

Course Name:	Development Economics
Course Number:	HS538
Credits:	3-0-0-3
Prerequisites:	None
Students intended for:	Ph.D/Masters/B.Tech. (3 rd and 4 th year)
Elective or Compulsory:	Discipline Elective for M.A. Development Studies, HSS Free Elective for B. Tech. and Free Elective for others
Semester:	Odd/Even

1. Preamble:

This course introduces students to a range of ideas and perspectives on the important economic theories, models and policies of growth and development, and some of the more common tools and techniques employed by the development practitioners. While this course mainly focuses on relevant economic theories, it also discusses the context of the emergence of the theory and its application in order to develop an understanding of the principles that enable critical assessment of alternative development policies and programs. The course aims to enable students to think critically about the theories and assumptions that underlie and justify development policy interventions and how these underpinnings influence the consideration and treatment of different types of economic and social problems during the policy-making process. The course covers relevant problems and policies in sustainable development.

2. Course Modules:

Module I: Introduction (3 hours)

Distinction between growth and development; Paradigms of development; Development indicators to sustainable development indicators and comparison of countries with respect to sustainable development indicators; a brief journey from growth economics to sustainable development.

Module II: Theories of Economic Growth and Development (18 hours)

Historical legacies, economic growth and development: A brief overview of Adam Smith's Theory, Richardian Theory, Malthusian Theory, Mill's Theory, Classical, Marxian and Schumpeterian theories of economic development, Stages of Growth: Rostow and Marx; The Big-push Theory; Critical Minimum Effort; Low Level Equilibrium Trap; Lewis and Ranis – Fei models of economic development, Harrod-Domar model; Kaldor model of growth; Model of Capital Accumulation; Nurkse's theory of disguised unemployment as a saving potential; Neoclassical growth models: Solow-Swan Model (problem of dynamic inefficiency), steady state equilibrium, transitional dynamics; Ramsey-Cass-Koopsman (infinite horizon optimal growth framework); Samuelson-Diamond model (overlapping generations framework); Technological progress and total factor productivity growth; Introduction to sustainable development models, approaches and operational principles of sustainable development.

Module III: Issues of Development (15 hours)

Poverty and Inequality; Demography; Migration; Human Capital and Economic Development; Sectoral development; Trade and development; Foreign investment, Aid, and Conflict.

Module IV: Concepts and Tools in use for Developmental Project Evaluation (6 hours)

Project evaluation and cost benefit analysis; concepts of investment and cost benefit analysis for environmental projects; Input-Output Table; Investment criteria in economic development, concept of Capital-Output Ratio; Shadow prices; Introduction to model estimation.

3. Textbooks:

- Todaro, Michael P. and Stephen C. Smith, Economic Development, Pearson Education, 2015.
- Thirlwall, A.P., Growth and Development, Palgrave MacMillan, 2011.

4. References:

- Meier, Gerald M. and James E. Rauch, Leading issues in Economic Development, Oxford University Press, 2005.
- Ray, D. Development Economics. Oxford University Press, 1998.
- Lipsey, R. G. and K. A. Chrystal, Economics. Oxford University Press, 2007.
- Basu, K. Analytical Development Economics: The Less Developed Economy Revisited. Oxford University Press, 2003.
- Sachs, J., The Age of Sustainable Development. Chapter 14: Sustainable Development Goals. Columbia University Press, 2015.
- Hanley, N., Shogren, F and White, B. Environmental Economics: In Theory and Practice. Chapter 14: The Economics of Sustainable Development. Macmillan. 2008.

5. Similarity Content Declaration with Existing Courses

S.N.	Course Code	Similarity Content	Approx. % of Content
1	HS532, HS201	Development indicators, concepts such as: sustainable development, income inequality-Lorenz curve and Gini Coefficient, Kuznets curve.	5%
2	HS481	Concepts of trade and foreign investment	3%
3	HS525	A brief overview of Adam Smith's Theory, Richardian Theory, Malthusian Theory, Mill's Theory, Classical, Marxian and Schumpeterian theories of economic development, Stages of Growth: Rostow and Marx.	7%

1. Justification for new course proposal if cumulative similarity content is > 30%: N/A