After decades of weak economic performance, India has at last emerged as one of the world’s fastest growing economies. Yet its economy remains very much in transition, and full of apparent contradictions. While Indian business conglomerates have acquired firms like Jaguar and Arcelor, the majority of Indian workers are still employed in the agricultural and informal sectors. Indian software firms are among the best in the world, yet the vast majority of school children hugely underperform in reading and math. And India’s economic reforms, which launched the growth revival, have been stalled for the past decade.

What policies should India adopt to increase growth while maintaining financial stability? Will this growth naturally aid the poor, or is government intervention necessary to reduce poverty and inequality? This seminar will examine these questions and more, in the context of the history of India’s economy, and its current status, outlook, and major policy debates. The first four weeks focus on the history of the Indian economy: the colonial era, the period of Nehruvian socialism, and the subsequent crisis and reforms. We will then examine the modern Indian economy, reviewing the major sectors of industry, services, agriculture and finance. Finally we will study the development of human capital in India—health and education—and their implication for future growth.

The major reading for the course will be two books by Panagariya and Sen and Dréze which provide complementary but very different perspectives on the current economic situation of India and the appropriate policy recommendations. These will be complemented by shorter readings taken mostly from the latest academic economics literature accessible to undergraduates and case studies of specific firms and policies from the popular press.