Economics of Poverty
Capstone Course
ECON 4961-01/Writing Intensive Course 4881-01
FALL 2012
Time: Tuesday 2 – 4:30
Location: Tilton 307

Instructor
Nora Lustig
Samuel Z. Stone Professor of Latin American Economics
204 Tilton Hall
nlustig@tulane.edu
Office Hours: M 1:30- - 2:30 or by appointment. To request an appointment please send an email to the above address.

Teaching Assistant
Sean Higgins
Ph.D. Student, Economic Analysis and Policy
shiggins@tulane.edu

Course Description
This course presents an overview of poverty analysis and how it is applied by multilateral organizations. Topics include measuring poverty, analyzing the characteristics of the poor, and assessing policies to reduce poverty. Using the World Bank’s poverty assessments as a model, students will learn to prepare a basic poverty assessment for a developing country. Students will also learn basic poverty analysis techniques using the statistical software package Stata.

Pre-requisites: Intermediate Micro and Macroeconomics. No prior knowledge of Stata is necessary.

Objective and Learning Outcomes
The purpose of this course is to learn how to prepare an analytical synthesis of the existing body of knowledge on topics covered in a poverty assessment. In particular, by the end of the semester students should have learned to prepare:

i. An assessment of the poverty situation in a particular country, including a poverty profile.
ii. An analysis of the determinants of poverty in a particular country, including the impact on poverty of growth or its lack thereof.
iii. An assessment of the impact on poverty of public policy in a particular country.
iv. Their own estimations of poverty in a particular country, as well as a basic poverty profile and incidence analysis for that country, using the Stata software.

Program Outcomes
This course contributes to the program outcomes for the BA and BS degrees in Economics by allowing students to demonstrate competency in specialized areas in economics (poverty analysis).

Organization
The course will be conducted as a seminar. Students are expected to actively participate in class and interact with the instructor and each other. Careful and critical reading of the materials is a key component of this course.

Readings
Reading materials will be posted on blackboard (tulane.blackboard.com) or they can be downloaded or obtained from the library.

Technology
You will need to look for data during class so please bring a laptop set up to use Tulane’s network or use computers available in the classroom.

Evaluation and Grading
The evaluation is based on a midterm exam and an assignment. The midterm consists of ten short questions on material covered during the first part of the course. The assignment consists of in-class workshops and a submission of a Poverty Assessment at the end of the course. The class will be divided in teams. Each team will work on a particular country...
chosen from the following list: Brazil, China, Mexico, and South Africa. The grade for the assignment shall be the same for all members of the team, except for those students enrolled in the writing practicum.

The due date for the Poverty Assessment is: December 11. If a student cannot deliver the paper by the due date, s/he must produce signed evidence of a medical or family emergency. Without such evidence, the grade for the spreadsheet/paper will equal F.

Grading: The midterm will count for 50 percent of the grade. Active participation in the in-class workshops and the Poverty Assessment will count for another 50 percent.

Attendance, punctuality and participation in class are required. Students are allowed to miss only one class without excuse. If more than one class is missed (fully or partially), students will be excused only for valid medical or family emergencies. Students must produce signed evidence by the proper authority verifying the reason why they missed or were late to a class. Without the signed evidence, 5 percent will be subtracted from final grade for each missed class. If a student misses 4 classes or more, s/he will receive an incomplete for the course. Students are not supposed to use cell phones or computers except as required by the course while in class.

Poverty Assessment
- The poverty assessment should be of around 10 pages (written as a team, double space and font size 12, including references, tables and figures) and is due on December 11.
- The final paper will count as 40 percent of the grade and should be submitted in electronic version by email. If a team does not deliver the poverty assessment by the due date, the grade for this assignment will be reduced at a rate of 25 percent per day for all the members of the team. Students will be excused only for valid medical or family emergencies. Students must produce signed evidence by the proper authority verifying the reason why they missed the deadline.
- Intensive writing requirement: For students who are taking the course to fulfill the intensive writing requirement, the poverty assessment should be of around 20 pages (written individually, double space and font size 12, including references, tables and figures), and the first draft is due November 20. Students taking the course to fulfill the intensive writing requirement must enroll in the writing practicum.

