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## The Political Economy of Developing Countries

Draft Syllabus

**Müşerref Yetim**  
**2008**

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**Spring**

**Room**

### Course Description

This course is designed to introduce graduate students to the core concepts, processes, theories, and issues of the political economy of developing countries. The focus will be on divergent theoretical approaches to political economy and their empirical applications while studying different regions' actual experiences of development. Our objective is to gain an understanding of the political economy of developing countries with a specific focus on the experiences of Africa, the Middle East and Latin America.

The following critical questions will guide us throughout the course: Is the general theoretical framework that is used to study issues in developed countries relevant for developing countries? In other words, are political economy models developed for understanding developing countries just intellectual curiosities? Is it futile to attempt to separate the economic issues of development from the political issues of regime type such as democracy and dictatorships and political development? To what extent are the experiences of Africa and the Middle East comparable to Latin America with respect to issues such as

the state, legacy of colonial past, late development, debt, income inequality, authoritarianism, control of the military, primary resource dependence, and so on? Through this regional comparanda, the interplay between domestic and international factors and the choice of alternative strategies for economic development and institutions will be evaluated.

The course is divided into four parts. Part I tackles definitional and conceptual issues. Following a chronological order from Modernization Theory to Neo-Institutional Approaches, Part II introduces general theoretical approaches to the problem of development focusing on the cases from Africa, the Middle East, and Latin America. Part III extends the debate to the role of past and present institutions on development. We will discuss the role of domestic institutions, more specifically the nature of the state and markets; the legacy of the colonial past with the remnants of cronyism and patronage, patrimonial tendencies, and lack of transparency; the impact of regime types on development; the rentier state, the impact of primary resource dependence on both political and economic development; and lastly state failure in Africa, the Middle East, and Latin America. The contemporary trend toward neo-liberal economic reform and backlashes against it in conjunction with the impact of globalization in developing countries is discussed in Part IV. In this last part of the course, the focus will primarily be on how changes in international economy affect politics and economics within and among states in the developing world. How do these regions respond to global economic change? Which economic and political strategies at the domestic level are adopted as a response to changes at the international level? What are the challenges and opportunities presented by changes in the rules and regulations of major international institutions, such as the International Monetary Fund, the World Bank, and World Trade Organization?

Key topics include but are not limited to the following: late development, the ascension of neo-liberal economic thought, the role of domestic and international institutions, the distinct economic and political challenges confronting countries in the developing world, development strategies (import substituting industrialization, Communism, bureaucratic authoritarianism, the Washington consensus, and the rise regional nationalism of the left and Islamic finance), politics of international trade, debt, and finance, global inequality, poverty and corruption.

### **Course Requirements**

This course will follow a seminar format rather than a lecture format. Requirements for this course are as follows: 1) to attend all class meetings; 2) to participate actively in the class discussions; 3) to do all of the assigned reading for each week before the class; 4) to give **three 20-minute oral presentations** accompanied by a **one to three page class handout** (on the selection of assigned and recommended readings); and 5) to write an original **15-20 pages** research paper focusing either on the theoretical and conceptual issues covered in the course or on the application of these theories and concepts to one or more case studies that fit students' own research interests; 6) and to submit a research paper proposal describing your topic for my approval no later than **March 14, 2008**. The final research paper will be due at the beginning of the last class session on **April 30, 2008**.

## Grading Criteria

Research Paper (60%)

Oral presentations with handouts (10% each)

Class Participation (10%)

## Readings

There are several books and many articles required for this course. Most of the articles are available online at JSTOR, ProQuest, Lexis-Nexis, other electronic databases, or in a course packet available for purchase in the bookstore.

Bates, Robert H. 1997. *Open-Economy Politics: The Political Economy of the World Coffee Trade*. Princeton: Princeton University Press.

Boone, Cathy. 2003. *Political Topographies of the African State: Territorial Authority and Institutional Choice*. Cambridge, UK: Cambridge University Press.

Heydeman, Steven, ed. 2004. *Networks of Privilege in the Middle East: The Politics of Economic Reform Revisited*. New York: Palgrave Macmillan.

