

PSCI 390: The Political Economy of Global Poverty

Winter, 2014

RCH 207, Thursdays 1:30-4:20pm

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Office Hours: XXXX

Course Description: This course will provide an overview regarding the extent and character of poverty in the world today in both developing and industrialized countries. It will focus especially on poverty in the least developed countries as well urban poverty and rural poverty in both developed and industrialized countries. The course will review the history of poverty and examine in particular the impact of industrialization on the extent and character of poverty. It will examine the interrelations between the growth of wealth and the persistence of poverty. It will examine the major efforts to address and reduce the extent of poverty through economic growth, the development of modern social welfare institutions, international humanitarian aid, and various programs and projects from microcredit, local agricultural projects, the entitlements of land and housing holdings, to local producer cooperative.

University Regulations:

Cross-listed course:

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

Academic Integrity:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning

how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline, [Student Discipline http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-71](http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-71).

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, [Student Petitions http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70](http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70). In addition, consult [Student Grievances http://arts.uwaterloo.ca/student-grievances-faculty-arts-processes](http://arts.uwaterloo.ca/student-grievances-faculty-arts-processes) for the Faculty of Arts’ grievance processes.

Appeals: A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, [Student Appeals http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-72](http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-72).

Academic Integrity website (Arts): [Academic Integrity http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html](http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html)

Academic Integrity Office (uWaterloo): [Academic Integrity Office http://uwaterloo.ca/academic-integrity/](http://uwaterloo.ca/academic-integrity/)

Accommodation for Students with Disabilities:

Note for students with disabilities: The AccessAbility Services (AS) Office, located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS Office at the beginning of each academic term.

Course Requirements, Expectations, and Standards:

Assignments:

- 1) Classroom discussion groups. During most classes, students will divide into smaller groups to discuss questions related to the readings for that class. Basically, groups will be asked to address a particular question and formulate an answer and the rationale for their answer.
- 2) Short papers: Students will be asked to write three short papers (approximately a page and half) due for classes meeting during weeks 4, 7, and 11. For one of these papers, they will be expected to report and comment on a current news item related in some way to current experiences of poverty in Canada or anywhere in the world. They will be expected to report on and analyze this news item using material and ideas discussed in the course. For the other two papers students will be expected to provide their own written response to one of the classroom discussion topics discussed during the previous class meetings. (10% for each short paper)
- 3) Quizzes (30%)
There will be two quizzes, during the classes meeting the weeks 6 and 12.
- 4) Term paper: (40%)
Pages (12– 15 pages)
Focus: examine historically and comparatively poverty and poverty reduction in a particular area or country or population. Students will pick a topic in consultation with the instructor.
Initial statement of paper topic due by week 5. Three page statement with outline and bibliography due by week 9.
Term Paper Due: One week after the last class.

Books and Readings

Abhitit Banerjee and Esther Duflo (2011) *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* (New York: Public affairs)

Paul Collier (2007) *The Bottom Billion: Why the Poorest Countries are failing and what can be done about it* (Oxford University Press)

Mike Davis (2006) *Planet of Slums* (New York: Verso)

Courseware: Packet of Readings

Course Outline:

Part 1: Introduction (weeks 1 and 2)

Week 1

Introductory

We will review a number of contemporary accounts of global poverty.

Discussion question: “Why did you take this course? What especially do you hope to learn? What experiences have you had with respect to poverty?”

Week 2

Contemporary Perspectives on Global Poverty

Readings:

Banerjee and Duflo *Poor Economics*: Chaps 1 and 2

Paul Collier “Falling Behind and Falling Apart: The Bottom Billion” *The Bottom Billion*, chapter 1, pages 3-13.

Amartya Sen (1999) “Poverty as Capability Deprivation” *Development as Freedom*, chapter 4, pages 87 [Course Readings]

Recommended Readings:

Paul Farmer (2005) “The New Malaise: Medical Ethics and Social Rights in the Global era” and “Rethinking Health and Human Rights” *Pathologies of Power: Health, Human Rights, and the New War on the Poor*, chapters 8 and 9

Thomas Pogge (2008) “General Introduction” *World Poverty and Human Rights*, Second Edition (Cambridge, UK & Malden, Mass, USA: Polity Press), pages 1-32.

