

**Course Description:** *This course focuses on poverty in developing countries, especially African and South Asia (Part I) and poverty in the United States (Part II). How is the fate of the poor in both regions intertwined by globalization? How well do “bottom up” (migration and microfinance) versus “top down” policies (trade and capital flows) work to reduce poverty. A special focus this semester will be on how the deep recession of 2008-2009 has affected the poor in both regions. UN Millennium development goal (MDG) number 1 is cut severe poverty rate in half by 2015. Will MDG #1 be achieved? Has globalization of national economies and in particular the recent financial crisis increased or reduced severe poverty? What more can national governments; NGOs and international agencies do to speed poverty reduction? Has recent progress in reducing poverty in China for example come at the expense of poor workers in the advanced countries? How are recent reforms to transfer programs working especially during this period of general economic crisis? Finally part III of the course focuses on where the interests of rich and poor nations overlap (or conflict): who stands to lose and gain from expanded migration, trade, official and private aid and capital flows? What is the best way for the U.S. and other OECD countries to help reduce poverty both at home and abroad? The effectiveness of top down vs. bottom up poverty reduction strategies and the sustainability of recent rapid reduction of severe poverty globally (in the fact of climate change) are the theme of this year’s lectures and case studies.*

**Course Requirements:** Most readings and videos for this course are available via the course calendar or directly from links included. There are web page for the course, but it is mainly for reference and “further reading.” One goal for this semester is to also put readings and films back in the Walsh EIC and ERES, let me know if find this more convenient. Readings are from multiple sources, including current news stories, so check the course calendar frequently for updates. Use the discussion and quiz review questions to focus your reading. Before the midterm (20-25 points) and final exam (40 points) there will be 2-3 15 minute 5 point quizzes course readings and lectures.

**Optional Paper:** a short 5-6 page paper can add 5 points to the midterm grade or replace a missed quiz. The optional paper (1) summarizes a newspaper or magazine article published during the course, (2) directly relates it to the specific course readings and (3) ends with your comments/conclusions. *Each section should be 1-2 pages typed.*

**Office Hours:** *Monday and Thursday 5:30-6:30pm; Wednesday 9:30-10:30pm (or by appointment) or request a meeting by email [mcleod@fordham.edu](mailto:mcleod@fordham.edu) Please include “3240” somewhere in the subject line of all course related emails to make sure your email does not get misdirected and please check for office hour updates at [www.fordham.edu/economics/mcleod/](http://www.fordham.edu/economics/mcleod/).*

**Books and readings** *Over the next two weeks, try to purchase paperback copies of Sachs, Collier and Moyo books (about \$10 each online). You can purchase or rent these book online or in the campus bookstore—the first few chapters of each book should be on the web page—the U.S. poverty focused book *The Opportunity Society* can be purchased later in the course. Required readings from other books should be will be available online or on Eres.*

Collier, Paul (2007) *The Bottom Billion: Why the Poorest Countries are failing and what can be Done About It* (Oxford U Press –paperback [0195373383](#)) or Collier, Paul (2010) *The Plundered Planet*, Oxford Univ Press, [199752893](#)

Dambasi Moyo (2009) *Dead Aid: Why Aid Is Not Working* Farrar, Straus and Giroux, New York

Sachs, Jeffrey (2005) *The End of Poverty: Economic Possibilities for our Time*, Penguin Press, NY (paper 0143036580)

Chang, Leslie (2009) *Factory girls: from village to city in changing China* ([0385520182](#)) Spiegel & Grau, NY Sen, Amartya (2002) *Development and Freedom* (Anchor paperback– [0385720270](#))

### **Books for Part II and III: globalization, aid and poverty reduction**

Haskins, R. and Isabel Sawhill (2009) *Creating an opportunity Society*, Brookings, Washington DC [0815703228](#)

Dambasi Moyo (2009) *Dead Aid: Why Aid Is Not Working* Farrar, Straus and Giroux, New York

**Bottom-up Globalization books:** Yunus, Mohammed (2007) *Creating a World without Poverty: Social Business and the Future of Capitalism*, Public Affairs Paper, ebook 1616818492 or Roy, Ananya (2010) *Poverty Capital* Routledge, paper [978-0-415-87673-5](#)

**Other recommended and region (India, China or Africa focused books):**

- Banerjee et. al. (2006) *Understanding Poverty*, Oxford University press 0-19-530520-5  
De Soto, Hernando (2000) *The Mystery of Capital: (Basic Books, New York)*  
Ellwood, David T.(1988) *Poor Support* (Basic Books, New York)  
Haskins, R. et.al. eds. (2003) *Welfare Reform and Beyond* (Brookings Institution Press)  
Jencks, Christopher (1994) *The Homeless*, Harvard University Press  
World Bank (2002) *Globalization, Growth and Poverty* (cited below as GGP) [082135048X](#))  
World Bank, World Development Report 2000/01 *Attacking Poverty* (Oxford)

