

**B.A. (VS) Small and Medium Enterprises
Semester VI**

**DISCIPLINE SPECIFIC ELECTIVE COURSE (DSE- 6.6)
Basic Development Economics**

**CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE
COURSE**

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical/ Practice		
Basic Development Economics (DSE-6.6)	4	3	1	0	Passed 12th standard	Nil

Learning Objectives

The Learning Objectives of this course are as follows:

- This course discusses different concepts and features of development
- It distinguishes between growth with development
- It discusses historical experiences of poverty, inequality and growth in different countries
- It discusses recent experiences of growth and development
- It analyses governance issues- institutional mechanism- role of state, market and other institutional mechanisms, reforms and development policies

Learning outcomes

The Learning outcomes of this course are as follows:

- The course would enable the students to understand the different dimensions of development that are distinct from growth.
- The students will understand the underlying factors that kickstart, sustain and restrict growth and development.
- They will understand why the inequality and poverty are so sticky and thus be able to suggest policy intervention and institutional changes

Syllabus

UNIT I: Concepts of Economic Development (12 hours)

Multiple dimensions of development and alternative measures of development; historical experience of growth and development across countries; understanding poverty, growth, development and their interrelationship; colonialism and underdevelopment; international comparison - PPP

UNIT II: Escaping Under-Development - Recent Attempts and Experiences (12 hours)

Recent development experiences – escaping poverty trap, accumulation of physical and human capital, improvement in health and education, R&D, innovations, and technology adoption; population growth and demographic dividends.

UNIT III: Reform Policies for Sustainable Development (12 hours)

Triple bottom-line of sustainability – economic, social and environmental dimensions; trends in growth, inequality and poverty; various policies for generating economic growth, reducing inequality and poverty, freeing from deprivation; Washington consensus and reform measures; natural and manmade catastrophes, like covid19, Aids in Africa, hyperinflation in Latin America and reversal of improvements; economic growth and global warming – trends in emissions and mean temperature, future projection; observed impact of warming, future consequences, policies adopted to mitigate the global warming problem in IPCC meets.

UNIT IV: Institutions and Development (9 hours)

Institutions facilitating development – efficacy of market, state and commons in mobilisation and efficient use of resources. Experiences of India, China, and East Asian countries.

Practical Exercise: Students are required to

1. go observe graphs/diagrams presented in Ch 2 (section 2.4) of Partha Dasgupta and see how different indicators/parameters of development are related to PCI (Unit I)
2. go through data on human development and correlate them with income growth (Unit II)
3. from Ch1 of Rodrik (2009) find out countries that witnessed high growth but could not sustain and trace the possible reasons
4. list major reform policies in China and the institutional changes that facilitated rapid growth and compare it with India's experience using Bardhan (2010) and Rodrik (2009)

Recommended readings

- Dasgupta, Partha, (2007), *Economics: A Very Short Introduction*, (AVSI), Oxford University Press.
- Ray, Derbraj, (1998). *Development Economics*, Princeton University Press
- Todaro, M. P., & Smith, S. C. (2020). *Economic Development*. Pearson UK.
- Acemoglu, D., Johnson, S., & Robinson, J.A. (2001). "[The Colonial Origins of Comparative Development: An Empirical Investigation](#)." *American Economic Review*. 91: 1369–1401.
- Banerjee, A., & Duflo, E. (2011). *Poor Economics: A Radical Rethinking of the Way to fight Global Poverty*.
- Deaton, A., (2013), *The Great Escape*, Princeton University Press
- Hall, Robert E. & Jones, C. I. (1999). "[Why Do Some Countries Produce So Much More Output Per Worker Than Others?](#)" *Quarterly Journal of Economics*, 114(1): 83-116.
- Elinor Ostrom (1990), *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press.
- Ranis, G., et.al, (2000) *Economic Growth and Human Development*, *World Development* Vol. 28, No. 2, Elsevier Science Ltd.
- Galor, Oded & M. (2004). "[From Physical to Human Capital Accumulation: Inequality and the Process of Development](#)." *Review of Economic Studies*, 71(4): 1001–1026.
- Rossi, Federico. (2020). [Human Capital and Macroeconomic Development: A Review of the Evidence](#). *The World Bank Research Observer*, 35 (2): 227–262.
- Bardhan, P.(2010), *Awakening Giants, Feet of Clay: Assessing the Economic Rise of China and India*, OUP.
- Dietz, T., Ostrom, E. & Stern, P.C. (2003). 'The Struggle to Govern the Commons', *Science*, vol. 302, No. 5652 (Dec. 12, 2003), pp. 1907-1912.
- Rodrik, Dani (2009), *One Economics, Many Recipe's: Globalization, Institutions and Economic Growth*, Princeton University Press.
- Rodrik, Dani. (2014). "[The Past, Present, and Future of Economic Growth](#)," in Franklin Allen et al., *Towards a Better Global Economy: Policy Implications for Citizens Worldwide in the 21st Century*, Oxford University Press, Oxford and New York.
- Piketty, Thomas & Saez, E. (2014). 'Inequality in the Long Run', *Science*, 344 (838).

- Heal, G. (2012), Reflections—Defining and Measuring Sustainability. *Review of Environmental Economics and Policy*, volume 6, issue 1, winter 2012, pp. 147–163
- Harris, J. & Roach, B. (2018). *Environmental and Natural Resource Economics: A Contemporary Approach*, Routledge. Chapters 12, 13.