

## POLS 4523: The Political Economy of Poverty and Inequality

**Spring 2019**

**Instructor:** Dr. Tamer ElGindi ([tamer.elgindi@aucegypt.edu](mailto:tamer.elgindi@aucegypt.edu))

**Teaching Assistant:** Ms. Rana Magdy Ali ([ranamagdy@aucegypt.edu](mailto:ranamagdy@aucegypt.edu))

**Class Location:** Waleed C140

**Office:** HUSS 2020, Department of Political Science

**Office Hours:** Wednesdays 4:00-5:00 PM, and by appointment

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### COURSE DESCRIPTION

The issues of poverty and inequality are quite controversial issues where researchers and scholars alike differ in their analysis along with the recommended public policies to alleviate them. There is no one single definition for poverty, and the term has evolved throughout the years from the mere absolute poverty definition related to lack of material stuff to encompass broader issues such as nutritional deficiency, lack of education, and social exclusion. Despite this huge emphasis on poverty in the last couple of decades, the issue of inequality has only been on the radar in the last two decades. Various reports from several international organizations have been documenting unprecedented levels of income and wealth inequalities on a global scale. Further, the events of the Arab Spring in 2011 have also emphasized the role inequalities can play in political turmoil.

The focus of this seminar is multiple fold. First, we begin by laying out the foundational issues related to how we define both poverty and inequality and ways to measure them. We also address the different causes of both phenomena and why do we see different developmental outcomes between countries. We then investigate the role of neoliberal globalization and its effects on poverty and inequality levels on countries. From there, we move on to investigate inequality on the global scale and also within urban cities.

In the last part of this seminar, we move to practical lessons related to poverty and inequality. In this regard, we will cover the experiences of East Asia and Latin America, and how the former was able to achieve growth with equity whereas the latter could not. We will also take a closer look at the Middle East and North Africa and the recent uprisings that were partially fueled by rising inequality levels. Further, we will zoom into the case of Egypt and investigate causes behind increasing inequality levels differentiating between objective and perceived levels of inequality. Last but not least, we will learn about some of the recommended public policies to alleviate both poverty and worsening inequality levels.

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### COURSE TEXTBOOK(S)

The course utilizes chapters from various books along with scholarly journal articles. All readings are available through Blackboard. Major textbooks that we will use are as follows:

- 1) Mavrotas, George and Anthony Shorrocks, eds. (2007). *Advancing Development*. New York: Palgrave Macmillan.
- 2) K.S., Jomo and Jacques Baudot, eds. (2007). *Flat World, Big Gaps*. New York: ZED BOOKS LTD.

- 3) Haughton, Jonathan and Shahidur R. Khandker. (2009). *Handbook on Poverty + Inequality*. Washington DC: The International Bank for Reconstruction and Development/The World Bank.
  - 4) Grusky, David B., Ravi Kanbur, and Amartya Sen, eds. (2004). *Poverty and Inequality*. Stanford, CA: Stanford University Press.
  - 5) Davis, Mike. (2006). *Planet of Slums*. New York: Verso.
  - 6) Acemoglu, Daron, and James A. Robinson. (2012). *Why Nations Fail?* New York: Random House, Inc.
  - 7) Sassen, Saskia. (2014). *Expulsions: Brutality and Complexity in the Global Economy*. Cambridge, MA: The Belknap Press of Harvard University Press.
  - 8) Sassen, Saskia. (2006). *Cities in a World Economy*. Thousand Oaks, CA: Sage Publications Ltd.
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## COURSE REQUIREMENTS

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### **1) Participation (20%):**

Active participation in class discussions demonstrating comprehension of readings is essential for this course. Students need to do required readings BEFORE class. There will be seven pop-quizzes spread out throughout the semester (each weighing 2%) as part of the total grade. Pop-quizzes will cover basic understanding of the required readings of the week. They could be administered at the beginning, during, or at the end of class time. The remaining 6% will be assessed based on student's active participation in class discussions.

More than six absences will result in a failing grade (F).