North, Douglass C. 1981. *The Structure and Change in Economic History*. New York: W. W. Norton.

Rodrik, Dani. 1997. *Has Globalization Gone too Far?* Washington, DC: Institute of International Economics.

Rotberg, Robert I. 2004. *The Failure of Nation States: Causes, Consequences, and Reconstruction*. Princeton: Princeton University Press.

Soederberg, Susanne. 2004. *The Politics of the New International Financial Architecture, Reimposing Neoliberal Domination in the Global South*. London and New York: Zed Books.

Stiglitz, Joseph. 2006. *Making Globalization Work*. New York, NY: W.W. Norton & Company.

## Course Rules and Guidance

1) Students are required to complete all the assignments. Failure to do so will result in a failing grade for the course. Note that after the final class date no assignment will be accepted without my prior permission.

2) Students are required to attend classes regularly and participate in class discussions. Class discussions will revolve around questions such as:

What does the author seek to explain?

Which variables are central to the explanation?

How does one reading relating to other readings assigned for the week?

How do this week's readings relate/compare to and contrast with those of the previous weeks?

3) Students are required to do all the assigned readings. Keep in mind the following questions while you are doing the readings:

What is the leading question?

What are the key concepts?

What is the author's main argument?

What are the strong points of author's argument?

What are the weak points of author's argument?

How does the author support his/her argument?

4) Students are required to keep copies of all their papers.

5) All students must treat the instructor, other students, and classroom setting with respect. These include but are not limited to arriving on time; turning off cell phones; showing respect for alternative opinions; listening when one of your classmates or instructor is talking; and refraining from using insulting language, gestures and any other potentially disruptive activities.

## Topics and Readings

### I. Introduction

**Week 1 (January 23): Introduction and sign-ups for presentations**

**Week 2 (January 30): What is Political Economy? What is Development?**

#### Assigned Readings:

United Nations Development Programme. *Human Development Report 2005•International Cooperation at a Crossroad: Aid, Trade and Security in an Unequal World*. (<http://hdr.undp.org/reports/global/2005/>)

Keefer, Phillip. 2004. "What Does Political Economy Tell Us About Economic Development and Vice Versa?" *Annual Review of Political Science* 7: 242-272.

Deutsch, Karl. W. 1961. "Social Mobilization and Political Development." *American Political Science Review* 55 (3): 493-514.

Lipset, Seymour. 1959. "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53 (1): 69-105.

Diamond, Larry. 2006. Commentary on Seymour Lipset's "Some Social Requisites of Democracy: Economic Development and Political Legitimacy." *American Political Science Review* 100 (2): 675-676.

Rostow, W. W. "The Five Stages of Growth."

UN Millenium Goals. (<http://www.un.org/millenniumgoals/>)

#### Recommended Readings:

Evans, Peter and John D. Stephens. 1988. "Studying Development Since the Sixties: The Emergence of a New Comparative Political Economy." *Theory and Society* 17: 713-745.

Huntington, Samuel, 1987. "The Goals of Development." In Myron Weiner and Samuel Huntington, eds., *Understanding Political Development*. Boston: Little Brown. pp. 3-32.

Ordeshook, Peter. 1990. "The Emerging Discipline of Political Economy." In Alt and Shepsle, eds. *Perspectives on Positive Political Economy*. pp. 9-30.

Maddison, Angus. "Income Growth, Income Gaps, and the Ranking of Nations." In Mitchell A. Seligson and John T. Passé-Smith, eds., *Development and Under-Development: The Political Economy of Global Inequality*, pp. 17-25.

Passé-Smith, "The Persistence in the Gap Between Rich and Poor Countries: Taking Stock of World Economic Growth, 1960-1993." In Mitchell A. Seligson and John T. Passé-Smith, eds., *Development and Under-Development: The Political Economy of Global Inequality*, pp. 27-40.

### II. Theoretical Approaches to Development

**Week 3 (February 6): Modernization Theory and its Challengers – Dependency Theory, World System Theory, and Modes of production**  
**Assigned Readings:**

Ayubi, Nazih N. 1995. *Overstating the Arab State: Politics and Society in the Middle East*. pp. 38-82.

