DIRECTORS’ NOTE

2017 was a very busy and productive year for the Centre for Development Economics and Sustainability (CDES) as we expanded our research and external engagement activities, and deepened and consolidated our national and international research networks.

During the year, we co-hosted four international research events with Monash and overseas partners: the Conference on Human Capital, Food Security and Economic Development in South Asia (Colombo, Sri Lanka), the fifth annual Workshop on Sustainable Development (Prato, Italy), the third annual Environmental Economics Workshop (Melbourne, Australia) and the inaugural Australia-India Development Economics Workshop (New Delhi, India). The CDES also continued its partnership with the Italian Society of Economic Development to organise the very successful annual Summer School in Development Economics in Prato, Italy.

CDES membership at Monash now comprises the strongest concentration of high quality academic researchers in development and sustainability in Australia. In 2017, our members were active in implementing high impact research projects in a large number of countries across Asia and Africa in areas ranging from climate change, natural disasters, environmental services, poverty, agriculture and food security to social attitudes, governance, health and economic growth, commodity markets and supply chains, and macroeconomic and trade policies.

Our growing reputation in development economics and sustainability enabled us to attract several distinguished visitors to Monash Business School (MBS) in 2017, including top-ranking academics, influential analysts and leading practitioners. These visitors helped us present a series of seminars and public lectures on major issues in Melbourne, with attendees from academia, industry and government.

We acknowledge the strong support of Professor Colm Kearney (Dean, MBS, until his departure in November) and the continuing guidance of Professor Gary Magee (Deputy Dean (Research)). We thank the members of our internal Advisory Committee and the external Advisory Board, all CDES members and affiliates, and record our gratitude to Sarah Mehan for shouldering the administrative burdens of the Centre with competence, professionalism and dedication.

Sisira Jayasuriya, Director
Gaurav Datt, Deputy Director
2017 HIGHLIGHTS

PUBLIC LECTURE - ADB CHIEF ECONOMIST, PROFESSOR YASUYUKI SAWADA

On 6 December, the CDES, together with the South Asia Research Network, Centre for Global Business, were delighted to welcome Professor Yasuyuki Sawada, Chief Economist and Director in General of the Asian Development Bank, to deliver a public lecture at the State Library Victoria.

Sawada discussed Asia’s economic outlook and public-private partnerships for infrastructure development, emphasising that 2017 had seen a broad-based economic recovery in Asia, and that in this context the focus should be on improving productivity in the region.

PUBLIC LECTURE - IMF WORLD ECONOMIC OUTLOOK OCTOBER 2017

On 24 October, the CDES and the Centre for Global Business co-hosted a public lecture by Dr Zsoka Koczán on the challenges facing the global economy in light of the IMF’s October 2017 World Economic Outlook.

Koczán, a co-author of the IMF’s flagship publication, highlighted the drivers of the slowdown in wage growth in advanced economies before an audience of academics, private sector economists, and staff from several government agencies and departments.

CONFERENCE ON HUMAN CAPITAL, FOOD SECURITY AND ECONOMIC DEVELOPMENT IN SOUTH ASIA

On 11 and 12 January, the CDES joined with the Institute of Policy Studies of Sri Lanka and the Centre for Global Business’ South Asia Research Network to hold an academic conference in Colombo, Sri Lanka.

The Chief Guest at the conference was Sri Lanka’s Minister of Special Assignments, Dr Sarath Amunugama (pictured), who gave the opening address.

Each year, the CDES brings leading scholars in the areas of development economics and sustainability to Monash Business School, and hosts workshops to foster collaboration between researchers from around the world.
WORKSHOPS

SUMMER SCHOOL IN DEVELOPMENT ECONOMICS

From 18 to 22 June, the CDES, together with the Italian Society of Economic Development and the Universities of Salerno, Verona and Trento, hosted the Summer School in Development Economics in Prato, Italy.

As in previous years, the CDES sponsored two of its members, PhD candidates Ashani Amarasinghe and Abebe Hailemariam, to attend the Summer School. Both found the week-long event rewarding and thought-provoking, enjoying the opportunity to gain insight into the ideas and theories motivating the research of senior academics, and to develop friendships with PhD students with similar research interests from around the world.

