

NS 4053: POLITICAL ECONOMY OF DEVELOPMENT AND GOVERNANCE

WINTER 2018

NAVAL POSTGRADUATE SCHOOL
DEPARTMENT OF NATIONAL SECURITY AFFAIRS

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Class hours and location:

Tuesday & Thursday, 1–3pm, GL387

Office hours:

Monday 12–2pm and by appointment

COURSE DESCRIPTION

This seminar is a survey of core issues and challenges in the political economy of development and governance. The main goal of the course is to build a multi-faceted understanding of why some nations are so poor, mis-governed, and conflict-ridden—and what could be done to help them succeed. Through several different disciplinary perspectives and through the lens of specific development and governance challenges, the course will deliver a theoretical and empirical understanding of the range of political economic experiences in the developing world.

We will begin with an overview of how development economics has been approached over the past fifty years, examining both interventionist and market-based approaches to industrialization and economic growth, along with country-specific illustrations of those development strategies and their outcomes. Next, we will examine different disciplinary perspectives on development and statehood, with a particular emphasis on the challenges of constructing development-enhancing political order and institutional capacity. We will then delve more deeply into a handful of contemporary development challenges, including the natural resource curse, the roots and consequences of corruption, and the challenges of building effective and legitimate governance in fragile and conflict-affected developing countries. Finally, we will focus on new approaches to how the international community pursues development and statebuilding interventions in the developing world.

COURSE LEARNING OUTCOMES

By the end of this course, students will be able to:

- Assess a country's economic development status and institutional quality in comparative terms using alternative theoretical frameworks and basic quantitative and qualitative data.
- Evaluate the merits of alternative approaches used by governments in the quest for economic success and improved governance, in the context of different global economic phases.
- Diagnose the political, economic, institutional, and societal causes of a country's developmental and governance challenges, with a particular emphasis on analyzing how a country's political economic trajectory evolves over time.
- Identify the role played by the international community in assisting poor and fragile countries and assess and critique the different types of development and intervention policy employed over the past half-century.

COURSE REQUIREMENTS

Active class participation:

25% of course grade

This course will be conducted as an advanced graduate seminar with a significant discussion component and requirement. Each session will constitute a mix of lecture and guided discussion, with the balance oriented toward the latter. It is incumbent upon you to read the assigned materials thoroughly and thoughtfully, so that we can together have an intelligent discussion of the material. Your participation will be graded on the quality of your comments and the manner in which you engage in constructive analytical discussion with your classmates.

Successful participation will also require familiarity with current events—that is, you must make an effort to keep up with contemporary political economy news by regularly reading at least one quality newspaper (recommended: the *New York Times*, the *Financial Times*, the *Wall Street Journal*) and one news magazine (recommended: the *Economist*). Also peruse the Project Syndicate Economists' Club for opinions on contemporary economic issues (<http://www.project-syndicate.org/economists-club>), as well as the numerous lively blogs and podcasts that cover political economy issues. I will sometimes distribute news clips for discussion; and I encourage you to point me to any you think are worthwhile.

NOTE: Repeated class absences will affect your participation grade. Please let me know if you are missing class for a valid reason.

Discussion facilitation and reading memo, 1200 words (~4 pages):

15% of course grade

Each of you will be responsible for helping me to lead one class discussion on an assigned date. You will prepare a 10–minute introduction to the class that is a thoughtful analysis of the reading material. This brief introduction should cover the following:

- What are the readings about? Please minimize summary—instead you should focus on conveying the key points made by the authors and the major argument(s) delivered.
- How compelling are the arguments? How well do the authors use empirical evidence to make their case? Can you think of additional or alternative evidence that supports or undermines the argument?
- How do the readings and their arguments fit with other course material and what else we know? Draw linkages back to earlier sets of readings and discussions if you can.
- Please also prepare three questions for the class, building on your responses to the above prompts to further spark discussion.

