

Final Review Sheet: prepare for May 7th final exam, 40 points, 15 points MC (from quizzes), Short answer 10 points short essay 5-10 points, longer essays (known in advance) 5-10 points. Short essays are written

Required Video (Snow day replacement lecture) [Don't Panic, the overpopulation myth...](#) see LDQ9
questions Bangladesh/Mozambique, city vs. country see LDQ 9

Poverty Measures & U.S. Poverty; pre-transfer and post transfer poverty measures, President Johnson's war on poverty, "unconditional war" on severe poverty, SPM vs. OPM, relative vs. absolute poverty

[Christopher Jencks \(NY Review of Books\):](#) why does the U.S. poverty rate (OPM) underestimate progress in reducing U.S. Poverty?

Programs that seem to work well:

1. TANF and the EITC / foodstamps targeting the working poor.
2. Preschool and child care programs
3. Elmira-Olds Nurse-Family partnerships
4. Charter schools
5. Transfers conditional on work (CCTs for work or education)
6. Gradual clawback of means tested transfers (encourages work)
7. 16 and pregnant
8. Marriage subsidies/counseling

Programs that do not work well:

1. Education and Training (can create stigma, except for new entrants)
2. Child support enforcement (HHS and Ronald Mincy, Fragile Families)
3. GEDs instead of HS diplomas (Heckman)
4. Housing and homeless projects in urban neighborhoods
5. Transportation systems designed for those living suburbs (MTJR)
6. Family caps (New Jersey see WRAB #?)
7. Cutting welfare benefits to reduce births to unmarried women (Wilson on the Moynihan report)

II. Short Essays for the in class Final exam

SE-1 Suppose congress raises the minimum wage to \$15 (almost double) who will gain the most income and who will gain the least? A) Who will pay for the higher minimum wage earned by retail and other workers? Who will find their incomes decline (apart from owners of these businesses)? B) Suppose Congress doubled the EITC (without changing the qualifications much right now). Who would pay for the higher EITC? Who would benefit indirectly from the higher EITC? C) Make the case for extending the EITC to childless men in poor inner city neighborhoods. Use the arguments of W J Wilson, 2009 or 2010 explicitly to make this argument. Bring a quote and page number with you to the exam (or Table or Figure to make your point). Follow the instructions for supplementary materials outlined above. These materials must be turned in at the beginning of the exam.

	Efficiency Wage Hyp holds				No Efficiency Wage				Mobility
	Entry Level job:	Costs	Profits	Taxes	Entry Lev	Costs	Profits	Taxes	
EITC doubles	increase	Fall	rise	rise	increase	fall	rise	rise	increases
Double Min Wage	Fall turnover	same	same	samw	fall	rise	fall	samw	Falls
EITC for nonparents	increase	fall	rise	rise	increase	fall	rise	rise	Increases

SE-2 Foreign Aid Debate, security: Make the case for increasing Foreign Aid to the MENA and SAHEL countries currently fighting Shabab and Boko Haram. Who is doing this already? According to Sachs, 2005 and Collier, 2007 why foreign assistance is early on better than coping with failed states down the road (as the current situation in Syria and Libya and potentially Yemen illustrate. Did this approach work in Somalia? Should donors finance local militaries (cite Collier, 2007 on this point referring to Chapter 8).

SE-3 Win-Win I: Poverty reduction through goods exchange (AKA Trade vs. Aid): a) Collier discusses Christain Aid campaign against EBA and AGOA (freer trade with Africa). This exchange of views has some parallels with the current discussion of the TPP which has President Obama arguing against the Unions and church groups (including the [USCCB](#)). Why do Economists (see Mankiw in NY Times) and President Obama favor free trade, even though it may hurt the middle class and working poor with limited education? B) Use Vietnam’s stunning performance since 1990, make the case for the trade as poverty reduction strategy? Did Vietnam receive foreign aid as well? Why was Vietnam so poor until conflict ended in the mid-1990s (hint: Cambodia).

