

Spring 2012
ITRN 500- 003

Global Political Economy

Instructor: Dr. Hilton Root

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Office: Funders Hall 636

Phone: 310-384-5545

Time: Tuesday 04:30pm-7:10pm 01/23-05/16

Location: ARLFH 478

Office Hours:

Office Hours: Monday 5:15 pm - 7:15 pm

Tuesday 3:00 pm- 4:15 pm

E-reserve password "commerce".

Required Reading:

1. Root, Hilton. 2006. *Capital and Collusion*. Princeton University Press
2. Cohen, Stephen; DeLong, Bradford. 2010 *The End of Influence: What Happens When Other Countries Have the Money*. Basic Books
3. Kagan, Robert. 2009. *The Return of History and the End of Dreams*. Vintage.
4. Rajan, Raghuran G. Fault Lines: How Hidden Fractures Still Threaten the World Economy. PAGE 1-45. Princeton University Press (2010).
5. Smil, Vaclav. 2008. *Global Catastrophes and Trends: The Next 50 Years*. MIT Press- CHAPTER 3 (ON RESERVE)

Recommended Reading:

6. Collier, Paul. 2007. *The Bottom Billion: Why the Poorest Countries are Failing and What Can be Done about it*, New York: Oxford University Press.
7. Bremmer, Ian. 2010. *The End of the Free Market: Who Wins the War Between States and Corporation?*. Portfolio
8. Alexandroff, Alan; Fenton, Andrew. 2010. *Risings States, Rising Institutions: Challenges for Global Governance*. Brookings Institution Press

Expectations from students:

1. Reference guide due Jan 31
2. Presentation and evaluation. Students will form five topical groups. Each group will be responsible for one presentation and one evaluation. If a topic is linked to

- the theme of a given week, the group will be requested to report on that same week. 20%
3. Two book reviews – both books must be selected in consultation with the Professor. The books should be scholarly contributions to public policy, not trade publications for a popular audience (Due February 14 and March 20) 30%. Late papers will be downgraded by one letter grade for every week late without medical justification.
The criteria for judging the book reviews is as follows
Identifies author's thesis
Identifies argument if there is one...
Review of supporting evidence
Asses if conclusion does or does not follow logically from the evidence
If not, where does it fail?
Finally, student's perspective on the book/article
 4. Final exam (TBA May 9-16) 50%
 5. Students that miss more than two sessions without medical or professional justification from the employer will have their grades lowered by one letter grade.

Learning Outcomes

Knowledge and Understanding

Students will grasp key ideas, concepts, events, and developments shaping the global political economy.

Analytical Skills and Abilities

Students will be able to identify, assess and analyze the political and economic dynamics of global change, including the role of national governments; regional and global organizations; trans-national corporations and interest groups.

Professional Development

Students will be able to write an analytical book review and make a succinct presentation on a precise topic pertaining to the global political economy.

Goals and Objectives

This course will explore the lessons of global political economy through an examination of policy-oriented research. Questions that we will address include: what does the available evidence tell us about the relationship between political institutions and economic development? Can we identify those institutional arrangements that promote economic growth, internal peace and general welfare? Can the global financial system be reformed to enhance global economic justice and to make globalization work better for developing countries? What role does democracy play in development? How much of the future of development depends on internal or external initiatives? Why do good policies come about in one country and not the other? What prevents underdeveloped countries from turning their assets into capital? How do we account for the persistence of global poverty? What prevents poor countries from adopting policies that promote growth?

Using the reading material, you will be able to identify both the general dilemmas of globalization and economic development in the particular contexts of economic institutions in individual countries and regions. You will be able to explore and discuss strategies to surmount basic global development challenges of our time. You will be able to express your ideas on development strategies by providing particular country examples, case studies, charts and tables, and expressing those ideas in your course work. A wide range of policy options and case studies on the impact of globalization, the policies of government and of multilateral institutions will be considered.

Week 1: January 24

How Does Globalization affect you, your firm and your country?

Speaker: Presentation on library research facilities.

Assignment: Each student will assemble a bibliography, using scholarly search engines, of 10 items on one of the course topics using library services. The list must be presented in a consistent reference style. Due on February 1

Week 2: January 31

The Return of History: World Politics and the Twentieth First Century: The modern democratic world wanted to believe that the end of the cold war ended all strategic and ideological conflict, a world transformed. Has the world become normal again? Have we entered a new age of divergence?

