

# PP5236 Poverty, Inequality, and Public Policy

## January – May 2019

*Thursday, 9AM-12PM, SR 2-1*

### Faculty:

Assistant Professor Namrata Chindarkar

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**Office hours:** By appointment

### Course overview:

With the introduction of the Sustainable Development Goals (SDGs), reducing poverty (Goal 1) has once again taken policy centre stage and reducing inequality (Goal 10) has been explicitly added as a new target. With this significant shift in the development discourse, there is a need to understand what is meant by poverty and inequality not only conceptually, but also to understand how the two issues are inter-linked, how they are measured, what causes them, and what should the policy responses be.

The module draws upon multiple disciplines but with an emphasis on economic theoretical and empirical literature. It combines theory, measurement, and policy with an emphasis on policy examples from Asia.

In addition to introducing students to mainstream conceptualizations of poverty and inequality such as pre-determined poverty lines and Gini index, this module brings in contemporary and alternative paradigms such as multi-dimensional poverty, capability deprivation, and inequality of opportunity. It also covers emerging behavioral perspectives on poverty and inequality.

### Learning outcomes:

At the end of the module:

- Students will gain a foundational understanding of the definitions and measures of poverty and inequality
- Students will be able to compare and contrast different theoretical explanations on the causes and consequences of poverty and inequality
- Students will be able to critically examine key policy responses in light of the concepts, measures, and theories, and propose recommendations

### Teaching method:

Each 3-hour class will comprise of three sessions. The first 30-minute session will be student-led presentations. Groups of 2-3 students will choose a topic from a list provided by the instructor. The second session will be lecture-based. And the third session will include a case discussion

and/or in-class exercise. Each week’s readings will be accompanied with a set of questions that the students must think through when doing the readings. The classes will be conducted with the expectation that students have done – *and reflected on* – the readings. Students are highly encouraged to supplement the class readings with their own to further enrich the discussions.

**Expectations from students:**

Students MUST complete the assigned readings and case studies PRIOR to coming to class. These will be provided in soft copy that will be downloadable from the IVLE. *Supplementary readings are not mandatory though encouraged.* Class participation is defined for this course as attending the class and engaging in the discussions such that it adds to the student’s and their classmates’ learning. Therefore, quality of contribution will receive higher grades.

Leave of absence for medical or emergency reasons must be approved by Academic Affairs.

**Pre-requisites:**

Knowledge of introductory economics (equivalent to PP5403) and quantitative methods (equivalent to PP5406 and high-school arithmetic) *is desirable* to grasp measurement issues and theoretical and quantitative readings.

**Assessments:**

Due dates for the assignments are *not negotiable*. Late submissions will receive a deduction of 5% for each additional day after the deadline.

<b>Component</b>	<b>Assessment details</b>	<b>Format</b>	<b>% Grade</b>
<b>2 Policy Blog</b>	Students will write a 1000-word policy blog drawing upon on a set of assigned readings.	Individual	15% each
<b>Policy Presentation</b>	Students will present a “Poverty Reduction Strategy 2030” of a chosen country.	Group	20%
<b>Policy Memo</b>	Students will choose their own case and write a 2500-word memo advising the policymakers.	Individual	30%
<b>Class Participation</b>	Students are expected to actively engage in presentations and class discussions. Quality of contributions holds greater weightage.	Individual	20%

**Policy blog 1 due date:** Sunday, February 17, 11:59pm

**Policy blog 2 due date:** Sunday, March 10, 11:59pm

**Policy presentation:** Thursday, April 18, 9am-12pm (in class)

**Policy memo due date:** Sunday, May 5, 11:59pm

**Class participation:** Continuous assessment

### Note on student presentations:

Groups of 2-3 students will sign-up to make a brief presentation on a chosen topic and each member will be required to present. A slot will be set aside by the instructor to meet with the group members in the previous week to discuss the presentation material.

### Note on class participation grade:

Class participation will be based on attendance and regular and constructive participation in class discussions. The instructor and facilitator will assess the contribution of individual students based on the quality of presentation and comments during class discussions.

The class participation grade will be an aggregate grade based on an average of all the classes in the module, with the two lowest scores being dropped before this is calculated. Medical leave with a valid medical certificate or absence with valid reason will not count in the scoring. Absence from class without good reason will be counted as zero participation.

