Poli 126: Political Economy of Development  
Summer Session I, 2017

Instructor: Sean Morgan  
Lecture: Tu/Th 2:00-4:50pm, Warren 2110  
Email: stmorgan@ucsd.edu  
OH: Tu/Th 12:00-1:50 and after class  
Office: Social Science Building (SSB) #443

Course Materials available on TritonEd: https://tritoned.ucsd.edu. Readings, syllabus, course handouts, and other materials are available from the content tab.

Assigned Text:  

Lecture Notes/Podcast: There is no podcast for this course, and lecture notes will not be posted online. Lecture attendance is expected and required. If you require an accommodation for a disability, such as recording lecture for your personal use, please let me know. I am more than happy to work with you!

Electronics Use: Laptop and tablet usage is not allowed during lecture. Cell phones are to be kept on silent in your pocket/bag. Numerous studies have found that electronics usage in class decreases student attention and leads to reduced learning and reduced performance on course assessments. For more information, see the following articles:

1. [https://teachingcenter.wustl.edu/2015/08/laptop-use-effects-learning-attention/](https://teachingcenter.wustl.edu/2015/08/laptop-use-effects-learning-attention/)  

Again, in the case of a necessary disabilities accommodation, please let me know. I am more than happy to work with you.

Course Description: What do we mean by “development?” How does chronic poverty affect people in the developing world? What are the prospects for economic growth? Why does extreme inequality, both across and within countries, continue to exist? What political institutions and structures support development and reduce inequality? Which exacerbate these problems? This course provides an overview of current responses to these questions, and provides students with the tools to evaluate developmental success or failure. The first half of the course provides an overview of the history of development policy since WWII, with a specific emphasis on comparative industrial policy and financial crisis management. The second half presents a survey of contemporary development topics, with a focus on the interaction between the sequencing and structure of national economic policies and political institutions/governance, including agricultural policy and land reform, national dependence on primary commodities and extractive resources, budgetary dependence on foreign aid and debt issues, and problems of corruption and rent-seeking.

By the end of the course, students should be able to:

1. Critically evaluate the dominant theories and conceptions of development in the political economy literature;
2. Analyze the relative successes and failures of competing development models in cases drawn from Latin America, Sub-Saharan Africa, and Asia;
3. Critically evaluate the role of national and international political and economic institutions in promoting specific development goals;
4. Assess the success or failure of policies addressing a series of socio-economic policy topics, including: financial crisis management, industrial policy and the promotion of infant industries, agricultural policy and land reform, dependence on extractive resources, corruption and rent-seeking, and dependence on foreign aid.

Course Assignments/Grading:
Class Presentations:
- Two Presentations (15% each) 30%
- Quiz Performance (lowest 2 dropped) 20%
Take-Home Final: 50%

Class Presentations: Since this is an upper division course and we are a reasonably small group, I’ve decided to run this course similarly to an upper-division seminar at a liberal arts school, or a graduate school seminar course. In those courses, students are expected to help facilitate discussion of the readings for each class period, typically through a short presentation. These presentations help to make sure everyone is on the same page for a more in-depth discussion than is typical of larger lecture courses, and help to ensure everyone has completed the reading. This is especially important in a condensed summer course that includes challenging technical material on economic policies.

So, how will this work? Each class, after the first few introduction classes (we will start either 7/13 or 7/18), there will be two or three student presentations, with each student handling a subset of the readings for that class period. The number of readings will be between two and four per student, depending on reading length and topic. Each subset of readings is grouped under an italicized heading for each class. For example, on Tuesday 7/18, there are two headings: Debt Crisis and Asian Financial Crisis. One student would be responsible for the debt crisis readings, while a second student would be responsible for the financial crisis readings.

Each student is expected to do the following:

- Prepare a short presentation (approximately 15 minutes), summarizing the core themes and points of disagreement in their assigned readings. Don’t go overboard here. These are supposed to be brief, informative summaries of key debates, not exhaustive research presentations. You should make a short (1-2 page) handout for your colleagues, and so you have notes to use during the presentation, but you should not make a PowerPoint.
- Prepare a short quiz (5 questions), to be given before their presentation, on the basic debates/themes and key arguments of their readings. Please keep the quiz to a single page, bring hard copies for each student, and a brief answer key for me. Quizzes should be some combination of T/F, Multiple Choice, and quick identification/fill-in questions. However, the quiz should take less than 5 minutes to complete. You will be graded on your performance on these quizzes, though I will drop the lowest two quiz grades to allow some leeway. (I will also give a quiz or two in the first few class periods to give a sense of what I expect.)

