

Foundations of Economics for Sustainable Development

Spring 2019

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Office hours: T 2-3PM and F 1:30-2:30PM
Sections: AFS6307 (19F1) – LAS6938 (363B)
Times/room: R P6-8, LEI 242
Credits: 3

Course description and goals

This course is an introduction to the main topics and debates in development economics. Specifically targeted at graduate students with limited to no background in economics, the course allows students to appreciate the widespread application of economic ideas and concepts to development problems around the world. It examines countries' economic development challenges and policies, domestically and internationally; as well as issues at sector and household level. The focus is less on studying the theoretical models and more on how theories and concepts apply in practical contexts and how different factors shape economic decisions at both macro and micro levels. Particular attention is paid to the problems of sustainable development in Sub-Saharan Africa and Latin America.

The curriculum is divided into five main learning units. The topics are not deemed to be comprehensive, and have been selected for their relevance in the current literature, and their amenability to an introductory course. Classes will combine lectures with class discussions, group activities, and applications. The given assignments have the purpose of enhancing understanding of core topics, as well as providing the opportunity to pursue student's own interests. This course fulfills the core economics requirement for MDP students, but is open to any interested graduate student.

Class format and philosophy

Classes consist of lectures, group discussions and hands-on activities. Since learning best occurs in a collaborative environment, lectures will decrease as the semester progresses, to give more space to team-based learning (e.g. applications) and other experiential components within groups. For these to be successful, however, it is essential that each of you take the responsibility for reading the materials before class, and for coming to class prepared for critical and cooperative discussions and activities. You are expected not only to learn, but also to actively contribute to your group/class learning.

Reading

Two textbooks are required (we will refer to them by the title initials):

- **SED:** A Szirmai (2015) *Socio-Economic Development*, Cambridge University Press
- **PE:** A Banerjee and E Duflo, (2011) *Poor Economics*, Public Affairs, New York

All other required reading will be available on the course page on e-Learning (Canvas, *Modules* section), and can be accessed through <http://lss.at.ufl.edu>, with your Gatorlink username and password.

Student learning outcomes

By the end of this course successful students will have gained:

1. Ability to use and apply relevant economic concepts to the analysis and understanding of key development debates, including:
 - a. Economic growth, structural change and de-growth
 - b. The role of agriculture, industry, and trade in development; and the choice between alternative policy options
 - c. The role of the state, markets and institutions in affecting development trajectories
2. Ability to use and interpret key economic development indicators, and a basic understanding of quantitative data analysis
3. Ability to distinguish and analyze the complex factors affecting individual and household decision-making in areas such as education, production, and financial decisions, paying attention to gender differences
4. Experience with conducting applied research through involvement in existing research projects at UF.

Grading and Assignments

The learning components and related assignments are briefly described below. Detailed instructions along with specific requirements and grading criteria will be provided on the Canvas course website.

- **Engagement and participation (10% of total grade):** You will be graded on your attendance, and participation in class discussion, and group activities.
- **Presentations/“class activities” (10%):** You will be asked to prepare and conduct during the semester two “activities”: a 3-minute presentation based on a specified reading and one “application” according to the Team Based Learning pedagogy. These aim to demonstrate your understanding of class material and promote class learning.
- **Unit-based assignments (each worth 10% for a total of 50% of total grade):** There will be one assignment at the end of each of the five learning units. Such assignments can take various forms (short paper, discussion posting, data exercise) and are meant to help you to gain practice in the analysis and application of the concepts studied.
- **Research Deliverable (30%):** A major assignment for this course is a deliverable for an existing collaborative research project at UF in which the instructor is currently involved in. Deliverables may take different forms, such as literature review, data analysis and write up, development of a survey or research instrument, etc. You will be given a number of options out of which to choose. Alternatively, you may develop your own deliverable as part of your ongoing research agenda. More instructions to follow.

The final grade will be a weighted average of grades for individual course components. The grading scale is as follows:

Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E
Tot	94-	90-	87-	83-	80-	77-	73-	70-	67-	63-	60-	<60
%	100	93	89	86	82	79	76	72	69	66	62	

CLASS TIME SCHEDULE

- You are required to do the reading in advance of class and be prepared to engage with the class material at high level, appropriate for a graduate course. The weekly reading/study load is 4-6 hours at a minimum, so please make sure you put aside sufficient time for this.
- **The instructor reserves the right to make changes to this schedule during the semester.**

