

**Indian Economy and Society Today**  
**Instructors: Prof. Sebastian Morris (coordinator), & Prof. Rakesh Basant**

- i. Course title: **Indian Economy and Society Today**
- ii. Area to which the course belongs: **Economics**
- iii. Term in which the course is to be offered: **Term V**
- iv. Instructors' name: **Prof. Sebastian Morris (coordinator), Rakesh Basant**
- v. Course credits: **1.25**

- vi. Course Open for: **Yes**

	PGP-FABM	PGPX	FPM
# of students	Yes	Yes	Yes

- vii. Introduction:

Course content:

The Indian economy has gone through several phases and regime changes in the post-independence period and these have influenced the politics and society as much as social and political forces have affected both policy and the resulting economic developments. The similarities and contrasts with the East Asian industrialisations are most rewarding in any attempt to build policy options for the future. Unlike many other societies India's development was forged in a democratic framework, so the drivers from politics and social movements cannot be overstressed in relation to the role of strategy and plans. Caste, religion, class besides language and region do define identity and grouping for political mobilisation to influence especially economic policies in a way that is uniquely complex.

The reforms of the Indian economy initiated by the Narashima Rao government fostered dramatic change and bringing forth a major role for markets and enhancing the growth rates. However they were not sustained over the longer term since inter alia the second generation reforms in the more difficult aspects covering subsidies, infrastructure regulation, land, social policies, education and public health have proven difficult for Indian policy makers.

Unlike many other economies, given the vast social diversity and income-inequality and inherited social discrimination in the form of caste, and perhaps even because of an administration that emerged out of alien rule, the challenges that the state has to overcome to lead to the economic and social transformation of the country are many.

In this course wherever the comparative perspective is important – East Asian countries including China are typically the ones to which India would be compared and contrasted. The course would in detail trace the developments since the reforms of 1991-92, 1992-93

and the colonial and early post-independence developments would provide the backdrop. The focus would be on current issues.

The course besides bringing out the current issues and challenges in policy, provides a background to the reform process and also develops minimally some of core concepts in development economics, political science and sociology.

viii. Objective:

The objective of the course is to familiarise the student with key features of the Indian economy and society. The course is especially useful to those with a deep interest in India and its future.

viii. Pedagogy:

Lectures and discussions would be the principal mode of instruction. In some sessions cases may also be used.

ix. Evaluation Scheme:

Class participation would carry 25% weight, and a group assignment 75%

Topics for assignment would be on aspects of the Indian economy and society and could involve the reading of a book or a set of articles that furthers the student's understanding of a particular topic or issue of current importance.

Note:

- i. Weightage for CP should not exceed 20 per cent which includes weightage for attendance not more than 10 per cent.
- ii. The weightage of components related to individual assessment shall not be less than 50%.
- iii. There will be minimum three evaluation components for any core or elective course having credit of 1 or more.

x. Course Books/Reference Materials:

**Bibliography**

Basu, Kaushik (ed) (2007), "The Oxford Companion to Economics in India", Oxford University Press, New Delhi.

Frankel, Francine (2005), "India's Political Economy 1947-2004" Second Edition, Oxford

university Press, New Delhi.

Guha, Ramachandra (2007) "India After Gandhi- The History of the World's Largest Democracy", Picador India.

Jalan, Bimal (ed.) (1992), "The Indian Economy Problems and Prospects" Viking, Penguin Books India.

Joshi and Little, (1996) "India's Economic Reforms 1991-2001", Oxford University Press, New Delhi

Kapila, Uma (2004) 16<sup>th</sup> edition, "Indian economy since independence", Academic Foundation, New Delhi.

Lee, E. (ed.) (1981). "Export-Led Industrialisation and Development", International Labour Organisation, Asian Employment Programme.

Morris, S. (ed) (2004), "India Infrastructure Report: Ensuring Value for Money", 3inetwork, Oxford University Press, New Delhi.

NCAER (2004) "The Great Indian Middle Class: Results from the NCAER Market Information Survey of Households", NCAER, New Delhi.

Srinivas, M.N. (2002). "Collected Essays", Oxford University Press. New Delhi.

Srinivas, M.N. (ed.) (1997), "Caste- Its Twentieth Century Avatar", Penguin. New Delhi.

Srinivasan, T.N. (2000), "Eight lectures on India's Economic reforms", Oxford University Press, New Delhi

Weiner, Myron (1989), "The Indian Paradox, Essays in Indian Politics", Sage Publications, New Delhi.

