

## ECON 3240 Inequality and Poverty in a Global Economy Syllabus v1

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Office Hours: Monday 2-3:30pm, Wednesday 9:30-10:30pm, and Thursday 2-3:30pm in Dealy E-527. Please confirm office appointments by email. If office is empty, please call us at (718) 817-0063.

Class meets Monday and Thursday 4-5:15pm in Dealy 202, our two hour our final exam is May 11<sup>th</sup> at 1:30pm.

\*\*See the Course Calendar at <https://darrylmcleod.com/> for up-to-date required readings and homework questions. Check Blackboard for all assignment due dates.

**Course Description:** Inequality is rising in the United States but falling worldwide. To some extent, both trends reflect the stunning success of East and South Asia (China, India, and Vietnam) in reducing extreme \$1.90/day poverty. The success of these countries is reshaping the world economy—and climate change is too. Although the United States is far richer and still leads in innovation, China is ascending and making rapid progress (think Tiktok, 5G, and automation: see the Netflix documentary [American Factory](#)). Rising inequality is a problem in both countries, as are the rising expectations of college educated workers. States and urban centers like New York and California face a political backlash from regions and workers left behind as well as surprising large homeless populations. These issues converge in a publicly financed Green New Deal. AOC for example argues that poverty reducing jobs, education, housing, and medical care are human rights. Thomas Piketty's *Capital in the 21<sup>st</sup> century* argues rising inequality makes redistribution via taxes on the wealthy inevitable, a call echoed by some Presidential candidates, Piketty's forthcoming *Capital and Ideology* explores the politics that sustains inequality and neglects poverty, from slavery and addiction to mass incarceration. Meanwhile Brexit and populist backlash in a number of countries reflect both social and geographic inequality. Within the United States for example racial and geographic divisions often overlap,

**Course Requirements:** Most readings and videos for this course are available online. or via BB see the course calendar. Class attendance is essential (10%). Most HWs begin as LDQs (lecture and discussion question) on the calendar, quiz review questions to focus your readings. There will be 3-4 quizzes (20% of your grade) before midterm and final exam (20 and 35% of your grade). An optional paper, film or book review can be used to improve your grade or replace one quiz (no makeup quizzes) see the course calendar possible group projects. EC papers must follow ADA guidelines and be submitted before the day we return from the Thanksgiving break. Papers, the essays and HW answers refer to course readings with pages or by minute for videos. Quotes or pictures or Figures and Tables rewarded (all cited by author, date page sources). EC papers should include pages summarizing a recent lecture, film, book or article your attended read or watched; 1-2 pages relating this material to specific course readings, lectures or videos ending with 1-2 pages summarizing your own views of this lecture, book, film or article. Your EC topic must be related to the course and unique so choose a topic early, see the Course calendar for suggestions approved (required readings/films/lecture generally not eligible for EC projects, but check with us if you see room for an exception). After the MLK day weekend we will discuss a group project option where 4-5 students focus on a key issue that interests them, a survey will be used to determine the most popular issues (e.g. a UBI, minimum wages, unionization, climate change, migration and worker mobility). Please get your EC or group paper topic approved early just in case you need it: please turn in your annotated proposal on BB in early February, before Presidents day latest.

**IIA. Texts with some required readings:** please buy this book if possible, eBook or Hardcover (see calendar).

\*Banerjee, A. & Esther Duflo (2019) *Good Economics for Hard Times* Public Affairs, NY \$14-18 new [ISBN 978-1610399500](#) \$15 Kindle published Nov 12<sup>th</sup> (after [two weeks after Economics Nobel Prize](#) went to Banerjee, Duflo and Kremer announced, see the description of their work by the Nobel Committee)  
Piketty, Thomas (March 2020) *Capital and Ideology*, forthcoming Harvard University Press ([here is the cover](#), already published in French) for now see PDF [excerpts and](#) many Figures see also the UCB-WID [World Inequality Report 2018](#) updates? check [TP's twitter feed](#). (not to confused with his [2014 bestseller Capital](#))

## IIA. Texts with some required readings

Moyo, Dambasi (2009) *Dead Aid*. Farrar, Straus and Giroux. ISBN [0374532125](#). [\\$8 on Kindle](#), \$4 used.

