

Introduction to Indian Economy

Course Outline

Term: August-December 2015

Instructor: R Nagaraj

Timing: Monday and Wednesday, 11.30 am-1 pm

Location: Seminar 2

This course seeks to offer an analytical introduction to the main aspects of economic policy and performance in post independent India. We examine 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)

Introduction: Discuss the course content, evaluation procedure, and refresh some basic concepts. (1)

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. Manufacturing industry, public sector and technology (2)
6. Trade, investment and foreign aid (2)
7. Monetary Policy, Finance and development (5)
8. India's Public finance (3)
9. Social Development (2)
10. Evolution of economic reforms: (4): Labour market reforms, Privatisation, Capital account convertibility, and FDI.

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)

R Nagaraj (2013): "India's Economic Development", in Atul Kohli and Perna Singh edited, *Routledge Handbook of Indian Politics*, Routledge.

J. Bradford De Long (2001): *India Since Independence: An Analytic Growth Narrative*,

S R Osmani (1996): *Is Income Equality Good for Growth?*, 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 (2)

Montek S Ahluwalia (2012): "Planning", in Kaushik Basu and Annemie Maertens edited, *The New Oxford Companion to Economics in India*, Oxford University Press.

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.

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

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

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

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.

7. Monetary Policy, Finance and development (3)

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.

Partha Ray (2013): *Monetary Policy*, Oxford India Short Introduction.

8. Public finance in Indian economy (3)

D K Srivastava (2005): *Issues in Indian Public Finance* New Century Publications, Delhi.

9. 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*.

R Nagaraj (edited) (2012): *Growth, Inequality and Social Development in India: Is Inclusive Growth Possible?*, London, Palgrave Macmillan.

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

10. 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.

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

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

References:

1. Sukhamoy Chakravarty (1987): *Development Planning; The Indian Experience*, Clarendon Press
2. Pranab Bardhan (1998): *The Political Economy of Development in India*, (2nd edition), OUP, Delhi.
3. Jagdish Bhagwati (1991): *India in Transition: Freeing the Economy*, Clarendon, Delhi.
4. T J Byres (1998) (edited): *The Indian Economy: Major Debates since Independence*, OUP, Delhi.
5. Pranab Bardhan (1990): Symposium on the State and Economic Development, *Journal of Economic Perspective*, Vol. 4, and No. 3.
6. Amit Bhaduri and Deepak Nayyar (1994): *The Intelligent Persons Guide to Liberalisation*, Penguin India.
7. Arvind Panagariya (2008): *India: The Emerging Giant*, Oxford University Press.
8. Amit Bhaduri (2005): *Development with Dignity*, New Delhi, National Book Trust.
9. Jean Drèze and Amartya Sen (2013), *Uncertain Glory: India and Its Contradictions* by, Princeton University Press.
10. Arvind Panagariya (2008): *India: Emerging Giant*, OUP, Delhi.
11. Jagdish Bhagwati and Arvind Panagariya, *Why Growth Matters: How Economic Growth in India Reduced Poverty and the Lessons for Other Developing Countries*, Public Affairs.
12. Pulapre Balakrishnan (edited) (2011): *Economic reforms and growth in India: Essays from Economic and Political Weekly*, Hyderabad: Orient Blackswan, Hyderabad.
13. _____ (edited) (2014): *Economic Growth and its Distribution: Essays from Economic and Political Weekly*, Orient Blackswan, Hyderabad.
14. Uma Kapila (edited) (2014): *Indian Economy since Independence*, 25th edition, Academic Foundation, Delhi.
15. R Nagaraj (ed) (2012): *Growth, Inequality and Social Development in India: Is Inclusive Growth Possible?*, London, Palgrave Macmillan.
16. Partha Ray (2013): *Monetary Policy*, Oxford India Short Introductions, OUP, New Delhi.
17. T J Byres (1998) (edited): *The Indian Economy: Major Debates since Independence*, OUP, Delhi.
18. Amit Bhaduri (2009): *The Face you were afraid to see*, Penguin New Delhi.
19. Aseem Srivastava and Ashish Kothari (2012) *Churning the Earth*, Penguin, New Delhi.