FIFTH WORKSHOP ON SUSTAINABLE DEVELOPMENT

On 26 and 27 June, the CDES and the Monash Business and Sustainability Network co-hosted the fifth Workshop on Sustainable Development at the Monash Prato Centre, Italy.

The workshop, which brought together a core group of Monash scholars in business and economics and a select group of researchers and practitioners from around the world, sought to stimulate new ideas, deepen research relationships and explore opportunities for collaboration on major issues in sustainable development.

Invited speakers included Professor Erwin Bulte (Wageningen University), Professor Henrik Hansen (University of Copenhagen), Professor Raoul Minetti (Michigan State University), Professor Rahul Mukherji (Heidelberg University), Professor Manno Pradhan (Vrije Universiteit Amsterdam), Dr George Rapsomanikis (FAO), Professor Matthias Schündeln (University of Frankfurt) and Dr Lin Shao (Bank of Canada).

"The Summer School provides a perfect platform for PhD students to gain insight into how research on cutting-edge issues in development economics is conducted. Highly recommended."

Abebe Hailemariam
PhD Candidate, Monash University
CONFERENCE ON HUMAN CAPITAL, FOOD SECURITY AND ECONOMIC DEVELOPMENT IN SOUTH ASIA

On 11 and 12 January, the CDES, together with the Institute of Policy Studies of Sri Lanka (IPS) and the Centre for Global Business’ South Asia Research Network, co-hosted the Conference on Human Capital, Food Security and Economic Development in South Asia in Colombo, Sri Lanka.

The Conference, which was the first collaborative forum held by the CDES in South Asia, brought together academics, practitioners, heads of research institutions and government representatives to discuss the most pressing challenges facing the region, including in the areas of health, education, gender, climate change, food security, inequality and macroeconomic policy. It also provided a valuable opportunity for Monash researchers to present a sample of the work they have been undertaking in these areas.

The CDES extends its deepest condolences to the family, friends and colleagues of the IPS’ Executive Director, Dr Saman Kelegama, following his untimely passing in June.

"Practically every development problem can be studied in the South Asian region."

Professor Sisira Jayasuriya
Director, Centre for Development Economics and Sustainability

AUSTRALIA-INDIA DEVELOPMENT ECONOMICS WORKSHOP

On 21 and 22 December, the CDES, together with the Indian Institute of Technology Kanpur, hosted the inaugural Australia-India Development Economics Workshop on Affirmative Action, Discrimination and Economic Development in New Delhi, India.

The workshop, which was supported by the Australian Government through the Australia-India Council of the Department of Foreign Affairs and Trade, offered Australian and Indian researchers the opportunity to exchange ideas and discuss their latest research.

THIRD ENVIRONMENTAL ECONOMICS WORKSHOP

On 11 and 12 December, the CDES and the Department of Economics held the third Environmental Economics Workshop, which enabled local and international researchers working in the areas of sustainability, resource management and the environment to meet and share their work.

Reflecting the breadth of research represented at the workshop, participants discussed topics including community forestry in Indonesia, fisheries conservation in Laos, aquaculture in South Vietnam, climate change variability in Australia, and the effect of environmental regulations such as prohibitions on the use of disposable bags and the imposition of road charges to reduce congestion.
PUBLIC LECTURES

ASIAN DEVELOPMENT OUTLOOK 2017 UPDATE

On 6 December, the CDES, together with the South Asia Research Network, Centre for Global Business, welcomed Professor Yasuyuki Sawada, Chief Economist and Director in General of the Asian Development Bank, to deliver a public lecture at the State Library Victoria.

Sawada noted that 2017 had seen a broad-based economic recovery in Asia with risks better balanced, and emphasised that in this context the focus should be on improving productivity, which requires massive investments in infrastructure throughout the region. As a means of funding these investments, he advocated the greater utilisation of well-designed and implemented public-private partnerships. A lively discussion followed on issues including the role of China’s ‘One Belt One Road’ initiative, and the relationship between the Asian Development Bank and the Chinese-initiated Asian Infrastructure Investment Bank.

ImF WORLD ECONOMIC OUTLOOK OCTOBER 2017

On 24 October, Dr Zsoka Koczán gave a public lecture as a guest of the CDES and the Centre for Global Business on the challenges facing the global economy based on the IMF’s October 2017 World Economic Outlook.