Peter Singer (2009) “Saving a Child” *The Life You Can Save: Acting Now To End World Poverty* (New York: Random House, chapter 1 pages 3 – 12.

Discussion question: “How would you define poverty? How does your view compare to the authors read for this week? What advantages – in terms of analysis, social action, or social policy -- would you associate with your way of defining poverty? To what extent should poverty be defined in relation to individuals or households?”

Part Two : Historical Perspectives (weeks 3 and 4)

Week 3

Poverty in the ages before industrialization

We will review evidence regarding the extent and character of poverty in the ages prior to industrialization

Readings:

Gregory Clark (2007) “Introduction: The Sixteen Page Economic History of the World” and “Living Standards” *A Farewell to Alms: A Brief Economic History of the World* (Princeton University Press), chapters 1 and 3, pages 1-16, 40-70. [Course Readings]

Recommended Readings:

Fernand Braudel (1981) *The Structures of Everyday Life: The Limits of the Possible*, Volume 1 Civilization and Capitalism, 1500 – 1800. Translated by Sian Reynolds (New York: Harper and Row)

Douglass North, John Joseph Wallis, Barry R. Weingast (2009) *Violence and Social Order: A Conceptual Framework for Interpreting Recorded Human History* (Cambridge University Press), chapter 1, 2, 3

Discussion question:

“Do you think people living at subsistence levels during the pre-industrial ages were impoverished or not? On what basis do you arrive at your answer?”

Week 4

Industrialization and The Great Divergence

We will examine how as the industrialized countries industrialized and the economic conditions of many of the countries that did not industrialize became worse.

Readings:

Gregory Clark (2007) "World Growth since 1800" and "The Proximate Sources of Divergence" *Farewell to Alms*, chapter 15 and 16, pages, 303 – 351. (Course Readings)

Mike Davis (2001) "The Origins of the Third World" and "India: The Modernization of Poverty" *Late Victorian Holocausts: El Nino Famines and the Making of the Third World* (London, New York: Verso), chapters 9 and 10, pages 279 -310. [we will make copies of this reading available by special arrangements]

Recommended Readings:

Andre Gunder Frank *The Development of Underdevelopment*

Damon Acemoglu and Robinson *Why Nations Fail*

Discussion question: "How would you define 'industrialization'? Why do you define industrialization in these terms? In what ways does industrialization differ from economic growth? What are the most important a) preconditions and b) catalysts/conditions for industrialization?"

Part Three : Various Perspectives on Global Poverty in the Contemporary World (weeks 5-8)

Week 5

Poverty Traps and Global Inequality

We will review Jeffrey Sachs's arguments regarding poverty traps and Banerjee and Duflo's account of the relationships between poverty and lack of good health. We will review Milanovic's analysis of global inequality.

Readings:

Banerjee and Duflo, *Poor Economics*, Chp 3

Jeffrey Sachs (2005) "A Global Family Portrait" and "Why Some Countries Fail to Thrive" *The End of Poverty: Economic Possibilities for our Time* (New York: Penguin Press), chapter 1 and 3, pages 5 – 25, 51 – 73. [Course Readings]

Recommended Readings:

Branko Milanovic (2005) "The Shape of International GDP Per Capita Distribution" and "Winners and Losers: Increasing Dominance of the West" *Worlds Apart: Measuring International and Global Inequality* (Princeton University Press), chapters 6 and 7, pages 51 – 81

Nina Munk (2013) *The Idealist: Jeffrey Sachs and the Quest to End Poverty*

Discussion question: "What, do you think, are the most important reasons why so many least developed countries are failing to thrive? Why are these factors more important than others?"