Much material on the Indian Economy and Society is available at <http://epw.org.in>

xi. Session Plan:

Type, plan and session-wise content of the course:

Student group assignments:

No of sessions	Topic/ Descriptor/ Readings
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1	<b>The colonial experience. The emergence of the colonial economy and society and its characteristics</b>
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The colonial experience has both mauled Indian society and its economy and at the same time laid the seeds of its modernisation. The colonial impact on the economy, society and governance is deep rooted and this session brings the key

elements in the emergence of the colonial economy and its characteristics.

*Required readings:*

Habib, I. (1975). Colonisation of the Indian Economy: 1757-1900. *The Social Scientist*: March.

**2 & 3      The contemporary history of development in India (Mahalanobis, Hindu and other periods). Indian strategy in comparative perspective**

These sessions will explore some political-economic underpinnings of the Indian development strategy and the way it evolved over the years. Import substitution, Prebisch Singer hypothesis, Mahalanobis model, and the emergence of distribution since the mid sixties.

*Required readings:*

Mohan Rakesh (1992) "Industrial Policy and Controls" in Bimal Jalan (ed.) *The Indian Economy Problems and Prospects*. Viking, pp. 85-115

Oza, A.N. (Undated). Objectives of Development Strategy: Indian Experience. ( Part A&B)[ Mimeo]. Ahmedbad: Indian Institute of Management.

Ahluwalia, M.S. (2007). Planning. In Kaushik Basu (Ed.), *The Oxford Companion to Economics in India* (pp.396-401).New Delhi: Oxford University Press.

Guha, R. (2007). The Conquest of Nature and Riches. *In India after Gandhi: The History of the World's Largest Democracy* (Chapters 10,11 pp.201-225 & 692-719). New Delhi: Picador.

*Recommended readings:*

Francine Frankel (1978, 2005) "Introduction: The Paradox of Accommodative Politics and Radical Social Change" in Frankel, Francine (2005), "India's Political Economy 1947-2004" Second Edition, Oxford university Press, New Delhi

**4              Political development in India**

Case:

Vasudha Chhotray, (2005) Political Entrepreneurs or Development Agents: An NGO.s tale of resistance and acquiescence in Madhya Pradesh, India, GPRG-WPS-024 Global Poverty Research Group.

*Required readings:*

Fukuyama, Francis. (2011), "Chapter – The Asian State", in *The origins of political order: from prehuman times to the French Revolution*. Vol.2. Macmillan, 2011.

*Recommended readings:*

Ramchandra Guha (2007) Chapters "Ideas of India (6)", "The biggest Gamble in History (7)" in Guha, Ramchandran.

*Recommended readings:*

Ramachandra Guha (2007) Chapters "Rights (26)", "Riots (27)", "Rulers (28)", "Why India Survives (30, Epilogue)"

Narain, Iqbal (1986). "Triumph of Democracy", Asian Survey, Vol. 26, No. 2, A Survey of Asia in 1985: Part II. (Feb.), pp. 253-269.

**5, 6 & 7    Stabilisation and policy reform of the early nineties, and the experience of growth until 1996-97**

The build up to the crisis, the nature of the crisis, the stabilisation experience; the simultaneous pursuit of structural reform and the changes brought about.

*Required readings:*

Joshi, V. & Little, I.M.D. (1996). Fiscal Policy and Trade Policy and Industrial Policy and Factor Markets in *India's Economic Reforms 1991-2001* (pp.63-108 and 171-217). New Delhi: Oxford University Press.

Ahluwalia, M.S. (2006). India's Experience with Globalisation. *The Australian Economic Review*, 39 (1), 1-13.

Virmani, A. (2007). Balance of Payments. In Kaushik Basu (Ed.), *The Oxford Companion to Economics in India* (pp.21-24). New Delhi: Oxford University Press.

*Recommended readings:*

Joshi and Little (1996) Chapters 3 and 4 from Joshi and Little (1996), *India's Economic Reforms: 1991-2000*, Oxford University Press. New Delhi.

**8                Financial sector reform in India**

The key dimensions of financial sector reform and the achievements to date. Pending issues.

*Required readings:*

Varma, Jayanth (c.2004). Indian Financial Sector After a Decade of Reforms.  
<http://www.iimahd.ernet.in/~jrvarma/papers/afteradecade.pdf>

**9 & 10 Trends and patterns of economic growth in India since 1997-98.**

Macroeconomic policy and India's growth experience in recent times. An explanation of India's growth trends. The global financial crisis and the response to the same. An assessment of India's growth performance. Role of the central bank and the government. The inflation and growth controversy. The contrast with China

*Required readings:*

Morris, Sebastian (2012), India's Growth Experience in Recent Times: A Note (An Extract from Economic Growth in Gujarat in Relation to the Nation and Other States in Recent Times - A Statistical Analysis, Sebastian Morris, W.P. No. 2012-11-02, Nov. 2012, Indian Institute of Management, Ahmedabad).

