Assignment #2
Report on current development issues
Due Thursday October 4

Each team of two will draw two themes randomly from the following list of topics, keep the preferred one, and return the other to the pool.

The idea of this assignment is to broaden our collective knowledge and sensitivity to current development debates and to extract policy recommendations. It is also to train you in making concise written and oral presentations as advisors to policy makers about important policy issues.

You should prepare a not more than 4-5 pages double-spaced report with:

- **Introduction of the subject**: what is the issue? What is the policy question to be answered?
- **Positive economic analysis**:
  - How can the problem be conceptualized?
  - If this applies, what are the efficiency effects, income distribution, and/or environmental effects? Who are the gainers and losers? What are the trade-offs?
- **Normative analysis**:
  - What can be done, who could do it, how?
  - What are the expected gains and risks from the proposed policy reforms/programs?
  - What is the political economy of intervention (reform, program) and implementation?
- **Policy conclusion**: What are your policy recommendation derived from the above analyses?

Information gathering for the report should include the following:

- Identify 2-3 seminal papers using Econ Lit, Melvyl, etc.
- Use the internet to locate 2-3 relevant sources of information and identify contrasted positions.
- Use interviews with 2-3 experts in the field (principally professors and researchers on the Berkeley campus).
- Make sure to identify the references, web sites, and informants you used.

Reports will be presented orally with 15’ total per team (including no less than 5’ for discussion). Hence, you have 10’ to make your case, not an unusual situation in public meetings. To make your presentation more efficient, you should prepare a PowerPoint presentation. Make sure that your presentation has a clear policy punchline and that it is powerfully presented and argued. Even the title you give to your paper could be used to sell your punchline.

**Selected themes**

1. New trade agreements: should labor and environmental standards become integral parts of these agreements?
2. Kyoto agreement: how should the burden of abatement be distributed between MDC and LDC?
3. Do intellectual property rights (IPR) on pharmaceuticals help or hinder access to drugs for the poor in LDCs? What are the policy alternatives regarding IPR (contrast India with Brazil or South Africa)?
4. Social management of reforms/transitions: are social funds advisable?
5. Population and demographic transition: what policies to achieve transitions when per capita income is stagnant (e.g., Bangladesh)?
6. Devolution of management of local public services to communities: when to choose this approach (e.g., for irrigation, potable water, sewage, etc.)? How to make it work?
7. Decentralization of governance: what policies to make it work?
8. Drug traffic: What are the policy options for both MDCs and LDCs?
9. NAFTA’s impact on Mexico: What were the effects and for whom? How to make transition policies more effective?
10. Is cost recovery in health services advisable in poor countries?
11. Corruption and development: Why do some countries have more corruption than others? What policy options to reduce corruption?
12. What are the policy options to educate the children of the poor?
13. Approaches to confronting AIDS in developing countries: what can the development agencies do?
14. Payment for environmental services: who should be paid for what, how much, and under what conditions?
15. What advice to China to help it maximize gains from joining the WTO?