



SOSC1420 Poverty (Spring 2014)

Course Information

Lecture: Wednesday and Friday, 15:00-16:20, LSKG012

Website: <http://lmes.ust.hk>

Instructor: Dr. Jin WANG

Office hours: Fridays, IAS2025, 16:30-17:30

TAs: Lingwei Wu and Jiaxin Xie

Office hours: Wednesdays, Rm3001, 16:30-17:30

Course Email: sosc1420@ust.hk

Please do not hesitate to contact the instructor or teaching assistants should you have any questions with respect to the course, lectures, or readings. TAs and I are available during office hours and for appointment to answer questions about problem sets and lecture materials.

Course Description

This course aims to make students gain familiarity with poverty issues including poverty measurement, underlying causes of poverty, the impact of poverty on society and government programs and policies that address poverty. We will illustrate principles with real-world applications. Though the course discusses poverty in a broad context of developing and developed countries, an extra emphasis will be put on poverty related issues in Hong Kong and mainland China.

Intended Learning Outcomes

1. Describe and synthesize core concepts and principles used to study poverty. The concepts include absolute poverty and relative poverty, which the practical choice of living standards, poverty lines and poverty measures depend crucially on.
2. Analyze and discuss poverty related issues critically, including various causes of poverty, the social/economic consequences of being poor and growing up poor.
3. Think independently and suggest potential policies to reduce poverty in the context of developed countries and developing countries, particularly Hong Kong and mainland China.

Requirements

1. **10% Class Participation:** Presence in the lecture will benefit the students greatly in understanding related topics. Some lectures involve interactive game, group discussion and video session. For those activities, students will be randomly selected to share your opinion.
2. **30% Two Problem Sets: 10% an individual assignment; 20% a group project.**
 - Individual assignment: Problem sets must be handed in to TAs in hard copy at the beginning of the class on the date they are due. Late problem sets will NOT be

accepted. The problem sets are very helpful materials for students to apply the concepts learnt from lectures and prepare in advance for the exams. Submission: expected in Week 4.

- Group project: Each group (composed of 6 people) is to submit a regional poverty analysis (expected in Week 13). Please submit the group membership form (one per group) to me on Feb 28th. The individual score will be based on the group performance and the individual contribution to the group, which is subject to peer evaluation. To ensure the quality, we will arrange meetings with each group before the project starts. Guidelines on the project will be provided in detail shortly after the mid-term exam.

3. 25% Midterm Exam: in class.

4. 35% Final Exam: to be arranged by ARRO.

The exams will cover lecture notes, required readings and all materials presented in the class. The mid-term and final exam will be closed-book and mutually exclusive. The exams include multiple-choice questions and calculations.

Exam Policy

There is NO make-up exam, except for CRITICAL medical reasons with doctor's formal letter. The make-up exam, if any, will be composed of two parts: 1) essay writing, AND 2) oral test.

Plagiarism and cheating in any form is NOT allowed. Students caught cheating will get a zero, and the case will be reported to the department for further action. For more information on academic integrity and dishonesty, please check the following webpage: <http://www.ust.hk/vpaa0/integrity>.

Textbook

The following book discusses poverty from the perspective of developed countries (such as UK and EU policies).

1. Pete Alcock, Understanding Poverty, Palgrave Macmillan, 2006, 3rd edition

The following book addresses poverty from the perspective of developing countries and summarizes the important viewpoints of economists.

2. Abhijit Banerjee, Roland Bénabou, Dilip Mookherjee, Understanding Poverty, Oxford University Press, 2006

Supplementary readings:

Amartya Sen, Development as Freedom, Oxford University Press, 1999

Tentative Weekly Topics

Introduction

1. Why study poverty? A bird view of the course

Alcock, Chapter 1; Banerjee, Introduction and Overview

Part One Who is poor?

2. Defining and Measuring Poverty

An overview of the poverty definition, official poverty measure and critiques

Alcock, Chapter 5, 6; Banerjee Chapter 1; Sen, Chapter 4

Case study: measuring world poverty/Hong Kong's poverty/mainland China's poverty

Part Two Consequences of Poverty

3-4. Inequality and Social Exclusion

1) Inequality: Lorenze Curve (Gini Coefficient)

Alcock, Chapter 6, 8; Banerjee, Chapter 4

Case study: inequality and Gini coefficient in Hong Kong and mainland China

2) Dimensions of Inequality and Social Exclusion

a. Gender Discrimination, fertility and Poverty

Sen, Chapter 8; Banerjee, Chapter 9, 10; Alcock, Chapter 9

b. Ethnicity and Poverty

Banerjee, Chapter 12; Alcock, Chapter 10

c. Age and Poverty

Banerjee, Chapter 16; Alcock, Chapter 11

5. The Economic Lives of the Poor

About the spending of the poor, assets owned by the poor, how they earned income

Banerjee, Abhijit, and Esther Duflo (2007), "The Economic Lives of the Poor." The Journal of Economic Perspectives 21, no. 1: 141-167.

Case study: The Economic Lives of Hong Kong and China's poor

Part Three Different Views on the Causes of Poverty

6-7. The "Cultural" vs. the "Institutional" view

The "Pathological" vs. the "Structural" View

Alcock, Chapter 3; Banerjee, Chapter 2, 3

Case study: the causes of poverty in Hong Kong

*optional reading: the causes of poverty and economic development in China

Part Four Fighting Poverty

8. Welfare Policy Design

Alcock, Chapter 14-17; Banerjee, Chapter 13, 14

Case study: Hong Kong's anti-poverty program

9-10. Aid and Public Infrastructure Support

1) Education and human capital accumulation: Banerjee, Chapter 18

2) Vaccines and Eradication of disease: Banerjee, Chapter 21

3) Infrastructure

11-12. Credit and Financial Institutions

To provide the poor with access to credit and get out of poverty: Banerjee, Chapter 23

Case study: micro-finance in India, China and Hong Kong

Part Five Conclusions

13. Summary and Future Directions