

**Course Description:** *We explore two great success stories: the modern welfare state that helps protect OECD country residents from crises and recessions such as the one we are in now, and how the great majority of the World's population escaped poverty, during the past 160 years and especially since 1980 (the year of the great poverty reversal). Why are some nation's so rich and some so poor? How do people escape poverty wherever they are born? Government can be a help and hindrance to escaping poverty: modern safety net protect the poor but can also close the door on new entrants. Foreign aid helps some countries (Mozambique) but it can also discourage countries from undertaking painful reforms necessary to start economic growth. We discuss how billions escaped severe poverty in China; a hundred million migrant workers selling cheap to Walmart. How to help families in rich countries stay families and escape poverty: how to keep fragile families from breaking apart. How to help single-parent families, like the Obama's of Hawaii? How the welfare reform of 1996 helped the poor help themselves, how anti-immigrant policies make us or them poorer. Part I of this course focuses on the origins and solution to global poverty, why does almost half the world's population live on less than \$2/day. Where has progress been made reducing severe \$1/day poverty? What more can be done by rich countries to help poor countries especially during the present crisis? What about climate change? Does aid work? Part II of this course focuses on poverty in the United States. What the 1996 welfare reform accomplished, what the present severe recession might undo. Will health care reform help reduce poverty? How? What about the homeless? (don't forget the January 26<sup>th</sup> hope count, you can help).*

**Course Requirements:** Most required readings and videos for this course are available on the course web page. If you have a slow internet connection ask for a reading and/or video CD/DVD in the Walsh EIC or borrow a copy from me. To look at poverty and policy from the point of view of people in poor countries access to the internet, films and pictures is very important. Our readings come from multiple sources, so check the course calendar frequently for updates and use the discussion questions to focus your reading. To build a set of questions for the midterm (20-25 points) and final exam (40 points) there will short 15-20 minute quizzes every other weeks and a number of written homework assignments mainly focused on course readings. **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 5:30-6:15pm, except today; Wednesday 9:30-10:00pm Thursday, 1-2:00pm. Always confirm appointments via email to [mcLeod@fordham.edu](mailto:mcLeod@fordham.edu) Please include "ECRG" or "3240" in the subject line of all course related emails related this course make sure your email does not get misdirected . Check for office hour updates at [www.fordham.edu/economics/mcleod/](http://www.fordham.edu/economics/mcleod/).*

**Recommended books and readings** (*\*\* purchase the Sachs, Collier books—online or in the bookstore—the first few chapters of each book are on the web page— some U.S. poverty focused books can also be ordered, though most required readings are available online*).

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

\*Collier, Paul (2007) *The Bottom Billion* (Oxford U Press -[0195311450](#))

\*Sen, Amartya (2002) [\*Development and Freedom\*](#) (Anchor paperback— [0385720270](#))

\*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/classes/ECRG3240Spring2009Calendar.pdf](http://www.gdsnet.org/classes/ECRG3240Spring2009Calendar.pdf)

**Backup:**

[www.fordham.edu/economics/mcleod/ECRG3240Spring2009Calendar.pdf](http://www.fordham.edu/economics/mcleod/ECRG3240Spring2009Calendar.pdf)

**web page:**

[www.fordham.edu/economics/mcleod/ECRG3240-Topics.htm](http://www.fordham.edu/economics/mcleod/ECRG3240-Topics.htm)

**Backup:** [www.gdsnet.org/classes/ECRG3240-Topics.htm](http://www.gdsnet.org/classes/ECRG3240-Topics.htm)

**Assignment #1:** For Wednesday January 21<sup>st</sup> please email or submit typed double spaced answers to the following questions to [mcleod@fordham.edu](mailto:mcleod@fordham.edu). Please if possible add “ECRG 3240” in the subject line of this email and all course related emails. The first line of this email should include your name and your preferred email address for infrequent but sometimes important class related correspondence. Otherwise I will use the email on my class list, usually your fordham.edu email. The first few readings are online, but after that you will need the Sachs and Collier books at least. In the text of the email briefly answer questions 1, 2 and 3:

- 1) Both Collier ([2007- Preface and Chapter 1](#)) and Sachs mention Malawi early on. Following Sachs (2005) [Chapter 1](#) briefly the 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 ctys do to help the poor in Malawi and Bangladesh (e.g., what different sorts of support do these ctys 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](#)).
- 2) Distinguish between the “great poverty reversal” discussed in class (hint: 1980 – see [intro lecture notes](#)) with the “reversal of fortune” discussed by [Acemoglu, Johnson and Robinson \(2006\)](#). What is China a common factor in these two reversals? How does China figure in our recent economic boom 2001-2007 and in our current recession? Which major retailer(s) seems to immune from our current economic woes and is very closely tied to China and Bangladesh? Who shops at these stores and why? *Do you or does your family shop there (optional)?*
- 3) How and when did or might your family escape \$1/day poverty (that’s about \$50/day or about \$20k per year for a family of four)? Why and when did your ancestors come to this country (if they did)? During the period 1880 to 1920 New York’s population grew from 2 million to 8 million, about what it is today, almost entirely due to immigration (see PBS NY video segments [NY Episode 4 Intro \(2 mins\)](#) and [NY immigration \(10 mins\)](#)). The 1990s saw another surge in immigration to NY and the U.S. Was your family part of either of these waves? Why did migration surge during these periods?

**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: origins and change in the modern world order
2. Globalization and Poverty: what is \$1/day poverty (Indonesia Case study part I)
3. Poverty and inequality measures: (case study: shopping in Bangalore and Jakarta)
4. Poverty, Population and Families (Case Study: child labor)
5. Health and Malnutrition (Case Study: malnutrition in Bangladesh)
6. Safety nets for the poor in poor countries (Case Study: Progresa and Bolsa Familia)
7. Country case studies: Bangladesh, Malawi, China, India, Mozambique, Rwanda

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

7. Trends in U.S. Poverty and Inequality: did we really lose the war on poverty?
8. Poverty in Single and Two Parent Families (case study: child poverty rates)
9. Welfare reform and the working Poor (case study: the 1996 welfare reform)
10. Urban poverty and homelessness in the U.S. cities
11. Globalization & U.S. inequality and poverty. (case study: apparel imports and exports)

**Books with some required Readings** (may be referred to in class on the web page):

Bane, Mary Jo and Ellwood, D.T. *Welfare Realities* 1996, Harvard Univ. Press

Blank, Rebecca & R. Haskins (2001) *New World of Welfare* (Brookings Inst.)

Blank, Rebecca (1998) *It Takes a Nation*, Princeton Univ. Press.

Derose, Laurie et al. *Who's Hungry? Food Shortage and Deprivation* (Brookings).

Kabeer, Naila (2000) *The Power to Choose: Bangladeshi Women in London & Dhaka*

Mandle, J. R. (2004) *Globalization and the Poor* (Cambridge University Press: Cambridge UK)

Oxfam (1997) *Growth with Equity, An Agenda for Poverty Reduction* (web & CD)

Oxfam (2001) *Make Trade Fair* and various reports available at [www.maketradefair.com](http://www.maketradefair.com)

UNDP Human Development Report (2003) Millennium Development Goals: A Compact (online).

Wilson, W. J. *When Work Disappears* Random House, Vintage Books  
World Bank (WDR), *World Development Report, 1990* (Oxford Univ Press NY)

2) Read Niall Ferguson and Easterly's review of the Collier's book. Briefly contrast the approach Sachs, Easterly and Collier to poverty reduction. Without having read their books, who are you inclined to agree with? Why? Read Colliers Chapter 8 on intervention (and skim his preface and chapter 1 if you can). Summarize his main points. Do you agree with him? Will U.S.-British intervention in Sierra Leone (or Afghanistan or Iraq) makes the NY and London subways safer? Why or why not. Be brief and to the point, we will return to this question again.