

AREC 566: Current economic issues in developing countries

Instructor:

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Office hours:

12:00-2 pm, Tuesdays and Thursdays, or by appointment.

Description:

The course provides an overview of the current economic challenges and opportunities facing developing countries and, often, non-urban US communities. Topics include: Sustainability; Development indicators; Drivers of economic development: Big box vs small entrepreneurs, retirees, natural resource based economic development (e.g., agriculture, forestry and tourism); a selection of country studies; and synthesizing factors: poverty, institutional fragility, access/distribution of opportunity.

Prerequisites: 2 courses in economics.

Recommended: Graduate student status. AREC572; AREC563; ECON506;

Format:

The course will consist of twice weekly lectures/seminars of 75 minutes. Student interaction and discussion are anticipated and expected.

Objectives:

Students will become 1) aware, 2) knowledgeable, 3) conversant, and 4) analytical in the issues and concepts of economic issues facing developing countries. They will be able to understand, potentially assess, economic development issues through the lens of economic theory, methods and the weight of case history available and appropriate to their level of education and interest.

Evaluation:

Term paper: 30%; Lecture write-ups: 10%; Book review: 15%; Final examination: 45%.

- The term paper will be 3-4,000 words in length, technical in format, similar to an economics journal article, and address an issue, theory or application touched on in class in greater depth. A country study is also an option.
- In the book review, students will choose a book from the list provided here or arrange with me for an alternative piece to be reviewed. The book review will be 1000 words or less, spending at least ½ of the review providing an economic critique of the work.
- CSU and the broader Fort Collins community provide regular and frequent opportunities to hear world authorities speak on aspects of development. Although students will be encouraged to attend as many of these events as possible, for class evaluation students will provide a one page write up of three such events, each worth 3.33% of the course grade.

- The examination will be in class and will be short answer and essay format, typically consisting of 4-6 multipart questions.

The class will be graded in the following manner:

- 1) According to American grading traditions, if you achieve the following standards, you will be guaranteed the following minimum grade: >90.00%=A; 80.00-89.99=B; 70.00-79.99=C; 60.00-69.99=D. +s and –s will be at my discretion.
- 2) In addition, this is a graduate class. As such, the mean grade for the course should probably be a “high B.” Therefore, notwithstanding the above criterion, if you are within one half of one standard deviation of the mean, you will earn a “A-, B+, or B.” If you are more than one half of one standard deviation above the mean, you will earn an “A or A-,” one half to one standard deviation below the mean earns a “B, B-, or C+,” etc.

Tentative outline (the pace we will actually cover these topics will depend, in part, on the interests of the class):

Topic 1: Indicators of development (approximately 2-3 weeks)

- Sustainability: Dimensions (triple bottom line), optimal scale, measures (hard vs soft), precautionary principle, ecological footprint, capitals framework; Community indicators projects; Millennium development goals; Traditional measures of growth; Real progress indicators, green accounting, and the human development index.

Topic 2: Transforming the Rural Non Farm Economy (approximately 8 weeks)

- Part 1: Overview, Chapters 1-3
 - Introduction, Alternative perceptions of the rural nonfarm economy, Does the rural nonfarm economy contribute to poverty reduction.
- Part 2: Dynamics and Linkages, Chapters 4-10
 - Structural transformation in the rural nonfarm economy, Enterprise dynamics in the rural nonfarm economy, Household income diversification into rural nonfarm activities, Structural growth linkages between agriculture and the rural nonfarm economy, Cities, towns and the rural nonfarm economy, Global food industry consolidation and rural agroindustrialization in developing economies, Rural industrial transition in East Asia: Influences and Implications.
- Part 3: Policies and Programs for Promoting the Rural Nonfarm Economy, Chapters 11-15
 - Policy and institutional environment affecting rural non farm economy, An overview of programs for promoting the rural nonfarm economy, Contrasting rural nonfarm policies and performance in China and India: Lessons for the future, Technology as a motor of change in the rural nonfarm economy, Subsector supply chains: Operational diagnostics for a complex rural economy.
- Part 4: Synthesis, Chapters 16-17
 - Research perspectives and prospective on the rural nonfarm economy
 - Strategies for stimulating equitable growth in the rural nonfarm economy.

