

Naval Postgraduate School
National Security Affairs
Special Topics: Political Economy

Dr. Robert Looney
Winter Term 2014
NS4053

Office Hours, MW 10:00-12:30
Glasgow 305 or by appointment
relooney@nps.edu
Class webpage <http://relooney.com>

COURSE OUTLINE

Course Theme:

Special Topics in Political Economy examines various aspects of economic growth and development. This year's seminar will be on economic development with a focus of the emerging economies.

Class Objectives: Gain a better understanding of the prospects of the world's emerging economies and the challenges they face, both internally and in a changing global environment.

Texts:

Robert Looney ed., Handbook of Emerging Economies (London: Routledge, 2014).
Copy on Sakai

Kemal Dervis ed., Think Tank 20: Growth Convergence and Income Distribution: the Road from the Brisbane G-20 Summit, (Washington: Brookings Institution, 2014).

National Intelligence Council (NIC), Global Trends 2030, December 2012.

Supplemental Texts

In addition to our main text, we will be drawing from sections of the following publications. There will also be a number of professional journal articles posted on the web-site for each class session.

Dwight Perkins et. al., Economics of Development (seventh edition), Norton, 2013

World Bank, Frontiers in Development Policy, 2011

James Cypher and James Dietz, The Process of Economic Development, Routledge 1997

Benjamin Higgins, Economic Development, Revised Edition, Norton, 1968

Michael Todaro and Stephen Smith, Economic Development, 11th Edition, Addison Wesley, 2011

James Cypher and James Dietz, The Process of Economic Development, 3rd Edition, Routledge, 2009

E. Wayne Nafziger, *Economic Development*, Fifth Edition, Cambridge University Press, 2012

Recent Books on Emerging Economies

Michael Pettis, *The Great Rebalancing: Trade, Conflict, and the Perilous Road Ahead for the Global Economy*

Thomas Andersson and Abdelkader Djeflat eds., *The Real Issues of the Middle East and the Arab Spring: Addressing Research, Innovation and entrepreneurship*, Springer, 2013

Lawrence Edwards and Robert Z. Lawrence, *Is Growth in Emerging Economies Good for the United States?* Peterson Institute for International Economics, 2013

Ruchir Sharma, *Breakout Nations: In Pursuit of the Next Economic Miracles*, Norton, 2012

Jim O'Neil, *The Growth Map: Economic Opportunity in the BRICs and Beyond*, Portfolio/Penguin, 2011

Uri Dadush & William Shaw, *Juggernaut: How Emerging Markets are Reshaping Globalization*, Carnegie Endowment, 2011.

Masahiko Aoki, Ed, *The Chinese Economy: A New Transition*, Palgrave Macmillan 2012

Sahid Javid Burki, *South Asia in the New World Order*, Routledge 2011

Anders Aslund, *How Capitalism Was Built: The Transformation of Central and Eastern Europe, Russia and Central Asia*, Cambridge University Press, 2007

Ian Bremmer, *Every Nation For Itself: Winners and Losers in a G-Zero World*, Portfolio/Penguin, 2012

Michael Spence, *The Next Convergence: The Future of Economic Growth in a Multispeed World*, Farrar, Straus and Giroux, 2011

Michael Spence and Danny Leipziger, *Globalization and Growth: Implications for a Post-Crisis World*, World Bank, 2010

Gideon Rachman, *Zero Sum Future*, Simon & Schuster, 2011

Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy*, Norton, 2011

Alternative Worlds: Global Trends 2030, National Intelligence Council, 2012

Justin Yifu Lin, *New Structural Economics: A Framework for Rethinking Development and Policy*, World Bank, 2012

Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions and Economic Growth*, Princeton University Press, 2008

Narcis Serra and Joseph Stiglitz, *The Washington Consensus Reconsidered*, Oxford University Press, 2008

Vali Nasr, *The Rise of Islamic Capitalism*, Free Press, 2010

Justin Yifu Lin, *The Quest for Prosperity: How Developing Countries Can Take-Off*, Princeton University Press, 2012

Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity and Poverty*, Crown Publishers, 2012

Dambisa Moyo, *Dead Aid: Why aid is not Working and How There is a Better Way for Africa*, Farrar, Straus and Giroux, 2009

Wshraf Ghani and Clare Lockhart, *Fixing Failed States: A Framework for Rebuilding a Fractured World*, Oxford University Press, 2009

Assignments

The readings for each topic are on the class website. For each class, please check the class website under "readings for next class" for additional papers for discussion. All the papers and references that we will need for the course can be found on the website. I will indicate which readings can only be found on Sakai

Lectures

Introduction/Course Overview (January 5).

Historical Long-Run Mechanisms of Growth (January 7/12).

