

ETI 7015 - Economics of Poverty

Fall 2009 (Date of this version: September 17, 2009)

Course Description: Poverty reduction is a central objective of economic policies in both developed and developing countries. This course introduces students to the main theoretical and empirical aspects of the economic analysis of poverty. Lectures and exams are given in English by a bilingual professor. Exams, essays and presentations can be done in French or English. The course also provides students with an opportunity to explore (and demystify) quantitative approaches and statistical software through various applications.

Professor: John Cockburn, Tel: 656-2131 (ext. 2756), Local 2156 De Sève, jcoc@ecn.ulaval.ca

Classroom: DES-2229

Time: Wednesday, 9:00-12:00

Office hours: Wednesday, 13:30-15:30

Course web site: <http://www.pep-net.org/John/poverty-course.html>

Readings (Required readings are indicated in **bold** characters in the course schedule)

1. Course manual: World Bank (2004), **Poverty Manual**, www.worldbank.org/wbi/povertyanalysis/manual, "Poverty Analysis Initiative", "Poverty manual" (WB) <http://siteresources.worldbank.org/PGLP/Resources/PovertyManual.pdf>
2. Other readings:
 - Ravallion, Martin (1992), "Poverty Comparisons : A Guide to Concepts and Methods", LSMS Working Paper No.88, World Bank, Washington, D.C., http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2000/04/28/000178830_98101902174198/Rendered/PDF/multi_page.pdf (R)
 - Coudouel et al. (2002), Poverty Measurement and Analysis, in the PRSP Sourcebook, World Bank, Washington D.C. <http://go.worldbank.org/ZN6TPFA041> (C)
3. For a more technical and in-depth presentation of analytical techniques: Duclos, Jean-Yves and Abdelkrim Araar (2006), **Poverty and Equity: Measurement, Policy and Estimation with DAD**, http://www.idrc.ca/en/ev-97152-201-1-DO_TOPIC.html (DA)
4. Other resources:
 - www.worldbank.org/poverty
 - www.pep-net.org ("research groups", "PMMA", "training material" et "recommended readings")

Grading:

- **Mid-term exam:** 40% (Oct. 22)
- **Final exam:** 10% (Dec. 9)
- **Poverty profile:** 30% (Dec. 23)
- **Essay/presentation** 20% (Nov. 25/Dec. 2)

Scale: A+:90-100; A:85-89; A-:80-84; B+:76-79; B:73-75; B-:70-72; C+:66-69; C:60-65

Methodology: This course allows students to learn and apply simple statistical and econometric techniques. Students will be assisted in preparing a country poverty profile using actual household survey data and statistical software.

Règles disciplinaires

Tout étudiant qui commet une infraction au *Règlement disciplinaire à l'intention des étudiants de l'Université Laval* dans le cadre du présent cours, notamment en matière de plagiat, est passible des sanctions qui sont prévues dans ce règlement. Il est très important pour tout étudiant de prendre connaissance des articles 28 à 32 du Règlement disciplinaire. Celui-ci peut être consulté à l'adresse suivante: http://www.ulaval.ca/sg/reg/Reglements/Reglement_disciplinaire.pdf

Par ailleurs, dans les cas où la réalisation d'un travail écrit figure parmi les moyens d'évaluation retenus pour votre cours, il faut inclure une mention relative aux exigences du respect du droit d'auteur. Je vous invite à inclure également la mention suivante dans votre plan de cours. Elle est proposée par le Bureau du secrétaire général de l'université Laval.

Plagiat: Tout étudiant est tenu de respecter les règles relatives à la protection du droit d'auteur. Constitue notamment du plagiat le fait de:

- i) copier textuellement un ou plusieurs passages provenant d'un ouvrage sous format papier ou électronique sans mettre ces passages entre guillemets et sans en mentionner la source;
- ii) résumer l'idée originale d'un auteur en l'exprimant dans ses propres mots (paraphraser) sans en mentionner la source;
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- iv) remettre un travail copié d'un autre étudiant (avec ou sans l'accord de cet autre étudiant);
- v) remettre un travail téléchargé d'un site d'achat ou d'échange de travaux scolaires.

(Source: COMMISSION DE L'ETHIQUE DE LA SCIENCE ET DE LA TECHNOLOGIE, *La tricherie dans les évaluations et les travaux à l'université: l'éthique à la rescousse* (rédaction: Denis Boucher), Québec, 15 mai 2009)

Course outline

1. Introduction (Week 1)

2. Theory (Week 2)

- Approaches (**DA1**, R2.1, a, b, c, d, e)
- Concepts (**C1.2.1**, **C1.3.1**, **C1.4.1**, DA2)
- Why analyze poverty? (**WB1**, DA2, f)