SE-4 Win-Win 2: Poverty Reduction via Exchange of people: a) A common criticism of aid programs such as the [Peace Corps](#) and NGOs that do Peer to Peer Lending such as [Kiva](#) and [Whole Planet](#) (recall NIDAN) b) Randomistas such as Banerjee and Duflo are very critical of Micro lending programs, where are their criticisms well taken, where do they miss some of the benefits for microfinance? Use the numbers thrown up by [KIVA](#) and WP to discuss why these forms of Aid are so popular. Compare this with in-kind transfers and the intangibles provided by the peace corps and NGO workers (as in the Rosling BBC special) c) For emergency Aid discuss the TPS program for Haitians and other refugees: how do these programs have an instant effect on poverty (in Haiti for example). Who transfers the funds from OECD to Haiti (or Nepal, or Somalia, or Syria)? D) Over the longer term, how does immigration benefit “donor” countries?

SE-5 Women’s Agency: Paradoxically, increased women’s agency has had very different effects on poverty measures in the advanced countries. A) In developing countries, increased women’s agency has been the key to reducing population growth: explain briefly using Bangladesh and Ethiopia or Mozambique examples. China used a one child policy, even as women’s agency increased, how did the two policies complement each other? Was the one child policy enforced in Hubei? Why is this important for the Lu family? B) Today the problem is slow population growth in rich countries: in Japan, Russia, Italy, Greece and Spain population is falling. Why according to Piketty will slower population growth increase inequality to unacceptable levels, conversely why does immigration and higher population growth increase inequality over the longer term? What has France done to encourage population growth? How will this in Piketty’s view soon give France and advantage over Germany? *Why is a larger population mean more economic power, in Piketty’s views? How does this justify the EU over the past six years?* C) Women’s agency increases official poverty in the U.S. in part because women who work choose to have children without getting married, or to divorce their husbands. There are two ways to reduce poverty among single parent families: one is to encourage marriage, the other is to make it easier for single parents to work and raise children. Use the Fragile Families literature to discuss problems governments have had in encouraging marriage. Which policies have worked which have not worked? Which does [Piketty advocate](#), use the Netherlands

and Sweden as examples. In your view, which approach should the U.S. government use, encourage marriage or make life easier for single parent? (or both? Justify your views on this).

SE-6 Charter schools (the HCZ, Geoffery Canada, Roland Fryer): A) discuss what we know about the external and internal validity of [Charter schools](#) and pre-school for helping children escape inner city poverty. Why is it harder to [determine the external validity](#) of the HCZ for example? B) Kiara Molina has three strikes against her, what are they? Is the exception or the rule? What does the HCZ do for her regular public schools do not? C) Why are standardized tests a necessary evil for judging education quality? Dropout rates and graduation rates are another key indicator: why not rely more on these? D) Education and training were a key component of President Johnsons

II. Long Essays for the online submission after the Final Exam

LE-1 Malnutrition in India: answer a and b and either section c or d, be sure to explicit cite readings, using author, date and page number, answer each section separately, 1-3 pages per section, starting your answer with the question cut and pasted from this sheet. (a) Why has India had a much harder time than China reducing malnutrition, despite both country's green revolution in the 1980s (see Peter Svedberg (2007) [Child Malnutrition in India and China](#) and the recent [New York Times](#) series including it new national [program to feed all the poor](#), an update of Maharashtra state EGS program). How is child malnutrition related to the status of women in the two countries (and within India)? Sen (2004) compares Kerala to Bihar, why is Kerala doing so much better in Sen's view (and see Figure 2 in Svedberg (2007). Are high food prices (b) Why Kerala an interesting case study in the [benefits of global](#) labor markets? What are the risks in Kerala's strategy? How is Kerala's development strategy affecting the rest of India (see "[God's own Remittance](#)", 2009) (c) Is microfinance a substitute or a complement for policies to increase women's education (compared to factory jobs of CCTs for example)? Discuss the potential role of microfinance in reducing poverty and increasing women's agency in South Asia (cite examples from Kristof and Wudunn's, 2009 [chapter 10](#), [chapter 11](#) and [chapter 12](#)). Why has microfinance not been successful in reducing poverty, so far? Why might its impacts take a generation to materialize? Are big factories and CCTs better than microfinance as a strategy for enhancing women's agency and rapid social development? (d) Garment export case study: What role did garment exports play in Bangladesh's recent development? How did Bangladesh's "ready-made garment" industry get started (see UNDP, [Unleashing, page 35](#))? Will Bangladesh meet [its millennium development goals](#)? Why has Bangladesh done so much better recently with its garment exports than Cambodia? Is there a dark side to this success? (hint: Triangle shirt waist fire, type Bangladesh garment factory fire into google). (e) *How do [people in Bangladesh view imposition of labor standards from wealthier countries such as the U.S.](#)? See also [Kabeer, the power to choose](#)*