### **2) Midterm Exam (20%):**

The exam will consist of various questions such as essay questions, definitions, multiple choice, and true or false questions. The midterm exam will cover weeks from one to six.

### **3) Take-Home Final Exam (20%):**

The take-home final exam will be given to students on May 15<sup>th</sup>, and students will have 96 hours to complete the exam afterwards. The exam will cover selected weeks as will be indicated by the instructor.

### **4) Word-Press Assignments (20%):**

The students are required to write and publish two articles on word-press blog throughout the semester. In the beginning of the semester, the students will receive invitations through their email to join the blog. In order to join the blog, they are required to make an account using their AUC email. Through these accounts, the students will be able to write and publish articles, comment on other articles and add pictures. Since the students are required to write two articles, the structure of the article should be as follows:

- Each student will choose one argument/theme from the required readings and apply it on a piece of news. For example, you are interested in a specific argument/theme and you have read an article in New York Times and you think that this event/news can be linked to the argument, so through this application you will be able to empirically test the validity of the argument.

**The grade will be divided as follows:**

- 1) Students are required to write/publish two articles throughout the semester (each weighing 7%). The article should be submitted on Monday by 10 pm. Each student's deadline for submitting the article will be announced in the beginning of the semester.
- 2) These 14% are based on the process of writing and publishing two articles with publishing the article, the quality of the article itself, and the application of the arguments on a specific event will account for 7% per article. This should be in the range of 500-750 words per article. The remaining 6% will be based on the student's contribution to other articles. Students are required to comment on other articles published by their colleagues. The comments should be constructive and should open rooms for development and for other related arguments. The grade will be based on the quality of the comments.

### **5) Group Project (20%):**

As a way for students to complement their understanding of this course, students will try to apply what they learned in a practical sense. In this regard, students will have two options to choose from:

1. To search for a specific problem related to poverty or inequality that exists in a specific neighborhood, town, or any specific geographical area. Students' role would then be trying to assess that problem and finding innovative ways to help in solving this problem. It is highly recommended, though it is optional, if the students can develop sort of platform, such as websites, to help a charity or NGO to reach more people so the students will have an actual role/contribution in the process.

### **OR**

2. Students can assess an ongoing project or the role of a specific NGO in tackling a specific problem and the solutions that are proposed and initiated by them and to what extent these solutions are effective.

**The grade will be divided as follows:**

- 1) The quality of the output of the project (10%)
- 2) Oral presentation (4%)
- 3) Follow up: each group should present/inform about their updates with regards to the project on 27<sup>th</sup> of Feb, 27<sup>th</sup> of March and 17<sup>th</sup> of April. The follow up process will count for 6% from the total grade of the project. In these three follow up meetings, each group should submit a brief report about the updates of the project and each follow up report will count for 2%.

**The project is due during the lecture of Wednesday May 15<sup>th</sup>, 2019.**

**Final grades will adhere to the following grading rubric:**

A = 100-94	A- = 93-90	B+ = 89-87	B = 86-83	B- = 82-80	C+ = 79-77
C = 76-73	C- = 72-70	D+ = 69-67	D = 66-60	F ≤ 59	

**\*Grades are NOT negotiable.**

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## GENERAL POLICIES AND GUIDELINES

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The following are some essential policies that students need to abide with throughout the semester:

