



DEPARTMENT OF ECONOMICS AND POLITICS
VIDYA BHAVANA,
VISVA-BHARATI
MA (ECONOMICS) SYLLABUS

(As adopted in the BOS meeting held on 6th March, 2017 and subsequently at the Institute Board and Academic Council and effective from the academic year 2017-18)

- The MA (Economics) consists of 1000 marks or 100 credits
- Semester I and II each consist of **5 compulsory papers** each worth **50marks** (40 marks in final + 10 in internal assessments) and **5credits** (4 classes of 1 hour each and 1 tutorial of 1 hour per week). The Compulsory papers are listed in **Table 1** below.
- Semester III and IV each consist of **4 optional papers** each worth **50marks** (40 marks in final + 10 in internal assessment) and **5credits** (4 classes of 1 hour each and 1 tutorial of 1 hour per week). The optional papers of Semester III are listed in Group A and of Semester IV in Group B in Table 2 below.
- Not all optional papers may be offered in each semester. Also new optional papers may be added.
- Additionally in Semester III the student will choose a topic for **Guided Study**. On this topic the student will do a **Literature Survey** which will be examined by the assigned guide and an external from the department or a group of teachers would examine the presentation of the candidate and make joint evaluation. This will be worth **50 marks (30 marks for internal Examiner and 20 marks for presentation)**. In Semester IV the student will write a **Dissertation** on her/his topic which will again be examined by the assigned guide and an external from the department or a group of teachers would examine the presentation of the candidate and make joint evaluation. This will be worth **50 marks (30 marks for internal Examiner and 20 marks for presentation)**.

Structure (Modified) of the MA (Economics) Syllabus

| Semester I July-Dec | Marks | Credits | Semester II Jan-May | Marks | Credits |
|--|-------|---------|--|-------|---------|
| C1. Micro Economics-1 | 50 | 5 | C 6 Micro Economics-II | 50 | 5 |
| C2. Macro Economics-1 | 50 | 5 | C7 Macro Economics-II | 50 | 5 |
| C3. Econometrics | 50 | 5 | C8 <i>Development Economics</i> | 50 | 5 |
| C4. <i>Quantitative Economic Analysis (QEA)</i> | 50 | 5 | C9. Computer Application | 50 | 5 |
| C5 Economic Thought | 50 | 5 | C10 Indian Economics | 50 | 5 |
| | 250 | 25 | | 250 | 25 |
| Semester III July-Dec (4 optional papers from Gr-A) | Marks | Credits | Semester IV Jan-May (4 optional papers from Gr-B) | Marks | Credits |
| C-11: Guided Study: Literature Survey | 50 | 5 | C-12: Dissertation | 50 | 5 |
| OP-I | 50 | 5 | OP-V | 50 | 5 |
| OP-II | 50 | 5 | OP-VI | 50 | 5 |
| OP-III | 50 | 5 | OP-VII | 50 | 5 |
| OP-IV | 50 | 5 | OP-VIII | 50 | 5 |
| | 250 | 25 | | 250 | 25 |

OPTIONAL PAPERS

| Paper No | Group A (Sem III) | Paper No | Group B (Sem IV) |
|----------|--|----------|--|
| OP1 | Industrial Organization | OP10 | <i>Games & Information</i> |
| OP2 | Agricultural Economics | OP11 | International Trade Policy |
| OP3 | Trade Theory | OP12 | Environment and Resource Economics |
| OP4 | Public Economics & Policy | OP13 | 38 |
| OP5 | Advanced Econometrics-I | OP14 | Advanced Econometrics-II |
| OP6 | Political Economy of Development | OP15 | Health Economics |
| OP7 | General Equilibrium Theory | OP16 | Modern Growth Theory |
| OP8 | Urban Planning and Urban Governance in Developing Countries | OP17 | Economics of Corruption |
| OP9 | Labour Economics | OP 18 | Macroeconomics of Developing Countries |

COMPULSORY PAPERS

M.A:SEMESTER-I

On successful completion of this course students will be able to:

1. Understand the latest developments in microeconomic theory
2. Understand the economic modelling of human decisions under uncertainty
3. Analyze and evaluate the design of incentive mechanisms

C-1. Microeconomics I (50 marks)

Course Objectives

This course deals with more recent advances in microeconomic theory and the skills developed in this course will help students to apply the theoretical knowledge in research. Topics to be covered include the following: consumer choice, demand, and their applications in the recent literature, as well as uncertainty, cooperative and non-cooperative game theory, networks, fair allocation and their applications, models of oligopoly, adverse selection, signalling games, principal agent problems and general equilibrium theory.

Learning Outcomes

On successful completion of this course students will be able to:

1. Understand the latest developments in microeconomic theory
2. Understand the economic modelling of human decisions under uncertainty
3. Analyse and evaluate the design of incentive mechanisms
4. Understand the modelling of one-sided markets such as auction markets

UNIT 1

1. Theory of Consumer Behaviour.

- 1.1 Preference Relation and their Properties, Existence and Properties of the Utility Functions, Utility Maximization, Demand Functions and their Properties.
- 1.2 Indirect Utility Functions and Roy's Identity.
- 1.3 Expenditure Minimization, Hicksian Demand and Duality.
- 1.4 Income Effect, Substitution Effect and Slutsky Equation.
- 1.5 The Theory of Revealed Preference.
- 1.6 Consumer's Surplus and Analysis of Consumers' Welfare EQ Var & Comp Var

2. Theory of the Firm

- 2.1 Production Sets, Input Requirement Sets and Production Functions, Returns to Scale and Homogeneity.
- 2.3 Cost Minimization and Properties of Cost Functions, Input Demand Functions and Shephard's Lemma.
- 2.4 Duality between Cost and Production Functions, Short run and Long run Cost Functions.

3. Partial Equilibrium in a Competitive Market.

- 3.1 Profit Maximization and Profit Functions, Input Demand Functions and Hotelling's Lemma.
- 3.2 Short Run Profit Maximization: Break-even and Shut-down points, Short Run Market

Equilibrium and the Supply Function.

3.3 Long Run Supply, Market Equilibrium under Perfect Competition: Short and Long Runs.

3.4 Stability of Equilibrium, Comparative Static: Exogenous Changes and Impact of Policy.

3.5 Welfare in a Perfectly Competitive Market

UNIT 2

4. Monopoly and Monopolistic Competition

4.1 Review of Simple Monopoly Theory

4.2 Price Discrimination: First and Third Degree

4.3 Second Degree Price Discrimination: Two Part Tariff and Non Linear Pricing

4.4 Durable Goods Monopoly. 4.5 Monopoly and Product Selection

4.6 Monopolistic Competition and Optimum Product Diversity. 4.7 Natural Monopoly

5. Economics of Uncertainty

5.1 Uncertainty in Economics

5.2 Lotteries and Probability Distributions. 5.3 Von Neumann Expected Utility Theorem

5.4. Risk, Risk Aversion and the Arrow Pratt Measure. 5.5 Applications: Insurance, Risk sharing and portfolio Choice

5.6 First and Second Order Stochastic Dominance

References:

1. Hal Varian: *Microeconomics Analysis*, Viva Books, Indian Edition.

2. Mascollel, Whinston and Green: *Microeconomic Theory*, Publisher: OUP (Indian Edition).

3. Kreps: *Microeconomic Theory*, Princeton University Press.

4. A. Mukherjee: *An Introduction to General Equilibrium Theory*, OUP (Indian Edition)

C-2. Macroeconomics–I

Course Objective and Learning Outcome

This is a rigorous course to address Macroeconomics from an alternative perspective. The course is centered on a critique of Microfoundation of Macroeconomics and puts forward the demand side Macroeconomics as opposed to the supply side one. The ideas of Keynes and Kalecki were kept in the Centre.

1. Different approaches of Macroeconomics

1.1 Microfoundation versus social dynamics of commodity production.

1.2 Accounting concepts and conventions in a capitalist economy.

2. The Principle of Effective Demand

2.1 Saving Investment balance and Realisation of Profits in a two department scheme.

2.2 Restoring balance through quantity and price adjustment: the Multiplier analysis.

2.3 The significance of the principle of effective demand.

References for Sections 1 & 2:

1. Amit Bhaduri - *Macroeconomics: Dynamics of Commodity Production*, Macmillan, Hampshire, London, Delhi 1986 (1st Published), Ch 1-2.

2. J. M. Keynes - *The General Theory of Employment, Interest and Money*

3. M. Kalecki - *Selected Essays on the Dynamics of the Capitalist Economy*, CUP.

4. J. R. Hicks - *Mr. Keynes and Classics, in Critical Essays, in Mueller ed. Readings in Macroeconomics.*

5. O. Lange - On the Theory of Multiplier

6. Prabhat Patnaik ed. – *Macroeconomics*, OUP.

7. Prabhat Patnaik - *Accumulation and Stability under Capitalism*, OUP.

3. Economics of Michal Kalecki

3.1 Income Distribution in a closed economy and supply constraint.

3.2 Class Struggle and distribution of National Income.

3.3 Determination of Profits, wages and output in a two / three department scheme.

3.4 Degree of monopoly, mark up pricing and distributive share.

3.5 Political aspects of full employment.

Reference:

1. Kalecki - *Selected Essays on the Dynamics of the Capitalist Economy*, CUP. (Selected chapters)

4. Money wage, real wage and employment

4.1 Wage cut controversy between different economic schools

4.2 The economic basis for contesting political ideology.

Reference:

1. J. M. Keynes - *The General Theory of Employment, Interest and Money*, Ch 17, 19, 21.

2. M. Kalecki - *Selected Essays on the Dynamics of the Capitalist Economy*

3. Amit Bhaduri - *Macroeconomics: Dynamics of Commodity Production*, Ch 3.

4. J. Tobin - Money Wage and Employment, in Mueller (eds) *Readings in Macroeconomics*

5. Amit Bhaduri and Stephen Marglin - Unemployment and Real Wage: The Economic Basis for Contesting Political Ideologies, in '*Unconventional Economic Essays*', OUP.

5. Role of Money

5.1 Keynesianism, Monetarism and Real Business Cycle:

5.2 Characteristics of a Monetary Economy

5.3 Demand and supply of money from an alternative perspective

5.4 A critique of Monetarism and supply side Macroeconomics – Real Business Cycle Theory.

Reference:

1. Amit Bhaduri: *Macroeconomics: Dynamics of Commodity Production*, Ch 4

2. J. M. Keynes: *The General Theory of Employment, Interest and Money*, Ch 12-17.

3. Mankiw: *Macroeconomics*, Ch 14.

4. Edward C. Prescott, 'Theory Ahead of Business Cycle Measurement', *Quarterly Review, Federal Reserve Bank of Minneapolis, Fall 1986*

5. Lawrence H. Summers, 'Some Skeptical Observations on Real Business Cycle Theory', *Quarterly Review, Federal Reserve Bank of Minneapolis, Fall 1986*

6. James E. Hartley, Kevin D. Hoover, Kevin D. Salyer ed., *Real Business Cycle: A Reader*, London: Routledge, 1998.

7. Milton Friedman: 'The Quantity Theory of Money: A Restatement', in Mueller, ed. *Readings in Macroeconomics*.

8. Milton Friedman: Theoretical Framework of Monetarism, *JPE*, 1972.

9. David Romer: *Advanced Macroeconomics*.

10. Laidler: *The Demand for Money*

6. Macroeconomics of Global Financial Crisis. And Impact on less developed countries like India

References:

1. Prabhat Patnaik, The Present Crisis and the Way Forward, http://www.un.org/ga/president/63/interactive/gfc/patnaik_p.pdf
2. Michael Sakbani, *The Crisis of the Liberal Financial Order, Analysis of Rescuing and Reforming the International System*, http://www.networkideas.org/featart/oct2008/fa14_Sakbani.htm
3. Harry Shutt, Redistribution and Stability: Beyond and Keynesian / neo-liberal impasse, http://www.networkideas.org/news/jan2009/news17_Redistribution_Stability.htm
4. Gerald Epstein, Just Say “No” to the Credit Rationing Agencies, http://www.networkideas.org/news/jan2009/news19_Gerald_Epstein.htm
5. C. P. Chandrasekhar and Jayati Ghosh, *The Asian Face of the Global Recession*,
6. Jayati Ghosh, The Global Financial Crisis, http://www.networkideas.org/news/sep2008/news20_Crisis.htm
7. Ghosh, Jayati and C. P. Chandrasekhar, The Costs of ‘Coupling’: the Global Crisis and the Indian Economy -- Jayati Ghosh and C. P. Chandrasekhar, *Cambridge Journal of Economics* 2009, 33, 725-39.
8. Bhattacharyya, Sudipta (2016) “ ‘Globalized’ and ‘Decoupled’: Indian Economy in the Era of Global Crisis”, *Social Scientist*, Vol.44, No.7-8, July-August.

Paper: C-3: ECONOMETRICS I (50 MARKS) COMPULSORY

Course Objectives

This Course will provide a basic understanding of Classical Linear Regression Models and regression diagnostic. Lectures will focus of introducing the relevant econometric theory and explaining the theory with examples. Equal importance is attached to the development of an intuitive understanding of the material that will allow these econometric tools to be utilised effectively and creatively.

Learning Outcomes

On successful completion of this Course, students will be able to:

- (a) Learn various basic econometric methods, estimation methods and related econometric theories.
- (b) Apply these methods to data or econometric modelling techniques

1. Review of Basic Econometrics.

- 1.1 Definition of SLRM - Ordinary Least-squares (OLS) Estimation of SLRM.
- 1.2 Properties of OLS Estimators.
- 1.3 Statistical Inference in SLRM - Measuring Goodness of Fit.
- 1.4 Analysis of Variance on OLS Regression.
- 1.5 OLS Estimation of MLRM.
- 1.6 Interpretation of Regression Results.
- 1.7 Maximum Likelihood Method of estimation

2. Dummy Variables.

- 2.1 Nature and use of dummy variables.
- 2.2 Interactions involving dummy variables.
- 2.3 Testing structural stability of regression models.

3. Multicollinearity.

- 3.1 Definition of Multicollinearity; Consequences of Multicollinearity;
- 3.2 Tests for Multicollinearity.
- 3.3 Remedial Measures.
- 3.4 Illustrative Examples.

4. Heteroscedasticity.

- 4.1 Definition of Heteroscedasticity.
- 4.2 Consequences of Heteroscedasticity.
- 4.3 Detection of Heteroscedasticity.
- 4.4 Remedial Measures.

5. Autocorrelation.

- 5.1 Definition of Autocorrelation - Specification of Autocorrelation Relationship.
- 5.2 Consequences of Autocorrelation.
- 5.3 Various Tests for Autocorrelation.
- 5.4 Remedial Measures.