### Supplementary readings:

The following readings are highly relevant to the course and frequent references will be made to them. Students are not expected to purchase these books. However, they would benefit from referring to copies available in the library.

Banerjee, Abhijit and Duflo, Esther. 2011. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: PublicAffairs.

Green, Duncan. 2016. *How Change Happens*. Oxford: Oxford University Press. [[Open access](#)]

Krishna, Anirudh. 2011. *One Illness Away: Why People Become Poor and How They Escape Poverty*. Oxford: Oxford University Press.

Milanovic, Branko. 2011. *The Haves and the Have-Nots*. New York: Basic Books.

Mullainathan, Sendhil and Shafir, Eldar. 2013. *Scarcity: Why Having Too Little Means So Much*. New York: Henry Holt & Company.

Sen, Amartya. 1999. *Development as Freedom*. New York: Random House, Inc.

You Yenn, Teo. 2018. *This is What Inequality Looks Like*. Singapore: Ethos Books.

## Weekly sessions and required readings:

### **THEME I: INTRODUCTION, CONCEPTS, AND MEASURES (WEEKS 1-5)**

#### **Week 1 (Jan 17): What is poverty and inequality? How are the concepts related?**

*In-class exercise:*

Mindmapping

#### **Week 2 (Jan 24): Poverty Escape Simulation – How does it feel to step into the shoes of the poor?**

This session will be facilitated by Etch Empathy. Students will experience first-hand what it means to live the lives of the poor. The session will conclude with a debriefing where students will share take-aways from the simulation exercise.

#### **Week 3 (Jan 31): Who is poor?: Devil is in the details**

*Readings:*

Laderchi, Caterina et al. 2003. Does It Matter That We Do Not Agree on the Definition of Poverty? A Comparison of Four Approaches. *Oxford Development Studies*, 31(3), 243-274.

Sen, Amartya. 1983. *Poverty and Famines: An Essay on Entitlement and Deprivation*. Oxford: Oxford University Press. [Chapter 2]

*Case discussion:* Is there a need for a poverty line? A look at Hong Kong and Singapore.

#### **Week 4 (Feb 7): Equality of what?: Are we born unequal?**

*Readings:*

Milanovic, Branko. 2006. Global Income Inequality: What it is and Why it Matters. World Bank Policy Research Working Paper 3865, The World Bank.

Roemer, John. 1993. A Pragmatic Theory of Responsibility for the Egalitarian Planner. *Philosophy and Public Affairs*, 22 (2), 146-166.

*Case discussion:* What does inequality in Singapore look like?

*Readings:*

You Yenn, Teo. 2018. *This is What Inequality Looks Like*. Singapore: Ethos Books.

You Yenn, Teo. 2017. “When thinking poverty, also think inequality”.

<https://www.ethosbooks.com.sg/blogs/news/when-thinking-poverty-also-think-inequality>

#### **Week 5 (Feb 14): Dynamics of poverty and inequality: Constant or ever-changing?**

*Readings:*

Hulme, David and Shepherd, Andrew. 2003. Conceptualizing Chronic Poverty. *World Development*, 31(3), 403-423.

Piketty, Thomas and Saez, Emmanuel. 2014. Inequality in the Long Run. *Science*, 344(6186), 838-843.

*Case discussion:* India's rights-based social policy approach: Can it address dynamic poverty and inequality?

*Reading:*

UNRISD. 2017. *Rights-Based Social Protection: From Rhetoric to Reality? New Directions in Social Policy in India*. UNRISD Project Brief 16, Geneva, Switzerland.

## **THEME II: CAUSES OF POVERTY AND INEQUALITY: THEORETICAL PERSPECTIVES (WEEKS 6-8)**

### **Week 6 (Feb 21): Blame it on the individual: Microeconomic and behavioral perspectives**

*Readings:*

Banerjee, Abhijit and Duflo, Esther. 2007. The Economic Lives of the Poor. *Journal of Economic Perspectives*, 21(1), 141-167.

Haushofer, Johannes and Fehr, Ernst. 2014. On the Psychology of Poverty. *Science*, 344(6186), 862-867.

