INTRODUCTION: By some accounts, Brazil, Russia, India and China will be the most dominant economies in the world by 2050. We study the economic trajectories of these countries from roughly 1900, emphasizing the roles of domestic reforms and interactions with global markets in spurring human capital accumulation, industrial development, and economic growth. We examine the potential limits on stability and growth in the BRICs and the influence these countries are likely to exert on the global governance of trade, aid, finance, and the environment. No prerequisite.

NOTE: This course counts towards an Economics major, but students must still take ECON 001 to qualify for further work in the Economics Department.

OBJECTIVES: Facility reading and writing in the social sciences; knowledge of the contemporary economic histories of the BRICS; and an understanding of basic growth theory and growth accounting, the collective action problem, the political economy of economic reform, and the roles of global economic institutions.

REQUIRED TEXTS: Additional required readings will be on the Moodle site.

COURSE POLICIES:
Attendance: Attendance is required; this is a seminar, where we all depend on each other.
Assignments: You are responsible for doing assigned readings before they are discussed in the seminar. There will be a sequence of short written assignments totaling roughly 20 pages over the course of the semester, at least one of which will be presented to the seminar for discussion. There will be an in-class midterm and a final exam at the scheduled time.
Grading: Class participation and presentation 25%, written assignments 45%, midterm exam 30%.
Make-up exams: Scheduling conflicts must be worked out in advance. Any make-up granted within a week of the exam requires an emergency or medical excuse certified by the Dean’s office or Worth Health Center.
Late term papers: Your grade on required assignments drops by 1/3 of a grade each day it is late.
Plagiarism: Plagiarism is defined as passing off the work of others as your own. It is a very serious form of academic misconduct. It is easy to avoid, not by ignoring the work of others but by citing it whenever you use it. For instructions on avoiding plagiarism see Referencing Source Material and Avoiding Plagiarism in Economics under the ‘Classes’ link on my web page.
Required readings are marked [*]; those outside of the required texts will be available on the course moodle site [m] or other venues as indicated. Readings in small font are optional supplementary materials and will not necessarily be readily available.

**Week 1 [August 29 – September 2] Introduction**


**Discussion**

1. Interpret the title.
2. Who’s in the G7, who participates from each country, and what’s the G7’s function?
3. What criterion is O’Neil using to decide who should be added to comprise a modified G7 (population? per-capita income? share of world GDP?). Why?
4. What is the role of forecasts in his argument, and what is the basis of those forecasts?
5. Why is he arguing for a reduction in the number of distinct European members?
6. Why do poor countries look so much bigger when a ‘PPP-adjusted’ exchange rate is used to convert Chinese GDP into US dollars?

**Thursday: Some global and historical context. Read these in advance and be prepared to participate in the discussion.**


1. The title raises a question; what is Easterlin’s tentative answer?
2. He distinguishes ‘aptitudes’ from ‘incentives.’ Incentives for who to do what? How would you measure these concepts; what role do they play in Easterlin’s argument?
3. What is the role of economic or military competition in Easterlin’s argument?
4. What political configurations or societal forces does Easterlin associate with delayed expansion of primary education?
5. Easterlin says broad primary education is necessary for modern economic growth. Is it sufficient?
6. Easterlin predicts convergence of development levels internationally. What’s behind this prediction, and what kind of world does he describe?

*Chaudhury, Latika, Aldo Musacchio, Steven Nafziger, and Se Yan (2011), “Big BRICs, Weak Foundations: The Beginning of Public Elementary Education in Brazil, Russia, India and China, 1880-1930” [m]*

1. Consider a 2 by 2 table, with ‘limited’ or ‘broad’ democracy (the adjectives refer to the degree of popular participation and representation) on the rows, and ‘centralized’ or ‘decentralized’ political institutions on the columns. Where would you place the BRICs before 1910, according to the Chaudhury et al. paper? How about the USA in 1910? The Soviet Union in the 1920s and 1930s? Can their arguments be summarized by reference to this table?
2. Chaudhury purport to be explaining both the low level of primary education in the BRICs in 1910 (low relative to what?) and the substantial regional variation within the BRICs. What factors do they consider most important?

**Week 2 [September 5-9] Economic growth**

1. Total GDP is equal to GDP per worker multiplied by the number of workers. All the analytical work here is going into projecting GDP per worker. What factors do they emphasize as important in determining the growth rate of GDP per worker?

2. China is projected to grow the fastest of all, and Brazil the slowest. What accounts for this difference?

Thursday: Explaining growth
*Jones, Charles, *Introduction to Economic Growth*, chapter 7: Infrastructure and Long-Run Economic Performance

1. To most growth economists, infrastructure refers to public physical capital like ports and roads. How does Jones define infrastructure?

2. Interpret GADP and OPEN, the two variables Jones uses to measure infrastructure.

3. Interpret the scatter plots. Are the relationships suggested by the regression lines causal?

4. In a country operating at a low level of GADP and/or OPEN, what kind of policy action would be required to increase one or both of these variables? If this is good for growth, why doesn’t the government do it?

Week 3 [September 12-16] The collective action problem

Week 4 [September 19-23] Power and prosperity

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Week 5 [September 26-30] Russia – 1

Tuesday: Historical background. Note: Writing assignment #2 due in class
*Gerschenkron, Alexander:
“Russia: Patterns and Problems of Economic Development, 1861-1958”
“Economic Backwardness in Historical Perspective” [m]

Thursday: Backwardness revisited


Week 6 [October 3-7] Russia – 2

Tuesday:

Thursday: Assignment #3: Student Presentations

**FALL BREAK: Week of October 10-14**

**Week 7 [October 17-21] China – 1**

*Tuesday: Historical background and the socialist period 1949-78*

*Thursday: Two generations of economic reform, 1978-92 and 1992-present*


**Week 8 [October 24-28] China – 2**

*Tuesday: Midterm exam, in class*

*Thursday: Learning from reform*
*Rawski, Thomas (1999), Reforming China’s Economy: What Have We Learned?” *The China Journal* 41, January: 140-156 [m]*

1. How did China’s approach to privatization compare with Russia’s? Why?
2. What was “Coasian” (or not) about the Chinese reform process?


1. Woo describes a country unusually favorably situated to implement market-based economic reforms. What explains gradualism under these conditions?
2. Does Woo differ strongly from Rawski in terms of the institutional endpoint of market-based reforms?

**Week 9 [October 31-November 4] Transformation, inequality, and stability**

*Tuesday: China today*


*Thursday: Distributional correlates of transition*


Week 10 [November 7-11] India


Week 11 [November 14-18] Brazil

Week 12 [November 21-25] Student presentations
Thursday: No class (Thanksgiving break), replaced by Tuesday December 6

Week 13 [November 28-December 2] Student presentations

Subject to revision. This version October 20, 2011