



**Readings.** A complete course packet will be available; some readings are also on-line, with links provided from this syllabus and the course website.

**Course requirements and grading.** Grades are based on three homework assignments (10% each), a mid-term and final exam (20% each), and a course project (30%). Links to the three homework exercises are included in the electronic version of this syllabus; opening those documents online offers you live links to the data sources need to complete the assignment. For convenience, printed versions of the homework assignments are also included in the reading packet. The two exams will cover material from both the readings and the lectures, for which slides will be posted online on the day of each lecture. The final exam will be comprehensive, covering both halves of the course. As always, unforeseen events may cause changes; these would be discussed in class, posted on the course website, and/or sent by email.

**The course project.** Your semester-long project is expected to be an analytical review of the literature on a researchable question. This will help you get started on a thesis or other research paper, offering the chance to conduct a deeper analysis of the existing literature than might otherwise be possible. A few students already have access to interesting data and an appropriate method, in which case you may wish to produce an original research paper instead of a literature review.

I can advise you on what topics are likely to prove most fruitful. Often I will encourage you to do this course project on the same topic as other work you are pursuing so as to specialize and achieve a deeper level of analysis, but sometimes it is preferable to diversify and start research on something new. A two-page set of guidelines provide some additional advice.

The final result of the project is a written report about five thousand words in length (15-20 double-spaced pages, plus charts and tables). You will also present the result in class, using a maximum of six slides. The written version can be longer, if more detail is justified. For class presentation the six-slide limit will be strictly enforced, to help you practice distilling results into a very brief message that can be communicated visually and in person.

To make the project as productive as possible, we will proceed in stages. Immediately after the midterm exam and October break, you must email to me a title and brief (one-paragraph) description of your chosen topic by 9:00 am on Thursday **October 20<sup>th</sup>**, so we can discuss them in class that day. This will allow you to learn from others' topics and modify your goals accordingly. You must then submit a rough first draft to me for comments (due in class on Tuesday, **November 17<sup>th</sup>**), well before you are scheduled to present the results in class on **December 1<sup>st</sup> and 3<sup>rd</sup>**). The final written literature review is due on the Friday before finals week (**December 11<sup>th</sup>**).

## CLASS TOPICS AND READINGS

*Optional Background Materials* (not required, not in readings packet)

World Bank, [World Development Report 2008: Agriculture for Development](#).

Washington, DC: The World Bank, 2008.

### Week 1. Introduction and background

8/25 What's ahead? Introduction to Agricultural Development and Policy

8/27 Some context: The world food and financial crises of 2007-09

*Readings:*

- Abbott, Philip C., "[Development Dimensions of High Food Prices](#)." Paris: OECD, May 2009 (95 pages).
- Masters, W.A. (2008), "[Beyond the Food Crisis in Africa](#)." *African Technology Development Forum*, 5(1-2): 3-13.

### Week 2. Introduction to agricultural policy

9/01 Farms, food and the development paradox

9/03 Population growth and economic transformation

*Readings:*

- Norton, G.W., J. Alwang and W.A. Masters (2006), "Economic Transformation and Growth", chapter 6 in *Economics of Agricultural Development* (Abingdon: Routledge), 20 pages.
- Tomich, Thomas P., Peter Kilby and Bruce F. Johnston (1995), "Poverty and the Rural Economy" and "Structural Transformation" (excerpts), in *Transforming Agrarian Economies* (Ithaca, NY: Cornell University Press), pp. 9-19 and 35-48.
- Montgomery, Keith (2000), "Notes on the Demographic Transition." Also available online, <http://www.uwmc.uwc.edu/geography/Demotrans/demtran.htm>.

Homework #1: Drivers of Change (due Thursday 9/10 in class)

### Week 3. Farm households and the "industrialization" of agriculture

9/08 *No class*

9/10 Does agriculture industrialize?

*Readings:*

- Allen, D.W. and D. Lueck, *The Nature of the Farm: Contracts, Risk and Organization in Agriculture* (Cambridge: MIT Press, 2002), excerpts: "Farming in North America" (pages 17-26), "Farm Organization and Vertical Control: Historical and Current Case Studies" (pages 181-191).

#### **Week 4. Nutrition and food markets**

- 9/15 Nutrition, health and human capital  
9/17 Imperfect information and food demand

##### *Readings:*

- Haddad, L. et al., “Nutrition Trends and Implications,” chapter 2 in [The Fifth Report on the World Nutrition Situation: Nutrition for Improved Development Outcomes](#). UN Standing Committee on Nutrition, March 2004. (An update may be available by class time, in which case it would be [posted online here](#).)
- Masters, W.A. and D. Sanogo, “[Welfare Gains from Quality Certification of Infant Foods: Results from a Market Experiment in Mali](#)” *American Journal of Agricultural Economics*, 84(4, 2002): 974-989.

