

**Course Title:** Economics of Markets in Agriculture

**Code:** LA1840

**Instructor:** Gaurav Dhamija

**Timings:** Tuesday-12:00-12:55; Wednesday-11:00-11:55; Friday-12:00-12:55

**Credit:** 1

**Eligibility:** Fourth year students.

**Course Objective:**

The objective of this course is to build an understanding of economics of the markets that formulate the rural sector. It is essential to focus on these institutions as they deeply influence a vast majority of population in developing countries. Particular attention will be devoted to the markets for land, labor, credit, and insurance.

**Course Description:**

This course starts with a discussion of the land rental courses. It then introduces the role of risk in the land market. It further introduces the concepts used to examine the linkage between nutrition and casual labor market. It then discusses the dynamics of permanent labor markets. Moreover, it will also introduce the various theories of informal credit markets. In the end, it will focus on the limits to insurance markets. The pedagogy will be through lecture sessions on conceptual areas. The following list of topics should give an idea about topics that we expect to cover in class. However, it may change depending on the students' progress, their ability to learn the subject, and if any specific needs required to be addressed.

1. Land rental contracts
  - Contractual forms
  - Contracts and incentives
  - Risk, tenancy, and sharecropping
  
2. Labor markets
  - Nutrition, time, and casual labor markets
  - A model of nutritional status
  - Permanent labor markets
  
3. Credit
  - Sources of demand for credit
  - Characteristics of rural credit markets
  - Theories of informal credit markets
  
4. Insurance
  - The perfect insurance model

- Limits to insurance: Information
- Limits to insurance: Enforcement

5. Rural–urban interaction

- The Lewis model
- Rural–urban migration
- Harris–Todaro equilibrium

**References:**

1. Ray, D. 1998. Development Economics. Princeton, NJ: Princeton University Press. – Mandatory Text.
2. Sen, A. 1999. Development as Freedom. New York: Alfred A. Knopf.
3. Sapsford, D., & Tzannatos, Z. (1993). The economics of the labour market. Macmillan International Higher Education.
4. Singh, B. (1982). Land Market: Theory and Practice in Rural India (Vol. 20). Agricole Pub. Academy.
5. Duflo, E., & Banerjee, A. (2011). Poor economics. Public Affairs.

**Evaluation procedure:**

Class Participation: 5%  
Class Assignment and Quizzes: 15%  
Midterm Exam: 30%  
Finalterm Exam: 50%