- Cardoso, Fernando Henrique and Enzo Faletto. 1979. *Dependency and Development in Latin America*. Berkeley: California University Press. Preface and chapters 1 and 2.
- Przeworski, Adam, and Fernando Limongi. 1997. "Modernization: Theories and Facts," *World Politics* 49 (2), 155-183.
- Valenzuela, J. Samuel and Arturo Valenzuela. 1978. "Modernization and Dependency: Alternative Perspectives in the Study of Latin American Underdevelopment." *Comparative Politics* 535-557.
- Wibbels, Erik. 2006. "Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World." *International Organization* 60 (2): 433-468.

### **Recommended Readings:**

- George, Henry. 1879. *Progress and Poverty: An Inquiry into the Cause of Industrial Depressions and of Increase of Want with Increase of Wealth: the Remedy*. New York: Robert Schalkenbach Foundation.
- Schumpeter, Joseph. 1942. *Capitalism, Socialism, and Democracy*. [New York: Harper](#).
- Polanyi, Karl. [1965 \[1944\]. \*The Great Transformation: The Political and Economic Origins of Our Time\*. Boston: Beacon Press.](#)
- Rueschemeyer, Dietrich, Evelyn Huber Stephens, and John D. Stephens. 1992. *Capitalist Development and Democracy*. Chicago: University of Chicago. pp. 1-11 and 79-154.
- Wallerstein, Immanuel. 1979. *The Capitalist World Economy*. Cambridge University Press. pp. 1-48.
- Wallerstein, Immanuel. "The Present State of the Debate on World Inequality."

### **Week 4 (February 13): Institutional Approaches I**

#### **Assigned Readings:**

- North, Douglass C. 1981. *The Structure and Change in Economic History*. New York: W. W. Norton.
- Collier, David. 1979. "Overview of the Bureaucratic-Authoritarian Model," in David Collier, ed., *The New Authoritarianism in Latin America*.
- Evans, Peter. 1989. "Predatory, Developmental, and other Apparatuses: A Comparative Political Economy Perspective on the Third World State." *Sociological Forum* 4: 561-587.

#### **Recommended Readings:**

- Dixit, Avinash K. 2007. *Lawlessness and Economics: Alternative Modes of Governance*. Princeton: Princeton University Press.
- Evans, Peter. 1992. "The State as Problem and Solution: Predation, Embedded Autonomy, and Structural Change." In Stephan Haggard and Robert R. Kaufman, eds., *The Politics of Economic Adjustment*. pp.139-181.
- Krueger, Anne O. 1990. "Government Failures in Development." *Journal of Economic Perspectives* 4 (3): 9-23.
- Waldner, David. 1999. *State Building and Late Development*. Ithaca: Cornell University Press.

### **Week 5 (February 20): Institutional Approaches II**

#### **Assigned Readings:**

- Boone, Cathy. 2003. *Political Topographies of the African State: Territorial Authority and Institutional Choice*. Cambridge: Cambridge University Press.

### **Recommended Readings:**

Olson, Mancur. "Big Bills Left on the Sidewalk: Why some Nations are Rich and Others Poor."

Posner, D. 2005. *Institutions and Ethnic Politics in Africa*. Cambridge: Cambridge University Press.

### **III. The Role of Institutions and Development**

#### **Week 6 (February 27): The State, Markets, Interests**

##### **Assigned Readings:**

\*Bates, Robert H. 1997. *Open-Economy Politics: The Political Economy of the World Coffee Trade*. Princeton: Princeton University Press.

Or \*Heydeman, Steven, ed. 2004. *Networks of Privilege in the Middle East: The Politics of Economic Reform Revisited*. New York: Palgrave Macmillan.

Acemoglu, Daron and James A. Robinson. 2006. "Economic Backwardness in Political Perspective." *American Political Science Review* 100 (1): 115-131. [political elites and conditions under which they may block technological and institutional development]

##### **Recommended Readings:**

Ayubi, Nazih N. 1995. *Overstating the Arab State: Politics and Society in the Middle East*. pp. 289-389.

