

## **SOSC1420 Poverty (Spring 2020)**

### **Course Information**

Lecture: Mondays, Wednesdays 12-1:20pm, Room 2465 (Lift 25-26).

Zoom: classes will be conducted via zoom meeting. There is a “zoom meeting” function on our course canvas website. Please join the scheduled meetings via zoom with your UST account. Mixed-mode teaching will follow when the situation allows us to have students physically on campus for classes.

Instructor: Dr. Jin WANG

Office hour: TBA

TA: Ms. Daphne Ying DENG    Office hour: TBA

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

Course Email: [sosc1420@ust.hk](mailto:sosc1420@ust.hk)

Please do not hesitate to contact the instructor or teaching assistant should you have any questions with respect to the course, lectures, or readings. TA 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.

### **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:

3. Amartya Sen, *Development as Freedom*, Oxford University Press, 1999

\*Optional readings for more advanced levels: Abhijit Banerjee, Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, PublicAffairs, 2011.

## Requirements

1. **10% Class Participation:** Presence in the lecture will benefit the students greatly in understanding related topics. Some lectures involve interactive game, pop-up quizzes and video session. For those activities, students will be randomly selected to share your opinion.
2. **30% Two Problem Sets:**
  - **5%** Individual assignment: Problem sets must be handed in to the canvas system by the due date/time (expected week 5). **Late submission will NOT be accepted.**
  - **25%** Group project: Each group (composed of 6 people) is to submit a regional poverty analysis (expected week 13). Please submit the group membership form (one per group) to [sosc1420@ust.hk](mailto:sosc1420@ust.hk) by March, 11<sup>th</sup>. 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 in week 11 before the project starts. Guidelines on the project will be provided in detail shortly after the mid-term exam. **Late submission will NOT be accepted.**
3. **30% Midterm Exam:** in week 8.
4. **30% Final Exam:** to be arranged by ARRO.

The exams will cover lecture notes, required readings and all materials presented in the class. We **provisionally** decide that: the mid-term and final exam will be closed-book and mutually exclusive; The exams include multiple-choice questions and calculations. **More details will be announced later depending on the University's online and in-class teaching arrangement.**

## Lecture schedule

| Date   | Topic  |
|--|--|
| Feb 19 <sup>th</sup>                         | Introduction   |
| Feb 24 <sup>th</sup> , 26 <sup>th</sup>      | Defining and Measuring Poverty   |
| Mar 2 <sup>nd</sup> , 4 <sup>th</sup>        | Poverty and Inequality   |
| Mar 9 <sup>th</sup> , 11 <sup>th</sup>       | Inequality and Social Exclusion  |
| Mar 16 <sup>th</sup> , 18 <sup>th</sup>      |  |
| Mar 23 <sup>rd</sup> , 25 <sup>th</sup>      | The Economic Lives of the Poor   |
| Mar 30 <sup>th</sup> , April 1 <sup>st</sup> | Causes of Poverty  |
| April 6 <sup>th</sup>                        | Mid-term Examination   |
| April 8 <sup>th</sup>                        | Causes of Poverty (Cont'd)   |
| April 13 <sup>th</sup>                       | <i>Public Holiday, No lecture</i>  |
| April 15 <sup>th</sup> , 20 <sup>th</sup>    | Fighting Poverty I: Welfare Policy Design  |
| April 22 <sup>nd</sup>                       | Fighting Poverty II: Education   |
| April 27 <sup>th</sup> , 29 <sup>th</sup>    | Mandatory Meetings on the Group Project  |
| May 4 <sup>th</sup> , 6 <sup>th</sup>        | Fighting Poverty II: Education (Cont'd)<br>Fighting Poverty III: Health Intervention |
| May 11 <sup>th</sup> , 13 <sup>th</sup>      | Fighting Poverty IV: Credit and Financial Institutions                               |
| May 18 <sup>th</sup>                         | Summary  |

\* Course content may change; any changes will be announced in class and on the course website.

## 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) closed-book essay writing, AND 2) an 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://ugadmin.ust.hk/integrity/>.

## **Tentative 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**

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'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

### **Part Four: Fighting Poverty**

#### **8. Welfare Policy Design**

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

#### **9-10. Education and Health Intervention**

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

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

#### **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

#### **13. Summary and Future Directions**