

**POLS 4523**

**Spring 2017**

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**Office 2012**

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## **POLITICAL ECONOMY OF POVERTY & INEQUALITY**

**Class hours: W, 5:10pm- 7:50**

**Class Room: Waleed C 137**

**Office Hours: By Appointment**

The issue of poverty and inequality is one of the controversial issues where researchers and policy makers are divided in terms of analysis and policy making. Poverty definitions vary across countries and causes are multiple. Some associate poverty with deprivation and social exclusion. Others stress not only absolute poverty levels but focus on inequalities. Even inequalities have diverse definitions. Inequalities are defined as inequalities of opportunities while others define inequalities as inequalities of assets. Another important controversy deals with the relationship of poverty to economic growth. Some argue that poverty will be reduced with a healthy increase in economic growth as such; others demonstrate that economic growth might be associated with higher poverty levels.

Economic policies affect poverty levels. Since the 1970s, the international globalized economy has imposed neoliberal economic policies as the dominant policies to be observed by all countries either developed or underdeveloped. The empirical evidence tends to associate neoliberalism with higher poverty levels especially in poor countries, which under the recommendations of the international financial institutions implemented a set of economic restructuring policies that resulted in the impoverishment of large sections of their populations.

Women form 70% of the world poor. Women are mostly working in the informal sector of the economy, suffering from low wages and no protection whatsoever in cases of incapacitation or unemployment. This phenomenon led many researchers to identify poverty with women. The feminization of poverty must be taken into consideration in any attempts at poverty reduction policies.

Another controversy surrounds the issue of the poverty conflict relationship. Does poverty lead to conflict or is it conflict that leads to poverty. The Arab Spring spread due to the increasing rates of poverty, lack of employment opportunities especially among the youth and the increasing inequalities under the structural adjustment policies adopted in most Arab countries in the 1980s and the 1990s. However, conflict also leads to either the destruction or the seizing of economic assets, the paralysis of the economy, the diversion of income from consumption and savings to the purchase of arms, the forced immigration of the people in the conflict areas, etc. which results in higher poverty levels.

Democracy is said to encourage economic growth thereby reducing poverty levels. Others argue that democracy at low levels of economic development leads to higher demands for wages and consumption which lowers the savings rate thereby lowering investments and economic growth, therefore a higher poverty level.

All these controversies surrounding the issue of poverty affect in turn policies aiming at poverty reduction. Any policies that do not take into account the multiple causes of poverty will necessarily fail in achieving the reduction of poverty levels. The role of the welfare state in poverty reduction is now under massive onslaught by the neoliberals who accuse the state of interfering with the market mechanism to achieve political targets that might be counterproductive.

In this seminar, an analysis of the previous issues, through presentations, discussions and research will lead us to a better understanding of the issues of poverty and will help us in formulating policies that aim at poverty reduction while maintaining economic growth and political stability.

#### **COURSE REQUIREMENTS**

Participation	10%
Assignments (Three)	45%
Presentations	20%
Final Research Paper	25%

## **CLASS POLICIES**

1. No one is to enter the classroom after the instructor
2. Cell phones are to be switched off
3. No taping of lectures
4. Cheating during written exams is heavily penalized. A student caught cheating will earn an F for the Whole course and will be referred to AUC Academic Integrity Committee.
5. Students are required to submit two written assignments (not less than 5 pages each).  
Plagiarism is a serious academic offense. To avoid the suspicion of plagiarism, the instructor may ask students to present the rough work used in preparation and submit to an oral exam. If evidence of plagiarism is found, the student will automatically earn an F grade for the whole course and he/she will be referred to AUC Academic Integrity Committee.
6. Late assignments will be penalized by a 5% reduction of the grade for each day of the first week. No assignments will be accepted after the first week of determined date for submission and the student will earn an F grade on the assignment.
7. 10% of the grade of every written assignment will be based on “Adequacy of English Usage.”

