

<b>Course title:</b> Development Economics				
<b>Course code:</b> MPD 147		<b>No. of credits:</b> 3	<b>L-T-P:</b> 37-08-00	<b>Learning hours:</b> 45
<b>Pre-requisite course code and title (if any):</b> NA				
<b>Department:</b> Department of Policy and Management Studies				
<b>Course coordinator(s):</b> Dr Gopal Sarangi			<b>Course instructor(s):</b> Dr Gopal Sarangi	
<b>Contact details:</b> <a href="mailto:gopal.sarangi@terisas.ac.in">gopal.sarangi@terisas.ac.in</a>				
<b>Course type:</b> Core			<b>Course offered in:</b> Semester 2	
<b>Course description</b> Development economics has been one of the most lively and thought-provoking areas in economics and getting enriched almost everyday basis. The present course aims to build students' capabilities of understanding the critical developmental questions of emerging economies by using various tools, frameworks, and techniques of economics science. The course offers a mix of traditional developmental concepts such as growth, poverty, inequality, and unemployment along with emerging issues such as impact of climate change and the role of technology in economic development. Besides, it also seeks to understand the questions of migration, land acquisition, and problems of agriculture. The pedagogical approach consists of essentially a blend of theories, combined with empirical validity of theories by utilizing various qualitative and quantitative tools and techniques. In all modules, developmental policy implications are discussed, and relevant case studies from India are examined.				
<b>Course objectives</b>				
<ul style="list-style-type: none"> <li>- To understand the traditional and emerging developmental themes, issues, and challenges from the lens of economic science</li> <li>- To enrich theoretical understanding with empirical research related to developmental issues with real-world examples.</li> <li>- To develop analytical skills by using economic tools and techniques while analyzing the key developmental challenges</li> <li>- To make students comprehend the developmental challenges through case studies</li> </ul>				
<b>Course content</b>				
Module	Topic	L	T	P
1.	<b>Conceptual issues around development and Development Economics</b> Historical perspectives and evolution of the notion and concept of development and development economics; understanding the nature, character, and significance; economics of development and development economics, traditional and emerging views, alternative approaches, theories of development; growth, and development debate	05	00	00
2	<b>Correcting GDP and beyond</b> Measurement issues: GDP as a measure of progress and limitations; alternatives approach to GDP, per capita income, green GDP, adjusted net savings, genuine savings, genuine progress indicator (GPI); subjective well-being (SWB): concepts, approaches and measurement; human development: concepts and measurement, indices	06	02	00
3	<b>Environment and development: debates and discourses</b> Historical perspectives of environment and development, emerging debates around environment and development in the 1970s and onwards; the relationship between environment and economy; debates around sustainable development; economics of sustainable development: theories, approaches and frameworks; case of green national accounting in India; emerging issues around climate and development: climate mitigation and climate adaptation and economic development	08	02	00
4.	<b>Debates around conventional development problems and emerging trends I</b> Poverty, vulnerability and well-being: evolving concepts and	09	04	00