Mani, Anandi et al. 2013. Poverty Impedes Cognitive Function. *Science*, 341(6149), 976-980.

*Case discussion:* Poverty alleviation through shove or nudge?

*Article:* Baird et al. 2014. Conditional, Unconditional and Everything in Between: A Systematic Review of the Effects of Cash Transfer Programmes on Schooling Outcomes. *Journal of Development Effectiveness*, 6(1), 1-43.

### **Recess Week (Feb 23- Mar 3)**

### **Week 7 (Mar 7): Blame it on the society: Stratification, discrimination, and social exclusion**

*Readings:*

Kabeer, Naila. 2015. Gender, Poverty, and Inequality: A Brief History of Feminist Contributions in the Field of International Development. *Gender & Development*, 23(2), 189-205.

Thorat et al. 2017. Escaping and Falling into Poverty in India Today. *World Development*, 93, 413-426.

*Case discussion:* Affirmative action and quotas in India: Too much or too little?

*Readings:*

Desai, Sonalde and Kulkarni, Veena. 2008. Changing Educational Inequalities in India in the Context of Affirmative Action. *Demography*, 45(2), 245-270.

Ramaswamy, S. 2017. India's Crisis of Governance: The Women's Perspective. *Policy and Society*, 24(3), 122-141.

## **Week 8 (Mar 14): Blame it on governance: Political economy of poverty and inequality**

### *Readings:*

Acemoglu, Daron; Johnson, Simon; and Robinson, James. 2012. *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. New York: Crown Business. [Chapter 15]

Collier, Paul. 2007. *The Bottom Billion: Why the Poorest Countries are Failing and What Can be Done About It?* Oxford: Oxford University Press. [Part 2]

*Case discussion:* How can we tackle institutions for sustainable alleviation of poverty and inequality?

### *Readings:*

Green, Duncan. 2016. *How Change Happens*. Oxford: Oxford University Press. [[Open access](#)]

*Videos:* <http://www.worldbank.org/en/programs/id4d#6>

## **THEME III: KEY PUBLIC POLICY RESPONSES (WEEKS 9-12)**

## **Week 9 (Mar 21): Foreign aid: Is it still relevant?**

### *Readings:*

Mawdsley, E. et al. 2014. A ‘post-aid world’? Paradigm shift in foreign aid and development cooperation at the 2011 Busan High Level Forum. *The Geographical Journal*, 180(1), 27-38

Sachs, Jeffrey. 2014. The Case for Aid. *Foreign Policy*, January 21, 2014.

Qian, Nancy. 2015. Making Progress on Foreign Aid. *Annual Review of Economics*, 7, 277-308.

## **Week 10 (Mar 28): From economic to inclusive growth: Myth or reality?**

### *Readings:*

Rodrik, D. 2006. Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank’s Economic Growth in the 1990s: Learning from a Decade of Reform. *Journal of Economic Literature*, 44(4), 973-987.

World Bank. 2009. *What is Inclusive Growth?* Concept note.

## **Week 11 (Apr 4): Universal social protection: Has its time come?**

### *Readings:*

Reed, Howard and Lansley, Stewart. 2016. *Universal Basic Income: An Idea Whose Time Has Come?* Compass: London.

World Bank. 2019. *World Development Report 2019: The Changing Nature of Work*. World Bank: Washington, D.C.

## **Week 12 (Apr 11): Study trip**

TBC

## **Week 13 (Apr 18): Student presentations on “Poverty Reduction Strategy 2030”**

## **FINAL NOTE - LKY SPP PLAGIARISM WARNING FOR CLASS ASSIGNMENTS**

The LKY School's Academic Code of Conduct lists academic integrity as one of six important values. According to this Code, we have agreed to 'make every effort to understand what counts as plagiarism and why this is wrong'. To avoid giving the impression that you are passing off other people's work as your own, you will need to acknowledge conscientiously the sources of information, ideas, and arguments used in your paper. For this purpose, you may use any citation style such as APA, Chicago, or Harvard. Make sure that you use one style consistently in your assignments. More information can be found here <http://libguides.nus.edu.sg/citation>. All assignments will be checked for plagiarism using Turnitin.