Topic 3: Country studies and drivers of economic development (approximately 3 weeks)

- This semester, we have the privilege of hosting visitors or having local experts in the economic development issues facing the following countries: Albania (Seidl), Afghanistan (Davies), India (Jha), Pakistan (Jha), Ukraine (FEP), and Uzbekistan (FEP), to name a few. Based upon my ability to firm up dates for these people to join us, we will have a great depth and variety of developing country expertise from which to draw. It is expected that when we have a country expert, students will use

the resources available to them to familiarize themselves with the issues facing the country such that insightful discussion surrounding the country's development can result.

- Countries and communities pursue a variety of economic development strategies, each with both positive and negative implications for the short and longer term welfare of people. We will discuss common engines of economic development and their implications, potentially including: Amenities and community economic development (Seidl); Entrepreneurship and micro-enterprise (Graff); Tourism, recreation, rural lifestyle (Seidl); Big box based local economic development; Extractive nr industry based local economic development; Non-extractive nr industry based LED; Retirees; and (Modern vs traditional) agriculture: challenges and opportunities.

Topic 4: Synthesizing themes (1 week)

- Population growth, natural disaster, man made calamity, disease, hunger, poverty, education, opportunity, fragile institutions, subsistence, race, gender, social safety net.
- Think globally, act locally
- All development is local

Text/materials:

These lists are neither exhaustive nor comprehensive. They are hoped to give a flavor of the literature available on the topic. If you find particularly useful sources, please pass them along to the rest of the class.

Topic 1:

MGD:

<http://www.un.org/millenniumgoals/>

MGD monitor:

<http://www.mdgmonitor.org/map.cfm?goal=&indicator=&cd=>

International Database (US Census Bureau):

<http://www.census.gov/ipc/www/idb/index.html>

Commission on Biodiversity Video:

<http://www.cbd.int/doc/videos/cop-08/2010-target.swf>

Social Capital:

http://cr.middlebury.edu/economics/social_capital/

US States Renamed for Countries with Similar GDPs:

<http://strangemaps.wordpress.com/2007/06/10/131-us-states-renamed-for-countries-with-similar-gdps/>

Big Mac Index:

<http://www.economist.com/markets/Bigmac/Index.cfm>

Human Development Report/Index:

<http://hdr.undp.org/en/>

Gini Index and the Lorenz curve:

http://en.wikipedia.org/wiki/Gini_Coefficient

Genuine Progress Indicator/sustainability indicators:

http://www.rprogress.org/sustainability_indicators/about_sustainability_indicators.htm

Purchasing Power Parity:

http://www.oecd.org/document/47/0,3343,en_2649_34357_36202863_1_1_1_1,00.html

Green Accounting:

http://www.eoearth.org/article/Green_accounting

Capitals Framework/Triple Bottom Line:

<http://agbiopubs.sdstate.edu/articles/ExEx16005.pdf>

<http://www.environment.gov.au/settlements/industry/finance/publications/indicators/pubs/indicators.pdf>

Ecological Footprint:

http://en.wikipedia.org/wiki/Triple_bottom_line

Topic 2:

Haggblade, S., P.B.R. Hazell and T. Reardon. 2007. Transforming the rural nonfarm economy: Opportunities and threats in the developing world. Johns Hopkins University Press.

Topic 3:

As assigned by guest speakers.

Suggested book review list:

Diamond, Jared. 2005. Collapse: How societies choose to fail or succeed. Viking Press.

Diamond, Jared. 1999. Guns, Germs and Steel: The fate of human societies. Norton Press.

Easterly, William. 2002. The Elusive Quest for Growth: Economists' Adventures and Misdventures in the Tropics. MIT Press.

Vargas Llosa, Alvaro. 2005. Liberty for Latin America: How to undo 500 yrs of state oppression. Farrar, Straus and Giroux.