

**Centre for Russian and Central Asian Studies**

**School of International Studies, JNU**

Course:	M. A. PISM (IS405N)
Course Title:	Principle of Economic Organization
Course Type:	Compulsory
Course Teachers:	Dr. Raj Yadav
Credits:	4
Contact Hours:	4
Course Code	IS405N

**Course Objectives**

“Economics is everywhere, and understanding economics can help you make better decisions and lead a happier life”. Tyler Cowen

This course tries to fulfill this very objective by creating and inculcating scholarship among scholars of International Relations with Politics. This course tries to introduce and make the essential principles for an understanding of fundamental economic problem acquainted to Masters Students. Course also tries to provide orderly and objective way of thinking about economic policy problems and facilitate in developing preliminary knowledge of economic concepts for understanding of national and international economy.

**Learning Outcomes**

Since this course is one of the core course in MA PISM, in which largely all courses focus on different aspects of politics, this course offers an environment to understand the economy and economics per se. This course helps in bridging the gap between politics and economics to all students who are largely from political science background. Students will be able to understand various facets and dynamics of economics and the principles on which an economy of any

country works. This course prepares students to undergo clarity of debates of isms namely socialism, planned economy, market economy/capitalism and issues and challenges in a contemporary economic system. This course prepares students to take further Phd on economic issues or political economy or even join any think tank where they need to have understanding on economic perspectives and issues.

## **Evaluation Methods**

Students are evaluated on the basis of **Internal (Sessional)** and **End-Sem (Semester exam)** assessment. Breakdown of the **assessment** is: a) Class Assignments; (20 %); b) Mid-Sem Examination (20 %); c) Attendance and class performance (10 %); d) End Semester exam (50 %).

## **Course Content**

The Basic functions of Economic organization, Alternative modes of Organization-Command and the market. Examples of command system-central planning, the internal structure of firms Incentive and information problems in economic organization. The market system-demand and supply - consumer and producer behavior in competitive markets-the invisible Hand and Pareto Optimality .

Limitations of the market- entry restrictions and imperfect competition- scale Economies-externalities and public good - Coase's theorem and transaction costs. Assumption of the market - property right, their nature and implications the theory of common property resource.

Disequilibrium in the market- price rigidity and lack of coordination resulting in unemployment and inflation. The markets for labour, money and goods and their special problems. The ISLM framework for an integrated analysis of these market analysis of inflating and unemployment in this framework and the possible role of the government in tackling these problems. The operation of an economy in the international environment. Issues relating to international trade for LDC's . Problems of the economy. The role of International economic institutions in tackling the problems of the developing countries in particular, the World Bank, IMF, UNCTAD . The effect of the increasing importance of commercial banks in the world, Monetary system.

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## **Readings**

Dalio, R. (2021). Principles for Dealing with the Changing World Order: Why Nations Succeed and Fail. United Kingdom: Avid Reader Press / Simon & Schuster.

King, S., Stonecash, R., Byford, M., Gans, J. (2020). Principles of Macroeconomics. Australia: Cengage Learning Australia.

Mankiw, N. G. (2020). Principles of Economics. United States: Cengage Learning.

Mankiw, N. G. (2020). Essentials of Economics. United States: Cengage Learning.

Mankiw, N. G. (2012). Principles of Microeconomics. India: Cengage Learning.

Marshall, A. (1895). Principles of Economics. United Kingdom: Macmillan.

Marshall, A. (2003). Money, Credit, and Commerce. United States: Prometheus Books.

Nicholson, J. S. (1901). Principles of Political Economy. United Kingdom: A. and C. Black.

## **Articles**

Acemoglu D., Robinson J.A., “Why Nations Fail. The Origins of Power, Prosperity, and Poverty”, Crown Publishers, New York 2012.

Akamatsu, Kamane. (Aug 1962). A Historical Pattern of Economic Growth in Developing Countries. Journal of Developing Economies. Vol.1, Issue s1, page 3-25.

<https://doi.org/10.1111/j.1746-1049.1962.tb01020.x>

Amelia U. Santos-Paulino. (2005). Trade Liberalisation and Economic Performance: Theory and Evidence for Developing Countries. The World Economy. Vol 28, Issue 6. Page No. 783-831.

