Course Syllabus: Spring Quarter, 2008

Pathways Out of Rural Poverty, or...

Food Prices, Poverty and Economic Development

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This course will review the determinants of rural poverty and examine the historical pathways that have led the rural poor out of poverty. A policy perspective will be taken on all three levels of analytical interest: the macro level where overall economic growth and the structural transformation provide the framework for analysis; at the sectoral level, where the role of agriculture in poverty reduction is the focus; and at the household level, where individual characteristics and asset holdings, including human capital, inform our understanding of who is successful in exiting poverty in a sustainable fashion.

Analysis of the impact of globalization and recent events in world food markets on these pathways out of poverty integrates the course. The course begins by addressing the evolution of thinking on “how countries get rich,” with special attention devoted to the impact of food prices on both economic growth and poverty reduction. After sectoral and household issues are discussed, the focus returns to the impact of globalization on agriculture and the structural transformation in developing countries.

A major source of information will be the *World Development Report 2008: Agriculture for Development*. Note that all of the figures and tables in the WDR2008, with underlying data, are now available in Excel at the WDR website:


It will be assumed that all students are familiar with the level of analysis in Timmer, Falcon and Pearson, *Food Policy Analysis*, Johns Hopkins Press for the World Bank, 1983. Available, in English, at the website:

http://www.stanford.edu/group/cesp/faculty/falcon/books/foodpolicy/fronttoc.fm.html

The course will meet for lectures on Tuesday and Thursday from 9am to 10:50pm, with additional discussion meetings scheduled on alternative Wednesdays by the head teaching assistant, Kaitlin Shilling, and also by Andy Melaragno. On average, about 30 minutes of each class session will be devoted to discussion of the day’s lecture topic.
Requirements for the course include regular attendance at the lectures and active participation in discussions. There will be a 90-minute in-class mid-term exam on Thursday, May 8. Students will have a choice of writing an individual research paper, or participating in a research or policy analysis project as a member of a team with up to three members. Topics for these papers and projects need to be discussed and approved by the course instructor and will be due on Thursday, June 5.

All of the readings are available electronically, either as “hot-links” directly from the electronic version of the reading list, or from the course website. A list of other useful websites related to rural poverty will also be on the course website.
Lecture Outline

April 1, Tu: A. Introduction and overview of the course

Why food prices matter to economic growth and poverty reduction

April 3, Th: B. Models of economic growth

Adam Smith and division of labor depends on extent of market
Joseph Schumpeter and “creative destruction”
Paul Rosenstein-Rodan and “big push” industrialization
Alexander Gerschenkron and the advantages of backwardness

April 8, Tu: Arthur Lewis and the role of agriculture in capital accumulation

April 10, Th: T. W. Shultz and Paul Romer: Human capital and knowledge

April 15, Tu: Growth in total factor productivity as the only sustainable pathway
out of poverty: what role for agriculture?

April 17, Th: C. Defining, measuring and modeling poverty

(1) Poverty definitions and poverty maps (absolute versus relative poverty); and
(2) Global and regional trends in poverty (is Africa different?)

April 22, Tu: (3) The rural-urban poverty transition; and
(4) Household determinants of poverty (and intra-household decision making)

April 24, Th: (5) A simple model of poverty and hunger: identifying the key variables

April 29, Tu: D. The sectoral dynamics of poverty reduction

(1) sectoral contributions to poverty reduction (connecting the poor: models of pathways out of poverty for households)

May 1, Th: (2) role of agriculture in economic growth (do fertilizer subsidies work?)

May 6, Tu: (3) role of agriculture in poverty reduction directly

May 8, Th: E. In-class mid-term exam (90 minutes)

May 13, Tu: F. The structural transformation as the long-run pathway out of poverty

(1) history and models

May 15, Th: (2) empirics

May 20, Tu: (3) policy issues and the agricultural terms of trade

May 22, Th: G. Globalization and poverty
(1) global value chains as the mechanism of interaction
May 27, Tu: (2) economic growth versus the distribution of income

May 29, Th: H. Poverty and the Millennium Development Goals: Problems and prospects

June 3, Tu: Wrap-up and questions
Reading List

Section A:


Section B (with apologies, these are all things I have authored or co-authored)


Section C:


Section D:


Section E: In-Class Exam


Section F:


PowerPoint presentation by Will Masters on agricultural trade policy reform [link]

Section G:


Section H:

Latest UN update on MDGs, at millenniumindicators.un.org/unsd/mi/mi_goals.asp