For the class session you help to facilitate, you are also responsible for writing a reading memo (~1200 words, about 4 pages) on the assigned readings, answering the same four prompts above. These memos may be relatively informal, serving as your notes for the class introduction, but must be typed up in a comprehensible prose format using complete sentences and appropriate grammar. Bullet points of distinct analytical points are acceptable; but a bulleted outline format is not. The memos are due in hard copy at the beginning of the class session for which the readings are assigned. The goal of this assignment is to help you focus and organize your thoughts on the readings and to prepare adequately for your class introduction.

For further advice on writing these memos and preparing for your class introduction, refer to the *Practical Tips for Critical Reading* handout posted on Sakai, as well as the other writing and critical thinking resources listed below.

Country case study analysis, 4500 words (~15 pages):

60% of course grade

The goal of this assignment is to have you focus intensively on a particular developing country of your choice and write an analytical case study that describes and analyzes a specific developmental or governance challenge facing that country. In other words, you will apply some subset of the concepts we cover over the course to a specific country. The case study analysis should provide:

- A presentation of a specific developmental or governance challenge the country faces: e.g., initiating and sustaining economic growth, building a pro-growth coalition, endemic neo-patrimonialism and corruption, natural resource-related governance challenges, post-conflict institutional fragility, etc.;
- An analysis of the most important political, economic, and/or institutional causal factors underlying that developmental challenge over time, contextualized in an overview of the country's contemporary development experience;
- An assessment of the successes and failures of the strategies employed—by domestic governments as well as the international aid community—to address that particular developmental or governance challenge;
- A set of reasoned recommendations for better addressing that specific challenge and thereby enhancing the country's development and governance prospects.

This is not a traditional research paper but, in order to successfully complete this assignment, you will need to conduct a focused research probe into the political economy of your chosen country. In most cases, around 5–7 good research sources will suffice. I will expect you to also rely upon some subset of the readings and ideas covered in class in your analysis.

In order to ensure you are on the right track, there is one interim milestone for completing this paper: you must turn in a 1-page outline of your country case study that identifies the specific developmental or governmental challenge you will analyze along with a list of 3–4 preliminary research sources, on or before **Tuesday February 20** (in class). I will discuss your outlines with each of you in person.

The final country case study analysis is due no later than **Friday March 23** at 1700; you may turn it in earlier if you wish. Email your paper to me (this will serve as your time-stamp). Late papers will be docked one-third of a grade for each day they are late unless you have made prior arrangements with me.

WRITING GUIDELINES AND RESOURCES

- The NSA department's grading policies provide guidance as to what constitutes good writing for the assignments in this course: <http://my.nps.edu/web/nsa/policies>

Please also read the two writing-related articles posted in the class handouts folder on Sakai: Henry Farrell's "Good Writing in Political Science" and Daniel Drezner's "On Writing a Paper."

- You are required to cite all works you quote, paraphrase, or draw ideas from (including Internet sources). For citation style, use the Chicago Manual of Style, guidelines for which can be found on Sakai and at: http://www.chicagomanualofstyle.org/tools_citationguide.html
- Your work will be marked down for sloppy writing—so please check your spelling and grammar, and proofread your assignments before submitting them.
- The NPS Graduate Writing Center is an excellent on-campus resource for help with writing, through both one-on-one coaching and workshops on various topics: <https://my.nps.edu/web/gwc/home>

ACADEMIC INTEGRITY

The NPS Honor Code applies to your conduct in this class, including all written assignments. Plagiarism, cheating, and other forms of academic dishonesty violate the NPS Honor Code and, in accordance with university and department policy, I will not tolerate such violations. Assignments with any instance of plagiarism will be given a failing grade; and you may be subject to more extensive disciplinary penalties, as prescribed by NPS and the NSA department.

Please read, carefully, the NSA departmental policies and guidelines on what constitutes plagiarism and violations of academic integrity: <http://my.nps.edu/web/nsa/policies>

The bottom line is that the work you submit must be your own, with explicit acknowledgment of the ideas and content that you have drawn from other people's work. If you have questions at all regarding academic integrity, don't hesitate to contact me. I will be happy help you work through how best to acknowledge other ideas and work in the course of creating your own.

