with poor institutions?

### Assigned Readings:

- Stephen Haggard, Andrew MacIntyre, and Lydia Tiede, "The Rule of Law and Economic Development," *Annual Review of Political Science* 11 (2008): 205-234
- Rafael LaPorta, Florencio Lopez-de-Silanes, and Andrei Shleifer, "The Economic Consequences of Legal Origins," *Journal of Economic Literature* 46,2 (2008): 285-332
- Douglass North and Barry Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History* 49, 4 (1989): 803-832
- Timothy Frye, "Credible Commitment and Property Rights: Evidence from Russia," *American Political Science Review* 98 (2004): 453-466
- Thomas Ginsburg, "Does Law Matter for Economic Development? Evidence from East Asia," *Law and Society Review* 34, 3 (2000): 829-856

### Other Readings:

#### *On property rights and credible commitment:*

- James Robinson and Steven Pincus, "What Really Happened During the Glorious Revolution," Working Paper.
- David Stasavage, "Credible Commitment in Early Modern Europe: North and Weingast Revisited," *Journal of Law, Economics, and Organization* 18, 1 (2002): 155-186
- Avner Greif, "Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition," *American Economic Review* 83, 3 (1993)
- Avner Greif, Paul Milgrom and Barry Weingast, "Coordination, Commitment and Enforcement: The Case of the Merchant Guild," *Journal of Political Economy* (1994)
- Stephen Haber, Armando Razo, and Noel Maurer, *The Politics of Property Rights: Political instability, Credible commitments and Economic Growth in Mexico, 1876-1929* (Cambridge University Press, 2003)
- Scott Gehlbach and Philip Keefer, "Investment Without Democracy: Ruling-Party Institutionalization and Credible Commitment in Autocracies," *Journal of Comparative Economics* 39 (2011) 123-139

*On the East Asia “puzzle” of growth with poor institutions:*

- David Clarke, “Economic Development and the Rights Hypothesis: The China Problem,” *American Journal of Comparative Law* 51 (2003): 89-112
- Frank Upham, “Mythmaking and the Rule of Law Orthodoxy,” Carnegie Endowment for International Peace, Working Paper No. 30 (September 2002)
- Stephan Haggard, “Institutions and Growth in East Asia,” *Studies in Comparative International Development* 38,4 (2004): 53-81

*Additional micro-level empirical works:*

- Simon Johnson, John McMillan, and Christopher Woodruff, “Property Rights and Finance,” *The American Economic Review* 92, 5 (2002): 1335-1356
- Timothy Besley, “Property Rights and Investment Incentives: Theory and Evidence from Ghana,” *Journal of Political Economy* (1995): 902-937

*On the “legal origins” debate:*

- Curtis Milhaupt and Katharina Pistor, *Law and Capitalism: What Corporate Crises Reveal about Legal Systems and Economic Development Around the World* (University of Chicago Press, 2008)
- Raghuram Rajan and Luigi Zingales, “The Great Reversals: The Politics of Financial Development in the Twentieth Century,” *Journal of Financial Economics* 69,1 (2003): 5-50
- Simeon Djankov, Rafael LaPorta, Florencio Lopez-de-Silanes, and Andrei Shleifer, “Courts” *Quarterly Journal of Economics* (2003)
- Edward Glaeser and Andrei Shleifer, “Legal Origins,” *Quarterly Journal of Economics* (2002)
- Rafael LaPorta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert Vishny, “Law and Finance,” *Journal of Political Economy* 106 (1998): 1113-1155

*General Readings on the Rule of Law in Developing Countries*

- Thomas Carothers, “The Rule of Law Revival,” *Foreign Affairs* 77 (1998): 95-106
- Daniel Berkowitz, Katharina Pistor, and Jean-Francois Richard, “The Transplant Effect,” *The American Journal of Comparative Law* 51, 1 (2003): 163-203
- Francis Fukuyama, “Transitions to the Rule of Law,” *Journal of Democracy* 21, 1 (2010): 33-44
- Stephen Holmes, “Lineages of the Rule of Law,” in *Democracy and the Rule of Law*, Jose Maria Maravall and Adam Przeworski, eds. (Cambridge University Press, 2003)
- Barry Weingast, “Why Developing Countries Prove so Resistant to the Rule of Law,” in *Global Perspectives on the Rule of Law*, James Heckman, Robert Nelson, and Lee Cabatingan, eds. (New York: Routledge, 2010)
- Kathryn Hendley, “Legal Development in Post-Soviet Russia,” *Post-Soviet Affairs* 13 (1997): 228-251

