

PROGRAMA PUENTE

Topics of Rural Development Economics at the Cuyo Region

Class Meeting Information

Aug 2015 – Nov 2015

16 weeks. 3 hours per week

Course Description

The harmonious and sustainable economic development of a region implies a balance between productive sectors, society, and institutions. In a long-term perspective intra-generational effects become significant; therefore the sustainability approach applied to rural development imposes certain criteria. This course aims to analyze the structure of agricultural markets, understand the impact of activity on all production units, introduce the main concepts of economic analysis in environmental and territorial area, and contribute to the analysis and design of production policies in the future.

Prerequisites — Classes or Knowledge Required for this Course

General knowledge of agriculture systems, economics, and global issues as climate change and politics

Course Objectives

After completing the course, students will have acquired an understanding of agricultural issues and their impact on productive economic units, both in the Cuyo region economy and the global economy. Students will form certain criteria for descriptive analysis of agricultural, environmental, and economic policies taking into account the social impact.

- Relevance of the agricultural sector. Industry trends regarding consumption and food.
 - Market factors and policies.
 - Impact of agricultural research. Structures global research.
 - Environmental and resource economics. Theoretical overview, application, and case analysis.
 - Sustainable practices. Definitions, impacts and trends.
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Evaluation and Grading

Evaluation of Student Performance

Class participation	10%
Class assignments	20%
Case Study: report and oral presentation	40%
Final exam	30%
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Total	100%

Grading Scale

A	=	93%	–	100%
A-	=	90%	–	92%
B+	=	87%	–	89%
B	=	83%	–	86%
B-	=	80%	–	82%
C+	=	77%	–	79%
C	=	73%	–	76%
C-	=	70%	–	72%
D+	=	67%	–	69%
D	=	63%	–	66%
D-	=	60%	–	62%
F	=	59% or less		

Course Outline

Lecture 1: Introduction to rural economic development

- Definition and evolution of the concept of development.
- Indicators of agricultural development.
- Poverty: definitions, determinants and distribution.
- Food security, hunger and nutrition.
- Effects of rising commodity prices.
- Environmental threats hitting the rich and poor alike
- The business as usual path versus the sustainable development path

Lecture 2: Global and Regional Economic Development

- Incomes around the World and within the Cuyo Region
- Urban/rural inequality
- Income inequality within regions
- Measuring wellbeing
- Convergence or divergence?

Lecture 3: Agriculture activity at the Cuyo Region

- Rural Infrastructure: definitions, investment and effects.
- Agro-economic Homogeneous areas (ZAH) of Mendoza and San Juan

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- Market organizations: Definition, effects on developing countries, market failures, institutional failures, role of the public sector and cooperatives.
- Case Analysis: Provincial Agricultural Services (PROSAP)
National Institute of Viticulture (INV)

Lecture 4: Principles of agricultural markets

- Functions of supply and demand: description, curves, determinants, elasticities.
- Market definition.
- Food demand patterns. Engel Law, types of goods, Bennett Law, elasticities by type of food.
- Concept of surpluses. Perspectives.
- Economic impact of the opening of agricultural markets.

Lecture 5: Participation of state and associations

- Role of the state and state politics.
- Public sector and private sector.
- Role of cooperatives
- Case studies: Argentine Association of Wine Cooperatives (ACOVI)
Producers Association [...] Garlic and onions Mendoza (ASOCAM).

Lecture 6: State interventions

- Logic of state intervention.
- Effective interventions: market failures. Non-effective interventions.
- Summary.

Lecture 7: Policies in the labour market in the Cuyo Region

- Labour market relevance, participation in scale and salary.
- International comparison. Monitoring problems.
- Cooperatives case.

Lecture 8: Land management at the Cuyo Region

- Land market: definition, international comparison and market imperfections. Cases.
- Spatial planning.
- Legal interventions.
- Sustainable perspective.

Lecture 9: Policies in the inputs and supplies market

- Market inputs: definition and induced development.
- Seeds: varieties, relevance and conditions for dissemination.
- Organic Inputs: premium quality and prices.
- Chemical inputs such as fertilizers and crop protection market failures, taxes, environmental impact.

Lecture 10: Policies for natural resources. Water management at the Cuyo Region

- Socially optimal resource allocation.
- The Hotelling Efficiency Rule.
- Model for renewable resources
- Water: global relevance and impact agricultural use, pricing, availability.

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- Water resources, irrigated area.
- Case Study: Irrigation Department (DGI). Mendoza. Water resources, irrigated area.