6. Specification and data Problems in Regression Analysis

- 6.1 Functional Form Misspecification
- 6.2 RESET – missing data, outlying observations etc.

Readings:

- 1. Jeffrey M Wooldridge: *Introductory Econometrics A Modern Approach*, South Western Cengage Learning 2008.
- 2. G S Maddala: *Econometrics*, McGraw Hill International Edition.
- 3. J Johnston: *Econometric Methods* (3rd Edition) McGraw Hill International Edition.
- 4. Christopher Dougherty: *Introduction to Econometrics* (3rd Edition) Oxford University Press.
- 5. D N Gujarati: *Basic Econometrics* (4th Edition) McGraw Hill International Edition.
- 6. William H Green: *Econometric Analysis* (5th Edition) Pearson Education, Delhi.

Paper: C-4: Quantitative Economic Analysis (Total Lectures-60)

Course objectives: The aim of this module is to develop students' ability to apply mathematical techniques in solving economic problems.

Learning Outcomes: The course provides students with advanced mathematical skills that are essential for the study and practice of economics at Post Graduate level. The aim will be achieved by introducing mathematical concepts and techniques, solving mathematical problems, and solving economic problems using mathematical techniques.

1. Differential Equations

- 1.1 First Order Linear Differential Equations
- 1.2 First Order Nonlinear (Higher Degree) Differential Equations
- 1.3 Second (And Higher Order) Linear Differential Equations

2. Optimal Control Theory

- 2.1 Introduction and Examples
- 2.2 Necessary and Sufficient Conditions for Solution: Pontryagin Maximum Principle
- 2.3 Fixed and various End Point Problems

3. Dynamic Programming

- 3.1 The Basic Problem
- 3.2 The Principle of Optimality: The Bellman Equation
- 3.3 Various Applications

4. **Linear Programming**
 - 4.1 The Basic Model : Graphical Analysis
 - 4.2 Concepts of Linear Algebra: A Review
 - 4.3 Some important Theorems
 - 4.4 The Simplex Method
 - 4.5 Inequality Constraints and Complementary slackness
 - 4.6 Duality and The Fundamental Theorem
 - 4.7 Applications: Production, Transportation and Diet Problems
5. **Interindustry Problems and Input Output Problems**
 - 5.1 Description of The Systems
 - 5.2 The Open and Closed Leontief Models
 - 5.3 The Hawkins Simons Condition
 - 5.4 The Theorem of No Substitution

References:

1. Chiang A.C, Dynamic Optimisation, Wave Books, 1993.
2. M. Kamien and N. Schwartz: Dynamic Optimization, North Holland
3. A. C. Chiang: Mathematical Economics

Paper:C-5 :Economic Thought

Group A

31 CLASSES

1. Representations and theories

2 classes

[a] Economic thought as thinking about thought.

[b] Thought as representation

[c] All representation as purposive and persuasive: rhetoric in economics

Readings

1. McClosky, Dierdre: *Rhetoric of Economics*, University of Wisconsin Press, 1985.
2. Shell, M., 'The Issue of Representation' in Woodmansee, M. and Osteen, M. (ed.) *The New Economic Criticism*, Routledge.
3. Sturrock, John, *Structuralism*, Palladin Series, Verso.

2. Basic tenets of Mercantilism:

5 classes

[a] Mercantilism and Bullionism [b] Mercantilist commercial theories and policies

[c] Demographic Theories and Policies. [d] Monetary Theories and Policies

[e] Criticism of Mercantilist theory by David Hume

Readings:

An outline of the History of Economic Thought (2nd Edition) by Ernesto Screpanti & Stephano Zamagni-OUP-Chapter-I, pp-32-45

A History of Economic Thought by Eric Roll, Faber & Faber Limited- pp-54-76. [Chapter on Commercial Capitalism and its theories]

Wealth of Nations- Adam Smith (ed. By Edwin Cannan)-The Modern Library Chapter on Conclusion of the Mercantile System-

The General Theory of Employment, Interest and Money-John Maynosed Keynes [1936/1961] Book-VI, Chapter-23, MacMillan & Co.

3. Economics of Physiocracy

4 Classes

[a] The Natural order [b] The Net Product [c] The Circulation of Wealth

Readings:

A History of Economic Doctrines- by Charles Gide and Charles Rist- OUP Chapter-I

A History of Economic Thought-Eric Roll, Faber & Faber Ltd, pp-128-137

Theory of Surplus Value-Part-I by Karl Marx, Chapter-VI Progressive Publishers, Moscow, pp, 305-343.

The theory of Capitalist Development by Sweezy Paul M., Denis Debson Ltd London- Appendix A, Article by SHIGETO TSURU

4. Economic Ideas of Sir William Petty

2 Classes

i. Ideas on Value ii. On Taxes and contribution

Readings:

A History of Economic Thought-Eric Roll, Chapter-3, pp-98-111

Theories of Surplus Value by Karl Marx, Chapter-VII, pp- 354=365.

5. Economics of Adam Smith

7 classes

a] Division of Labour, Competition , Increasing Returns

b] Theories of Value, Capital accumulation and growth

Readings:

Epochs of Economic Theory- by A.K.Dasgupta, OUP- Chapter-3

The Evolution of Economic Ideas by Phyllis Deane, Cambridge University Press, Chapter- 2 & 3,

Theories of Value and Distribution since Adam Smith by Maurice Dobb. CUP pp-38-64 [chapter-2]

Wealth of Nations by Adam Smith

6. Economics of David Ricardo and T.R.Malthus

7 Classes

[a] Corn model [b] Theories of Rent [c] Theories of value and Distribution

[d] Malthus and Ricardo-exchanges on value and gluts [e] Malthus as precursor of Keynes

Readings

Epochs of Economic Theory- A.K.Dasgupta, Chapter-3

The Evolution Economic Ideas-Phyllis Deane-OUP Chapter-5

Theory of Value & Distribution Since Adam Smith-Maurra Dable. Chapter-3 and Chapter-4

Principles of Political Economy and Taxation by David Ricardo-Relevant Chapters-Everyman Library London

Principle of Political Economy by T.R.Malthus- A.M.Kelley, New York .Relevant chapters

Essays on Biography by J.M.Keynes [Biography of T.R.Malthus]. Mercury Books-London

7. Basic Postulates of the Classical Political Economy and their differences with Marginalism. 4 Classes

Readings:

Epochs of Economic Theory- by A.K.Dasgupta, OUP- Chapter-2 & 6,.

Further Readings

Mercantilism- By Eli F. Heckscher, Gerge Aleen Unwin Ltd.- London
The Economics of Physiocracy- by R.L.Meek-London
A History of Economic Analysis by Joseph Schumpeter, OUP
Economic Theory in Retrospect by Mark Blaug- CUP
Themes in Value and Distribution by Krishna Bharadwaj, OUP
Production of Commodities by Means of Commodities: A Prelude to the Critic of Neo-Classical Economic Theory by Piero Straffa
A Contribution to the Critique of Political Economy (preface and introduction) by Karl Marx
Dasgupta, A K: *Epochs of Economic Theory*, OUP, New Delhi.
Marx, Karl: *The Theories of Surplus Value*, Progressive Publishers, Moscow.
Roll, Eric: *A History of Economic Thought*, Faber & Faber Ltd. London.
Sweezy, Paul M: *The Theory of Capitalist Development*, Denis Dobson Ltd. London.

Group B (33 CLASSES)

1. History of society and History of economic thought: mutual dependence with reference to classical and Marxian economic thought 3 classes

Reading

Hunt and Sherman. An Introduction to Traditional and Radical/Progressive Views. Harper and Row. Ch 4 & 5 (2nd Edition)
Lenin, V. Three Sources and Three Component Parts of Marxism at <https://www.marxists.org/archive/lenin/works/1913/mar/x01.htm>

2. Capitalism: essentialist Marxist reading 10 classes

2.1 Simple commodity production: exchange value, use-value, concrete labour, abstract labour, value. 2.2 Capitalist production: production and appropriation of surplus value.
Capitalism as a logical stable system.

Readings

1. Marx, K. *Capital, Vol. I*, (ch.1) at <https://www.marxists.org/archive/marx/works/.../Capital-Volume-I.pdf>
2. Marx, K. *Capital, Vol. II*, (ch.1) at <https://www.marxists.org/archive/marx/works/.../Capital-Volume-II.pdf>
3. Sweezy, P.M. 1962. *The Theory of Capitalist Development*. Dennis Dobson Ltd.: London. P56-74

Resnick, S.A. and Wolff, R.D., *Economics: Marxian Versus Neoclassical*, Johns Hopkins University Press. (ch. 3 Section D 4, D 5)

Basu, P. K. (2016) 'Commodity Value Money and Capital' in Kumar, R. (ed.) *Contemporary Readings in Marxism*. Aakar, New Delhi.

3. Another Marxist reading: Overdetermination

7 classes

3.1 Class as process. Site.

3.2 Fundamental and subsumed class processes.

3.3 One occupying many class and non-class positions. 3.4 many class processes at one site.

Readings

Resnick, S.A. and Wolff, R.D., *Knowledge and Class*, The University of Chicago Press. Ch. 3.

Resnick, S.A. and Wolff, R.D., *Economics: Marxian Versus Neoclassical*, Johns Hopkins University Press. Ch. 3 Sec. B and C.

4. Dynamics of the capitalist economy: Marxian view

6 classes

4.1 Falling rate of profit, countervailing processes

4.2 Growth of monopolies, cartels, combinations.

4.3 Cycles or crises of capitalism

Readings

Resnick, S.A. and Wolff, R.D., *Economics: Marxian Versus Neoclassical*, Johns Hopkins University Press ch3 sec F.

Sweezy (op. cit.) ch.5 & 6.

5. Comparison between Marxian analysis and mainstream analysis

4 classes

5.1 Income distribution, poverty 5.2 Political consequences. 5.3 How do we choose?

Readings

Resnick, S.A. and Wolff, R.D., *Economics: Marxian Versus Neoclassical*, Johns Hopkins University Press ch-4

Resnick, S.A. and Wolff, R.D. (ed.) *New Departures in Marxian Theory*, Routledge, London New York, 2006. Section IV.

6. Violence of Capitalism

3 classes

6.1 Alienation: master-servant relation within factory violating the logic of equality. Variability of capital.

6.2 Violence of primitive of primitive accumulation or accumulation by dispossession as ever present in capitalism 6.3 Commodity fetishism. The concept of worker as self seeking.

Readings

1. Amaraglio and Callari. 1989. 'Marxian Value Theory and the Problem of the Subject: The Role of Commodity Fetishism', in *Rethinking Marxism Vol 2 issue 3*

2. Basu. 2012, 'Rethinking the Values of the Left', in *Rethinking Marxism Vol 24 issue 2*

- Basu, P. K. (2016) 'What is Capital?' in Kumar, R. (ed.) *Contemporary Readings in Marxism*. Aakar, New Delhi.
3. Marx, K. *Critique of the Gotha Programme* at <https://www.marxists.org/archive/marx/works/1875/gotha/>
4. Gibson-Graham, Resnick, S.A., Wolff, R. 2000. 'Introduction' in Gibson-Graham, Resnick and Wolff(ed.) *Class and its Others* University of Minnesota Press.

MA SEMESTER II

Paper: C-6. Micro II

Course Objective

The objective of this course is to train the second semester graduate students in some of the most important technical tools and approaches of the modern theory of decision making: specifically Economics of Uncertainty, Games and Information. In contrast to the standard equilibrium and optimization theories that form the basis of most of undergraduate micro and macro economics, the focus here is on decision making in an uncertain and interactive economic environment where agents are incomplete informed of each others strategies. These methodological tools are presently widely used in every field of micro, macro, public and development economics as well as international and financial economics.

Learning Outcome

The graduate students who have taken this course can now study and comprehend the technical arguments underlying research in a wide variety of areas as well as select the appropriate method for the theoretical analysis of their own research.

1. Game Theory-Simultaneous Move Games

- 1.1 Normal Form Representation
- 1.2 Dominant Strategy Equilibrium and Prisoners Dilemma
- 1.3 Iterated Dominant Strategy Equilibrium and Second Pricer Sealed Bid Auctions
- 1.4 Rationalizable Strategies and Games of Coordination
- 1.5 Nash Equilibrium in Pure Strategies

2.Game Theory – Sequential Move Games

- 2.1 Extensive Form Representation
- 2.2 Subgame Perfect Equilibrium and Backward Induction
- 2.3 Repeated Games and Repeated Bargaining

3. Oligopoly

- 3.1 – Cournot and Bertrand Equilibria
- 3.2 Stackelberg Model, Capacity Choice and Entry
- 3.3 Comparative Statics for Oligopoly
- 3.3 Repeated Oligopoly
- 3.4 Horizontal Product Differentiation: Hotelling's Model
- 3.5 Vertical Differentiation and Quality : Shaked and Sutton
- 3.6. Strategic Substitutes and Complements

4. Economics of Information

- 4.1 Adverse Selection, the Market for Lemons and the Insurance Market
- 4.2 Moral Hazard, Insurance Market and the Principal- Agent Model
- 4.4 Signalling : The Spence Model\

Readings:

1. Mascollel, Green and Whinston: *Microeconomic Theory*, OUP.
2. Tirole: *Industrial Organization*, MIT
3. Varian: *Microeconomic Analysis*, W. W. Norton

Paper: C-7:MACROECONOMICS II

Course Objectives

The course discusses at the advanced level the major developments in Macroeconomics, starting from the complete Keynesian model, using figures and algebra. The course (i) presents and compares the major modern macroeconomic theories and their associated policy effectiveness. (ii) provides a detailed account of the Keynesian, new Classical and new Keynesian economics, and various unemployment theories. (iii) offers a detailed analysis of the challenges to Keynesian economics by the new classical economists. (iv) evaluates the relative effectiveness of fiscal and monetary policies associated with the theories considered.

Learning Outcomes

It provides the students to acquire a sound and up-to-date knowledge on the developments in macroeconomic theories and policies, and understand the behaviour of different economies and explain the behaviour in terms of the standard macroeconomic theories. It enables them to know the type of policy or policy-mix required for correcting deviations from equilibrium condition and for achieving macroeconomic objectives and targets.

1. Complete Keynesian Model (Standard Income-Expenditure Model) in Aggregate Supply-Demand framework in a Closed Economy

- 1.1 Derivation of aggregate supply and demand curves
- 1.2 Explaining involuntary unemployment
- 1.3 Relative effectiveness of fiscal and monetary policies.

