

BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE, PILANI

FIRST SEMESTER 2023-2024

Course Handout (Part II)

Date: 11/08/2023

In addition to Part-I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

Course No. : ECON F351
Course Title : Indian Economic Development
Instructor-in-charge : Durgesh C Pathak

1. Course Description:

Understanding Indian Economic development; Growth of GDP and National Income; Planning and Plan models of Indian economy; Problems of Indian agriculture, industry; land reforms agricultural growth and productivity; Green Revolution; Monetary Policy and Fiscal policy and how they affect our economy; Financial Sector Reforms; Regional variations; Social sectors; Education, Health, Poverty, and inequality; Some recent events of significance and how they affected Indian economy: Demonetization, Covid-19.

Scope and Objective of the Course:

The course has been designed to impart an in-depth understanding of Indian Economic Development. The course will expose the students to the historical aspects of development (or lack of it) of the Indian economy, and will also acquaint with current challenges, and some recent policy initiatives. This is a course for those who want to understand our economy before contributing to its growth in various roles.

2. Text Book:

- T1: A. N. Agarwal & M. K. Agarwal, **“Indian Economy: Development Problems and Policies”**, New Age International (P) Ltd., New Delhi, 2016, 41st Edition

3. Reference Books:

- R1: Ramesh Singh, “Indian Economy: For Civil Services Examination”, McGraw Hill Education.
- R2: Nilanjan Banik, “The Indian Economy: A Macroeconomic Perspective”, Sage Publications, 2015.
- R3: Rajesh Raj S. N. and Komol Singha, “The Routledge Handbook of Post-Reform Indian Economy”, Routledge: Taylor & Francis, 2022.
- R4: Jalan, Bimal (Ed.) “The Indian Economy: Problems and Prospects”, Penguin Books, India, 2004.
- R5: Terence J Byres (Ed.), “The Indian Economy: Major Debates Since Independence”, Oxford India Paper Backs, New delhi, 1999
- R6: Rudra Datt & KPM Sundharam, Indian Economy, S. Chand & Company Ltd., New Delhi, 33rd edition.
- R7: Drèze & Amartya Sen, Indian Development, Oxford University Press, Delhi, 1999.

4. Course Plan:

Topic	Lecture No.	Learning Objectives	Topics to be Covered	Reference to Text Book (41 st Edition)
1	1-2	Introduction; Indian Economy: Present State and the Perspective	Introduction, Understanding the Indian Economy	Notes

2	3-6	To analyze the Growth of GDP and Per Capita Income	National Income, GDP and Per Capita Income, HDI, Happiness Index	Chapter 10, Chapter 23: R3
3	7-10	Relevance of planning and its procedure, To study the nature of Plan models and their implementation	Planning for the economy, plan models, Five Year Plans	Chapter 44, Chapter 46
4	11-13	To understand the sectoral planning and regional variations in development	Sectoral aspects, Regional Variations, Economic Reforms	Chapter 4, Chapter 24:R3,
5	14-18	To study the role Monetary Policy and Financial restructuring	Monetary Policy, Nationalization of Banks, Financial Sector Reforms, Role of Central Banking in India	Chapter 31, Chapter 32
6	19-22	Issues in Agriculture and Agricultural Development	Agricultural Policy, Agricultural Growth and Productivity, Land Reforms	Chapter 15,
7	23-27	Agricultural Inputs, HYV and Pricing in Agriculture, WTO features and assessment	Irrigation, Green Revolution, Price Policy, Subsidies and Impact of WTO	Chapter 18, Chapter 20, Chapter 42
8	28-29	Industrial Development, Productivity and Growth	Industrial Policy, Controls and Licensing, Productivity and Growth	Chapter 23, Chapter 27
9	30-34	Two evils: Inflation, & Unemployment in India	What is inflation? Measuring inflation in India; Unemployment: measurement and relation with inflation; Policies to tackle unemployment in India	Chapter 4: R2
10	35-37	Social Sectors	Health and Education, Poverty and Inequality	Chapter 11, Notes
11	38-40	Some recent events that affected economy	Demonetization; Covid-19	Lecture notes

5. Learning Outcome:

Topic 1: Introduction, Understanding the Indian Economy:

This module will introduce students to the course and give them a bird's eye view of the Indian economy. The students will broadly understand the current situation of Indian economy, its strength and weaknesses. The various issues facing Indian economy including poverty, inequality, structural problems among others will be discussed. The objective will be to make students interested for the course ahead and familiarize them with the Indian economy, which is a subject of interest globally.

Topic 2: National Income, GDP, and Per Capita Income

In the current times, GDP and related indicators are one of the most widely used indicator to gauge development and progress of an economy. In this topic, the changing landscape of Indian economy will be understood by the students through lens of GDP. The transformation of Indian economy from time of independence when it was struggling to shrug off colonial drag to its status of being one of the fastest growing economies, will be appreciated by understanding trends in GDP and its components.