Lecture 11: Access to credit for rural development and agribusiness

- Credit market relevance, limitations, applications.
- Informal Markets: effects of exploitation.
- Government interventions.
- Summary.
- Case study: Support Institutes for Business Development (IADE) in Mendoza

Lecture 12: Curbing Climate Change and regional impacts

- The basic science of climate change
- Consequences
- Mitigation Policies
- Policies and Global Cooperation for Climate Change

Lecture 13: Introduction to environmental economics & management

- Overview
- Economic theory and the environment
- Environmental Management systems in agri-food organizations
- Socially optimal resource use

Lecture 14: Environmental regulation from an economic perspective

- Environmental problems, national, regional, local and global order
- Optimal emissions level
- Environmental policy instruments
- New environmental policy instruments
- Static and dynamic efficiency

Lecture 15: Valuation of environmental goods and services

- Total Economic Value (TEV)
- Hedonic prices
- Contingent Valuation
- Applications

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Code of Conduct

All participants in the course are bound by the Universidad de Congreso, found at <http://www.ucongreso.org/institucional/la-universidad/bienvenida>

Netiquette

When we have a need for communication that is private, whether personal, interpersonal, or professional, we will use individual email or telephone. Our primary means of communication is written. The written language has many advantages: more opportunity for reasoned thought, more ability to go in-depth, and more time to think through an issue before posting a comment. However, written communication also has certain disadvantages, such a lack of the face-to-face signalling that occurs through body language, intonation, pausing, facial expressions, and gestures. As a result, please be aware of the possibility of miscommunication and compose your comments in a positive, supportive, and constructive manner.

Academic Honesty Policy

The University is an institution of learning, research, and scholarship predicated on the existence of an environment of honesty and integrity. As members of the academic community, faculty, students, and administrative officials share responsibility for maintaining this environment. It is essential that all members of the academic community subscribe to the ideal of academic honesty and integrity and accept individual responsibility for their work. Academic dishonesty is unacceptable and will not be tolerated at the Universidad de Congreso. Cheating, forgery, dishonest conduct, plagiarism, and collusion in dishonest activities erode the University's educational, research, and social roles.

If students who knowingly or intentionally conduct or help another student perform dishonest conduct, acts of cheating, or plagiarism will be subject to disciplinary action at the discretion of Universidad de Congreso.

Course Text or Online Resources

Optional Text Resources:

- Almirón, J. J., Senesi, S. I., Verasay, A. V. (2011). Contribución de los ANR PROSAP al encadenamiento de los sistemas productivos de agronegocios: cuatro casos de estudio. Primera Ed. PROSAP. Buenos Aires.
- Alforte A., Matias D., Munden L., and Perron, J. (2013). Financing sustainable agriculture and mitigation. CCAFS Working Paper No. 52. CGIAR Research Program on Climate Change, Agriculture and Food Security (CAAFS). <http://hdl.handle.net/10568/34076>. Copenhagen, Denmark.
- Alston, J. M., Pardey, P. G., James, J. S., & Andersen, M. A. (2009). The economics of agricultural R&D. *Annual Review of Resource Economics*, 1(1), 537–566. doi:10.1146/annurev.resource.050708.144137
- Alturria, L., Antonioli, E., Pozzoli, J., & Fonzar, A. (2012). Capital Social de la Vitivinicultura Argentina: Diagnóstico e Impacto. Estrategias y experiencias para el trabajo en extension. FCA-UNCuyo, COVIAR, & BID. Argentina
- Andersson, K., Gordillo de Anda, G., van Laerhoven, F., Local governments and rural development. Comparing lessons from Brazil, Chile, Mexico, and Peru. 224 p. The University of Arizona Press. 2008.
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- Cardenas, J. C., & Carpenter, J. (2008). Behavioural Development Economics: Lessons from Field Labs in the Developing World. *Journal of Development Studies*, 44(3), 311–338. doi:10.1080/00220380701848327
- Coelli, T. J., et al. (2005). An introduction to efficiency and productivity analysis. 2nd Edition. 241-288 p. Springer Science and Business Media.
- Course, D. (2012). Topics in Rural Development Economics Organization of the lecture, 2121, 9–12.
- Cvijanović, D., Trandafilović, S., & Imamović, N. (2013). Marketing concept in terms of agricultural enterprises development in Transitional Countries. *Economics of Agriculture*, 2013(60), 113–122.
- Dethier, J.-J., & Effenberger, A. (2011). Agriculture and development. A brief review of the literature. Washington, D.C. Retrieved from <http://econ.worldbank.org>
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- Escalante, K. N., Belmonte, S., & Gea, M. D. (2013). Determining factors in process of socio-technical adequacy of renewable energy in Andean Communities of Salta, Argentina. *Renewable and Sustainable Energy Reviews*, 22, 275–288. doi:10.1016/j.rser.2013.01.054
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- Gennari, A., Eisenchlas, P., y Martin, D. (2008). Gobernabilidad de los sistemas hídricos territoriales. Propuesta y análisis de indicadores. Departamento de Ciencias Económicas, Jurídicas y Sociales, Facultad de Ciencias Agrarias, Universidad Nacional de Cuyo, Mendoza.

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- Sathaye, J., Lucon, O., Rahman, A., Christensen, J., Denton, F., Fujino, J., Shmakin, A. (2011). *Renewable Energy in the Context of Sustainable Development*. In *IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation* (pp. 707–790). United Kingdom and New York.
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