

Advanced Development Economics – Selected Topics

The purpose of this course is to provide a rigorous introduction to certain key factors, historical as well as emerging, that have shaped the general economic and social landscape of the developing world. While our main focus will be the set of factors that determine growth and prosperity of the economically disadvantaged, we shall reflect on broader aspects of Development beyond Economic Growth, which deals with poverty and inequality, education, health etc. Our method will be essentially analytical with strong emphasis on theoretical mechanisms and relevant empirical findings. We shall draw from important texts and papers and restructure materials to fit the course requirement. The list of topics we shall cover in this course is as follows.

1. Development Economics and Economic Development – A Historical Overview – Growth Vs. Development (Lecture 1)
2. Economic Growth under Ideal and Non-Ideal Conditions (Lecture 2)
3. Convergence, Divergence and Poverty Traps – Role of Imperfect Credit Market (lecture 2 and 3)
4. Behavioural Complexities – Status Effect, Growth and Malnutrition (Lecture 3)
5. Labour Market Issues – Rural-Urban Migration, Informal Sector, Efficiency Wage Hypothesis (Lecture 4 and 5)
6. Open Economy Issues - Trade and Growth, Openness and Inequality (Lecture 6 and 7)
7. Political Economy Perspective – Growth vs. Redistribution, Economic Reform , Corruption and Growth (Lecture 8)
8. Development Economics and Clinical Policy Experiments (Lecture 9)
9. Actual and Effective Policy Examples and New research Ideas (Lecture 10)

Following are some of the resources we will use along with the lecture notes.

General Readings for an Overview

1. William Easterly (2001) – Elusive Quest For Growth, **MIT Press**
2. Acemoglu and Robinson (2012) – Why Nations Fail, **Profile Books**
3. Banerjee and Duflo (2011) – Poor Economics, **Public Affairs**
4. Debraj Ray (1998)– Development Economics, **Princeton University Press**
5. Debraj Ray (2007) – Development Economics, **New Palgrave Dictionary of Economics**
6. Robert Lucas (2002)- Lectures on Economic Growth, **Harvard University Press**

Reference Books

1. Kaushik Basu (1997)– Analytical Development Economics, MIT Press
2. Acharyya and Kar (2014)– International Trade and Economic Development, OUP
3. Marjit and Kar – The Outsiders – Economic Reform and Informal Labor in a Developing Economy –OUP (2011)

Research Articles for Lectures 1, 2 and 3

1. Solow, Robert M, 1988. "Growth Theory and After", American Economic Review, vol. 78(3), pages 307-17, June.
2. Robert E. LUCAS, Jr. "On the Mechanics of Economic Development" **Journal of Monetary Economics 22 (1988) 3-42. North-Holland**
3. Robert J. Barro and Xavier Sala-i-Martin "Convergence" **Journal of Political Economy** Vol. 100, No. 2 (Apr., 1992), pp. 223-251
4. Amartya Sen – "Development as Freedom" **OUP New York (1999)**
5. Abhijit V. Banerjee, Esther Duflo – "Growth Theory through the Lens of Development Economics" – Chapter 7 of **Handbook of Economic Growth Volume 1, Part A, 2005, Pages 473–552**
6. Galor and Zeira – "Income Distribution and Macroeconomics" **The Review of Economic Studies**, Vol. 60, No. 1, pp. 35-52 (1992)
7. Arthur Lewis – Economic development with Unlimited Supplies of Labor, The Manchester School Volume 22, Issue 2, pages 139–191, May 1954
8. **Manchester School, Reprinted in Agarwal and Singh – Economics of Underdevelopment – Oxford University Press.**
9. Gary S. Fields – "Dualism in the Labor Market –A Perspective on Lewis after Half a century"- Cornell University, ILR Discussion paper – 7-2004.
10. Sugata Marjit - "Virtual Trade and Growth" Working Paper, Centre for Training and Research in Public Finance and Policy (www.ctrpfp.ac.in) (2015)
11. Marjit, Santra and Hati – "Relative Social Status and Conflicting Measures of Poverty - A Behavioral Analytical Model" Working Paper, Centre for Training and Research in Public Finance and Policy (www.ctrpfp.ac.in) (2015)

Research Articles for Lectures 4 and 5

1. John R. Harris and Michael P. Todaro- "Migration, Unemployment and Development: A Two-Sector Analysis", **The American Economic Review**, Vol. 60, No. 1 (1970), pp. 126-142
2. Marjit, Sugata, 1991. "Agro-based industry and rural-urban migration : A case for an urban employment subsidy," **Journal of Development Economics**, Elsevier, vol. 35(2), pages 393-398, April.
3. David H. Autor - "Lecture Note: Efficiency wages, the Shapiro-Stiglitz Model" MIT and NBER, accessible at <http://economics.mit.edu/files/548>
4. Marjit, Sugata, 2003. "Economic reform and informal wage--a general equilibrium analysis," **Journal of Development Economics**, Elsevier, vol. 72(1), pages 371-378, October.

Research Articles for Lecture 6 and 7

1. Marjit and Acharyya – “Trade and wages “Princeton Encyclopaedia of World Economy – **Princeton University Press (2007)**
2. S. Marjit, R. Acharyya (2003) – “International Trade, Wage Inequality and the Developing Economy - A General Equilibrium Approach” – **Springer Verlag Heidelberg**

Research Article for Lecture 8

1. Persson, Torsten & Tabellini, Guido, 1992. "Growth, distribution and politics," **European Economic Review**, Elsevier, vol. 36(2-3), pages 593-602, April.
2. Marjit and Mukherjee (2015) – Market Liberalization and Rent Seeking in India in Congleton and Hillman ed. “Rent Seeking” **Edward Elgar** (Forthcoming)

Research Article for Lecture 9

1. Banerjee and Duflo (2008)– The Experimental Approach to Development Economics, **NBER Paper no. 14467**

The examination will be in terms of a paper the students have to submit on completion of the course.