	approaches; biological approach, utilitarian approach, approaches based on basic needs, capability approach to understand poverty; Sens entitlement approach to famines; measurement of poverty;; various indices and tools to measure poverty; multidimensional approach(s) to well-being and welfare; standard of living and quality of life; approaches and methods to analyze and measure the ecology and well-being; emerging conceptual issues around climate vulnerability and resilience; debates and discourses in measuring poverty in India, economic inequality: definitional contestations and theoretical approaches; measurement issues; the Lorenz curve, the inverted U hypothesis, EKC; Inequality in India			
5.	<b>Debates around conventional development problems and emerging trends II</b> Labour market in developing countries; land contracts and tenancy, land ownership, land acquisition for developmental projects: models and practices in India; land reforms in India; agricultural markets and contract farming, ecological sustainability of agricultural system; example of WEF nexus; rural-urban migration, urban informal sector and migration and development; technology and development	09	00	00
<b>Total</b>		<b>37</b>	<b>08</b>	<b>00</b>
<b>Evaluation criteria</b>				
<ul style="list-style-type: none"> <li>• <b>Minor 1 Exam-</b> Seminal paper presentation and discussion (individual presentations by students): 20 %</li> <li>• <b>Minor 2 Exam-</b> Literature survey (individual submissions by students): 30 %</li> <li>• <b>Major Exam-</b> (written) : 50 %</li> </ul>				
<b>Learning outcomes</b>				
Upon completion of the course, students would be able to:				
<ul style="list-style-type: none"> <li>- Comprehend and appreciate conventional developmental challenges such as poverty and inequality along with emerging challenges such as climate change and the role of technology in development (All the evaluation criteria)</li> <li>- Develop analytical abilities to connect various developmental challenges and critically analyse them (All the evaluation criteria)</li> <li>- Contextualize developmental challenges and identify potential solutions (All the evaluation criteria)</li> </ul>				
<b>Pedagogical approach</b>				
Classroom lectures will be supplemented by seminal readings on key developmental issues and presentation of the same.				
The assignment component would involve surveying literature, presenting seminal papers and discussing them and written tests.				
<b>Course Reading Materials</b>				
<b>Books</b>				
<ul style="list-style-type: none"> <li>- Debraj Ray, 1998, <i>Development Economics</i>, Princeton University Press</li> <li>- Banerjee, Abhijit V.; Benabou, Roland.; Mookherjee, Dilip, 2006, <i>Understanding Poverty</i>; Oxford University Press, Oxford</li> <li>- M. P. Todaro and S.C. Smith, 2012, '<i>Economic Development</i>', Pearson Publication</li> <li>- Taylor, J. E., Lybbert, T. J., 2020, <i>Essentials of Development Economics</i>, Third Edition. United States: the University of California Press.</li> </ul>				
<b>Module 1</b>				
<b>Essential readings</b>				
<ul style="list-style-type: none"> <li>- Dudley Seers, 1969, The Meaning of Development, IDS Communication 44</li> <li>- Pranab Bardhan, 1993, Economics of Development and the Development Economics, The Journal of</li> </ul>				

Economic Perspectives, Vol. 7, No. 2

- M. Desai, 1994, The Measurement Problems in Economics, Scottish Journal of Political Economy, Vol. 41, No. 1
- Gilbert Rist, 2014, The History of Development: From Origins to Global Faith, Fourth Edition, Zed Books (Chapters 1 & 4)
- V.R Panchamukhi, An Integrated Paradigm for Development Process in the Asian Countries, CMDR Monograph Series 13.

#### **Suggested readings**

- Stephen A. Resnick, 1975, State of Development Economics, American Economic Review, Volume 5, No. 2
- Nicholas Stern, 1989, The Economics of Development: A Survey, The Economic Journal, Vol. 99, No. 397
- Syed, Nawab Haider Naqvi, 1996, The Significance of Development Economics, World Development, Vol. 24, No.6
- Debraj Ray, 2000, What is New in Development Economics?
- Edward K. Y. Chen, 2005, Teaching and Learning Development Economics: Retrospect and Prospect, The Journal of Economic Education, 2005, Vol. 36, No. 3

### **Module 2**

#### **Essential readings**

- Human Development Reports
- Griffin, James, 1988, Well-Being: its Meaning, Measurement and Moral, University of Oxford
- M. Desai, 1991, Human Development: concepts and measurements, European Economic Review, 35
- Paul Streeten, 1994, Human Development: Means and Ends, The American Economic Review, Vol. 84, No. 2
- Simon, D and E. Neumayer, 2004, Genuine savings: a critical analysis of its policy-guiding value. International journal of environment and sustainable development, 3 (3/4).
- J. Boyd, 2008, The non-market benefits of nature: what should be counted in green GDP, by J. Boyd, Resources for the Future Discussion Paper RFF DP 06-24, 2006
- A Green GDP, EPW Editorial, December 5, 2009, Vol. XLIV, No. 49
- Robert Costanza, 2009, Beyond GDP: The Need for New Measures of Progress, The PARDEE Papers, No.4.
- Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi, 2010, Report by the Commission on the Measurement of Economic Performance and Social Progress, The New Press
- Thiry, G. and Cassiers, 2010, Alternative Indicators to GDP: Values behind Numbers Adjusted Net Savings in Question, IRES Discussion Paper 2010-18
- S. Hicks, 2011, The measurement of subjective wellbeing, Paper for Measuring National Well-being Technical Advisory Group, 4 February 2011