Ayubi, Nazih N. 1995. *Overstating the Arab State: Politics and Society in the Middle East*. pp. 4-24

Maxfield, Sylvia, and Schneider, Ben Ross, eds. 1997. *Business and the State in Developing Countries*. Ithaca: Cornell University Press.

Maxfield, Sylvia. 1997. *Gatekeepers of Growth: The International Political Economy of Central Banking in Developing Countries*. Princeton: Princeton University Press.

North, Douglass and Barry Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth Century England." *Journal of Economic History* 49: pp. 803-832.

Przeworski, Adam. 1991. *Democracy and the Market: Political and economic reforms in Eastern Europe and Latin America*. Cambridge: Cambridge University Press.

Schamis, Hector. 1999. "Distributional Coalitions and the Politics of Economic Reform in Latin America." *World Politics* 51: 236-268.

Vitalis, Robert. 1995. *When Capitalists Collide: Business Conflict and the End of Empire in Egypt*. Berkeley: University of California Press.

#### **Week 7 (March 6): The Legacy of Colonial Origins**

##### **Assigned Readings:**

Acemoglu, Daron, Simon Johson, and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91: 1369-401.

Athow, Brian and Robert Blanton. 2002. "Colonial Style and Colonial Legacies: Trade Pattern in French and British Africa." *Journal of Third World Countries* 19 (1): 219-243.

Bernhard, Michael, Christopher Reenock, Timothy Nordstorm. 2004. "The Legacy of Western Colonialism on Democratic Survival." *International Studies Quarterly* 48 (1): 225-250.

- Blanton, Robert, T. David Mason, and Brain Athow. 2001. "Colonial Style and Post-Colonial Ethnic Conflict in Africa." *Journal of Peace Research* 38 (4): 219-243.
- Grier, Robin M. 1999. "Colonial Legacies and Economic Growth." *Public Choice* 98: 317-335.
- Bratton, Michael, and Nicholas Van de Walle. 1994. "Neopatrimonial Regimes and Political Transitions in Africa." *World Politics* 46 (4): 453-489.

### **Recommended Readings:**

- Amin, Galal. 2000. *Whatever Happened to the Egyptians?* American University Cairo Press.
- Ayubi, Nazih N. 1995. *Overstating the Arab State: Politics and Society in the Middle East*. pp. 86-123.
- Cardoso, Fernando Henrique, and Enzo Faletto. 1979. *Dependency and Development in Latin America*. Chapters 3 and 4.
- Henry, Clement M. and Springborg. 2001. *Globalization and the Politics of Development in the Middle East*. Cambridge: Cambridge University Press. Chapter 1.
- Mitchell, Timothy. 2002. *Rule of Experts: Egypt, Techno-politics, and Modernity*. Berkeley: University of California Press.
- Niblock, Tim. 2006. *Saudi Arabia: Power, Legitimacy and Survival*. Routledge.
- Sharabi, Hisham. 1988. *Neopatriarchy: A Theory of Distorted Change in Arab Society*. New York: Oxford University Press.
- Vandewalle, Dirk, ed., 1996. *North Africa: Development and Reform in a Changing Global Economy*. New York: St. Martin's Press.

### **Week 8 (March 13): Regime Types**

#### **Assigned Readings:**

- Przeworski, A. and F. Limongi. 1993. "Political Regimes and Economic Growth." *Journal of Economic Perspectives* 7: 51-69.
- Mancur Olson. 1993. Dictatorship, Democracy, and Development. *American Political Science Review* 87 (3): 569-576.
- Acemoglu, D. and J. Robinson. 2000, "Why did the West Extend the Franchise? Democracy, Inequality and Growth in Historical Perspective." *Quarterly Journal of Economics* 115: 1167-1199.
- Robinson, James A. 2006. "Economic Development and Democracy." *Annual Review of Political Science* 9: 503-527.
- Bellin, Eva. 2000. "Contingent Democrats: Industrialists, Labor and Democratization in Late-Developing Countries." *World Politics* 52: 175-205.
- Kurtz, Marcus. 2004. "The Dilemmas of Democracy in the Open Economy. Lessons from Latin America." *World Politics* 56 (2): 262-302.