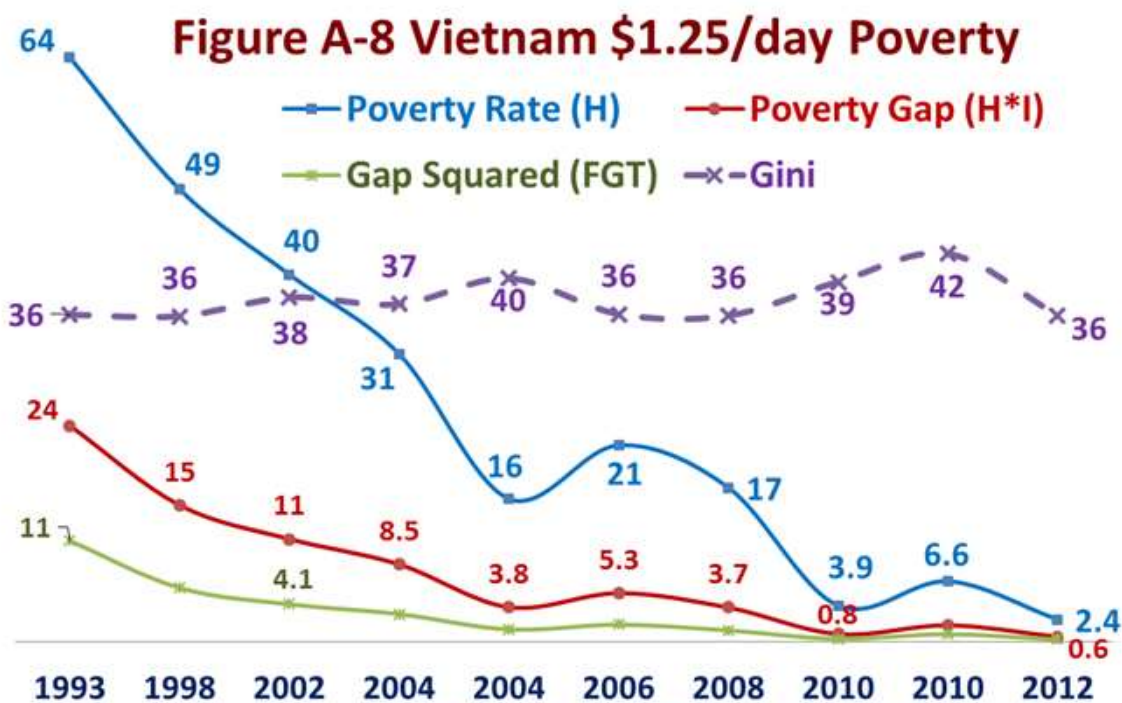
LE-2 China essay (see also the EC race to the bottom: please cite readings, using author, date and page number, answer each section separately, 1-3 pages, starting your answer with the question cut and pasted from this sheet. 2. (a) At one point Min's mother Chen Meirong says "We treat our daughters as sons" (see Chang, 2009 [Chapter 10, p. 285](#)). How does this statement help explain the Lu family's escape from poverty? Specifically how has treating "daughters as sons" paid off for Min's family in Hubei, given its farm income of \$240 per year (about \$1000 in U.S. prices, PPP)? Is factory work a substitute or a complement for women's education (cite evidence from other countries, if possible)? Discuss how Chen Meriong's approach and migrant "factory girls" support Sen's Chapter arguments regarding the key role the agency of women plays in rapid poverty reduction. Why is women's agency key to reducing poverty in Sen? Why does India have fewer factories but more outsourcing services than China—refer to Sachs' chapters on India and China and the Outsourcing Discovery Channel documentary narrated by Thomas Friedman of the NY Times)? Why are Friedman and Kristof such fans of globalization and apparel exports? (b) Effectively, Min implements her own "better factories" program, create a Table showing her three jobs, with hours, wages (converted to PPP), number of roommates, etc. Min seems to have done OK, despite leaving home at 16 and starting work (illegally) in a "Black Factory." What is typical about Min what is not? Would Min be helped or hurt by better enforcement of China's labor laws, that is, would she have benefitted from an ILO-Cambodia type "better factories" program? (legally, Min needed permission to move to Guangdong province,