- Punctuality is essential. **Students will not be allowed to enter class ten minutes after the beginning time of class, and will be marked as absent.**
- Students need to communicate by email with the instructor in case of absence **BEFORE** beginning of class notifying him with their cause of absence in order to be allowed to do make-ups for pop-quizzes/quizzes/exams that they might miss due to sickness or other personal issues.
- Mobile phones are to be switched off during class time. **Usage of mobile phones during class time could lead to the student being asked to leave class and it will also affect your participation grade negatively.**
- Late submissions will have a 0.5% deduction for each day delayed for the first week after their submission date. **NO assignment will be accepted after the first week from the due date of the assignment, and the student will receive an F for the respective assignment.**
- We will be using throughout class several online teaching tools in order to enhance active learning (such as <https://kahoot.com> and/or <https://nearpod.com/>). Students will need to have a device (smart phone/laptop/tablet) to complete such tasks.
- Any information, data, and arguments used in papers, reports, and oral presentations need to be correctly cited and credited. **Failure to do so by cheating or plagiarizing will result in a failing grade and your name will be turned over to all relevant administrative bodies: the Department, HUSS Dean, and Academic Integrity Committee.** If you are unsure about proper citation or what is regarded as plagiarism, please feel free to ask.
- **Respect and tolerance.** Students need to listen and respect each other views even (or especially) when it contradicts their own views. Any misbehavior towards your colleagues will not be tolerated.
- Students with any sort of writing problems are encouraged to go and visit the Writing Center (<http://in.aucegypt.edu/auc-academics/mohamed-taymour-writing-center>).
- The university offers a wide range of special needs and additional support services. Students with special needs are encouraged to go and visit the center (<http://in.aucegypt.edu/student-life/student-well-being/disability-services>).
- Students are highly encouraged to come to office hours and meet with their instructor. Building rapport with your instructor will facilitate your learning process and make you perform better in your academic career.
- **Important note on academic calendar:** We will miss couple of classes throughout this semester due to holidays. In order to abide by university's policies, we will reschedule these classes on Saturdays or Tuesdays throughout the semester. Exact dates will be announced during the semester.

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## **ACADEMIC INTEGRITY AND PLAGIARISM**

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- Students are expected to commit to the principles of academic integrity.
  - Academic integrity includes a commitment to not engage in or tolerate acts of falsification, misrepresentation or deception. Such acts of dishonesty include cheating or copying, plagiarizing, submitting another persons' work as one's own, using Internet or other sources without citation, fabricating field data or citations, stealing examinations, tampering with the academic work of another student, facilitating other students' acts of academic dishonesty, etc.
  - Plagiarism for assignments and/or reports may result in a zero grade for the assignment and/or the report in question. Cheating during an examination may result in a zero grade for this examination. Further action, according to university regulations, would also be implemented.
  - You should be aware that all written work might be submitted to "Turnitin.com", the detection prevention software. By signing this syllabus, you will acknowledge that you have understood that any detected plagiarism will have to be reported.
  - The University's statement on academic integrity, from which the above statement is drawn, is available at <http://www.aucegypt.edu/academics/integrity/Pages/default.aspx>
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## **SOME USEFUL WEBISTES**

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The following are some websites that could be useful for your projects and for your general knowledge:

- The World Bank (<http://www.worldbank.org/>)
- The World Development Indicators (<http://data.worldbank.org/data-catalog/world-development-indicators>)
- The International Monetary Fund (<http://www.imf.org/external/index.htm>)
- United Nations Development Programme (<http://www.undp.org/content/undp/en/home.html>)
- Project Syndicate (<https://www.project-syndicate.org/>)
- UN Comtrade Database (<https://comtrade.un.org/>)
- The Observatory of Economic Complexity (<http://atlas.media.mit.edu/en/>)
- The World Wealth and Income Database (<https://www.parisschoolofeconomics.eu/en/research/data-production-and-diffusion/the-world-wealth-income-database>)

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## COURSE STRUCTURE

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### Week 1 (30/1): Course Introduction: Transitioning from Millennium Development Goals (MDGs) to Sustainable Development Goals (SDGs)

#### Required Readings:

- 1) Fehling, Maya. (2013). "Limitations of The Millennium Development Goals" *Routledge*, Vol.8(10): 1109-1119.
- 2) Pogge, Thomas. (2015). "The Sustainable Development Goals as Drafted: Nice Idea, Poor Execution" *Washington International Law Journal Institution*, Vol.24(3): 1-17.

