**UNIVERSITY OF ATHENS**

**Department of Economics**

**Graduate and UA DPhil Programs**

**Academic year 2014-15. First Semester**

**Course: Agricultural Development**

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**Office hours. Mergos Office 509, Tuesday 13:00-15:00**

**Sarris Office 512, office hours Tuesday 16:00- 18:00**

**COURSE DESCRIPTION**

The course will examine the role of agriculture in economic development growth and poverty reduction, various aspects of agrarian structures and institutions, issues pertaining to various agricultural policies, agricultural trade, and issues pertaining to food security and the recent world food market volatility and the food crisis.

**PREREQUISITES**

Prerequisites for the course are knowledge of microeconomic analysis at a postgraduate (Masters) level, and knowledge of mathematics for economists and methods of quantitative analysis and econometrics at a Masters level

**COURSE SYLLABUS AND BIBLIOGRAPHY**

(The most relevant articles and chapters from books will be distributed. Additional material and more references may be distributed during the course)

Useful background books for the whole course are the following

World Bank. Agriculture for Development. World Development Report 2008. (from now referred to as WDR2008)

Pranab Bardhan (editor). The Economic Theory of Agrarian Institutions. Oxford Clarendon Press, 1989. (referred to as BARDHAN)

Elisabeth Sadoulet and Alain de Janvry, Quantitative Development Policy Analysis, Baltimore, MD: The Johns Hopkins University Press, 1995 (referred to as SADDEJANVRY)

Bruce Gardner and Gordon Rausser (editors). Handbook of Agricultural Economics volumes 1A, 1B, 2A, 2B. North Holland. (Referred to as HANDBKAGECON V1A, V1B, V2A, V2B)

Robert Evenson, and Prabhu Pingali (editors). Handbook of Agricultural Economics volume 3. North Holland. (Referred to as HANDBKAGECON V3)

Alexander Sarris and David Hallam (editors). Agricultural Commodity Markets and Trade. Edgar Elgar and FAO, 2006 (referred to as SARHALM)

Alexander Sarris and Jamie Morrison (editors), Food Security in Africa. Edgar Elgar and FAO, 2010 (referred to as SARMOR)

Mergos G. (1990). The Agricultural Sector in Economic Development: Theory and Policy, Department of Economics, University of Athens, mimeo (in greek)

Norton, Alwang and Masters (2010) Economics of Agricultural Development, Rutledge, Abington, 2nd edition.

**1 Introduction and Overview. (GM and AS)**

Dimensions of World Food and Development Problems Chaptes 1-4 in Norton, Alwang and Masters (2010) Economics of Agricultural Development, Rutledge, Abington, 2nd edition.

\*J. W. Mellor, and B.F. Johnston (1984), “The World Food Equation: Interrelations among development, employment and food consumption” *Journal of Economic Literature*, June, pp.

**2. Agriculture non-agriculture interactions in economic development (GM)**

\*Lewis, W.A. (1954), “Economic development with unlimited supplies of labour” *Manchester School* vol. 22, pp. 139-91.

\*Syrquin, M. (1988), “Patterns of structural change”, chapter 7 in H. Chenery and T.N.Srinivasan.(editors) *Handbook of Development Economics*, volume I, Elsevier Science Publishers, Amsterdam.

\*Timmer, P. (2007), “Agriculture and Economic Development”, chapter 29 in HANDBKAGECON V2A

Kuznets, S. (1982), “The pattern and shift of labor force from agriculture 1950-70”, in M. Gersovitz, C.F. Diaz-Alejandro, G.Ranis, and M.R. Rosenzweig (editors), *The theory and experience of economic development: Essays in honor of sir W.A. Lewis*, London. George Allen and Unwin..

\*WDR2008, chapters 1-2,3

A. Valdes, and W. Foster (2010), “Reflections on the Role of Agriculture in Pro-Poor Growth”, World Development Vol. 38, No. 10, pp. 1362–1374

**3. Patterns and models of development of the agricultural sector (GM, AS)**

Timmer, C.P. (1988), “The agricultural transformation”, chapter 8 in H. Chenery and T.N.Srinivasan.(editors) *Handbook of Development Economics*, volume I, Elsevier Science Publishers, Amsterdam.**(ChenSriniv)**

\*A. Sarris (2002). The Role of Agriculture in Economic Development and Poverty Reduction: An Empirical and Conceptual Foundation. World Bank, Rural Development Strategy Background paper No. 2, January 2002

Bardhan, P.K. (1982), “Unequal exchange in a Lewis-type world”, in M. Gersovitz, C.F. Diaz-Alejandro, G.Ranis, and M.R. Rosenzweig (editors**),** *The theory and experience of economic development: Essays in honor of sir W.A. Lewis*, London. George Allen and Unwin..

