

M.A. Economics (Final) 2020-21
Paper VI
5106 NEW

Growth and Development Economics

Objective: This paper aims at making students to understand the theories of growth and development, social and institutional aspects of development, infrastructure-linkages, importance of domestic macroeconomic policies importance of agriculture and the rationale and pattern of industrialization in developing countries.

Unit I

Introduction

Economic Growth and Development – Concept, Factors affecting Economic Growth, Pre-requisites and obstacles of Economic Development, Measuring Development and Development Gap: Per capita income, Inequality of income, Human development index and other indices of development and quality of life. Environment and Development: Interlinkages and Sustainable Development. Importance of Institutions in Development: Government and Market. Perpetuation of Underdevelopment- Vicious Circle of Poverty, Circular Causation, Population as limit to growth and as ultimate source: Population, Poverty and Environment, Rise in International inequalities: Structural Diversity and common characteristics of Developing and Developed Nations, The inverted U-hypothesis.

Unit II

Theories of Growth and Development

Classical theory of development – contribution of Adam Smith, Ricardo, Malthus and James Mill, Karl Marx and development of capitalistic economy, Schumpeter and capitalistic development.

Growth Balanced and Unbalanced Growth- Nurkse Model, Rosenstein Rodan's Big Push Theory, Hirschman's Strategy, Lewis and Fei-Ranis Models, Theories of Dualism- Social, Technological, International and Financial. Myrdal's Theory of Circular Causation.

Unit III

Models of Growth and Development

Harrod and Domar Growth Models, Neo Classical Growth Models – Solow and Meade, Mrs. Joan Robinson's Growth Model- Golden Rule of Accumulation, Kaldor Model of Distribution.

Models of Technical Change: Neutral and Non-Neutral (Hicks and Harrod), Romer's Endogenous Growth Model. Jorgensons Model of Dual Economy. Uzawa Two Sector Model of Growth. Harris-Todaro Model of Rural-Urban Migration.

Unit IV

Domestic and International Measures for Economic Development

Capital formation and Economic Development, Role of Agriculture and Industry in Economic Development, Terms of Trade between Agriculture and Industry.

Role of Monetary and Fiscal Policy in Economic Development. Prices, Inflation and Economic Development. Foreign Trade and Economic Development. Infrastructure and its importance in Development.

Human Capital Formation – Meaning, Need and Objectives. Measures, Problems and Limitations of Human Capital Formation.

Unit V

Economic Planning

Economic Planning – Meaning, Objective and Principles. Planned Vs. Unplanned Economy. Plan Models- Meaning and Types. Control under Planning – Meaning, Need, Types and Limitations. Role of State in Economic Development.

Planning Techniques- Input-Output Analysis, Linear Programming and Capital-Output Ratio (Only Concept). Shadow Prices, Project Evaluation and Cost Benefit Analysis: Criteria and Approaches .Choice of techniques- Labour Intensive Vs. Capital Intensive Technique.

Resource mobilization for planning : Domestic resources and External resources- Foreign borrowings Vs. foreign direct investment.

Basic Reading List

1. Gupta, L. K. – Growth Theory and Strategy: New Direction, Oxford University.
2. Jhingan, M.L. – Economic of Growth and Development, Vrinda Publication, New Delhi (Hindi and English version)

3. Lekhi, R.K. (2016). The Economics of Development and Planning, Kalyani Publisher, Ludhiyana. (Hindi and English version)
4. Meier, G.M. and James E. R. (2006). Leading Issues in Economic Development, Oxford University Press, New York.
5. Puri, V.K. and S.K. Misra (2016). Economics of Development and Planning, Himalaya Publishing House, New Delhi (Hindi and English version).
6. Ray, D. (2009). Development Economics, Oxford University Press, New Delhi.
7. Sen, A. (2000) Development as Freedom, Oxford University Press.
8. Singh, S.P.(2001). Economic Growth and Planning, Himalaya Publishing House, New Delhi (Hindi and English version).
9. Taneja, M. L. and R. M. Myer (2008). Economics of Development and Planning, Vishal Publishing Company, Jalandhar. (Hindi and English version).
10. Thirwall, A.P.(1999). Growth and Development with special reference to Developing Economics, Macmillan and ELBS, London.
11. Todaro, M. P. (1996) (6th edition). Economic Development, Longman, London.