While you will be graded on each presentation, and on the quizzes, these are intended to be a way of demonstrating consistent participation and working to understand the material. I will not be harsh
on presentation grades, and I will drop the two lowest quiz grades. I don’t expect perfection, just that you are making a sincere effort to keep up with the readings.

After each presentation, we will move into a group discussion of the themes, and I will supplement the synthesis provided by the student presenters. Don’t worry if you get something wrong! I don’t expect you to have perfect comprehension the first time. All I expect is a good-faith effort, demonstrating you did the readings and tried to synthesize them for your colleagues. I will be sure to clarify any material that was incorrect.

Exam: The final exam will be in essay format, and will be take-home, with open book and notes. Essays will be structured to require original analysis and argumentation regarding the causes of central course themes – such as critiquing the causes of financial crises; the difference between core development approaches like import-substitution industrialization and state-led development; the correct sequencing and structure of agricultural reform programs; or the interaction of concepts like democracy, corruption, and property rights (not an exhaustive list). The goal of the exams will be to demonstrate both mastery of the course material, as well as capacity to form an original argument regarding the causes of developmental success or failure. There will be some choice of question topics, but expect that any question you answer will require a strong understanding of readings across multiple class periods.

Academic Integrity: Students are expected to do their own work, as outlined in the UCSD Policy on Academic Integrity and published in the UCSD General Catalog: http://students.ucsd.edu/academics/academic-integrity/policy.html.

This includes appropriately citing all source materials on take-home exams/essays, and completing the essays yourself, independently from other students. All take-home assignments will be submitted to turnitin.com. Violations will be subject to disciplinary measures as outlined by the University. If you have any questions regarding this policy, please ask.

Accommodations for Students with Disabilities: All necessary accommodations will be made for students with disabilities. Please let me know at the beginning of the term so we can work together with the UCSD's Office of Students with Disabilities to make arrangements. I firmly believe than an equal playing field for students requires providing assistance where needed, so please do not hesitate to ask!

Course Schedule and Readings:

Tuesday, July 4th
Independence Day (no class)

Thursday, July 6th – Introduction and Modernization/Liberalism:
Modernization/Liberalism:
Jeffrey Sachs, The End of Poverty, Chapters 1-4.
Recommended:
Talcott Parsons, *The Social System*

**Tuesday, July 11th – Balance of Payments, Structuralism/Dependency Theory, and ISI**

**Core Concepts:**
Policconomics entries on the Balance of Payments, Exchange Rate, and Exchange Rate Regimes:

Investopedia entries on the Current Account and Capital Account:
- [http://www.investopedia.com/terms/c/capitalaccount.asp](http://www.investopedia.com/terms/c/capitalaccount.asp) (ignore the “corporate capital account” section)

**Structuralism/Dependency:**
Fernando Henrique Cardoso and Enzo Faletto, 1979, *Dependency and Development in Latin America*, Los Angeles, University of California Press, Preface and Chapter 6 (pp. vii-xxv and 149-171)

**Import-Substitution Industrialization:**

**Recommended:**

**Thursday, July 13th – ISI Critiques and State-Led Development**

**ISI Critiques:**

**State-Led Development (SLD) and Critiques:**


Recommended:
World Bank, 1993, The East Asian Miracle: Economic Growth and Public Policy, Oxford, Oxford University Press. PDF Available Here:


Tuesday, July 18th – Comparative Financial Crises

Debt Crisis:
Jeffrey Sachs, The End of Poverty, Chapter 5

Oil Prices Chart on TritonEd

Asian Financial Crisis:

Recommended

Thursday, July 20th – Institutions: Property Rights and Democracy

Property Rights


Democracy:

China Challenge?

Recommended:
Elinor Ostrom, 1990, Governing the Commons, Cambridge: Cambridge University Press. (Winner of 2009 Nobel Prize)

Tuesday, July 25th – Institutions: Corruption and Bureaucracy

Corruption/Rent-Seeking:

Bureaucracy:

Recommended:
Susan Rose-Ackerman, 1978, Corruption: A Study in Political Economy, New York, NY, Academic
Thursday, July 27th – Institutions and Endowments: Resource Curse and Agricultural Policy

**Resource Curse**:

**Agricultural Liberalization and Technical Improvement**:

**Land Reform**:

**Recommended**:
Stephen Haber and Victor Menaldo, 2011, “Do Natural Resources Fuel Authoritarianism? A

**Tuesday, August 1st – Institutions and Aid: Can Aid Improve Governance?**

*Aid and Policy Promotion:*


**Aid Coordination?**


*Recommended:*


**Thursday, August 3rd – International Obstacles to Policy Space**

*Trade:*


*Debt:*


**Saturday, August 5th: Final Exam Due by 6pm (on TritonEd)**