#### **Suggested readings**

- World Bank. 1997. Expanding the Measure of Wealth. Washington, DC: World Bank
- E. Neumayer, 1998, The ISEW: Not an Index of Sustainable Economic Welfare. Social Indicators Research, 48
- Costanza et al. 2009. Beyond GDP: The Need for New Measures of Progress
- Ida Kubiszewski, 2013, Beyond GDP: Measuring and achieving global genuine progress, Ecological Economics, 93
- Giannetti et al., 2015. A review of limitations of GDP and alternative indices to monitor human wellbeing and to manage eco-system functionality, Journal of Cleaner Production, 87
- Anita Frajman Ivković, 2016, Limitations of the GDP as a measure of progress and well-being
- Suman Seth and Antonio Villar, 2017, Measuring Human Development and Human Deprivations, OPHI Working Paper Number 110
- Miles B. Cahill, 2005, Is the Human Development Index Redundant? Eastern Economic Journal, Vol. 31, No. 1

### **Module 3**

#### **Essential readings**

- V. Shantora, 1983, Environmental Concerns of the 80s, Journal of the Air Pollution Control Association, 33:6, 559-561, DOI: 10.1080/00022470.1983.1046561

- Sharachchandra Lele, 1991, Sustainable Development: A critical review
- MEA, 2005, Chapter 3: Ecosystems and Human Well-being' in Millennium Ecosystem Assessment, Ecosystems and Human Well-being: A Framework for Assessment, Island Press
- Agrawala, S and S Fankhauser (ed.), 2008, Economic Aspects of Adaptation to Climate Change: Costs, Benefits and Policy Instruments (Paris: OECD).
- Kavi Kumar et al, 2010, Economics of climate change adaptation in India, Economic and Political Weekly, Volume 45, Number 18
- Eric Neumayer, 2013, Chapter 2: Sustainable Development: conceptual, ethical and paradigmatic issues' in Weak and Strong Sustainability: exploring the limits of two opposing paradigms, Fourth Edition, Edward Elgar
- Ashish Kothari, 2013, Development and Ecological Sustainability in India: possibilities for the post-2015 framework', EPW, 48 (30)

#### **Suggested readings**

- Edward B. Barbier, 1987, The Concept of Sustainable Economic Development', Environmental Conservation, 14 (2),
- Laura H. Kosloff, 1997, Climate Change Mitigation and Sustainable Development, Natural Resources & Environment, Fall 1997, Vol. 12, No.2
- Sneddon, C., R. Howarth & R. Norgaard, 2006, Sustainable development in a post-Brundtland world. Ecological Economics 57
- Nick Hanley, Jason F Shogren and Ben White, 2007, Chapter 2: The economics of Sustainable Development' in Environmental Economics: in theory and practice
- Giovanni Ruta and Kirk Hamilton, 2007, The capital approach to sustainability' in Giles Atkinson, Simon Dietz and Eric Neumayer, eds., Handbook of Sustainable Development, Edward Elgar,
- Matthew Agarwala et al., 2014, Assessing the Relationship Between Human Well-being and Ecosystem Services: A Review of Frameworks, Conservation & Society, Vol. 12, No. 4
- Jiaqi Qui et al., 2022, Influential paths of ecosystem services on human wellbeing in the context of sustainable development goals, Science of the Total Environment

#### **Module 4**

##### **Essential readings**

- ILO, 1976, Employment, Growth and Basic Needs: a one-world problem, International Labour Office.
- A. Sen, 1981, Poverty and Famine: an essay on entitlement and deprivation, CLARENDON PRESS OXFORD
- A. Sen, 1999. Development as Freedom, Oxford University Press, 1<sup>st</sup> Edition
- J. Dreze, and Deaton, A. 2002, Poverty and Inequality in India: A Re-examination." Economic and Political Weekly, Vol. 37(36)
- Soumyananda Dinda, 2004, Environmental Kuznets Curve Hypothesis: A Survey', Ecological Economics
- T.E. Weisskopf, 2012, What kinds of economic inequality really matter, Indian Economic Review, Vol. 48
- Sabine Alkire and Suman Seth, 2015, Multidimensional Poverty Reduction in India between 1999 and 2006: Where and How?, World Development 72

