

Course Description: *This reviews progress and setbacks in reducing global poverty, beginning with developing countries, where about 6 of the 7 billion of us live. Then we turn to poverty in the United States, and this year in particular Southern Europe now in the grips of depression level unemployment rates of over 25%. Though U.S. unemployment has fallen under 8% nationally, it is still almost 12% (compared to 7.1% in New York and Queens Counties). In a curious reversal, growth since 2007 has actually been much faster in Africa, Asia and Latin America than in the United States. Part I of course discusses many developing countries have managed to reduce poverty (the official 2015 target, Millennium Development Goal I has already been achieved, what's next?). Part II reviews poverty and mobility in the United States? Will unemployment ever fall back under 6%? Is the safety-net working (the "food stamp president"?) Finally, Part III brings both together, is rapid progress in the developing world leading to higher poverty and inequality in the OECD countries, or the reverse?*

Special topics for Spring 2013: *Looking beyond 2015, Sustainable Development: can the world support 7 billion and if so at what minimum standard of living? What is the interface between poverty reduction, climate change and population growth? For the United States: does globalization and automation (robotics) mean jobs will never return? How well is the safety net working in the United States and Southern Europe? Should we be worried about absolute poverty (\$1/day) or relative poverty (the top 1%, the bottom 47%)? What about "crowdsourcing" for the poor? Is peer to peer lending (Kiva and Whole Planet) the wave of the future? What inter-generational mobility? Does immigration and education increase mobility?*

Course Requirements: Most readings and videos for this course are available via the course calendar: This year we will also be on blackboard, but there will be at transition. We will use a number of videos, let me know if you have trouble viewing videos or readings online: there are a number of options in this regard. Check the [course calendar](#) frequently for updates and news related to the course. We do not have one text, instead we use the discussion and quiz review questions to focus our reading. There will be 4-5 quizzes previewing the midterm (both 20-25 points each) and the final exam (40 points). **Optional Paper or project:** A short 5-6 page paper from a pre-selected list of topics can be used to replace a missed quiz or raise your midterm grade or. The paper always has three sections (1) a summary of the book or article you read, meeting you attended etc. (2) as section relating this to course, specific readings or lectures and (3) your own comments/conclusions on this book, film or article, is worth reading for other students. An example of a paper topic would be to read Stiglitz's new book *Each section should be 1-2 pages typed*. **Office Hours:** Monday and Thursday 5:30-6:30pm check 204 Dealy; Wednesday 9:30-10:30pm (or by appointment) or request a meeting by email mcleod@fordham.edu Please include "Econ 3240" in the subject line to make sure your email does not get misdirected and please check for office hour updates at www.fordham.edu/economics/mcleod/ or www.povertylectures.com or www.darrylmcleod.com.

Books (required) within the next two weeks, try to purchase paperback or eBook copies of,
Collier, Paul (2008) *The Bottom Billion* Oxford University Press, [0195373383](#) (\$11 paper, \$9 kindle)
Chang, Leslie (2009) *Factory girls:* [0385520182](#) Spiegel & Grau, NY (\$11 paper, \$12 kindle)
Abhijit Banerjee & Esther Duflo (2011) *Poor Economics*, Public Affairs, NY (\$11 paper, \$9 kindle)
Collier, Paul (2010) *The Plundered Planet*, Oxford Univ Press, [199752893](#) (\$11 paper, \$10 Kindle)

Recommended (some required readings, but perhaps :

Kristof, Nicholas and Sheryl WuDunn (2011) *Half the Sky*, Vintage, [0307387097](#) (\$11 paper)
Moyo, Dambasi (2009) *Dead Aid* Farrar, Straus and Giroux , [0374532125](#) (\$8.5 paper, \$10 kindle)
Dambasi Moyo (2009) *Dead Aid: Why Aid Is Not Working* Farrar, Straus and Giroux, New York
Sachs, Jeffrey (2005) *The End of Poverty* Penguin Press, NY ([0143036580](#)) \$6 used, \$12 new
Sen, Amartya (2002) *Development and Freedom* (Anchor paperback– [0385720270](#))
Karlan & Appel (2011) *More than good intentions*, Plume [452297567](#) (\$11 paper)

Books on U.S. Poverty: Murray, Charles *Coming Apart*, Crown Forum, NY, (\$11 paper, \$13 kindle)

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

Bottom-up globalization books: Portfolios of the Poor, *Ananya Roy (2010) Poverty Capital* Routledge, [978-0-415-87673-5](#)

Other not required books with some required reading (available Blackboard or online):

- Banerjee et. al. (2006) [Understanding Poverty](#), Oxford University press 0-19-530520-5 (\$16.5 kindle)
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:** <http://class.povertylectures.com/ECON3240Spring2013Calendar.pdf>

