

SOUTH ASIAN UNIVERSITY

DEVELOPMENT ECONOMICS I

Monsoon Semester 2026

Manasi Bera

Email: manasi@sau.int

Office hours: Tuesday and Friday, 4 pm – 5 pm

Course description and objectives

Evaluation

The final grade for the course will be based on a midterm and an end-term exam (each exam will represent 40 percent of the total grade), and student assignments and presentations (20 percent of the total grade).

The following is a list of topics and readings to be covered in the course. 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

- Evolution of Development Economics as a branch of study since 1950s
- Overview of the World Economy: Indicators of development, international comparisons of countries

Readings

- Thorbecke, E. (2019). The history and evolution of the development doctrine, 1950–2017. In M. Nissanke & J. A. Ocampo (Eds.), *The Palgrave Handbook of Development Economics: Critical Reflections on Globalisation and Development* (pp. 61–108). Palgrave Macmillan.
- Pritchett, Lant. 1997. “Divergence, Big Time”, *Journal of Economic Perspectives*, 11(3):3-17
- Kenny, Charles. 2005. “Why Are We Worried About Income? Nearly Everything that Matters is Converging”, *World Development*, 33(1):1-19

Additional

- Johnson, P., & Papageorgiou, C. (2020). What remains of cross-country convergence? *Journal of Economic Literature*, 58(1), 129–175.
- Jansen, A., Wang, R., Behrens, P., & Hoekstra, R. (2024). Beyond GDP: A Review and Conceptual Framework for Measuring Sustainable and Inclusive Wellbeing. *The Lancet Planetary Health*, 8(9): e695-e705

2. Growth, Inequality, and Poverty: Definitions, Measurements and Interrelationships

- *Inequality measurement issues*
- *Understanding economic lives of poor and poverty measurement issues*
- Inequality and Poverty in relation to Growth

Readings

- Ray, Debraj (1997) *Development Economics*. Oxford University Press. Chapters 6, 7, 8 (relevant pages)
- Kanbur, Ravi (2004). "Growth, inequality and poverty: Some hard questions." *Cornell University Working paper 2004-02*
- Bourguignon, F. (2004). *The Poverty–Growth–Inequality Triangle*.
- Fosu, Augustin (2011). "Growth, inequality, and poverty reduction in developing countries: recent global evidence." *Brooks World Poverty Institute Working Paper* 147

Additional

- Blackwood, D. L., and R. G. Lynch (1994) "The measurement of inequality and poverty: A policy maker's guide to the literature." *World Development* 22.4: 567-578.
- Banerjee, A. V., Bénabou, R., & Mookherjee, D. (Eds.). (2006). *Understanding poverty*. Oxford University Press, Chapter 1, 24, 28

3. Dualism, surplus labor, and industrialization

Readings

- Lewis, W. A. 1954. "Economic Development with Unlimited Supplies of Labour" *Manchester School*, 28.
- Bardhan, Pranab and C. Udry. 1999. *Development Microeconomics*. Oxford University Press. Ch.15
- Ranis, Gustav and Frances Stewart. 1999. "V-Goods and the role of the Urban Informal Sector in development", *Economic Development and Cultural Change*, 47(2): 259-288.
- Rodrik, D. (2016). *Premature deindustrialization*. *Journal of Economic Growth*, 21(1), 1–33

Additional

- Autor, D. H. (2015). Why are there still so many jobs? The history and future of workplace automation. *Journal of Economic Perspectives*, 29(3), 3–30

4. Population dynamics, fertility and economic development

Readings

- Schultz, T. P. (2006). Fertility and income. In A. V. Banerjee, R. Bénabou, & D. Mookherjee (Eds.), *Understanding poverty* (pp. 125–145). Oxford University Press.
- Eswaran, M. (2014). Chapter Eight. *Why are women the causes and the victims of fertility decline?* In *Why gender matters in economics* (pp. 248–274). Princeton University Press.

Additional

- Bloom, D. E., Canning, D., & Sevilla, J. (2003). *The demographic dividend: A new perspective on the economic consequences of population change*. RAND Corporation.

5. Role of institutions in economic performance: 4.1 Geography, History, Expectations, Market, Society, and Community

Readings

- Acemoglu, Daron, Simon Johnson and James A. Robinson. 2005. "Institutions as a Fundamental Cause of Long-Run Growth" in Philippe Aghion and Steven Durlauf (edited) *Handbook of Economic Growth. Vol 1A*. Elsevier.
- Nunn, Nathan. 2009. "The Importance of History for Economic Development". *Annual. Review of Economics*. 1: 65-92.
- Banerjee, Abhijit and Lakshmi Iyer. 2005. "History, Institutions, and Economic Performance: The Legacy of Colonial land Tenure Systems in India", *The American Economic Review*, 95(4): 1190-1213
- Hayami, Y., & Godo, Y. (2005). *Development economics: From the poverty to the wealth of nations* (3rd ed.). Oxford University Press, (selected chapters)

Additional

- David, Paul A. 1985. "Clio and the Economics of QWERTY". *American Economic Review*, 75(2): 332-337
- Krugman, Paul. 1991. "History versus Expectations." *Quarterly Journal of Economics* 106 (May): 651-67.
- K.L Sokoloff and S.L.Engerman, S.L., 2000. "Institutions, factor endowments, and paths of development in the new world", *Journal of Economic Perspectives* 14: 217-232.
- Ray, Debraj (1997) *Development Economics*. Oxford University Press. Chapter 5
- Bardhan, Pranab and C. Udry. 1999. *Development Microeconomics*. Oxford University Press. Ch.16

6. Environment and development—growth-environment linkage, property rights and natural resource, Tragedy of The Commons

- Dinda, Soumyananda.2004. "Environmental Kuznets Curve Hypothesis: A Survey", *Ecological Economics* 49: 431-455
- Bardhan, Pranab and C. Udry. 1999. *Development Microeconomics*. Oxford University Press.Ch. 13
- Weitzman, Martin L. 1974. "Free Access vs Private Ownership as Alternative Systems for Managing Common Property", *Journal of Economic Theory*, 8: 225-234
- The place of nature in economic development-- Partha Dasgupta

Additional

- Arrow, Kenneth, Partha Dasgupta, Lawrence Goulder, Gretchen Daily, Paul Ehrlich, Geoffrey Heal, Simon Levin, Karl-Göran Mäler, Stephen Schneider, David Starrett and Brian Walker. 2004. "Are We Consuming Too Much?" *The Journal of Economic Perspectives*, 18(3): 147-172

7. Evaluation of development policies

- Rodrik, D., & Rosenzweig, M. R. (2010). Preface: Development policy and development economics: An introduction. In D. Rodrik & M. R. Rosenzweig (Eds.), *Handbook of Development Economics*
- Duflo, E., Glennerster, R., & Kremer, M. (2008). Using randomization in development economics research: A toolkit. In T. P. Schultz & J. A. Strauss (Eds.), *Handbook of Development Economics*
- Ravallion, M. (2009). Evaluation in the practice of development. *The World Bank Research Observer*, 24(1), 29–53