Readings

- Asselin, Louis-Marie and Anyck Dauphin (2001), "Poverty Measurement: A Conceptual Framework", http://132.203.59.36/PEP/CD_PEP_2006/PMMA/pmma-train/Poverty.pdf
- Ranis, Gustav, Stewart, Frances and Samman, Emma, "Human Development: Beyond the HDI" (June 2005). Yale University Economic Growth Center Discussion Paper No. 916. http://www.econ.yale.edu/growth_pdf/cdp916.pdf
- Robeyns, Ingrid, The Capability Approach: An Interdisciplinary Introduction, mimeo, <http://www.ingridrobeyns.nl/Downloads/CAtraining20031209.pdf>
- Blanchflower, David G. and Oswald, Andrew J., "Happiness and the Human Development Index: The Paradox of Australia" (May 2005). IZA Discussion Paper No. 1601. <http://www.pep-net.org/NEW-PEP/Group/John/readings/blanchflower-oswald.pdf>
- The Human Development Capabilities Association web site: <http://www.capabilityapproach.com/Home.php>
- Ruggeri Laderchi, C.; Saith, R.; Stewart, F., Everyone agrees we need poverty reduction, but not what this means: does this matter? <http://unstats.un.org/unsd/methods/poverty/Everyone%20agrees%20we%20need%20poverty%20reduction%20by%20Stewart%20may03.pdf>

3. Measurement (Weeks 3, 4 and 5)

- Week 3: Poverty indices (**WB4**, DA5, R2.5, C1.2.2), Robustness/stochastic dominance (**WB5**, DA11 et R2.7) and poverty lines (**WB3**, DA6, R2.4, C1.2, a)
- Week 4: Data sources and sample weights (**WB2.1-2.2**, DA2, R2.2, C1.2.1 and C1.5)
- Week 5: Poverty indicators/equivalence scales (**WB2.3**, DA2, R2.3, C1.2.1 and C1.5) and inequality (**WB6**, DA4, C1.3.2)

Other readings

- a) Ravallion, Martin, Shaohua Chen and Prem Sangraula (2008), "Dollar a Day Revisited", Policy Research Working Paper 4620, World Bank, Washington, DC.
<http://go.worldbank.org/3KL75ZFJ60>

4. Poverty profiles (Weeks 6)

- Week 6: Poverty profiles (**WB7**, R2.3, R2.6, C1.4, a, b, c, d, e, f, g,h)

Readings

- b) Prescott, Nicholas and Menno Pradhan (1997), "A Poverty Profile of Cambodia", World Bank Working Paper 373. [PDF](#)
- c) Asselin, Louis-Marie (2002), "A basic MIMAP poverty profile" [PDF](#)
- d) Ravallion, Martin et Benu Bidani (1994), "How Robust is a Poverty Profile?", World Bank Economic Review, Vol. 8, No. 1, pp.75-102. http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/1999/09/30/000178830_98101911452098/Rendered/PDF/multi_page.pdf
- e) Duclos, Jean-Yves (2002), "Vulnerability and poverty: a few distinctions", mimeo www.pep-net.org/new-pep/Group/PMMA/pmma-train/files/I-vulnerability-poverty-duclos.pdf
- f) Alwang, Jeffrey, Paul B. Siegel, Steen L. Jørgensen (2001), "Vulnerability: A View from Different Disciplines", Social Protection Discussion Paper No. 0115.
<http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Social-Risk-Management-DP/0115.pdf>
- g) Oduro, Abena D. (2002), "Poverty Dynamics", mimeo <http://www.pep-net.org/new-pep/Group/PMMA/pmma-train/files/I-dynamique-de-la-pauvrete-oduro.pdf>
- h) Minot, Nicholas (1998), "Generating Disaggregated Poverty Maps: An Application to Viet Nam", Discussion Paper no. 25, IFPRI, Washington, D.C.
<http://www.ifpri.org/divs/mtid/dp/papers/dp25.pdf>

5. Poverty in Vietnam and Canada (Week 7)

Readings

- a) Government of Vietnam (2004) and (2006), Vietnam: Poverty Reduction Strategy Paper (PRSP), <http://www.imf.org/external/pubs/ft/scr/2004/cr0425.pdf> (2004)
<http://www.imf.org/external/pubs/ft/scr/2006/cr0670.pdf> (2006)
- b) Center for International Economics (2002), Vietnam Poverty Analysis, <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN015816.pdf>
- c) Sarlo, Chris (2001), "Measuring Poverty in Canada", Critical Issues Bulletin, Fraser Institute. <http://www.fraserinstitute.org/researchandpublications/publications/2558.aspx>
http://www.fraserinstitute.org/commerce.web/product_files/PovertyinCanada2006.pdf (2006 update)
- d) DeGroot-Maggetti, Greg (2002), "A Measure of Poverty in Canada: A Guide to the Debate about Poverty Lines", Public Justice Resource Centre. http://action.web.ca/home/cpj/attach/A_measure_of_poverty.pdf
- e) Osberg, Lars and Kuan Xu (1999), "Poverty Intensity: How Well Do Canadian Provinces Compare?", Canadian Public Policy, XXV, 2, p.179-195. [PDF](#)

