INTL 432

POLITICAL ECONOMY OF INSTITUTIONS, VALUES, AND DEVELOPMENT
Koç University
Spring 2004

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Class Hours: Tu/Th 15:30
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Location: CAS B26
Office Hours: W 14:00-17:00 and by
appointment

Purpose and Nature of the Course

This is a non-technical course in political economy that investigates the
relationship between institutions, values, and development.

Why are some countries more developed than others? Why can international aid
stimulate development in some countries but fails to produce results in other countries?
Why did the Muslim world fall behind the West politically, socially, and economically?
Can Islam, democracy, and market economy be compatible? How can social trust or
capital contribute to development? How can we reduce corruption in government and
private organizations? Why do large American companies tend to be publicly owned
while their Turkish and Chinese counterparts tend to remain family-owned?

None of these questions can be answered without examining institutions and
values. In this class, you will learn how to do this from various analytical perspectives in
political economy, such as neo-institutionalism, historical institutionalism, and those
using sociological and psychological insights.

Grading

Attendance and participation 15 percent of the total grade
Midterms 55 (25+30) percent “
Choice of Take-Home Final or Thought Paper 30 percent “

Readings

There is one required book, which can be bought from the bookstore:

Hernando de Soto, The Mystery of Capital: Why Capitalism Triumphs in the West and

All of the readings will be available at the reserve desk and for purchase as a reader.
Course Outline

(If necessary, changes might be made in the following outline, and in the rest of the syllabus, during the semester)

INSTITUTIONS, VALUES, AND THEORIES OF DEVELOPMENT (2-3 weeks)


Lecture Notes

PUBLIC GOODS, TRANSACTION COSTS, AND DEVELOPMENT (1 week)


TRUST AND DEVELOPMENT

I. Social Trust and Development (2 weeks)


II. Trust in Government and Development (2 weeks)


CHANGE AND CONTINUITY OF INSTITUTIONS: Political Economy of Religion and Development

I. State Regulatory Institutions and Religiosity (2 weeks)

II. Religiosity and Political Behavior (2 weeks)


III. Religious Institutions, Democracy and Political-Economic Development (2 weeks)

Murat Çizakça, Demokrasi Arayışında Türkiye (Ankara: Yeni Türkiye Yayınları, 2002). pp. 35-82 only.

ACADEMIC HONESTY

Academic honesty is a fundamental value that all members of the university should cherish. Students and faculty at Koç adhere to the following principles of academic honesty:

1. **Individual responsibility and accountability** for all individual work, written or oral. Copying from others or providing answers or information, written or oral, to others is **cheating**.
2. Providing **proper acknowledgement of original author**: you should acknowledge the person whenever you use another author’s ideas or information. Using a text without acknowledging its author or copying from another student’s paper is **plagiarism**.
3. Study or project group activity is effective and **authorized teamwork**. Unauthorized help from another person or having someone else write one’s paper or assignment is **collusion**.

Cheating, plagiarism, and collusion are serious offences resulting in an F grade and disciplinary action.