

Semester III
ECODSC 201
Development Economics
Total credit: 3
Teaching Hours: 45 hours

Course Description:

This course is designed to make the students familiar with the fundamental theories of economic development of underdeveloped economies. After completing the course, the students are expected to develop their understanding levels on the factors responsible for economic growth and development. They are expected to relate the development theories in understanding recent developmental issues. The course also contains the methodologies of measuring economic development and policy related issues.

Course Outcome:

After completion of the course the students are expected to learn the issues of economic development. They will understand the various alternative measures of economic development and further human development. From the various theories of economic development, the comprehension and analytical skill of the students are expected to develop and their thinking process will be stimulated in connection with policy prescription.

Unit 1: Introduction to Development Economics:

Economic Growth, growth vs development, development gap, measurement of economic development, human development, Sen's approach: capability and entitlement, HDI.

Unit 2: Theories of Development – I:

Marxian and Rostow's Stage theory, take off, low level equilibrium trap, critical minimum effort, Balanced vs unbalanced development, Big push, Gunnar Myrdal's theory of cumulative causation, backwash and spread effect.

Unit 3: Theories of Development – II:

Migration and economic development, surplus labour and disguised unemployment, Lewis theory of unlimited supply of labour, Ranis-Fei model and Harris Todaro's theory of rural-urban migration.

Unit 4: Poverty and Inequality

Poverty axioms, inequality axioms, measurement of poverty, poverty gap, Sen's measure of poverty, measures of inequality, axioms of inequality index, inequality and economic development, gender gap in poverty, Human Poverty Index.

Unit 5: Institutions and development issues:

Role of institutions in economic development, role of state, good governance, government failure, corruption, democracy and development, globalisation and economic development, trade as an engine of growth, trade, economic growth and environmental pollution.

Suggested Readings:

1. Debraj Ray, Development Economics, Oxford University Press, 2009.
2. Michael P. Todaro and Stephen C. Smith, Economic Development, 12th edition, Pearson.
3. Gerald M. Meier and James E. Rauch, Leading issues in Economic Development, Seventh Edition, Oxford University Press, 2000.

4. Amartya Sen, Poverty and Femines, Oxford University Press
5. Amartya Sen, Development as Freedom, Oxford University Press.
6. Myrdal, G., An American Dilemma: The Negro Problem and Modern Democracy, New York: Harper, 1944.
7. Gunnar Myrdal, Economic Theory and Underdeveloped Regions, Duckwoth, 1963.
UNDP: Human Development Report

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