

PHD190023	ECONOMIC GROWTH & ECONOMIC INEQUALITY	L	T	P	C
		2	2	0	4
COURSE RATIONALE					
This course will analyze the economic challenges faced by low and middle-income countries in their quest for development and public policies meant to address those challenges.					
LEARNING OUTCOMES					
<ul style="list-style-type: none"> • Know the alternative methods to measure development, their advantages and disadvantages, and the importance of the purchasing power parity concept. • Compare and contrast leading growth theories and development perspectives. • Differentiate between alternative development strategies and identify which factors account for their success or failure in specific countries. • Know the facts about poverty and inequality in the global economy and specific regions. • Understand the interconnectedness between inequality, growth and development. 					
UNIT I: DEFINING THE DEVELOPING WORLD					
Measures of “Development”, Evolution of the idea from J M Keynes to Sen & Mahbub ul Haq, economic performance of countries over time, Global Divergence & Convergence in income per capita, Similarity & Differences among developing countries, The major changes in growth theory, Relevance of the growth theory for economic development thinking and policy; Major development perspectives in the last fifty years; The main differences in policy recommendations among alternative development perspectives, Ideologies & assumptions about how the market system and macroeconomic mechanisms work.					
UNIT II: GROWTH & DEVELOPMENT EXPERIENCES OF EAST ASIA, CHINA AND INDIA					
Policy implications from experiences of developed countries for developing countries, Analysis of China and India growth experience, Implications for other countries, Post-Colonial Society & its nuances					
UNIT III: DEVELOPMENT TRAPS AND GROWTH INTERRUPTED: ECONOMIC CRISES, CONFLICT AND FRAGILE STATE					
Identifying the sources of the poverty trap, Growth diagnostic framework & its applications, Conflicts & Poverty Trap, Importance of right macroeconomic policies for sustained growth, The “right” macroeconomic policies					
UNIT IV: POVERTY, INEQUALITY, DEVELOPMENT AND GROWTH					
The workhorse of poverty and inequality measures, Its limitations, Status of poverty and inequality in the world at present, The noticeable trends, Expected evolution of inequality in a market economy, Inequality and poverty & economic growth, Impact of poverty and inequality on growth, Agriculture in relation to development and poverty					
UNIT V: PUBLIC POLICIES & ECONOMIC INEQUALITY					

East Asian countries & economic growth with low inequality, Latin American experience with persistently high inequality, Recent declines in inequality, Inequality in China, India and South Africa, Lessons from the experience of advanced countries, Policies to address poverty and inequality, Developing countries & the administrative capacity and resources to implement such policies, Resource mobilization & Growth

Required readings

1. Ray, Debraj. 1998. Development Economics, Princeton University Press
2. Atkinson, Anthony B, Thomas Piketty and Emmanuel Saez. 2009. Top incomes in the long run of history. Oxford University Press
3. Piketty, Thomas, Capital In the Twenty-First Century. Cambridge Massachusetts: The Belknap Press of Harvard University Press, 2014
4. Dreze, Jean and Amartya Sen. 1995. India. Economic Development and Social Opportunity, Clarendon Paperbacks, Oxford University Press

Optional readings

5. Michael Todaro and Stephen Smith, Economic Development, Addison-Wesley
6. Panagariya, Arvind. 2008. India. The Emerging Giant, Oxford University Press
7. Rodrik, Dani (editor). 2003. In Search of Prosperity, Princeton University Press
8. Collier, Paul. 2007. The Bottom Billion, Oxford University Press
9. Naughton, Barry. 2007. The Chinese Economy. Transitions and Growth, MIT Press
10. Rodrik, Dani. 2007. One Economics Many Recipes, Princeton University Press