

## ECON 3230A

**Selected Topics in Economic History:  
*Political Economy of Late Development:  
Reflections from Contemporary India & China***

**2019 Early Summer (May-June)**

**Course Instructor: Deepanshu Mohan**

**Course Duration: Early Summer Term (6 Weeks; May-June)**

**Office Hours: Tuesdays and Thursdays (17:00-18:00)**

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### **Prerequisites:**

Prerequisite(s): ECON 1000 or FYSM 1003, or permission of the Department.

Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator, Amanda Wright. DEF(erred final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite

### **Brief Course Description:**

*“Institutions that provide dependable property rights, manage conflict, maintain law and order, and align economic incentives with social costs and benefits are the foundation of long-term growth....State institutions are not the only ones that matter. Social arrangements can have equally important and lasting consequences.... Modest changes in institutional arrangements... can produce large growth payoffs...[but]the required changes can be highly specific to the context This yields some general lessons for policy-makers in LDCs and transition economies who are contemplating market-oriented reforms and privatizations, and for their economic advisers from Western countries and international organizations. They must recognize that markets will not succeed unless they are supported by adequate governance institutions.”*

-Dani Rodrik (In Search of Prosperity, 2000)

Using a *narrative* style to learning economics, this course focuses on the institutional relationship between participating economic agents and principal political actors, offering comparative cross-country reflections from country-narratives of India, China. The lectures shall include in-depth discussions around China and India with insights into their social, economic growth experiences since the 1980s.

Some key **course objectives** are highlighted below:

- Introduce cross-country growth narratives of India and China by offering a comparative political economy perspective. Reflections from each country’s experience with economic reforms (in their respective growth narrative) shall seek to offer a more applied perspective on the interplay of market-economics with the affirmative action undertaken by the state (in aspects of price ceiling, public goods, increased regulation etc.).

- Introduce a discussion (via simulative cases) on how digitization is changing the global, regional and local economic landscape- including in nations like India and China- that serve as one of the largest markets for investment for (and in) Big Tech.
- Develop an understanding of the kind of challenges developing economies like India, China (and others in Asia) face today, that, surface from their progress to democratization and development as post-colonial nation-states, amidst the global diffusion of sub-continental Diasporas and culture.
- Incorporate discussions around the exacerbating nature of relational inequalities in areas of gender inequality and other identity based discriminations, surfacing from the nature of economic policies, including an over-marketization of social and public goods.

**Recommended Readings & Texts:**

- *Beyond the Invisible Hand: Groundwork for a New Economics* by Kaushik Basu
- *Economics for a Common Good* by Jean Tirole
- *Saving Capitalism from the Capitalists* by Raghuram Rajan & Luigi Zingales
- *In Search of Prosperity* edited by Dani Roadrik et al.
- *State Directed Development: Political Power and Industrialization in the Global Periphery* by Atul Kohli

**Additional Reading Texts (On Political Economy of India and China):**

- *The Oxford Handbook of Political Economy* edited by Donald Wittman and Barry Weingast
- *India: The Emerging Giant* by Arvind Panagriya
- *The China Model* by Daniel Bell
- *A Sociology of Modern China* by Jean Louis Rocca
- *Can Asians Think? Understanding the Divide between East and West* by Kishore Mahbubani

A detailed list of week-by-week references and topics will be uploaded on Carleton Central for all registered student’s reference by Week I of the course. In addition to the texts provided, any additional reading references (mostly in form of case studies) will be shared in class and via Carleton Central.

**Week Wise Topic & Reading List<sup>i</sup>**

Semester Weeks	Reading <sup>ii</sup>
<b>Week 1:</b>  <i>The “Political Economy” of “Late Development”: Meaning &amp; Significance</i>	Class Discussion
<i>The Role for “Narratives” in the diagnosis of Economic Growth</i>	The Role of Narratives in Economic Analysis by Robert Shiller

<p><b>Week 2:</b></p> <p><i>Beyond the Invisible Hand: The Theory of the Invisible Hand &amp; The Limits of Orthodoxy</i></p> <p><i>(Mediating Policies between the State and Market)</i></p> <p><i>Market Failures and Correcting them..</i></p>	<p>Chapter 2: The Theory of the Invisible Hand; Chapter 3: The Limits of Orthodoxy in <i>Beyond the Invisible Hand</i> by Kaushik Basu</p> <p><i>Market Failures and Government Failures</i> by Mrinal Datta Chaudhari</p>
<p><i>How Digitization is Changing Everything?</i></p>	<p>How Digitization is Changing Everything? in <i>Economics for a Common Good</i> by Jean Tirole.</p>
<p><b>Week 3:</b></p> <p><i>Political Economy of Late Development: Reflections from India's Growth Narrative (since 1980s)</i></p>	<p>Politics of Economic Growth in India, 1980-2005 Part I: The 1980s by Atul Kohli in <i>Economic and Political Weekly</i>, Special article.</p> <p>Politics of Economic Growth in India, 1980-2005 Part II: The 1990s by Atul Kohli in <i>Economic and Political Weekly</i>, Special article.</p>
<p><b>Week 4:</b></p> <p><i>Political Economy of Late Development: Reflections from (Post-Reform) China and its (current) role in the World</i></p>	<ul style="list-style-type: none"> <li>• <i>How Reform Worked in China</i> by Y. Qian</li> <li>• <i>The China Model</i> by Daniel Bell</li> <li>• <i>A Sociology of Modern China</i> by Jean Louis Rocca</li> </ul>
<p><b>Week 5:</b></p> <p><i>Policy Simulation Exercise</i></p>	<p>In Class- Policy Simulation Exercise (Details to be given by Week 3)</p>
<p><b>Week 6:</b></p> <p>Constructing Narratives &amp; their role in Economic Analysis and Reasoning</p>	<p><i>What do we learn from Cross-Country Narratives</i> by Dani Rodrik in <i>In Search of Prosperity</i></p>

## **Course Evaluation**

Each student's grade in the course will be calculated as a weighted average of scores based on: (a) ***Class Participation Grade***- 10%; (b) ***Class Group Presentation*** - 20%; (c) ***Policy Simulation Exercise*** (20%) and an ***End Term Take Home Research Assignment*** (50% of the overall grade). The assessment formats with their respective grade percentage are given below.

- **Class Group Presentation Exercise 20%**
- **Class Participation 10%**
- **Policy Simulation Exercise 20%**
- **Final End of Term Take-Home Paper 50%**

Students must fulfil all of the preceding course requirements in order to achieve a passing grade (D- or higher). Please note that any doctor's note, police report etc. used as documentation provided by students for a missed assessment may be subject to verification. Doctor's Note or Police Report, or any documentation provided by students for missed assignments may be subject to verification.

None of the internal (in-class) assignments will be substituted with any alternative assessments. See Academic Regulation 2.3 for the official meanings of assigned grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Application to write a deferred final examination must be made at the Registrar's Office.

### **Plagiarism:**

Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For further information on how to do so, please see "Pammett on Plagiarism and Paraphrasing" at

[www.carleton.ca/economics/courses/writing-preliminaries](http://www.carleton.ca/economics/courses/writing-preliminaries)

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<sup>i</sup> The Week-Wise Reading and Topic list provided in the Course outline is indicative and subject to change during the teaching semester period.

<sup>ii</sup> Scanned versions of all readings (including book chapters) will be available on the Carleton Central portal.