Koczán, who co-authored the report, also conducted an informal seminar at Monash University, where she discussed issues related to climate change in light of the IMF’s work on the impact of weather shocks on economic activity.

THE PEOPLE’S MONEY: HOW CHINA IS BUILDING A GLOBAL CURRENCY

On 30 November, the CDES and the Australian Centre for Financial Studies co-hosted a presentation by Dr Paola Subacchi, Senior Research Fellow, Global Economy and Finance at Chatham House, on her recently-published book, The People’s Money: How China Is Building a Global Currency.

Subacchi, an expert on the functioning and governance of the international financial and monetary systems, explained to an audience from Melbourne’s academic, business and finance communities why the renminbi remains an international currency in progress rather than an immediate challenger to the US dollar. In particular, she discussed why China is not yet ready for financial opening up, but how initiatives like the Belt and Road will help make the renminbi a more mature currency.

"China is not yet ready for financial opening up, thus it still has a long way to go."

Dr Paola Subacchi
Senior Research Fellow, Global Economy and Finance, Chatham House
TALKS + SEMINARS

DR LUIS-FELIPE LÓPEZ-CALVA, WORLD BANK

On 15 February, the CDES welcomed Dr Luis-Felipe López-Calva, co-Director of the World Development Report 2017: Governance and the Law, to present the report at Monash University.

López-Calva spoke widely on the issues covered in the report, including why sensible policies are too often not adopted or implemented; why, when they are, they often fail to generate development outcomes such as security, growth, and equity; and why some bad policies endure.

DR EJAZ QURESHI, ACIAR

On 17 May, Dr Ejaz Qureshi, Research Program Manager for the Agricultural Development Policy program at the Australian Council for International Agricultural Research (ACIAR), visited Monash University to discuss the organisation’s funding priorities and the ways in which Monash researchers can engage with it.

Qureshi noted that the ACIAR is implementing new cross-sectoral programs and increasing its focus on capacity building and impact evaluation in response to today’s most pressing challenges, including developing more sustainable food systems, decoupling economic growth from carbon emissions and shifting to renewable energy sources.

PROFESSOR CHATIB BASRI, FORMER INDONESIAN MINISTER OF FINANCE

On 31 May, Professor Chatib Basri, a Thee Kian Wie Distinguished Visiting Professor at the Australian National University and a former Indonesian Minister of Finance, gave a seminar on ‘A Tale of Two Countries: India and Indonesia, a Lesson Learned from the 2013 Taper Tantrum’.

Basri outlined the Indonesian government’s response – in which he played a leading role – to the 2013 Taper Tantrum (a horror sell-down of the currencies of emerging economies, including Indonesia’s, following misinterpreted comments from the US Federal Reserve), explaining how Indonesia succeeded in riding out the crisis.

In 2017, the CDES continued its co-sponsorship of the weekly Applied Micro / CDES Seminar Series, which exposed staff and students to a wide range of economic research.
MAPPING HURRICANE IRMA’S IMPACT USING REAL-TIME INTERNET ACTIVITY

As Hurricane Irma, the most powerful Atlantic Ocean hurricane in recorded history, battered islands across the Caribbean and southern Florida in September, Associate Professors Simon Angus and Paul Raschky, together with their University of Chicago colleague Dr Klaus Ackermann, mapped hourly changes in the online/offline activity of 401,682 IP-addresses at over 4000 unique locations in the affected regions.

The results, presented in the maps below, demonstrate the hurricane’s impact on ICT infrastructure as it passed the Dominican Republic, Haiti and Cuba, and made landfall in Florida. The red dots reveal locations where no internet activity was recorded, while at least some internet activity was recorded at places marked by the blue dots.

Significantly, these data have the potential to provide first responders with valuable information about the impact of natural disasters on communities as they unfold. They also demonstrate the powerful insights that can be yielded through analysing internet activity around the world.

HAS THE WORLD BANK GOT A PROBLEM WITH ITS POVERTY FIGURES?

Poverty monitoring plays a critical role within a global development framework that locates ‘end[ing] poverty in all its forms everywhere’ as one of its principal objectives.

However, after subjecting a recent World Bank study (Ferreira et al. (2016)) to critical scrutiny, Professor Ranjan Ray and co-researchers demonstrated that the World Bank’s global poverty estimates are highly dependent on the methodology used to calculate them, and lack the robustness that would be expected of such influential figures.

