

Portland State University
EC 450U/550: Economic Development
Fall 2003
Leopoldo Rodríguez

Course Description:

The course uses diverse theoretical perspectives to explore the primary issues associated with international economic development. We begin by critically assessing the concept of development and underdevelopment and their relation to colonialism. We proceed to review the most salient theoretical approaches to economic development. After a brief historical overview of development policy from the 1980s debt crisis to present day globalization, we will discuss key issues in development such as poverty, education, agriculture and the environment.

Course Requirements and Grading:

The course requires a large amount of reading. You are expected to demonstrate familiarity with all assigned readings through participation in class discussion and on the webCT discussion forum. You are also required to take four quizzes to evaluate your understanding of the readings and knowledge of lecture material. On the last week of the term you will present to the class the findings of your research group regarding one of the topics listed below (my approval will be required for topics not listed below). Your group will be evaluated by all the students in the course. Finally, you must write a research paper on a topic of your choice for completion of the course.

Grade components:

Participation: WebCT forum and class	20%
WebCT quizzes	20%
Group presentation	20% (group-evaluation)
Final research paper	40%

WebCT

You will need an ODIN account to access the course materials and discussion forum available at WebCT. The address is <http://webct.pdx.edu>.

Academic Dishonesty:

Academic dishonesty will not be tolerated. Opportunities for cheating in quizzes, midterm and other assignments exist, but offenders will be severely punished. Please familiarize yourself with what constitutes academic dishonesty, in particular with respect to using other people's work in papers.

Required Readings:

Gilbert Rist, 1997, *The History of Development*, Zed, London. (GR)
Maggie Black, 2002, *The No-Nonsense Guide to International Development*, Verso, London. (MB)
Readings available on webCT under Course Content (pdf and html files).

Calendar of Assignments

Assignment	Date
Quiz 1	Friday, October 10 at noon to October 13 at 11:00 am
Quiz 2	Friday, October 24 at noon to October 27 at 11:00 am
Quiz 3	Friday, November 7 at noon to Nov. 10 at 11:00 am
Quiz 4	Friday, November 21 at noon to Nov. 24 at 11:00 am
Group Presentation	During class time on December 1, 3 or 5
Final Paper	Monday, December 8 at noon

Topics for Group Presentations

- Bolivia: Water privatization in Cochabamba
- Brazil: Forestry and cattle ranching in the Amazon
- Chile: Dams on the Bio-Bio river
- China: The 3 gorge dam
- Ecuador: Oil production in the Oriente
- India: Hazardous waste imports
- Indonesia: Gold mining in Irian Jaya
- Iraq: The marsh Arabs
- Ivory Coast: Child labor in cocoa production
- Malaysia: Deforestation
- Moldavia: Social costs of transition to a market economy
- Mexico: Impact of NAFTA on peasants
- Nigeria: Oil production and the Ogoni people
- Turkey: Dams on Tigris and Euphrates
- Vietnam: Garment and shoe industry
- Zimbabwe: Land reform under Mugabe

Groups:

- **Bolivia:** David Bikman, Lucia Cabrejos, Petter Dahlgren, Jonas Filho, Carisa Mires and Janet Hover.
- **China:** Chi Zhang, Dennis Hung and Lurch Leslie.
- **Indonesia:** Mark Brenner, Gunnar Abramson, Jason Schmidt and Kent.
- **Moldavia:** Ryan LaDouceur, Anne-Sophie Gales, Joe Church, Monique Majors.
- **Mexico:** Hannah Swan, Lew Church, Jason Bostwick, Amber Markowski and Gray Ayer.
- **Turkey:** Violet Nazari, Shineadh Brandon and Kyle Silon.

Week 1: Introduction to Economic Development

Monday, September 29: Introduction

Suggested movie: *Powaqqatsi*. Directed by Godfrey Reggio. Music by Philip Glass. 1988.

Wednesday, October 1: Economics and Scarcity

M. Sahlins, "The Original Affluent Society," excerpts from *Stone Age Economics*, Aldine Publishing Co, Chicago, 1972.

Michael Todaro, "Economics, Institutions and Development," *Economic Development*, 7th edition, Addison Wesley Longman, New York, 1999, pp. 3-20.

