This course provides a political economy approach to the puzzle 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 improvements in their citizens’ wellbeing while 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 some of the most important arguments that have been advanced to account for differences across countries in rates and levels of economic development.

The first half of the course looks at theories of the role of the state in economic development—theories that can be applied to both Europe, historically, and the developing world today. We begin at the simplest level with the problem of achieving order and prosperity in stateless societies. Then we discuss the deep sources of development such as geography and factor endowments. Then we bring in the state and explore 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, and we show how each of these roles contributes to economic development. But because a state that is strong enough to do such things is also strong enough to implement policies that run against the public interest, we then take up a discussion of the ways in which the state can stand as an impediment to development, and also how it might be reigned in.

The second part of the course focuses on issues confronting the developing world today. We consider the critical issues of ethnicity, conflict, and gender. We consider the role of leadership. We then look at how exchanges with other countries—via trade, migration, and international capital flows (including investment and foreign aid)—affect the logic of development. We conclude by examining three leading approaches to promoting development: decentralization, informational campaigns, and the Millennium Villages (the embodiment of Jeffrey Sachs’ “Big Push” logic). For each, we discuss the motivations that lie behind the intervention and their (mixed) record of success.

REQUIREMENTS

The course is taught in two lectures each week, on Tuesday and Thursday from 11:00 to 12:15 in Humanities A51. Attendance at lectures is mandatory.

Students are required to take a take-home midterm, an in-class midterm, and a cumulative final exam. They are also required to attend and participate in weekly discussion sections. Each part of the midterm is worth 25 percent of the final grade, the final exam is worth 35 percent, and section participation is worth the remaining 15 percent.
• The take-home portion of the midterm will be distributed at the end of lecture on April 28 and due in Prof. Posner’s office at 3pm on Friday, April 29.
• The in-class portion of the midterm will be on May 12.
• The final exam will be on June 9 from 8-11am.

The course involves a fairly heavy reading load, the completion of which is essential to understanding the issues and controversies addressed in the lectures. There are no required books for purchase. All of the readings are posted on the course web page (UCLA log in required) and are available for your own use.

LECTURE TOPICS AND READING ASSIGNMENTS

WEEK 1
March 29: Introduction: The Puzzle of Development

March 31: What Does It Mean to be “Developed?”

WEEK 2
April 5: The Peasantry, Risk, and Kinship

April 7: Deep Sources of Development: Geography and Factor Endowments
“The Road to Hell is Unpaved,” The Economist, 21 December 2002.
Paul Collier, “The Natural Resource Trap” and “Landlocked with Bad Neighbors,” in The Bottom Billion (Oxford University Press, 2007), chs. 3-4.

WEEK 3
April 12: The State as a Solution to Growth

April 14: The State as a Helping Hand: ISI and Planning
WEEK 4
April 19: Film: Our Friends at the Bank

April 21: The State as a Grabbing Hand: Corruption

WEEK 5
April 26: Democratic Institutions as a Solution?

April 28: Ethnicity and Development

April 29: Take-home midterm due at 3pm in Professor Posner’s office

WEEK 6
May 3: Conflict and Development

May 5: Gender and Development

WEEK 7
May 10: Do Leaders Matter?

May 12: In-class midterm

WEEK 8
May 17: Globalization: Trade and Migration
May 19: Globalization: Sweatshops and the Domestic Politics of Trade

WEEK 9
May 24: IFIs and Aid

May 26: Interventions to Promote Development: Decentralization
Junaid Ahmad, Shantayanan Devarajan, Stuti Khemani, and Shekhar Shah,

WEEK 10
May 31: Interventions to Promote Development: Informational Campaigns

June 2: Interventions to Promote Development: Big Push/Millennium Villages