References:

1. Burrows and Hitiris: *Macroeconomic Theory – A Mathematical Treatment*.

2. Branson: *Macroeconomic Theory and Policy*.

2. Patinkin's Model Involving Real Balance Effect

2.1 The model with full employment and involuntary unemployment

2.2 Description of the relevant markets – Equilibrium in the economy

2.3 Involuntary unemployment and role of real balance in achieving full employment

2.4 Monetary policy under involuntary unemployment.

Reference:

1. Patinkin: *Money, Interest and Prices*, Chapters IX, X, XIII.

3. Some Disequilibrium Macroeconomic Models

3.1 Clower's analysis of the Keynesian counter-revolution: Formal differences between Keynes and Classics.

3.2 Leijonhufvud's interpretation of the formal differences between Keynes and the Keynesians

3.3 Barro and Grossman's general disequilibrium model of income and employment

3.4 Benassy's disequilibrium model in a monetary economy.

References:

1. R.W. Clower: The Keynesian counter-revolution: A theoretical appraisal, in Clower (Ed.) *Readings in Monetary Theory*.

2. A. Leijonhufvud: Keynes and Keynesians: A suggested interpretation, in Clower (Ed.) op cit.

3. Barro and Grossman: A general disequilibrium model of income and employment, *American Economic Review*, March 1971. Reprinted in Korliras and Thorn (Eds.) *Modern Macroeconomics*.

4. Harris: *Monetary Theory*, Chapter 14.

4. Macroeconomic Models and Policies in Open Economy

4.1 Mundell-Fleming model with fixed and flexible exchange rates

4.2 Assignment problem in achieving internal and external balances

4.3 Exchange rate theories: Flexible-price and Sticky-price version of the monetary theory of exchange rate – Exchange rate overshooting.

References:

1. David Romer: *Advanced Macroeconomics*, Chapter 5.

2. Keith Pilbeam: *International Finance*, Chapter 4.

3. Surrey (Ed.): *Themes of Macroeconomics*.

4. M.J. Fleming: Domestic financial policies under fixed and floating exchange rates, *IMF Staff Paper*, 9(3), 1962.

5. R. Mundell: Capital mobility and stabilisation policy under fixed and flexible exchange rates, *Canadian Journal of Economics and Politics*, November 1963.

5. Rational Expectations and Macroeconomic Theory and Policy

5.1 Distinction between adaptive and rational expectations

5.2 The Natural Unemployment Rate (NUR) hypothesis with adaptive and rational expectations

5.3 Macroeconomic model with rational expectation – Policy implications.

References:

1. Sargent and Wallace: Rational expectations, the optimal monetary instrument and the optimal money supply rule, *Journal of Political Economy*, 83, 1975.

2. Sargent and Wallace: Rational expectations and the theory of economic policy, *Journal of Monetary Economics*, 2, 1976. Reprinted in Korliras and Thorn (Eds.) op cit.
3. H. Frisch: Inflation theories: A second generation survey, *Journal of Economic Literature*, December, 1977.
4. Harris: *Monetary Theory*, Chapter 21.

6. Imperfect Information Model

- 6.1 Lucas's model with perfect information. 6.2 Lucas's model with imperfect information.

Reference:

1. David Romer: *Advanced Macroeconomics*, Chapter 6.

7. Microeconomic Foundations of Incomplete Nominal Adjustments: New Keynesian Economics

- 7.1 Fischer's model of staggered price adjustment with pre-determined prices
- 7.2 Taylor model of incomplete nominal adjustment with fixed prices
- 7.3 Caplin-Spulber's model of state-dependent pricing
- 7.4 Coordination failure model. 7.5 Mankiw's menu-cost model.

Reference:

1. David Romer: *Advanced Macroeconomics*, Chapter 6.
2. Mankiw: *Macroeconomics*.

8. Theories of Unemployment

- 8.1 Efficiency wage theory 8.2 Implicit contract theory 8.3 Insider-outsider model
- 8.4 Search and Matching theory.

Reference:

1. David Romer: *Advanced Macroeconomics*, Chapter 10.

Paper: C-8

Development Economics

Course Objective: The objective of this course is to teach the fundamental paradigms of development -- classical-neoclassical, structuralist, human development, development management etc.

Learning Outcome: Students should be able to understand the major debates on why-what-how pertaining to development and should be able to enter into the contemporary development policy discourses and processes as well, as theoreticians as also practitioners.

GROUP—A: Approaches to Development (25 Marks: 25 classes)

1. Genesis of Development Economics (2 classes)

Readings:

1. H. Chenery and T.N. Srinivasan(ed) *Handbook of Development Economics Volume 1*, North Holland 1988; Chapters 3: Pranab Bardhan: Alternative Approaches to Development Economics*
2. John Toye. 2003. 'Changing perspectives in development economics', in *Rethinking Development Economics*, ed. by Ha-Joon Chang: Chap 1: pp. 21-40; Anthem Press.*

2. Supply-Side Approaches: Lewis-Ranis-Fei, Preobrazhensky (7 classes)

Readings:

1. Debraj Ray: *Development Economics: 353-367*; Oxford University Press.*
2. Ranis, G. and Fei, J.C.H., 'A Theory of Economic Development', *American Economic Review*, 51, 1961, pp 533 – 565.
3. Ashok Mitra: 'The Soviet Debate', in *Terms of Trade and Class Relations: 44-67*. Frank Cass.*
4. Preobrazhensky, E.A., *The New Economics*, Clarendon Press, 1965, Oxford, Oxford shire, (First published in 1926)

3. Kalecki: Demand and Supply-Sides Together (5 classes)

Readings:

1. Michal Kalecki: 'The problem of financing economic development', in *Collected Works of Michal Kalecki (Vol.5)*, (ed.) Jerzy Osiatynski: 23-32; Clarendon Press.*
2. Michal Kalecki: 'Problems of financing economic development in a mixed economy', in *Collected Works of Michal Kalecki (Vol.5)*, (ed.) Jerzy Osiatynski: 45-60; Clarendon Press.

4. Thematic Deficiency of Traditional Development Economics and the Capability Approach to Development (Issues of Poverty, Inequality and Human Development) (5 classes)

Readings:

1. Amartya Sen: "Development: Which Way Now?" *Economic Journal*, 93 (372) (1983)*
2. Amartya Sen: *Resources, Values and Development* (Chap 20: Goods and People), OUP, 2006 (reprint).
3. Amartya Sen: *Choice, Welfare and Measurement* (Chap 16: Equality of What?), OUP, 2006 (reprint).*

5. The Contemporary Paradigm of Development: Strategies (6 classes)

(Inclusive Growth, Human Development, Informal Sector, Livelihood Guarantee)

Readings:

1. S.R. Osmani. 2008. 'The Demands of Inclusive Growth: Lessons from South Asia', *The Pakistan Development Review*, 47: 4, Part I (Winter) pp. 381–402.*
2. S. Fukuda-Parr and A.K. Shiva Kumar (ed): *Readings in Human Development*, (Chap: Growth for human development? pp. 279-290); OUP, 2003.*
3. J.J. Thomas: *Surviving in the City: the Urban Informal Sector: 17-38*; Pluto Press.*
4. J.O. Lanjouw & P. Lanjouw: 'The rural non-farm sector: issues and evidence from developing countries' in *Agricultural Economics, Vol. 26*, 2001: 1-23.*
5. L. Randall Wray: *Minsky's Approach to Employment Policy and Poverty: Employer of Last Resort and the War on Poverty*, Working Paper No. 515, The Levy Economics Institute, NY, USA, September 2007.*

GROUP—B: Issues of Development (25 Marks: 25 classes)

1. State and Market (9 classes)

A. State and Economic Development

- 1.1 The Rise and Fall of Developmentalist Models
- 1.2 Success and Failure of the New Developmental Market Economies

B. Market and Economic Development

- 1.3 Resurgence of Market Liberalism and its Consequences
- 1.4 From the Washington Consensus to the Post-Washington Consensus

Readings:

- 1. Y. Hyami and Y. Godo. 2005. *Development Economics*, OUP.
- 2. Ha-Joon Chang. 2003. 'The market, the state and institutions', in *Rethinking Development Economics*, ed. by Ha-Joon Chang: Chap 2: pp. 61-82; Anthem Press.*

2. Imperialism and Globalization (6 classes)

Readings:

- 1. Rune Skarstein. *Development Theory*: 13-18; OUP, 1997.*
- 2. Deepak Nayyar. 2003. 'Globalization and development', in *Rethinking Development Economics*, ed. by Ha-Joon Chang: Chap 3: pp. 61-82; Anthem Press.*

3. Measures:

- (a) **Poverty,**
- (b) **Inequality and**
- (c) **Human Development**

(HC, HCR, Sen-P, PGR, IGR, Lorenz Curve, Gini, HDI, HPI-1, GDI)
(10 classes)

Readings:

- 1. Amartya Sen: *Poverty and Famines*: 32-37; OUP.*
- 2. Debraj Ray: *Development Economics*: 184-191 & 250-257; OUP*
- 3. Human Development Report 2002 – 'A technical note: calculating the human development indices', in *Readings in Human Development*, ed. by S. Fukuda-Parr and A.K. Shiva Kumar; OUP: 221-228.*

Paper: C-9. Computer Application

Course Objective

The objective of this course is to equip the students to deal with empirical information sets. Applied economics currently deals with large and complex datasets, which should be analysed and interpreted with logic. Other courses impart the knowledge of modelling and developing the logic. However, practical application of those models and logic requires skills to handle a dataset with

appropriate software. The objective of this course is to impart that complementary skill to the students.

Learning Outcomes

The students after this course become reasonably skilled in handling data in a spreadsheet (Excel) and analyse it through specialized software STATA. This is the most widely used software in social sciences and has almost all the routines that are needed for analysing a dataset. The course also prepares the students with basics that they require to know to be a Data Analyst. The course enables them to handle their own data independently in their possible forays in M.Phil/Ph.D.

1. Fundamentals of Computer:

- 1.1 Basic knowledge about hardware devices – computer processing principles
- 1.2 Concepts of binary system and decimal system – representation of a decimal number in binary system and vice-versa
- 1.3 Distinction between ‘software’, ‘operating system’ and ‘programming languages’.
- 1.4 WINDOWS Operating System: getting started with files and folders
- 1.5 Documenting using MS_Word – report writing with charts, tables, maps.

2. Data Processing with MS_Excel:

- 2.1 Data management within a worksheet – use of functions
- 2.2 Creating charts (line, column, pie, scatter) and formatting different components of a chart.
- 2.3 Generating appropriate charts describing various published data sets on Indian economy
- 2.4 Use of codes in survey questionnaires to facilitate data entry in a data sheet
- 2.5 Data entry rules from a questionnaire, checking data validity using conditional formatting
- 2.6 Understanding different shapes of line diagram corresponding to various functional forms between two variables.

3. Random Numbers:

- 3.1 Generating random numbers between specified intervals in MS_Excel
- 3.1 Use of random numbers in sample selection – practical exercises.

4. Generating Linear Regression Results:

- 4.1 Linear regression output with MS_Excel – interpretation of regression results. Understanding P-values
- 4.2 Linearization of non-linear models by transforming variables – exercises.
- 4.3 Use of scatter plot to determine functional form of relation between two variables - exercises.

5. Regression Results with Dummy Dependant variables:

- 5.1 Logit and Probit regression with specialized statistical softwares (SPSS and STATA)
- 5.2 Some features of SPSS and STATA – how to generate tables of summary statistics.

6. Presentation using MS_PowerPoint:

6.1 Preparing PowerPoint presentations

6.2 Tips for a research report presentation – how to make it simple but effective

References: There is no specific reference for this paper. Various web-based free tutorials are available as references and for obtaining secondary data on Indian economy. The following websites/web pages might be helpful for further tips and obtaining secondary data that is useful for practice sessions.

1. **Simmons, Kereiakes, Pickens and Erickson:** *Computer Hardware and Software Fundamentals* [freely available at <http://radiographics.rsna.org/content/5/1/11.full.pdf>]
2. <http://www.exceltip.com/>
3. <http://www.statpac.com/surveys>
4. <http://www.rbi.org.in/scripts/statistics.aspx>
5. <http://www.worldbank.org> [Explore 'Data & Research' tab]
6. <http://www.psych.utoronto.ca/courses/c1/spss/toc.htm>
7. <http://dss.princeton.edu/usingdata/stata.html>
8. <http://www.custominsight.com/articles/random-sampling.asp>
9. <http://www.actden.com/pp>

SEMESTER II

Paper: C-10. Indian Economics

Course Objectives: The objective of this course is to give an overview of India economy. This course develops the macroeconomics of the Indian economy in its dirigiste and "liberal" phases and examines the reasons for the transition from the one to the other. The course covers the evolving monetary, fiscal, balance of payments policies, the performance of the economy and its particular sectors. Furthermore, the objective is also to equip students with other contemporary issues of our economy such as, human development, inequality, employment and poverty.

Learning Outcomes

- (a) To able to equip the students with the theoretical, empirical and policy issues relating to the society, polity and economy of India.
- (b) To gain knowledge on the contemporary issues of Indian economy

A. Macroeconomic Perspectives

Module 1: Growth and Inflation: (6 classes)

National Accounts Statistics for India – GDP deflator and Measures of Inflation – Macro balances of the economy: Savings and Investment in India – Growth rates of national income: Comparisons over time and across countries, Effect of compounding on the standard of living – Sectoral composition of output and growth: Services-led growth – Regional variations in growth

Module 2: Policy Reforms: (6 classes)

LPG (Structural Adjustment & Stabilisation Policy); Fiscal Reforms: State of Fiscal Responsibility Legislations and FRBMA – Goods and Services Tax (GST) – Direct Tax Code (DTC); Centrally-sponsored schemes; Changing Stance of Monetary Policy – Monetary Targeting – Inflation Targeting – Multiple/ Lead Indicator Approach.