which she did not have, this is one reason she had to start at the black factor). (c) In Chapter 5 Leslie Chang describes a shoe factory with 70,000 workers, why do many workers leave and then return to this factory? How is it similar to the early 19th century American “factory towns”? What is the disadvantage of relying on your employer for everything? After a series of [suicides at one of Foxconn’s Shenzhen factories](#), wages have been rising rapidly in Southern China (Is Foxconn a foreign or domestic company?) What is happening to [Chinese wages](#) (same as [last year](#) and even when Kristof and Wudunn were there in the 1990s, the one child policy started in 1979, how are one child policy kids today?). How will this affect countries like China, Vietnam, and even Haiti and Honduras (see figures on course calendar)? (d) According to Kristoff and Wudunn ([Chapter 12](#) see links above) China has the most women billionaire’s (recall Min’s boss from Taiwan who introduces her to Buddhism), so not surprisingly inequality is growing in China. Why has growing inequality not slowed the pace of poverty reduction in China (or has it?). In this sense, New York and China have something in common (high inequality) does an increase in the share of rich in national income (get some data on this for China) slow poverty reduction (is there a conflict between the rich and the poor) or does might it speed poverty reduction? Why might rising inequality in China have different implications than inequality in India? (hint: social exclusion)? Does China have a racism/gender bias problem? (recall the personal ads young women place looking for dates in Guangzhou) **China readings:** Sachs (2005) Chapter 8, Leslie Chang (2007) [Chapter 1](#), [chapter 4](#), [chapter 5](#) & [chapter 10](#).

LE-3 Africa question: answer a and b and either section c or d, be sure to explicit cite readings, using author, date and page number, answer each section separately, 1-3 pages per section, start your answer with the question cut and pasted from this sheet. (a) Why has Africa not had the green revolution China and India had (according to Sachs, 2005 or 2009). What made the [Green revolution easier in China](#) and India (and Indonesia) than it will be in Africa? What special advantage does Africa have that neither Asia or Latin America had in the 1970s? Why doesn’t Sachs mention this advantage? (or does he? page? hint: DDT). See Collier 2010 *Plundered Planet, Chapter 10* or the new book by [Robert Paarlberg](#) (2009) *Starving for Science*, HUP, who is Norman [Borlaug](#)? Who is [Robert Paarlberg](#)? Why are/were they so upset with Europe? (b) Has Africa missed the globalization boat as Collier claims? What does his student Dambasi Moyo suggest? Sachs and Collier both see aid as complementary to trade and FDI related globalization, but Moyo thinks aid is an obstacle to Africa’s rapid growth via globalization. Briefly explain both arguments. Who do you think is correct? According to Bekit, who is being proved correct by recent rapid growth in Africa? (c) Which of the [first four MDG’s](#) might Africa meet, which will it definitely not achieve? (refer to poverty gap projections presented in class). For two MDG’s outline a development strategy that might help Africa achieve this MDG, refer to Sachs (2005,2009), Moyo (2009) and/or Collier (2007,2010) to support each element of your strategy. (d) Does Collier support recent French intervention in Cote d’Ivoire, if so why? ([see his blog](#)...) What is his argument regarding intervention, even by former colonial powers (such as France)? What are the risks of this sort of intervention (see [Nicholas Norbook, Africa Report](#) interview in Algezeera). Why does Collier believe it is crucial stop even internal wars such as those in the Sudan, Somalia, CIV, Rwanda and the Congo? Do you agree with Collier that Western and AU-UN intervention (but not domestic militaries) are essential to Africa’s development? Explain. (e) Why is China and rising wages in China important to Africa and other Asia (and South Asian) countries, on [China in Africa](#), see also articles on higher wages in China, and calendar charts on apparel exports.

