

POLI 128 - Spring 2014

Tuesday-Thursday 12:30PM-1:50PM
Pepper Canyon Hall, Room 121

Autocracy, Democracy, and Prosperity

Prof. Sebastian M. Saiegh
ssaiegh@ucsd.edu
858-534-7237

Office Hours: Thursday 10:00AM-12:00PM, office SSB #365.

Course Description

This course considers the interplay between factor endowments, political institutions and economic performance. It focuses on the connection between representative political institutions and the emergence and expansion of markets.

Format

The class will meet twice a week for the duration of the quarter. Class sessions will be conducted as lectures. Each meeting will be devoted to a new theme/idea related to the link between political institutions and economic performance. Each of the topics presented in class is paired with one **required** reading. The lectures will review the concepts discussed in these readings, but should be taken neither as a *duplication* nor as a substitute for them. In other words, you should not assume that because you came to class, you can skip the readings, and/or that because you made the readings you may not attend the lectures. You will notice that I have limited the number of readings each week. I want us to focus on the key concepts of the arguments made, the logic used, and how the arguments are tested. You should read the materials keeping this aim in mind. Also, you may find it helpful to reread the material after it was discussed in class.

The pace of this course will be fast and some of the readings will be quite complex. You should **not** be discouraged by this. In most cases, understanding these readings will take patience more than anything else. Nonetheless, some basic knowledge of economics and statistics would be useful.

Assignments

Each week students are expected to read the materials. Students are expected to write one short essay (1-2 pages), take a midterm exam, and final exam. The short essay should focus on the main ideas discussed in a particular week's readings. The emphasis should be on how the arguments are presented, and how the problem at hand can be better examined. The paper should not be a summary of the readings or other forms of surveys of the literature. I want you to think about how you would address the issues discussed in the readings. The essay will be due on week 7. The midterm exam is worth 25% of the final grade. The short essay accounts for 20% of the final grade and the final exam accounts for 45% of the final grade. Discussion and general class participation accounts for the remaining 10%. Extensions, incompletes, etc. will be given in accordance with UCSD policy. Except under **very pressing circumstances**, they will be discouraged.

Course Policies

Academic Integrity. Students in this course are expected to comply with UCSD's Policy on Integrity of Scholarship. In particular, plagiarism is considered a dishonest practice and a serious academic offense. Hence, there will be a zero tolerance policy with respect to these practices: any student violating the obligation of academic integrity during the term will automatically fail the class. Copies of the current version of the UCSD Policy on Integrity of Scholarship, also commonly referred to as the Academic Dishonesty Policy, may be found on the Academic Senate webpage: <http://www-senate.ucsd.edu/AcademicIntegrity/AcademicIntegrity.htm>

Disabilities. If you have a disability that requires special testing accommodations or other classroom modifications, you need to notify both me and the Office for Students with Disabilities (OSD). You may be asked to provide documentation of your disability to determine the appropriateness of accommodations. To notify the OSD, call (858) 534-4382 to schedule an appointment.

Course Materials

Readings are drawn from two books available for purchase, and from articles available off the Web through the UCSD Library System (marked in this syllabus by *). In addition there are some readings drawn from book chapters, and non-electronic journals. These articles (marked by **) will be made available by the instructor.

Required Books

De Soto, Hernando. 2000. *The Mystery of Capital*. New York: Basic Books (hereafter: De Soto).

Easterly, William. 2002. *The Elusive Quest for Growth*. Cambridge: MIT Press (hereafter: Easterly).

Course Outline and Readings

Week 1 (March 31 - April 4) - Economic Prosperity

April 1: Introduction

April 3: Growth and Prosperity (Easterly, ch. 1)

Week 2 (April 7 - April 11) - Mechanics of Growth

April 8: Mechanics of Growth I (Easterly, ch. 2)

April 10: Mechanics of Growth II (Easterly, ch. 3)

Week 3 (April 14 - April 18) - Incentives and Growth

April 15: Incentives and Growth I (Easterly, ch. 8)

April 17: Incentives and Growth II (Easterly, ch. 9)

Week 4 (April 21 - April 25) - Property Rights and Growth

April 22: Property Effects (De Soto, ch. 2)

April 24: Extralegality (De Soto, ch. 3)

Week 5 (April 28 - May 2) - Review & Midterm

April 29: Review.

May 1: Midterm Exam.

Week 6 (May 5 - May 9) - Law and Order I

May 6: Informal Law (De Soto, ch. 6)

May 8: Spontaneous Order

- * Sugden, Robert. 1989. "Spontaneous Order," *Journal of Economic Perspectives*, Vol 3, 4: 85-97.

Week 7 (May 12 - May 16) - Law and Order II

May 13: Organized Violence

- * Lane, Frederic C. 1958. "Consequences of Organized Violence," *Journal of Economic History*, Vol. 18, 4: 401-417.

May 15: A Neoclassical Theory of the State

- ** North, Douglass C. 1980. *Structure and Change in Economic History*. New York: Norton, Ch. 3.

Week 8 (May 19 - May 23) - Limiting Power

May 20: Power and Prosperity

- ** Olson, Mancur. 2000. *Power and Prosperity*. New York: Basic Books, Ch. 1.

May 22: Tying the King's Hands

- * Root, Hilton L. 1989. "Tying the King's Hands: Credible Commitments and Royal Fiscal Policy during the Old Regime," *Rationality and Society*, Vol. 1, No. 2: 240-258.

Week 9 (May 26 - May 30): Politics and Economic Prosperity

May 27: Political Regimes and Growth

- * Przeworski, Adam and Limongi, Fernando. 1993. "Political Regimes and Economic Growth," in *Journal of Economic Perspectives*, Vol. 7: 51-69.

May 29: Economic Prosperity and Democracy

- * Przeworski, Adam, Michael E. Alvarez, Jose Antonio Cheibub, and Fernando Limongi. 1996. "What Makes Democracies Endure?," *Journal of Democracy*, Vol. 7: 39-55.

Week 10 (June 2 - June 6): Autocracy, Democracy, and Prosperity

June 3: Bringing it all together

- ** Keefer, Philip. 2004. "What Does Political Economy Tell Us About Economic Development - and Vice Versa?," *Annual Review of Political Science*, 7: 247-272.

June 5: Final Overview.

Final Exam: Monday June 9 - 11:30AM - 2:29PM