Friday, October 3: Defining Development

GR, Chapter 1, "Definitions of Development," pp. 8-24.

Amartya Sen, "Development as Freedom" and "The Perspective of Freedom," *Development as Freedom*, Alfred Knopf, New York, 1999, p. 3-34.

Week 2: From Colonialism to Development

Monday, October 6: Pre-Modern Societies

Richard Franke and Barbara Chasin, "Farmers, Herders, and Empires: West Africa Before Colonialism," *Seeds of Famine: Ecological Destruction and the Development Dilemma in the West African Sahel*, Universe Books, New York, 1980, pp. 40-62.

Helena Norberg-Hodge, "Living with the Land," *Ancient Futures: Learning from Ladakh*, Sierra Club Books, San Francisco, 1992, p. 19-36.

Vilhjalmur Stefansson, "Lessons in Living from the Stone Age," reprinted in John Bodley (Ed.), *Tribal Peoples & Development Issues: A Global Overview*, Mayfield Publishing Co., Mountain View, CA, 1988, pp. 33-42.

Suggested movie: *Atanarjuat, the Fast Runner*. Directed by Zacharias Kunuk. 2001.

Wednesday, October 8: Colonialism and Imperialism

GR, Chapter 3, "The Making of a World System," pp. 47-68.

Richard Franke and Barbara Chasin, "Planting the Seeds of Famine: European Colonialism in the Sahel," *Seeds of Famine: Ecological Destruction and the Development Dilemma in the West African Sahel*, Universe Books, New York, 1980, pp. 63-83.

Friday, October 10: Inventing Development

GR, "The Invention of Development" and "The International Doctrine and Institutions Take Root," pp. 69-92.

MB, Chapter 1, "The History of an Idea," pp. 10-29.

Gustavo Esteva, "Development," in Wolfgang Sachs (Ed.), *The Development Dictionary*, Zed Book, pp. 6-25.

Week 3: Stages of Growth and the Emergence of Markets

Monday, October 13: Marxian Stages of Growth

GR, Chapter 6, "Modernization: Poised Between History and Prophecy," pp. 93-108.
Karl Marx and Frederick Engels, *The Communist Manifesto: A Modern Edition*, Verso, New York, 1998 [1848], pp. 33-50.

Wednesday, October 15: Rostow's Stages of Growth

Walt W. Rostow, "The Five Stages of Growth: A Summary" and "Marxism, Communism, and the Stages-of-Growth," *The Stages of Economic Growth*, Third Edition, Cambridge University Press, 1990 [1960], pp. 4-16 and 145-167.
Paul Baran, "A Non-Communist Manifesto," *The Longer View*, Monthly Review, New York, 1969, pp. 52-67.

Friday, October 17: The Self-regulating Market

Karl Polanyi, "The Self-regulating Market," "Man, Nature and Productive Organization," and "The Liberal Creed," *The Great Transformation: The Political and Economic Origins of Our Times*, Beacon Press, Boston, 1944, pp. 68-76 & 130-150.
Albert Hirschman, "The Rise and Fall of Development Economics", *Essays in Trespassing*, Cambridge University Press, pp. 1-24.

Week 4: Theorizing Development

Monday, October 20: Structuralism and Traditional Development Theory

H. Arndt, "Development as Growth," *Economic Development: The History of an Idea*, Chicago University Press, Chicago, pp. 49-87.
Gunnar Myrdal, "The Principle of Circular and Cumulative Causation," "The Drift Towards Regional Economic Inequalities in a Country," and "National Economic Planning," *Economic Theory and Underdeveloped Regions*, Harper, New York, 1958, pp. 23-50 & 91-109.

Suggested: P.N. Rosenstein-Rodan, "The International Development of Economically Backward Areas," *International Affairs*, Vol. 20, No. 2 (April 1944), pp. 157-165.

Wednesday, October 22: Radical Dependency Theory

GR, Chapters 7 and 8, pp. 109-139.
Andre Gunder Frank, "The Development of Underdevelopment," *Underdevelopment or Revolution*, Monthly Review Press, New York, 1969, pp. 3-17 and 125-136.
Celso Furtado, "Elements of a Theory of Underdevelopment," in Henry Bernstein (Ed.), *Underdevelopment and Development: The Third World Today*, Penguin Books, New York, 1973, pp. 33-43.

