

(ECON-531) Readings on Development Economics

Course Description

International Debt, Aid / Assistance, Debt Crises and New Role of World Bank and IMF

Why international borrowing? Two Gap Model, Aid commitments and disbursement. Sources of borrowing. Debt Cycle Theory/Stages. Debt Burden: Debt Servicing, Debt Laffer Curve, Debt buy back etc., Latin American Debt Crises, ASEAN Crises, Debt Problem of LDC's and South

Asia, Debt Overhang and threat to growth. Policies to combat debt problem: Forecasting debt and solution for debt burden, saving mobilization/Domestic resource mobilization, Debt rescheduling etc. Debt Modeling and Forecasting Future Implication. Solution to debt Problem.

Recommended Books

Adelman, I. S. & Vines, R. S. (2001) "Fallacies in Development Theory and Their Implications for Policy". *Meier and Stiglitz*. pp 103-134.

Anderson, J., Reid, G. & Ryterman R. (2003) Understanding Public Sector Performance in Transition Countries: An Empirical Contribution. Washington DC, World Bank.

Collier, P. (2007a) "Aid to the Rescue?" In Collier, P. (Ed.) *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*. Oxford University Press.