CENTRE FOR DEVELOPMENT ECONOMICS AND SUSTAINABILITY

ANNUAL REPORT

2016

business.monash.edu/cdes
DIRECTORS’ NOTE

The Centre for Development Economics and Sustainability (CDES) had an exciting and productive year in 2016, its first full year of operation as an independent centre within Monash Business School (MBS).

As will be evident from this report, the CDES made the successful transition from its origin as a centre based in the Department of Economics and the Department of Econometrics and Business Statistics, including significantly expanding its membership across MBS. We can now stake a legitimate claim to having the strongest group of academic researchers in the sustainable development area in Australia, and one of the strongest in the Asia-Pacific region.

During the year, the CDES held a series of very successful events in Melbourne, including public lectures by distinguished economists Professor Thomas Piketty and former World Bank Chief Economist Professor Kaushik Basu. In what is expected to be an ongoing partnership, the CDES also sponsored, together with the Italian Development Economists Association and the Universities of Salerno, Verona and Trento, the Summer School in Development Economics, as well as the MBS Sustainable Development Workshop, at the Monash Prato Centre, Italy. In addition, the CDES deepened and extended links with academics across the University (including social scientists, humanities scholars and scientists), engaged with national and international networks of scholars and institutions, and collaborated with leading global development agencies, policy analysts and researchers.

We are thankful to Professor Colm Kearney (Dean, MBS), Professor Gary Magee (Deputy Dean (Research)), the MBS administrative staff for their commitment and support to the CDES, the members of our internal Advisory Committee, the distinguished team who accepted our invitation to serve on our external Advisory Board, all of the CDES members and affiliates for their enthusiastic support and participation in CDES activities, and Sarah Meehan, who most ably and professionally handled the administrative affairs of the Centre. All these have helped the CDES lay solid foundations for the future.

We look forward to building on these achievements in 2017 and beyond.

Sisira Jayasuriya, Director
Gaurav Datt, Deputy Director

Above: Professor Thomas Piketty’s public lecture at the Melbourne Town Hall in October. Below: Former World Bank Chief Economist Professor Kaushik Basu’s public lecture at Monash College in November.
2016 HIGHLIGHTS

AN EVENING WITH THOMAS PIKETTY

On 28 October, renowned Paris School of Economics Professor Thomas Piketty gave a public lecture at the Melbourne Town Hall as a guest of Monash Business School, during which he shared insights from his best-selling book Capital in the 21st Century.

Piketty outlined the historical evolution of wealth inequality over the past two centuries, and warned that economic and political stability will not be sustainable unless redistributive policies such as a global wealth tax are adopted.

PUBLIC LECTURE BY KAUSHIK BASU

On 29 November, the CDES was delighted to welcome former Senior Vice President and Chief Economist of the World Bank, incoming President of the International Economic Association and Cornell University Professor Kaushik Basu to share his views on 'Challenges for the Global Economy: The Great Recession and the Fault Lines'.

Basu discussed the rise of labour-saving and labour-linking technologies, why this cannot be halted, why protectionism is the wrong response to current challenges, and how protectionist policies pose real dangers for the world economy.

FILM SCREENINGS WITH NANDAN SAXENA AND KAVITA BAHL

On 4 and 5 May, directors Nandan Saxena and Kavita Bahl joined the CDES for public screenings of their films Cotton for My Shroud and DAMMED, which explore cotton farmer suicides and development-induced displacement in India.

Saxena and Bahl have spent the last 20 years shining light on the human and environmental toll of development. Their work has garnered many awards and prizes, and has been presented as evidence in the Supreme Court of India.

For the CDES, this was an important opportunity to encourage discussion of development-related issues beyond the context of academic research.

The CDES unites researchers who are interested in the business, economic and social problems affecting the developing world and the environment and sustainability more broadly.
WORKSHOPS

SUMMER SCHOOL IN DEVELOPMENT ECONOMICS

From 20 to 23 June, the CDES, together with the Italian Development Economists Association and the Universities of Salerno, Verona and Trento, held the 5th Summer School in Development Economics at the Monash Prato Centre, Italy.