Friday, October 24: Neoclassical Economics as Development Theory

Deepak Lal, "The Dirigiste Dogma," *The Poverty of 'Development Economics'*, Harvard University Press, Cambridge, 1983, pp. 5-16.
Anne Krueger "Government Failures in Development," *Journal of Economic Perspectives*, Vol. 4, No. 3, Summer 1990, pp. 9-23.

Week 5: The Evolution of Development Policy

Monday, October 27: The Debate over International Trade and Development

Richard Barrett and Soomi Chin, "Export-oriented industrializing states in the capitalist world system: similarities and differences," in Frederic Deyo (Ed.), Cornell University Press, Ithaca, 1987, pp. 21-43.

J. F. Rweyemamu, "International Trade and Developing Countries," in H el ene Castel (Ed.), *World Development: An Introductory Reader*, Macmillan, New York, 1971, pp. 66-91.

Suggested: Gunnar Myrdal, "The Theory of International Trade and the Inequality Problem," *Economic Theory and Underdeveloped Regions*, Harper, New York, 1958, pp. 159-171.

Suggested movie: *Burn!* Directed by Gillo Pontecorvo. With Marlon Brandon. 1970.

Wednesday, October 29: The Debt Crisis

GR, Chapter 9, "The Triumph of Third-Worldism," pp. 140-170.

Harry Cleaver, "Close the IMF, Abolish Debt and End Development: A Class Analysis of the International Debt Crisis," *Capital & Class*, No. 39, Winter 1989, pp. 17-50.

Suggested: Christine A. Bogdanowicz-Bindert, "World Debt: The United States Reconsiders," *Foreign Affairs*, Winter 1985/1986, pp. 259-273.

Suggested: U.S. Department of State Dispatch, *Supplement Economic Summit*, Vol. 5, Issue 26, July 1994, p. 19.

Suggested: Paul Wallich, "Are Band-Aids Enough for Third World Debt?" *Scientific American*, Oct. 95, Vol. 273, Issue 4, p. 38.

Suggested: Ana Isla, "The Debt Crisis in Latin America: An Example of Unsustainable Development" *Women & Environments*, Apr. 93, Vol. 13, Issue 3/4, p. 34.

Friday, October 31: The Washington Consensus

John Williamson, "What Washington Means by Policy Reform," *Latin American Adjustment: How Much Has Happened?*, Institute for International Economics, Washington, DC, 1990, pp. 7-20.

Moises Naim, "Fads and Fashion in Economic Reforms: Washington Consensus or Washington Confusion?" *Third World Quarterly*, Vol. 21, No. 3, 2000, pp. 505-528.

Suggested: Leopoldo Rodr guez, "Neoliberal Limits to Democracy," mimeo, Portland State University.

Week 6: The Rise and Decline of Market Fundamentalism

Monday, November 3: Globalization and the 'Multilateral' Organizations

GR, Chapter 12, "The Postmodern Illusion: Globalization as Simulacrum of 'Development'," pp. 211-237.

Ute Pieper and Lance Taylor, "The Revival of the Liberal Creed: the IMF, the World Bank, and inequality in the globalized economy," in Baker, Epstein and Pollin (Eds.), *Globalization and Progressive Economic Policy*, Cambridge University Press, Cambridge, 1998, pp. 35-66.

Suggested: Joseph Stiglitz, "The Insider: What I Learned at the World Economic Crisis," *The New Republic*, April 17-24, 2000, pp. 56-60.

Suggested: Jagdish Bhagwati, "The Capital Myth: The Difference between Trade in Widgets and Dollars," *Foreign Affairs*, May/June 1998, pp. 7-12.

Suggested: Aileen Kwa, "WTO and Developing Countries," *Foreign Policy in Focus*, Vol. 3, No. 37, November 1998.

Wednesday, November 5: Neoliberal Development – An Oxymoron?

Joseph Stiglitz, "Lessons from Argentina's Debacle," *Straits Times* (Singapore), Jan. 10, 2002.