- Peter Murrell, ed., *Assessing the Value of Law in Transition Economies* (University of Michigan Press, 2001)
- Rebecca Bill Chavez, "The Construction of the Rule of Law in Argentina: A Tale of Two Provinces," *Comparative Politics* 35, 4 (2003): 417-437
- Rebecca Bill Chavez, *The Rule of Law in Nascent Democracies: Judicial Politics in Argentina* (Stanford University Press, 2004)
- Hernando De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York Basic Books, 2000)

*On Origins of Property Rights*

- Ato Kwamena Onoma, *The Politics of Property Rights Institutions in Africa* (Oxford University Press, 2010)
- Gary Libecap, *Contracting for Property Rights* (Cambridge University Press, 1994)
- William Riker and Itai Sened, "A Political Theory of the Origin of Property Rights: Airport Slots," *American Journal of Political Science* (1991): 951-969
- John Umbeck, *A Theory of Property Rights: With Application to the California Gold Rush* (Iowa State University Press, 1981)

## Week 6: States and Development

Friday, May 10

### Key Questions:

- Can the state promote development? Under what circumstances?
- What is the “Developmental State?” How useful is the concept?

### Assigned Readings:

- Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Harvard University Press, 1962)
  - Chapter 1
- Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (Cornell University Press, 1990)
  - Introduction and Chapters 1-2
- Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton University Press, 1995)
  - Chapters 1-3
- Alice Amsden, *Asia's Next Giant: South Korea and Late Industrialization* (Oxford University Press, 1989)
  - Chapters 1 and 6
- Dani Rodrik, “Industrial Policy for the Twenty-First Century,” CEPR Discussion Paper No. 4767 (November 2004)

### Other Readings:

#### *Some Classics*

- Samuel Huntington, *Political Order in Changing Societies* (Yale University Press, 1968)
- Robert Bates, *Markets and States in Tropical Africa* (University of California Press, 1981)
- Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford University Press, 1982)
- Atul Kohli, *State-Directed Development: Political Power and Industrialization in the Global Periphery* (Cambridge University Press, 2004)

#### *More on the Development State*

- Richard Doner, Bryan Ritchie, and Dan Slater, “Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective,” *International Organization* 59,2 (2005): 327-361
- Paul Krugman, “The Myth of Asia’s Miracle,” *Foreign Affairs* 73,6 (1994): 62-79
- Robert Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization* (Princeton University Press, 1990)
- Meredith Woo-Cumings, ed., *The Developmental State* (Cornell University Press, 1999)



- Peter Evans, "In Search of the 21<sup>st</sup> Century Developmental State," The Centre for Global Political Economy, University of Sussex Working Paper No. 4 (December 2008)
- Peter Evans and James Rauch, "Bureaucratic Structure and Bureaucratic Performance in Less Developed Countries," *Journal of Public Economics* 74 (2000): 49-62

#### *On Rent-Seeking*

- Ann Krueger, "Government Failures in Development," *Journal of Economic Perspectives* 4 (1990): 9-25
- Andrei Shleifer and Robert Vishny, *The Grabbing Hand: Government Pathologies and their Cures* (Harvard University Press, 1998)
- Mancur Olsen, *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships* (New York, NY: Basic Books, 2000)

#### *On Governance*

- Daniel Kaufman, Aart Kraay, and Pablo Zoido-Lobaton, "Governance Matters," World Bank Policy Research Working Paper 2196 (October 1999)
- Marcus Kurtz and Andrew Schrank, "Growth and Governance: Models, Measures, and Mechanisms," *Journal of Politics* 69,2 (2007)
- Daniel Kaufmann, Aart Kraay, and Massimo Mastruzzi, "Growth and Governance: A Reply," *Journal of Politics* 69,2 (2007)
- Marcus Kurtz and Andrew Schrank, "Growth and Governance: A Defense," *Journal of Politics* 69,2 (2007)

## Week 7: Corruption and Development

Friday, May 17

Key questions:

- What different types of corruption exist?
- What causes corruption?
- How does corruption affect development outcomes?
- How can corruption be studied?