<https://doi.org/10.1111/j.1467-9701.2005.00707.x>

Brönner, Matthias & Salah, Skander & Lienkamp, Markus. (2020). Production Challenges in Least Developed Countries. Challenges. 11. 1. 10.3390/challe11010001.

Clemens, M. A., & Kremer, M. (2016). The New Role for the World Bank. *The Journal of Economic Perspectives*, 30(1), 53–76. <http://www.jstor.org/stable/43710010>

Dieter, W., & Ulrich, W. (1998). *Development Centre Studies The Economics and Politics of Transition to an Open Market Economy Egypt: Egypt*. OECD Publishing.

Dollar, D. (1992). ‘Outward-Oriented Developing Countries Really Do Grow More Rapidly: Evidence from 95 LDCs 1976–85’, *Economic Development and Cultural Change*, 40 (April), 523– 44.

Eichengreen, B., & Woods, N. (2016). The IMF’s Unmet Challenges. *The Journal of Economic Perspectives*, 30(1), 29–51. <http://www.jstor.org/stable/43710009>

Gallup, J. L., J. D. Sachs and A. Mellinger (1998), ‘Geography and Economic Development’, in B. Pleskovic and J. E. Stiglitz (eds.), *World Bank Annual Conference on Development Economics* (Washington, DC: World Bank).

Kapur, D. (1998). The IMF: A Cure or a Curse? *Foreign Policy*, 111, 114–129. <https://doi.org/10.2307/1149382>

Keita, L. (2016). Models of Economic Growth and Development in the Context of Human Capital Investment – The Way Forward for Africa. *Africa Development / Afrique et Développement*, 41(1), 23–48. <http://www.jstor.org/stable/90001833>

Miszewski, Maciej. "Capitalism vs. Socialism: Antinomy of Nations or Antinomy of Systems?" *Studies in Logic, Grammar and Rhetoric*, vol.59, no.1, 2019, pp.159-175. <https://doi.org/10.2478/slgr-2019-0035>

Piętak, Łukasz. (2014). Review Of Theories And Models Of Economic Growth. *Comparative Economic Research*. 17. 10.2478/ce-2014-0003. [https://www.researchgate.net/publication/271382239\\_Review\\_Of\\_Theories\\_And\\_Models\\_Of\\_Economic\\_Growth/citation/download](https://www.researchgate.net/publication/271382239_Review_Of_Theories_And_Models_Of_Economic_Growth/citation/download)

Rostow, W. W. (1959). The Stages of Economic Growth. *The Economic History Review*, 12(1), 1–16. <https://doi.org/10.2307/2591077>

Sauve, P. (1997). Open markets matter. *World Competition*, 21, 57.

Sharipov, Ilkhom (2015) : Contemporary Economic Growth Models and Theories: A Literature Review, CES Working Papers, ISSN 2067-7693, Alexandru Ioan Cuza University of Iasi, Centre for European Studies, Iasi, Vol. 7, Iss. 3, pp. 759-773. <https://www.econstor.eu/bitstream/10419/198426/1/ceswp-v07-i3-p759-773.pdf>

Spiegel, H. W. (1955). Theories of Economic Development: History and Classification. *Journal of the History of Ideas*, 16(4), 518–539. <https://doi.org/10.2307/2707508>

Sertic.(2006). Economic Problems of the Least Developed and Land Locked OIC Countries. *Journal of Economic Cooperation*. 27-3, 51-120. <https://sesricdiag.blob.core.windows.net/sesric-site-blob/files/article/19.pdf>

Waller-Hunter, J., & Jones, T. (2002). Globalisation and Sustainable development. *International Review for Environmental Strategies*, 3(1), 53-62.

Zarra-Nezhad, Mansour & Fatimah, Hosseinpour. (2011). Review of Growth Models in Less Developed Countries. *The International Journal of Applied Economics and Finance*. 10.3923/ijaef.2011.1.17. [https://www.researchgate.net/publication/49615873\\_Review\\_of\\_Growth\\_Models\\_in\\_Less\\_Developed\\_Countries/citation/download](https://www.researchgate.net/publication/49615873_Review_of_Growth_Models_in_Less_Developed_Countries/citation/download)

[https://unctad.org/system/files/official-document/ldc2021\\_en.pdf](https://unctad.org/system/files/official-document/ldc2021_en.pdf)

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