

PSC/IR 286W Political Economy of Developing Countries

INSTRUCTOR: Paula D. Ganga, pdg23@georgetown.edu

CLASS TIME: M 3:25-6:05 PM, LOCATION TBD.

OFFICE HOURS: 2:00 PM on Mondays, and by appointment.

COURSE OBJECTIVES:

This course examines the link between states and markets, between political institutions and their economic consequences. Students will be introduced to a variety of methods such as historical analysis, formal models, case studies and statistical analysis. This course seeks to answer several questions: (1) What is the role of government in the economy? (2) How has this role varied in time and across regions? (3) What do changes in this balance mean for political and economic institutions? Examples will be drawn from Eastern Europe, Russia, China, Brazil, and other parts of the developing world.

The first part of the course will answer more directly the question of how states and markets interact. The class will look at the historical school of analyzing the co-evolution of political and economic institutions. It will also connect theories of political institutions to broader topics in political science and political economy such as the Western European varieties of capitalism, historical and contemporary alternatives to capitalism, political transition and economic liberalization.

The second part of the course will focus on the dynamic relationship between the state and the market. The class discussion will engage with the topics of economic liberalization and political transition as well as the retreat of the state from the market through privatization and the return of the state through nationalization. The final weeks will take a global perspective looking into recent developments such as failures of the state and the market through corruption and the effects of the resource curse as well as the consequences of the financial crisis on the evolving role of the state in the market.

Finally, this class will also encourage students to think of these processes in the context of a large scale individual research project. Through class readings on writing original research in social science as well as individual meetings and mentoring, the papers will make use of primary materials

explore the relationship between economic development and political change.

develop oral presentation skills through class presentations and class discussions.

hone research and analytical writing skills by planning, developing and writing a s pr46(pr46(pr46(eaal)-

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| Part I. States and Markets under Capitalism and Communism | September 10 - October 1 |
| Part II. The Dynamic State-Market Relationship | October 8 - November 5 |
| Writing an Academic Paper | October 22 |
| Midterm Examination | October 22 |
| Part III. State-Market Relations in a Global Perspective | November 12-26 |
| Student Presentations | December 3-10 |
| Paper Due | Exam Period |

PROCEDURES:

Office Hours

I will hold office hours each week to discuss substantive questions about readings, lectures, exams, and papers. As a general rule of thumb, if you have a substantive question that probably requires more than one or two sentences to answer thoroughly, I recommend that you come to office hours, email me a time to meet or save the question for class. This will be better for everyone because it not only saves time, but I will also be able to sit with you and work through the material in a much more comprehensive way, and in a way that I know will be clear to you. Moreover, people in class probably will have the same questions, and if you ask the question in class, other people will benefit as well. If you have administrative or organizational questions, however, I encourage you to email me first.

Late Assignments

Deadlines are strict. No extensions will be granted in the absence of a genuine emergency or documented illness. Predictable events, such as a heavy workload or extracurricular activities, are not normally considered grounds for an extension. All appeals for extensions will be considered on a case-by-case basis. Late papers will be penalized one full letter grade for each day they are late.

Grading

Grades will be based on the absolute merit of your work, so there is no grading curve employed in this class. Your final grade will be calculated as follows:

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| Participation | 20% |
| Class Presentations | 10% |
| Midterm Examination | 25% |
| Paper Proposal and Outline | 5% |
| Paper Presentation | 5% |
| Paper | 35% |

Grading Disputes

Plagiarism

Plagiarism or other acts of academic dishonesty will not be tolerated. As defined by the Georgetown University Honor Council, plagiarism is "the act of passing off as one's own the ideas or writings of another."

READING ASSIGNMENTS

In addition to the books and articles below, you should read the international affairs section of a major national newspaper, such as the *New York Times* or the *Washington Post*, on a daily basis. You might also consider reading the *Economist*, which is generally considered the best weekly news magazine available. Class discussion will often include references to contemporary political and economic events, so it is critical that you are aware of important current developments in the world in order to be able to examine the real life consequences of the concepts studied in class.

Part I. States and Markets under Capitalism and Communism

September 10. Historical Development of Capitalism and the State

Strange, Susan. 2015. *States and markets*. Bloomsbury Publishing. (Prologue, p. 3-6)

Olson, Mancur. "Dictatorship, Democracy, and Development." *American Political Science Review* 87, no. 03 (1993): 567-576.

North, Douglass C., and Barry R. Weingast. "Constitutions and commitment: the evolution of

Myant, Martin R., and Jan Drahokoupil. 2011. *Transition economies: political economy in Russia, Eastern Europe, and Central Asia*

November 5. State Capitalism { Brazil and India

Musacchio Farias, Aldo, and Sergio G. Lazzarini. 2014. *Reinventing state capitalism: Leviathan in business, Brazil and beyond*. Cambridge, Massachusetts : Harvard University Press. (Chapters 2, 3, 4)

Chakrabarti, Anjan, Byasdeb Dasgupta, Anup Kumar Dhar. 2016. *The Indian economy in transition : globalization, capitalism and development*, Cambridge University Press. (Introduction, Chapters 2, 4, 6.)

Part III. State-Market Relations in a Global Perspective

November 12. Failures of the State and Failures of the Market

Brown, J. David, John S. Earle, and Scott Gehlbach. 2009. "Helping hand or grabbing hand? State bureaucracy and privatization effectiveness." *American Political Science Review* 103.02: 264-283.