READING MATERIALS

The reading load for this class is typically around 150–200 pages per week—less in weeks with challenging readings, and more in weeks with easier readings. To get the most that you can from this class, make an effort to read the assigned materials with careful, analytical attention. To help you do that:

- Look at the *Practical Tips for Critical Reading* handout, which is available on the class Sakai site.
- The NPS Graduate Writing Center offers workshops to assist you with analytical reading.

I have assigned a handful of materials that are more for reference than for close reading. Some are marked in the reading assignments below as “(SKIM)”—you are still responsible for knowing the content of these pieces but they require less analytical attention. Other readings are marked “(FOR REFERENCE)”—these serve only as reference for more technical material covered in class.

Required Books

The following three books will be used quite extensively for the course. They are available for purchase at the bookstore or online, and are also on reserve at Knox Library:

- Robert H. Bates, *Prosperity & Violence: The Political Economy of Development* (2nd edition). New York: W.W. Norton & Company, 2010.
- Sarah Chayes, *Thieves of State: Why Corruption Threatens Global Security*. New York: W.W. Norton & Company, 2016.
- John Rapley, *Understanding Development: Theory and Practice in the Third World* (3rd edition). Boulder: Lynne Rienner, 2007.

Recommended Books

The following books serves as excellent references on the economics of growth, poverty, and development, and are complementary to the required books. A few chapters of each are assigned readings available on Sakai.

- Abhijit V. Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: Public Affairs, 2011.

- William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge: MIT Press, 2001.
- Dwight H. Perkins, Steven Radelet, David L. Lindauer, and Steven A. Block. *Economics of Development* (7th edition). New York: W.W. Norton & Company, 2013.

Sakai Website

All other required readings will be available for download electronically on the Sakai website for the course. For copyright reasons, this website will be available only to NPS users (requiring an NPS username and password).

SCHEDULE OF CLASSES AND READING ASSIGNMENTS

PART I—OUTCOMES

WHAT IS DEVELOPMENT AND HOW DO COUNTRIES ATTEMPT IT?

1. January 9—Introduction to class

- Amartya Sen, “The Concept of Development” in *Handbook of Development Economics*, 10–26

2. January 11—Economic Growth and Development

- Rapley: 1–12 (Introduction)
- Angus Deaton, *The Great Escape: Health, Wealth, and the Origins of Inequality* (2013), 1–56
- Dwight H. Perkins, Steven Radelet, David L. Lindauer, and Steven A. Block, *Economics of Development* (2013), chs. 2 & 6 (FOR REFERENCE)

3. January 16—State-Led Development **CRAIG RASLEY**

- Rapley: 13–62 (chs. 2 & 3)
- Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (1990), 1–22 (SKIM)

4. January 18—The Neoclassical Turn **SIMON HEPP**

- Rapley: 63–133 (chs. 4 & 5)

January 23—No class due to JFAOC course. Please read the following (I will cover the key points of the material on “The New Development Orthodoxy” in the previous class session):

- Rapley: 135–184 (chs. 6 & 7)

PART II—PERSPECTIVES

DIFFERENT LENSES ON THE POLITICAL ECONOMY OF DEVELOPMENT

5. January 25—Geography, History, Culture **BILAL AWAD**

(For those attending JFAOC, please ensure you read the material and get notes from a classmate.)

- Jared Diamond, *Guns, Germs, and Steel: The Fates of Human Societies* (1999), 13–32
- David Landes, *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor* (1998), xvii–28
- Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (2012), 45–69

6. January 30—Political Order and Economic Development

- Bates: 1–98 (The whole book!)