Kemal Dervis and Homi Kharas, *Growth, Convergence and Income Distribution: An Introduction* in Think Tank 20

Uri Dadush, *Key Trends in the World Economy*, Chapter 2, in *Handbook of Emerging Economies*

NIC, *Executive Summary*

Higgins – *British Classics, Marx, Schumpeter, and Hansen* (website readings)

Economic Data, *Patterns of Development/Measures of Growth* (January 14)

World Bank, *Governance Indices*

World Economic Forum, *Competitiveness Index*

Legatum Institute, *Prosperity Index*

Heritage Foundation, *Index of Economic Freedom*

UN Human Development Report

Milken Capital Access

EIU Food Security Index

Modern Long-Run Theories of Growth (January 20)

- Harrod-Domar Model (Website readings)
- Neo-Classical Model (Website readings)
- Endogenous Growth Model (Website readings)
- Growth Commission Report (Website readings)
- Case Studies: Sources of Growth (Website readings)

Theories of Development (January 21).

- Development Strategies (Website readings)
- Dualistic Models (Website readings)
- Stage Theories (Website readings)

Applied Concepts – Markets, Institutions and Empirical Analysis (January 26)

- John Williamson, Keys to Success: The Beijing or Washington Consensus?
- Handbook of Emerging Economies, Chapter 9,
- Robert Looney, Modern Stage Theories and their Relevance for Emerging Economies Handbook of Emerging Economies, Chapter 8,
- Middle Income Trap (Website readings)

Emerging Economies: Latin America (January 28/February 2)

- Ernesto Talvi, Latin America's Decade of Development-Less Growth, in Think Tank 20
- Miguel Kiguel, Argentina: A Case of Reverse Convergence, in Think Tank 20
- Claudio Frischtak, Brazil: Demography, technology, and All Other Things Considered in Think Tank 20
- Albert Fishlow, Brazil, Chapter 3 in Handbook of Emerging Economies
- Patricio Nava, The Original Sin in Chile's Successful History of Development, Chapter 12 in Handbook of Emerging Economies
- Guillermo Ortiz, Mexico: The Challenges to Achieving Sustainable Growth in Latin America in Think Tank 20
- Francisco E. Gonzalez, Mexico: Emerging Economy Kept on a leash by Mismatched Monopolies, Chapter 15 in Handbook of Emerging Economies
- Domingo Cavallo, Argentina's Present and its Intriguing Economic History, Chapter 17 in Handbook of Emerging Economies

Emerging Economies: Middle East/North Africa (February 4/9)

- Hafez Ghanem, Growth and Convergence in the Arab Region in Think Tank 20
- Paul Rivlin, The Israeli Economy, Chapter 10 in Handbook of Emerging Economies
- Robert Springborg, Egypt: Too Big to Succeed, Chapter 21, in Handbook of Emerging Economies
- Robert Looney, The Saudi Arabian Model, chapter 25 in Handbook of Emerging Economies
- Ali Al-Sadiq, Economic Convergence in Saudi Arabia, in Think Tank 20
- Robert Looney, Iran, Legatum Institute
- Reza Ghorashi and Hamid Zangeneh, Iran at a Crossroads, Chapter 23 in Handbook of Emerging Economies

Emerging Economies: Africa February 11/18/)

Amadou Sy, Is Africa at a Historical Crossroads to Convergence in Think Tank 20

Robert Looney, South Africa's Difficult Transition, Chapter 7 in Handbook of Emerging Economies

Haroon Borat, South Africa: Perspectives on Divergence and Convergence in think Tank 20

Nigeria (website readings)

Uganda (website readings)

Mozambique (website readings)

Emerging Economies South Asia (February 22)

Montek Ahluwalia, Economic Growth in Asia: Performance and Prospects in Think Tank 20

Rakesh Mohan and Muneesh Kapur, India: Secular Stagnation: Can India Buck the Trend? in Think Tank 20

Surjit Bhalla, The How and Why of Economic Growth in India, 1950-2012 Chapter 5 in Handbook of Emerging Economies

Javed Burki, Pakistan: An Economy in Extreme Distress that Could be Revived

(Class Presentations)

Emerging Asia, (February 25/March 2)

Yang Yao, A New Normal, but with Robust Growth: China's Growth Prospects in the Next 10 Years, in Think Tank 20

Maria Monica Wihardja, Growth Convergence and Income Distribution: A View from Indonesia, in Think Tank 20

Wonhyuk Lim, Korea, From Rapid, Shared Growth to Slow, Unshared Growth? In Think Tank 20

Linda Lim, Singapore's Success: After the Miracle, Chapter 11 in Handbook of Emerging Economies

Vijayakumari Kanapathy and Herizal Hazri, Middle Income Trap of Malaysian economy: a Political Economy Analysis, Chapter 16 in Handbook of Emerging Economies

Martin Rama, Viet Nam, Chapter 18 in Handbook of Emerging Economies

(Class Presentations)

Emerging Economies EurAsia (March 4/9)

Philip Hanson, Russia as an Emerging Economy, Chapter 4 in Handbook of Emerging Economies

Fatih Ozatay, Turkey, Chapter 13 in Handbook of Emerging Economies

Sergey Drobyshesky, Russia: Prospects for Growth and Convergence in Think Tank 20

Galip Kemal Ozhan, The Growth Debate Redux, in Think Tank 20

(Class Presentations)

Remaining Presentations (March 11/16)

Course Grade

- (1) Class participation 25%
- (2) A. Project, Class Presentation 75% (10-12 page research project and class presentation (15-20 minutes).
- (3) B. Project 20-page research project, no presentation