

UNIT III: Incomplete information, Bayesian Nash equilibrium, Auctions, Moral Hazard, Contracts (9 hours)

UNIT IV: Communicating information, Perfect Bayesian equilibrium, Job market signaling and reputation (9 hours)

Recommended readings

- Osborne, M. (2004). *An Introduction to Game Theory* (Indian Edition)
- Watson, J. (2002). *Strategy: an introduction to game theory*. New York: WW Norton.
- Munoz-Garcia, F. (2017). *Advanced microeconomic theory: an intuitive approach with Final Examples*. MIT Press.
- Munoz-Garcia, F. (2017). *Practice Exercises for Advanced Microeconomic Theory*. MIT Press.
- Dunaway, E., Strandholm, J. C., Espinola-Arredondo, A., & Munoz-Garcia, F. (2020). *Practice Exercises for Intermediate Microeconomic Theory*. MIT Press.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.

Semester VIII

DISCIPLINE SPECIFIC CORE COURSE – 14 (DSC 14): Development Theory and Experience

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical / Practice		
Development Theory and Experience – ECON017	4	3	1	0	Pass in Class XII	NIL

Learning Objectives

The Learning objectives of this course are as follows:

- Understand the dynamic interconnections between social and economic dimensions of the development process.
- Examine both macro and micro-level issues in demography, with a focus on fertility choices and gender bias.
- Analyse the process of migration using formal models that emphasize rural–urban linkages and sectoral interdependence.
- Explore the distinctive features of rural institutions and their role in shaping contracts within labour, land, and credit markets in rural economies.
- Evaluate the efficiency of these institutional contracts, even when they diverge from standard competitive market frameworks.

Learning outcomes

By the end of this course, students will be able to:

- Gain an informed understanding of the remarkable progress achieved in many parts of the developing world, while critically examining the persistent challenges and structural problems that have emerged over recent decades.
- Appreciate the wide diversity of development strategies and approaches adopted across developing countries, and understand their varying roles and positions within the global economy.
- Develop a deeper insight into the formulation and implementation of economic development policies and programmes, both at the national level and by international institutions such as the World Bank.

Syllabus

UNIT I: Demography, Gender and Development (12 hours)

Demographic concepts; birth and death rates, age structure, fertility and mortality; demographic transitions during the process of development; gender bias in preferences and outcomes and evidence on unequal treatment within households; connections between income, mortality, fertility choices and the impact of intra-household gender inequality (in allocation of resources) and labour markets as gendered institutions.

UNIT II: Migration and Development (9 hours)

Models of migration, sectoral dynamics and the relationship between rural and urban sectors.

UNIT III: Land, Labour and Credit Markets (12 hours)

The distribution of land ownership; land reform and its effects on productivity; contractual relationships between tenants and landlords; land acquisition; nutrition and labor productivity; informational problems and credit contracts; micro-finance; inter-linkages between rural factor markets.

UNIT IV: Institutions and coordination (12 hours)

The determinants of democracy; alternative institutional trajectories and their relationship with economic performance; within-country differences in the functioning of state institutions; state ownership and regulation; government failures and corruption.

Recommended readings

- Acemoglu, D., & Robinson, J. A. (2006). *Economic origins of dictatorship and democracy*. Cambridge University Press.
- Robinson, J. A., & Acemoglu, D. (2012). *Why nations fail: The origins of power, prosperity and poverty*. Profile Books.
- Perkins, D. H., Radelet, S. C., Lindauer, D. L., & Block, S. A. (2013). *Economics of Development*. 7th Edition, New York: WW Norton & Company.
- Todaro, M. P., & Smith, S. C. (2020). *Economic Development*. Pearson UK.
- Debraj Ray (2009), *Development Economics*, Oxford University Press
- Robert T. Jensen (2010), *Economic Opportunities and Differences in Human Capital: Experimental Evidence for India*, NBER Working Paper No.16021.
- Pitt, Mark, Mark Rosenzweig and Nazmul Hassan (1990). "Productivity, Health and Inequality in the Intrahousehold Distribution of Food in Low - income Countries." *American Economic Review*, 80(5):1130-1156.
- Elson, Diane (1999) Labour markets as gendered institutions: Equality, Efficiency And Empowerment Issues, *World Development*, vol 27(3), p 611-627.

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