Spring 2012 Topics Outline (see www.fordham.edu/economics/mcleod and the course calendar for readings)

- Week 1: Jan 14th introduction and overview; Employment & poverty in Europe and the Bronx (the Foodstamp President?) Bottom up globalization (migration and microfinance)
7 billion: climate change and poverty Hans Rosling: the wash line; The status of women (India, Bangladesh, missing women) The aid vs. trade debate: Bangladesh vs. Malawi
- Week 2: Jan 21st measuring poverty and mobility: Global poverty trends: absolute vs. relative poverty
Asia's success, Africa's roaring decade, Latin America's middle class...
- Week 3: Jan 28th Theories of global poverty (imperialism, institutions, geography, globalization)
- Week 4: Feb 4th East Asia, China and South Asia Flying Geese, labor standards; Women and child labor,
- Week 5: Feb 11th Poverty in Africa and India: Malnutrition and hunger
- Week 6: Feb 19th (Tues but Monday Schedule) Conditional Cash Transfers, microfinance and migration
- Week 7: Feb 25th (midterm week) Plundered planet, resource curse, climate and migration
- Week 8: March 4th America's war on Poverty Measures and trends in U.S. poverty and inequality
March 11-17th Spring Break
- Week 9: March 18th & 21st Poverty in the United States and Southern Europe
- Week 10: March 25th and April 4th
March 28th to April 1st: Easter Recess
- Week 11: April 8th: Welfare reform and globalization during the 1990s
- Week 12: April 15th: Fragile families, coming apart
- Week 14: April 22nd Urban poverty, race, class and gender'
- Week 15: April 29th Globalization and U.S. Poverty: trade vs. Aid revisited
- Week 16th: May 1st & 5th: Immigration, climate change and peer to peer lending
- Week 17: Final exams May 7-14

Questions for review: please use turnitin.com to answer questions 1.1 and 1.2 for next Monday January 21st. Please turn them in Sunday night so I can read some of them Monday before class.

1.1 (a) What does [Hans Rosling](#) argue is the most important invention of the Industrial Revolution? Why? Why according to Rosling is reducing poverty is key to coping with climate change and population growth (see the [IKEA](#) video). (b) In terms of dollars per day, what is the air line, the wash line and poverty line? How many billions in each group now, more or less?

1.2 Malawi vs. Bangladesh, what do they need from us? (a) As it happens, Collier ([2007- Preface and Chapter 1](#)), Sachs (2005) and Rosling ([2007—about 12 minutes in](#)) all mention Malawi (see also the map and chart below) Sachs (2005) [Chapter 1](#) in particular compares Malawi with Bangladesh. What does [Rosling \(2007-14 mins\)](#) say Bangladesh & Malawi need? Or watch Rosling's [Bangladesh Miracle](#). (b) Why is the Bangladesh miracle particularly important, given its elevation and population density? (c) Briefly compare life 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 vs. Bangladesh (e.g., what different sorts of support do these countries need?) Which country is easier to help, politically speaking? Malawi has received a lot of foreign aid (see below)? What did Malawi do with some of this aid see NYT on [Malawi fertilizer subsidies](#). d) optional *Does Rosling really swallow a sword?* According to Mohammed Yunus says there were four components of the [Bangladesh Miracle](#): a change in the education/status of women, microcredit/group lending, garment exports and remittances. Explain how the status of women is affected by each of these developments.

1.3 (a) Distinguish between the “great poverty reversal” discussed in class (see the [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 China was never completely colonized as India and Indonesia were) (b) What does [Sachs \(2003\)](#) say about [Acemoglu](#) and [Rodrik's](#) claim that institutions are the “fundamental” cause of poverty? (c) *Optional: Walmart and other discount stores sales did not fall much during the 2008-10 recession (you can check this). Why? Does shopping at these stores reduce poverty in New York and China? How?*

1.4 Emerging from poverty: (a) When James Sterba first visited Java in 1973** (see [Indonesia Case Study Part I](#)) he noticed people were not wearing shoes, when he returned 14 years later in 1987 most people were. Why? What does Hans Rosling say the \$1-2/day poor and just above aspire to own ([in the IKEA video](#))? How does wearing shoes benefit children in particular? (b) List the main reasons poverty fell so quickly in villages like Begajah during this period. Do most people in Begajah work on or own farms? If not, what jobs do they have? (c) Like early 19th century Reverend T. Malthus, Sterba thought population growth would soon overtake income gains from higher rice yields. What actually happened in Indonesia and in this village? How much did the village population increase? How much did rice yields increase? (in percentage terms) The village seemed empty, where were the missing villagers? Why did Sterba & the villagers count people who did not live there as part of the village population? Why were people able to leave the village, but still be part of the village population?