

South Asian University
Faculty of Economics
Monsoon Semester 2019
South Asian Economic Development
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Course Description

This course will deal with a selection of topics that are relevant to an understanding of South Asian economy and its development experience and prospects. For each topic, we will first discuss the component of economic theory that has guided research in that particular area and then concretize it in the South Asian context either with country-specific studies or with South Asian economic data. The following is a tentative list of topics and readings; not all the readings will be covered in class.

Evaluation

Grading will be based on a midterm and a final examination with equal weights.

1. Introduction to South Asian Economic Development

- Sugata Bose and Ayesha Jalal (1998), *Modern South Asia: History, Culture, Political Economy*, Routledge.
- Gilbert Rist, “The Invention of Development” (chapter 4) and “The International Doctrine and Institutions Take Root” (chapter 5), in *The History of Development: From Western Origins to Global Faith*, pp. 69-92 (London and New York: Zed Books, 2002)
- Arturo Escobar (1995), *Encountering Development: The Making and Unmaking of the Third World*, pp. 39-54 (Princeton: Princeton University Press)
- Abhijit Banerjee and Laxmi Iyer (2005), “History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India”, *American Economic Review*, 95: 4, 1190-1213

2. An Economic Profile of South Asia

- Introduction to some stylized facts and economic trends in South Asia based on various sources.

3. Growth, Composition of Growth, Industry-versus-Services-led Growth, Poverty and Inequality in South Asia

- Human Development in South Asia (2006), *Poverty in South Asia: Challenges and Responses* (Chapters 1, 2, and 4 for the general story, and chapters 5-8 for specific country studies).
- Nanak Kakwani and Ernesto Pernia (2000), “What is Pro-Poor Growth?”, *Asian Development Review*, volume 18, number 1.
- Ravallion, M., & Datt, G. (1996). “How important to India’s poor is the sectoral composition of economic growth?” *World Bank Economic Review*, volume 10, number 1, 1–25.
- Arup Mitra & Juan Pedro Schmid (2008) Growth and poverty in India: emerging dimensions of the tertiary sector, “*The Service Industries Journal*”, Volume 28, number 8, 1055-1076

4. Agriculture and Poverty in South Asia

- United Nations Economic and Social Commission for Asia and the Pacific [UNESCAP] (2003), *Rural Development and Poverty in South Asia*, Development Papers No. 23, New York: United Nations.
- Ramesh Chand (2010), “SAARC Agricultural Vision 2020”, *Agricultural Economics Research Review*, vol. 23, pp. 197-208.

5. Growth, Determinants of Growth, Distress, and Public Employment and the Rural Economy in South Asia

- Christopher B. Barrett (1998), “Immiserized Growth in Liberalized Agriculture”, *World Development*, vol. 26, no. 5, pp. 743-753.

Barro, Robert J.(1996), Determinants of Economic Growth: A Cross-Country Empirical Study, NBER Working Paper 5698, available at <http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan027110.pdf>

- Vamsi Vakulabharanam (2005), “Growth and Distress in a South Indian Peasant Economy During the Era of Economic Liberalization”, *Journal of Development Studies*, vol. 41, no. 6, pp. 971-997.
- Martin Ravallion (1991), “Reaching the Rural Poor through Public Employment: Arguments, Evidences, and Lessons from South Asia”, *The World Bank Research Observer*, vol. 6, no. 2, pp. 153-175.
- Raghendra Jha et. al. (2009), ”Capture” of Anti-poverty Programs: An Analysis of the National Rural Employment Guarantee Program in India”, *Journal of Asian Economics*, vol. 20, pp. 456-464.

6. Informal Economy and the Labor Market in South Asia

- Gustav Ranis and Frances Stewart (1993), “Rural Nonagricultural Activities in Development: Theory and Application”, *Journal of Development Economics*, vol. 40, pp. 75-101.
- Gustav Ranis and Frances Stewart (1999), “V-Goods and the Role of the Urban Informal Sector in Development”, *Economic Development and Cultural Change*, vol. 47, no. 2, pp. 259-288.
- Tamar Diana Wilson (1998), “Introduction: The Urban Informal Sector”, *Latin American Perspectives*, vol. 25, number 2, pp. 3-17.
- Human Development in South Asia (2003), *The Employment Challenge*, Oxford University Press [chapters 1 – 3].
- Martha Chen and Donna Doane (2008), *Informality in South Asia: A Review*, WIEGO [pp. 1 – 37].

7. Trade, Human Development, and Regional Cooperation in South Asia

- Human Development in South Asia (2009), *Trade and Human Development in South Asia*, Oxford University Press [chapter 2-5]

- A. Ganesh Kumar and Gordhan K. Saini (2009), “Economic Cooperation in South Asia: The Dilemma of SAFTA and Beyond”, *Journal of South Asian Development*, vol. 4, number 2, pp. 253-281.

