

Choice Based Credit System (CBCS)

UNIVERSITY OF DELHI

DEPARTMENT OF ECONOMICS

UNDERGRADUATE PROGRAMME (Courses effective from Academic Year 2015-16)



SYLLABUS OF COURSES TO BE OFFERED **Core Courses, Elective Courses & Ability Enhancement Courses**

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Undergraduate Programme Secretariat

Core Economics Course 12: DEVELOPMENT ECONOMICS-I

Course Description

This is the first part of a two-part course on economic development. The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth and cross-national comparisons of the growth experience that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

Course Outline

1. Conceptions of Development

Alternative measures of development, documenting the international variation in these measures, comparing development trajectories across nations and within them.

2. Growth Models and Empirics

The Harrod-Domar model, the Solow model and its variants, endogenous growth models and evidence on the determinants of growth.

3. Poverty and Inequality: Definitions, Measures and Mechanisms

Inequality axioms; a comparison of commonly used inequality measures; connections between inequality and development; poverty measurement; characteristics of the poor; mechanisms that generate poverty traps and path dependence of growth processes.

4. Political Institutions and the Functioning of the State

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.

Readings

1. Debraj Ray, *Development Economics*, Oxford University Press, 2009.
2. Partha Dasgupta, *Economics, A Very Short Introduction*, Oxford University Press, 2007.
3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, *Understanding Poverty*, Oxford University Press, 2006.
4. Kaushik Basu, *The Oxford Companion to Economics in India*, OUP, 2007.
5. Amartya Sen, *Development as Freedom*, OUP, 2000.
6. Daron Acemoglu and James Robinson, *Economic Origins of Dictatorship and Democracy*, Cambridge University Press, 2006.
7. Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, 1994

Core Economics Course 14: DEVELOPMENT ECONOMICS-II

Course Description

This is the second module of the economic development sequence. It begins with basic demographic concepts and their evolution during the process of development. The structure of markets and contracts is linked to the particular problems of enforcement experienced in poor countries. The governance of communities and organizations is studied and this is then linked to questions of sustainable growth. The course ends with reflections on the role of globalization and increased international dependence on the process of development.

Course Outline

1. Demography and Development

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 human capital accumulation; migration.

2. Land, Labor and Credit Markets

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; microfinance; inter-linkages between rural factor markets.

3. Individuals, Communities and Collective Outcomes

Individual behavior in social environments, multiple social equilibria; governance in organizations and in communities; individual responses to organizational inefficiency.

4. Environment and Sustainable Development

Defining sustainability for renewable resources; a brief history of environmental change; common-pool resources; environmental externalities and state regulation of the environment; economic activity and climate change.

5. Globalization

Globalization in historical perspective; the economics and politics of multilateral agreements; trade, production patterns and world inequality; financial instability in a globalized world.

Readings

1. Debraj Ray, *Development Economics*, Oxford University Press, 2009.
2. Partha Dasgupta, *Economics, A Very Short Introduction*, Oxford University Press, 2007.

3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, *Understanding Poverty*, Oxford University Press, 2006.
4. Thomas Schelling, *Micromotives and Macrobehavior*, W. W. Norton, 1978.
5. Albert O. Hirschman, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*, Harvard University Press, 1970.
6. Raghuram Rajan, *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, 2010.
7. Elinor Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press, 1990.
8. Dani Rodrik, *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist*, Oxford University Press, 2011.
9. Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.), *Globalization in Historical Perspective*, University of Chicago Press, 2003.

10. M. Govinda Rao, *Changing Contours of Federal Fiscal Arrangements in India*, Amaresh Bagchi (ed.), *Readings in Public Finance*, Oxford University Press, 2005.
11. Paul Samuelson, 1955, -Diagrammatic Exposition of a theory of Public Expenditure, *Review of Economics and Statistics*, Volume 37.
12. Shankar Acharya, 2005, -Thirty Years of Tax Reform in India, *Economic and Political Weekly*, May 14-20.
13. Rangarajan and D.K. Srivastava, 2005, -Fiscal Deficit and Government Debt: Implications for Growth and Stabilization", *Economic and Political Weekly*, July 2-8.
14. M. Govinda Rao, 2011, -Goods and Services Tax: A Gorilla, Chimpanzee or a Genius like Primates?, *Economic and Political Weekly*, February 12-18.
15. Report of the 13th Finance Commission, 2010-15.
16. *Economic Survey*, Government of India (Latest).
17. *State Finances: A Study of Budgets*, Reserve Bank of India (Latest).