

M.A. 3rd Semester
Paper-309

Time : 3 Hrs.
Max. Marks : 100
External : 80
Internal : 20

ECONOMICS OF GROWTH AND DEVELOPMENT-1

- Note:** (i) Nine Questions will be set in all and students will be required to attempt 5 questions.
(ii) Question No. 1 will be compulsory and will consist of 8 short answer type questions of 2 marks spread over the entire syllabus (2*8=16 marks).
(iii) For the remaining four questions, students will attempt 1 out of 2 questions from each of the four units (16 marks each).

PREAMBLE

The study of economic development has gained importance because of sustained interest of the developing countries in uplifting their economic conditions by restructuring their economies to acquire greater diversity, efficiency and equity in consonance with their priorities. While few success stories can be counted, many have grappled with chronic problems of narrow economic base, inefficiency and low standard of living. For this and other reasons, there have been many approaches to economic development. In recent times, besides hardcore economic prescriptions to development, concerns hitherto relegated to background like education, health, sanitation and infrastructural development, have found a place of pride in explaining the preference of various economies. Modules incorporated in this paper are devoted to the theories of growth and development, social and institutional aspects of development, importance of agriculture, and the rationale and pattern of industrialization in developing countries. The other important issues in the context of development such as infrastructure-linkages, role of international trade, importance of domestic macroeconomic policies, investment criteria, and relevance of planning have been included in the modules of this paper.

Unit I

Concepts & Measurement of Economic Development

Economic growth, economic development and sustainable development; Historical Perspective of Economic Growth and its relevance; Structural Diversity and common characteristics of developing nations.

Measuring Development: Income Measures, Basic Needs Approach, PQLI, HDI and Capabilities Approach; Goulet's core values of development.

Poverty, Inequality and Development: Measurement, Impact and Policy options.

Unit-II

Classical Theories of Growth and Development

Contributions of Adam Smith, Ricardo, Karl Marx and Schumpeter, Rostow's Theory of Stages of Economic Growth.

Unit-III

Growth Models

Harrod and Domar: Instability of equilibrium; Neo Classical Growth Models: Solow and Meade; Growth Models of Joan Robinson, Kaldor and Pasinetti.

Unit-IV

Technological Progress

Embodied and Disembodied; Neutral and Non-Neutral (Hicks and Harrod); TFP and growth accounting; Endogenous Growth Theory: Role of learning, education and research; Accumulation of Human Capital; Explanation of Cross-Country Differentials in Economic Growth.

Basic Reading List

- Adelman, I. (1961), Theories of Economic Growth and Development, Stanford University Press, Stanford.
- Barro, R. and X. Sala-i-Martin, Economic Growth, McGraw Hill, New York.
- Behrman, S. and T.N. Srinivasan (1995), Handbook of Development Economics, Vol. 3, Elsevier, Amsterdam.
- Brown, M. (1966), On the Theory and Measurement of Technical Change, Cambridge University Press, Cambridge, Mass.
- Chakravarti, S. (1982), Alternative Approaches to the Theory of Economic Growth, Oxford University Press, New Delhi.
- Chenery, H. and T.N. Srinivasan (Eds.) (1989), Handbook of Development Economics, Vols. 1 & 2, Elsevier, Amsterdam.
- Ghatak, S. (1986), An Introduction to Development Economics, Allen and Unwin, London.
- Gillis, M., D.H. Perkins, M. Romer and D.R. Snodgrass (1992), Economics of Development, (3rd Edition), W.W. Norton, New York.
- Higgins, B. (1959), Economic Development, W.W. Norton, New York.
- Jones, H.G. (1975), An Introduction to Modern Theories of Economic Growth, Nelson, London.
- Kindleberger, C.P. (1977), Economic Development, (3rd Edition), McGraw Hill, New York.
- Meier, G.M. and J.E. Rauch (2005), Leading Issues in Economic Development, (8th Edition), Oxford University Press, New Delhi.
- Sen, A.K. (Ed.) (1990), Growth Economics, Penguin, Harmondsworth.

- Todaro, M.P. and S.C. Smith (2003), (8th Edition), Economic Development, Pearson Education, Delhi.
- Thirlwal, A.P. (1999), (6th Edition), Growth and Development, Macmillan, U.K.