JR Varma (2009), Indian Financial Sector and the Global Financial Crisis. *Vikalpa*, 34(3), 25-34.

Monetary Policy Framework in India: Experience with Multiple-Indicators Approach by Deepak Mohanty, ED RBI, 21<sup>st</sup> February 2010.

*Recommended readings:*

RBI (2015), Monetary Developments Third Quarter Review.

<https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MDF2701145070AFA428.pdf>

Ministry of Finance (GOI), "The State of the Economy", Chapter 1, Economic Survey 2013-14, Government of India (for careful reading)

Ministry of Finance (GOI), "The State of the Economy", Chapter 1, Economic Survey 2014-15, Government of India (for careful reading)

Ministry of Finance (GOI), "The State of the Economy", Chapter 1, Economic Survey 2015-16, Government of India (for careful reading)

Morris, S. (2005). Understanding Export Led Growth and Late Industrialization to Explain the Differences in the Post Reform Performance of India and China. *Indian Institute of Management Working Papers*, (2005/03), 02.

**11 The public sector and privatisation**

*Required readings:*

Barua, S, (2004) "The Disinvestment Story" Chapter 4.1. in Morris, S. (ed). (2004, "India Infrastructure Report: Ensuring Value for Money", 3inetwork, Oxford University Press, New Delhi;

## **12 Industrial structure and small firms in India**

### *Required readings:*

Morris, Sebastian and Rakesh Basant (2007), “Small and Medium Enterprise in India Today – Overcoming Policy Constraints to Achieving Rapid Growth in a Globalising Economy”, WP No. 2006-07-03, July 2006, Indian Institute of Management, Ahmedabad.

## **13 Regional development issues in India**

### *Required readings:*

Dholakia, Ravindra (2003) “Regional Disparity in Economic and Human Development in India”, EPW Sept 2003

Dholakia, Ravindra (2006) “Regional Imbalance under Federal Structure: A Comparison of Canada and India”, Vikalpa December 2006

Morris, Sebastian (2014), “A Comparative Analysis of Gujarat’s Economic Growth”, in Hirway, Indira (et al) (ed.), “[\*Growth or Development: Which Way is Gujarat Going\*](#)”, Oxford University Press.

## **14 & 15 Agricultural Development in India**

### *Required readings*

Vaidyanathan, A. "Farmers' suicides and the agrarian crisis." *Economic and Political Weekly* (2006): 4009-4013.

Sharma, Vijay Paul (2012), “Accelerating Agricultural Development for Inclusive Growth: Strategic Issues and Policy Options”, *Vikalpa*, 37 (1), Jan-Mar, 1-17

Ghatak, M. (2007). Land Reform. In Kaushik Basu (Ed.), *The Oxford Companion to Economics in India* (pp.328-332). New Delhi: Oxford University Press.

Jha, R. (2007). Investment and Subsidies in Indian Agriculture. ASARC Working Paper, 2007/03.

### *Recommended Readings:*

Dev, Mahendra and Vijay Laxmi Pandey (2012-13), “Performance and Key Policy Issues of Indian Agriculture”, in *India Development Report*, Oxford University Press

Sukhpal Singh (2005) Contract Farming for Agricultural Development, Review of Theory and Practice with Special Reference to India, CENTAD, Oxfam.

[http://www.centad.org/download/workingpaper\\_Contract\\_%20farming.pdf](http://www.centad.org/download/workingpaper_Contract_%20farming.pdf)

Vaidyanathan, A. (2000). India's Agricultural Development Policy. *Economic and Political Weekly*, 35(20), 1735-1741.

## **16 Foreign direct investments in India**

### *Required readings*

Morris, S., (2004) 'A Study of the Regional Determinants of Foreign Direct Investments in India, and the Case of Gujarat', Working Paper No. 2004-03-07, Indian Institute of Management; and CGSD Working Paper No. 14 March 2004 Working Papers Series of the Center on Globalization and Sustainable Development, The Earth Institute at Columbia University

### *Recommended readings*

Basant, Rakesh and Sebastian Morris (2002). "Synthesis Report: Investment for Development : The case of Seven Economies in Transition". Preliminary Report for the CUTS.

## **17 Challenges in infrastructure development**

The entry of the private sector, performance of key sectors, the challenge of policy, regulation and contracting.

