

Introduction to Indian Economy

Tentative Outline

Term: August-December 2011

Instructor: R Nagaraj

Timing: Monday and Wednesday, 1130am to 1pm

Location: Seminar 2

This course seeks to offer an analytical introduction to the main aspects of the Indian economic policy and performance in the post independence period. We examine Indian economic problems in the light of relevant economic theory (ies), and in a comparative perspective. The course is expected to enable the students to appreciate the evolution of the economy, its institutional framework, nuances in using statistical information for analysing economic policy, and to get familiar with the issues for research.

Topics: (number of lectures in brackets)

1. Indian economic growth, distribution and structural change: Comparative historical perspective (3)
2. Planning for economic development: Changing contours of state and market in India (2)
3. Poverty and inequality: Trends and policies (2)
4. Land, labour, agriculture and agrarian relations (2)
5. Industry, public sector and technology (2)
6. Trade, investment and foreign aid (2)
7. Finance and development (3)
8. Monetary policy, and the transmission mechanism (2)
9. India's Public finance (3)
10. Health and education (2)
11. Evolution of economic reforms: (4)

Mode of evaluation: to be finalized after discussing in the class.

- 25% assignment
- 25% Mid-term test
- 50% final examination.

Topic-wise reading material:

1. Indian economic growth, distribution and structural change: Comparative historical perspective (3)

T J Byres (1998) (edited): *The Indian Economy: Major Debates since Independence*, OUP, Delhi.

R Nagaraj: "Indian Economy Since 1980: Virtuous Growth or Polarisation?", EPW, 2000.

S R Osmani (1996): *Is Income Equality Good for Growth?* in Abu Abdullah and Azizur Rehman Khan edited *State, Market and Development*, Delhi, Oxford University Press.

2. Planning for economic development: Changing contours of state and market in India (2)

P C Mahalanobis (1955): "The Approach of Operational Research to Planning in India, *Sankhya*, December.

Bhagwati, Jagdish and Padma Desai: *India: Planning for Industrialisation*, OECD,

Sukhamoy Chakravarty (1987): *Development Planning: The Indian Experience*, Clarendon Press

3. Poverty and inequality: Trends and policies - (2)

Michael Lipton and Martin Ravallion (1987): "Poverty and Policy", *HBDE* Vol. 3B

A Vaidyanathan (2000): *Poverty and Development Policy*, Kale Memorial Lecture, 2000.

Dreze and Deaton (2009): "Food and Nutrition in India: Facts and Interpretations", *Economic and Political Weekly*, Vol. 44, No. 2, February 14.

4. Land, labour and agrarian relations (2)

A Vaidyanathan (2010): *Agricultural growth in India: Role of technology, incentives and institutions*, New Delhi: Oxford University Press.

G S Bhalla (2007): *Indian Agriculture since Independence*, New Delhi: National Book Trust.

A Vaidyanathan (1994): "Performance of Indian Agriculture since Independence", in Kaushik Basu edited, *Agrarian Questions*, OUP.

Keith Griffith et al (2002): "Poverty and the Distribution of Land", in V K Ramachandran and Madhura Swaminathan edited, *Agrarian Studies*, Tulika.

5. Industry, public sector and technology (2)

R Nagaraj: "Industrial Performance, 1991-08, A Review", *India Development Report*, Oxford University Press, 2011.

K L Krishna (2002): "Industrial Growth and Diversification", in Uma Kapila Edited, *Indian Economy since Independence*, Academic Foundation, Delhi.

R Nagaraj (2003): "Industrial Policy and Performance: Which Way Now?" *EPW*, Vol. 38, No. 35, August 30.

_____ (2006): Public Sector Performance since 1950: A Fresh Look, *Economic and Political Weekly*, Vol. 41, No. 25, June 24-29, 2006.

Deepak Nayyar (1994) (edited) *Industrial Growth and Stagnation: The Debate in India*, OUP

6. Trade, investment and aid (external sector) (2)

World bank (1987): *World Development Report 1987*

Manmohan Agarwal, "Trade and Development: A Review of Issues", in Dipak Banerjee edited, *Economic Analysis and Policy*, OUP, 1991.

Garry Pursel, Nalin Kishore and Kanupriya Gupta, (2008): "Manufacturing Protection in India Since Independence", in R Jha edited *The Indian Economy Sixty Years after Independence*, Palgrave Macmillan

R Nagaraj (2003): Foreign Direct Investment in India: Trends and Issues", *EPW*, Vol. 38, No. 17, April 26.

