



SOSC1420/CORE 1720 Poverty (Spring 2023)

Course Information

Lecture: Tuesdays, Thursdays 3-4:20 PM

Venue: Lecture Theater F

Instructor: Dr. Jin WANG

Office hour: Tuesdays 4:30-5:30 pm

TAs: Ms. Daphne Ying DENG and Miss. Rachel Xuan Li LOH

Office hour: TBA

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

Course Email: 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. TAs and I are available during office hours and for appointments 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

The assessments of the course will be composed of the following parts.

- Class Participation — 10%
- Individual Assignment — 5%
- Group Project — 25%
- Midterm Exam— 30%
- Final Exam — 30%

NOTE: for all of the assessments **late submissions will NOT be accepted.**

Class Participation Presence in the lecture will benefit the students greatly in understanding related topics. Some lectures involve interactive games, pop-up quizzes and video sessions. Students will be randomly selected to share their opinion.

Individual Assignment Completed problem sets must be handed in to the canvas system by the due date/time (expected week 5).

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 by February, 21st. 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 10 before the project starts. Guidelines on the project will be provided in detail in week 7.

Midterm Exam: expected in week 8.

Final Exam: to be arranged by ARRO.

Both proctored exams will be held on campus, covering lecture notes, required readings and all materials presented in the class. The mid-term and final exam will be closed book and mutually exclusive; The exams include multiple-choice questions and calculations.

Lecture Schedule

Date	Topic
Feb 7 th	Introduction
Feb 9 th , 14 th	Defining and Measuring Poverty
Feb 16 th , 21 st	Poverty and Inequality
Feb 23 rd , 28 th	Inequality and Social Exclusion
Mar 2 nd , 7 th	
Mar 9 th , 14 th , 16 th	The Economic Lives of the Poor
Mar 21 st , 23 rd , 28 th	Causes of Poverty
Apr 4 th , 13 th	Fighting Poverty I: Welfare Policy Design
Apr 18 th , 20 th	Mandatory Meetings on the Group Project
Apr 25 th , 27 th	Fighting Poverty II: Education
May 2 nd	Fighting Poverty III: Health Intervention
May 4 th , 9 th	Fighting Poverty IV: Credit and Finance

* Course contents 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 are **NOT** allowed. Students caught cheating will get a zero, and the case will be reported to the department and school for further action. For more information on academic integrity and dishonesty, please check the following webpage:

<https://registry.hkust.edu.hk/resource-library/academic-honor-code-and-academic-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

- Gender Discrimination, Fertility and Poverty: Sen, Chapter 8; Banerjee, Chapter 9, 10; Alcock, Chapter 9

- Ethnicity and Poverty: Banerjee, Chapter 12; Alcock, Chapter 10

- 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. "Culture" vs. "Institution"; "Pathology" vs. "Structure"

Alcock, Chapter 3; Banerjee, Chapter 2, 3

Case study: the causes of poverty in Hong Kong

Part Four: Fighting Poverty

8-9. Welfare Policy Design

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

11. Education

Education and Human Capital Accumulation: Banerjee, Chapter 18

12. Health Intervention

Vaccines and Eradication of Disease: Banerjee, Chapter 21

13. Credit and Financial Institutions

To provide the poor with access to credit and get out of poverty: Banerjee, Chapter 23

Summary