Political Science 451
Comparative Political Economy of Developing Countries

Northwestern University
Department of Political Science
Spring 2021
Wed. 9:00 - 11:50 AM
**Updated 4-16-21**

Course meets synchronously on Zoom at: https://northwestern.zoom.us/j/94023773372

Instructor: Jordan Gans-Morse
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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. Throughout the course, there is also a focus on methodological debates concerning the pros and cons of quantitative vs. qualitative analysis, macro vs. micro-level data, and observational vs. experimental research. The course 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 451 is organized around nine themes:

1. Defining and Measuring Development
2. The Rise of Institutional Economics
3. Democracy, Dictatorship, and Development
4. Rule of Law, Property Rights, and Development
5. States and Development
6. Welfare States, Social Policy, and Development
7. Corruption and Development
8. Natural Resources and Development
9. Aid and Development
COURSE REQUIREMENTS

Participation

Students are expected to complete all readings prior to each session and attend every seminar. Seminar participation will count for 40% of the overall grade. Students are expected to make multiple comments in every session, but more is not necessarily better; the objective is to make thoughtful contributions to the discussion.

Assignments

Writing assignment option: The writing assignment may consist of a research paper or a critical literature review, and you may choose your own topic related to the study of development. If producing a research paper, then you 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, time and data constraints may necessitate writing a paper that is somewhere between a research design and a research paper. In this case, you may discuss the type of evidence you would collect were you to proceed with this project and the types of analyses you would conduct to evaluate different hypotheses. If you choose to write a critical literature review, it should have an overall argument. There is no set number of books and/or articles that reviews must cover, but they should assess influential works representing multiple perspectives. The paper should be approximately 4,000 to 6,000 words (excluding references) and will count for 60% of the overall grade. Please discuss your project with me no later than the fifth week of the quarter, and preferably sooner. I will also provide additional information about interim deadlines once the quarter begins.

Exam + journal review option: In place of the writing assignment, students may elect to write two mock journal reviews on readings of their choice from the syllabus and take a written exam. The exam will be designed to simulate field exam questions. The reviews will count for 20% and the exam for 40% of the overall grade. Reviews must be submitted prior to the meeting in which we discuss the particular reading, and the two reviews cannot be done for the same week of readings.

For most students, my strong preference is for you to choose the writing assignment, but I am happy to discuss on an individual basis how each option fits your specific circumstances.

Deadlines: The exam will be held on Wednesday, June 2nd at 9:00 AM and the paper will be due via Canvas on Wednesday, June 9th at noon.

LEARNING OBJECTIVES

By the end of the course, the aim is that students will:
• Possess comprehensive knowledge of debates concerning political economy of development.
• Be prepared to develop research on the sources or effects of development.
• Be familiar with the latest methodological approaches to the study of development.

COURSE MATERIALS

The course draws on a wide range of sources, and there are no books that we will read in their entirety. I will make journal articles and excerpts from books available via the course website on Canvas.

That said, I encourage you to purchase the following books, either because they are highly influential or because we will be reading several chapters from them:

• Stephan Haggard, *Developmental States* (Cambridge Elements, Cambridge University Press, 2018)

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:

**COURSE OVERVIEW**

**Week 1: Defining and Measuring Development**
*Wednesday, March 31*

Key questions:

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

**Assigned Readings:**

  - Chapters 1-2
- Michael Porter and Scott Stern, *Social Progress Index 2014: Executive Summary* and *Social Progress Index 2020: Executive Summary*

**Recommended:**

For those who are not familiar with or would like a review of various types of inequality and their measurements, see:


**Background Readings:**

*Alternative Indicators to GDP*


Overviews of Development Trends

• Daron Acemoglu, Introduction to Modern Economic Growth (Princeton: Princeton University Press, 2009) (see Chapter 1)
• Branko Milanovic. Worlds Apart: Measuring International and Global Inequality (Princeton University Press, 2007) (see Chapters 4-9)
• Branko Milanovic, Global Inequality: A New Approach for the Age of Globalization (Cambridge: Harvard University Press, 2016) (see Chapter 3)
• 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)
• Elhanan Helpman, The Mystery of Economic Growth (Harvard University Press, 2004) (see Chapter 1)
Week 2: The Rise of Institutional Economics

Wednesday, April 7

Key questions:

- What are institutions?
- How do institutions affect development?
- How can institutions be studied?
- How similar or different are institutional explanations from traditional economic theories of growth?