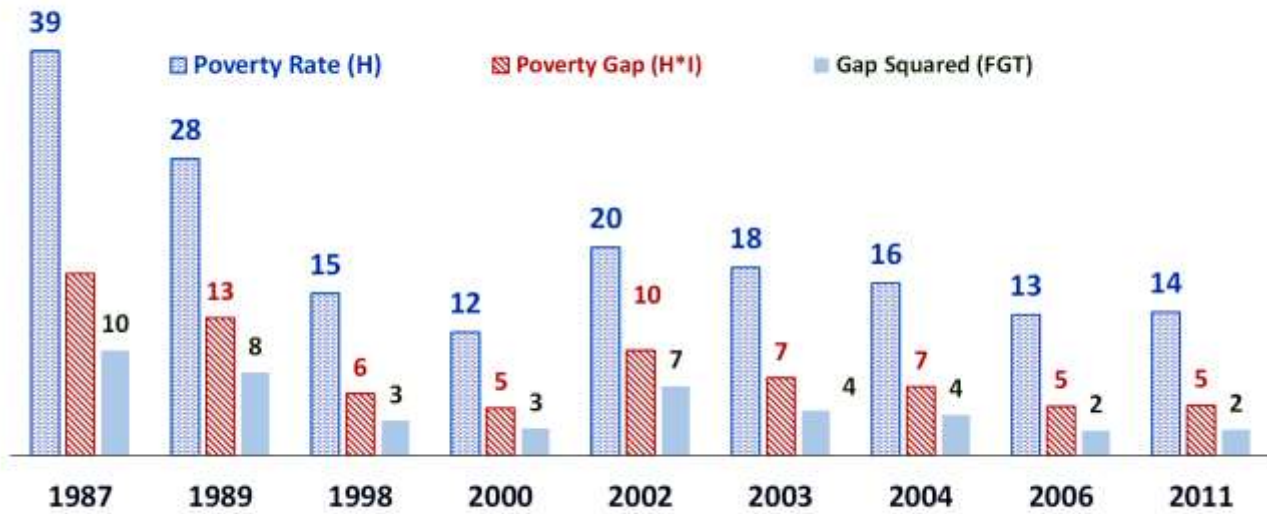
India readings: Sachs (2005) Chapter 9; [Sen chapter 4](#), [chapt. 8](#) & [p. 204-09 chapter 9](#) and the first and last 15 minutes of Friedman’s Outsourcing documentary). Green revolution; Bangladesh ready-made garment workers, women’s agency, child-labor malnutrition poverty traps, food for work, UNICEF program for [hard to reach children](#), growth monitoring, [Rina the rock breaker](#), Tamil Nadu food as medicine; see the [India case study](#). What was different in [China compared to India](#)? What does Sachs (Friedman) consider the key to India’s rapid growth in the 1990s? Compare this to China in the 1990s. *Optional: Hans Rosling on when China and India will catch up with U.S., this is not quite right according to this group, still the gap will close, is this good or bad for the United States and the rest of the developing world.* Svedberg (2007) <http://www.ifpri.org/sites/default/files/publications/oc63ch04.pdf>

Africa readings: Collier chapters 5-10; Moyo Chapters 2,4, and chapters 4-9; Sachs Chapter 10. Trade, legal reform and green revolution strategies for reducing poverty in Africa (Sachs vs. Collier vs. Moyo) – implications for ending poverty, including better factories Uganda, AGOA and GM crops. See also the new book by [Robert Paarlberg](#) (2009) *Starving for Science*, HUP, who is [Robert Paarlberg](#)? Did Africa “miss the globalization boat” on trade and capital flows or is Africa’s resource curse turning to a blessing (*hint China and India*) According to Moyo, Sachs and Collier what sort of assistance does Africa need? What made the [Green revolution easier in China](#) and India (and Indonesia) that it will be in Africa? What advantage does Africa have that India and China did not (in the 1970s and 1980s)?