## **READINGS**

**A CD Containing all the readings will be provided to the students**

### **Week 1- Introduction**

### **Week 2- Definition, Indicators & Causes of Poverty**

- Aaberge & Mogstad: On the definition and measurement of chronic poverty;
- Definition of poverty Chapter 2
- Norris et.al: Causes and consequences of income inequalities
- Gordon, David: Indicators of poverty and hunger;
- Hulme, David et.al. : Indicators of poverty and hunger;
- Lister: Defining poverty;
- Montgomery, Mark: Analyzing urban poverty in the developing world;
- Nyasulu, Gerald: Revisiting the definition of poverty;
- Philip & Rayhan: Vulnerability and Poverty: What are the causes and how are they related;
- Rynell, Amy: Causes of poverty: Findings from recent research;
- Saleh, Abdullah: The main causes of poverty in the low income countries;
- Watts, Harold: An economic definition of poverty

### **Week 3 Deprivation & Social Exclusion**

- Ahmed & Hill: The World's Most Deprived;
- Apablaza & Yalonetzky: Chronic Multidimensional Poverty;
- Dahl et.al :Poverty Dynamics & Social Exclusion;
- De Hann: Social Exclusion: Enriching the understanding of Deprivation;
- Estivill, Jordi: Concepts and Strategies for combating Social Exclusion;
- Fahey, Tony: Poverty and the two concepts of Relative Deprivation;
- Gradin, Carlos: Race, Poverty and Deprivation in South Africa;
- Hickey & Du Toit: Adverse Incorporation, Social Exclusion and Chronic Poverty;
- O'Brian et.al : Poverty and Social Exclusion in North and South;
- Thorat, Sukhadeo: Caste, Social Exclusion and Poverty Linkages;
- Whelan et.al: Poverty, Deprivation and Time

### **Week 4 Poverty and Inequality**

- Beck et.al: Finance, Inequality and Poverty: Cross Country Evidence;
- Bigsten & Levin: Growth, Income Distribution and Poverty: A Review;
- Bourguignon: The Poverty Growth Inequality Triangle;
- Dollar, David: Poverty, Inequality and social disparities during China's Economic Reform;
- Ferreira, Francisco: Distributions in motion: Economic growth, inequality and poverty dynamics;
- Fosu, Augustin: Growth, inequality, and poverty reduction in developing countries: Recent global evidence;
- Gupta et.al: Does corruption affect income inequality and poverty?
- Medeiros, Marcelo: Poverty inequality and redistribution: A methodology to define the rich;
- Neutel & Heshmati Globalization, inequality and poverty relationships: A cross country evidence;
- O'Brian et.al: Poverty and social exclusion in north and south;
- Roslan: Income inequality poverty and development policy in Malaysia;
- Saad-Filo: Growth poverty and inequality: from Washington consensus to inclusive growth;
- UNCTAD: Trade, income distribution and poverty in developing countries: A Survey;
- UNRISD: Combating Poverty and Inequality

### **Week 5 Poverty, Growth and Development**

- Bateman & Chang: The Microfinance illusion;
- Beck et.al: SMEs, growth and poverty: Cross-country evidence;
- Cervantes-Godoy & Dewbre: Economic importance of agriculture for poverty reduction;
- Ferreira et.al: Poverty reduction without economic growth;
- Grant, Ursula: Pro-poor growth and the poorest;
- Honohan, Patrick: Financial development, growth and poverty: How Close are the links?
- Hull, Katy: Understanding the relationship between economic growth, employment and poverty reduction;
- Kraay & Raddatz: Poverty traps, aid and growth
- Kapila et.al: Why growth is not enough?
- Ravallion, Martin: Why don't we see poverty convergence?
- Mckinley, Terry: Revisiting the dynamics of growth, inequality and poverty reduction;
- Taylor, Lance: Growth, development policy, job creation and poverty reduction;

### **Week 6 & 7 Neoliberalism, Globalization and Poverty**

- Van Der Hoeven: Poverty and structural adjustment: Some remarks on the trade off between equity and growth;
- Dini, Ali : Food subsidies growth and poverty: A critique on neoliberal institutional structure;
- Easterly, William: IMF and World Bank structural adjustment programs and poverty;
- Lubliner, Paul; Exploring the impact of neoliberal economic development on poverty in Costa Rica;
- Majid, Nomaan: Globalization and poverty;
- Obedabernig, Doris: The effects of structural adjustments programs on poverty and income distribution;
- Ozturk, Murad: Neo-liberal policies and poverty: Effects of policies on poverty and poverty reduction in Turkey;
- Patnaik, Usta: Poverty and neoliberalism in India;
- Princová, Květa: Globalization, vulnerability, poverty and human limits;
- Schatan, Jacobo: Poverty and inequality in Chile: Offspring of 25 years of neoliberalism;
- Veltmeyer, Henry: Beyond Pragmatic Neoliberalism: From Social Inclusion and Poverty Reduction to Equality and Social Change;
- Wacquant, Loïc: The penalization of poverty and the rise of neo-liberalism;
- Wade, Robert: Is globalization reducing poverty and inequality?