Topic 3: Planning for the economy, plan models, Five Year Plans

From social era of five-year plans to scrapping of Planning Commissions, Indian economy has evolved a lot. In these lectures, students will learn about introduction and evolution of five year plans and the role they played in growth of economy. Further, they will understand rationale of scrapping of Planning Commission and its replacement with Niti Aayog. At the end of these lectures, the students will be able to understand historical underpinnings of plans as well as current debates against plan led development.

Topic 4: Sectoral aspects, Regional Variations, Economic Reforms

This topic will discuss the sectoral aspects of Indian economy. India being a vast geographical entity has huge variations in economic growth across regions. The students will learn about these variations and reasons thereof. Major economy wide reforms shall be discussed and also the conditions which led India to undertake liberalization policies in 1990s.

Topic 5: Monetary Policy, Nationalization of Banks, Financial Sector Reforms, Role of Central Banking in India

From credit plans and controls to Monetary Policy Committee, Indian monetary policy has undergone a major change over the years. We will understand how monetary policy has contributed to India's growth narrative and also the role of the Reserve Bank in overall financial framework of the country. It would not be wrong to say the financial sector reforms have been one of the most important impetus to the Indian economy. We will understand here how the bold reforms of 90s and thereafter helped Indian economy break shackles which was holding back its growth. The nationalization of banks will also be discussed along with the current problems of NPAs in banking sector and what is being to resolve it by the policy makers.

Topic 6: Agricultural Policy, Agricultural Growth and Productivity, Land Reforms

In a country like India where still majority of population rely on agriculture and allied activities for their livelihood and employment, the study of agriculture attains special importance. In this section, the agriculture sector will be discussed in detail including its growth and policies. Since land forms an important input in the sector, the students will also be made familiar about the reforms that have taken place in the sector. The students will be able to assess the situation of agriculture in India and learn about the measures than can be taken to give boost to the sector.

Topic 7: Irrigation, Green Revolution, Price Policy, Subsidies and Impact of WTO

This topic further discusses important issues pertaining to agriculture. The students will get to know about green revolution and how it changed path of agriculture development in India. The peculiarity and complexity of agriculture in India has led to price flooring and subsidies. The mechanism and rationale of such policies shall be explained and, their impact on India's standing in WTO. We will also discuss irrigation which is a key input in the country where agriculture has traditionally been dependent on monsoon rains for water.

Topic 8: Industrial Policy, Controls and Licensing, Productivity and Growth

In a country like India which is emerging in economic terms and simultaneously experiencing demographic dividend, the importance of industrial sector cannot be overemphasized. In this section, the industrial profile and performance of the country will be discussed with a focus on the policies governing the sector-both in past and present. The students will also be taught the erstwhile policies of controls and licensing, so that can appreciate the reforms that have been taking place in the sector.

Topic 9: Two evils: Inflation, & Unemployment in India

Inflation and unemployment are two evils faced by every economy in their development process. Students will be introduced to the concepts and measures of inflation and unemployment and will given historical perspective of these in India. We shall also study the policies adopted to tackle these issues.

Topic 10: Social Sector: Health, Education, Poverty & Inequality

The discussion of Indian economy is not complete without dedicated discussion on social cum economic issues of health and education. The students will be familiarized with India's journey at health and education front. The focus will also be made to understand progress in these sector in the backdrop of stellar economic performance. The students will be able to appreciate the current debates of expenditure on physical infrastructure as against social infrastructure. The issues of poverty and inequality which is plaguing the Indian at societal as well as economic level will be explained. The students will be made familiar to the progress that India has made on this front as also the work that remains to be done. The various nuances of this major problem including the change in poverty and inequality over the years, the reasons behind the same and the way ahead will be taught.

Topic 11: Some recent events of significance

This will be one of the most interesting topic where we shall analyze two major events that affected our economy significantly. One being Demonetization, and the other being Covid-19. We shall apply understanding developed throughout the course to analyse these two events.

6. Evaluation Scheme:

EC No.	Components	Duration	Weight age (%)	Date, Time & Venue	Nature of Component
1.	Mid-Semester Exam	90 min.	30	13/10 - 4.00 - 5.30PM	CB
2.	Quizzes	-	10	To be announced	OB
3.	Assignment/ Presentation	-	20	To be announced	OB
4.	Comprehensive Exam.	3 hrs.	40	19/12 AN	CB

6. Chamber Consultation Hour: To be announced in the class.

7. Notice: All notices pertaining to this course shall be displayed on the **Economics and Finance (or) CMS Notice Board**.

8. Make-up policy: Make-up will be given only on Doctor's/Warden's recommendation and with prior (at least 01 day before the test/exam) permission of the Instructor-in-Charge/Instructor. Request for make-up made by phone/sms or during/after the test/exam would NOT be entertained at all. No make-up shall be granted for quizzes.

9. Academic Honesty and Integrity Policy: Academic honesty and integrity are to be maintained by all the students throughout the semester and no type of academic dishonesty is acceptable.

**Instructor-in-charge
ECON F351**