Assigned Readings:

- Samuel Huntington, *Political Order in Changing Societies* (Yale University Press, 1968)
  - Read pages 59-71
- Jakob Svensson, "Eight questions about corruption," *Journal of Economic Perspectives* 19, 3 (2005): 19-42
- Daniel Treisman, "What Have We Learned About the Causes of Corruption from Ten Years of Cross-National Empirical Research?" *Annual Review of Political Science* 10 (2007): 211-244
- Benjamin Olken and Rohini Pande, "Corruption in Developing Countries," *Annual Review of Economics* 4 (2012): 479-509
- Claudio Ferraz & Frederico Finan, 2011. "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments," *American Economic Review*, Vol. 101(4): 1274-1311.

Other Readings:

Methodological Approaches:

- Raymond Fisman and Edward Miguel, "Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets," *Journal of Political Economy* 115,6 (2007)
- John McMillan and Pablo Zoido, "How to Subvert Democracy: Montesinos in Peru," *Journal of Economic Perspectives* 18, 4 (2004): 69-92
- Benjamin Olken and Patrick Barron, "The Simple Economics of Extortion: Evidence from Trucking in Aceh," *Journal of Political Economy* 117, 3 (2009): 417-452
- Marianne Bertrand, Simeon Djankov, Remma Hanna, and Sendhil Mullainathan, "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption," *Quarterly Journal of Economics* 122, 4 (2007): 1639-1676

Background Reading:

- Andrei Shleifer and Robert Vishny, "Corruption," *Quarterly Journal of Economics* 108, 3 (1993): 599-617
- James Scott, *Comparative Political Corruption* (Englewood Cliffs, NJ: Prentice-Hall, 1972)

- Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge University Press, 1999)
- Robert Klitgaard, *Controlling corruption* (University of California Press, 1988)
- Daniel Kaufmann, "Corruption: The Facts," *Foreign Policy* (Summer 1997): 114-131
- Pranab Bardhan, "Corruption and Development: A Review of Issues," *Journal of Economic Literature* 35 (1997): 1320-1346
- Paolo Mauro, "Corruption and Growth," *Quarterly Journal of Economics* 110 (1995): 167-195
- Nauro Campos and Francesco Giovannoni, "Lobbying, Corruption, and Political Influence," *Public Choice* 131, 1 (2007): 1-21
- Arnold Heidenheimer and Michael Johnston, eds., *Political Corruption: Concepts and Contexts* (New Brunswick, NJ: Transaction Publishers, 2002)
- Charles Blake and Stephen Morris, eds., *Corruption and Democracy in Latin America* (University of Pittsburgh Press, 2009)
- Miriam Golden and Eric Chang, "Competitive Corruption: Factional Conflict and Political Malfeasance in Postwar Italian Christian Democracy," *World Politics* 53, 4 (2001): 588-622
- Michael Johnston, *Syndromes of Corruption: Wealth, Power and Democracy* (Cambridge University Press, 2005)
- Frank Anechiarico and James Jacobs, *The Pursuit of Absolute Integrity* (University of Chicago Press, 1996)
- Tomas Larsson, "Reform, Corruption, and Growth: Why Corruption is More Devastating in Russia than in China," *Communist and Post-Communist Studies* 39, 2 (2006): 265-281
- Rasma Karklins, "Typology of Post-Communist Corruption," *Problems of Post-Communism* 49, 4 (2002): 22-32
- Diego Gambetta, "Corruption: An Analytical Map," in *Political Corruption in Transition: A Skeptic's Handbook*, Stephen Kotkin and Andras Sajo, eds. (Central European Press, 2006)
- Maxim Mironov and Ekaterina Zhuravskaya, "Corruption in Procurement and Shadow Campaign Financing: Evidence from Russia," unpublished manuscript
- Daniel Gingerich, "Understanding Off-the-Book Politics: Conducting Inference on the Determinants of Sensitive Behavior with Randomized Response Surveys," *Political Analysis* 18, 3 (2010): 349-380
- Klaus Abbink, "Laboratory Experiments on Corruption," in *International Handbook on the Economics of Corruption*, Susan Rose-Ackerman, ed. (Northampton, MA: Edward Elgar Publishing, 2006)

## Week 8: Clientelism, Distributive Politics and Development

Friday, May 24

Key questions:

- What is clientelism and how does it differ from other forms of distributive politics?
- What causes clientelism?
- How does clientelism affect development outcomes?
- How can clientelism be studied?