8. State, Market and Communities in the South Asian Context: Sources of market failure—examples from rural economy, government failure and rent seeking, social capital and development, community failure and exclusion

- Krueger, Anne O.1990. “Government-failures in Development”, *The Journal of Economic Perspectives*, 4(3): 9-23
- Tollison, Robert. 1982. “Rent Seeking: A Survey”, *Kyklos*, 35(4): 575-602.
- Agarwal, Bina. 2001. “Participatory Exclusions, Community Forestry, and Gender: An Analysis for South Asia and a Conceptual Framework”, *World Development*, 29 (10): 1623-1648
- Bardhan, Pranab and C. Udry. 1999. *Development Microeconomics*. Oxford University Press. Ch.8
- Stiglitz, Joseph E. 1989. “Markets, Market Failures, and Development”, *The American Economic Review*, 79(2), Papers and Proceedings of the Hundred and First Annual Meeting of the American Economic Association: 197-203
- Marcel Fafchamps. 2006. “Development and social capital”, *Journal of Development Studies*, 42(7): 1180-1198.

9. Corruption and Development in South Asia: corruption and efficiency, patronclient networks in Asia, decentralization and corruption

- Aidt, Toke S.2003. “Economic Analysis of Corruption: A Survey”. *The Economic Journal*, 113 (November), F632–F652.
- Bardhan, Pranab. 1997. “Corruption and Development: A Review of Issues” *Journal of Economic Literature* Vol. XXXV (September 1997), 35(3): 1320-1346
- Khan, Mushtaq. H.1998. “Patron-Client Networks and the Economic Effects of Corruption in Asia”, *European Journal of Development Research*, 10(1): 15-39

- Bardhan, Pranab and Dilip Mookherjee, 2006. “Decentralization, corruption and government accountability” in Rose-Ackerman, Susan (ed.) *International Handbook on the Economics of Corruption*. Edward Elgar. USA and UK.
- Véron, René, Glyn Williams, Stuart Corbridge and Manoj Srivastava. 2006. “Decentralized Corruption or Corrupt Decentralization? Community Monitoring of Poverty-Alleviation Schemes in Eastern India”, *World Development*, 34(11): 1922- 1941.

10. Conflict and Development: Greed and Grievance as determinant of conflict, resource rents and conflict, inequality and conflict

- Collier, Paul and Anke Hoeffler. 2005. “Resource Rents, Governance, and Conflict”, *The Journal of Conflict Resolution*, 49(4): 625-633
- Humphreys, Macartan. 2005. “Natural Resources, Conflict, and Conflict Resolution: Uncovering the Mechanisms”, *The Journal of Conflict Resolution*, 49(4): 508-537
- Collier, P. And Anke Hoeffler. 2004. “Greed and grievance in civil war”, *Oxford Economic Papers*. 56(4): 563-595
- Hirshleifer, J. 1994. “The Dark Side of the Force”, *Economic Inquiry*, 32(1): 1-10. • Macours, Karen.2011. “Increasing Inequality and Civil Conflict in Nepal”, *Oxford Economic Papers*. 63 (1): 1-26.
- Murshed, S. Mansoob and Scott Gates, “Spatial–Horizontal Inequality and the Maoist Insurgency in Nepal”, *Review of Development Economics*, 9(1): 121–134
- Iyer, L.2011. “Managing Conflict” in Ghani, E. (ed) *Reshaping Tomorrow: Is South Asia ready for the big leap?* Oxford University Press. India.

11. Natural resources and South Asia: Economics of common property resources, climate change and food security, land acquisition

- Dasgupta, Partha. 2008. “Common Property Resources: Economic Analytics” in Ghate, Rucha, N.S. Jodha and P. Mukhopadhyay(ed.) *Promise, Trust, and Evolution: Managing the Commons of South Asia*. Oxford University Press.
- Human Development in South Asia 2010/2011 – *Food Security in South Asia*. Oxford University Press. Chapter 6

- Agrawal, Arun. 2010. “Local Institutions and Adaptation to Climate Change” in Mearns, Robin and Andrew Norton,(ed) *Social Dimensions of Climate Change: Equity and Vulnerability in a Warming World*. World Bank.
- Ghatak, Maitreesh, S. Mitra, D. Mukherjee and A.Nath, 2012. “Land Acquisition and Compensation in Singur: What Really Happened?” Available at <http://econ.lse.ac.uk/staff/mghatak/singur.pdf> (last accessed 6/7/2012)
- Ghatak, M. and Dilip Mookherjee (2011): “Land Acquisition for industrialisation and Compensation of Displaced Farmers”, WIDER Working Paper Vol 201, 1-35.

12. Case Studies in South Asia: The Kerala Experience in India, Microfinance in Bangladesh, Migration, Poverty and Inequality in Nepal, opium economy in Afghanistan

- Lokshin, Michael, M. Bontch-Osmolovski and E. Glinskaya. 2010. “Work-Related Migration and Poverty Reduction in Nepal”, *Review of Development Economics*, 14(2): 323-332
- Veron, R . 2001.“The "New" Kerala Model: Lessons for Sustainable Development”, *World Development*, 29(4):601-617
- Kabeer, N. 2005. “Microfinance a ‘Magic Bullet’ for Women's Empowerment? Analysis of Findings from South Asia”, *Economic and Political Weekly*, 40(44/45): 4709-4718.
- Khandker, S. R. 2005. “Microfinance and Poverty: Evidence Using Panel Data from Bangladesh”, *World Bank Economic Review*, 19(2): 263-286
- Goodhand, J. 2005. “Frontiers and Wars: the Opium Economy in Afghanistan”, *Journal of Agrarian Change*, 5(2): 191-216