This course provides an introduction to core topics in the political economic analysis of development. The readings range widely across contending theoretical perspectives, over time, and across countries. Among other dimensions of comparison, the course will examine issues in business-government relations, industrial policy, human capital and skills, bureaucratic capacity, multinational corporations and global production networks, and natural resource dependence. The common thread across these diverse topics is the analysis of how variations in organizations, institutions, governance, and politics affect development outcomes.

This course differs from others on the political economy of development in a number of respects. For one the coverage is more micro than macro with a heavier focus on the incentives and behaviors of economic agents like investors, government officials, firm managers, and workers than on macro dimensions such as inflation, trade and investment flows, fiscal balance, and so forth. However, the focus is not as micro as much recent behavioral and experimental research in the new development economics. Geographically, the readings cover both developed and developing countries, especially middle-income countries of Latin America and Asia. Lastly, the syllabus incorporates recent publications coming out of the multilateral development agencies (especially the Inter-American Development Bank and the World Bank) in part because so much original research is funded by them and in part because their publications have such resonance in policy circles in developing countries.

Course requirements (with grading weights) include: participation in seminar discussions and weekly posts on the readings (30%); three 4-page (double spaced) reviews of the weekly reading (30%); and a final exam (40%). The weekly reviews should be posted to Stellar by 10am on Wednesday so that everyone can consult them before class.

Unless otherwise noted, the readings will be on Stellar, http://stellar.mit.edu/S/course/17/fa19/17.178/
Week 1 (4 September). **Introduction and Organization**

Week 2 (11 September). **Institutional Legacies, Path Dependence, and Property Rights**


**Further reading**


Week 3 (18 September). **The State and Development**


**Further reading**


**Week 4 (25 September). Industrial and Innovation Policy**


Breznitz, Dan, and Darius Ornston. "The revolutionary power of peripheral agencies: Explaining radical policy innovation in Finland and Israel.” *Comparative Political Studies* 46.10 (2013): 1219-1245.


Further reading


Week 5 (2 October). **Bureaucracy, Institutional Capacity, and Governance**

Pepinsky, Thomas, Jan Pierskall, and Audrey Sacks, 2017 “Bureaucracy and service delivery” *Annual Review of Political Science*.


Further reading


**Week 6 (9 October). ** **Social Welfare and Development**


**Further reading**


Week 7 (16 October). **Labor Markets and Skill Formation**


Further reading


Week 8 (23 October). **Corporate Governance, SOEs, and Diversified Business Groups**


Further reading


Week 9 (30 October). **Business-Government Relations**


Further reading


Week 10 (6 November). MNCs and Global Value Chains


Further reading


13 November. No class

Week 11 (20 November). **Commodity Booms and Resource Curses**


Further reading


No class 27 November.

Week 12 (4 December). Regulation and Development


Further reading


Week 13 (11 December). **Human Capital, Distribution, and Growth**


Further reading


