

UNIVERSITA' DEGLI STUDI DI FERRARA
DIPARTIMENTO DI ECONOMIA E MANAGEMENT

Political Economy and Development

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Obiettivi formativi

The main objectives of this course are to:

- Critically review some of the most important theories of development, highlighting the key differences in methodology, assumptions, logic and policy implications between competing approaches to economic development.
- Identify some of the key economic constraints to development, and the limitations of different economic development strategies.
- Review the relationship between financial processes and economic development from a macro or microeconomic angle, depending on the topic.
- Assess the implications of the transition to neoliberalism for the poor and middle-income countries.
- Discuss different explanations for the onset of the current global crisis and reach insights about the specific problems of poor and middle-income countries.

At the end of this course, students will be able to:

- Identify and understand some of the most important problems and debates in the field of political economy of development.
- Make informed comparisons between processes and problems of economic development across different regions of the world, and between countries in these regions, especially in terms of financial processes in development.
- Understand the economic and political implications of the neoliberal transition for the developing countries.
- Explain the sources and consequences of the current crisis for the poor and middle-income countries.
- Develop their analytical and critical skills, through the ideas discussed in the lectures and through individual research.
- Enhance their communication skills through discussions in class.

Prerequisiti

None

Contenuti

This course examines selected aspects of the process of development in today's world from a political economy perspective. The course addresses primarily (a) the relationship between finance and development, (b) the implications of the transition to neoliberalism for the poor and middle-income countries, and (c) the origins and consequences of the current international crisis. Throughout the course, basic theory is combined with applications to developing countries, using examples from Africa, Asia and Latin America. Special emphasis is given to changes in the international environment over the last thirty years and their implications on the policies and prospects of the poor and middle-income countries. The specific topics covered throughout the course are:

1. Development Theory and Development Policies (7 hours)
2. Comparative Development Strategies (7 hours)
3. Political Economy of Neoliberalism (7 hours)
4. Financialisation and Globalisation (7 hours)
5. Transitions to Neoliberalism (7 hours)
6. The 'Rise of the South' (7 hours)
7. The Current Crisis and the Developing Countries (7 hours)
8. Policy Alternatives (7 hours)

Metodi didattici

Most of the course is structured upon frontal lectures, where interaction and discussion with the students is highly encouraged

Verifica dell'apprendimento

One final written essay of 10,000 words. Titles for the final essay are provided by the lecturer during the course.

Testi di riferimento

Students are not strictly required to read all of the texts listed below, however they are expected to read widely around the topics of the course,

Session 1

1. Easterly, W. (2002) 'How Did Highly Indebted Poor Countries Become Highly Indebted? Reviewing Two Decades of Debt Relief', *World Development* 30 (10), pp.1677-1696.
2. Fine, B. (2011) *Towards a History of Development Economics*, unpublished manuscript.
3. Gore, C. (2000) 'The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries', *World Development* 28 (5), pp.789-804.
4. Saad-Filho, A. (2005) 'From Washington to Post-Washington Consensus: Neoliberal Agendas for Economic Development', in: A. Saad-Filho and D. Johnston (eds.) *Neoliberalism: A Critical Reader*. London: Pluto Press.
5. Saad-Filho, A. (2011) 'Growth, Poverty and Inequality: Policies and Debates from the (Post-)Washington Consensus to Inclusive Growth', *Indian Journal of Human Development*, 5 (2), pp.321-344.
6. Stiglitz, J. (1998) 'More Instruments and Broader Goals: Moving toward the Post-Washington Consensus', *WIDER Annual Lecture 2*.

7. Weeks, J. (2000) 'Latin America and the 'High Performing Asian Economies': Growth and Debt', *Journal of International Development* 12 (5), pp.625-654.

Session 2

1. Balcerowicz, L. and Rzońka, A. (eds.) (2015) *Puzzles of Economic Growth*. Washington DC: World Bank.
2. CGD (Commission on Growth and Development) (2008) *The Growth Report: Strategies for Sustained Growth and Inclusive Development*. Washington, DC: World Bank, <http://cgd.s3.amazonaws.com/GrowthReportComplete.pdf>, overview, introduction and Part 1.
3. Fine, B. (2006) 'The Developmental State and the Political Economy of Development', in Jomo K.S. and Fine, B. (eds.) *The New Development Economics after the Washington Consensus*, Oxford: Oxford University Press.
4. Mazzucato, M. (2011) *The Entrepreneurial State*. London: Demos.
5. Salazar-Xirinachs, J.M., Nübler, I. and Kozul-Wright, R. (2014) *Transforming Economies: Making Industrial Policy Work for Growth, Jobs and Development*. Geneva: ILO.
6. Stiglitz, J., Lin, J.Y. and Monga, C. (2013) *The Rejuvenation of Industrial Policy*. World Bank Policy Research Working Paper No. 6628.
7. Weiss, J. (2015) *Industrial Policy in High-Income Economies*, <http://e15initiative.org/publications/industrial-policy-in-high-income-economies/>