Week 6

More on Poverty Traps

We will review Collier's analysis of poverty traps

Readings:

Paul Collier (2007) "The Conflict Trap," "The Natural Resource Trap," "Landlocked with Bad Neighbors", "Bad Governance in a Small Country" and "On Missing the Boat" *The Bottom Billion*, chapter 2 – 6, pages 17 – 96.

Recommended Readings: Macartan Humphreys, Jeffrey Sachs, and Joseph Stiglitz eds. *Escaping the Resource Curse*

Quiz One: Covering Readings and Lectures from Weeks 1 through week 6.

Discussion question: "What, really, is the so-called resource curse? Is this just another name for corruption?"

Week 7

Urban Poverty: The Problem of Slums; Poverty and Education

While not ignoring the extent and problems of rural poverty, we will especially examine the growing problem of urban poverty and slums. We will also review studies on the relation between poverty and education.

Readings:

Mike Davis (2006) "The Prevalence of Slums," "Slum Ecology," and "A Surplus Humanity" *Planet of Slums*, chapters 2, 6, and 8, pages 20 -49, 121- 150, and 174 - 198.

Banerjee and Duflo *Poor Economics* Chapter 4

Discussion question: 'What, do you think, are the chief problems with respect to slums? Is the chief problem one of inadequate housing, inadequate infrastructures, under-employment, ill-health, dysfunctional households, and/or other factors?

Week 8

Poverty and Population; Poverty and Risk; Poverty and Gender

We will look at global poverty in relation to population growth, risk, and gender.

Readings:

Banerjee and Duflo, *Poor Economics*, chapters 5 and 6

Recommended Readings:

Nicholas D. Kristof and Sheryl WuDunn (2009) "The Girl Effect," "Emancipating Twenty-First Century Slaves," "Maternal Mortality –One Woman a Minute," and "Family Planning and the God Gulf" *Half the Sky: Turning Oppression into Opportunity for Women Worldwide* (New York: Albert A., Knopf), Introduction, Chapter 1, 6, and 8, [pages xi – xxii, 3-16, 93 – 102, 131 – 145].

Daryl Collins, Jonathan Morduch, Stuart Rutherford, and Orlanda Ruthven (2009) *Portfolios of the Poor: How the World's Poor Live in \$2 a Day*

Sendhil Mullainathan and Eldar Shafir (2013) *Scarcity: Why Having Too Little Means So Much*, especially chapter 5, 6, 7, and 8

Discussion question: "To what extent does population growth function to aggravate poverty? To what extent should those concerned about global poverty work to reduce population growth in some the least developed countries like Uganda and Kenya where the rates of population growth are especially high?"

Part Four: Contemporary strategies to reduce and eradicate poverty (weeks 9-12)

Week 9

Microcredit, Small Scale Farming projects, Legal reforms, etc

We will review a variety of promising initiatives, including micro-financing schemes and small scale farming projects. (In addition, we will review micro-insurance initiatives as well as efforts to grant legal title to land and household holdings of poor people)

Readings:

Banerjee and Duflo, *Poor Economics*, chp 7

Paul Polak (2008) "It All Starts with Making Money," "From Subsistence to New Income", and "A New Agriculture for One-Acre Farms" *Out of Poverty: What Works When Traditional Approaches Fail* (San Francisco: Barrett-Koehler Publishers, Inc), chapter 3, 5, and 7, pages 51-61, 83 – 92, 115 – 134. (course Readings)

Paul Collier (2007) "Laws and Charter" *The Bottom Billion*, chapter 9, pages 135 – 156.

Recommended Readings:

Muhammad Yunus (2007) "The Microcredit Revolution" *Creating a World Without Poverty: Small Business and the Future of Capitalism* (New York: Public Affairs), chapter 3, pages 43 – 75.

Hernando De Soto (1999) *The Mystery of Capital*

Robert D. Cooter and Hans-Bernd Schafer (2012) *Solomon's Knot: How Law Can end the Poverty of Nations*

Discussion question: 'What kinds of legal changes are most likely to help impoverished households? Do microcredit programs help to overcome poverty or do they function primarily to help impoverished households lead more decent and humane lives?'