Required Reading:

Kagan, Robert. 2009. *The Return of History and the End of Dreams*. Vintage Book

Huntington, Samuel. P. 1993. "The Clash of Civilizations." *Foreign Affairs*, summer.

Ikenberry, John. G. 2011. "The Future of the Liberal World Order." *Foreign Affairs*. May/June 2011.

Fukuyama, Francis, *The End of History and the Last Man* 1992 (3-22; 71-81; 109-125 (E-reserves)

Week 3: February 7

Institutions, Risk, Uncertainty and the Global Economy: What are the political sources of risk and uncertainty in underdevelopment? In developed societies, a broad range of institutions reduces economic risks that may hinder growth. Institutions that facilitate risk sharing are scarce in developing societies. Compared to their counterparts in developed nations, people in emerging nations spend much more time, money and effort acquiring necessary information about potential trading partners and opportunities for investment. The risks faced by one are not connected to those faced by others, so the law of large numbers cannot be used, thus mutual gains from cooperation rarely materialize. Poverty reflects deep uncertainties in society as people cannot frame the most basic functions of their lives or of their actions toward the future.

Required Reading:

Olson, Mancur, Jr. "Big Bills Left on the Sidewalk: Why Some Nations are Rich and Others Poor." *The Journal of Economic Perspectives*. Vol. 10 No. 2 (Spring 1996), 3-24. Chapter 1

North, D. C., 1990, 1991, "Institutions," *Journal of Economic Perspectives*, 5(1) Winter: 97-112.

Root, Ch. 1: Risk, Uncertainty and Social Progress

Root, Ch. 2: Social Foundations of Policy Credibility: 17-35

Recommended:

De Soto, Hernando. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books: NY.

North, Douglass. 2002. *Institutions, Institutional Change and Economic Performance*. Cambridge Univ. Press: Cambridge.

World Bank World Development Report. 2002. *Building Institutions for Markets*.

Week 4: February 14**Global Financial Crisis and the End of Financial Certainty**

What hard choices do we face to ensure a more stable world economy and restore prosperity?

Book Review Due and Student Presentations**Required Readings:**

Root, Hilton. "The Policy Conundrum of Financial Market Complexity" Download the article at <http://ssrn.com/abstract=1754774>

Rajan, Raghuran G. *Fault Lines: How Hidden Fractures Still Threaten the World Economy*. PAGE 1-45. Princeton University Press (2010).

Recommended Readings:

Gorton, Gary. *Slapped by the Invisible Hand: The Panic of 2007*, Oxford University Press, 2010

Week 5: February 21**The Financial System: Credit Markets and the Role of International Financial Institutions**

Recent research has revealed that financial systems are crucial to the allocation of resources in a modern economy. They enable households and firms to share risk. Although the functions of financial systems are common to most developed economies, the form of these financial systems varies widely. Why do different countries have such different financial systems? Is one system better than all the others? Is the current trend toward market-based systems desirable? How do efficient financial systems pool resources and allow savers to achieve increasing returns to scale on their investments?

Why is a well-run financial system an “amazing economy of information?” What collective action problems undermine the efficient operation of domestic and global finance systems?

Pre-1980s, the financial system was assumed to follow the real economy, as an appendage. A different view developed in the 80s when research revealed that financial system development strongly correlated with GDP growth. Although it is very difficult to establish causality, a new understanding has emerged in which financial systems and intermediation are critical to economic growth and must be supported through appropriate development policy. Countries need to have a political system that is conducive to financial market development. Government has a fundamental role to play, not by owning the bank, but by supervising and applying regulation within the system. The amazing economy of information is an outcome of political and market institutions working together.

Required Reading:

Root, Ch 4. An Amazing Economy of Information: The Financial System: 48-57

Root, Opening the Doors of Invention (see website: hiltonroot.gmu.edu)

Recommended:

Raghuram G. Rajan, Luigi Zingales. *Saving Capitalism from the Capitalists: Unleashing the Power of Financial Markets to Create Wealth and Spread Opportunity*. Princeton Univ. Press. 2004. Paperback.

Beck, Thorsten, Ross Levine, and Norman Loayza. 2000. “Finance and the Sources of Growth” *Journal of Financial Economics*, 58(1-2):261-300. Levine, R., 1997, “Financial Development and Economic Growth: Views and Agenda,” *Journal of Economic Literature*, 35(2): 688-726.