Assigned Readings:

- Herbert Kitschelt and Steven Wilkinson, "Citizen-Politician Linkages: An Introduction," in *Patrons, Clients, and Policies*, Herbert Kitschelt and Steven Wilkinson, eds. (Cambridge University Press, 2007)
- Susan Stokes, Thad Dunning, Marcelo Nazareno, and Valeria Brusco, *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics* (Cambridge University Press, forthcoming)
  - Read pages 2-30
- Allen Hicken, "Clientelism," *Annual Review of Political Science* 14 (2011): 289-310
- Susan Stokes, "Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina," *American Political Science Review* 99, 3 (2005): 315-325
- Miriam Golden and Brian Min, "Distributive Politics Around the World," *Annual Review of Political Science*, Forthcoming.

*Methodological Approaches to the Study of Clientelism*

- Leonard Wantchekon, "Clientelism and Voting Behavior: Evidence from a Field Experiment in Benin," *World Politics* 55 (2003): 399-422
- Ezequiel Gonzalez-Ocantos, Chad Kiewiet de Jonge, Carlos Melendez, Javier Osorio, and David Nickerson, "Vote Buying and Social Desirability Bias: Experimental Evidence from Nicaragua," *American Journal of Political Science* 56, 1 (2012): 202-217
- Javier Auyero, "The Logic of Clientelism in Argentina: An Ethnographic Account," *Latin American Research Review* 35, 3 (2000): 55-81

Further Background Reading:

*On Clientelism*

- Susan Stokes, "Political Clientelism," *Oxford Handbook of Comparative Politics*, Susan Stokes and Carles Boix, eds. (Oxford University Press, 2007)
- Simona Piattoni, "Clientelism in Historical and Comparative Perspective," in *Clientelism, Interests, and Democratic Representation: The European Experience in Historical and Comparative Perspective*, Simona Piattoni, ed. (Cambridge University Press, 2001)

- James Scott, "Patron-Client Politics and Political Change in Southeast Asia," *American Political Science Review* 66, 1 (1972): 91-113
- James Scott, "Corruption, Machine Politics, and Political Change," *American Political Science Review* 63 (1969): 1142-1158.
- Robin Theobald, "Patrimonialism," *World Politics* 34, 4, (1982): 548-559
- Martin Shefter, "Party and Patronage: Germany, England, and Italy," *Politics and Society* 7 (1977): 403-452
- Pedro Vicente and Leonard Wantchekon, "Clientelism and Vote Buying: Lessons from Field Experiments from African Elections," *Oxford Review of Economic Policy* 25, 2 (2009): 292-305
- Philip Keefer and Razvan Vlaicu, "Democracy, Credibility and Clientelism," *Journal of Law, Economics and Organization* 24, 2 (2008): 371-406
- Frederic Schaffer, ed., *Elections for Sale: The Causes and Consequences of Vote Buying* (Lynne Rienner, 2007)
- Susan Stokes, "Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina," *American Political Science Review* 99, 3 (2005): 315-325
- Simeon Nichter, "Vote Buying or Turnout Buying? Machine Politics and the Secret Ballot," *American Political Science Review* 102, 1 (2008): 19-31
- Fabrice Lehoucq and Ivan Molina, *Stuffing the Ballot Box: Fraud, Election Reform, and Democratization in Costa Rica* (Cambridge University Press, 2002)
- William Riordan, *Plunkitt of Tammany Hall* (New York: Signet, 1995)

## Week 9: Natural Resources and Development

Friday, May 31

### Key Questions:

- What are the effects of natural resources on economic development?
- What are the effects of natural resources on regime type?
- What types of institutional arrangements mediate these relationships?

### Assigned Readings:

- Michael Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (Princeton University Press, 2012)
  - Chapters 1-3 and 6
- Stephen Haber and Victor Menaldo, "Do Natural Resources Fuel Authoritarianism? A Reappraisal of the Resource Curse," *American Political Science Review* 105 (2010): 1-26
- Pauline Jones Luong and Erika Weinthal, "Rethinking the Resource Curse: Ownership Structure, Institutional Capacity, and Domestic Constraints," *Annual Review of Political Science* (2006)
- Thad Dunning, *Crude Democracy: Natural Resource Wealth and Political Regimes* (Cambridge University Press, 2008)
  - Chapter 1