### **Week 8 Poverty & Conflict**

- Do & Lyer: Poverty, social divisions and conflict in Nepal;
- Draman, Rashid: Poverty and conflict in Africa: Explaining a complex Relationship;
- Goodhand, Jonathan: Violent conflict, poverty and chronic poverty;

- Ibanez & Moya: Do conflicts create poverty traps;
- Ikejiaku, Brian: The relationship between poverty, conflict and development;
- Justino, Patricia: Poverty and violent conflict: A micro-level perspective on the causes and duration of warfare;
- Justino, Patricia: War and poverty;
- Justino, Patricia: On the links between violent conflict and household poverty;
- Orero et.al: The impact of conflict on the intergenerational transmission of chronic poverty;
- Rice et.al: Poverty and civil war: What policymakers need to know;
- Spoor ed: Globalization, poverty and conflict;
- World Bank: Toward a conflict-sensitive poverty reduction strategy.

### **Week 9 Democracy and Poverty**

- Abadie, Alberto: Poverty, political freedom and the roots of terrorism;
- Guerra: Impact of Democracy in Inequality poverty and Development
- Blum et al: Do the poor need democracy
- Bratton, Michael: Poor people and democratic citizenship in Africa;
- Fukuyama, Francis: Poverty, inequality and democracy;
- Herrera et.al: Governance, democracy and poverty reduction;
- Melo, Marcus: Democracy, social spending and poverty;
- Mkandawire, Thandika: Disempowering new democracies and the persistence of poverty;
- Ong, Elvin: The effects of democracy on the different poverty reduction trajectories of Thailand and Philippines;
- Pribble et. al: The politics of poverty in Latin America;
- Ross, Michael: Is democracy good for the poor?
- Sachikonye, Lloyd: Democracy, sustainable development and poverty; Are they compatible?
- Varshney, Ashutosh: Democracy and poverty

### **Week 10 Gender & Poverty**

- Chant, Sylvia: The engendering of poverty analysis in developing regions;
- Chen, Martha: Informality, poverty and gender;
- Costa, et.al: The role of gender inequalities in explaining income growth, poverty and inequalities;
- Deere, et.al: Poverty, headship and gender inequality in asset ownership in Latin America;
- Godoy, Lorena: Understanding poverty from a gender perspective;
- Korpi, Walter: Faces of inequality: Gender, class and patterns of inequalities in different types of welfare states;

- Mohgadam, Valentine: The feminization of poverty and women's human rights;
- Morrison, et.al: Gender equality, poverty and economic growth;
- Seitz & Adato: Gender equality and poverty reduction through growth;
- Takoli, Cicilia: Urbanization, gender and urban poverty: Paid work and unpaid carework in the city

### **Week 11 Poverty Reduction**

- Deverewx, Stephen: Can social safety nets reduce chronic poverty;
- Ferreira, et.al: Poverty reduction without economic growth?
- Hailu & Weeks: Macro-economic policy for growth and poverty reduction;
- Ishikawa, Shigeru: Growth promotion versus poverty reduction;
- Khan, Mushtaq: Governance, growth and poverty reduction;
- King, Kenneth: Rethinking small enterprise development : Between poverty and growth;
- Klasen, Stephan: Economic growth and poverty reduction: Measurements and policy issues;
- Perry, Lopez and Maloney: Poverty reduction and growth: Virtuous and vicious circles;
- Mckinley, Terry: Economic policies for growth and poverty reduction;
- Fisher, et.al: Poverty reduction and crisis prevention.

### **Week 12 Poverty & Welfare**

- Barrientos & Hulme: Social Protection for the poor and poorest in developing countries;
- Barrientos & Holmes: Social assistance in developing countries;
- Barrientos, Armando: Social protection and poverty;
- Cowen, Tyler: Does the welfare state help the poor?
- Esping-Anderson & Myles: The welfare state and redistribution;
- Rudra, Nita: Welfare states in developing countries: Unique or universal;
- Spicker, Paul: Poverty and the welfare state.

### **Week 13 Wrap-Up**