Grossman, Sandy

Hayak, “Discovery System of the Price Mechanism” (journal article)

McMillan, John. *Reinventing the Bazaar*. Chapters 12 and 13

World Development Report 2002, 75-96.:

The Economist. 2003. “A Cruel Sea of Capital: A Survey of Global Finance.” May 3.

Underhill, Geoffrey, and Xiaoke Zhang. *International Financial Governance under Stress: Global Structures versus National Imperatives*.(2007) Cambridge Univ. Press: Cambridge.

Barth, J, Nolle, D, Root, H. and G. Yago 2001. “Choosing the Right Financial System for Growth”. *Journal of Applied Corporate Finance*. Winter, pp. 116-123.

Levine, Ross. 1997. “Financial development and economic growth: Views and agenda.” *Journal of Economic Literature* 35(2):688-726 (June). pp. 688-723

Prasad, E, Rogoff, K, Wei, S and M. Ayhan Kose. 2003. “Effects of Financial Globalization on Developing Countries: Some Empirical Evidence”. International Monetary Fund. March 17.

Week 6: February 28

Globalization and Particular Regions

Part two will offer accounts of how the nations and regions of the world are experiencing the effects of globalization. Each week will focus on how regions are navigating the tension between traditions and new forces generated by globalization. We build on the conceptual basis of the course to understanding why current development strategies have succeeded some regions but not in others.

Closing the Social Productivity Gap: Northeast Asia/Southeast Asia Compared

How do Asian political and bureaucratic systems ensure accountability and consensus-building? How do Asian institutions differ from Western institutions in establishing regime legitimacy and placing limitations on government discretion over economic policymaking?

Required Reading:

Root, Chapter 5: 59-88

Morck, Randall, Daniel Wolfenzon, and Bernard Yeung. (Sept. 2005). "Corporate Governance, Economic Entrenchment, and Growth." *Journal of Economic Literature*. Vol XLIII, pp. 655-720.

Shu Li Fisman, R., 2001, "Estimating the value of political connections," *American Economic Review*, 91(4) Sept.: 1095-1102.

Week 7: March 6

Political Sources of Risk and Uncertainty in Development: Doing Business

Guest Lecturer, Chris Coughlin

Former Vice President OPIC

Why do dramatic inequalities, social polarization, and insufficient reform policies typically go hand in hand with autocratic governments? One of the principle dilemmas in development is that through black marketeering, corruption and cronyism autocrats are able to provide private goods to the core supporters who in return promise loyalty. It is therefore politically irrational for these leaders to implement transparent economic policies aimed at protecting and promoting property rights, rule of law, a broadly educated population, low taxes and free trade. The result is a business environment that is not conducive to investment.

Reform of the business environment requires making good governance incentives compatible with economic development policies. The policies must also be in the interest of autocratic leaders; otherwise they will not do what will help them be out of power.

Required Reading:

Root 2006: Chapter Three

World Bank *Doing Business 2008* pp1-62

http://www.doingbusiness.org/documents/FullReport/2008/DB08_Full_Report.pdf

Root, Chapter Three – Politics and Economic Structure: The Economic Logic of Autocracy: 35-47

Doidge, Craig, G, Andrew Karolyi, Rene Stultz 2004 “Why do Countries Matter So Much for Corporate Governance” National Bureau of Economic Research.
http://www.aeaweb.org/annual_mtg_papers/2005/0107_1430_1501.pdf

Recommended

Bueno de Mesquita and Root. *Governing for Prosperity* Chapters 1,3

Bueno de Mesquita, 2002. *Principles of International Politics: People’s Power, Preferences and Perceptions*. Washington, DC.: CQ Press, Chapter 13, pp. 584-627

Bueno de Mesquita and Root. 2000. “Political Institutions, Political Survival and Policy Success” in *Governing for Prosperity*. pp.59-84.

Bueno de Mesquita et al *The Logic of Political Survival*

Root, H. Do Strong Governments make strong economies (*Independent Review*)

Olson, M., 1993. “Dictatorship, Democracy, and Development,” *American Political Science Review*, 87(3) Sep.:567-576.

Olson, Mancur. 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*. Yale University Press, New Haven and London. pp.1-74

Hellman, Joel, et al. Measuring Governance, Corruption, and State Capture: How Firms and Bureaucrats Shape the Business Environment in Transitioning Economies. EBRD and the World Bank.