The Summer School was attended by over 50 students and early career researchers including the CDES’ Dr Diana Contreras Suarez and PhD Candidate Vilas Gobin. It provided young academics with the opportunity to gain exposure to cutting-edge development economics research and to present and discuss their own research projects with leading academics in a relaxed and constructive atmosphere.

SUSTAINABLE DEVELOPMENT WORKSHOP

On 24 and 26 June, the CDES and the Monash Business and Sustainability Network co-hosted the 2nd Sustainable Development Workshop at the Monash Prato Centre, Italy.

Opening the day after the UK’s Brexit vote, and against a backdrop of social and economic challenges in Europe, the workshop provided a valuable opportunity for discussion on issues of common interest within the area of sustainable development and beyond.

Invited speakers included Dr Sumitor Broca (FAO), Professor Tilman Brück (International Security and Development Center), Professor Ian Coxhead (University of Wisconsin-Madison), Professor Glenn Danning (Earth Institute, Columbia University), Professor Gamini Herath (Monash University, Malaysia), Professor Pushkar Maitra (Monash University, Australia), Professor Dilip Mookherjee (Boston University) and Professor Bharat Ramaswami (Indian Statistical Institute).

"I would certainly recommend the Summer School to students in the final stages of their PhD."

Vilas Gobin
PhD Candidate, Monash University
WORKSHOP ON SOUTH ASIA: ECONOMIC AND POLITICAL CHALLENGES

On 8 September, the CDES, together with the South-Asia Research Network and the Monash Asia Institute, hosted a half-day workshop on Bangladesh-Pakistan developments in the South Asian context.

The workshop featured presentations by Dr Sultan Hafeez Rahman (Executive Director of the BRAC Institute of Governance and Development and a former Director General of the Asian Development Bank) and Professor Imran Ali (Dean of the Karachi School of Business and Leadership), who highlighted Bangladesh and Pakistan’s recent macro economic successes and the need for institutional and governance reforms to sustain economic growth and poverty reduction.

The presentations were followed by a panel discussion that explored gender, empowerment and equity in South Asia, and the importance of strengthening the region’s research ties with Australia.

"The workshop featured cutting edge research on the economics of energy, water and climate change."

Dr Anke Leroux
Organiser, Environmental Economics Workshop

ENVIRONMENTAL ECONOMICS WORKSHOP

On 24 and 25 November, the CDES and the Department of Economics co-hosted the 2nd Environmental Economics Workshop, which brought together leading academics working in the areas of sustainability, natural resources and the environment.

The workshop explored theoretical, empirical and experimental approaches to environment-related issues, with workshop participants presenting new evidence from laboratory and field experiments around the world to characterise the demand for electricity, and applying empirical methods and economic theory to aid policy design in the areas of climate change mitigation and adaptation.

LABOUR AND DEVELOPMENT WORKSHOP

On 27 and 28 October, the CDES, together with the Department of Economics and the Applied Microeconomics / CDES Seminar Series, held the Labour and Development Workshop to provide an opportunity for Melbourne’s academic community to gather and exchange ideas on frontier work in the field of labour and development.

The workshop featured a keynote address by Cornell University’s Professor of Economics and John P. Windmuller Chair of International and Comparative Labor Gary Fields, and presentations by distinguished Professor Yves Zenou (Monash University), Julia Cagé (Sciences Po Paris) and Daniel Rosenblum (Dalhousie University), during which they shared some of their current work.
PROFESSOR GLENN DENNING, COLUMBIA UNIVERSITY

On 18 March, the CDES, together with the School of Social Sciences and the Monash Sustainability Institute, welcomed Columbia University Professor of Practice Glenn Denning to share his views on ‘How to End Hunger, Achieve Food Security, Improve Nutrition and Promote Sustainable Agriculture: An Impossible Dream?’

