

Centre for International Trade and Development

School of International Studies

Course: MA

Course Title: Economic Development I

Course Type: Core

Course Teacher: Dr. Priya Bhagowalia

Credits: 4 credits

Contact Hours: 4 per week

Intended for: MA (Economics), CITD JNU

Course objectives

The course provides a foundation in economic development and intends to introduce students to theories and concepts of economic development to help them understand problems of developing countries. The course also explores issues related to differences between rich and poor and the diverging growth patterns over time. Empirical studies will also be used to show how differences among countries evolve.

Learning Outcomes

- Students will be able to explain theories of economic growth and explain the role of savings & investment, labour, population and institutions in economic growth.
- Students will be able to explain measures of inequality between and within countries and changes in inequality over time.
- Student will have knowledge of measures of poverty and its impact on health, education

Prerequisites

Microeconomics I; Mathematical Economics, Macroeconomics I, Introduction to statistics and econometrics

Topics

- I.** Introduction: Evolution, Concept, Features and definitions of Underdevelopment
- II.** Capital accumulation and economic growth– Harrod-Domar, Solow, Convergence, Growth Accounting
- III.** Dual Economy Models and Labor: Lewis Model, Rural Urban Migration (Harris-Todaro), Labor turnover, Wage productivity models, Surplus labor in Casual labor market
- IV.** Population and Economic Development: Demographic transition, Malthusian theory, Micro and Macro inertia, Theories of Fertility
- V.** Income inequality: concepts, and measurement, changes over time, Kuznets hypothesis, Poverty inequality trade off
- VI.** Poverty: Measures and their pros and cons, manifestations of poverty and its impact
- VII.** Institutions and their relationship with economic development

Evaluation

Midterm exam

Final Exam

Suggested Readings

This is an indicative, not an exhaustive reading list. It will be supplemented by published articles. Students are expected to take an interest in and critically comment on development policies.

Acemoglu, D., Johnson, S., & Robinson, J. A. (2005). Institutions as a fundamental cause of long-run growth. *Handbook of economic growth*, 1, 385-472.

Basu, K. (1997) *Analytical Development Economics*, MIT Press

Dasgupta, P., & Ray, D. (1987). Inequality as a determinant of malnutrition and unemployment: policy. *The Economic Journal*, 97(385), 177-188.

Deaton, A. (1997). *The analysis of household surveys: a microeconomic approach to development policy*. World Bank Publications.

Deininger, K., & Squire, L. (1998). New ways of looking at old issues: inequality and growth. *Journal of development economics*, 57(2), 259-287.

Hayami, Y. (2004) *Development Economics: From Poverty to the Wealth of Nations*, 2nd Edition, OUP

Leibenstein, H. (1975). The economic theory of fertility decline. *The Quarterly Journal of Economics*, 89(1), 1-31.

Lewis, W. A. (1954). Economic development with unlimited supplies of labour.

Ray, D. (1998) *Development Economics*. Princeton University Press

Sachs, J. D. (2001). Tropical underdevelopment. NBER working paper 8119

Wang, X., & Weaver, N. (2013). Surplus labour and Lewis turning points in China. *Journal of Chinese Economic and Business Studies*, 11(1), 1-12.