Week 8: March 13 No Class SPRING BREAK

Week 9: March 20

Latin America: Lost Continent?

Given that Latin America has approximately the same relative amounts of physical capital and is more abundant in natural resources compared to Asian economies, why has Latin America not progressed economically as well? What has fueled the accumulation of external debt and what role do institutions play in precipitating recurring debt crises in major Latin American countries? How should the state behave to promote economic development throughout the region?

Book Review Due and Student Presentations

Required Reading:

Root, Chapter 6: 89-114

North Douglass, William Summerhill and Barry Weingast. 2000. “Order, Disorder and Economic Change: Latin America vs. North America” *Governing for Prosperity* eds.

Bueno de Mesquita and Root.

Also at: <http://www.stanford.edu/~weingast/north.summerhill.weingast.8.05p.pdf>

Recommended:

Edwards, Sebastian. 1995. *Crisis and Reform in Latin America: From Despair to Hope*. World Bank. Oxford University Press.

Graham, Carol and Naim Moises 1998 “The Political Economy of Institutional Reform in Latin America” in Birdsall ed.p 321-363.

Birdsall, Nancy, Graham, Carol, Sabot Richard H. Eds. (1998) *Beyond Trade Offs: Market Reform and Equitable Growth in Latin America*. Brookings Institution Press.

Birdsall, Nancy, David Ross and Richard Sabot. 1995. *Inequality and Growth Reconsidered: Lessons from East Asia*. World Bank Economic Review v9, n3 (September): 477-508.

Engermann, Stanley and Kenneth Sokoloff. 1997. “Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States,” in Stephen Haber, ed. *How Latin America Fell Behind*. Stanford CA: Stanford University Press.

Week 10: March 27

The Rise of China

Most economists (in particular, institutionalists) agree that the presence of institutions that support the market economy is critical to economic success. These institutions include the rule of law to secure property rights, an independent judiciary to enforce contracts impartially, appropriate government regulations to foster market competition, effective corporate governance, and transparent financial systems. China is far from meeting the standard. Yet the country performed well, puzzling many economists leading many specialists to ask, do efficiency-improving reforms require best practice institutions? One clue to the success of China’s reforms is that they address both economic political and social considerations. Its reforms have been incentive compatible and take into account the initial condition of institutions.

Can an evolutionary path out of China’s developmental contradictions be found? What measures has the Chinese Communist Party (CCP) adopted to preserve its authority against the potential threat of new elites? Do entrepreneurs seek political change, and if so, what kind? What role will the beneficiaries of economic reform, especially the red capitalists, play in this process?

Required Reading:

Root, Chapter 9:187-219.

Qian, Yingyi., 2003, "How Reform Worked in China" in D. Rodrik, (ed.), *In Search of Prosperity: Analytic Narratives on Economic Growth*, Princeton: Princeton University Press.

Nathan, Andrew J. 2003. “China’s Changing of the Guard: Authoritarian Resilience.” *Journal of Democracy*. 14:1. January 2003.

Recommended:

Shirk, Susan L. 1993. *The Political Logic of Economic Reform in China*. University of California Press. Berkeley, CA pp. 3-22, 23-51, 70-91.

Lardy, Nicholas. 1998. *China’s Unfinished Economic Revolution*. Brookings Institution: Washington D.C.

Tenev, Stoyan and Chunlin Zhang. 2002. *Corporate Governance and Enterprise Reform in China: Building the institutions of modern markets*. World Bank: Washington D.C.

Dickson, Bruce J. 2003. *Red Capitalists in China*. Cambridge Univ. Press: Cambridge.

Mandel, Michael J. "Does it matter if China catches up the U.S? Commentary. *Business Week*. December 6, 2004.

The Economist. China's Growth Spreads Inland. November 20, 2004

Week 11: April 3

India's Transformation?

Will India be Asia's next tiger? How does India's economic backwardness both help and hinder its development? Why is India *perceived* to be an economic success and can it overcome institutional obstacles and become a true global competitor? How does patronage work in India? How can India be both rule bound and unaccountable? How does India's private sector adapted to uncertainty? How does corruption and democracy coexist?

Reading:

Root, Hilton L. *Capital & Collusion*, Ch. 7. 114-157

Recommended

Amartya Sen and Jean Dreze, India: *Economic Development and Social Opportunity*. P. 57-108.

Gurcharan Das, 2000. *India Unbound*.

