

**DEVELOPMENT ECONOMICS II**

**WINTER 2019**

**SNEHASHISH BHATTACHARYA / ANIRBAN DASGUPTA**

**Class: Tuesdays and Thursdays, 2 pm – 4 pm**

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***Course description and objectives***

This course provides an introduction to the evolution of the development discourse over time, as well as to alternative paradigms of development. The objective of the course is to introduce various critical traditions in development thought, and to emphasize the contested nature of the meaning and pursuit of development. Part I of the course will begin with classical political economy, which revolved around the problematic of growth, and then move on to the origins and evolution of development economics and the major contending paradigms in the discipline after World War II. Part II of the course will examine some of the implications of these alternative theories in terms of contending strategies to achieve inclusive and equitable growth, and will discuss some major contemporary policy issues and how different strategies for development flow from alternative theoretical frameworks. Topics to be covered include origin and evolution of the idea of economic development; economic growth in classical political economy; early theories of development and structuralist perspectives; development of underdevelopment – neo-Marxian theories; neoclassical critique; capabilities approach and human development; feminist perspectives on development; and alternative strategies to development and inclusive growth. This course complements Development Economics-I in providing a comprehensive coverage of the literature on economic development.

***Evaluation***

The final grade for the course will be based on a midterm exam and an end-term exam.

*The following is a list of topics and readings to be covered in the course. The students are required to seriously and critically engage with the readings and bring their thoughts to classroom discussions. Students will be required to make class presentations on some of the following topics and readings. Readings may be altered, added, and/or deleted depending on the progress of the course.*

**1. Introduction: Contending ideas and paradigms of development – importance of theoretical differences**

Class discussions

**2. Development: Emergence of a discipline**

Gilbert Rist, *The History of Development: From Western Origins to Global Faith*, chapters 4 and 5, pp. 69-92 (London and New York: Zed Books, 2002)

H. W. Arndt, "Economic Development: A Semantic History", *Economic Development and Cultural Change*, 29(3): 457-466 (1981)

**3. Capital accumulation and growth in classical political economy: Prequel to the emergence of the discipline**

Gerald Meier, *Biography of a Subject: An Evolution of Development Economics*, chapter 2, pp. 15-40 (Oxford and New York: Oxford university Press, 2005)

Yujiro Hayami, *Development Economics: From the Poverty to the Wealth of Nations*, chapters 3 and 5.1, pp. 52-77 and 104-111 (Oxford: Clarendon Press, 1997)

Duncan Foley, *Adam's Fallacy: A Guide to Economic Theology*, chapters 1 and 2, pp. 1-85 (Cambridge, Massachusetts and London: The Belknap Press of Harvard University Press, 2006)

Prabhat Patnaik, "Karl Marx as a Development Economist", in *The Pioneers of Development Economics: Great Economists on Development*, edited by Jomo KS, pp. 62-73 (New Delhi: Tulika Books, 2006)

**4. Capital accumulation, industrialization, transition: Early development theories and structuralist perspectives**

C. P. Chandrasekhar, "Gerschenkron and Late Industrialization", in *The Pioneers of Development Economics: Great Economists on Development*, edited by Jomo KS, pp. 181-192 (New Delhi: Tulika Books, 2006)

Gerald Meier, *Biography of a Subject: An Evolution of Development Economics*, chapter 4, pp. 53-67 (Oxford and New York: Oxford university Press, 2005)

Yujiro Hayami, *Development Economics: From the Poverty to the Wealth of Nations*, chapters 5 and 6, selected parts (Oxford: Clarendon Press, 1997)

Kari Polanyi Levitt, "Raul Prebisch and Arthur Lewis: The Two Basic Dualities of Development Economics", in *The Pioneers of Development*

*Economics: Great Economists on Development*, edited by Jomo KS, pp. 193-208 (New Delhi: Tulika Books, 2006)

Amit Bhaduri, "Structural Change and Economic Development: On the Relative Roles of Effective Demand and the Price Mechanism in a 'Dual' Economy", in *Rethinking Development Economics*, edited by Ha-Joon Chang, pp. 219-233 (London and New York: Anthem Press, 2003)

Alfredo Saad-Filho, "The Rise and Decline of Latin American Structuralism and Dependency Theory", in *The Origin of Development Economics: How Schools of Economic Thought Have Addressed Development*, edited by Jomo KS and Erik S. Reinert, pp. 128-145 (New Delhi: Tulika Books, 2005)

#### **5. Radical critiques of capitalist (under)development**

Anthony Brewer, *Marxist Theories of Imperialism: A Critical Survey*, chapters 7 and 10, pp. 158-181 and 233-257 (London and Boston: Routledge and Kegan Paul, 1982)

