For more than a decade, the settled consensus has been that institutions matter for development. What is much less settled -- in many instances quite contentious -- is which institutions are really consequential, how, and under what circumstances. This course tackles some of these core debates. The readings range widely across contending theoretical perspectives, over time, across countries, and across multiple forms of political and economic institutions and organizations. 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, natural resource dependence, and diversified business groups.

This course differs from others on the political economy of development in a number of respects. For one it concentrates more on enduring structures and institutions than on changes in policy and development strategies such as the shift from state-led to market oriented strategies, and back again. The coverage is also 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. Geographically, the readings range across developed countries and developing regions, 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 (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 the Learning Module site.
Week 1 (7 September). **Introduction and Organization**

Week 2 (14 September). **Analytic Frameworks**


**Further reading**


Week 3 (21 September). **Institutional Legacies, Path Dependence, and Property Rights**


Further reading


Week 4 (28 September). **The State and Development**


Further reading


Week 5 (5 October). **Industrial and Innovation Policy**


Further reading


Week 6 (12 October). **Bureaucracy and Institutional Capacity**


**Further reading**


Week 7 (19 October). **Social Welfare and Inequality**


**Further reading**


**Week 8 (26 October). Labor Markets, Skill Formation, and Human Capital**


**Further reading**


2 November. No class

Week 9 (9 November). Corporate Governance, SOEs, and Diversified Business Groups


Further reading


Week 10 (16 November). Business-Government Relations


Further reading


No class 23 November.

Week 11 (30 November). MNCs and Global Production Networks


Further reading


**Week 12 (7 December). Commodity Booms and the Resource Curse**


**Further reading**


Week 13 (14 December). **Regulation**