Kalpna Kochhar, Ustav Kumar et al "India's Pattern of Development: What Happened, What Follows? IMF Working Paper wp/06/22

Week 12: April 10

Global Democracy

TBA

Week 13: April 17

TURKEY

Email the following articles to class:

What Drives Turkish Foreign Policy? by Svante E. Cornell
MIDDLE EAST QUARTERLY WINTER 2012

Multiple Faces of the "New Turkish Foreign Policy: Underlying Dynamics and a Critique, Ziya Onis. *Insight Turkey* Vol. 13/ No 1/ 2011 pp. 47-65

The transformation of Turkish foreign policy: The rise of the trading state, Kemal Kirişçi. *New Perspectives on Turkey*, no. 40 (2009): 29-57.

Turkey Divided. Baran, Zeyno. *Journal of Democracy*, Volume 19, Number 1, January 2008, pp. 55-69 (Article)

Week 14: April 24
Student Presentations

Week 15: May 1
Student Presentations

Week 16: May 8
READING WEEK

Week 17: FINAL

Statement on special needs of students

If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 993-2474. All academic accommodations must be arranged through the DRC.

Online Student Journal

New Voices in Public Policy: I will consider nominating the very best papers in this course for publication in New Voices in Public Policy. New Voices is a student- and faculty-reviewed journal that shares SPP's finest student work with the rest of the world.

SPP Policy on Plagiarism

The profession of scholarship and the intellectual life of a university as well as the field of public policy inquiry depend fundamentally on a foundation of trust. Thus any act of plagiarism strikes at the heart of the meaning of the university and the purpose of the School of Public Policy. It constitutes a serious breach of professional ethics and it is unacceptable.

Plagiarism is the use of another's words or ideas presented as one's own. It includes, among other things, the use of specific words, ideas, or frameworks that are the product of another's work. Honesty and thoroughness in citing sources is essential to professional accountability and personal responsibility. Appropriate citation is necessary so that arguments, evidence, and claims can be critically examined.

Plagiarism is wrong because of the injustice it does to the person whose ideas are stolen. But it is also wrong because it constitutes lying to one's professional colleagues. From a prudential perspective, it is shortsighted and self-defeating, and it can ruin a professional career.

The faculty of the School of Public Policy takes plagiarism seriously and has adopted a zero tolerance policy. Any plagiarized assignment will receive an automatic grade of "F." This may lead to failure for the course, resulting in dismissal from the University. This dismissal will be noted on the student's transcript. For foreign students who are on a university-sponsored visa (e.g. F-1, J-1 or J-2), dismissal also results in the revocation of their visa.

To help enforce the SPP policy on plagiarism, all written work submitted in partial fulfillment of course or degree requirements must be available in electronic form so that it can be compared with electronic databases, as well as submitted to commercial services to which the School subscribes. Faculty may at any time submit student's work without prior permission from the student. Individual instructors may require that written work be submitted in electronic as well as printed form. The SPP policy on plagiarism is supplementary to the George Mason University Honor Code; it is not intended to replace it or substitute for it.

RECOMMENDED READINGS FOR THE COURSE

1. Forging a World Under Liberty and Law: U.S. National Security in the 21st Century (September 2006), available at:
<http://www.wws.princeton.edu/ppns/report/FinalReport.pdf>
2. Amartya Sen and Jean Dreze, *India: Economic Development and Social Opportunity*. P. 57-108.
3. Barth, J, Nolle, D, Root, H. and G. Yago 2001. "Choosing the Right Financial System for Growth". *Journal of Applied Corporate Finance*. Winter, pp. 116-123.
4. Beck, Thorsten, Ross Levine, and Norman Loayza. 2000. "Finance and the Sources of Growth" *Journal of Financial Economics*, 58(1-2):261-300. Levine, R., 1997, "Financial Development and Economic Growth: Views and Agenda," *Journal of Economic Literature*, 35(2): 688-726.
5. Birdsall, Nancy, David Ross and Richard Sabot. 1995. Inequality and Growth Reconsidered: Lessons from East Asia. *World Bank Economic Review* v9, n3 (September): 477-508.
6. Birdsall, Nancy, Graham, Carol, Sabot Richard H. Eds. (1998) *Beyond Trade Offs: Market Reform and Equitable Growth in Latin America*. Brookings Institution Press.
7. Bueno de Mesquita and Root. 2000. "Political Institutions, Political Survival and Policy Success" in *Governing for Prosperity*. pp.59-84.
8. Bueno de Mesquita and Root. *Governing for Prosperity* Chapters 1,3
9. Bueno de Mesquita, 2002. *Principles of International Politics: People's Power, Preferences and Perceptions*. Washington, DC.: CQ Press, Chapter 13, pp. 584-627
10. Collier, Paul. 2003. *Breaking the conflict trap: civil war and development policy*, World Bank, 2003. Available at the following link:
http://books.google.com/books?id=NkzJO_84_x0C&dq=World+Bank+report+on+civil+war+in+Africa&pg=PR13&ots=J0CIbLu-R4&sig=J2qA5WMyCHJpS6x7ivQutHd0iwo&prev=http://www.google.com/search%3Fhl%3Den%26q%3DWorld%2BBank%2Breport%2Bon%2Bcivil%2Bwar%2Bin%2BAfrica&sa=X&oi=print&ct=result&cd=3#PPP1,M1
11. De Soto, Hernando. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books: NY.
12. Dickson, Bruce J. 2003. *Red Capitalists in China*. Cambridge Univ. Press: Cambridge.
13. Edwards, Sebastian. 1995. *Crisis and Reform in Latin America: From Despair to Hope*.