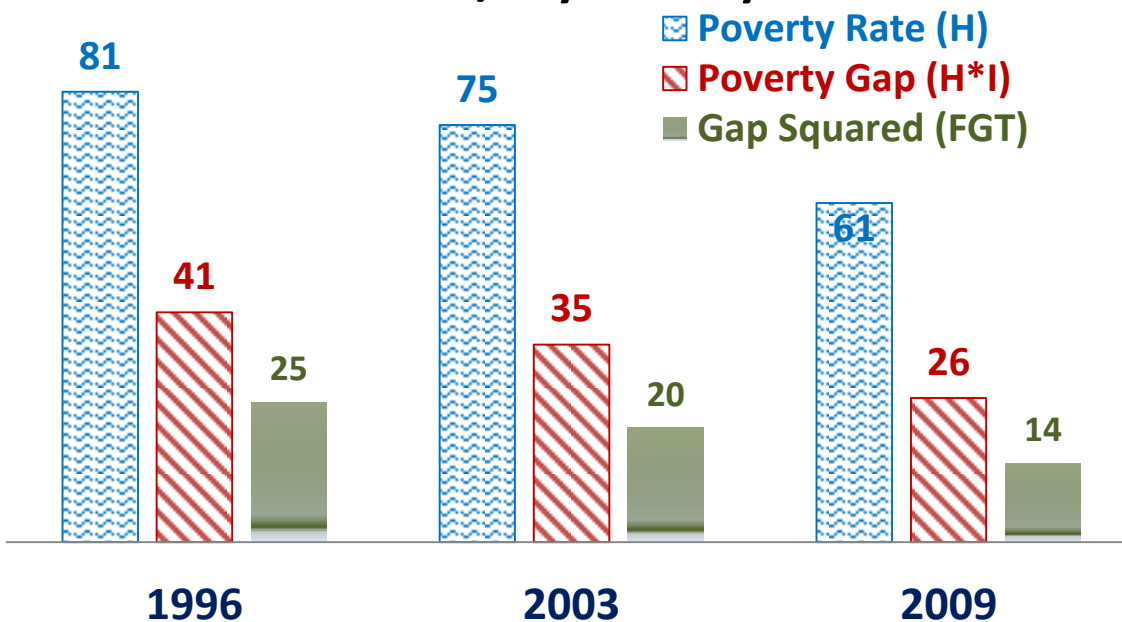
Source: World Bank, Povcalnet March 2012
<http://iresearch.worldbank.org/PovcalNet/index.htm?1>

Figure LA-7 Guatemala \$1.25/day Poverty



Source: World Bank, Povcalnet April 2015 (<http://iresearch.worldbank.org/PovcalNet/index.htm?1>)

**Figure A-5 Mozambique
1.25/day Poverty**



Source: World Bank, Povcalnet March 2015
(<http://iresearch.worldbank.org/PovcalNet/index.htm?1>)

Figure O-4: ODA Per Capita

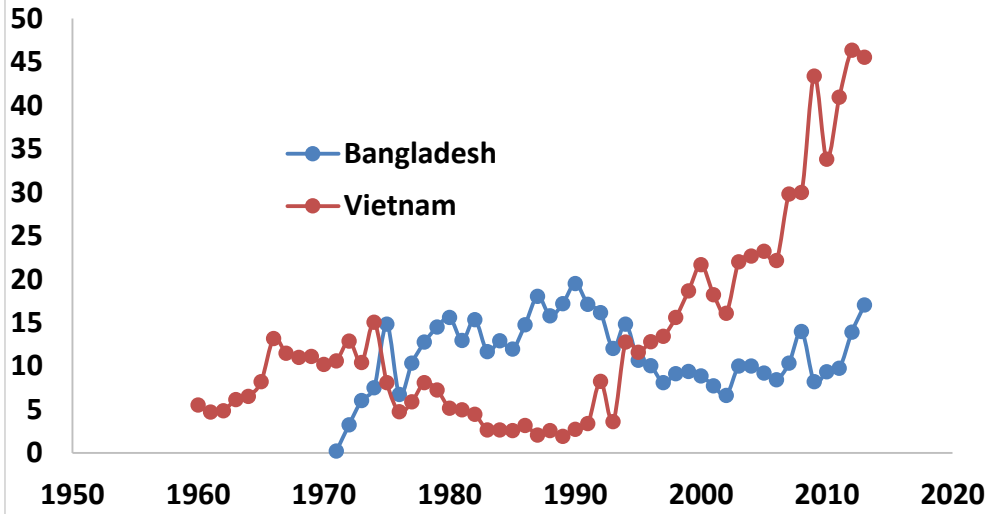


Figure O-5: ODA as % of GDP Trade and Aid