#### **Recommended Readings:**

- Acemoglu, Daron and James A. Robinson. 2006. *Economic Origins of Dictatorship and Democracy*. New York: Cambridge University Press.
- Boix, C. 2001. "Democracy, Development, and the Public Sector." *American Political Science Review* 45: 1-17.
- Haggard, Stephan and Robert R. Kaufman. 1995. *The Political Economy of Democratic Transitions*. Princeton: Princeton University Press.

Harik, Iliya. 2006. "'Arab Exceptionalism' and Social Science." *The Middle East Journal* 60 (4): 664

\*Kienle, Eberhart. 2001. *A Grand Delusion: Democracy and Economic Reform in Egypt*. London: I.B. Tauris.

### **March 20 Spring Recess**

#### **Week 9 (March 27): The Rentier State and the Resource Curse**

##### **Assigned Readings:**

British Petroleum 2006 Review of World Energy.

[<http://www.bp.com/productlanding.do?categoryId=6842&contentId=7021390>]

Luong, Pauline J. Erika Weinthal. 2006. "Rethinking the Resource Curse: Ownership Structure, Institutional Capacity, and Domestic Constraints." *Annual Review of Political Science* 9: 241-263.

Ross, Michael. 1999. "The Political Economy of the Resource Curse." *World Politics* 51 (2): 297-322.

Herb, Michael. 2005. "No Representation Without Taxation?" *Comparative Politics* 297-316.

Kasara, Kimuli. 2007. Tax Me If You Can: Ethnic Geography, Democracy, and Taxation. *American Political Science Review* 101 (1): 159-172.

Henry, Clement M. 2004. "Algeria's Agonies: Oil Rent Effects in a Bunker State." *Journal of North African Studies* 9 (2): 68-81.

Mehlum, Helvor, Karl Moene, and Ragnar Torvik. 2006. Institutions and Resource Curse." *Economic Journal* 116 (208): 1-20.

##### **Recommended Readings:**

Chaoudry, Kiren Aziz. 1997. *The Price of Wealth: Economies and Institutions in the Middle East*. Ithaca: Cornell University Press.

Henry, Clement M. 2005. "Transparency and Accountability in the Arab Region: A Political Economy Perspective." Paper prepared for UNDP/OECD Initiative on Good Governance for Development (GfD) in the Arab Countries, Dead Sea, Jordan, Feb 6-7, 2005 available online.

Ross, Michael. 2001. "Does Oil Hinder Democracy?" *World Politics* 53 (4): 325-361.

Karl, Terry Lynn. 1997. *The Paradox of Plenty: Oil Booms and Petro-States*. Berkeley: University of California Press.

Luciani, Giacomo. 2005. "Oil and Political Economy in the International Relations of the Middle East." In Louise Fawcett, ed., *International Relations of the Middle East*. New York: Oxford University Press. pp. 79-104.

Sachs, Jeffrey D. and Andrew Warner. 2001. "The Curse of Natural Resources." *European Economic Review* 45 (4): 827-838.

Vandewalle, Dirk. 1998. *Libya since Independence: Oil and State-Building*. Ithaca: Cornell University Press.

Vitalis, Robert. 2007. *America's Kingdom: Mythmaking on the Saudi Oil Frontier*. Stanford: Stanford University Press.

Vitalis, Robert. 1999. Review of Kiren A. Chaudhry's *The Price of Wealth: Economies and Institutions in the Middle East* in *International Journal of Middle East Studies* 31: 659-661.

Waterbury, John. 1997. "From Social Contracts to Extraction Contracts: The Political Economy of Authoritarianism and Democracy." In

John P. Entelis, ed., *Islam, Democracy and the State in North Africa*. (Bloomingsdale: Indiana University Press, 1997)

#### **Week 10 (April 2): State Failure**

##### **Assigned Readings:**

Rotberg, Robert I. 2004. *The Failure of Nation States: Causes, Consequences, and Reconstruction*. Princeton: Princeton University Press.

