This course provides a political economy approach to the question of why some countries are rich and other are poor, and why, among the latter, some have been able to achieve rapid rates of economic growth and others have not. This is perhaps the central question in the study of development, and we approach it by reviewing and explaining the logic behind the most important arguments that have been advanced to account for differences across countries in rates and levels of economic development.

Our review begins at the simplest level: How are order and prosperity achieved in stateless societies? We bring in the state as an explanation, exploring its role as a protector against violence and predation, a guarantor of property rights, a coordinator of economic policies and an investor in productive enterprise; showing how each of these roles contributes to economic development. But when the state is strong enough to do such things, it is also strong enough to implement policies that run against the public interest. We thus take up a discussion of the ways in which the state can stand as an impediment to development. How can the state be limited so that it promotes rather than hinder development? We suggest that the solution lies in the institutionalization of state power, particularly in the form of democracy. Low levels of political institutionalization are the hallmark – and cause – of underdevelopment. Having spent much of the course focusing on countries as if they were hermetically sealed economic and political units, in the final part of the course we turn to an exploration of how exchanges with other countries – via trade, capital flows and international political interactions – affect the logic of development.

REQUIREMENTS

The course is taught with two lectures each week, on Tuesday and Thursday. Discussion in sections is an integral part of the course. Attendance at both lectures and sections is mandatory.

Students are required to prepare a five page country briefing paper, participate actively in sections, and prepare a final exam. The briefing paper should assess the role the state has played in a specific country’s development process, proposing alternative policy changes that can promote peace and prosperity. The paper should provide specific information and data concerning the economic and political development of the country. With the permission of the instructor, students may choose to write a substantial research paper (20-25 pages) on a topic relevant to the course, instead of taking the final exam. Anyone considering this option should be aware that such choice requires significant additional work and outside reading. The briefing paper counts for 30 percent of the final grade, section participation 25 percent and the final (or research paper) 45 percent.
The course involves a moderate reading load, the completion of which is essential to understanding the issues and controversies addressed in the lectures. Articles are available in the coursework website. The required books can be purchased at the Stanford bookstore:


LECTURE TOPICS AND READING ASSIGNMENTS

WEEK 1
April 6: *Introduction: The Puzzle of Development*
Jeffrey Sachs, *The End of Poverty* (New York: Penguin, 2005), ch. 2

WEEK 2
Apr 11: *Differences Between Developed and Less Developed Societies*
Jeffrey Sachs, *The End of Poverty* (New York: Penguin, 2005), ch. 1

Apr 13: *Characteristics of Less Developed Countries: The Peasantry, Risk and Kinship*

Apr 13 (afternoon): Movie Screening: *The Seven Samurai*.

WEEK 3
Apr 18: *The State as a Solution to Violence: The Centralization of Acephalous Societies*

Apr 20: *The Origins of Prosperity I: Factor Endowments, Geography, Ethnicity, Culture*
WEEK 4
Apr 25: The Origins of Prosperity II: The State as a Solution

Apr 27: Command Economies

WEEK 5
May 2: The Developmental State in East Asia
Alice Amsden, “The State and Taiwan’s Economic Development,” in Peter Evans, Dietrich Rueschemeyer and Theda Skocpol, Bringing the State Back In (Cambridge University Press, 1985), ch. 3.

May 4: The Dark Side of Command Economies

WEEK 6
May 9: No class (out of town)

BRIEFING PAPER IS DUE

May 11: The Grabbing Hand of the State

WEEK 7
May 16: The Dark Side of the Developmental State
Jeffrey Sachs, The End of Poverty (New York: Penguin, 2005), 5, 6, 7, 8, 9 & 10.

May 18: Understanding Underdevelopment

WEEK 8
May 23: Democratic Institutions
James Madison, “Federalist No. 51,” The Federalist (Modern Library, 1964) [1787].

May 25: Can Poverty End?

WEEK 9

May 30 Development in an Open Economy: Aid and Trade
“Two Cheers for Sweatshops” The New York Times (September 24, 2000)
Friends of the Earth “The Citizen’s Guide to Trade, Environment and Sustainability”
http://www.foei.org/trade/activistguide/

June 1: The Role of International Financial Institutions

WEEK 10

June 6: The Politics of Development