Jan 10: The nature of development economics; Development economic indicators

- SED, Ch. 1-2
- PE, Forward + Ch. 1 (pp. 7-42).
- World Bank (2015), *World Development Report 2015*, Ch. 10 “The biases of development professionals” Washington, DC.
- Read and revise in class: Composite indices: HDI and beyond: <http://hdr.undp.org/en/statistics/understanding/indices>
- Plus familiarize with: HDI: <http://hdr.undp.org/en/statistics/hdi>; IHDI: <http://hdr.undp.org/en/statistics/ihdi>; GII: <http://hdr.undp.org/en/statistics/gii>; MPI: <http://hdr.undp.org/en/statistics/mpi>
- Jerven, M (2012) “Poor Numbers: how we are misled by African development statistics and what to do about it” *African Arguments*, Nov 20

Unit 1: Economic Growth, and De-Growth

Jan 17: Economic growth and the experience of developing countries

- SED, Ch. 3 (esp. 3.1, 3.3, 3.5, 3.6 and 3.7) [optional: Ch 4 (4.1, 4.2, 4.3, 4.6 to 4.9)]
- The Economist “The Poor and the Rich” in: Secondi, G. ed. (2008) *The Development Economics Reader*, Routledge.
- UNDP (2013) *Human Development Report 2013: The Rise of the South*, “Summary”
- Case study of choice: 1) Mauritius; 2) South Korea; 3) China (links to papers in Canvas)

Jan 24: Structural change and industrialization; export-oriented policies; industrial policy

- SED Ch. 8 (8.1, 8.3, 8.5.1, 8.5.2, 8.5.4, 8.5.5; 8.6); Ch 9 (9.3, 9.5, 9.6, 9.8).
- Case studies: See Canvas.

Jan 31: Critiques to the economic growth model and the de-growth debate

- Readings tbc and posted in Canvas

Unit 2: Agriculture and Livestock sectors

Feb 7: The importance of agriculture/livestock for development

- SED, Ch. 10 (section 10.2, 10.4.4, 10.5)
- World Bank, *World Development Report 2008: Agriculture for Development*, Ch. 3 (pp 82-84, 89-93); and Ch 5.
- Johnson et al (2016) Gender, assets and agricultural development: Lessons from eight projects, *World Development*, 83: 295-311.

Feb 14: Enabling Policies for Agriculture/Livestock: Presentation from the Enabling Policy AOI, Feed the Future Innovation Lab for Livestock Systems

- Serra, R. (forthcoming) The Politics of Agricultural Development in the Sahel, in: Villalòn, L. ed. Sahel Handbook, OUP.
- Serra, R. and Harris-Coble (2018) Agricultural Policies for Livestock in Ethiopia, Policy Report No. 1, FtF Innovation Lab for Livestock Systems, UF/IFAS, Gainesville.

Unit 3. Gender in Agricultural Value Chains

Feb 21: Understanding gender and agricultural value chains

- Coles, C. and Mitchell, J. (2011) Gender and Agricultural Value Chains, ESA WP No. 11, FAO, Rome.
- Mayoux, L. (2005) Gender Lens' in Value Chains Analysis for Decent Work, A Practical Guide, Draft for International Labour Organization, Geneva, November.
- Okali, Christine (2004) "Gender Issues in Changing Domestic Markets for Livestock Production in Developing Countries." Paper for the expert consultation, Food and Agriculture Organization, Rome, June 22-24.
- Value chain analysis and gender tool
https://agriprofocus.com/upload/3_Value_Chain_Analysis1415203320.pdf

Feb 28: Applying the women's economic empowerment concept and tool

- van Eerdewijk A. et al. (2017) White Paper: A Conceptual Model of Women and Girls' Empowerment, KIT, Amsterdam
- Donald A. et al (2017) Measuring Women's Agency, The World Bank
- Hillenbrand, E. et al. (2015) Measuring Gender Transformative Change: A review of the literature and promising practices, CARE USA WP.
- Debevec et al (2017) Using qualitative methods to understand the local meaning of women's empowerment, GAAP2, IFPRI.
- Readings from the Livestock Vaccine Value Chain project (see links in Canvas)

March 1-9: Spring Break

Unit 4. Behavioral change at household and community level

Mar 14: Parent's fertility decisions; the role of social norms in decision-making

- SED, Ch. 5 (5.4, 5.7, 5.6.4 to 5.6.9, and 5.8)
- PE, Ch. 5
- World Bank (2015), *World Development Report 2015*, Ch. 1 "Overview"

Mar 21: Education (demand & supply factors); household education choices; Conditional Cash Transfers

- SED, Ch. 7 (especially from 7.3.6 until the end)
- PE, Ch 4
- Kabere N, C Piza and L Taylor (2012) *What are the Economic Impacts of CCT programmes? A Systematic Review*, Technical Report, London: EPPI-Centre (Sections 1, 3, 9).

