This advanced upper-level course provides the fundamentals of political economy or political socio-economics. Our central puzzle throughout the course is: “Why Are We So Rich and They So Poor?” Because the focus of this course is on the “fundamentals,” we take unit of analysis rather broadly, which means that “We” and “They” can be regions, countries, political entities, economic systems, societies, “people,” classes, races, or individuals. As such, answering the question about socio-economic development inevitably involves comparison. In studying this issue, therefore, we will learn why we compare, what to compare, and how to compare.

Traditional political economy studied this topic, by assuming that environments and political institutions are given and neutral with regard to the market allocations; they are there but they do not act. New political economy differs from the traditional approach in its treatment of politics. It accepts that political institutions and their relations to the economy and society are populated by actors who have interests/ideologies/faiths and pursue them. Hence, this course is based on the belief that socio-economic development is fundamentally a political phenomenon. Another belief is that political scientists cannot study political economy without knowing some sort of economics, as we cannot study political history without dealing with history. So, we will study economic theories and formulations.

This course has three main purposes: 1) to provide a rigorous analytical framework and various theories and empirics of socio-economic development, 2) to equip students with solid understanding of the complex relationships between politics and socio-economic performances, and 3) to compare different accumulation strategies and their consequences, e.g., East Asia vs. Latin America, Europe vs. the United States, China vs. India. To do so, this course is divided into four parts: I) The Nature of Socio-Economic Development, II) Theories of Development and Underdevelopment, III) The Structural Transformation and Strategies for Growth, and IV) Varieties of Capitalism.
READINGS

Each student is expected to read (before class) all the required readings for each session (see the reading assignments below). Required readings are:


4) Journal articles and book chapters. These readings are posted on Moodle. All students should have a LSU account for access to Moodle through the PAWS desktop.

Students also need to purchase and read the following book to write a final paper (see below).


REQUIREMENTS

1) In-class midterm exam (25%)
The 6th of March (Thursday), 12:00 – 1:20 pm in class. The format of the midterm exam will be explained in class.

2) Final take-home exam (25%)
The test will be given in class on the 24th of April (Thursday). Students will have approximately two days to complete the test and should email the instructor their answers in a word document by noon (12:00 pm) on the 26th of April (Saturday). The format of the final take-home exam will be explained in class.

3) Critical review paper (25%)
You will write a critical review of Polanyi’s *The Great Transformation*. The text should be no longer than six single-spaced pages. The format and guide of the paper will be discussed in class. You should submit a hard copy. The deadline is the 24th of April (Thursday).

4) Attendance and participation (25%)
It is extremely important to come to class. Attendance will be taken for each session. Students may earn credit for their attendance at each class session, while repeated and unexcused absence will cause deduction in student’s total grade. In addition, students are highly encouraged to ask and answer questions, and to make appropriate comments on issues covered in class.

**NOTE:** If you do not take any of the examinations, if you do not submit the final paper, or if you miss more than twelve classes (half of lectures throughout the semester), you will automatically receive an F. No “make-up” examinations will be given; no late papers will be accepted.
READING ASSIGNMENTS AND SPECIFIC TOPICS

I. The Nature of Socio-Economic Development

Week 1 (01/16) Introduction
Scope and roadmap of the course.

Week 2 (01/21, 01/23) Meaning, Measures and Trends

Cypher and Dietz, Chapter 1 and 2.

Week 3 (01/28, 01/30) Imperialism, Colonialism, and Capitalism

Cypher and Dietz, Chapter 3.

II. Theories of Development and Underdevelopment

Week 4-5 (02/04, 02/06, 02/11, 02/13) Classical and Neoclassical Theories

Cypher and Dietz, Chapter 4.

Week 6 (02/18, 02/20) Developmentalist and Heterodox Theories

Cypher and Dietz, Chapter 5 and 6.

Week 7 (02/25, 02/27) New Growth Theory

Cypher and Dietz, Chapter 8.

Week 8 (03/04)  Mardi Gras Holiday – No Class

Week 8 (03/06)  Midterm Exam (in class 12:00 – 1:20 pm)

III. The Structural Transformation and Strategies for Growth

Week 9 (03/11, 03/13)  The State as an Agent of Transformation
Market failure vs. government failure. Export-led industrialization (ELI). Developmental state and embedded autonomy. Fragmented intermediate state. “Miracle” revisited. Efficiency or collusion? Who guards the guardians? Can the East Asia’s success be emulated in other countries?

Cypher and Dietz, Chapter 7.


Week 10 (03/18, 03/20)  Initial Transformation and Strategy Switching

Cypher and Dietz, Chapter 9 and 10

Week 11 (03/25, 03/27)  Assessing the Economic Rise of China and India
Socialism vs. capitalism. Neoliberal turn in the 1980s. “Socialism with Chinese characteristics?” Township and village enterprises (TVEs). State-owned enterprises (SOEs). Foreign direct investment (FDI). The developmental state revisited in comparison with China and India.

Bardhan, Chapter 1 – Chapter 6.

Week 12 (04/01, 04/03)  Comparing China and India Continued
The relevance of socialist legacy: “Are the Chinese better capitalists now (than the Indian) because they were better socialists then?” Social capabilities. Increasing inequality. Environmental disaster. How does political regime (democracy and dictatorship) matter? Decentralized governance structure. Accountability failure.

Bardhan, Chapter 7 – Chapter 10.

IV. Varieties of Capitalism

Week 13 (04/08, 04/10)  Growth and Inequality
Pontusson, Chapter 1 – Chapter 5.

**Week 14 (04/15, 04/17)  Spring Break – No Class**

**Week 15 (04/22, 04/24)  Welfare States in Retrenchment under Neoliberalism**

Pontusson, Chapter 6 – Chapter 9.

Final paper on Polanyi’s *The Great Transformation* due in class on April 24.

The final take-home test is given in class on April 24. The test is due by noon (12:00 pm) on April 26 via an email attachment.