Arrighi, Giovanni. 2002. "The African Crisis: World Systemic and Regional Aspects." *New Left Review* 15 (2002): 5-36.

##### **Recommended Readings:**

Rotberg, Robert I. 2002. The New Nature of Nation-State Failure. *The Washington Quarterly* 25 (3): 85-96.

Zartman, I. William. 1995. Introduction: Posing the Problem of State Collapse. In I. William Zartman, ed., *Collapsed States: The Disintegration and Restoration of Legitimate Authority*. Boulder: Lynne Rienner.

#### **IV. The Role of International Institutions and Development**

#### **Week 11 (April 9): Trade and Development**

##### **Assigned Readings:**

Haggard, Stephan and Sylvia Maxfield. 1996. "The Political Economy of Internationalization in the Developing World." *International Organization* 50 (1): 35-68.

Busch, Mark L. and Eric Reinhardt. 2003. "Developing Countries and GATT/WTO Dispute Settlement." *Journal of World Trade* 37 (4): 719-735.

Özden, Çağlar and Eric Reinhardt. 2005. "The Perversity of Preferences: GSP and Developing Country Trade Policies, 1976-2000." *Journal of Development Economics* 78 (1): 1-21.

Rodrik, Dani. 2001. "Trading in Illusion." *Foreign Policy* March/April.

Rodrik, Dani. 1997. *Has Globalization Gone too Far?* Washington, DC: Institute of International Economics.

Rogowski, Ronald. 1987. "Political Cleavages and Changing Exposure to Trade." *American Political Science Review* 81 (4): 1121-1137.

Wade, Robert Hunter. 2004. "Is Globalization Reducing Poverty and Inequality?" *World Development* 32 (4): 567-589.

##### **Recommended Readings:**

Bailin, Alison. 2005. *From Traditional to Group Hegemony: The G-7, the Liberal Economic Order and the Core-Periphery Gap*. Aldershot: Ashgate Publishing.

Davis, Christina L. 2004. "International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization." *American Political Science Review* 98 (1): 153-169.

Geoffrey G. Garrett and Peter Lange. 1995. "Internationalization, Institutions, and Political Change." *International Organization* 49 (4): 627-655.

- Krueger, Anne. 1998. "Why Trade Liberalization is Good for Growth." *The Quarterly Journal of the Royal Economic Society* 108:1513-1522.
- Milner, Helen V. and Keiko Kubota. 2005. "Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries." *International Organization* 59 (1): 107-143
- Rogowski, Ronald. 1989. *Commerce and Coalition: How Trade Affects Domestic Political Alignments*. Princeton: Princeton University Press.

**Week 12 (April 16): International Finance and Money  
Assigned Readings:**

- Cohen, Benjamin J. 1996. "Phoenix Risen: The Resurrection of Global Finance." *World Politics* 48 (2): 268-296.
- Soederberg, Susanne. 2004. *The Politics of the New International Financial Architecture, Reimposing Neoliberal Domination in the Global South*. London and New York: Zed Books.

**Recommended Readings:**

- Andrews, David M. 1994. "Capital Mobility and State Autonomy: Towards a Structural Theory of International Monetary Relations." *International Studies Quarterly* 38 (2): 193 -218.
- Büthe, Tim and Helen V. Milner. 2005. The Politics of Foreign Direct Investment into Developing Countries: Increasing FDI through Policy Commitment Agreements and Investment Treaties? Unpublished Manuscript. Get permission\*\*\*\*  
[www.duke.edu/~buthe/downloads/ButheMilner\\_FDITrade\\_Nov2006.pdf](http://www.duke.edu/~buthe/downloads/ButheMilner_FDITrade_Nov2006.pdf)
- Eichengreen, Barry. 1996. *Globalizing Capital: A History of the International Monetary System*. Princeton: Princeton University Press.
- Elkins, Zachary, Andrew T. Guzman, and Beth A. Simmons. 2006. "Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960-2000." *International Organization* 60 (4): 811-846.
- Haggard, Stephan and Robert R. Kaufman, eds. 1992. *The Politics of Economic Adjustment*. Princeton: Princeton University Press.
- Chwieroth, Jeffrey. 2007. "Neoliberal Economists and Capital Account Liberalization in Emerging Markets." *International Organization* 61 (2): 443-463.