### *Required Reading:*

1. Morris, S. (2009). "Infrastructure". In Kaushik Basu (Ed.), *The Oxford Companion to Economics in India* (pp.291-296). New Delhi: Oxford University Press.

## **18 The land question in India**

The land question is all the more important in a country that is very scarce in land. Yet the wasteful use of land and litigations and discord characterise land. Land has emerged as the single biggest real side economic constraint to development. The cacophony of approaches may have been equally important in explaining the mess.

### *Required readings*

Morris, S. (2007) "Towards a Reform of Land Acquisition in India", WP. IIMA

## **19 & 20 Indian development in comparative perspective (with East Asia) and the macroeconomic challenges for India**



*Required readings:*

Lee, Eddy (1981) "Export Led Industrialisation in Asia- An Overview" in Lee, E. (ed.) (1981). Export-Led Industrialisation and Development, International Labour Organisation, Asian Employment Programme;

Lall, S. (1994). The East Asian Miracle: Does the Bell Toll for Industrial Strategy? Review of the World Bank's East Asian Miracle. World Development: Vol.22, No.4, April, pp.645-654.

*Recommended readings:*

Morris, S, Understanding Export Led Growth and Late Industrialisation to Explain the Differences in the Post Reform Performance of India and China, March 2005, WP 2005/03/02.(portions)

**21 & 22 Issues in Human Development, the Poor and Inclusive Growth**

Income inequality, performance on various HDI and the central problem of poor performance on HDI where public services play a greater role.

*Required Readings:*

Dreze, J. & Sen, A. (1995). India in Comparative Perspective. In *India Economic Development and Social Opportunity* (pp.27-56). New Delhi: Oxford University Press.

Basant, Rakesh (2008). *Decoding Access Seminar* (19-22)

Basant, R. and Sen, G. (2012), "Affirmative Action in Higher Education:1 Insights from Recent Empirical Research," ORF ISSUE BRIEF, *Issue Brief* 49, 1, [www.orfonline.org](http://www.orfonline.org), December 2012

*Recommended Readings:*

Planning Commission. (2002). Overview, State of Human Development- Concept, Methodology & Core Indices and Economic Attainments and Well-Being. In *National Human Development Report, 2001* (pp.1-46). New Delhi.

GOI (2001), Human Development Report Extracts, Planning Commission, Government of India.

Srivastava, Pradeep (2004), "Poverty Targeting in Asia: Country Experience of India", Asian Development Bank Discussion Paper No. 5. February.

**23 & 24 Class, caste, religion, language and the nationality question**

Caste is unique to Indian civilisation and the state bears a very large role in overcoming the debilities of caste when social and especially religious reform remains tardy. Social movements especially when linked to education and the acceptance of modern ideas among the lower caste have been an important vehicle for mainstreaming.

*Required readings:*

Srinivas, M.N. (various dates), "Mobility in the Caste System", "A note on Sanskritisation and Westernisation"., chapters 11, 12 in Srinivas, M.N. (2002). Collected Essays. Oxford University Press. New Delhi.

Berglund Henrik (2004), "Religion and Nationalism", Economic and Political Weekly, VOL 39 No. 10 March 06 - March 12.

*Recommended readings:*

Srinivas, M.N. (various dates), "The Evolution of Caste in India", "Varna and Caste", "Some Reflections on the Nature of Caste Hierarchy", chapters 8 to 10 in Srinivas, M.N. (2002). Collected Essays. Oxford University Press. New Delhi.

Radhakrishna, P. (1997), "Backward Class Movements in Tamilnadu" in Srinivas, M.N. (ed.) (1997), "Caste- Its Twentieth Century Avatar", Penguin. New Delhi.

Jain, Meenakshi (1997), " Backward Castes and Social Change in UP and Bihar" in Srinivas, M.N. (1997) op.cit.

**25      The middle class in India**

*Required readings:*

NCAER (2004), "Middle Class Rising" in NCAER (2004) "The Great Indian Middle Class: Results from the NCAER Market Information Survey of Households", NCAER, New Delhi

*Recommended readings:*

NCAER (2004), Chapters 1 to 10 of NCAER (2004) "The Great Indian Middle Class: Results from the NCAER Market Information Survey of Households", NCAER, New Delhi

Although there is no pre-requisite it is desirable that students have some understanding of micro and macro-economics, and should have thought about economies and societies. Experience of participants would be very important, since many of the analyses would draw from experience. Similarly, ability to handle data and interpret the same would be important

xiii. Relationship to other courses:

Builds on the frameworks developed in MEP and in EA. A bit of growth concepts would also help. Additional understanding of basic political development and of sociological change would help. Students are encouraged to read about the core ideas in political science and sociology as well.
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