Public Policy C253 / ARE C253  
Fall 2003  

International Economic Development Policy:  
Theory, Methods, and Case Studies  
Credits: 3 units  

Mechanics  

Offered by: Alain de Janvry, Elisabeth Sadoulet, and David Zilberman.  
Time: Monday and Wednesday, 2.30 to 4.00 p.m.  
Room: 250 Goldman School of Public Policy  

Enrollment: Maximum of 30 students in Masters and Ph.D. degrees.  
Prerequisites: Microeconomics and econometrics at the Master’s level, or consent of instructors.  

Office hours:  
Alain: Friday 2-3.30pm, Giannini Hall 211  
Betty: Friday 2-3.30pm, Giannini Hall 213  
David: Time to be announced, Giannini Hall 337  

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Requirements  

Five case study papers and final examination.  
Case studies will be developed by teams of 2 students.  
Final examination will be closed book.  

1. Five case study papers (60% of grade)  
   
   Case study 1: Poverty assessment and poverty reduction strategy for Guatemala.  
   Case study 2: Targeting conditional cash transfers for education: Progresa in Mexico.  
   Case study 3: Impact analysis of an educational program: Progresa in Mexico.  
   Case study 4: Stabilization policies and real exchange rate analysis of country of choice.  
   Case study 5: Outline and research methodology for a randomly chosen APA type project.  

2. Final examination (40% of grade)  

   Course outline  
   
   1. What is development? Development indicators (1 class, Alain)  
   2. Poverty assessment: measurement and poverty reduction strategies (2 classes, Alain)  
   3. Analysis of inequality: measurement and inequality reduction strategies (1 class, Alain)  
   4. Household behavior and policy responses (1 class, Alain)  
   5. Targeting of program interventions (2 classes, Alain)  
   6. Cost-Benefit analysis for project appraisal (1 class, Alain)
7. Impact analysis of social projects (2 classes, Betty)
8. Transactions costs and institutions: microfinance institutions (2 classes, Betty)
9. Real exchange rate analysis (2 classes, Betty)
10. Stabilization and adjustment policies (1 class, Alain)
11. Price policy and welfare analysis (1 class, Alain)
12. WTO and regional integration (1 class, Betty)
14. Technological change and pollution (1 class, David)
15. Negative externalities and policy (1 class, David)
16. The economics of climate change (1 class, David)
17. Payment for environmental services (1 class, David)
18. Environmental and health risks and pesticides (1 class, David)
19. Water (1 class, David)
20. Biotechnology and intellectual property rights (1 class, David)
21. Development policy as a profession (1 class; Alain, Betty, and David)
22. Review questions (Alain, Betty, and David)

Reading list, Part I

1. What is development? Development indicators


2. Poverty assessment: measurement and poverty reduction strategies and
3. Analysis of inequality: measurement and inequality reduction strategies

- **Indicators of poverty, vulnerability, and inequality**


• Analyses of the determinants of poverty, vulnerability, and inequality


• The controversy on growth and the quality of growth


• Policies to reduce poverty, vulnerability, and inequality: types of programs, targeting of interventions.


Case study 1: Poverty assessment for Guatemala.

Guatemala LSMS

Guatemala Poverty Assessment Report

4. Household behavior and policy responses

• Empirical analyses of household income strategies: on-farm and off-farm activities


• Vulnerability, risk management and coping strategies, and safety nets


• New approaches to rural development


5. Targeting of program interventions


4. Cost-Benefit analysis for project appraisal

- **Criteria for project appraisal: economic, financial, and social**


- **Examples of project appraisal: tractor project in Pakistan, infrastructure investments (World Bank Development Report, 1994)**


- **Monitoring and evaluation of development projects**