Drawing on 35 years of experience as a scientist and practitioner in Asia and Africa, Denning examined the strategies and prospects for achieving Sustainable Development Goal (SDG) 2. SDG 2 remains one of the most complex and challenging of the 17 SDGs in a world where one in nine people are hungry, dozens of countries remain chronically food insecure, obesity and related non-communicable diseases are rising in almost every country, and agriculture is vulnerable to, as well as a principal cause of, climate change and environmental degradation.

PROFESSOR PARTHA SEN, FORMER DIRECTOR OF THE DELHI SCHOOL OF ECONOMICS

On 4 August, Professor Partha Sen visited the CDES to speak on the topic of ‘Climate Change and Production Risk in Indian Agriculture’.

Sen presented findings from ongoing research on the impact of climate change on Indian agriculture, highlighting crop-specific responses to climate extremes related to rainfall and temperature. In particular, he demonstrated how climate extremes adversely affect mean crop yields and their variability, with rice being the most sensitive to these changes.

"Professor Sen's presentation highlighted the importance of detailed empirical work in assessing the economic impact of climate change."

Associate Professor Gaurav Datt
Deputy Director, CDES
MR DHIRAJ NAYYAR, NITI AAYOG

On 25 November, the CDES and the Australia India Business Council co-hosted a public lecture by Mr Dhiraj Nayyar on 'The Modi Way: Transforming India Through a New Policy Paradigm'.

Nayyar is Officer on Special Duty and Head, Economics, Finance & Commerce at NITI Aayog (the premier policy think tank of the Government of India, which replaced the previous Planning Commission). He is also a former media commentator who trained as an economist at the Universities of Delhi, Oxford and Cambridge.

PROFESSOR ALAKA BASU, CORNELL UNIVERSITY

On 28 November, the CDES welcomed Cornell University Professor Alaka Basu to present her research on 'Conceptualising and Contextualising Women’s Empowerment: And Then Trying to Measure it'.

Basu is Senior Fellow, Reproductive Health at the United Nations Foundation and Professor in the Department of Developmental Sociology at Cornell University. She has served on the governing boards of the Population Association of America (PAA), the International Union for the Scientific Study of Population (IUISSP) and the Population Council in New York.

PROFESSOR KAUSHIK BASU, CORNELL UNIVERSITY

On 30 November, Cornell University Professor Kaushik Basu provided a seminar on ‘A New Approach to Law and Economics’.

Basu is Professor of Economics and the C. Marks Professor of International Studies at Cornell University, as well as the incoming President of the International Economic Association. From October 2012 to October 2016 he was the Senior Vice President and Chief Economist of the World Bank. Prior to that he served as the Chief Economic Advisor to the Government of India.

The CDES co-sponsored the weekly Applied Micro/CDES Seminar Series, which exposed staff, students and interested members of the public to a wide range of economic research.
HORTICULTURAL MARKET REFORM IN PAKISTAN

Pakistan’s horticulture industry, one of the largest in the world, has huge growth prospects in both domestic and export markets, but its performance is well below potential.

In response to government and industry requests, a marketing policy reform project has been commissioned, with the CDES (Professors Sisira Jayasuriya and Jeffrey LaFrance) appointed implementing agency.

The project brings together a team from Australian, Chinese and Pakistani universities, research institutions and industry groups, with total funding of $1.5 million over three years from the Australian Centre for International Agricultural Research (ACIAR).

MULTIDIMENSIONAL POVERTY IN THE PHILIPPINES

Poverty monitoring in the Philippines has traditionally focussed on income-based measurements despite an increasing emphasis on the multidimensional nature of poverty, especially in light of the United Nation’s Millennium and Sustainable Development Goals.

Drawing on his research in this area, Associate Professor Gaurav Datt, together with a team from the World Bank, has been providing technical assistance to the Philippines Statistics Authority to enhance their official poverty statistics to include multidimensional poverty indices.