Ranis, G. (1988), “Analytics of development: Dualism” chapter 4 in H. Chenery and T.N.Srinivasan.(editors) *Handbook of Development Economics*, volume I, Elsevier Science Publishers, Amsterdam.

Hornby, J.M. (1968) “Investment and trade policy in the dual economy”, *Economic Journal,* vol. LXXVIII, No. 309, March, pp. 96-107

Matsuyama, K. (1992), “Agricultural Productivity, Comparative Advantage, and Economic Growth”, Journal of Economic Theory, vol. 58: 317-334.

**4. Production and uncertainty (GM)**

\*Y. Mundlak (2001) ‘Production and supply’, chapter 1 in HANDBKAGECON V1A

\*G. Moschini and D. Hennessy (2001), ‘Uncertainty, risk aversion and risk management for agricultural producers’, chapter 2 in HANDBKAGECON V1A

**5. Productivity, technical change and technological policy (GM)**

\*D. Sunding and D. Zilberman (2001), ‘Tha agricultural innovation process: Research and technology adoption in a changing agricultural sector’ chapter 4 in HANDBKAGECON V1A

\*WDR2008, chapt. 7

Feder, G., R.E. Just, and D. Zilberman. 1985. “Adoption of agricultural innovations in developing countries: A survey.” *Economic Development and Cultural Change,* 33, pp. 255-98.

Foster, A. and M. Rosenzweig. 1995. “Learning by doing and learning from others: Human capital and technical change in agriculture.” *Journal of Political Economy,* 103(6), pp. 1176-1209.

**6 Land issues and land policy (AS)**

\*K. Deininger and G. Feder (2001). ‘Land institutions and land markets’ . Chapter 6 in HANDBKAGECON V1A

K. Otsuka (2007) ‘Efficiency and equity effects of land markets’, chapter 51 in HANDBKAGECON V3

N. Singh (1989), ‘Theories of sharecropping’, chapter 3 in BARDHAN

Ray, Debraj, *Development Economics*, Princeton University Press, 1998. Chapter 12 (Land).

**7 Risk and insurance (AS)**

**General**

\*Dercon, S., “Income Risk, Coping Strategies, and Safety Nets,” The World Bank Research Observer, 2002, 17 (2), 141–166. (updated and enlarged version in Dercon, S. (2004), *Insurance against Poverty*, Oxford University Press (definitely chapter 1, but the whole book is extremely useful)

**Precautionary Savings**

\*Deaton A., "Saving in Developing Countries: Theory and Review", *World Bank Econ. Rev*. Proceedings of the World Bank Annual Conference on Development Economics 1989, 61-96, 1990

Czukas, K., Fafchamps, M. and C. Udry (1998), ‘Drought and Saving in West-Africa: Are Livestock a Buffer Stock’, *Journal of Development Economics*, Vol.55, No.2, 273–305.

Rosenzweig, M. and K.Wolpin, (1993), “Credit Market Constraints, Consumption Smoothing, and the Accumulation of Durable Production Assets in Low-income Countries: Investment in Bullocks in India”, *Journal of Political Economy*, 101, no.2, 223-244.

**Income Smoothing**

\*Dercon, S. and L. Christiaensen, “Consumption risk, technology adoption and poverty traps: evidence from Ethiopia,” The Centre for the Study of African Economies Working Paper Series, 2007, p. 265.

\*Morduch, J., (1995), “Income Smoothing and Consumption Smoothing”, *Journal of Economic Perspectives*, vol.9, Summer, 103-114.

**Implications of risk for poverty**

\*Dercon, S. (2005), "Vulnerability: A Micro Perspective", *Annual World Bank Conference on Development Economics (ABCDE)--Europe 2006* . Ed. by François Bourguignon, Boris Pleskovic, and Jacques van der Gaag. Washington, DC: World Bank.

**8. Agricultural markets and agricultural trade (AS)**

\*L. Karp and J. Perloff (2002) Chapter 37 in **HANDBKAGECON V2B)**

D.A. Sumner and S. Tangermann (2002), ‘Agricultural trade policy and negotiations’, chapter 38 in **HANDBKAGECON V2B)**

**Speculation and price transmission**

\*Institute for Agriculture and Trade Policy (2008), «Commodities Market Speculation: The Risk to Food Security and Agriculture

\*Gilbert, C.L. (2009) “Speculative influences on commodity prices 2006-8”, unpublished paper, University of Trento.