#### Recommended Reading(s):

- 1) The Millennium Development Goals Report 2015 (Full Report)
- 2) The Millennium Development Goals Report 2015 Summary
- 3) Sustainable Development Goals (<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>)

### Week 2 (6/2): What is Poverty and How to Measure it?

#### Required Readings:

- 1) Laderchi, Caterina. (2003). "Does it Matter that we do not Agree on the Definition of Poverty? A Comparison of Four Approaches" *Oxford Development Studies*, Vol.31(3): 1-33
- 2) Wagle, Udaya. (2002). "Rethinking Poverty: Definition and Measurements" *UNESCO*. 1-11

#### Recommended Reading(s):

- 1) Sen, Amartya. (2006). "Conceptualizing and Measuring Poverty" in Grusky, David B., Ravi Kanbur, and Amartya Sen (eds.), *Poverty and Inequality*, pp.30-46. Stanford, CA: Stanford University Press.

### Week 3 (13/2): Inequality in Historical Perspective

#### Required Readings:

- 1) Sutcliffe, Bob. (2007). "A Converging or Diverging World?" in K.S., Jomo and Jacques Baudot (eds.), *Flat World, Big Gaps*, pp.48-73. New York: ZED BOOKS LTD.
- 2) Birdsall, Nancy. (1998). "Life is Unfair: Inequality in the World", *Foreign Policy*. PP. 76-93.

#### Recommended Reading(s):

- 1) The World Bank. (2016). *Taking On Inequality*. Washington, DC: The World Bank Group. (Chapter 4: pp.69-99).
- 2) Birdsall, Nancy. (2006). "Rising Inequality in the New Global Economy", *International Journal for Development Studies*, Vol. 5(1): pp. 1-9.

## **Week 4 (20/2): Growth, Poverty, and Inequality**

### **Required Readings:**

- 1) Wade, Robert. (2004). "Is Globalization Reducing Poverty and Inequality?" *World Development*, Vol.32(4): 567-589.
- 2) Yates, Michael. (2004). "Poverty and Inequality in Global Economy" *Monthly Review Press*, pp. 1-13.

### **Recommended Reading(s):**

- 1) Ferereira, Francisco. (2010). Distributions in motion: Economic growth, inequality, and poverty dynamics. *Working Paper Series 183*. Society for the Study of Economic Inequality: The World Bank.
- 2) Nissanke, Machiko and Erik Thorbecke. (2007). "A Quest for Pro-Poor Globalization" in Mavrotas, George and Anthony Shorrocks (eds.), *Advancing Development*, pp.252-272. New York: Palgrave Macmillan.

## **Week 5 (27/2): Effects of Neoliberal Globalization on Poverty and Inequality**

### **Required Readings:**

- 1) Cornia, Giovani. (2001). "Inequality, Growth and Poverty in the Era of Liberalization and Globalization" *World Institute for Development Economic Research*, pp.1-43.
- 2) Davis, Mike. (2006). *Planet of Slums*. New York: Verso. (Chapter 7: pp.151-173).

### **Recommended Reading(s):**

- 1) Easterly, William. (2003). "The Effect of World Bank and IMF Programs on Poverty" in M.Dooley and J. Frankel (eds.), *Managing Currency Crisis in Emerging Markets*, an NBER Conference Report, University of Chicago Press.

## **Week 6 (6/3): Why Nations Fail? Variations in Developmental Outcomes**

### **Required Readings:**

- 1) Acemoglu, Daron, and James A. Robinson. (2012). *Why Nations Fail?* New York: Random House, Inc. (Chapter 2: pp.45-69)
- 2) Sachs, Jeffrey. (2015). *The Age of Sustainable Development*. New York: Columbia University Press. (Chapter 4: pp.101-138)

### **Recommended Reading(s):**

- 1) Haughton, Jonathan and Shahidur R. Khandker. (2009). *Handbook on Poverty + Inequality*. Washington D.C.: The International Bank for Reconstruction and Development/The World Bank. (Chapter 8: pp.145-159)

## **Week 7 (13/3): Midterm Exam**

## **Week 8 (20/3): Inequality on a Global Scale**

### **Required Readings:**

- 1) Sassen, Saskia. (2014). *Expulsions: Brutality and Complexity in the Global Economy*. Cambridge, MA: The Belknap Press of Harvard University Press. (Chapter 1: pp.12-79)

**Recommended Reading(s):**

- 1) United Nations. (2013). *Inequality Matters* (Report of the World Situation 2013). New York: United Nations. (Chapter 1: pp.25-42).