Module 3: Balance of Payments and Budgets: (6 classes)

A. Components of Balance of Payments (BOP) – Exchange rate policies in recent years – Capital inflows and Sterilized intervention in the foreign exchange market

B. Components of Recent Budgets

Module 4: Poverty, Inequality and Human Development: (6 classes)

Measurement of poverty in India and the debate regarding extent of poverty in India – National Sample Surveys – Human development indices in India, including Gender-related Development Index, and regional variations therein – Policies of inclusive growth

References:

Essential Readings

1. Mohan, R., “Growth Record of the Indian Economy 1950-2008: A Story of Substantial Savings and Investment,” in Uma Kapila (ed), *Indian Economy since Independence*, New Delhi: Academic Foundation, 2009, pp. 683-712, (Module 1)
2. Kapila, U., “Growth and Structural Change since 1950,” in Uma Kapila (ed), *Indian Economy since Independence*, New Delhi: Academic Foundation, 2009, pp. 683-712, (Module 1)
3. Gordon, J. and R. Banga, “Understanding India’s Services Revolution,” *IMF Working Paper*, No. 171, Washington, DC: IMF, 2004, (Module 1).
4. Deaton, A. and J. Dreze, “Poverty and Inequality in India: A Re-Examination,” Chapter 18 in Angus Deaton and Valerie Kozel (eds), *The Great Indian Poverty Debate*, New Delhi: Macmillan, 2005, pp.428-465. (Module 4)
5. UNDP, *Human Development Report 2009*, New York: OUP, 2010
6. Radhakrishna, R., C. Ravi, and B. Sambhi Reddy, “Can We Really Measure Poverty and Identify Poor When Poverty Encompasses Multiple Deprivations?” *Working Paper*, No. WP 02/2010, Hyderabad: Centre for Economics and Social Studies (CESS) 2010, (Module 4).
7. Acharya, S., “Macroeconomic Performance and Policies, 2000-2008,” in Shankar Acharya and Rakesh Mohan (eds), *India’s Economy, Performance and Challenges: Essays in Honour of Montek Singh Ahluwalia*, New Delhi: OUP, 2010, pp. 39-81 (Module 3).

8. GOI, *Economic Surveys and Budget Papers*, Various Recent Years (Module 3).
9. GOI, *Report of the Task Force on Implementation of GST*, New Delhi, 2009 (Module 2)
10. Lalwani, M., "Persistence of Fiscal Irresponsibility: Looking Deeper into the Provisions of FRBM Act," *Economic and Political Weekly*, Vol. 44 (37), Sept 12, 2009 (Module 2).
11. Mohan, R., "India's Financial Sector and Monetary Policy Reforms: Fostering Growth while Containing Risk," in Shankar Acharya and Rakesh Mohan (eds), *India's Economy, Performance and Challenges: Essays in Honour of Montek Singh Ahluwalia*, New Delhi: OUP, 2010, pp. 149-179 (Module 2)
12. RBI, *Annual Reports*, Various Recent Years (Module 2)

B. Sectoral Issues

(The sectoral issues will be dealt with by teachers who are specialized in the respective sectors. Issues considered will be based on two or three readings identified by the teacher and communicated to the students at the beginning of Semester)

1. Agriculture (6 classes)
2. Industry and Infrastructure (6 classes)
3. Services Sector (6 classes)
4. Financial Sector (6 classes)
5. External Sector: International Trade (6 classes)
6. Informal Sector and Labour Markets (6 classes)

SEMESTER-III

Subject: C-11: Guided Study: Literature Survey

OPTIONAL PAPERS

SEMESTER III (GROUP A)

Paper: OP-1: Industrial Organization

Course Objective

This paper familiarizes the graduate student with what Jean Tiroles calls the Second Wave of research in Industrial Organization. The First Wave, associated with Joe Bain and Edward Mason developed the so called Structure-Conduct-Performance (SCP) framework – where market structure (eg number of buyers and sellers, cost structure, product differentiation etc) determined conduct (choice of price, quantity, R&D, investment and advertising) which in turn lead to performance (profits, efficiency, price cost ratio etc) and mainly concentrated on empirical studies. The Second Wave which began in the 1970s was much more involved with theoretical analysis – using the results of modern game theory and economics of information. It challenged the one way relation envisaged in SCP in so far as market structure itself depended on entry and exit, investment and R&D etc. In this paper a number of selected papers in Industrial Organization are discussed by the Instructor and complemented with others presented by the students which are then discussed by the entire class.

Learning Outcomes

This paper familiarizes the students with modern theories of Industrial Organization which they may extend, apply or empirically study in their own research. Along with this the emphasis on student presentations and class discussions is to prepare the MA final year students for the job market – academic and non academic – where presentation and discussion skills are extremely important.

1. Monopoly and Monopolistic Competition

- 1.1 Review of Simple Monopoly Theory
- 1.2 Price Discrimination: First and Third Degree
- 1.3 Second Degree Price Discrimination: Two Part Tariff and Non Linear Pricing
- 1.4 Durable Goods Monopoly
- 1.5 Monopoly and Product Selection
- 1.6 Monopolistic Competition and Optimum Product Diversity
- 1.7 Natural Monopoly

2 Oligopoly

2.1 – Cournot and Bertrand Equilibria

2.2 Stackelberg Model, Capacity Choice and Entry

2.3 Comparative Statics for Oligopoly

2.3 Repeated Oligopoly

2.4 Horizontal Product Differentiation: Hotelling's Model

2.5 Vertical Differentiation and Quality : Shaked and Sutton

2.6. Strategic Substitutes and Complements

3. Entry and Entry Barriers

3.1 The Barriers to Entry

3.2 The Simple Entry Model and First Mover Advantage

3.3 Sunk Cost as Entry Barrier

3.4 Capacity Choice as an Entry Barrier – Spence-Dixit-Stiglitz Model

3.5 Limit Pricing and Entry – Kreps, Wilson, Milgrom and Roberts

3.6 Contracts as Entry Deterrence

4. Mergers, JVs and Vertical Relationships

4.1 Horizontal Mergers

4.2 Vertical Mergers

4.3 Joint Ventures

4.4 Exclusive Dealing and Other Vertical Relationships

5. R& D, Patents and Technology Licensing

5.1 R&D and Market Structure

5.2 Cooperative and NonCooperative R&D

5.3 Economics of Patent Protection

5.4 Technology Licensing

The Theory of the Firm

6.1 The Nature of the Firm

6.2 The Contracting Approach: Agency Costs

6.3 The Incomplete Contracts Approach

6.4 The Control Approach

References:

1. Tirole, J 1988, The Theory of Industrial Organization, MIT Press
2. Shy, O, 1995, Industrial Organization, : Theory and Applications
3. Belleflame, P and Peitz, 2010, Industrial Organization, Markets and Strategies, Cambridge University Press

Paper-OP-2: Agricultural Economics-I

Course Objectives:

The course discusses some important microeconomic and institutional aspects of Agricultural Economics at the theoretical and empirical levels. It discusses (i) the production and consumption behaviour of agricultural households in terms of agricultural household models under various conditions including complete/incomplete markets with or without uncertainty and risk in production and/or in factor markets; (ii) the behaviour of agricultural households in supplying and marketing their products; (iii) efficiency and existence of share cropping relative to other forms of contractual arrangements such as wage-contract and fixed-rent contract; (iv) inter-linked transactions in rural markets; and (v) spatial integration of agricultural markets.

Learning outcomes

It helps the students to acquire up-to-date knowledge on the developments in some aspects of Agricultural Economics, and understand and explain the behaviour of agricultural households in terms of the theories and empirical evidence in the context of Indian agriculture. It enables them to understand the type of policies needed to improve the condition of farming communities.

1. Economics of Peasant Farming (Agricultural Household Models):

- 1.1 Peasant and dualism with and without surplus labour
- 1.2 Subjective equilibrium conditions of subsistence and commercial family farms
- 1.3 Risk and uncertainty and behaviour of farms – Separation proposition of agricultural Household model with complete, and missing markets.

References:

1. Chayanov: *Theory of Peasant Economy* (Edited by Thornes, Kerbly and Smith).
2. A.K. Sen: Peasant and dualism with and without surplus labour, in Wadhwa (Ed.) *Some Problems of Indian Economy*.
3. A.K. Sen: *Resource, Values and Development*.
4. C. Nakajima: Article in Wharton (Ed.) *Subsistence Agriculture and Economic Development*.
5. T.B. Weines: Article in *Oxford Economic Papers*, 1977
6. P.K. Bardhan and C. Udry: *Development Microeconomics*.

2. Supply Response Models in Agriculture

- 2.1 Inter-temporal price fluctuations and implications for agricultural production decision
- 2.2 Cobweb model and range of stability in agricultural prices
- 2.3 Nerlovian version of cobweb model and range of stability in agricultural prices
- 2.4 Estimations of short-run and long-run elasticity of acreage with different expectation hypotheses.

References:

1. M Nerlove: *The Dynamics of Supply – Estimation of Farmers' Response to Price*.
2. Raj Krishan: Article in *Economic Journal*, LXXIII (291), September, 1963.
3. Askari and Cummings: Article in *International Economic Review*, 18(2), 1977.

3. Marketable Surplus Functions

3.1 Different short-run and long-run models of marketable surplus for subsistence crops with empirical testing

3.2 Models by Raj Krishna, V. Nowshirvani, T.N. Krishnan, K. Bardhan, W. Haessel.

References:

1. Raj Krishna, and V. Nowshirvani in Wadhwa (Ed.) *Some Problems of Indian Economy* (Selected articles).

2. T.N. Krishnan: Article in P. Choudhury (Ed.) *Readings in Indian Agriculture*.

3. K. Bardhan: Article in *American Journal of Agricultural Economics*, February 1970.

4. W. Haessel: Article in *American Journal of Agricultural Economics*, February 1975.

4. Economics of Sharecropping – I

4.1 Relative efficiency of different types of land tenure - owner-cultivation, fixed-rent, and share contracts

4.2 Traditional (Marshallian) view on the efficiency of share tenancy – Gale Johnson’s model – Cheung’s model – Bardhan & Srinivasan’s model. 46

5. Economics of Sharecropping – II

5.1 Rationale of co-existence of sharecropping with other contracts – Different explanations

5.2 Transaction cost – Risk sharing – Risk sharing and work incentives (principal-agent model)

5.3 Cost sharing under uncertainty and moral hazard – Screening and sharecropping.

References:

1. G. Johnson: Article in *Journal of Political Economy*, 1950.

2. S.N.S. Cheung: *The Theory of Share Tenancy*.

3. Bardhan and Srinivasan: Article in *American Economic Review*, 1971.

4. P.K. Bardhan (Ed.) *Economic Theory of Agrarian Institutions*.

5. P.K. Bardhan and C. Udry: *Development Microeconomics*, Chapter 6.

6. Debraj Roy: *Development Economics*, Chapter 12.

6. Inter-linkage of Land, Labour and Credit Markets in Agriculture

6.1 Interlinked land, labour and credit markets – Interlinked land and credit markets

6.2 Interlinked transactions between trader-lender and farmer-borrower.

References:

1. K. Basu: *Analytical Development Economics*.

2. P.K. Bardhan and C. Udry: *Development Microeconomics*

3. Debraj Roy: *Development Economics*.

7. Spatial Integration of Food Grain Markets in India

7.1 Spatial integration and Law of One Price (LOP)

7.2 Methodology of testing for LOP and market integration – Empirical evidence

7.3 Policy implications.

References:

1. M. Ghosh: Spatial Price Linkages in Regional Food Grain Markets in India, *Margin – Journal of Applied Economics Research*, 4(4), 2010.

2. M. Ghosh: *Economic Reforms and Indian Economic Development – Selected Essays*, Bookwell, New Delhi, 2008, Chapter 7.

3. M. Ghosh: Spatial Integration of Wheat Markets in India, *Oxford Development Studies*, 31(2), 2003.

4. M. Ghosh: Co-integration Test and Spatial Integration of Rice Markets in India, *Indian Journal of Agricultural Economics*, 55(4), 2000.

Paper: OP-3: Trade Theory

Course Objective:

International Trade deals with the economics of globalization or cross-border economic activities. More specifically, the course focuses on international transactions that involve a movement of goods and services (trade flows) or of factors of production (migration, foreign direct investment). Three themes are explored: the basis of trade, the pattern of trade, and the gains from trade. We will also study models of trade where factors of production are heterogeneous and so need to match to form production teams. Finally, we will study new trade theory.

Learning Outcomes:

By the end of this course, students should understand the concept of different bases for trade and the gains from trade, understand what determines the pattern of trade, and be able to outline the costs, benefits, and impact on income distribution of different instruments of trade protection. They should be able to explain the effects of free trade areas, and of factor mobility. Students should be able to apply the analytical toolbox of trade theory to real world situations in order to make qualitative predictions. So this course will enable the takers to: 1. Provide a written description of each trade models covered in the course explaining the key assumptions and results. 2. Mathematically solve/prove important insights from selected trade models. 3. Summarize existing empirical evidence and critically analyze the evidence in light of the trade models covered in the course.

1. Introducing trade and the concept of comparative advantage.

2. The Exchange model

2.1 The offer curve and the exchange equilibrium

2.2 The terms of trade and real income

2.3 Import substitution and export led growth and immiserization. 2.4 *Some selected papers*

3. The Ricardian model of trade

3.1 Absolute and comparative advantage, pattern of trade and specialization.

3.2 Specialization and country size.

3.3 Specialization with a continuum of stages of production

3.4 Labor mobility and trade. 3.5 *Some selected papers on Ricardian model*

4. Specific-factor model of trade

4.1 Factors and income distribution. 4.2 The pattern of trade. 4.3 Dutch diseases

4.4 Factor growth and factor prices. 4.5 *Some selected papers on Specific factor model*

5. Factor endowment model of trade

5.1. Pattern of trade and gains from trade

5.2 The Rybczynski theorem

5.3 The Stolper-Samuelson theorem

5.4 Higher dimensions of HOSV model of trade. 5.5 *Some selected papers on H-O model*

6. Introducing New trade theory

(This section is primarily based on leading journal articles by Paul Krugman)

6.1. International Trade with Increasing Returns to Scale

6.2 IRS and Monopolistic Competition- Intra-industry Trade

6.3 IIT in identical products. 6.4 Horizontal and Vertical Product Differentiation

6.6 The Game Theoretic Structure of Strategic Trade

6.7 Firm Heterogeneity and trade. 6.8 *Some selected papers*

7. Some recent developments in trade theory

Readings:

R. Caves, J. Frenkel and R. Jones, *World Trade and Payments*, 4th edition,

R. Jones, *International Trade: Essays in Theory*, North Holland, 1979.

P. Krugman, *Rethinking International Trade*, 1994, MIT press.

Helpman & Krugman (1987): *Market Structure and Foreign Trade*, MIT Press

H. Kierzkowski (ed.): *Monopolistic Competition and International Trade*, 1984, OUP

Robert C. Feenstra: *Advanced International Trade: Theory and Evidence*. Princeton University Press.