**Useful links: Course Calendar:** [www.gdsnet.org/GDS/ECON3240Spring2011Calendar.pdf](http://www.gdsnet.org/GDS/ECON3240Spring2011Calendar.pdf)  
web page: [www.fordham.edu/economics/mcleod/ECRG3240-Topics.htm](http://www.fordham.edu/economics/mcleod/ECRG3240-Topics.htm)

**Topics Outline** (see [www.fordham.edu/economics/mcleod](http://www.fordham.edu/economics/mcleod) and the course calendar for readings)

**Part I. Causes of poverty in developing Countries** (see course calendar & webpage for readings)

1. Understanding poverty: the origins and ongoing change in the wealth of nations.
2. Poverty and inequality measures: (purchasing power: shopping in Bangalore and Jakarta)
3. Globalization and Poverty: what is \$1/day poverty (Indonesia and China case studies)
4. Migration, remittances and microfinance: Bottom up development policies.
5. Poverty, Population and Families (case study: child labor and girl's education)
6. Health and Malnutrition (Case Study: malnutrition in Bangladesh)
7. Safety nets for the poor in poor countries (Case Study: Progresa and Bolsa Familia)
8. Country case studies: Bangladesh, Malawi, China, India, Mozambique, Rwanda

**Part II. Poverty in the United States**

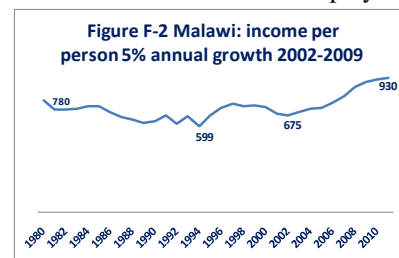
9. The recent recession impacts U.S. Poverty and Inequality:
10. Long term trends in U.S. Poverty: was the war on poverty lost?
11. Poverty in Single and Two Parent Families (case study: child poverty rates)
12. Welfare reform and the working Poor (case study: the 1996 welfare reform)
13. Urban poverty and homelessness in the U.S. cities

**Part III: Global poverty, foreign aid, trade, migration and global capital flows**

14. Foreign aid and private sector alternatives: private vs. public aid flows, remittances, microfinance.
15. Trade globalization and poverty. (case study: apparel imports and exports)

**Monday January 24<sup>th</sup>** please submit **Assignment #1** typed answers to questions 1 in class typed, one page single spaced maximum maximum. For question or access to readings issues please email me at [mcleod@fordham.edu](mailto:mcleod@fordham.edu) adding "Econ 3240" in the subject line of this email and all course related emails. All readings for the first two weeks assignments are online, but after that you will need the Sachs "End of Poverty" and the Collier "Plundered Planet" books as well as the Moyo book.

- 1.1 Both Collier (2007- Preface and Chapter 1) and Sachs (2005) mention Malawi early on. Why? Following Sachs [Chapter 1](#) briefly compare the *situation in Malawi with that in Bangladesh*. Considering how poor and formerly poor people make a living in these two countries (especially women), what can OECD people, NGOs and governments do to help the poor in Malawi and Bangladesh (e.g., what different sorts of support do these countries need from us)? Which country is easier to help, politically speaking? What is Malawi doing to help itself these days? (see NYT [Malawi fertilizer subsidies](#)).
- 1.2(a) Distinguish between the "great poverty reversal" discussed in class (see [lecture notes](#)) with the "reversal of fortune" discussed by [Acemoglu \(2003\)](#) and [Acemoglu, Johnson and Robinson or AJR\(2006\)](#). What is the role India and China play in these two reversals? (though India was more completely colonized than China)? (b) What does [Sachs \(2003\)](#) say about [Acemoglu](#) and [Rodrik's](#) claim that institutions are the "fundamental" cause of poverty? (c) Walmart and other discount stores sales did not fall much during the 2009 recession. Why? Does shopping at these stores reduce poverty in New York and China? How?
- 1.3 Poverty in the United States went up in 2009, how much in percent terms, how much in numbers of poor? Yet median income stayed the same. Considering unemployment went up from 5% to almost 10% over this period, why didn't poverty even more (say 5%)? **On the recent rise in U.S. Poverty**, see the [Bureau of Census September 2010](#), [Poverty in 2008 and 2008, ACS brief](#) and the [Washington Post, September 2010](#), [About 44 million in U.S. lived below poverty line in 2009](#)



**Email correspondence related to this course:** Email is a handy way to keep in touch, ask questions regarding readings, etc. To help me keep track of your emails please put **Econ 3240** somewhere in the subject line. Also, please include your full name and refer to assignments by number. Email questions are often of interest to the rest of the class as well, so I appreciate your comments and questions both in class and via email.