

Paper 24: DEVELOPMENT THEORY AND EXPERIENCE - 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.

**UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS**

Minutes of Meeting

Subject : B.A. (Hons.) Eco. Semester VI
Course : 19 – Development Theory and Experience II
Date of Meetings: 13.12.2013 & 3.1.2014
Venue : Department of Economics, Delhi School of Economics,
University of Delhi
Chair : Prof. Sunil Kanwar

Attended by :

1. Naveen Thomas, Jesus & Mary College
2. Basanti Kumari Nayak, Satyawati College (M)
3. Ajad Singh, Motilal Nehru College
4. Anita, Kalindi College
5. Meeta Kumar, Miranda House
6. Avni Gupta, Miranda House
7. Smriti Walia, Lakshmi Bai College
8. Megha Yadav, SRCC
9. Shashi Chopra, Dyal Singh College (M)
10. Pragya Atri, ARSD
11. Parul Gaur, Kamla Nehru College
12. Kakali Barua, LSR College
13. Anindita Roy Saha, IP College
14. Gursharan Rastogi, RLA(Eve)
15. Sangeeta, Rajdhani College
16. Rita Rani, Daulat Ram College
17. Deepti Taneja, DCAC
18. Indranil Chowdhury, PGDAV
19. Puja Saxena Nigam, Hindu College
20. Meenakshi Sharma, Sri Venkateswara College
21. Parul Jain, SGTB Khalsa College
22. N. Raghunathan, St. Stephen's College
23. Santana Surendran, Shaheed Bhagat Singh College

1. Demography and Development

- Population Growth and Economic Development: Debraj Ray, *Development Economics*, Oxford University Press, 2009, Chapter 9
- Debraj Ray, *Development Economics*, Oxford University Press, 2009, Chapter 10—The Lewis Model and the Harris-Todaro model (only sections 10.2 and 10.3 and excluding 10.3.5)

2. Land, Labor and Credit Markets

- Overview of Rural Markets: Debraj Ray, *Development Economics*, Oxford University Press, 2009, Chapter 11
- Land Markets: Debraj Ray, *Development Economics*, Oxford University Press, 2009, Chapter 12 (12.1, 12.2 and 12.3)
- Labor Markets: Debraj Ray, *Development Economics*, Oxford University Press, 2009, Chapter 13 (excluding 13.5)
- Credit Markets: Debraj Ray, *Development Economics*, Oxford University Press, 2009, Chapter 14

3. Individuals, Communities and Collective Outcomes

- Partha Dasgupta, *Economics: A Very Short Introduction*, Oxford University Press, 2007, Chapters 2 and 3

4. Environment and Sustainable Development

- Partha Dasgupta, *Economics: A Very Short Introduction*, Oxford University Press, 2007, Chapter 7
- Gerald M. Meier, James E. Rauch, *Leading Issues in Economic Development*, 7th Edition, Oxford University Press, Chapter 10 (Selections 10.1 and 10.5)
(Selection 10.1 is from the World Bank ‘*World Development Report 1992*’;
Selection 10.5 is from Pearce, Barbier and Markandya ‘Sustainable Development, Ecology and Economic Progress’)

- Charles D. Kolstad, *Intermediate Environmental Economics*, Oxford University Press, 2012, Chapters 1 ('The Environment and Economics'), and Ch. 11 ('Regulating Pollution').

5. Globalization

- Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.), *Globalization in Historical Perspective*, University of Chicago Press, 2003, Chapter 1 (Sections 1.6, 1.7); Chapter 10 (Section 10.13); Chapter 11 (Sections 11.5, 11.6, 11.7)
- Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, *Understanding Poverty*, Oxford University Press, 2006, Chapters 6 and 7
- Dani Rodrik, *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist*, Oxford University Press, 2011, Chapter 4
- Raghuram Rajan, *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, 2010, Introduction to the book

For the 100 marks paper, there would be

- 75 marks : University Exam
- 25 marks : Internal Assessment (*5 marks are for attendance and 20 marks for two class tests of 10 marks each*)