14. Engermann, Stanley and Kenneth Sokoloff. 1997. "Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States," in Stephen Haber, ed. *How Latin America Fell Behind*. Stanford CA: Stanford University Press.
15. Graham, Carol and Naim Moises 1998 "The Political Economy of Institutional Reform in Latin America" in Birdsall ed.p 321-363.
16. Grossman, Sandy
17. Gurcharan Das, 2000. *India Unbound*.
18. Hayak, "Discovery System of the Price Mechanism" (journal article)
19. Hellman, Joel, et al. Measuring Governance, Corruption, and State Capture: How Firms and Bureaucrats Shape the Business Environment in Transitioning Economies. EBRD and the World Bank.
20. Kalpana Kochhar, Ustav Kumar et al "India's Pattern of Development: What Happened, What Follows? IMF Working Paper wp/06/22
21. Lardy, Nicholas. 1998. *China's Unfinished Economic Revolution*. Brookings Institution: Washington D.C.
22. Levine, Ross. 1997. "Financial development and economic growth: Views and agenda." *Journal of Economic Literature* 35(2):688-726 (June). pp. 688-723
23. Mandel, Michael J. 2004. "Does it matter if China catches up the U.S? Commentary. *Business Week*. December 6,.
24. McMillan, John. *Reinventing the Bazaar*. Chapters 12 and 13
25. North, Douglass. 2002. *Institutions, Institutional Change and Economic Performance*. Cambridge Univ. Press: Cambridge.
26. Olson, M., 1993. "Dictatorship, Democracy, and Development," *American Political Science Review*, 87(3) Sep.:567-576.
27. Olson, Mancur. 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*. Yale University Press, New Haven and London. pp.1-74
28. Prasad, E, Rogoff, K, Wei, S and M. Ayhan Kose. 2003. "Effects of Financial Globalization on Developing Countries: Some Empirical Evidence". International Monetary Fund. March 17.
29. Raghuram G. Rajan, Luigi Zingales. *Saving Capitalism from the Capitalists: Unleashing the Power of Financial Markets to Create Wealth and Spread Opportunity*. Princeton Univ. Press. 2004. Paperback.
30. Bueno de Mesquita et al *The Logic of Political Survival*
31. Root, Hilton. Do Strong Governments make strong economies (*Independent Review*)
32. Shirk, Susan L. 1993. *The Political Logic of Economic Reform in China*. University of California Press. Berkeley, CA pp. 3-22, 23-51, 70-91.

33. Tenev, Stoyan and Chunlin Zhang. 2002. *Corporate Governance and Enterprise Reform in China: Building the institutions of modern markets*. World Bank: Washington D.C.
 34. *The Economist*. 2003. "A Cruel Sea of Capital: A Survey of Global Finance." May 3.
 35. *The Economist*. "China's Growth Spreads Inland." November 20, 2004
 36. World Bank World Development Report. 2002. *Building Institutions for Markets*.
 37. World Bank, 2000. *Can Africa Claim the 21st Century?* Washington D.C.
 38. World Bank. World Development Report 1998-99 *Knowledge for Development*. NY: Oxford Univ. Press.
- World Development Report 2002, 75-96.