6. Child poverty (Week 10)

- Child poverty (a, b, c, d, e)
- Child labor (f)
- Child health (g)

Readings

- a) White, Howard, Jennifer Leavy and Andrew Masters, "Comparative Perspectives on Child Poverty: A Review of Poverty Measures", Young Lives Working Paper 1, <http://129.3.20.41/eps/dev/papers/0504/0504017.pdf>
- b) Gordon D. et al (2003) Child Poverty in Developing World http://www.worldforum2007.org/wp-content/uploads/2007/02/child_poverty.pdf
Bradbury B. and M. Jäntti (1999) "Child Poverty across Industrialized Nations". Innocenti Occasional Papers : Economic and Social Policy Series no.71. <http://www.unicef-icdc.org/publications/pdf/eps71.pdf>
- c) Bradbury B. and M. Jäntti (1999) "Child Poverty across Industrialized Nations". Innocenti Occasional Papers : Economic and Social Policy Series no.71. <http://www.unicef-icdc.org/publications/pdf/eps71.pdf>
- d) Crossley T.F. and Curtis L.J. (2003) "Child Poverty in Canada" Department of Economics Working Paper Series. No 2003-06 McMaster University, Hamilton, Canada <http://socserv.mcmaster.ca/econ/rsrch/papers/archive/2003-06.pdf>
- e) UNICEF: State of the World's Children, 1979-2005. <http://www.unicef.org/sowc05/english/fullreport.html>

- f) Cockburn, J. (2001), "Child Labour Versus Education: Poverty Constraints or Income Opportunities?", Discussion paper 01-16, Centre de Recherche en Économie et Finance Appliquées (Université Laval). <http://www.crefa.ecn.ulaval.ca/cahier/0116.pdf>
- g) Smith L.C. and L. Haddad (2000). Explaining Child Malnutrition in Developing Countries A Cross- Country Analysis. International Food Policy Research Institute, Washington, D.C. <http://www.ifpri.org/pubs/abstract/111/rr111.pdf>

7. Gender and intrahousehold allocation(Week 11)

- Female poverty (a, b, c)
- Intra-household allocation (d)

Readings

- a) Quisumbing, Agnes R., Lawrence Haddad, and Christine Peña (2001). "Are Women Over-Represented Among the Poor? An Analysis of Poverty in Ten Developing Countries," FCND Discussion paper 115, IFPRI. <http://www.ifpri.org/divs/fcnd/dp/papers/fcndp115.pdf>
- b) Chant Sylvie (2003). Female Household Headship and the Feminisation of Poverty. Facts, Fictions and Forward Strategies. London School of Economics, Gender Institute. New Working Paper Series, Issue 9. <http://www.lse.ac.uk/collections/genderInstitute/pdf/femaleHouseholdHeadship.pdf>
- c) Were, Maureen and Jane Kiringai (2003), "Gender Mainstreaming in Macroeconomic Policies and Poverty Reduction Strategy in Kenya", The African Women's Development and Communication Network (FEMNET), http://www.pep-net.org/NEW-PEP/Group/John/readings/gender_mainstreaming.pdf
- d) Alderman, H. P.-A. Chiappori, L. Haddad, L. Hoddinott and R. Kanbur (1995), «Unitary versus Collective Models of the Household: Is it Time to Shift the Burden of the Proof?». World Bank Research Observer, Vol.10, no.1.

8. Causes of poverty (Week 12)

- Week 11: Causes of poverty (WB8, C1.2.2, DA10-12, R2.7)

Readings: WB8

9. Poverty, growth and redistribution (Week 12)

Readings

- van de Walle, Dominique (1998), "Targetting Revisited", The World Bank Research Observer, Volume 13, Number 2
<http://www.worldbank.org/research/journals/wbro/obsaug98/pdf/article5.pdf>
- Ravallion, Martin (2005), "Evaluating Anti-Poverty Programs". World Bank Policy Research Working Paper No. 3625 http://siteresources.worldbank.org/INTISPMA/Resources/383704-1130267506458/Evaluating_Antipoverty_Programs.pdf
- Ravallion, Martin (2001), "Pro-Poor Growth: A Primer", Policy Research Working Paper 3242, World Bank, Washington, D.C.,
http://poverty2.forumone.com/files/15174_Ravallion_PPG_Primer.pdf
- Datt, Gaurav et Martin Ravallion (2002), "Is India's Economic Growth Leaving the Poor Behind?", Journal of Economic Perspectives, Summer, p. 89-108. http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2002/07/16/000094946_02060404051087/Rendered/PDF/multi0page.pdf
- Dollar, David and Aart Kraay (2001), "Growth is Good for the Poor", Policy Research Working Paper 2587, World Bank, Washington, D.C. http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2001/05/11/000094946_01042806383524/Rendered/PDF/multi0page.pdf

See:

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPGI/0,,contentMDK:20161268~pagePK:210058~piPK:210062~theSitePK:342771,00.html>