

BA (HONS) ECONOMICS
6th SEMESTER
DISCIPLINE SPECIFIC COURSE-II (CORE-14)

ECH620C2: ECONOMICS OF DEVELOPMENT

CREDITS: THEORY: 4, TUTORIAL: 2
MAX. MARKS: THEORY: 60, TUTORIAL: 30

THEORY (4 CREDITS; 60 HOURS)

Course Description: This is a core course of 06 credits (04 units of 01 credit each and tutorials of 2 credits).

Course Objectives: This is the second course of the economic development sequence. It begins with basic concepts and their evolution during the process of development. 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 Outcomes: This course teaches the student various aspects of the Indian economy, as well as important themes relating to the environment and sustainable development. It also introduces them to some issues of globalization.

Unit I: Concepts of Development (15 Hours)

Meaning and measurement of development: Traditional Economic Measures; The New Economic View of Development: Amartya Sen's "Capability" Approach; Three Core Values of Development; Human Development Index. Characteristics of the Developing and Developed Economy, Development Gap: Concept and Reasons.

Unit II: Poverty and Inequality: Definitions and Measures (15 Hours)

Concept and measures of Poverty: Absolute and Relative Poverty, Axioms of Poverty, Headcount Ratio, Income Gap Ratio, Poverty Gap Ratio, Foster-Greer-Thorbecke (FGT) index, Human Poverty Index and Multidimensional Poverty Index. Measurement of income inequality- properties of a desirable inequality measure; Lorenz Curves, Range, The Kuznets ratios, Mean Absolute Deviation. Coefficient of Variation, Gini Coefficient.

Unit III: Theories of Development (15 Hours)

Vicious Circle of Poverty, Circular and Cumulative Causation, Lewis Model, Critical Minimum Effort Thesis, Low Income Equilibrium Trap; Rostow's Stages of economic development, Dualism-Technical, Behavioral and Social.

Unit IV: Some Aspects of Development (15 Hours)

Importance of industry and agriculture in economic development- the model of complementarities between agriculture and industry; Trade and Development: Prebisch – Singer Hypothesis, Dependency theory and theory of unequal exchange. Foreign Aid and Development.

Tutorials (2 Credits)

- Measuring Development Gap
- Poverty Measures in India
- Indian Economy & Rostow's Stages of Growth
- Dutch Disease

Basic References

1. Thirlwall, A. P. (2014), Growth and development, Palgrave MacMillan, U.K.
2. Todaro, M.P. and Smith (2013), Economic development, Pearson Education, Delhi.
3. Ray, D. (2010), Development Economics, Oxford University Press, New Delhi.
4. Hayami, Y. Development economics, (2001) Oxford University Press, New Delhi.
5. Gills, M. Perkins, Romer and Snodgrass (1989), Economics of development, W. W. Norton and Company, New York.

**Additional Readings are available with the concerned teacher.*