R. Findlay, *International Trade and Development Theory*, Columbia University Press, 1973.

S. Marjit, *International Trade and Economic Development- Theory and Policy*, OUP, 2008.

R. Acharyya, *International Economics*, OUP, 2014.

(Journal articles to be supplied during the classes)

Paper: OP-4. Public Economics & Policy

1. MARKETS AND GOVERNMENTS: The Prima Facie Case for the Market, Efficiency and Social Justice, Rule of Law.

2. INSTITUTIONS AND GOVERNANCE: The Political Principal-Agent Problem, Government Bureaucracy, Life without Markets and Private Property.

3. PUBLIC GOODS: Types of Public Goods, Information and Public Goods. Cost-Benefit Analysis

4. PUBLIC FINANCE FOR PUBLIC GOODS:Taxation, Tax Evasion and the Shadow Economy, Government Borrowing.

5. MARKET CORRECTIONS:Externalities and Private Resolution,Public Policies and Externalities,Paternalistic Public Policies.

6. VOTING:The Median Voter and Majority Voting,Political Competition, Voting on Income Redistribution 461

7. SOCIAL JUSTICE:Social Justice and Insurance, Moral Hazard, Social Justice without Government.

8. ENTITLEMENTS:The Attributes and Consequences of Entitlements, Entitlement to Income during Old Age, Entitlement to Health Care and Health Insurance.

9. CHOICE OF TAXATION:Optimal Taxation, Capital and Other Tax Bases, Fiscal Federalism.

10. THE NEED FOR GOVERNMENT:Growth of Government and the Need for Government, Cooperation, Trust, and the Need for Government, Views on the Need for Government

11. POLICY FORMULATION & POLICY FABRICATION: Corruption, Policy Induced Distortions, Formal – Informal Interactions in a Principal-Agent-Client Framework.

Reference:

1. Harvey Rosen, Public Finance
2. Arye A Hilman, Public Finance and Public Policy
3. Joseph Stiglitz & Jay K Rosengard, Economics of the Public Sector
4. Richard Cornes and Todd Sandler, The Theory of Externalities, Public Goods and Club Goods.
5. Musgrave and Musgrave, Public Finance in Theory and Practice.
6. Wallace Oates, Fiscal Federalism

Paper: OP-5 : Advanced Econometrics-I

Course Objectives

This Course will provide a basic understanding of limited dependent variable models, Simultaneous Equation Models and Dynamic Econometric Models. Lectures will focus of introducing the relevant econometric theory and explaining the theory with examples. Equal importance is attached to the development of an intuitive understanding of the material that will allow these econometric tools to be utilised effectively and creatively.

Learning Outcomes

On successful completion of this Course, students will be able to:

- (c) Learn various advanced econometric methods, estimation methods and related econometric theories.
- (d) Apply these methods to data or econometric modelling techniques
- (e) Use E-views to estimate econometric models, interpret econometric estimates and analyse the results.

1. Binary Choice and Limited Dependent Variable Models

Dummy variable technique

Linear Probability Models

Logit and Probit models for binary response – Estimation and Inference in these models;
Measuring goodness of fit; Interpretation of Logit and Probit estimates.

The Tobit Model

Introduction to multinomial logistic regression

Ordinal Logistic regression

Applications

2. Dynamic Econometric Models

Lagged effects in a Dynamic Model

Distributed Lag Models – Specification; Geometric Lag Approach; The Kyock approach to
Distributed Lag Models

An application – The Adaptive Expectations Model

Polynomial Lag Model: The Almon approach

Autoregressive Models: Estimation – Instrumental variable

Causality in Economics – The Granger tests

3. Simultaneous Equation Models

Introduction and examples

The simultaneous equation bias and inconsistency of OLS estimators

Identification problem – rules of identification – order and rank conditions

Single Equation: Limited Information Estimation Method – Recursive models and Ordinary
Least Square; Indirect Least Square; estimation by Instrumental variable, Two-stage
Least Square Method; Least Variance Ratio Method.

System Methods of estimation – Three Stage Least Square

Applications

References:

1. Wooldridge, J (2012): *Introductory Econometrics A Modern Approach*, (5th Edition) South Western Cengage Learning.
2. Johnston, J (--): *Econometric Methods*, (3rd Edition) (McGraw Hill)
3. Pindyck, R S and Rubinfeld, D L (1998): *Econometric Models and Economic Forecasts*, McGraw Hill, 4th Edition.
4. Green, W (2006): *Econometric Analysis* (5th Edition) Pearson Education, Delhi.
5. Dougherty, C (2011): *Introduction to Econometrics* (4th Edition), Oxford University Press.
6. Chatterjee, S and Hadi, A S (--): *Regression Analysis by Example* (Wiley Interscience)
7. Cameron, A C and Trevedi, P K (2005): *Micro Econometric Methods and Applications*, Cambridge University Press.

Paper: OP-6. Political Economy of Development

64 CLASSES

Course Objective: The objective of this course is to critically evaluate the paradigms of development.

Learning Outcome: The course is expected to enhance the ability of the students to understand comprehensively the history of development from classical political economy to contemporary paradigm of development management. This broad but complex vision could be essential not only for academics, but also for policy discourse.

1. Seeking Ways Out of Crises: Imperialism-colonialism

16 classes

1.1 Colonial Period. 1.2 Neo-colonialism Period. 1.3 Neoliberalism Period

References:

- Rune Skarstein. *Development Theory*: chap-2 (Lenin on capitalist development and imperialism), chap-4 (ECLA: free-trade and underdevelopment) & chap-5 (dependency school); OUP, 1997.*
- P.A. Baran and P.M. Sweezy. *Monopoly Capital* (chap-3: the tendency of surplus to rise; chap-7: the absorption of surplus—militarism and imperialism).
- Paul Baran, “On the Political Economy of Backwardness,” *The Manchester School of Economy and Social Studies*, January, 1952, V.XX, No. 1: 66-84.*
- Harvey, D. 2003. *The New Imperialism* (Chapter 4: Accumulation by Dispossession, pp. 137-82). New York: Oxford University Press.*
- Jose Antonio Ocampo. 2003. ‘Development and the global order’, in *Rethinking Development Economics*, ed. by Ha-Joon Chang: Chap 4: pp. 83-104; Anthem Press.*

2. Confronting imperialism and neo-imperialism

14 classes

2.1 Major Indian Paradigms (Tagore and Gandhi)
2.2 Latin American experience. 2.3 Chinese experience

References:

- Tagore R: *The Co-operative Principle*; Visva-Bharati.

- ‘Swadeshi Samaj’ 1905. in *Atmashakti, Rabindra Rachanabali, Vol. III*, Collected Works of Rabindranath Tagore. Publications Dept., Visva-bharati: Kolkata.
- Gandhi, M. 1910. *Hind Swaraj, The Collected Works of Mahatma Gandhi, Vol 10*. Publications Division, GOI:New Delhi (1958 onwards)
- Gabriel Palma: Latin America During the Second Half of the Twentieth Century; in *Rethinking Development Economics*, ed by Ha-Joon Chang, pp. 125-151 (London: Anthem Press, 2004).*
- Teo Ballve and Vijay Prashad (ed.): *Dispatches from Latin America (Experiments against Neoliberalism)*, LeftWord Books, 2006.
- Alexander Eckstein: On the Economic Crisis in Communist China; *Foreign Affairs*; July 1964.
- Cheng Enfua and Xin Xiangyanga: Fundamental elements of the China model; *International Critical Thought*; Published online: 27 Jun 2011.*

3. Genesis of development theories

6 classes

3.1 History. 3.2 Friction and adjustment between state, market and civil society

Reference

- B. Knutsson, ‘The Intellectual History of Development: Towards a Widening Potential Repertoire’, *Perspectives, no. 13, April 2009*, School of Global Studies. Göteborgs Universitet.
- Michael Cowen and Robert Shenton, ‘The Invention of Development’ in Crush, J. (ed.) *The Power of Development*. Routledge: New York. 1995.
- Gilbert Rist: *The History of Development: From Western Origins to Global Faith*, Zed Books, 2002.

4. State and Non-state development Practice

16 classes

a. Managing the Informal-sector: (7 classes)

- a.1 Different theoretical perspectives on the informal sector (ILO, Structuralist, Legalist-Institutionalist, Neo-classical, Post-colonial)
- a.2 Different policy perspectives pertaining to the informal sector (legal/institutional-reform, micro-credit, skill-formation, linkages, NGO/CBO-intervention etc)
- a.3 A critical policy analysis (a critique of inclusive growth and informality)

References:

- Martha Alter Chen 2012. *The Informal Economy: Definitions, Theories and Policies*, WIEGO Working Paper No. 1.
- NCEUS, Govt. of India: Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector, 2007: http://nceuis.nic.in/condition_of_workers_sep_2007.pdf
- Saumya Chakrabarti 2016. *Inclusive growth and social change: formal-informal-agrarian relations in India*, OUP (Introduction: changing contours of development economics and Chap-9: political economy of (non)transition--the Indian informal sector).
- Saumya Chakrabarti 2013: Interrogating inclusive growth: formal-informal duality, complementarity, conflict; in *Cambridge Journal of Economics*, Volume 37, Issue 6.

b. Managing Employment: (5 classes)

- b.1 Theoretical perspective: employer of last resort
- b.2 Some policy experiments. b.3 A critique of policy (demand/supply-constraints)

References:

- i. Employer of last resort: a general view::
<http://www.econstor.eu/dspace/bitstream/10419/31565/1/585087865.pdf> (Promoting Equality Through an Employment of Last Resort Policy by Dimitri B. Papadimitriou, The Levy Economics Institute of Bard College, NY, USA)*
- ii. Argentina:: Jefes y Jefas (http://www.levyinstitute.org/pubs/wp_534.pdf)
- iii. India:: MGNREGA Sameeksha: An Anthology of Research Studies on the Mahatma Gandhi National Rural Employment Guarantee Act, 2005: 2006–2012; Ministry of Rural Development, GoI; Orient BlackSwan 2012::
nrega.nic.in/netnrega/writereaddata/circulars/mgnrega_sameeksha.pdf
Saumya Chakrabarti, 2011. A macroeconomic structure of employment: rural-urban conflict in a Kaleckian framework, *Review of Radical Political Economics*, 43(2):172-97.

c. Managing Security, Rights and Human-capability (4 classes)

- c.1 A theoretical perspective for ‘development management’
- c.2 Some policy experiments

References:

- i. Amartya Sen. What's the Point of a Development Strategy? Development Economics Discussion Paper, 1997, LSE STICERD Research Paper No. DEDPS 03;
<http://sticerd.lse.ac.uk/dps/de/dedps3.pdf>.
- ii. Runa Sarkar, Anup Sinha. 2014. Another Development Participation, Empowerment and Well-being in Rural India (chapter on Gujarat's Wadi experiment). Routledge.*
- iii. Brazil:: Bolsa-Familia
(http://www.unicef.org/socialpolicy/files/The_Experience_of_Conditional_Cash_Transfers_in_L_A_and_the_Caribbean.pdf) (*Development Policy Review*, 2006, 24 (5): 513-536, 2006. The Experience of Conditional Cash Transfers in Latin America and the Caribbean, *Sudhanshu Handa and Benjamin Davis*)*

5. Discourses of power

12 classes

- 5.1 Orientalism. 5.2 Post-development and its critique.
- 5.2 Hegemony and passive revolution. 5.3 Complex hegemony and the Indian state
- 5.4 Synthetic hegemony and Domination of the marginalized
- 5.5 Accumulation by dispossession: production of non-capital by capitalist expansion.
- 5.6 ‘Inclusive growth as exclusion’

Reference

Kalyan Sanyal ‘Beyond the Narrative of Development: Postcolonial Capitalism, Development and the Problematic of Hegemony’ in Chakrabarti, A. (ed.) *from the margins* August, 2001.

Chatterjee, P. 1993. *The Nation and Its Fragments: Colonial and Postcolonial Histories*. Princeton, New York: Princeton University Press.

Pranab Kanti Basu ‘From Hegemony to Governmentality’ in *International Critical Thought*, April 2016, Routledge, Taylor and Francis.

Pranab Kanti Basu, ‘Inclusive Growth: A Lacanian Reading’ in *Rethinking Marxism*, June 2016, Routledge, Taylor and Francis.

Sanyal, K. 2007. *Rethinking Capitalist Development*. New Delhi: Routledge.

Anjan Chakrabarti, Anup K. Dhar and Byasdeb Dasgupta, 2016. *The Indian Economy in Transition: Globalization, Capitalism and Development*, Cambridge University Press.

OP- 7: General Equilibrium Theory

1 General Equilibrium Analysis: An Introduction.

The General Equilibrium Framework—Edgeworth Box Analysis of an Exchange Economy—The Robinson Crusoe Economy: A Single Producer and Consumer.

2. Equilibrium in the Exchange Economy

A Simple Model with 2 consumers and 2 goods— The General Structure-Walras' Law— Existence and Uniqueness of Equilibrium —Comparative Statics and Stability

3 Equilibrium with Production

The Basic Model with Production—The Leontief Economy. I-O analysis and the H-S Condition— The Jones Simple 2 sector GE Model and comparative Statics—Stolper-Samuelson and Rybczynsky Theorems

4. General Equilibrium and Welfare

Core of an Exchange Economy— Core and Pareto Optimum—The First and Second Welfare Theorems—Social Welfare Function and Social Optimum—The Arrow Impossibility Theorem

A. General Equilibrium and Uncertainty

Market Economy with Contingent Commodities— Arrow-Debreu Equilibrium—Asset Markets—Incomplete Markets

B. Equilibrium and Time

Intertemporal Utility — Intertemporal Production and Efficiency —Equilibrium: The One Consumer Case —Stationary Paths, Interest Rates and Golden Rules —Dynamics

References:

1. Hal Varian: *Microeconomics Analysis*, Viva Books, Indian Edition.
2. Mascollel, Whinston and Green: *Microeconomic Theory*, Publisher: OUP (Indian Edition).
3. Kreps: *Microeconomic Theory*, Princeton University Press.
4. A. Mukherjee: *An Introduction to General Equilibrium Theory*, OUP (Indian Edition)

Paper: OP-8: Urban Planning and Urban Governance in Developing Countries (with Special Reference to India)

Course Objectives

Urban planning and governance interventions in many cities in the Global South have been facing big challenges as rapid population growth has led to resource scarcity, environmental degradation, and social inequality. This Course addresses such challenges at the interface between Urban Studies and Development Studies. We will look at how various forces shape cities, the outcomes of urbanisation for cities and their populations and how urban governments and planners have

sought to respond to the challenges of urbanisation. We will explore influential ideas which have changed our thinking about cities and examine some of the major global challenges facing cities today. Focusing on urban areas in the Global South, it looks at the city from a variety of spatial scales, from everyday practices of citizens at the grassroots level to the representation of the city within national policy and planning processes. We will pay particular attention to governance issues of the Indian cities, especially the role of global economic processes in producing of urban space, technologies of government and planning and insurgent modes of claiming space and rights.