Academic honesty
All students must be familiar with and abide by Tulane’s Code of Academic Conduct, which is available online at http://college.tulane.edu/code.htm.

Schedule and Readings

Session 1: August 28 – Ethics, Concepts, Measurement and Trends in Poverty and Inequality
http://www.probeinternational.org/files/The%20developing%20world.pdf
September 25, 2012


Recommended:

Note: The next session will be the first Stata session; it is essential that you read the two readings listed under Session 2 before class.

Session 2: September 4 – Household Survey Data Preparation and Processing in Stata

Session 3: September 11 – Concepts, Measurement and Trends in Poverty and Inequality: Evolution of Inequality and Poverty (Readings: Session 1)

Session 4: September 18 – In-class Workshop: Poverty Measures; Converting lines from PPP into LCU (and vice versa)
- Use spreadsheets under Assignments in Blackboard.

Session 5: September 25 – In-class Workshop: Evolution of Poverty in Brazil, China, Mexico and South Africa; Introduction to Inequality Measures
- Country-specific folders in Blackboard under “Readings.”
- Use spreadsheets under Assignments in Blackboard.

Session 6: October 2 – In-class Workshop: Poverty Profile for Brazil, China, Mexico and South Africa
- Country-specific folders in Blackboard under “Readings.”

Session 7: October 9 – In-class Presentations by Teams: Evolution of Poverty and Poverty Profiles

Session 8: October 16 – Anti-Poverty Policies
September 25, 2012


**Session 9: October 23 – Anti-Poverty Policies (Readings: Session 8) Basic Programming and Poverty Estimation in Stata**

- Cameron, A. Colin and Pravin K. Trivedi. 2009. Microeconometrics Using Stata. Stata Press; sections 1.6-1.11.

**Sessions 10: October 30 – NO CLASS**

**Session 11: November 6— Incidence Analysis**

- Haughton, Jonathan and Shahidur R. Khandker, Handbook on Poverty and Inequality, chapter 15.

**Session 12: November 13 – Creating Poverty Profiles and Tables in Stata**

- Cameron, A. Colin and Pravin K. Trivedi. 2009. Microeconometrics Using Stata. Stata Press; chapter 2 (section 2.4 in particular).

**Session 13: November 20 – Midterm Exam**

**Session 14: November 27 - In-class Workshop: Public Policies in Brazil, China, Mexico and South Africa**

**Session 15: December 4 – In-class Presentations by Teams: Poverty Assessments**

**FINAL POVERTY ASSESSMENT DUE TUESDAY DECEMBER 11.**
ADDITIONAL RESOURCES.

Students are encouraged to make additional suggestions to this list

**Stata Tutorials:** In addition to the required readings introducing students to Stata (Haughton and Khandker, Appendix 2 and Cameron and Trivedi, sections 1.6-1.11 and chapter 2), students may find the following resources helpful.

- [http://www.cpc.unc.edu/research/tools/data_analysis/statatutorial](http://www.cpc.unc.edu/research/tools/data_analysis/statatutorial) (online tutorial)
- [http://data.princeton.edu/stata/](http://data.princeton.edu/stata/) (online tutorial)
- Cameron and Trivedi, chapter 1.
- Haughton and Khandker, appendix 3 (practice problems in Stata).


**Data sources:**

- CEPALSTAT/ BADEINSO (Base de Datos de Estadísticas e Indicadores Sociales, Económicos y Medio Ambientales)
- SEDLAC (Socio Economic Database for Latin America and the Caribbean, CEDLAS and World Bank). Available in English.
- UNDP (United Nations Development Program)/ Human Development Reports
- WORLD BANK/ Poverty Net/POVCAL
- Public Expenditure Review “homepage” includes information on process, substance, as well as scrolling down you will find a table with all the reviews per region.
  [http://go.worldbank.org/2NYPV/FQT0](http://go.worldbank.org/2NYPV/FQT0)
- OECD—SOCIAL EXPENDITURES COMPENDIUM
  [http://www.oecd.org/document/9/0,3746,en_2649_34637_38141385_1_1_1_1,00.html#related_data](http://www.oecd.org/document/9/0,3746,en_2649_34637_38141385_1_1_1_1,00.html#related_data)