Week 10

Economic Development

We will review various attempts to reduce global poverty through efforts to foster economic development

Readings:

Banerjee and Duflo, *Poor Economics*, chps 8 and 9

Paul Collier (2007) "Trade Policy for Reversing Marginalization" *The Bottom Billion*, pages 157 – 172

Frederick Bird (2006) "Perspectives on Global Poverty" *Just Business Practices in a Diverse and Developing World* eds. Frederick Bird and Manuel Velasquez (Palgrave Macmillan), chapter 8, pages 204 – 240. (Available as an electronic file)

Recommended Readings:

Jagdish Bhagwati and Arvind Panagariya (2013) *Why Growth Matters: How Economic Growth in India Reduced Poverty and the Lessons for Other Developing Countries*

Ha-Joon Chang (2007) "Prologue: Mozambique: Economic Miracle: How to Escape Poverty" *Bad Samaritans: Rich Nations, Poor Policies, and the Threat to the Developing World* (London: Random House), pages 1 – 18.

Commission on Growth and Development (2008) *The Growth Report: Strategies for Sustained Growth and Inclusive Development* (Washington, D.C.: The World Bank) C. K. Prahalad (2005) *The Fortune at the*

Bottom of the Pyramid: Eradicating Poverty Through Profits William Easterly (1999) *The Elusive Quest for Growth* Naomi Klein (2007) *The Shock Doctrine: The Rise of Disaster Capitalism* (Toronto: Alfred A. Knopf)

Discussion Question: “Can businesses make a profit while helping to reduce poverty? Is there really a fortune to be made at the bottom of the pyramid? Would impoverished communities be better off if transnational enterprises did not invest in their communities?”

Week 11

The Promises and Disappointments with International and Humanitarian Aid

We will review various aid programs and projects as well as some of critiques of these initiatives.

Readings:

Paul Collier (2007) “Aid to the Rescue?” and “Military Interventions” *The Bottom Billion*, chapter 7 and 8, pages 99 – 134 Jeffrey D. Sachs (2005) “On the Ground Solutions for Ending Poverty” and “Making Investments Needed to End Poverty” *The End of Poverty*, Chapter 11 and 12, pages 226 – 265 (Course Readings)

Recommended Readings:

Dambisa Moyo (2009) *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa* (New York: Farrar, Strauss, and Giroux)

Mike Davis (2006) *Planet of Slums*, chapters 4, 5 and 7 “Illusions of Self-Help,” “Hausmann in the Tropics,” and “SAPing the Third World”

William Easterly (2006) *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done so Much Ill and So Little Good* (New York: Penguin Press)

James Orbinski (2008) *An Imperfect Offering: Humanitarian Action in the Twenty-First Century* (Anchor Canada) David Kennedy (2004) *The Dark Sides of Virtue: Reassessing International Humanitarianism* (Princeton University Press)

Nina Munk (2013) *The idealist: Jeffrey Sachs and the Quest to End Poverty*

Discussion question: “To what extent do humanitarian aid programs really help to reduce poverty? Is that their objective or one of their most important objectives?”

Week 12

Millennium Development Goals: Poverty and Politics

We will review the status of the Millennium Development Goals, Collier’s final proposals, and debates about political development and poverty

Readings:

Paul Collier “Agenda for Action” *The Bottom Billion*, chapter 11, pages 175 – 192

Banerjee and Duflo, *Poor Economics*, chap 10 and “In Place of Sweeping Conclusions”

Any version of MDGs

Recommended Readings:

Frederick Bird (2012) “the Practice of Global Ethics and Global Poverty” Electronic File

Lester Brown (1995) *Who Will Feed China? Wake Up Call for a Small Planet*

Quiz Two: Coverings readings and lectures from weeks seven through twelve.

Discussion Question: “What kind of initiative should be undertaken as a follow up for the Millennium Development Goals?”