7. February 1—Political Regimes and Economic Growth **PATRICK HILL**

- Mancur Olson, “Dictatorship, Democracy, and Development” *American Political Science Review* 87:3 (1993), 567–576
- Peter B. Evans, “Predatory, Developmental, and Other Apparatuses: A Comparative Political Economy Perspective on the Third World State” *Sociological Forum* 4:4 (1989): 561–587
- Adam Przeworski and Fernando Limongi, “Political Regimes and Economic Growth” *Journal of Economic Perspectives* 7:3 (1993), 51–69

8. February 6—Neopatrimonialism, Elites, and Economic Policy **EMANUEL ARAICA**

- Nicolas van de Walle, *African Economies and the Politics of Permanent Crisis, 1979-1999* (2001), 20–63
- Tim Kelsall, *Business, Politics, and the State in Africa: Challenging the Orthodoxies on Growth and Transition* (2013), 1–30 (READ) and 30–48 (SKIM)

9. February 8—Institutions and Economic Outcomes **DAN HELLINGER**

- Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (2012), 70–95 and 302–403
- Ricardo Hausman, Dani Rodrik, and Andres Vélasco, “Getting the Diagnosis Right” *Finance & Development* 43:1 (2006): 1–8

PART III—ISSUES

CONTEMPORARY DEVELOPMENT CHALLENGES

10. February 13—The Natural Resource Curse **LAWRENCE BULLOCK**

- Michael L. Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (2012), 1–11, 27–62
- Naazneen Barma, “Mixed Blessings,” *Advance: Essays, Opinions and Ideas on Public Policy* (September 2014), 3–4

11. February 15—Corruption **JASON TUCKER**

- Sarah Chayes, *Thieves of State: Why Corruption Threatens Global Security* (2015), 20–77, 135–155 (chs. 3–6 & 11)

12. February 20—State Capacity and Public Service Delivery **JOE MESSMER**

❖ **Deadline for 1–page outline of country case study paper**

- Matt Andrews, Lant Pritchett, and Michael Woolcock, *Building State Capability: Evidence, Analysis, Action* (2017), 9–28, 53–76
- Claire McLoughlin, “When Does Service Delivery Improve the Legitimacy of a Fragile or Conflict-Affected State?” *Governance: An International Journal of Policy, Administration, and Institutions* 28:3 (2015), 341–356

13. February 22—Peacebuilding and Post-Conflict Political Order **MATT CONNERS**

- Naazneen H. Barma, *The Peacebuilding Puzzle: Political Order in Post-Conflict States* (2017), 41–69, 152–189

February 27—Individual meetings scheduled with instructor to discuss country case study analysis.

PART IV—SOLUTIONS?

NEW THINKING IN DEVELOPMENT AND STATEBUILDING INTERVENTIONS

14. March 1—Rethinking the Fight Against Poverty: From Macro to Micro **MATTHEW GRILL**

- Abhijit V. Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: Public Affairs (2011): 1–70, 183–234
- Timothy Besley, “Poor Choices: Poverty From the Ground Level” *Foreign Affairs* 91:1 (2012), 160–167

15. March 6—What Works in Development

- Jessica Cohen and William Easterly (eds.) *What Works in Development: Thinking Big and Thinking Small* (2009), 1–23 (Jessica Cohen and William Easterly, “Introduction: Thinking Big Versus Thinking Small) and 24–54 (Dani Rodrik, “The New Development Economics: We Shall Experiment, but How Shall We Learn?”)
- Abhijit V. Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: Public Affairs (2011): 235–273

16. March 8—Rethinking Development and Statebuilding Assistance

- Matt Andrews, Lant Pritchett, and Michael Woolcock, *Building State Capability: Evidence, Analysis, Action* (2017), 121–166
- Naazneen H. Barma, *The Peacebuilding Puzzle: Political Order in Post-Conflict States* (2017), 190–223

March 13—No class—Instructor attending a workshop in Washington, D.C. Work on your case study!

17. March 15—A Healthy Dose of Skepticism—and Class Review

- Albert O. Hirschman, “The Principle of the Hiding Hand” *The Public Interest* 6 (1967): 10–23
- James Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (1999), 1–8, 342–357

❖ **COUNTRY CASE STUDY ANALYSIS DUE no later than Friday March 23**