In doing so, they also emphasised the importance of continuing to pursue highly robust data to inform international policymaking, and called on the World Bank to open up its primary data to all.

"More important than simply tracking the aggregate poverty numbers is the need to identify and count those households that are experiencing persistent poverty."

Professor Ranjan Ray
Department of Economics, Monash University
**TOO HOT TO WORK OR TOO SICK TO GROW?**

Professor Jakob Madsen’s research into the cognitive development of children suggests that a high burden of parasitic and infectious diseases and iron and iodine deficiency can help explain why tropical countries tend to have lower average IQs and economic growth rates.

**MEASURING POVERTY IN MYANMAR AND THE PHILIPPINES**

The CDES’ Deputy Director, Associate Professor Gaurav Datt, has been leading a team from the World Bank to help the statistical authorities of Myanmar and the Philippines develop their nations’ first multidimensional measures of poverty.

**RENEWABLE ENERGY AND INSTITUTIONS**

Dr Mita Bhattacharya and co-researchers drew on annual data from 85 developed and developing countries between 1991 and 2012 to demonstrate the important role of renewable energy consumption and institutions in promoting economic growth and reducing CO2 emissions.

**THE CASE OF PAKISTAN**

The CDES’ Director, Professor Sisira Jayasuriya, has been examining why there is little rural transformation and slackening industrialisation in Pakistan, a country which had a strong industrial base, embraced globalisation, and is the most urbanised country in South Asia. Preliminary research highlights the roles of social sanctions on female labour participation outside the home, and the export of male labour to the Middle East.

**VALUING ENVIRONMENTAL SERVICES**

Dr Anka Leroux, together with Professor Lata Gangadharan, Associate Professor Paul Raschky and co-researchers, used data from nearly 1,000 personal interviews with residential homeowners in Melbourne and Sydney to estimate households’ willingness to pay for environmental services associated with stormwater management.

Our members' research explores economic and social issues in the developing world, and those concerning the environment and sustainability more broadly.
IN THE MEDIA

TRUST, STATUS AND RELIGION

On 28 July, Madhavankutty Pillai, Chief of Bureau, Mumbai at India’s Open magazine published an article on a number of academic studies that had considered faith, including its role in making people compassionate and socially responsible.

Among these was a 2013 study conducted by Professor Pushkar Maitra and co-researchers in Bangladesh and India which investigated whether trust between communities was driven by religion or status. It found that both Muslims and Hindus exhibited more trust towards their own group relative to outsiders when they had minority status, and were more trusting of outsiders relative to members of their own group when they were in the majority. The similarity in behaviour across religions suggested that it was status, rather than religion, that drove people’s behaviour.

ASIA-PACIFIC INSIGHTS

In 2017, Dr Giovanni Di Lieto regularly contributed opinion pieces to Asia Times. In these, Di Lieto draw on his expertise in the global governance of cross-border socio-economic relations and the international regulation of trade and labour markets to offer commentary on geopolitical and trade-related issues affecting the Asia-Pacific region.

A NEW METHOD OF RICE CULTIVATION IN BANGLADESH

On 15 November, Associate Professor Asad Islam published an article in India’s The Financial Express discussing a trial he conducted in Bangladesh with collaborators from BRAC, Stanford University and Cornell University into the effectiveness of a rice cultivation method known as the System of Rice Intensification (SRI). Significantly, the trial constituted the first large-scale randomised and controlled trial of SRI implementation in the world.

Islam reported that the trial had demonstrated that the SRI has real potential to improve rural incomes and help achieve food security in Bangladesh. In addition, he noted that the results of the trial had been shared with Bangladesh’s Agriculture Minister, the Department of Agriculture Extension and the Bangladesh Rice Research Institute, with a view to expanding SRI adoption across the nation.

"Our results make it clear that the SRI has huge potential to improve rural incomes and help achieve overall food security aims and objectives."

Associate Professor Asad Islam
Department of Economics, Monash University
The CDES thanks its Advisory Board, Advisory Committee, members and affiliates for their continued support and participation throughout 2017.

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BECOME A MEMBER

All Monash Business School staff and Monash University students are welcome to become a member of the CDES. For more information and to apply, see monash.edu/business/cdes/people.