Session 3

1. Cahill, D. (2014) *The End of Laissez-Faire? On the Durability of Embedded Neoliberalism*. Cheltenham: Edward Elgar, ch.4.
2. Clarke, S. (1988) *Keynesianism, Monetarism and the Crisis of the State*. Aldershot: Edward Elgar, ch.11.
3. Harvey, D. (2005) *A Brief History of Neoliberalism*. Oxford: Oxford University Press, chs.1, 6.
4. Kiely, R. (2005) *The Clash of Globalisations: Neo-Liberalism, the Third Way and Anti-Globalisation*. Leiden: Brill, ch.3.
5. Lemke, T. (2001) 'The Birth of Bio-Politics: Michel Foucault's Lecture at the Collège De France on Neo-Liberal Governmentality', *Economy & Society* 30 (2), pp.190-207.
6. Mirowski, P. (2009), 'Postface: Defining Neoliberalism' in Philip Mirowski and Dieter Plehwe (eds.), *The Road from Mont Pelerin: The Making of the Neoliberal Thought Collective*, Harvard University Press, Cambridge, pp. 417-455.
7. Saad Filho, A. (2007) 'Monetary Policy in the Neoliberal Transition: A Political Economy Review of Keynesianism, Monetarism and Inflation Targeting', in R. Albritton, B. Jessop and R. Westra (eds.), *Political Economy of the Present and Possible Global Futures*. London, Anthem Press.

Session 4

1. Chang, H.-J. and Yoo, C.-G. (2000) 'The Triumph of the Rentiers?', *Challenge* 43 (1), pp.105-124.
2. Kozul-Wright, R. (2006) 'Globalization Now and Again', in Jomo K.S. (ed.) *Globalization under Hegemony: The Changing World Economy*. Oxford: Oxford University Press.
3. Krippner, G. (2005) 'The Financialization of the American Economy', *Socio-Economic Review* 3, pp.173-208.
4. Milanovic, B. (2003) 'The Two Faces of Globalization: Against Globalization as We Know It'. *World Development* 31 (4), pp. 667-683.
5. Mishkin, Frederic S. (2009). 'Why We Shouldn't Turn Our Backs on Financial Globalization', *IMF Staff Papers*, 56, 1: 139-70.
6. Piketty, T. (2014) *Capital in the Twenty-First Century*. Cambridge MA: Harvard University Press, Introduction.

7. Weeks, J. (2014) *Economics of the 1%*. London: Anthem Press, ch.3.

Session 5

1. Campbell, A. (2005) 'The Birth of Neoliberalism in the United States: A Reorganisation of Capitalism', in A. Saad-Filho and D. Johnston (eds.) *Neoliberalism: A Critical Reader*. London: Pluto Press.
2. Clarke, S. (2003) 'Globalisation and the Subsumption of the Soviet Mode of Production under Capital', in: A. Saad-Filho (ed.) *Anti-Capitalism: A Marxist Introduction*. London: Pluto Press.
3. Fine, B. and Saad-Filho, A. (2013) 'Neoliberal Development and Its Critics' in H. Weber (ed.) *Politics of Neoliberalism*, London: Routledge.
4. Portes, A. (1985). 'Latin American Class Structures: Their Composition and Change During the Last Decades', *Latin American Research Review*, 20 (3), pp.7-39.
5. Portes, A. and K. Hoffman (2003). 'Latin American Class Structures: Their Composition and Change During the Neoliberal Era', *Latin American Research Review* 38 (1), pp.41-82.
6. Saad-Filho, A. (2005) 'The Political Economy of Neoliberalism in Latin America', in A. Saad-Filho and D. Johnston (eds.) *Neoliberalism: A Critical Reader*. London: Pluto Press, 2005, pp.222-229.
7. Saad-Filho, A. and Yalman, G. (2009) *Economic Transitions to Neoliberalism in Middle-Income Countries: Policy Dilemmas, Economic Crises, Forms of Resistance*, London: Routledge.

