**LBRAI2212**

**Economics of Rural Development**

**2016-2017**

3.0 credits  
30.0 h  
1q

**Teacher(s):**  
Henry de Frahan Bruno ; Gaspart Frédéric (coordinator) ;

**Language:**  
Anglais

**Place of the course:**  
Louvain-la-Neuve

**Inline resources:**  
iCampus

**Prerequisites:**  
General skills for a bio-engineering bachelor, micro-economics (e.g., LBIR1242 Principes d'économie) and introduction to game theory (e.g., LBIRA2104 Decision tools).

**Main themes:**  
Determinants that hamper or promote rural development are analyzed in their context. Some peculiarities of rural development lead to the identification of a list of missing markets. To fulfill the social functions that are thus left unattended, rural communities set up institutional solutions to problems of insurance, credit, labour exchange and land tenure. A particular attention is devoted to the transition from a subsistence economy to a market-oriented economy with a focus on the structural adjustment of the agro-food sector: transfer of the agricultural surplus, investment in productivity and market, technological and institutional innovations, gains from international trade. Poverty and food insecurity are both issues that are analysed transversally through these topics.

**Aims:**  
With respect to the learning outcomes of the Bio-engineering in agricultural sciences, this course contributes to the following main learning outcomes:

1.1 - 1.5, 2.1 - 2.5: Industrial organisation, agricultural transformation, structural adjustment (theory and empirics)
3.1 - 3.4, 3.6 - 3.8: Matching real situations with archetypal problems, solving models and interpreting the abstract results
4.1 - 4.2: Identifying typical problems in complex situations
4.4 - 4.7: Drawing lessons from abstract models for complex, real situations
7.1 - 7.5: Development policy in a context of poverty and inequality

By the end of the course, students are able to:

- master economic theory on the development of the agricultural sector,
- analyze the transitions from a subsistence economy into a market-oriented economy,
- understand the opportunities and the limits of the contributions of the development of the agro-food sector to economic development as a whole,
- understand technological and institutional innovations to foster the development of the agro-food sector,
- understand opportunities and limits of policy instruments in favour of rural development,
- understand specific obstacles to rural development rural and their traditional, institutional solutions through economic models (game theory, political economics, partial and general equilibrium models).

The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled “Programmes/courses offering this Teaching Unit”.

**Evaluation methods:**  
Written examination, mainly syntheses and exercises

**Teaching methods:**  
Teaching in class room and home works

**Content:**

**Part 1**
1. Main paradigms in agricultural development
2. Agricultural transformation
3. Agricultural development models
4. Induced technological and institutional innovation models
5. Contributions of the agricultural sector to economic development
6. International trade, economic development and poverty

**Part 2**
1. Elements of games in developed forms
2. Decision under uncertainty, expected utility, risk premium
3. Informal insurance and the ad-interim participation constraint
4. Income sharing and the dilution of incentives
5. Customs, land tenure and agricultural performance
6. Sharecropping and land-labour contracts
Bibliography:

Teacher's textbook, complementary publications, slide shows and overheads available on iCampus for Part 1.

Recommended textbooks for Part 1:

Faculty or entity in charge: AGRO
## Programmes / formations proposant cette unité d'enseignement (UE)

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