- Cecchini, S and A Madariaga (2011) *Conditional Cash Transfer Programs: The Recent Experience in Latin America and the Caribbean*. Cuadernos de la CEPAL #95. Santiago: ECLAC and SIDA.

Mar 28: Saving and investment decisions: the role of beliefs

- Poor Economics (Chs 6-11)

Unit 5. The role of international institutions (Foreign aid and FDI)

April 4: The international economic order and the development architecture

- SED: Ch. 1 (esp. 1.3-1.5); and 2 (esp. 2.3, 2.4.1, 2.4.11, 2.5)
- Browse the websites of: The World Bank, IMF, WTO, UN agencies, regional organizations (Inter-American development Bank and African Development Bank)

April 11: Does foreign aid contribute to economic development?

- SED, Ch. 13 and 14 (esp. 14.1, 14.2 and 14.6)
- Rodrick, D. (2006) "Goodbye Washington Consensus, Hello Washington Confusion?" *Journal of Economic Literature* 44: 973-987.
- Francis Mwega "Case study of aid effectiveness in Kenya"
- Reality of Aid "Country case studies on South-South Cooperation"

April 18: Debates on the effects of FDI for countries' economic development; case studies

- Solis, O. (2011) *Subsidizing Multinational Corporations: Is That a Development Policy?* Working Paper 381, Kellogg Institute, University of Notre Dame.
- Hamann, R. (2004) "Corporate Social Responsibility, Partnerships, and Institutional Change. The Case of Mining Companies in South Africa." *Natural Resources Forum* 28 (4): 278-290.
- Munilla, I. (2010) *People, Power and Pipelines. Lessons from Peru in the Governance of Gas Production Revenues*. Boston: OXFAM-America, World Resource Institute and Bic, Executive. Summary.

TOPICS FOR FURTHER STUDY or RESEARCH DELIVERABLES:

1. Basics of Project impact evaluation

- Rogers P (2012) Introduction to Impact Evaluation
- Gertler, P. et al (2011), *Impact Evaluation in Practice*, Washington DC: The World Bank, (Chs 1-2)
- Ferraro, P. J. (2009) "Counterfactual thinking and impact evaluation in environmental policy" In M. Birnbaum & P. Mickwitz (Eds.), *Environmental program and policy evaluation. New Directions for Evaluation*, 122, 75-84
- Ravallion, M. (2009) 'Evaluation in the Practice of Development' *The World Bank Research Observer*, 24(1): 29-53.
- Ravallion, M. (2001) "The mystery of the vanishing benefits: An introduction to impact evaluation" *World Bank Economic Review*, 15 (1): 115-40.

2. Prisoner's dilemma, tragedy of the commons, collective action in NRM

- <https://www.britannica.com/topic/collective-action-problem-1917157>
- https://www.youtube.com/watch?v=6_xQeA7rrtQ
- <https://www.youtube.com/watch?v=ByXM47Ri1Kc>
- Schlager E (2002) "Rationality, cooperation and common pool resources" *American*

Behavioral Scientist 45 (5).

- Cardenas, JC and E Ostrom (2004) "What do people bring into the game? Experiments in the field of cooperation in the commons" *Agricultural Systems* 82 (3): 307-326.

University Policies

Requirements for class attendance, make-up exams, assignments and other work are consistent with University policies. Excuses for missing a class test or a deadline for assignments will only be accepted if appropriately documented and due to illness, serious family circumstances, religious holidays, and other reasons approved by the University. You should give me prior notice whenever possible.

Academic Honesty, Software Use, Services for Students with Disabilities, UF Counseling

UF students are bound by The Honor Pledge, which states, "We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: "On my honor, I have neither given nor received unauthorized aid in doing this assignment." The Honor Code (<http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. If you have any questions or concerns, please consult with the instructor.

Software Use

All faculty, staff, and students of the University are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate.

Campus Helping Resources

Students experiencing crisis or personal problems that interfere with their general wellbeing are encouraged to utilize the university's counseling resources. The Counseling and Wellness Center provides confidential counseling services at no cost for currently enrolled students. Contact information: <http://www.counseling.ufl.edu/cwc/Default.aspx>, 392-1575. University Police Department: 392-1111.

Students with Disabilities Act

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation. Once registered, students will receive an accommodation letter, which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.