Learning Outcomes

The students will be able to understand issues confronting cities in diverse socioeconomic, political, and cultural circumstances and the challenges and opportunities in formulating appropriate planning interventions. The Course will encourage students to think critically about the ways in which practitioners approach issues and define problems, and the theoretical viewpoints that inform their actions. Students will be able to develop their skills in researching, presenting and debating arguments drawn from the academic literature on international development and urban studies.

Unit 1: Urban planning practices in the cities of developing countries

Robinson, Jennifer. (2011). "Cities in a World of Cities: The Comparative Gesture." *International Journal of Urban and Regional Research* 35, 1: 1-23.

Sassen S (2001) Overview. In *The Global City: New York, London, Tokyo* (pp 3-15). Princeton University Press

Peck J, N Theodore and N Brenner (2009): "Neoliberal urbanism: models, moments and mutations", *SAIS Review*, Vol XXIX No 1, Winter – Spring, 49-66.

Rao, Vyjayanthi. (2006). "Slum as theory: the South/Asian city and globalization." *International Journal of Urban and Regional Research*, Review Essay 30, 1: 225-232

Swyngedouw, E, F Moulaert and A Rodriguez (2002): "Neoliberal Urbanization in Europe: Large Scale Urban Development Projects and the New Urban Policy", *Antipode*

Hollands R G (2015): "Critical Interventions into the Corporate Smart City", *Cambridge Journal of Regions, Economy and Society*, Vol 8.

Roy A and Ong A (2012) Selected chapters from Roy A and Ong A edited *Worlding Cities: Asian Experiments and the Art of Being Global* Oxford: Blackwell Publishing

F. Wu. 2003. "The (Post-) Socialist Entrepreneurial City as a State Project: Shanghai's Reglobalisation in Question," *Urban Studies* 40(9): 1673–1698.

Parnell, S. and Robinson, J. (2012) '(Re)theorizing cities from the global South: looking beyond neoliberalism'. *Urban Geography*, 33:4, 593-617.

IGC Working Paper 2014

Unit 2: Urban Governance: Institutions, Participation and Citizenship

- Devas, N (2004): *Urban governance, voice and poverty in the developing world*, Earthscan Publication Ltd, UK.
- Jon Pierre. 2005. "Comparative Urban Governance: Uncovering Complex Causalities." *Urban Affairs Review* 40: 446-462.
- Chatterjee P (2004): *The politics of the governed: popular politics in most of the world*, Columbia University Press, New York.
- Solomon Benjamin (2008) [Occupancy Urbanism: Radicalizing Politics and Economy beyond Policy and Programs](#) . *International Journal of Urban and Regional Research* 32(3):
- Arjun Appadurai. 2002. "Deep Democracy: Urban Governmentality and the Horizon of Politics." *Public Culture*.14:1, 21-47.
- Merilee Grindle. 2010. "Good Governance: The Inflation of an Idea." *KSG Faculty Research Paper Series*, RWP10-023.
- Merilee Grindle. 2007. [Going Local: Decentralization, Democratization, and the Promise of Good Governance](#) (Princeton UP): Ch.1
Right to the City
- Weinstein, Lisa. (2008). Mumbai's Development Mafia's: Globalization, Organized Crime and Land Development. *International Journal of Urban and Regional Research* 32, 1: 22-39
- Weinstein, Lisa. (2012): "Democratic urban citizenship and mega project development inglobalizing Mumbai" in *Urbanizing citizenship: contested spaces in Indian cities*, Sage, 58-81.
- Weinstein, Lisa. (2014): "'One man handled" fragmented power and political entrepreneurship in globalizing Mumbai in G Shatkin (ed) *Contesting the Indian city global vision and the politics of the local*, Wiley Blackwell, 91 – 120.
- Harriss, John. "Antinomies of Empowerment: Observations on Civil Society, Politics and Urban Governance in India" *Economic and Political Weekly* June 30: 2716 – 2724
- Kudva, Neema. (2013) Planning Mangalore: Garbage Collection in a Small Indian City," in Gavin Shatkin ed. *Contesting the Indian City: Global Visions and the Politics of the Local*. Chichester: Wiley Blackwell
- Batley, R. and D. Moran (2004) *Literature Review of Non-State Provision of Basic Services*. International Development Department, School of Public Policy, the University of Birmingham, Birmingham
- Grant U (2002): *Local government decision making: citizen participation and local government accountability – a literature review*, International Development Department, University of Birmingham, March.
- B. Sanyal&Mukhija V. (2001) [Institutional pluralism and housing delivery: A case of unforeseen conflicts in Mumbai, India](#) *World Development*, 29(12), 2043–57.
- PranabBardhan, 2002, [Decentralization of governance and development](#) , *The Journal of Economic Perspectives*, Vol. 16, No. 4. (Autumn, 2002), pp. 185-205.
- FaranakMiraftab, (2004) [PublicPrivatePartnerships: The Trojan Horse of NeoliberalDevelopment?](#) *Journal of Planning Education and Research* September 2004 24:89-101,
- Beaumont, J and W Nicholls (2008): 'Plural governance, participation and democracy in cities', *International Journal of Urban and Regional Research*, 32 (1): 87-94.
- Chandra, M (2004): "Bridging everyday and high politics – the 74th CAA and inclusion in Kolkata, India", *Development Planning Unit*, University College London, London.
- Litvack J, J Ahmed and R Bird (1998): 'Rethinking decentralization in developing countries', *Sector Studies Series*, World bank, Washington, DC.
- Mitlin, D (2004): 'Reshaping local democracy', *Environment and Urbanization*, 16 (1), 3-8.
- Rakodi C (2001): 'Urban governance and poverty – addressing needs, asserting claims: an editorial introduction', *International Planning Studies*, Vol 6, No 4, 343-356.

- Zerah, M H (2009): 'Participatory governance in urban management and the shifting geometry of power in Mumbai', *Development and Change*, 40 (5): 853-877.
- Williams G (2014): "Making space for women in urban governance? Leadership and claim making in Kerala Slum" Environment and Planning A
- Jha, S., V Rao and Mwoolcock (2007): 'Governance in the gullies: democratic responsiveness and leadership in Delhi slums', *World Development*, 35 (2): 230-246.
- Nijman, J (2008): 'Against the odds: slum rehabilitation in neoliberal Mumbai', *Cities*, 25 (2), 73-85.
- Berenschot, W (2010): 'Everyday mediation: the politics of public service delivery in Gujarat, India', *Development and Change*, 41 (5):883-905.
- Shatkin G and S Vidyarthi (2014): "Introduction" in G Shatkin (ed) *Contesting the Indian city global vision and the politics of the local*, Wiley Blackwell, 1-38.

Unit 3: Urban Development Plan and Programmes in India

Decentralization, JNNURM, Urban Water Policy, Sanitation Policy, Street Vendor Policy, Smart City, Slum free city

- Roy A (2009): "Why India cannot plan its cities: informality, insurgency and the idiom of urbanization" *Planning Theory*, 8 (1), 76-87.
- Nandi S and S Gamkhar (2013): "Urban Challenges in India: An overview of recent policy Habitat International measures", 39(2013), 55-61.
- Mahadevia, D (2011): 'Branded or renewed? Policies, politics and processes of urban development in the reform era', *Economic and Political Weekly*, Vol XLIV No. 31, 56- 64.
- Shaw A (1996): "Urban policy in post-independence India", *Economic and Political Weekly*, 31 (4), 224-228.
- Shaw A (2012): "Metropolitan city growth and management in post-liberalized India", *Eurasian Geography and Economics*, 53 (1), 44-62.
- Kennedy L and Zerah M H (2008): "The shift to city-centric growth strategies: perspectives from Hyderabad and Mumbai", *Economic & Political Weekly*, 43 (39), 110-117.
- Aijaz, Rumi, 2012, Democracy and Urban Governance in India, Observer Research Foundation.

Unit 4: Urban Finance and Urban Service delivery in India

- HPEC (2011): *Report on Indian Urban Infrastructure and Services*, March.
- Banidur V and L Kamath (2009): *Reengineering urban infrastructure: how the World Bank and the Asian development bank shape urban infrastructure finance and governance in India*, Bank Information Centre South Asia, August.
- Selected Chapters from Ahluwalia I J, R kanbur and P K Mohanty (eds.) *Urbanization in India challenges, opportunities and the way forward*, Sage Publication, New Delhi (2014)
- Bahl R (2012): *Metropolitan city finances in India: options for a new fiscal architecture*, International Center for Public Policy Working Paper 12-33, Andrew Young School of Policy Studies, Georgia State University, December.
- Bandyopadhyay, S and M. G Rao (2009): *Fiscal Health of selected Indian Cities*, Working Paper No. 2009-58, National Institute of Public Finance and Policy, New Delhi, March.
- Baneree S, K Gangopadhyay, A Thampy and Z Wong (2013): *Constraints and prospects of financing via municipal bonds in India: an analysis with case studies*, Working Paper, International Growth Center, London School of Economics, April.

Unit 5: Urban Governance Reforms in India

- Kundu A (2003): 'Urbanization and urban governance search for a perspective beyond neo-liberalism', *Economic and Political Weekly*, July 19, 3079 – 3087.
- Ramanathan R (2007): "Federalism, urban decentralization and citizen participation", *Economic and Political Weekly*, February 24, 674-681.
- Coelho, K, L Kamath and M Vijayabaskar (2011): *Infrastructures of consent: interrogating citizen participation mandates in Indian urban governance*, Working Paper, Volume 2011 No 362 March, IDS, University of Sussex.
- Ren X and L Weinstein (2013): "Urban governance, mega-projects and scaler transformation in China and India" in T R Samara, S He and G Chen (eds) *Locating right to the city in the global South*, Routledge, 107-126.
- Selected Chapters from Baud, I. S. A. & Wit, J., de (Eds.) *New forms of urban governance in India: shifts, models, networks & governance*, Sage (2008).
- Ghosh A (2005): "Public-private or a private public: promised partnership of the Bangalore Agenda Task Force", *Economic and Political Weekly*, Vol XL (47).

Paper: OP-9: Labour Economics

(Number of Lectures-60)

Unit 1: Supply

(6)

Static Labour-Leisure Choice – Effects of Social Programs and Income Taxes – The Life-Cycle Model – Investments in Human Capital – Collective Models of Household Labour Supply – Occupational Choice

Unit 2: Demand

(6)

Static Cost, Profit and Labour Demand Functions – Elasticity of Derived demand: the Hicks-Marshall Rules – Adjustment Costs and Dynamic Labour Demand

Unit 3: Equilibrium

(8)

Compensating Differences – Adam Smith – Evidence on Premium for Risky or Nasty Jobs – Efficiency Wages – Segmented Labour markets – Migration

Unit 4: Cyclical Fluctuations

(4)

Equilibrium Models of Employment Fluctuations – Real Wages over the Business Cycle

Unit 5: Wage Issues in Labour Market

(12)

The Determination of Wages, Wage Structure and Components of Wages, Signaling –Minimum Wage Laws, Share of Wages Distribution and Inequality of Wage Income. Inter sectoral Wage Differentials.

Unit 6: Unemployment

(6)

Definition and Measurement – Variations over time and Space – Job Search – Effects of Unemployment Insurance

Unit 7: Unions

(6)

Objectives and Political Structure – Bargaining Theories – Relative Wage Effects – Strikes – Union Growth and Decline – Unions in the Public Sector – Union-Oligopoly Models

Unit 8: Regulations and International Labour Standards (12)

Regulation of Labour – Experience of India vis-à-vis Other Countries – Entry and Product Market Regulation – International Labour Standards- Globalization and Labour

References:

- Cahuc, Pierre, and Andre Zylberberg. Labor Economics. Cambridge, Mass. and London: MIT Press, 2004.
- Ashenfelter, Orley, and Richard Layard. The Handbook of Labor Economics. Vol. 1 and 2. New York: North-Holland, 1986; Vol. 3A, 3B, and 3C, 1999.
- Basu, Kausik (1997): Analytical Development Economics, Oxford University Press, Delhi.
- Marjit, S. and Acharyya, R. (2003): International Trade, Wage Inequality and the Developing Economy: A General Equilibrium Approach, Physica-Verlag.
- R. Solow (1990): The Labour Market as an Institution, Blackwell Publisher.

Semester-IV

C-12: Dissertation

Optional Papers (GROUP B)

OP10: Games and Information

1. Non Cooperative Games of Perfect Information (Review from Micro II)

A1. Simultaneous Move Game—The Normal Form Representation—dominant Strategy Equilibrium—Iterated Dominance and Rationalizability—Nash Equilibrium —Mixed Strategies —Existence of Nash Equilibrium

A2. Sequential Move Games—The Extensive Form Representation— Subgames—Subgame Perfect Equilibria: Backward Induction, Non-Credible Threats and First Mover Advantage

A3. Repeated Games — Repeated Oligopoly and Sustaining Collusion —Repeated Bargaining

C. Non Cooperative Games of Imperfect Information

B1. Simultaneous Move Games— Perfect Bayesian Equilibrium and Oligopoly with Incomplete Information.

B2 . Sequential Move Games—Behavioral Strategies —Sequential Equilibrium —Signalling Equilibrium

B3. Games of private (asymmetric) information

Adverse selection--Mechanism design under adverse selection—Principal Agent Model and Moral Hazard—Moral Hazard in Teams

D. Cooperative Games

Axiomatic Bargaining— Coalitions and Shapley Value—the Core.

Readings:

1. Fudenberg and Tirole: 1991, Game Theory MIT Press
2. Eric Rasmusen, 2000, Games and Information,Blackwell
3. Osborne, M, 1995, Game Theory. Oxford University Press
4. Mascollel, Green and Whinston: *Microeconomic Theory*, OUP.
5. Tirole: *Industrial Organization*, MIT

OP11. International Trade Policy

Lecture Hours – 60

Course Objectives

It attempts to provide an up-to-date and understandable analytical framework for illuminating current events and bringing the excitement of international economics into the classroom. In analyzing both the real and monetary sides of the subject, our approach has been to build up, step by step, a simple, unified framework for communicating the grand traditional insights as well as the newest findings and approaches. To help the student grasp and retain the underlying logic of international economics, we motivate the theoretical development at each stage by pertinent data and policy questions.

Learning Outcomes

We attempt to take up real life problems and intend to test and solidify students' comprehension. The problems range from routine computational drills to "big picture" questions suitable for classroom discussion. In many problems we ask students to apply what they have learned to real-world data or policy questions. These learning goals help students assess their mastery of the material and motivate them to do further research in this field and excel as successful academicians.