##### **Suggested readings**

- P. Streeten, 1979, Basic needs: premises and promises, Journal of Policy Modelling.
- M V Nadkarni, 2000; Poverty, Environment, Development: a many patterned nexus', Economic and Political Weekly, April 1
- J. Haughton, Shahidur R Khandker. 2009 Handbook on Poverty and Inequality. Washington, DC: World Bank.
- P. Dasgupta and K. Maler, 2010, Poverty, institutions, and environmental resource base (Chapter 39), Handbook of Development Economics, Vol. 5, Edt. By D. Rodrik and M.R. Rosenzweig
- P. Stephen. Jenkins and Philippe Van Kerm. 2011, The Measurement of Economic Inequality, In the Oxford Handbook of Economic Inequality. Edited by Brian Nolan, Wiemer Salverda, and Timothy M. Smeeding, Oxford University Press
- Himanshu and Sen, K. 2014, Revisiting the Great Indian Poverty Debate: Measurement, Patterns, and Determinants" BWPI Working Paper 203.

**Module 5**  
**Essential readings**

- Mark R. Rosenzweig, 1995, Labor Markets in Low-Income Countries: Distortions, Mobility and Migration, Handbook in Development Economics
- R. B. Singh, 2000, Environmental Consequences of Agricultural Development: A Case Study from the Green Revolution State of Haryana, India, Agriculture, Ecosystems and Environment, December, 82(1-3).
- Sukhpal, Singh, 2002, Contracting Out Solutions: Political Economy of Contract Farming in the Indian Punjab, World Development, September, 30(9)
- Ravi Kanbur, Ravi, 2009, Conceptualising Informality: Regulation and Enforcement, Cornell University, Department of Applied Economics and Management, Working Paper 09-11
- Ashwin Mahalingam, Aditi Vyas, 2011, Comparative Evaluation of Land Acquisition and Compensation Processes across the World, Economic and Political Weekly, Vol xlvi, no 32

**Suggested readings**

- Utsa, Patnaik, 1986, The Agrarian Question and Development of Capitalism in India, Economic and Political Weekly, May, 21(18).
- Timothy, Besley and Maitreesh Ghatak, 2010, Property Rights and Economic Development." Handbook of Development Economics, Elsevier.
- Ram Singh, 2012, Inefficiency and abuse of compulsory land acquisition: an enquiry into the way forward, Economic and Political Weekly, 47 (19)
- A. Sengupta, 2013, Migration, poverty, and vulnerability in the informal labour market in India, The Bangladesh Development Studies, 36 (4)
- Ashlesha et al., 2017, Taking Agroecology to Scale: The Zero Budget Natural Farming Peasant Movement in Karnataka, India, The Journal of Peasant Studies, February, 45(1)
- S. Martin, 2010, Climate change, migration and governance, Global Governance, 16 (3)
- Endo et al., 2017, A review of the current state of research on the water, energy, and food nexus, Journal of Hydrology: Regional Studies 11 (2017)
- Endo et al, 2020, Dynamics of water–energy–food nexus methodology, methods, and tools, Current Opinion in Environmental Science & Health 2020, 13:46–60

**Recommended journals for reference**

- World Development
- Journal of Development Studies
- Journal of Development Economics

**Student responsibilities**

Attendance: At-least 75% attendance will be necessary to be able to appear for the final exam.

**Course reviewers:**

Prof. Badri Narayan Rath, Professor of Economics, Department of Liberal Arts, IIT Hyderabad, Hyderabad, India

Dr Santosh Kumar Sahu, Associate Professor of Economics, Department of Humanities and Social Sciences, IIT Madras, Chennai, India