

PREFACE

This volume is a selection of papers by participants at the ISI Platinum Jubilee conference on Comparative Development held at the ISI, Delhi in December 2007. All papers have been peer reviewed.

The set of papers in the volume span an exciting set of both new and well-established topics in development economics, thus justifying the title of the volume. A brief discussion of a small selection of the papers indicates the range of topics covered.

Rethinking aspects of well-being and happiness is one of the exciting new areas in development economics. John Helliwell, Haifang Huang and Anthony Harris examine the determinants of life satisfaction as measured by surveys of individuals. They show that income, measures of deprivation, and other personal and national circumstances are together good predictors of life satisfaction. In another paper in the section on inequality and wellbeing, T. Lakshmanaswami explores the intergenerational links in the transmission of economic advantage under assortative marital sorting.

The interface between law and economics is another exciting area of research, at least partly because it is of great topical interest. For instance, public outrage arising from witness subversion and perversion of justice has reversed verdicts on appeal in several recent cases in India. Brendan O'Flaherty and Rajiv Sethi examine the role of public outrage in delivering justice when judicial effectiveness is poor.

Some of the papers are in political economy, another very popular area of research. Abhirup Sarkar conducts a theoretical analysis of why in developing countries like India, political parties often call general strikes that are unlike strikes in factories – the former are often held as general protests without any specific economic goals. Suman Majumdar and Sharun Mukand examine the role of policy interventions in bringing about institutional change in a framework where existing political incentives determine a country's economic institutions.

T.N. Srinivasan's paper goes back to an issue which has been hotly debated by development economists in recent times. What is the cause of the agrarian crisis in India in since the 1990s? Has it been caused by the opening up of the Indian economy to external competition? Or is it the result of India

implementing the Agreement on Agriculture of the Uruguay Round of Multilateral Trade Negotiations? Or has it been caused by the decline of public investment in agriculture in response to rising fiscal deficits? Srinivasan argues that the principal reason for the agrarian crisis has been the faulty government policies prior to 1990 – in particular a development policy which placed far too much emphasis on import substituting industrialization with emphasis on heavy industry and insulation from the world economy.

The volume also includes several papers on what can be broadly categorized as Labour economics. In a particularly interesting paper, Kaushik Basu, Gary Fields and Shub Dasgupta construct a theoretical model to analyze the effects of labour legislation which make it costly for firms to dismiss or retrench workers. They show that such laws can cause wages and employment to rise or fall, depending on the parametric conditions prevailing in the market. They then isolate conditions under which an anti-retrenchment law raises wages and employment.

Other papers in the volume discuss several contemporary issues in areas such as macroeconomics and public finance. Several of the empirical papers are based on Indian data. But, of course, the lessons learnt from them are relevant for all developing countries.

We are grateful to all those who helped make the conference and this volume a success, particularly our doctoral students Ashokankur Datta, Mridu Prabal Goswami, Namrata Gulati, Ridhima Gupta, Dushyant Kumar, Debdatta Saha, and Soumendu Sarkar who helped with the editing.

Bhaskar Dutta
Tridip Ray
E.Somanathan