

ECONOMICS

- ① Name of the course :- MA part I, paper VI
& BA Part II, ECO(H) paper-V
- ② paper :-
- ③ TOPIC :- Nature of Development Economics
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The study of ECO DEV is one of the newest, most exciting & most challenging branches of the broader disciplines of ECONOMICS & POLITICAL ECONOMY we may claim Adam Smith was the first Dev. economist" and his WEALTH OF NATIONS - 1776 was the first treatise on ECO development. Systematic study of the problems & process of ECO DEV in the Third World has emerged only over the past 7 decades.

- (1) SIR ARTHUR LEWIS OF PRINCETON UNIV. & (2) PROF. THEODORE SHULTZ of the UNIV OF CHICAGO provided dramatic confirmation of the status of eco dev. as a separate field within the economic discipline

THE NATURE OF DEV. ECONOMICS

TRADITIONAL ECO is concerned primarily with the Efficient, Least-cost allocation of scarce productive Resources, and with the optimal growth of these resources over time so as to produce an ever expanding range of goods & services (Tradition eco-classical & neo-classical economics taught in American & British text books)

POLITICAL ECONOMY goes beyond traditional Eco. to study Among other things, the social & institutional processes through which certain groups of economic & political elites influence the allocation of scarce productive resources now and in the future for their own benefit, or for that plus the wider benefit of the larger population.

POLITICAL ECONOMY is therefore concerned with the relationship between politics & Economics, with a special emphasis on the role of power in economic decision making

DEVELOPMENT ECONOMICS has an ever greater scope. In addition to being concerned with the efficient allocation of existing scarce productive resources & with their sustained growth over time, it must also deal with the eco, social & institutional mechanisms both public & private, necessary for bringing about rapid & large-scale improvements in levels of living for the masses of poverty-stricken, malnourished & illiterate people of the AFRICA, ASIA & LATIN AMERICA

Thus DEV ECO. to a greater extent than traditional economics or even POLITICAL ECONOMY is concerned with the economic and political processes necessary for affecting RAPID ^{STRUCTURAL} INSTITUTIONAL TRANSFORMATIONS OF ENTIRE SOCIETIES IN A MANNER that will most efficiently bring the fruits of economic progress to the broadest segments of their population.

As such the ROLE of GOVT. & the Need of some degree of co-ordinated ECONOMIC PLANNING & broad based domestic & international economic policies are viewed as ESSENTIAL component of DEV. ECONOMICS