**Risk management in commodity markets**

\*United Nations Conference on Trade and Development (UNCTAD) (1998). “A Survey of commodity risk management instruments” UNCTAD/COM/15/Rev.2

Larson,, D.F., P.Varangis and N. Yabuki (1998) “Commodity risk management and development” World Bank, Policy Research Working Paper No. 1963

\*Sarris, A. (2010) “Global food commodity price volatility and developing country import risks”, unpublished paper

\*Sarris, A., P. Conforti, and A. Prakash (2010), “The Use of Organized Commodity Markets to Manage Food Import Price Instability and Risk” Agricultural Economics.

\*A. Sarris and J. Morrison (editors). The Evolving Structure of World Agricultural Trade. Chapters 1,2,3

Kym Anderson (2009), ‘Five decades of distortions in agricultural incentives’, working paper.

**9. Food security issues and World Food Crises (AS)**

\*H. Pieters, A. Guariso and A. Vandeplas (2013). Conceptual framework for the analysis of the determinants of food and nutrition security. Food secure working paper.

\*E. H. Pangaribowo,  N. Gerber, and  M. Torero  (2013). Food  and  Nutrition  Security  Indicators:  A  Review. Food secure working paper.

D. Laborde, S. Tokgoz, M. Torero (2013) Long-Term Drivers of Food and Nutrition Security. Food secure working paper.

P. Conforti (editor) (2011) Looking Ahead in World Food and Agriculture. Perspectives to 2050. FAO.

\*D. Headey and S. Fan (2010). Reflections on the Global Food Crisis: How Did It Happen? How Has It Hurt? And How Can We Prevent the Next One? IFPRI research monograph 165.

M. Lagi, Y. Bar-Yam, K. Z. Bertrand, Y. Bar-Yam (2012) Economics of Food Prices and Crises. New England Complex Systems Institute

\*D. Headey and S. Fan (2008), “Anatomy of a crisis: the causes and consequences of surging food prices”, Agricultural Economics 39 (2008) supplement 375–391

**\***Headey, D., and S. Fan (2008), “Anatomy of a crisis: the causes and consequences of surging food prices” Agricultural Economics; vol. 39, Supplement, pp: 375-391.

\*Gilbert, C.L. (2009) “How to understand High Food Prices” unpublished paper, Universtity of Trento

International Monetary Fund (2008), “Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Responses”, Fiscal Affairs Department

Abbott, P. C., C. Hurt and W. E Tyner (2008), “What’s Driving Food Prices?” Farm Foundation, Issue report

FAO, IFAD, IMF,OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTF (2011) Price Volatility in Food and Agricultural Markets: Policy Responses. Policy Report.

**10. Agricultural growth policy and planning**

\*WDR2008 chapter 4

\*Chapters 10, 11, and 12 in **SADDEJANVRY**

**11. European Common Agricultural Policy and Development (GM, AS)**

\*Anderson, K. (2009) The Political Economy of Agricultural Distortions, The World Bank, Washington DC.

EC (2012) International Aspects of Agricultural Policy, European Commision, DG for Agriculture and Rural Development, Brussels.

Krueger, Schiff and Valdes (1991) The Political Economy of Agricultural Pricing Policy, World Bank, Washington DC.

Mergos, G (editor) (1998) Agricultural Price Reform under Transition in Bulgaria, Romania and Slovenia, Options Mediterraneenees, Serie B – no 22, CIHEAM, MAICh, Chania

**12. Greek agricultural policy and development (GM, AS)**

\*Mergos, G. (1994) Greek Agriculture in the 1990s: Trends and Policy Options, IOBE, Athens (in greek),

Mergos, G. (1998) Trade of Greek Food and Agricultural Products, Stamoulis, Athens, (in Greek)

Mergos, G. And Karagiannis G. (editors) (2004) Econometric Analysis of Supply and Demand of Food and Agricultural Products,, MAICh, Chania.

A.H. Sarris (editor) (2004). Towards a Development Strategy for the Greek Agricultural Sector. Mediterranean Agricultural Institute of Chania (in Greek).

\*A.H. Sarris, G. Mergos, and P. Sarros (1996). The Uruguay Agreement on International Trade and the Impact on Greek Agriculture, Institute for Economic and Industrial Research (IOVE), (in Greek).

Karagiannis G. et al (2007) The contribution of agriculture in the economic development of Greece, Academy of Athens, Economic Studies No 6, Athens (in greek)

Maravegias, N (1992) Agricultural policy and economic development in Greece, Nea Synora – Livanis, Athens (in greek).