Joseph Stiglitz, "The East Asian Crisis," *Globalization and its Discontents*, Verso Books, New York, 2002.

Suggested: Oswaldo De Rivero, "Global Empowerment and National Impoverishment," *The Myth of Development*, Zed Books, 2001, pp. 45-71.

Friday, November 7: The Crises of Neoliberal Development

"The Crash," OPB documentary on financial crises in the late 1990s

Week 7: Aid, Poverty and the Human Development Index

Monday, November 10: Foreign Aid or Foreign Domination?

MB, Chapter 2, "Aid: The International Contribution," pp. 30-49.

David Sogge, "A Tale of Two Foreign Aid Initiatives," and "Who is Aiding Who?" *Give and Take*, Zed Books, New York, 2002, pp. 1-6 & 24-39.

Selected articles on Iraq and Afghanistan.

Suggested: Center for Global Development. "Ranking the Rich," *Foreign Policy*, May/June 2003, pp. 56-66.

Suggested: William Easterly, "Does Foreign Aid Add Up?" *Foreign Policy*, No. 125, Jul/Aug 2001, p. 94.

Suggested: Chris Brazier, "Building up the poor – or reinforcing inequality?" *New Internationalist*, March 2001, No. 332. p. 9-13.

Suggested: William D. Hartung and Frida Berrigan, "U.S. Arms Transfers and Security Assistance to Israel," Independent Media Center, Israel, May 6, 2002

Wednesday, November 12: Poverty

MB, Chapter 3

GR, Chapter 11, "A Mixture of Realism and Fine Sentiments," pp. 197-210.

Amartya Sen, "Concepts of Poverty," *Poverty and Famines*, Clarendon Press, Oxford, 1981, pp. 9-23.

Recommended: John Kohut, "A New Deal for the Poor," *The UNESCO Courier*, March 1999, pp. 17-19.

Friday, November 14: Human Development Index

MB, Chapter 4

Paul Streeten, "Human Development: The Debate about the Index," *International Social Science Journal*, Vol. 47, Issue 1, March 1995, pp. 25-37.

Week 8: Gender, Agriculture and the Environment

Monday, November 17: Women and Development

Mia McDonald and Danielle Nierenberg, "Linking Population, Women, and Biodiversity," in The Worldwatch Institute, *State of the World 2003*, Norton, New York, pp. 38-61.

Wednesday, November 19: Agriculture and Food

Bernhard Glaeser, "Agriculture between the Green Revolution and Ecodevelopment: Which way to go?" *The Green Revolution Revisited*, Allen & Unwin, Boston, 1986, pp. 1-9.

Vandana Shiva, Chapters 1 and 5, *Stolen Harvest: The Hijacking of the Global Food Supply*, South End Press, Cambridge, MA, 2000, pp. 5-20 & 79-94.

Friday, November 21: Sustainable Development and the Environment

GR, Chapter 10

MB, Chapter 5

Larry Summers, "World Bank Memo," 1991. Available at <http://www.counterpunch.org/>

Ben Boothby, "Who is to Blame for Climate Change?" *Dollars and Sense*, No. 246, March/April 2003.

Suggested movie: The Burning Season. Directed by John Frankenheimer. 1994.

Week 9

Monday, November 24: Rethinking Development

MB, Chapters 6 & 7, "Development is Political" and "Where Next?"

GR, Chapter 13, "Some Thoughts on What is to be Done"

Lolly Merrell, "Cracked Earth," *The Bear Deluxe*, Summer/Fall 2002, pp. 44-47.

Yatenga indigenous knowledge in Upper Volta

Suggested movie: Rabbit Proof Fence. Directed by Philip Noyce. 2002.

Wednesday, November 26: Case Study in India

"The Dammed," documentary on the construction of a dam in India.

Friday, November 28: Thanksgiving Holiday

Week 10

Monday, December 1: Group Presentations

Bolivia: 11:30 to 11:50

China: 12:00 to 12:20

Wednesday, December 3: Group Presentations

Indonesia: 11:30 to 11:50

Moldavia: 12:00 to 12:20

Friday, December 5: Group Presentations

Mexico: 11:30 to 11:50

Turkey: 12:00 to 12:20