Assigned Readings:

  - Chapters 2-4
  - Chapter 1
- James Mahoney, *Colonialism and Postcolonial Development: Spanish America in Comparative Perspective* (Cambridge University Press, 2010)
  - Chapter 1 and Conclusion

Recommended:

For those not familiar with instrumental variables or who need a review, see:


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
For those who would like some overviews of the evolution of mainstream economics thinking on economic growth and development, I encourage you to take a look at:


**Background Readings:**

**On Methodological Approaches**

  - Chp 1: The Fall and Rise of Development Economics

**On Economic Theories of Growth**


**Classic Empirical Work on Growth**


**Geography, Trade, and Economic Growth**

Debate Over “Colonial Origins” Instrument


Debate Over Effects of Institutions


General Work on Institutions and Development

- Avner Greif, *Institutions and the Path to the Modern Economy* (Cambridge University Press, 2006)
Week 3: Democracy, Dictatorship, and Development
Wednesday, April 14

Key questions:

• Does development cause democracy?
• What roles do inequality and class conflict play in the emergence of democracy?

Assigned Readings:

• Seymour Martin Lipset, “Political Man: The Social Bases of Politics” (University of Chicago Press, 1963)
  o Chapter 2
  o pp. 517-524
• Dietrich Rueschemeyer, Evelyne Huber Stephens, and John Stephens, Capitalist Development & Democracy (University of Chicago Press, 1992)
  o Chapters 1 and 7

Recommended:

For those interested in the related debate about the effects of regime type on development outcomes, I would encourage you to read:

Background Readings:

**Development’s Effect on Regime**


**Inequality, Class Conflict, and Regime Change**

- Barrington Moore, *Social origins of dictatorship and democracy: Lord and peasant in the making of the modern world* (Boston: Beacon Press, 1966)
- Ben Ansell and David Samuels, *Inequality and Democratization: An Elite Competition Approach* (Cambridge University Press, 2014)
- Ruth Berins Collier, *Paths toward democracy: The working class and elites in Western Europe and South America* (Cambridge University Press, 1999)
- Bryn Rosenfeld, “State Dependency and the Limits of Middle Class Support for Democracy,” *Comparative Political Studies* 54, 3-4 (2021): 411-444

**Regime Effect on Development**

Week 4: Rule of Law, Property Rights, and Development

Wednesday, April 21

Key Questions:

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

Assigned Readings:

- David Trubek, “Law and Development: 40 Years after Scholars in Self Estrangement,” University of Wisconsin Legal Studies Research Paper No. 1255 (May 2014)
  - Skim all but focus on pages 297-306, 310-314, and 318-322

Background Readings:

*On property rights and credible commitment:*


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

• Yuen Yuen Ang, *How China escaped the poverty trap* (Cornell University Press, 2016)

*On the “legal origins” debate:*


*Other works on rule of law and/or property rights in developing and post-communist countries*

• Gillian Hadfield and Barry Weingast, “Microfoundations of the Rule of Law,” *Annual Review of Political Science* 17: 21-42
• Timothy Frye, *Property rights and property wrongs: How power, institutions, and norms shape economic conflict in Russia* (Cambridge University Press, 2017)
• Catherine Boone, *Property and political order in Africa: Land rights and the structure of politics* (Cambridge University Press, 2014)
Week 5: States and Development

Wednesday, April 28

Key Questions:

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

Assigned Readings:

  - Chapter 1
  - Chapters 1 and 2
- Alice Amsden, *Asia’s Next Giant: South Korea and Late Industrialization* (Oxford University Press, 1989)
  - Chapters 1 and 6
  - Chapters 1-3

Recommended:

For those looking for a concise but comprehensive recent overview of the developmental state literature, I highly recommend this short book:


For those with an interest in the reemergence of industrial policy, this piece offers some innovative perspectives:

Background Readings:

Some Classics

- Samuel Huntington, *Political Order in Changing Societies* (Yale University Press, 1968)
- Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford University Press, 1982)

More on the Developmental State

- Meredith Woo-Cumings, ed., *The Developmental State* (Cornell University Press, 1999)

On Rent-Seeking


On Industrial Policy

**Week 6: Welfare States, Social Policy, and Development**  
*Wednesday, May 5*

**Key Questions:**

- What are the roles of welfare states and social policy in development?
- What factors affect the development, reform, and provision of social policy?

**Assigned Readings**

  - Introduction, Chapters 1 & 5

**Background Readings:**

**Classics**


**More on welfare states and social policy in developing and post-communist countries**

• Linda Cook, *Postcommunist welfare states: Reform politics in Russia and Eastern Europe* (Cornell University Press, 2011)
**Week 7: Corruption and Development**  
*Wednesday, May 12*

Key questions:

- What is corruption? What forms does it take?
- How does corruption affect economic development?
- How does economic development affect corruption?
- How can illicit behavior, such as corruption, be studied?

Assigned Readings:

- Samuel Huntington, *Political Order in Changing Societies* (Yale University Press, 1968)  
  o pp. 59-72
  o Chapter 1
- Read at least one of the following (your choice):
Recommended:

For those who want a relatively recent, albeit already somewhat outdated, overview of strategies for combatting corruption, see:


Background Readings:

*Some classics*

- Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge University Press, 1999)

*Additional overviews of corruption*


*On the economic consequences of corruption*

- Ray Fisman and Miriam Golden, *Corruption: What Everyone Needs to Know* (Oxford University Press, 2017) (see Ch. 4)
- Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge University Press, 1999) (see Ch. 2)
• Daniel Kaufmann and Shang-Jin Wei, “Does ‘grease money’ speed up the wheels of commerce?” NBER Working Paper No. 7093, 1999
• Pierre-Guillaume Méon and Laurent Weill, “Is corruption an efficient grease?” *World Development* 38, 3 (2010): 244-259

**Additional examples of experimental and quasi-experimental work on corruption**


**Additional approaches to measuring corruption**

Week 8: Natural resources

Wednesday, May 19

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:

  o Chapters 1-3 and 6
• Thad Dunning, Crude Democracy: Natural Resource Wealth and Political Regimes (Cambridge University Press, 2008)
  o Chapter 1

Background Readings:

• Michael Ross, “Does Oil Hinder Democracy?” World Politics 53 (2001)
• Pauline Jones Luong and Erika Weinthal, Oil is Not a Curse: Ownership Structure and Institutions in the Soviet Successor States (Cambridge University Press, 2010)
• Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States* (University of California Press, 1997)
• 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 9: Foreign Aid/Wrapping Up

Wednesday, May 26

Key Questions on Foreign Aid:

• How do domestic political factors affect aid?
• How does aid affect domestic politics?
• How can the effects of aid best be studied?

Key Questions for Wrapping Up:

• Are social scientists are closer to understanding why some countries are rich and others are poor than we were 50 years ago?
• The most active areas of research on development today concern, in some way or another, “institutions.” Is this a fruitful research agenda?
• Has your understanding of the meaning of “development” changed between the first seminar session and this final seminar session?

Assigned Readings:


Recommended:

A timely topic and innovative research design:

Background Readings:

**Foreign Aid and Development**

- Roger Riddell, *Does Foreign Aid Really Work?* (Oxford University Press, 2007)
- Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It* (Oxford University Press, 2007) (Chapter 7)

**Foreign Aid, Democracy, and Corruption**