

M.A. 4<sup>th</sup> Semester  
Paper- 409

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

## **ECONOMICS OF GROWTH AND DEVELOPMENT – II**

- Note:** (i) Nine Question 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**

#### **Approaches to Development**

Balanced and Unbalanced Growth; Critical Minimum Efforts Theory; Low Income Equilibrium Trap; Dual Economy: Models of Lewis, Fei-Ranis, Jorgensen, Basic idea of Dixit and Marglin, Kelly et.al.

### **Unit-II**

#### **Sectoral Aspects of Development**

Role of Agriculture in Economic Development; Heterogeneity in Agriculture; Agricultural Transformation: Designing Strategy for Agriculture Transformation; Rationale and Pattern of Industrialization in developing Countries; Choice of Techniques,

appropriate technology and employment; Terms of Trade between Agriculture and Industry.

Services Sector in Developing Economies: Role, growth and sustainability, Infrastructure and its importance.

### **Unit-III**

#### **Trade and Development Experience**

International Trade as an Engine of Growth: Static and Dynamic gains from Trade; Prebisch-Singer Thesis vis-à-vis Free Trade experience of Developing Countries; Trade Policy Debate: Export promotion, Import Substitution and Economic Integration; WTO and Developing Countries, International Organizations IMF and World Bank.

### **Unit-IV**

#### **State and Economic Development**

Market Failure & Rational of state in Economic development; State Capacity and State Failure; Good Economic Governance.

Development Planning: Financial System & Macroeconomic Stability, Fiscal Policy for inclusive Growth.

#### ***Basic Reading List:***

- Behrman, S. and T.N. Srinivasan (1995), Handbook of Development Economics, Vol. 3, Elsevier, Amsterdam.
- Bhagwati, J. and P. Desai (1970), India: Planning for Industrialization, Oxford University Press, London.
- 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.
- Chakravarti, S. (1987), Development Planning: The Indian Experience, Clarendon Press, Oxford.
- Chenery, H. and T.N. Srinivasan (Eds.) (1989), Handbook of Development Economics, Vols. 1 & 2, Elsevier, Amsterdam.
- Dasgupta, P. (1993), An Enquiry into Well-being and Destitution, Clarendon Press, Oxford.
- 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.
- Grossman, G. and E. Helpman (1991), Innovation and Growth in the Global Economy, MIT Press, Cambridge, Mass.
- Higgins, B. (1959), Economic Development, W.W. Norton, New York.

- Hirschman, A.O. (1958), *The Strategy of Economic Development*, Yale University Press, New York.
- Kindleberger, C.P. (1977), *Economic Development*, (3rd Edition), McGraw Hill, New York.
- Lewis, W.A. (1955), *The Theory of Economic Growth*, George Allen and Unwin, London.
- Meier, G.M. and J.E.Rauch (2005), *Leading Issues in Economic Development*, (8th Edition), Oxford University Press, New Delhi.
- Nayyar, D. (Ed.) (1994), *Industrial Growth and Stagnation: The Debate in India*, Oxford University Press, New Delhi.
- Sen,A. (1983), *Poverty and Famines*, Oxford University Press, Oxford.
- Sen, A.K.(Ed.) (1990), *Growth Economics*, Penguin, Harmondsworth.
- Sen, A. (1992), *Inequality Reexamined*, Oxford University Press, Oxford.
- 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.