Session 6

1. Akyüz, Y. (2012) *The Staggering Rise of the South?*, South Centre Research Paper 44, http://www.southcentre.org/index.php?option=com_content&view=article&id=1691%3Athe-staggering-rise-of-the-south&lang=en. (58 pages)
2. Akyüz, Y. (2013) *Waving or Drowning: Developing Countries after the Financial Crisis*, South Centre Research Paper 48.
3. Kim Soyung, Jong-Wha Lee and Cyn-Young Park (2010) *The Ties that Bind Asia, Europe, and United States*, ADB Economics Working Paper Series 192, <http://www.adb.org/sites/default/files/pub/2010/Economics-WP192.pdf>
4. Pritchett, L. (1997) 'Divergence, Big Time', *Journal of Economic Perspectives*, 11 (3): 3-17.
5. Saad-Filho, A. (2013) The 'Rise of the South': Global Convergence at Last? *New Political Economy*.
6. Starrs, S. (2014) 'The Chimera of Global Convergence', *New Left Review* 87, pp.81-96.
7. UNCTAD (2012) *Report of the Secretary-General of UNCTAD to UNCTAD XIII: Development-led globalization: Towards sustainable and inclusive development paths*, http://unctad.org/en/docs/tdxiii_report_en.pdf (Preface and section I, pp.3-46)

Session 7

1. Akyüz, Y. (2014) 'Crisis Mismanagement in the United States and Europe: Impact on Developing Countries and Longer-Term Consequences', UN-DESA Working Paper No.132, www.un.org/esa/desa/papers/2014/wp132_2014.pdf
2. Blanchard, O., Romer, D., Spence, M. and Stiglitz, J. (eds.) (2012) *In the Wake of the Crisis: Leading Economists Reassess Economic Policy*. Cambridge, Mass.: MIT Press.
3. Evans, T. (2015) *The Crisis of Finance-Led Capitalism in the United States of America*, Institute for International Political Economy Berlin, Working Paper 51, http://www.ipe-berlin.org/fileadmin/downloads/working_paper/ipe_working_paper_51.pdf

4. Gorton, G. and A. Metrick (2012). 'Getting up to speed on the financial crisis: a one-weekend-reader's guide', http://faculty.som.yale.edu/garygorton/documents/GettingUpToSpeed_Jan-11-2012.pdf
5. Saad Filho, A. (2011) 'Crisis in Neoliberalism or Crisis of Neoliberalism?', *Socialist Register* 47, www.socialistregister.com.
6. Stiglitz, J. (2010) *Freefall: America, Free Markets, and the Sinking of the World Economy*, London: Allen Lane.

Then have a look at *the latest issue of the IMF World Economic Outlook (available on the IMF website) and the latest UNCTAD Trade and Development Report (available on the UNCTAD website)*.

And when you are feeling tired, have a look at:

- Krugman, P. (2009) "How Did Economists Get It So Wrong?", September 2, New York Times online article: www.nytimes.com/2009/09/06/magazine/06Economic-t.html?_r=1&emc=eta1
- Randall Wray, L. (2012) *Why we are screwed*, <http://www.economonitor.com/lrwray/2012/07/23/why-were-screwed>

Session 8

1. Bateman (2010) *Why Doesn't Microfinance Work? The Destructive Rise of Local Neoliberalism*. London: Zed Books.
2. Dagdeviren, H., van der Hoeven, R. and Weeks, J. (2002) 'Poverty Reduction with Growth and Redistribution', *Development and Change* 33 (3), pp.383-413.
3. Ghosh, J. (2011) 'Dealing with "The Poor"', *Development and Change* 42(3): 849-858.
4. Heintz, J. and S. Razavi (2013) 'Social Policy and Employment: Rebuilding the Connections', UNRISD Beyond 2015 Brief, 3. Geneva: UNRISD.
5. Saad-Filho, A. (2007) 'There is Life beyond the Washington Consensus: An Introduction to Pro-Poor Macroeconomic Policies', *Review of Political Economy* 19 (4), pp.513-537.
6. Therborn G. (2013) *The Killing Fields of Inequality*, Cambridge: Polity.
7. UNRISD (2010) *Combating Poverty and Inequality: Structural Change, Social Policy and Politics*. Geneva: UNRISD.
8. Voitchovsky, S. (2009) 'Inequality and Economic Growth' in *The Oxford Handbook of Economic Inequality*. Oxford: Oxford University Press.