

Gokhale Institute Students' Publication Series No. 1

ESSAYS IN DEVELOPMENT ECONOMICS

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FOREWORD

The M.A. Economics programme at the Gokhale Institute of Politics and Economics enjoys an excellent reputation for its analytical rigour and emphasis on sound economic foundations. However, the programme provides training in more than this. An additional aim of the programme is to enable students to develop the ability to cogently analyse current policy issues of relevance in the Indian and international spheres.

This collection of essays by Gokhale Institute M.A. Economics students was undertaken as part of their coursework for the course on Economics of Development, during the 1999-2000 academic year. The collection has been edited and compiled by Miss Ira Athale, who is herself currently an M.A. Part II student, under the overall guidance of Professor Arindam Das-Gupta.

Given the diverse coverage of the essays undertaken, it was felt useful to collect around 10 of the essays with the most competent analysis in a volume. The volume provides testimony to the level of maturity of students and the quality of education they receive during their Master's degree. In addition, the essays also contain interesting and relevant discussions of a variety of current policy issues in the area of Development Economics, broadly defined.

We are publishing this collection of essays by the students under the Gokhale Institute Students' Publication Series, beginning with the publication of the present volume.

It is hoped that the essays are found to be of interest to readers while also providing an illustration of possible use in programme design to other M.A. Economics courses in the country.

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EDITOR'S NOTE

These eight student essays are a selection of those written at the Gokhale Institute, Pune in January- April 2000 for the course on the Economics of Development, conducted by Prof. A. Das-Gupta, Dr. A. Dharmadhikari and Dr. J. Ghanekar.

Development Economics is a broad subject, dealing with diverse socio-economic, technological, ecological, ethical and financial issues of importance in understanding the process and goals of economic development. These papers cover a varied mix of development topics. Their largely common approach is to describe an aspect of development, study the problems associated with it and offer solutions. The papers have been grouped into the following categories:

- General issues in Development
- The Environment, Problems and Policy
- Trade and Infrastructure

The first section comprises three papers. "A Critical Review of Development as Defined by the World Bank", by Deepavali Kulkarni, takes a critical look at the key multilateral funding agency in international development. The author identifies weaknesses in the World Bank's definition of development. She then documents how implementation of World Bank policies is in direct contrast to its avowed aims.

"Judicial Reforms, Development and India" by Daya Murlidharan is an innovative study of the need for judicial reforms in India from the perspective of economic development, the factors that reduce the effectiveness of the Indian judicial system and corrective measures to improve its quality and efficiency.

Anjali Agate's careful paper on "Health Services for the Poor in Pune" not only details the existing health services provided for Pune's poor, but also evaluates the results of a field survey conducted by the author in a slum in Pune.

The next section deals with environmental damage, policy responses and the need for environmental costing. Nitu Singh's paper "Causes and sources of Global Warming" details the root and proximate causes of global warming, major countries responsible for it and suggests economic solutions.

A second, related, paper is "International Policy Responses to the Problem of Global Warming" by Lipi Parija. Reductions that may be possible in emission of greenhouse gases by imposing a carbon tax and trading in emission permits are described. An innovative but incomplete game theoretic analysis of the economics of damage costs and abatement has been carried out, and the resulting non-cooperative equilibrium has been discussed.

Ritwik Rai's essay on "Large Dams in India: Factors that Escape the Cost-Benefit Analysis" adds to the burning debate on the topic. Cost over-runs, overestimation of benefits and unforeseen destruction are incisively catalogued in this essay. Recommendations to ensure more meaningful economic evaluation of costs and benefits are then made.

The first paper in the Trade and Infrastructure section, "The Growing Importance of Electronic Commerce in Global Trade and the Role of the World Trade Organisation" by Queenie Rodrigues, describes the impact of the information revolution on trade practices and their regulation. The growth trends in e-commerce and the efforts of the WTO to encourage and regulate it are the main focus of the paper.

The final paper in this volume is "Financing Infrastructure" by Gita Mahapatra. This deals with the need for Government and private financing of infrastructure and the problems associated with it. Who should finance infrastructure and how, especially in the Indian situation are other topics covered by this essay.

I wish to thank the Director Prof. V.S. Chitre for giving me the opportunity to edit this volume. I also want to convey my gratitude to the Registrar Dr. K.G. Kshirsagar, the Institute Library and Computer Laboratory staff. This volume would not have been possible without Prof. Das-Gupta, who was the moving spirit and guiding force every step of the way.

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