V N Balasubramanyam (2008): "Foreign Direct Investment", in Amitava Krishna Dutta and Jaime Ros edited, *International Handbook of Development Economics*, Vol. 2, Edward Elger.

7. Finance and development (3)

World bank (1989): *World Development Report 1989*

RBI (1985): *Report of the Committee to Review the Working of the Monetary System* (Chairman: Sukhamoy Chakravarty); chapters 1-5.

Narasimham Committee report on financial sector reforms

Rakesh Mohan (2005): "Financial Sector Reforms in India: Policies and Performance Analysis", *Economic and Political Weekly*, March 19.

8. Monetary Policy in India (2)

9. Public finance in Indian economy (3)

10. Social Development (2)

Monica Das Gupta (2007): "What is Public health and Why Invest in it", in Kaushik Basu edited *Oxford Companion to Economics in India*.

Dreze, Jean and Sen, Amartya (1995): *India: Economic Development and Social Opportunity*, Oxford University Press.

P S Vijay Shankar and Mihir Shah (forthcoming, 2011): " Rethinking Reforms: A New Vision for the Social Sector in India, in R Nagaraj edited *Is Inclusive Growth Possible in India?*, London, Palgrave Macmillan.

Amartya Sen (2011): "Quality of Life: India vs. China", *New York Review of Books*, May, 12, 2011.

11. Evolution of economic reforms: (4)

Pulapre Balakrishnan (edited) (2011): *Economic reforms and growth in India: Essays from Economic and Political Weekly*, Hyderabad: Orient Blackswan.

Vittorio Corbo and Stanley Fischer (1995): "Structural Adjustment, stabilisation and Policy Reform" *HBDE*, Vol. 3B.

John Williamson: "Washington Consensus Revisited", in Louis Emmerij (Ed), *Economic and Social Development into the 21st Century*, Inter-American Development Bank, Washington D C.

Amit Bhaduri and Deepak Nayyar (1994): *The Intelligent Persons Guide to Liberalisation*, Penguin India.

Pranab Bardhan (1990): Symposium on the State and Economic Development, *Journal of Economic Perspective*, Vol. 4, and No. 3.

_____ (2005): "Nature of Opposition to Economic Reforms in India", *Economic and Political Weekly*, Vol. 40, No. 48, November 26–December 2, 2005.

J Mohan Rao and Amitava Dutt (2005): "A Decade of Reforms: The Decade of the 1990s", in Lance Taylor edited, *External Liberalisation in India, Post-Socialist Europe and Brazil*, Oxford University Press, New York.

Arvind Panagariya (2004): *India in the 1980s, and the 1990s: Triumph of Reforms*, IMF working paper, WP/04/43, Washington D C.

Montek Ahluwalia (2002): "Economic Reforms Since 1991: Has Gradualism Worked?" *Journal of Economic Perspective*, Vol. 16, No. 3, Summer.

Pranab Bardhan (2005): "Nature of Opposition to Economic Reforms in India, *Economic and Political Weekly*, November 26.

References:

1. P C Mahalanobis (1955): "The Approach of Operational Research to Planning in India, *Sankhya*, December.
2. Bhagwati, Jagdish and Padma Desai: *India: Planning for Industrialisation*, OECD,
3. Sukhamoy Chakravarty (1987): *Development Planning; The Indian Experience*, Clarendon Press
4. Pranab Bardhan (1984): *The Political Economy of Development in India*, OUP, Delhi.
5. Jagdish Bhagwati (1991): *India in Transition: Freeing the Economy*, Clarendon, Delhi.
6. T J Byres (1998) (edited): *The Indian Economy: Major Debates since Independence*, OUP, Delhi.
7. P Patnaik (1995) (edited): *Macroeconomics*, OUP, Delhi.
8. Deepak Nayyar (1994)(edited) *Industrial Growth and Stagnation: The Debate in India*, OUP
9. Pranab Bardhan (1990): Symposium on the State and Economic Development, *Journal of Economic Perspective*, Vol. 4, and No. 3.
10. Amit Bhaduri and Deepak Nayyar (1994): *The Intelligent Persons Guide to Liberalisation*, Penguin India.
11. R Nagaraj (2006): *Aspects of India's Economic Growth and Reforms*, Academic Foundation, Delhi.
12. Arvind Panagariya (2008): *India: The Emerging Giant*, Oxford University Press.
13. Pulapre Balakrishnan (2010): *Economic growth in India: History and prospect*, New Delhi: Oxford University Press.
14. Amit Bhaduri (2005): *Development with Dignity*, New Delhi, National Book Trust.