The Instrument of Trade Policy:

Basic Tariff Analysis; Cost – Benefits of Tariff & Subsidy; Tariff vs. Quota; Voluntary Export Restraint Models; Case Studies; Distortionary Effects of Trade Instruments.

Lecture Hours: 8

Ref: Feenstra: Advanced International Trade: Theory and Evidence, Princeton University Press, 2004, (chapters 7 & 8). Krugman & Obstfeld: International Economics: Theory and Policy (8th ED, Pearson Education) (Chapter 8). Corden, W.M.: Theory of Protection (Oxford). Kala Krishna (1989), "Trade restrictions as Facilitating Practices", J. of Int. Econ. (May), pp 251 – 70.

The Political Economy of Trade:

Free vs. Protected Trade; Income Distribution; International Negotiation. Success & Failures: Case Studies

Lecture Hours: 6

Ref: Feenstra: *Advanced International Trade: Theory and Evidence*, Princeton University Press, 2004, (chapter 9). Krugman & Obstfeld: *International Economics: Theory and Policy* (8th ED, Pearson Education) (Chapter 9). Obstfeld & Rogoff: *Foundations of International Macroeconomics*, MIT Press, 1996, (Chapter 2). R.E. Baldwin (1985), *The Political Economy of US import Policy* (MIT Press). J. Bhagwati (1988), *Protectionism* (MIT).

Trade Policy in Developing Countries:

Import Substitution vs. Export Promotion; Preferential & Non-preferential Trade; Custom Union & Free Trade Areas; Case Studies: NAFTA & SAFTA.

Lecture Hours: 8

Ref: Krugman & Obstfeld: *International Economics: Theory and Policy* (8th ED, Pearson Education) (Chapter 10). Obstfeld & Rogoff: *Foundations of International Macroeconomics*, MIT Press, 1996, (Chapter 2). Dani Rodrik (1998), *Imperfect Competition, Scale economics & Trade Policy in Developing Countries*, in RE Baldwin (ED.), *Trade Policy Issues & Empirical Analysis* (Chicago).

Controversies in Trade Policy:

Globalization & Activist Trade Policy: Brander – Spencer Theorem; Factor Returns & Environmental Concerns.

Lecture Hours: 6

Ref: Feenstra: *Advanced International Trade: Theory and Evidence*, Princeton University Press, 2004, (chapter 11). Krugman & Obstfeld: *International Economics: Theory and Policy* (8th ED, Pearson Education) (Chapter 11). JA Brander & BJ Spencer (1985), “Export Subsidies & International Market Share Rivalry”, *J. of Int. Econ*, 16, pp 83 – 100. Helpman & Krugman (1989), *Trade Policy & Market Structure* (MIT press).

Exchange Rate & Open Economy Macroeconomics:

Balance-of-Payment; Money, Interest Rate & Exchange Rates; Price Level & Exchange Rate: Sticky Price Framework, Short vs. Long Run Analysis; Output & Exchange Rates: Nominal – Real - PPP Framework; Exchange Rates & Foreign Exchange Interventions.

Lecture Hours: 20

Ref: Obstfeld & Rogoff: *Foundations of International Macroeconomics*, MIT Press, 1996, (Chapters 3 & 4). Krugman & Obstfeld: *International Economics: Theory and Policy* (8th ED, Pearson Education) (Chapters 12 - 17), Dornbusch, R: *Open Economy Macroeconomics*. M. Obstfeld (1996), “Models of Currency Crises with self Fulfilling Features”, *European Economic Review*, 40, pp 1037 – 48.

International Macroeconomic Policy:

Policy Goal in an Open Economy: Policy Coordination under Floating Exchange Rate;
Optimum Currency Area; IMF, GATT. GATS & WTO.

Lecture Hours: 12

Ref: Obstfeld & Rogoff: Foundations of International Macroeconomics, MIT Press, 1996,
(Chapters 8 & 9). Krugman & Obstfeld: *International Economics: Theory and Policy* (8th
ED, Pearson Education) (Chapter 18 - 20), Dornbusch, R: Open Economy
Macroeconomics, T. Bayoumi (1994), "A formal model of optimum currency areas",
IMF Staff papers, 48, pp 537 - 54.

(All references are indicative; many more journal references will be supplied time to time
following the subject of discussion).

General Reading List:

1. Caves, Jones & Frankel: World Trade and Payments, Pearson Education
2. Krugman & Obstfeld: International Economics: Theory and Policy (Pearson Education).
3. Corden, W.M.: Theory of Protection, Oxford: Clarendon Press, 1971.
4. Helpman & Krugman: Trade Policy and Market Structure. MIT Press, 1995
5. Gandolfo, G: International Trade Theory and Policy, Springer, 2006
7. Dornbusch, R: Open Economy Macroeconomics.
8. Marjit, Sugata: International Trade and Economic Development: Essays in Theory and Policy, OUP, 2008.
9. Feenstra, Robert C.: Advanced International Trade: Theory and Evidence, Princeton University Press, 2004.
10. Maurice Obstfeld & Kenneth Rogoff: Foundations of International Macroeconomics, MIT Press, 1996.

OP12: Environmental & Resource Economics

(50 Marks)

Course Objectives

The economics of managing environmental and natural resources are increasingly gaining importance in the mainstream economics discourse. This field is growing very fast in terms of the volume of literature as well as in valuation techniques. The field has a very wide canvas starting from global issues like Climate Change to small local issues like municipal solid waste management. The objective of this course is to introduce the students to the broad spectrum and techniques of possible research relating to environment and natural resource management and sustainability.

Learning Outcomes

At the end of this course, students become aware of almost all the major sub-themes of environmental economics and resource economics. They also get equipped with various valuation techniques, which are often used for environmental valuation studies. Almost every sphere of natural resource management currently deals with the major question of sustainability. The course helps the students to understand the importance of environmentally sustainable decision making, rather than aiming at static optimization and efficiency analysis. The course exposes the students to a wide range of issues that might help them to decide on their future research agenda. The course also helps them to prepare for jobs in the NGO/Development sector.

1. Externalities and market Failure:

- 1.1 Externality and public goods – environmental externalities and non-convexities
- 1.2 Types of market failure - property rights and transaction costs – Coase theorem

2. Economics Environment Interaction:

- 2.1 Concept of sustainable development - sustainability rules
- 2.2 Environment-poverty interaction – Environmental Kuznets Curve (EKC)

3. Economics of Pollution Control:

- 3.1 Pollution abatement - Coasian market bargaining – Pigovian taxes – standards and subsidies
- 3.1 Tradable pollution permits – uniformly and non-uniformly mixed pollution
- 3.3 Comparison between alternative policy tools for pollution abatement

4. Economics of exhaustible resources:

- 4.1 Nature of exhaustible resources – user cost – Hotelling rule
- 4.2 Time path of price for exhaustible resources – implication of a backstop

5. Economics of a renewable resources:

- 5.1 Fishing: Nature of biological growth function – MSY and carrying capacity
- 5.2 Optimum rate of harvesting for fish– optimum effort level under different property rights
- 5.3 Forestry: Theory of optimum rotation of timber harvesting – role of discount rate

6. Valuation of Natural Resources and Ecosystem Services:

- 6.1 Concept of Total Economic Value (TEV) and its different components
- 6.2 Valuation techniques – comparison between revealed and stated preference techniques
- 6.3 Stated Preferences – theory and applicability of Contingent Valuation Method
- 6.4 Brief descriptions of valuation techniques by revealed preference methods – productivity, hedonic prices, travel cost method and averted expenditure approach

Readings:

- 1. Hanley, Shogren & White: *Environmental Economics in Theory and Practice*

(McMillan, India)

2. Bhattacharya R. N. (ed): *Environmental Economics: An Indian Perspective*
(Oxford University Press)
3. Kolstad C. D.: *Environmental Economics* (Oxford University Press)
4. Titenberg T.: *Environment and Natural Resource Economics* (6th Ed) (Pearson, education)
5. Conrad J. M.: *Resource Economics* (Cambridge University Press)

OP-13. Applied Agricultural Economics

1. Agriculture in economic Transformation and sectoral balance.
2. Agricultural Transformation and Rural Development—the imperative of Agricultural Progress and Rural Development—Agricultural Stagnation and Growth since 1950—the structure of agrarian Systems in the Developing World—Peasant Agriculture in Latin America, Asia and Africa-Agriculture Diversification in South Asia—Patterns, Determinants & Policy Implications.
3. Dual Economy models: Technological Change Distributive Bias & Labour Transfer in a Two Sector Economy— Models by Jorgenson, Lele and Mellor.
4. Performance of Indian Agriculture since Independence—Stunted Capitalist Development in Indian Agriculture—Economic Reforms and Agrarian Crisis.
5. Different issues of Indian Agriculture. [e.g. i) Institutional and Technological characteristics—impact of new policies. (ii) India's Food grain Policy (iii) New policies and Trade in Agricultural Commodities. (iv) Capital Formation in Indian Agriculture.
6. Issues relating to agrarian economy of West Bengal.

References (The list is indicative and not exhaustive)

1. A. Dutta, Sectoral Balance in Development. A Survey, World Development 18, 1990
2. Todaro & Smith, Economic Development (Relevant Chapter), Pearson Education)
3. P. K. Joshi, et.al. Agriculture Diversification in South Asia—Patterns, Determinants & Policy Implications, EPW, June 12, 2004, pp. 2457-67.
4. U. Lele & J Mellor, Technological Change, Distribution Bias and Labour Transfer in a Two sector Economy, OEP, 33(3), 1981.
5. K. Basu (Ed), Agrarian Questions, OUP, 2000.
6. A. K. Chattopadhyay, Agrarian Crisis, Unemployment and Rural Livelihoods in Khan, et.al.(ed), Anatomy of Public Policy Reforms and Development, Macmillan Advanced Research Series, Delhi, 2011. Pp. 3-22.
7. G. S. Bhalla, Income, Consumption and Expenditure of Farmers: Stunted Capitalist Development in Indian Agriculture, in S. K. Bhaumik (ed), Reforming Indian Agriculture, Sage Publications, 2008.
8. C. H. Hanumantha Rao, Agriculture, Food Security, Poverty and Environment; Essays on Post-reform India, OUP, 2005.

9. Kaushik Basu, India's Food grain Policy: An Economic Theory Perspectives, EPW, January 29, 2011, pp. 37-46.
10. James K Boyce, Agrarian Impasse in Bengal: Agricultural Growth in Bangladesh and West Bengal 1949-1980. OUP 1987.
11. A. K. Chattopadhyay, 'Distributive Impact of Agricultural Growth in Rural West Bengal', EPW, December 31, 2005.
12. Arup Maharatna, Population, Economy and Society in West Bengal since the 1970s, Journal of Development Studies, 43 (8), November 2007.

Paper: OP-14: Advanced Econometrics II

Course Objectives

This course will present an advanced treatment of econometric principles for panel and time series data sets. The course will focus on modern econometric techniques, addressing both technical derivations and practical applications. Applications in the areas of microeconomics, macroeconomics and finance will be considered.

Learning Outcomes

On successful completion of this Course, students will be able to:

- (f) Learn various advanced econometric methods, estimation methods and related econometric theories.
- (g) Apply these methods to data or econometric modelling techniques
- (h) Use E-views to estimate econometric models, interpret econometric estimates and analyse the results.

1. Time Series Analysis

- The nature of time series data – trends and seasonality
- Structure of time series- AR, ARMA, MA, ARIMA
- Identification of time series - Box-Jenkins method
- Estimation and forecasting – Examples
- Stationarity and non-stationarity – deterministic trend, difference stationarity and trend stationarity, integrated process, concept of spurious regressions.
- Tests of stationarity – graphical techniques, tests for unit-roots, Dicky-Fuller and Augmented Dicky-Fuller tests, Phillips-Peron tests.
- Fitting models with non-stationarity time series – detrending, differencing.
- Cointegration – testing for cointegration, estimating cointegration relationships, Error correction models.
- Introduction to VAR, ARCH and GARCH models – examples.

2. Panel Data Analysis

- Introduction and examples – balanced and unbalanced panels.
- Fixed effects models – The within and between group estimator, fixed time and group effects, testing for fixed effects.
- Random effects models – generalized least squares, Hausman's specification test for the random effects models.
- Problem of heteroscedasticity and autocorrelation in panel data models.

References:

1. Brooks Chris (2014): *Introductory Econometrics for Finance* (3rd Edition), Cambridge University Press, Cambridge.
2. Bhaumik S K (2015): *Principles of Econometrics: A Modern Approach using E-views*, Oxford University Press, New Delhi
3. Walter Enders (2004): *Applied Econometric Time Series*, John Wiley & Sons, 2nd Edition.
4. Hamilton, D (1994): *Time Series Analysis*, Princeton University Press, NJ.
5. Pindyck, R S and Rubinfeld, D L (1998): *Econometric Models and Economic Forecasts*, McGraw Hill, 4th Edition.
6. Green, W (2004): *Econometric Analysis*, Pearson Education, Delhi, 5th Edition.
7. Wooldridge, J (2012): *Introductory Econometrics A Modern Approach*, (5th Edition) South Western Cengage Learning.
8. Wooldridge, J (--): *Econometric Analysis of Cross Section and Panel Data*, MIT Press.
Baltagi, H (2005): *Econometric Analysis of Panel Data* (3rd Edition): John Wiley.

Optional Paper: OP-15. Health Economics

Course Objective:

Health economics is the study of how scarce healthcare resources are allocated among competing interventions and among groups in society. This course introduces basic concepts and practical issues faced by decision makers at all levels in the health system in allocating scarce resources so that the choices they make maximise health benefits to the population. The course content includes modules introducing public health and policy, basic research methods in health, microeconomic theory, health economics, and in-depth modules on concepts and applications of economic evaluation, health care financing, health policy, health system.