Rajan, Rauram (2019) *The Third Pillar: How Markets and the State Leave the Community Behind*, Penguin Press, [\\$16 kindle](#) \$13-17 hardcover new and used [978-0525558316](#)

William Julius Wilson (2010). *More than Just Race: Being Black and Poor in the Inner City*. W. W. Norton & Company. ISBN [0393337631](#). \$10 on Kindle, \$4.75 used. [Summary by the author](#) see address at

Kristof, N and Sheryl WuDunn (Feb 2020) *Tightrope: Americans reaching for Hope*, preorder [\\$14 Kindle](#), \$20 harcover

Sawhill, Isabel (2018) *Forgotten Americans: An Economic Agenda for a Divided Nation*, Yale Univ Press  
[\\$15 Kindle 0300230362](#) \$6-11 Used and new.

## III. Lecture Topics: Poverty and Inequality in a Global Economy

January 13-15<sup>th</sup> Lecture 1: Inequality and Mobility: Great Gatsby Curve, how segregation and schooling limit social mobility in the United States compared to Europe.

January 20<sup>th</sup> Martin Luther King Day

Jan 23<sup>rd</sup> Trends in Poverty and Inequality, the Elephant Curve, achieving the SDGs in Africa, South Asia and the United States Case Study: Segregation and inequality, Selma. the Great Migration and the South catches up

Jan 27<sup>th</sup>-30<sup>th</sup> Coping with Climate Change the Green New Deal and the geography of Inequality: Restorative Justice Reparations and Climate resilience in the Tropics (and the Haiti and Puerto Rico)

Feb 3<sup>rd</sup> to 6<sup>th</sup>: Why the middle-class matters: The decline of Manufacturing, diversity, migration and Poverty in the U.S. China and Vietnam, what's trade got to do with it? How to temper the China Shock & rebuild Detroit?

Feb 10<sup>th</sup> to 13<sup>th</sup> What policies to reduce poverty and increase social mobility: Student debt relieve, Basic Incomes. cash transfers to the poor, taxing the Rich MOOP, too many elderly, medical care and incarceration

Feb 17<sup>th</sup> Presidents Day: Celebrate the Kennedy Johnson War on Poverty: did we lose?

Feb 20<sup>th</sup> Homelessness in California and New York, how not to treat Mental Illness and addiction, is legalization of drugs a good idea? Bail reform in New York, crime in Chicago, Baltimore, NYC & Long Island

Feb 24<sup>th</sup> and 27<sup>th</sup> Midterm review and exam.

March 16<sup>th</sup> to 22<sup>nd</sup> Spring Break

March 23<sup>rd</sup> and March 26<sup>th</sup> Reducing Poverty and inequality in SSA and South Africa: meeting the SDGs?

March 30<sup>th</sup> and April 2<sup>nd</sup> Inequality and Migration the Lewis Turning point in China, does migration to the U.S. increase poverty and inequality?

April 6<sup>th</sup> Education, Medical Care jobs and housing as a human right: Are we all AOC-Social Democrats now?

Tuesday April 14<sup>th</sup> Classes resume after Easter Recess.