#### Homework #2: Food prices, nutrients and the least-cost diet (due Thurs. 9/17 in class)

#### **Week 5. Farm productivity and technology**

- 9/22 Input use, R&D and technology adoption  
9/24 Incentives for innovation: patents, contracts and prizes  
(Note we may need to reschedule or have guest instructor this week)

##### *Readings:*

- Masters, W.A. “[Paying for Prosperity](#)”, *Journal of International Affairs*, 58(2, 2005): 35-64.
- Alston, J.M, M.C. Marra, P.G. Pardey and T.J. Wyatt, "Research returns redux: a meta-analysis of the returns to agricultural R&D." *Australian Journal of Agricultural and Resource Economics*, 44 (2, June 2000): 185-215.

#### **Week 6. Market equilibrium and social welfare**

- 9/29 Market equilibrium with trade and policy (*short class—ends at 12:55*)  
10/01 Policy incidence and social welfare: value and limitations of economic surplus

##### *Readings:*

- Schmitz, A., H. Furtan and K. Baylis, “Theoretical Considerations” and “Trade and Macroeconomic Effects”, chapters 4 and 5 in *Agricultural Policy, Agribusiness and Rent-Seeking Behavior*. Toronto: University of Toronto Press, 2002), pages 83-118 and 119-153.
- Hines, James R., Jr., "Three Sides of Harberger Triangles." *Journal of Economic Perspectives* 13(2, Spring, 1999): 167-88.

#### Mid-term Exam (to be given Thursday 10/4 in class)

#### **Week 7. Mid-term review and exam**

- 10/6 Wrap-up and pre-exam review  
10/8 *Mid-term exam*

#### [Project Assignment #1: topic for the course project \(due by 9:00 am Thurs. 10/15\)](#)

**Week 8. October break**

10/13 *Oct. break -- no class*

10/15 Discussion of exam, course project topics and literature sources

**Week 9. Discussion of student projects**

10/20 *No class*

10/22 Measuring policies: distortions and investment

- Masters, W.A., "Guidelines on National Comparative Advantage and Agricultural Trade," APAP III Methods and Guidelines Paper No. 4001 (Bethesda, MD: Abt Associates, 1995), pages 1-29.

**Week 10. Measuring policies across countries and over time**

10/27 Nominal and effective protection

10/29 Aggregate measures of support

*Readings:*

- Tsakok, I., "Single-Market Analysis: Calculating the Impact of Price Policy," chapter 6 in *Agricultural Price Policy* (Ithaca: Cornell University Press, 1990), pages 158-182.
- OECD, "[Agricultural Policies in OECD Countries At a Glance 2008](#)" (Paris: OECD, July 2008), pages 33-58.

Homework #3: Markets, market failures and policy failures (due 11/03 by email)

**Week 11. Explaining policies: economics of the public sector**

11/03 Markets: how far reaches the invisible hand?

The tragedy of the commons, prisoner's dilemmas and the Coase Theorem

11/05 Policy: how well can market failures be remedied?

Optimal regulation, Pigovian taxes and economics of the second-best

*Readings*

- Hillman, A., "Private Solutions for Externalities" and "Public Policy for Externalities," ch. 4.1 and 4.2 in *Public Finance and Public Policy: Responsibilities and Limitations of Government* (New York: Cambridge University Press, 2003), pages 228-294.

**Week 12. Rent-seeking and political economy**

11/10 Rent-seeking and government failure

11/12 Political economy and public choice

*Readings*

- Hillman, A., "Political Behavior and Public Policy" and "Public Policy and Rent-Seeking Behavior," ch. 6.2 and 6.3 in *Public Finance and Public Policy: Responsibilities and Limitations of Government* (New York: Cambridge University Press, 2003), pages 416-460.

[Project assignment #2: First draft of the literature review \(due Tues 11/17 in class\)](#)

**Week 13. Political economy of agricultural policy (continued)**

11/17 The stylized facts of agricultural policy

11/19 Political economy theories and hypothesis tests

*Readings*

- Masters, William A. and Andres Garcia (forthcoming), "Price Distortion and Stabilization: Stylized Facts and Hypothesis Tests," in K. Anderson, ed., *The Political Economy of Agricultural Distortions*. Washington, DC: The World Bank, 2009.
- Anderson, Kym (1995), "Lobbying Incentives and the Pattern of Protection in Rich and Poor Countries." *Economic Development and Cultural Change* 43(2, January): 401-424..

**Week 14. Thanksgiving break**

11/24 Political economy review and discussion

11/26 *Thanksgiving (no class)*

[Project assignment #3: in-class presentation with slides \(T.-Th., 12/01 or 03\)](#)

**Week 15. Project presentations**

12/01 Student presentations

12/03 Student presentations (cont'd)

**Week 16. Wrap-up and review**

12/08 Overview of the policy analysis toolkit

12/10 Review for final exam

[Project paper \(due Friday 12/11 by 5:00 pm\)](#)

[Final exam \(date to be announced\)](#)