Learning Outcomes:

The overall goal of this course is to increase appreciation of role of health economics, health care financing and policy in public health. It will provide a fundamental understanding of key issues in health economics, health care financing, pharmaceutical economics, and economic evaluation for public health practice for informed decision making and implementation. Therefore, the emphasis on analytics will prepare you to address a wide-range of issues in public health, development economics, and more!

| | |
|--|-------------------|
| <i>Module-1. Introduction to Economic Analysis in Health Care</i> | <i>4L</i> |
| 1.a. Why health economics? | |
| 1.b. Health care as an economic good | |
| 1.c. Differential characteristics of health care | |
| 1.d. Organization of health care market | |
| 1.e. Structure of a health care system | |
| <i>Module-2. The Demand for Health Care</i> | <i>8L</i> |
| 2.a. Demand, profits and health policy targets | |
| 2.b. Consumer choice theory in health care | |
| 2.c. Demand functions for health care | |
| 2.d. The value of life and quality of life | |
| 2.e. Modelling choice about health care | |
| <i>Module-3. The Production and Cost of Health Care</i> | <i>4L</i> |
| 3.a. Theory of production in health care | |
| 3.b. Multi-product firms | |
| 3.c. Returns to scale, additivity and fixed factors | |
| 3.d. Costs of health care | |
| <i>Module-4. The Supply of Health Care</i> | <i>4L</i> |
| 4.a. Firms, markets and industries in the health care sector | |
| 4.b. Structure, conduct and performance in health care industry | |
| 4.c. Profit maximization models of health care | |
| 4.d. Other than profit maximization in health care | |
| <i>Module-5. Markets, Market Failures and government</i> | <i>10L</i> |
| 5.a. Competitive markets to allocate resources | |
| 5.b. Market failures in health care | |
| 5.c. Government intervention in health care & government failures | |

Module-6. Health Insurance and Health Care Financing

20L

- 6.a. Uncertainty and risk
- 6.b. Demand and supply of health insurance
- 6.c. Health insurance market failures
- 6.d. Asymmetric information in health care market
- 6.e. Supplier induced demand

Readings:

1. Paul J. Feldstein (**F**) – Economics of Health Care, Cengage Learning, India Edition (2011).
2. C. E. Phelps (**P**) – Health Economics, Routledge, (2012).
3. F. A. Sloan and C. Hsieh (**S-H**) – Health Economics, MIT Press (2012).
4. R. E. Santerre and S. P. Neun (**S-N**) – Health Economics, Cengage Learning (2012).
5. P. Zweifel and F. Breyer and M. Kifmnn (**Z-B-K**) – Health Economics, Heidelberg, Springer-Verlag, (2009).
6. A. McGuire, J. Hendersin and G. Mooney (**M-H-M**) – The Economics of Health Care, London, Routledge (1999).
7. S. Folland, A.C. Goodman and M. Stano (**F-G-S**) – The Economics of Health and health Care, Boston, Prentice Hall (2009).
8. P. Barros and Xavier Martinez-Giralt (**B-G**) – Health Economics: An Industrial Organization Perspective, Routledge, UK (2012).
9. A.M. Jones, N. Rice, T. B d’Uva, S. Balia (**J-R-D-B**) – Applied Health Economics, Routledge, UK (2012).
10. Bhattacharya J, T. Hyde, P. Tu (**B-H-T**) - Health Economics, London: Palgrave-MacMillan, (2013).

OP16.Modern Growth Theory

Total no of Lectures-60

Course Objectives: The Course emphasis is on developing formal models that are dynamic in nature. Modern Growth Theory requires a basic understanding of systems of difference and differential equations and techniques of intertemporal optimization. The course provides an elementary introduction to these techniques through some models that use them.

Learning Outcomes: This course will discuss recent developments in growth and development, and in particular dynamic macroeconomic theory focusing, among other issues, on labour market distortions, pollution and the heterogeneity of agents (e.g. in wealth, ability, preferences, information structures, etc.).

- Unit 1** Review of traditional Growth Models (4)
- Unit 2** The Solow Model as a bench mark and its extensions (8)
- Unit 3** The Representative Agent Neoclassical Macro Model or the Ramsey-Cass-

| | |
|--|------|
| Koopmans (Ramsey-Solow Model) | (8) |
| Unit 4 The Overlapping Generations Model (OLG model) or the Diamond model | (10) |
| Unit 5 New Growth Theory | (30) |
| (Arrow Model, Barro Model, Lucas Model, Romer Model) | |

References:

Charles I Jones, Introduction to Economic Growth (2nd edition), W. W. Norton & Co.

(Indian edition: Viva Books Private Ltd., 2006)

D. Romer, Advanced Macroeconomics (3rd ed), McGraw-Hill, 2006. Ch 3

R J Barrow and Xavier, Sala-i-Martin, Economic Growth, McGraw-Hill, 1995.

Robert Barro, Macroeconomics, MIT Press, 1997

OP17. Economics of Corruption

Brief

Corruption is an economic, political, and human rights problem. Almost every country on the planet has some form of corruption. Corruption can undermine economic growth and political stability; lead to efficiency losses; and impede access to resources such as credit or public health; and ultimately reduce governance credibility and effectiveness. Corruption distorts trade and investment flows and it can facilitate illegal activities such as trafficking in women, drugs, or money laundering. In this course, we propose to examine corruption from real world as well as scholarly perspectives. We will use case studies, debates, guest lectures, and items from the news to examine how corruption can affect effective governance at the national and international levels and its trade spillovers. We will also examine how new technologies and strategies (from cell phones to the Extractive Industry Transparency Initiative) can reduce corruption and improve governance.

Course Objective

Upon completing the course, students will:

- Understand the roots of corruption and its variants;
- Understand the debate among scholarly disciplines on corruption;
- Evaluate how corruption affects and distorts economic growth;
- Be able to assess global and national strategies to reduce corruption; and
- Evaluate how technology can facilitate and undermine accountability.

Learning Outcomes

- Be able to comprehend both corruption and anticorruption counterweights.
- Understand strategies at the national and international level to combat corruption.

- Understand how corruption undermines democracy and constrains the voice of the poor.
- Understand its relationship to the resource curse, trade, and other economic activities.
- Understand that transparency does not automatically yield accountability.
- Help students develop comparative evaluation processes and skills essential to citizenship and policy stewardship.

Course Outline

Introduction: Conceptualizing and Measuring Corruption

References:

- Mireille Razafindrakoto and Francois Roubaud, “Are International Databases on Corruption Reliable? A Comparison of Expert Opinion Surveys and Household Surveys in Sub-Saharan Africa,” *World Development*, vol. 38, no. 8 (August 2010): 1057-69.
- Daniel Kaufmann, Aart Kraay, and Massimo Mastruzzi, “The Worldwide Governance Indicators: Methodology and Analytical Issues,” *World Bank Policy Research Working Paper No. 5430*
- Benjamin A. Olken, “Corruption Perceptions vs. Corruption Reality,” *Journal of Public Economics*, vol. 93, no. 7-8 (August 2009): 950-64.

Theoretical Models of Corruption:

References:

- Oskar Kurer, “Why do Voters Support Corrupt Politicians?” in Arvind K. Jain, ed., *The Political Economy of Corruption* (London and New York: Routledge, 2001).
- Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge: Cambridge University Press, 1999), Chapter 7.
- Susan Rose-Ackerman, *Corruption: A Study in Political Economy* (New York: Academic Press, 1978), Chapters 2 and 5.
- David Kang, *Crony Capitalism: Corruption and Development in South Korea and Philippines* (Cambridge: Cambridge University Press, 2002), Chapter 3.
- Mancur Olson, *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships* (New York: Basic Books, 2000), Chapters 1 and 2.3.
- Pranab Bardham, “Corruption and Development: A Review of Issues,” *Journal of Economic Literature*, vol. 35, no.3 (September 1997): 1320-1346.

Corruption as Rational Choice:

Development & Corruption

Reference:

- Banerjee, A.V., (1997), A theory of Misgovernance, *The Quarterly Journal of Economics*, November 1997.
- Becker, S.G., (1968), Crime and Punishment: An Economic Approach, *Journal of Political Economy*, 76/2.
- Marjit, S. & Shi, H. (1998), On Controlling Crime with Corrupt Officials, *Journal of Economic Behaviour & Organization*, 34.
- Mukherjee, D. & Png, I.P.L., (1995), Corruptible Law Enforcers: How Should They Be Compensated?, *Economic Journal*, 105, 145-159.
- Rose-Ackerman, S. (1975), The Economics of Corruption, *Journal of Public Economics*, 4, 187 – 203.
- Shleifer, A., & Vishny, R. (1993), Corruption, *Quarterly Journal of Economics*, 108.

Trade, Development & Corruption

References:

- Bhagwati, J. N., & Chipman, J. S. (1974), (Eds.), *Illegal Transaction in International Trade: Theory & Evidence*, N-H Publishing Company, Amsterdam.
- Biswas A.K. & S. Sengupta, 2015, *Corrupt Importers, Domestic Producers & Welfare: Role of Trade Policy*. *Economics & Politics* 27/3.
- Liu ,Xuepeng, 2013, *Tax avoidance through re-imports: The case of redundant trade*. *Journal Development Economics* 104, 152 – 64.

Environment, Development & Rent Seeking

References:

- Biswas, A.K., Farzanegan, M.R., and Thum, M. 2012. "Pollution, shadow economy and corruption: theory and evidence," *Ecological Economics*, 75, 114-125.
- Fredriksson, P.G., and Svensson, J. 2003. "Political instability, corruption and policy formation: the case of environmental policy," *Journal of Public Economics*, 87, 1383-1405.
- Ivanova, K. 2011. "Corruption and air pollution in Europe," *Oxford Economic Papers*, 63, 49-70.

Development, Informal Sector & Shadow Economy

References:

- Agenor, P.R., 1996. *The labor market and economic adjustment*. IMF Staff Papers 32, 261–355.
- Agenor, P.R., Montiel, P., 1996. *Development Macroeconomics*. Princeton Univ. Press, New Jersey.
- Dessey, S., Pallage, S., 2003. *Taxes, inequality and the size of the informal sector*. *Journal of Development Economics* 70, 225–233.
- Marjit, S., 2003. *Economic reform and informal wage*. *Journal of Development Economics* 72, 371–378.
- Marjit, S., Ghosh, S. & Biswas, A. K. (2007), *Informality, corruption and trade reform*, *European Journal of Political Economy*, 23.
- Marjit, S. & Mandal, B (2016), *International Trade, Migration & Unemployment – The Role of Informal Sector*, *Economics & Politics* 28/1.

Paper: OP18: Macroeconomics of Developing Countries

Course objective: The objective of this course is to teach the Macroeconomics suitable for the developing countries.

Learning outcome: This course is expected to help the students to understand the structural features of the developing world with an understanding about the corresponding policy discourse.

Structuralist Models (20 classes)

Lance Taylor: Structuralist Macroeconomics, Basic Books, 1983. [Chapters: 1-3]*

Lance Taylor: Income distribution, inflation and growth: lectures on structuralist macroeconomic theory, The MIT Press, Cambridge MA, 1991.

Lance Taylor: RECONSTRUCTING MACROECONOMICS: Structuralist Proposals and Critiques of the Mainstream, Harvard University Press, 2004.

Neo-Keynesian Models (12 classes)

Mihir Rakshit: Labour Surplus Economy: A Neo-Keynesian Approach, Macmillan, 1982. [relevant sections]*

Mihir Rakshit: 'Effective demand in a developing country: approaches and issues', in Studies in the Macroeconomics of Developing Countries, ed. by Mihir Rakshit: 1-25; Oxford University Press.

Marxian/Kaleckian Models (22 classes) and Neo-Classical Models.

M. Kalecki, Essays on Developing Economies, Harvester Press, 1976

Amit Bhaduri, Macroeconomics, Macmillan 1986; chs1-3.*

Prabhat Patnaik (ed), Macroeconomics, OUP, 1995: essays by A K Bagchi and A K Dutt

Amitava Bose: 'Short period equilibrium in a less developed economy', in Studies in the Macroeconomics of Developing Countries, (ed.) Mihir Rakshit: 26-41.*

Amitava Krishna Dutt. 2001. 'Demand and Wage-Goods Constraints in Agriculture–Industry Interaction in Less-Developed Countries: A Theoretical Analysis', in A. Bose, D. Ray, and A. Sarkar (eds), Contemporary Macroeconomics, pp. 93–127. New Delhi: Oxford University Press.

Amit Bhaduri: Structural change and development: relative roles of effective demand and the price mechanism in a dual economy; in Rethinking Development Economics, edited by Ha-Joon Chang, Chapter 10 (London: Anthem Press, 2004).

Saumya Chakrabarti: A macroeconomic structure of employment: rural-urban conflict in a Kaleckian framework; in Review of Radical Political Economics; Vol. 43, No. 2; June 2011.*

Saumya Chakrabarti. 2013. 'Interrogating Inclusive Growth: Duality, Complementarity, Conflict', Cambridge Journal of Economics, 37(6): 1349–79.*

Ben Fine. New Growth Theory, in Rethinking Development Economics, edited by Ha-Joon Chang, Chapter 9 (London: Anthem Press, 2004).*

Neo-Classical Models (10 classes)

Pierre-Richard Agenor and Peter J. Montiel. Development Macroeconomics (Chapters: 1, 2). Princeton University Press.*

Sugata Marjit, Udo Broll and Sarbajit Sengupta. 2001. Trade and Wage-gap in Poor Countries; in A. Bose, D. Ray, and A. Sarkar (eds), Contemporary Macroeconomics , pp. 128–148. New Delhi: Oxford University Press.*

Sugata Marjit and Saibal Kar: The Outsiders: Economic Reform and Informal Labour in a Developing Economy; OUP, 2011. [relevant sections]

Oded Galor and Joseph Zeira: Income distribution and Macroeconomics, The Review of Economic Studies, 60, 1, Jan 1993, pp. 35-52.

References:

Text:Hillman, Arye L., 2009. Public Finance and Public Policy Responsibilities and Limitations of Government, CUP.

Other references:

Batina, R. G., and T. Ihuri, 2000. Consumption Tax Policy and the Taxation of Capital. Oxford University Press, Oxford.

Besely, T., 2006. Principled Agents?: The Political Economy of Good Government. Oxford University Press, Oxford.

Congleton, R. D., A. L. Hillman, and K. A. Konrad (Eds.), 2008. Forty Years of Research on Rent Seeking 1: The Theory of Rent-Seeking. Springer, Berlin. Congleton, R. D., A. L. Hillman, and K. A. Konrad (Eds.), 2008. Forty Years of Research on Rent Seeking 2: Applications: Rent Seeking in Practice. Springer, Berlin.

Cornes, R., and T. Sandler, 1996. The Theory of Externalities, Public Goods, and Club Goods. Cambridge University Press, New York.

de Soto, H., 2000. The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else. Basic Books, New York.

Dixit, A. K., 2004. Lawlessness and Economics: Alternative Modes of Governance. Princeton University Press, Princeton NJ.

Mishan, E. J. and E. Quah, 2007. Cost-Benefit Analysis. Routledge, Abington U.K., and New York.

Sandford, C., 2000. Why Tax Systems Differ: A Comparative Study of the Political Economy of Taxation. Fiscal Publications, Bath.