April 16<sup>th</sup> and 20<sup>th</sup> Group presentations guest speakers, discussion of unresolved questions

April 27<sup>th</sup> and April 30<sup>th</sup> Poverty and Climate change, Climate Refugees, Final Review

May 1<sup>st</sup> Reading days May 11<sup>th</sup> Final Exam (preliminary, location TBA

## IIB PDF readings/references from multilaterals and NGOs available free online or via BB

Birdsall, Nancy, Nora Lustig and Darryl McLeod (2013) "Declining Inequality in Latin America: Some Economics, Some Politics," Chapter in Peter Kingstone and Deborah Yashar, eds., Routledge Handbook of Latin American Politics,

Lustig, Nora ed. (2018) *Commitment to Equity Handbook: Estimating the Impact of Fiscal Policy on Inequality and Poverty*, (Brookings Institution Press and CEQ Institute, Tulane University),

Lustig, Nora and Gabriela Inchauste eds (2017) *The Distributional Impact of Taxes and Transfers. Evidence from Eight Low- and Middle-Income Countries*, World Bank Wash DC--

World Bank (2015) *Shock Waves: Managing The Impacts Of Climate Change On Poverty PDF* (see also the 2016 UN DESA WESS report I worked on) [Shockwaves Presentation](#) [Guardian Review](#)

World Bank (2018) *Poverty and Shared Prosperity*, World Bank, Washington DC [PDF available here](#).

UNDP, 2019, *Human Development Report 2019 Beyond income, beyond averages, beyond today: Inequalities in Human Development in the 21st Century.pdf here, see also background papers.*

Haughton, J Khandker, [Shahidur \(2009\) Handbook on poverty and inequality](#) Wash DC: World Bank.

World Bank (2009) *Handbook on poverty and inequality*, by [Haughton, Khandker and Shahidur PDF online](#), World Bank, *Global Monitoring Report 2014/2015: Ending Poverty & Sharing Prosperity* 1-4648-0336-9 [PDF](#)

Corak, Miles. 2013. "Income Inequality, Equality of Opportunity, and Intergenerational mobility." *Journal of Economic Perspectives*, 27 (3): 79-102 pdf [copy available here](#). or [here](#).

Case, Anne, and Angus Deaton (2017) ["Mortality and morbidity in the 21st century."](#) Brookings papers on economic activity 2017, no. 1 397-476 see Figure 1 page 402

Brahim, Sumaya Ali & D McLeod (2016) [Inequality and mobility: Gatsby in the Americas](#) *Modern Economy* 7:5 643-55.

## IIC Poverty and Inequality classics and recommended readings (excerpts available online)

Acemoglu & Robinson (2012). *Why nations fail: the origins of power, prosperity, and poverty*. Crown Business. ISBN 0307719227. \$10 Kindle, \$10 used.

Atkinson, Anthony (2015) *Inequality what can be done?* Harvard Univ Press

Banerjee, A. & Esther Duflo *Poor Economics*. (2011). Public Affairs. 1610390934. \$10 on Kindle

Chang, Leslie (2009) *Factory Girls: From Village to City in a Changing China* Chang. Leslie (2009). Spiegel & Grau. 0385520182. \$10 on Kindle, \$4 used.

Piketty, Thomas (2014) *Capital in the 21st century*. Harvard University Press ISBN 1491534656 (\$23 to buy or free for 30 days with Kindle Unlimited as is this [excerpt from the introduction](#) or \$11 to rent from chegg.com.

Collier Paul (2008) *The Bottom Billion* Oxford Univ Press. ISBN 195373383. \$7 on Kindle, \$4 used.

Ravallion, Martin (2015) *The economics of poverty: History, measurement, and policy*. Oxford University Press.

Sawhill, Isabel (2019) *The Forgotten Americans: An Economic Agenda for a Divided Nation*. [0815726357](#).

Sachs, Jeffrey (2005). *The End of Poverty: Economic Possibilities for Our Time*. Penguin Press.0143036580.

Ellwood, David (1988) *Poor Support*, Basic Books, New York (free).

*Ananya Roy (2010) Poverty Capital Routledge, 978-0-415-87673-5 )*

Deaton, Angus (2013) *The Great Escape: Health, Wealth, and the Origins of Inequality* Princeton University Press. ISBN 0691153544. \$10 Kindle, \$13 used, and \$5 rental.

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Counseling services