

**BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE, PILANI**  
**INSTRUCTION DIVISION**  
**FIRST SEMESTER – 2015-2016**

**Date: 03/08/2015**

**Course Handout (Part-II)**

In addition to part-I (General Handout for all courses appended to the timetable) this portion gives further specific details regarding the course

<b>Course No.</b>	<b>: ECON F313</b>
<b>Course Title</b>	<b>: ISSUES IN ECONOMIC DEVELOPMENT</b>
<b>Instructor-in-Charge</b>	<b>: N.V. MURALIDHAR RAO (<a href="mailto:nvmrao@pilani.bits-pilani.ac.in">nvmrao@pilani.bits-pilani.ac.in</a>)</b>

**1. Course Description:**

Income and Growth; Facets of Underdevelopment; Structural Features; contemporary models of development and underdevelopment, poverty, inequality and development, population and economic development, urbanization and rural-urban migration, education and health in economic development, environment and economic development, trade and economic development, FDI and economic development, infrastructure and economic development. Sustainable development.

**2. Scope and objective of the course:**

**Course Rationale:**

The course deals with the principal issues of economic growth and development, and emphasizes on economy-wide aspects of economic development, with special references to international dimensions of national development policy making. Economic development is treated as a multidimensional concept, thus focusing not only on problems of economic growth and monetary poverty reduction, but also on how economic policy can contribute to the improvement of human and social conditions. Topics include: the way economists' approaches to leading economic development issues have evolved to the present; and leading issues in economic development, including sources of economic growth, the role of population, human capital and innovation, infrastructure development, labor and migration, international trade and foreign aid, and strategies for sustainable economic development.

**Specific Objectives:**

- Describe the characteristics of and the special challenges facing developing nations. To explain students alternative perspectives in economic development theory and how these have policy implications;
- To examine and evaluate the strengths and weaknesses of alternative growth and development strategies in light of country experience
- To explore the knowledge of structural change, dual economies, poverty and income inequality, migration, health and education, agriculture and production, technical and Institutional change, trade, infrastructure, environment and sustainable development. To give students opportunities to understand and use different growth and development concepts, tools and strategies in analysis and problem solving and to prepare students for doing empirical research in different issues of economic Development.

The course uses the fundamental concepts of economic growth and development, major theoretical paradigms and debates on growth and development, and policy issues and theoretical knowledge backed up by knowledge of country experiences.

**3. Text Book (TB):**

Michael P. Todaro and Stephen C. Smith. Economic Development, 10th edition. Pearson Addison Wesley, 2009, ISBN:9788131764428

**References (RB):**

- R1. Meier & Rauch (2012): Leading Issues in Economic Development, 8/e, Oxford University Press.
- R2. Abhijit V. Banerjee, Roland Benabou, and Dilip Mookherjee, editors. Understanding Poverty. Oxford, 2006
- R3. Agarwala and Singh (eds) (1992): The Economics of Underdevelopment, Oxford University Press, 1992
- R4. Debraj Ray. Development Economics. Princeton University Press, 1998
- R5. Keith Griffin. Alternative Strategies for Economic Development. 2nd Edition (New York: St. Martin's Press, Inc., 1999)
- R6. Lynn, S. Economic Development, Pearson Education. 2003

Other readings for the course:

- R7. World Development Reports (<http://wdonline.worldbank.org/>);
- R8. Human Development Reports (<http://hdr.undp.org/>);
- R9. World Economic Outlooks (<http://www.imf.org/external/pubind.htm>);
- R10. OECD Various Reports

#### 4. Course Plan:

Lecture No.	Learning Objective(s)	Topics to be covered	Reference (Book)
<b>I</b>	<b>Introduction:</b>		
<b>1</b>	<ul style="list-style-type: none"> <li>Introduction to Economic Growth and Development; Overview of the course, Economic Models</li> </ul>	Economic Growth and Development- Introduction: Scope and Coverage, Human Development Index	<b>Class Notes</b>
<b>2-3</b>	<ul style="list-style-type: none"> <li>Diverse structure and classification of countries according to economic and social indicators, an overview of the common development problems faced by many developing countries, few case studies of the developing countries</li> </ul>	The structural Diversity of Developing Nations and Characteristics	<b>Ch. 1 and 2</b>
<b>II</b>	<b>Theories and Models of Economic Growth and Development</b>		
<b>4-7</b>	<ul style="list-style-type: none"> <li>Theories and Models of Economic Growth and Development; Lessons and Controversies</li> </ul>	The Growth Game; Historic Growth and contemporary Development; Classical Theories	<b>Ch. 3</b>
<b>8-10</b>	<ul style="list-style-type: none"> <li>Classic and Contemporary Theories of Development</li> </ul>	Classic Theories of Development; Contemporary Models of Development and Underdevelopment	<b>Ch. 4</b>
<b>III</b>	<b>Issues in Economic Development - Domestic</b>		
<b>11-14</b>	<ul style="list-style-type: none"> <li>Poverty, Inequality and Development</li> </ul>	Evaluate the extent of poverty and inequality in third world countries, growth versus income distribution, benefits of economic growth, policies to reduce income inequalities and poverty, Microfinance	<b>Ch. 5</b>
<b>15-16</b>	<ul style="list-style-type: none"> <li>Population Growth and Economic Development: Causes, Consequences, and Controversies</li> </ul>	Discuss the Size and Growth, Density and Distribution of Population; causes, consequences and Controversies of Population Growth and Development; Policy Approaches	<b>Ch. 6</b>
<b>17-18</b>	<ul style="list-style-type: none"> <li>Urbanization and Rural-Urban Migration: Theory and Policy</li> </ul>	Economic Theory of Rural - Urban Migration	<b>Ch. 7</b>
<b>19-20</b>	<ul style="list-style-type: none"> <li>Human Capital: Education and Health in Economic Development</li> </ul>	Human Capital-Concept and Forms; Role in Economic Development; Gender Gaps, Educational Systems and Health Systems and Development	<b>Ch. 8</b>
<b>21</b>	<ul style="list-style-type: none"> <li>Gender and Development</li> </ul>	Gender inequality at the start of 21 <sup>st</sup> Century in special context of India; Missing Women; Women as Policy Maker; Gender Sensitive Development measures	<b>Ch. 4.D R1</b>
<b>22-23</b>	<ul style="list-style-type: none"> <li>Agriculture and Development</li> </ul>	Designing an Agricultural Strategy; Microeconomics of Rural Sector	<b>Ch. 7 R1</b>
<b>24-25</b>	<ul style="list-style-type: none"> <li>The Environment and Development</li> </ul>	Environment and Development; Economic Models of Environment; Policy Options in Developed and Developing Countries.	<b>Ch. 10</b>