### Other Readings:

- Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States* (University of California Press, 1997)
- Michael Ross and Jørgen Juel Andersen, "The Big Oil Change: A Closer Look at the Haber-Menaldo Analysis," *Comparative Political Studies* (forthcoming)
- Jeffrey Sachs and Andrew Warner, "The Curse of Natural Resources," *European Economic Review* 45 (2001): pp. 827-838
- Michael Ross, "Does Oil Hinder Democracy?" *World Politics* 53 (2001)
- Michael Ross, "The Political Economy of the Resource Curse," *World Politics* 51,2 (1999): 297-322
- Pauline Jones Luong and Erika Weinthal, *Oil is Not a Curse: Ownership Structure and Institutions in the Soviet Successor States* (Cambridge University Press, 2010)
- Pauline Jones Luong and Erika Weinthal, "Contra Coercion: Russian Tax Reform, Exogenous Shocks and Negotiated Institutional Change," *American Political Science Review* 98 (2004)
- Kiren Chaudhry, *The Price of Wealth: Economies and Institutions in the Middle East* (Cornell University Press, 1997)
- Daniel Treisman, "Is Russia Cursed by Oil?" *Journal for International Affairs* (2010)
- M. Steven Fish, *Democracy Derailed in Russia: The Failure of Open Politics* (Cambridge University Press, 2005) (Chapter 5)

## Week 10: Aid and Development

Friday, June 7

### Key Questions:

- What is the impact of foreign aid on development outcomes?
- How do political institutions influence aid effectiveness?
- What effect does foreign aid have on political institutions?

### Assigned Readings:

- William Easterly, "Can Foreign Aid Buy Growth?," *Journal of Economic Perspectives*, 17 (2003): 23–48
- Michael A. Clemens, Steven Radelet, Rikhil R. Bhavnani and Samuel Bazzi, "Counting Chickens When They Hatch: Timing and the Effects of Aid on Growth," *The Economic Journal*, 122 (2012), 590–617
- Joseph Wright and Matthew Winters, "The Politics of Effective Foreign Aid," *Annual Review of Political Science* 13 (2010): 61-80
- Faisal Ahmed, "The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival," *American Political Science Review* 106 (2012)
- Dambisa Moyo, "Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa," Macmillan (2009)
  - Chapter 4
- William Easterly, "Was Development Assistance a Mistake?," SSRN Working Paper (2012)

### Other Readings:

#### *Foreign Aid and Development*

- Craig Burnside and David Dollar, "Aid, Policies, and Growth," *American Economic Review* 90,4 (2000): 847–868
- William Easterly, Ross Levine, and David Roodman "New Data, New Doubts: A Comment on Burnside and Dollar's 'Aid, Policies, and Growth,'" *American Economic Review* (2004)
- Roger Riddell, *Does Foreign Aid Really Work?* (Oxford University Press, 2007)
- Raghuram Rajan and Arvind Subramanian, "Aid and Growth: What Does the Cross-Country Evidence Really Show?" *Review of Economics and Statistics* (2007)
- David Roodman, "The Anarchy of Numbers: Aid, Development, and Cross-Country Empirics," *World Bank Economic Review* 21,2 (2007): 255-277
- William Easterly and Tobias Pfutze, "Where Does the Money Go? Best and Worst Practices in Foreign Aid," *Journal of Economic Perspectives* (2008)
- Eric Werker, Faisal Ahmed, and Charles Cohen, "How is Foreign Aid Spent? Evidence from a Natural Experiment," *American Economic Journal: Macroeconomics* 1, 2 (2009)

- Simeon Djankov, Jose Montalvo and Marta Reynal-Querol, "The Curse of Aid," *Journal of Economic Growth* (2009)
- William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics* (The MIT Press, 2002) (Chapters 6-7)
- Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It* (Oxford University Press, 2007) (Chapter 7)

#### *Aid and Democracy*

- Helen Milner, Daniel Nielson and Michael Findley, "Which Devil in Development? A Large-N Survey and Randomized Field Experiment Comparing Bilateral Aid, Multilateral Assistance, and Government Action in Uganda," working paper
- Helen Milner and Bumba Mukherjee, "Democratization and Economic Globalization," *Annual Review of Political Science* 12 (2009): 163-181
- Joseph Wright, "How Foreign Aid Can Foster Democratization in Authoritarian Regimes," *American Journal of Political Science* 53, 3 (2009): 552-571
- Stephen Knack, "Does Foreign Aid Promote Democracy?" *International Studies Quarterly* 48, 1 (2004): 251-266
- Jose Tavares, "Does Foreign Aid Corrupt?" *Economics Letters* 79,1 (2003): 99-106
- Ilyana Kuziemko and Eric Werker, "How Much Is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations," *Journal of Political Economy* 114,5 (2006)