**Week 9 (27/3): Inequality within Urban Cities**

**Required Readings:**

- 1) Sassen, Saskia. (2006). *Cities in a World Economy*. Thousand Oaks, CA: Sage Publications Ltd. (Chapter 6: pp.151-175)
- 2) Davis, Mike. (2006). *Planet of Slums*. New York: Verso. (Chapter 1: pp.1-19 and Chapter 2: 20-49).

**Recommended Reading(s):**

- 1) Smith, David. (1996). *Third World Cities in Global Perspective: The Political Economy of Uneven Urbanization*. Boulder, CO: Westview Press.

**Week 10 (3/4): Growth with Equity? The Contrasting Cases of East Asia and Latin America**

**Required Readings:**

- 1) Kohli, Atul. (2009). Nationalist Versus Dependent Capitalist Development: Alternate Pathways of Asia and Latin America in a Globalized World. *Studies in Comparative International Development*, Vol.44:386-410.
- 2) Rozenwurcel, Guillermo. (2007). “Why Have All Development Strategies Failed in Latin America?” in Mavrotas, George and Anthony Shorrocks (eds.), *Advancing Development*, pp.457-475. New York: Palgrave Macmillan.

**Recommended Reading(s):**

- 1) K.S., Jomo. (2007). “Growth with Equity in East Asia” in K.S., Jomo and Jacques Baudot (eds.), *Flat World, Big Gaps*, pp.353-375. New York: ZED BOOKS LTD.

**Week 11 (10/4): Income Inequality in the Middle East**

**Required Readings:**

- 1) Paciello, Maria Cristina. (2007). “Income Distribution in the Middle East and North Africa, 1960-2000” in K.S., Jomo and Jacques Baudot (eds.), *Flat World, Big Gaps*, pp.272-296. New York: ZED BOOKS LTD.
- 2) The World Bank. (2015). *Inequality, Uprisings, and Conflict in the Arab World*. Washington DC: The International Bank for Reconstruction and Development/The World Bank. (Introduction: pp.11-35).

**Recommended Reading(s):**

- 1) Bibi, Sami and Mustapha K. Nabli. (2010). *Equity and Inequality in the Arab Region*. ERF Policy Research Report No.33. Cairo: Economic Research Forum.

## **Week 12 (17/4): Inequality Puzzle in Egypt: Objective Vs. Subjective Perceptions of Inequality**

### **Required Readings:**

- 1) ElGindi, Tamer. (2017). "The Inequality Puzzle in Egypt: What Do We Really Know?" *Arab Studies Journal*, Vol. 25(2): 100-143.
- 2) ElGindi, Tamer. (2017). "Well-Being Before the Arab Spring: Objective vs. Subjective Measurements." *Middle East Policy*, Vol. XXIV, No.2, Summer 2017: 110-121.

### **Recommended Reading(s):**

- 1) The World Bank. (2014). *Inside Inequality in the Arab Republic of Egypt: Facts and Perceptions Across People, Time, and Space*, eds. Paolo Verme et al. Washington, DC: The World Bank.

## **Week 13 and week 14: Spring Break**

## **Week 15 (8/5): Public Policies for Poverty Alleviation and Improvement of Income Distribution**

### **Required Readings:**

- 1) The World Bank. (2016). *Taking On Inequality*. Washington, DC: The World Bank Group. (Chapter 6: pp.129-170).
- 2) United Nations. (2013). *Inequality Matters* (Report of the World Situation 2013). New York: United Nations. (Chapter 5: pp.99-113).

### **Recommended Reading(s):**

- 1) Haughton, Jonathan and Shahidur R. Khandker. (2009). *Handbook on Poverty + Inequality*. Washington D.C.: The International Bank for Reconstruction and Development/The World Bank. (Chapter 9: pp.161-180)

## **Week 16 (15/5): Projects Presentations**