CLIMATE CHANGE AND AGRICULTURE IN ASIA

In 2016, Professor Sisira Jayasuriya, Associate Professor Asad Islam, Associate Professor Paul Raschky and Dr Paulo Santos were commissioned to write background papers for the United Nations’ Food and Agricultural Organization concerning poverty, climate change and agriculture in Asia.

"This grant gives us the opportunity to carry forward our work."

Dr Sabyasachi Das, ISI and Dr Souvik Dutta, IIMB
CAN SRI TECHNIQUES HELP BANGLADESHI FARMERS INCREASE THEIR YIELDS?

Associate Professor Asad Islam has been undertaking the first controlled System of Rice Intensification (SRI) trial in the world, which is providing promising insights into increasing rice productivity in Bangladesh.

CHINA’S EXCHANGE RATE: TOO HOT, TOO COLD OR JUST RIGHT?

In research published in the European Economic Review, Dr Qingyuan Du contended that the apparent undervaluation of China’s exchange rate in the early 2000s could have been a result of the country’s imbalanced sex ratio and the consequent increase in marriage market competition.

NIGHT-TIME BRILLIANCE LIGHTS UP POLITICAL PATRONAGE

Associate Professor Paul Raschky used NASA satellite data to find that the birthplaces of countries’ political leaders get preferential economic treatment.

CONDITIONAL CASH TRANSFERS, PREFERENCES AND EDUCATION

Dr Diana Conteras Suarez and Professor Lisa Cameron examined how conditional cash transfer (CCT) programs affect parental behaviour in Colombia. Their findings suggest that the positive impacts of CCT programs are driven by the monetary incentives and conditions that form part of the programs, with no deeper behavioural change occurring.

PORTLINESS AMIDST POVERTY: EVIDENCE FROM INDIA

Professor Pushkar Maitra has been analysing the growing problem of obesity in India, finding that obesity is more evident among affluent, well-educated, urban groups (especially adult women), and that increasing incomes and sedentary lifestyles are key contributing factors.
**MEMBER ACHIEVEMENTS**

**DR SIMON ANGUS AWARDED A VICE-CHANCELLOR’S AWARD FOR TEACHING EXCELLENCE**

In 2016, Dr Simon Angus was awarded a Vice-Chancellor’s Award for Teaching Excellence, predominantly based on his teaching of ‘Prosperity, Poverty & Sustainability’ (ECC2800/APO5229), one of the key units that introduces Monash Business School students to issues in development and sustainability.

The Excellence Awards are presented to researchers and educators whose leadership, innovation and commitment have made an outstanding contribution to Monash University’s teaching and research programs.

We congratulate Angus on this commendable achievement.

**PROFESSOR LATA GANGADHARAN APPOINTED EDITOR OF EXPERIMENTAL ECONOMICS**

Professor Lata Gangadharan has been appointed Editor of Experimental Economics, the official journal of the Economic Science Association and a leading journal in the field of experimental research in economics. Gangadharan is the first woman to hold this position at the journal.

Gangadharan is an experimental economist whose research focuses on conducting experiments to gain insight into human attitudes and behaviours, which she uses to inform the design of institutions to address environmental problems and promote development.

We congratulate Gangadharan, who was looking forward to contributing to the profession and furthering the profile of experimental economics in the region through this position, on her appointment.

"This is a great achievement and recognition of Lata’s world standing."

Professor Colm Kearney
Dean, Monash Business School

**ASSOCIATE PROFESSOR PAUL RASCHKY’S RESEARCH NOTED IN THE ECONOMIST**

Do African politicians exploit China’s hands-off approach to aid allocation to favour their home villages? In research noted in The Economist, Associate Professor Paul Raschky and co-researchers analysed data from 1,660 projects committed to 49 African countries between 2000 and 2012 and found that political leaders’ birth regions receive up to three times more Chinese aid than other regions, including poorer regions with greater needs. They also found that aid flows from the World Bank did not exhibit this pattern, suggesting that China’s non-interventionist approach to foreign aid is particularly prone to political capture.
The contributions of the CDES' Advisory Board, Advisory Committee, members and affiliates are integral to the CDES' work.