Lecture No.	Learning Objective(s)	Topics to be covered	Reference (Book)
<b>IV</b>	<b>Issues in Economic Development – International &amp; Macro</b>		
<b>26-29</b>	<ul style="list-style-type: none"> <li>International Trade Theory and Economic Development</li> </ul>	Discuss key issues in International Trade and Finance; International Trade - Natural Resource Abundance; Economic Growth; Import-substitution; Infant Industry Argument; Terms of Trade and the Prebisch-Singer Thesis; Foreign Contact and Technology Transfer	<b>Ch. 12 &amp; Ch. 3.A and B R1</b>
<b>30-31</b>	<ul style="list-style-type: none"> <li>Balance of Payments, Debt, Financial Crises, and Stabilization Policies</li> </ul>	Balance of payments; Developing-Country Debt, and the Macroeconomic Stabilization Controversy	<b>Ch. 13 &amp;14</b>
<b>32-34</b>	<ul style="list-style-type: none"> <li>Foreign Finance, Investment, and Aid: Controversies and Opportunities</li> </ul>	International Flow of Financial Resources; FDI, Foreign Aid	<b>Ch. 14</b>
<b>35-36</b>	<ul style="list-style-type: none"> <li>Foreign Aid and Fiscal Policy for Development</li> </ul>	Foreign Finance, Investment and Aid: Controversies and Opportunities Fiscal Policy for Development;	<b>Ch. 15</b>
<b>V</b>	<b>Other Issues in Economic Development</b>		
<b>37-40</b>	<ul style="list-style-type: none"> <li>Development Policymaking and the Roles of Market, State, and Civil Society</li> <li>Some critical issues for the Twenty-First Century</li> </ul>	Nature and Rationale for Development Planning; The crisis in Planning; The Market Economy; Development Political economy; theories and Policy Issues; Governance and Reforms	<b>Ch.11 and 16 Class Notes</b>

#### 5. Evaluation Scheme:

EC No.	Evaluation Component	Duration	Weightage	Date & Time	Nature of Component
<b>1</b>	Mid Semester Test	90 min	30	10/10 2:00 - 3:30 PM	Closed Book
<b>2</b>	Problem Sets/ Class Participation/Quizzes	--	15	To be announced in the class	-
<b>3</b>	Take-home, exam-style essays	--	10	To be announced in the class	-
<b>4</b>	Project/ Group Presentation	-	10	To be announced in the class	-
<b>5</b>	Comprehensive Examination	180 min	35	14/12 FN	Partly Open Book

#### 6. Chamber Consultation hours: TUESDAY 4.00-5.00 pm

#### 7. Notices: Notices would be displayed on DEPARTMENT OF ECONOMICS & FINANCE Notice Board

#### 8. Make-up: Make-up may be given only on genuine grounds. Prior permission has to be obtained.

#### 9. Other Course Policy Issues:

- E-mail address for this course related information: [nvmraoied@gmail.com](mailto:nvmraoied@gmail.com).
- Students are expected to attend class and to arrive on time and prepared. You should read the sections in the textbook we are going to cover in class prior to following the lecture. Assignment/Problem Sheets and Reading Assignments will be assigned periodically. They must be worked out to understand the subject. For Reading Assignments, students are expected to consult the books, Research Articles and Reports as advised in the classroom.
- Final Project paper: you can choose any topic in economic development that you are interested in. Writing a paper on a topic will make you knowledgeable about the topic.
- For Group presentation: you will be assigned to a group (of 3 students) and a week for presentation, based on your preference. The groups will make presentations on an international economic development topic. The presentations should help the class to learn something new and useful. It should be clear, informative and steer up discussion. Ideally, it should apply the course concepts to a real-world case.
- If there are problems of any nature that concern the class of which I am unaware of and which need to be addressed, please feel free to discuss this with me at any time. The main objective is to foster an environment where people who are interested in the subject matter have the opportunity to discuss their questions in a positive learning environment.
- The instructor reserves the right to make adjustments to this syllabus. Any change will be notified at least one week in advance. But it is your responsibility to stay informed if you do not attend all the classes.**