David F. Ruccio and Lawrence H. Simon, "Perspectives on Underdevelopment: Frank, the Modes of Production School, and Amin", in *The Political Economy of Development and Underdevelopment*, 5th edition, edited by C. K. Wilber and K. P. Jameson, pp. 119-150 (New York: McGraw-Hill, 1992)

#### **6. Neoclassical challenge to "development economics"**

Deepak Lal, "The Misconceptions of "Development Economics"", *Finance and Development*, 22(2): 10-13 (1985)

Theodore W. Schultz, "Nobel Lecture: The Economics of Being Poor", *Journal of Political Economy*, 88(4): 639-651 (1980)

#### **7. Broadening of development economics: Basic needs, capabilities and human development**

Amartya Sen, "Goods and People" in *Resources, Values and Development*, pp. 509-532 (Oxford: Basil Blackwell, 1984)

Amartya Sen, "Development: Which Way Now?", *Economic Journal*, 93 (372): 745-762 (1983)

## **8. Development Strategy, Inclusive Growth and the Role of Employment**

Keith Griffin (1999) *Alternative Strategies of Development*. Macmillan (selected chapters)

S. R. Osmani (2006) *Exploring the Employment nexus: The analytics of pro-poor growth in Islam* (ed) *Fighting Poverty: The Development-Employment Link*. Lynne Reinner

Rizwanul Islam (2006) *The nexus of Economic Growth, Employment and Poverty Reduction: An empirical analysis in Islam* (ed) *Fighting Poverty: The Development-Employment Link*. Lynne Reinner

Steven Kapsos (2007) *Employment Intensity of Growth: Trends and Macroeconomic Determinants*. ILO working paper

## **9. Sectoral Strategies for Equitable Growth: The role of Agriculture**

John Mellor (1995) *Introduction in Agriculture on the Road to Industrialisation*. Johns Hopkins University Press

Derek Byerlee et.al (2005) *Agriculture, Rural Development and Pro-poor growth*. Agriculture and Rural Development Working Paper. World Bank

Andrew Doward et. al (2004) *A Policy agenda for pro-poor Agricultural growth*. World Development

## **10. Industrialisation for Inclusive Growth: What are the Options?**

Justin Lin and Ha-Joon Chang (2009) *Debate on Industrial Policy in Development Policy Review*

United Nations Research Institute on Social Development (2010) *Combating Poverty and Inequality, Chapter 1*

Sanjay Lall (2004) *Reinventing Industrial Policy*. UN Working Paper

## **11. Pro-Poor Monetary and Fiscal Policy**

Alfredo Saad-Filho (undated) *Pro-poor Fiscal and Monetary Policies*. Reading Material for UN Department of Economic and Social Affairs

Muhammad Muqtada (2010) *The Crisis of Orthodox Macro Policy: The Case for a Renewed Commitment to Full Employment*. ILO working paper

Nora Lustig (2000) *Crisis and the Poor: Socially Responsible Macroeconomics*. Paper prepared for the Inter-American Development Bank

## **12. The Scope of International Trade for Inclusive Growth**

David Dollar and Aart Kraay (2004) Trade, Growth and Poverty. Economic Journal

Kate Higgins and Susan Prowse(2010): Trade, growth and poverty: making Aid for Trade work for inclusive growth and poverty reduction (mainly section 3). Overseas Development Institute. London

James Heinz (2006) Low-wage Manufacturing and Global Commodity Chains. Cambridge Journal of Economics

Vinaye Ancharaz(2011): Trade, Jobs and Growth in Africa. African Development Bank Working Paper

## **13. Redistribution for Equitable Growth: What are the alternatives?**

Keith Griffin (1999) Alternative Strategies of Development, Chapter 7. Macmillan

Keith Griffin, Aziz Khan and Amy Ickowitz (2002) Poverty and Distribution of Land. Journal of Agrarian Change

## **14. Social Policy and its Relationship with Inclusive Growth**

Thandika Mkandawire(2001): Social Policy in Development Context. UNRISD Programme Paper, Geneva

Thandika Mkandawire(2007):Transformative Social Policy and Innovation in Developing Countries. European Journal of Development Research

## **15. Environmental Sustainability and the idea of Green Growth**

Danielle Resnick et al (2012) Political Economy of Green Growth: Illustrations from Southern Africa. World Institute of Development Economics Research Working Paper. Helsinki

World Bank (2012) Report on Inclusive Green Growth. Chapter 1

## **16. Case Study in Inclusive Growth: East Asia**

Yilmaz Akyuz et.al (1998) New perspectives on East Asian development (page 1-17, 25-33) Journal of Development Studies

Ashwani Saith (undated) Reflections on South Asian prospects in East Asian Perspective. ILO working Paper