ADVISORY BOARD

Dr Mary Amiti (New York Federal Reserve)
Professor Christopher B. Barrett (Cornell University)
Professor Michael R. Carter (University of California, Davis)
Professor Hal Hill (Australian National University)
Professor Jikun Huang (Peking University)
Professor Xin Meng (Australian National University)
Professor Dilip Mookherjee (Boston University)
Professor Mari Pangestu (Columbia University)
Professor Martin Ravallion (Georgetown University)
Professor Rohini Somanathan (Delhi School of Economics)

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 http://business.monash.edu/cdes/people.

ADVISORY COMMITTEE

Associate Professor Gaurav Datt, Dr Qingyuan Du, Professor Brett Inder, Associate Professor Asad Islam, Professor Sisira Jayasuriya, Associate Professor Paul Lajbeysgier, Dr Anka Leroux, Professor Pushkar Maity, Dr Paulo Santos, Professor Russell Smyth, Associate Professor Srinivas Sridharan, Dr Diana Contreras Suarez, Professor Farshid Vahid, Dr Liang Choon Wang, Professor Michael Ward.

MEMBERS

Professor Klaus Abbink, Professor Heather Anderson, Dr Simon Angus, Dr Dyuti Banerjee, Professor Jonathan Batten, Dr Mita Bhattacharya, Professor Lisa Cameron, Dr Wonli Chang, Professor Chongwoo Choe, Dr Silvio Contessi, Dr Katy Cornwell, Dr Andrew Crawford, Dr Angela Cruz, Dr Alice De Jonge, Dr Rabek Dzhumashov, Dr Pyadasa Edirisuriya, Mr Martin Foo, Mr Richard Foster, Professor Lata Gangadharan, Dr Wayne Gumley, Professor Gamini Herath, Dr Jun Sung Kim, Professor Stephen King, Professor Jeffrey LaFrance, Associate Professor Andreas Laibbrandt, Professor Jakob Madsen, Professor Felix Mavondo, Dr Vinod Mishra, Associate Professor Duncan Mortimer, Dr Solmaz Moslehi, Dr Jaai Parasnis, Dr Shrimul Porera, Dr Laura Puzello, Dr Birandra Rai, Associate Professor Michaela Rankin, Associate Professor Paul Raschky, Professor Ranjan Ray, Dr Satheesh Seenivasan, Professor Mervyn Silavpullo, Professor Param Silavpullo, Dr Kompal Sinha, Dr Prabanga Thoradendiya, Dr Rebecca Valenzuela, Dr Aaron Wijeratne, Dr Hye-Seung Yang.

STUDENT MEMBERS


AFFILIATES

Dr Reshad Ahsan (University of Melbourne), Associate Professor Dharma Arunachalam (Faculty of Arts, Monash University), Dr Daniel Brent (Louisiana State University), Dr Paul Burke (Australian National University), Dr Long Chu (Australian National University), Dr Sabyasachi Das (Indian Statistical Institute), Dr Souvik Dutta (Indian Institute of Management Bangalore), Dr Youjin Hahn (Yonsei University), Professor Roland Hodler (University of St. Gallen), Associate Professor Brian McCaig (Wilfrid Laurier University), Dr Miriam Marembo (Institute for Safety, Compensation and Recovery Research), Dr Munirul Nabin (Deakin University), Dr Kanti Nuzhat (North South University), Dr Susan Olivia (University of Waikato), Dr Daniel Rosenblum (Dalhousie University), Dr Rohan Sweeney (Deakin Health Economics), Dr Joseph Vecchi (University of Gothenburg), Dr Sarah Walker (University of New South Wales).