**Week 13 (April 23): International Finance and Money II  
Assigned Readings:**

- Nooruddin, Irfan and Joel W. Simmons. 2006. "The Politics of Hard Choices: IMF Programs and Government Spending." *International Organization* 60 (4): 1001-1033.
- Dixit, Avinash k. and John B. Londregan. 2000. "Political Power and the Credibility of Government Debt." *Journal of Economic Theory* 94: 80-105.
- Kosack, Stephen and Jennifer Tobin. 2006. "Funding Self-Sustaining Development: The Role of Aid, FDI and Government in Economic Success." *International Organization* 60 (1): 205-243.
- Li, Quan and Adam Resnick. 2003. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* 57 (1): 175-211.
- Stone, Randall W. 2004. "The Political Economy of IMF Lending in Africa." *American Political Science Review* 98 (4): 577-591

Wade, Robert. 2006. "Choking the South: World Finance and Underdevelopment." *New Left Review* 38 (March-April).

### **Recommended Readings:**

Brune, Nancy and Geoffrey Garrett. 2005. "The Globalization Rorschach Test: International Economic Integration, Inequality, and the Role of Government." *Annual Review of Political Science* 8: 399-423.

de Larosi`ere, Jacques. 2005. "From Mexico to Argentina: What Have we Learned from Two Decades of Debt Crisis?" In Centeno, Miguel, Harold James and John Londregan, eds., *The Political Economy of Recurrent Debt*. pp. 34-52.

Frieden, Jeffrey A. 1991. *Debt, Development, and Democracy: Modern Political Economy and Latin America, 1965-1985*. pp. 15-41.

Hausman, Ricardo and Andres Velasco. 2005. "Recurrence Debt Problems and International Safety Nets." In Centeno, Miguel, Harold James and John Londregan, eds. 2005. *The Political Economy of Recurrent Debt*. pp. 53-93.

Jensen, Nathan M. 2003. "Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment." *International Organization* 57 (3): 587-616.

Reinhart, Carmen and Kenneth S. Rogoff. 2005. "Serial Default and Its Remedies." In Centeno, Miguel, Harold James and John Londregan, eds. 2005. *The Political Economy of Recurrent Debt*. pp. 4-18.

Stiglitz, Joseph. 2003. "Dealing with Debt: How to Reform the Global Financial System." *Harvard International Review* (Spring): 54-59.

Yeyati, Eduardo Levy. 2005. "Recurrence Debt Problems and International Safety Nets." In Centeno, Miguel, Harold James and John Londregan, eds. 2005. *The Political Economy of Recurrent Debt*. pp. 19-33.

### **Week 14 (April 30): Globalization and its Discontents**

#### **Assigned Readings:**

Stiglitz, Joseph. 2006. *Making Globalization Work*. New York, NY: W.W. Norton & Company.

#### **Recommended Readings:**

Brune, Nancy and Geoffrey Garrett. 2005. "The Globalization Rorschach Test: International Economic Integration, Inequality, and the Role of Government." *Annual Review of Political Science* 8: 399-423.

El-Gamal, Mahmoud. 2006. *Islamic Finance: Law, Economics, and Practice*. Cambridge: Cambridge University Press.

Henry, Clement M. 1998. *Challenges of Global Capital Markets to Information-Shy Regimes: The Case of Tunisia*. Emirates Center for Strategic Studies and Research.

Henry, Clement M. 2004. "Islamic Finance in the Dialectic of Globalization Potential variations on the "Washington consensus." In Henry, Clement M. and Wilson, ed., *The Politics of Islamic Finance*. pp. 1-62.

Henry, Clement M. 2006. *Islamic Finance: Global Identity Problems and Prospects*.

Henry, Clement M. and Wilson, Rodney, ed., 2004. *The Politics of Islamic Finance*. Edinburgh: Edinburgh University Press.

Stiglitz, Joseph. 2002. *Globalization and its Discontents*. New York, NY: W.W. Norton & Company.