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, understanding the causes of poverty 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 required.

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:

i. The basic analytics of poverty and inequality measures; the determinants of poverty; and, anti-poverty policies (including the incidence of benefits and taxes).
ii. Main trends in the evolution of poverty and inequality in the world.
iii. To prepare an assessment of the poverty situation in a particular country, including a poverty profile.
iv. To prepare an assessment of the impact of anti-poverty policies in a particular country.

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

Organization
The course will be conducted as a seminar and there will be several in-class workshops and Stata tutorials. 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. The class will consist of lectures and workshops, four Stata sessions and two in-class presentations.

Readings
Haughton, Jonathan and Shahidur R. Khandker. 2009. Handbook on Poverty and Inequality, World Bank. (available online)

Other reading materials will be posted in a shared Dropbox folder 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 an exam (40 percent), in-class presentations and participation (30 percent), and the preparation of a Poverty Assessment (30 percent).

The exam is scheduled for November 4 and will be comprised of ten questions on the material and readings covered in the class.

For the Poverty Assessment assignment:

a. The class will be divided in teams. Each team will work on a particular country chosen from the following list: Armenia, Bolivia, Brazil, Colombia, Ethiopia, Guatemala, Indonesia, Mexico, Peru, South Africa, Sri Lanka and Uruguay.

b. Each team must prepare a spreadsheet with data on inequality and poverty for their country. Students will be shown how to search and compile the data during the in-class workshops.

c. Each team must do two in-class power point presentations following the structure of a poverty assessment: evolution of poverty; poverty profile; determinants of poverty; and, anti-poverty policies. Every member of the team should present a particular section.

AND

For students taking the course at the undergraduate level:

d. Each team must submit a revised version of the ppt and spreadsheet that incorporates the comments given by the instructor previously on December 9.

e. The ppt submitted at the end of the course will follow the structure of a typical Poverty Assessment and will have four parts: evolution of poverty; poverty profile; determinants of poverty; and, anti-poverty policies.

f. The grade will be the same for all members of the team.
g. 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.

For students taking the course at the **graduate level** or to fulfill the **intensive writing requirement**: 

[Note: the change in pre-requisites was approved by the chair of the Department of Economics]

a. In addition to the above, each student must prepare a **NEW!** pre-specified section of a Poverty Assessment chosen from the following sections: evolution of poverty, poverty profile, determinants of poverty, and, anti-poverty policies.

b. The final paper should have **NEW!** 5 pages maximum (in double space and font size 12) plus tables and figures.

c. An annotated outline of the paper is due Tuesday, November 18. Note that the submission of a first draft is a pre-requisite of the intensive writing practicum. Please submit electronically with a copy to Rodrigo Aranda.

d. The revised version of the paper is due Tuesday, December 9. Please submit electronically with a copy to Rodrigo Aranda.

e. If a student 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. 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.

Note: Students taking the course to fulfill the intensive writing requirement must enroll in the writing practicum. If you have not enrolled, please contact Paul Watson at pwatson@tulane.edu; please copy the message to me nlustig@tulane.edu.

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### Attendance, punctuality and active 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 to use cell phones or the internet during class except as required by the course. The use of cell phones or computers for unauthorized purposes will result in a deduction of 5 percent from the final grade for each violation.

There will be a 10-minute break during each session. Students are expected to remain in the room during the entire class unless exceptional circumstances require them to be excused.

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### Academic honesty

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

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### Schedule and Readings

**August 26 – Concepts, Measurement, Trends and Determinants (Lecture)**

- **Concepts and Measurement: Poverty**

**Note:** The next session will be the first Stata tutorial; it is essential that you read the material before class.

**September 2 – Stata Tutorial (Rodrigo Aranda): Household Survey Data Preparation and Processing in Stata**


**September 9 - Concepts, Measurement, Determinants and Trends (Lecture)**

- **Concepts and Measurement: Inequality**
  - Trends: International Comparisons

**September 16 – Stata Tutorial: 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.

**September 23 – Concepts, Measurement, Trends and Determinants (Workshop)**

- **In-class Workshop: Poverty and inequality measures; converting poverty lines from PPP into local currency units (LCU) (and vice versa)**

**September 30 – Concepts, Measurement, Trends and Determinants (Workshop)**

- **In-class Workshop: Evolution of Poverty and Inequality in the selected countries**
- Country-specific folders in Dropbox under “Readings.”
- Use spreadsheets under Assignments in Dropbox.

**October 7 -- Poverty Profiles (Workshop)**

**In-class Workshop: Poverty Profile in the selected countries**

Poverty Assessments:


- Country-specific folders in Dropbox under “Readings.”

**October 14 -- First in-class Presentations by Teams: Evolution of Poverty and Poverty Profiles**

**October 21 -- Anti-Poverty Policies: The Role of Transfers (Lecture) and Anti-Poverty Policies in the selected countries (Workshop)**

**October 28 - Benefit and Tax Incidence Analysis (Lecture)**

**November 4 – Exam (Proctored by Rodrigo Aranda)**

**November 11 – Benefit and Tax Incidence Analysis (Workshop)**

**November 25 – Second and Final in-class Presentations by Teams: Poverty Assessments**

**December 2 -- Stata Tutorial (Rodrigo Aranda): Bringing it all together**

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### ADDITIONAL RESOURCES.

**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/(online tutorial)]

Cameron and Trivedi, chapter 1.

Haughton and Khandker, appendix 3 (practice problems in Stata).


**Data sources:**

- See the document with links to inequality and poverty datasets posted in Dropbox.
- OECD—SOCIAL EXPENDITURES COMPRENDIUM [http://www.oecd.org/document/9/0,3746,en_2649_34637_38141385_1_1_1_100.html#related-data](http://www.oecd.org/document/9/0,3746,en_2649_34637_38141385_1_1_1_100.html#related-data)
• 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/2NYPVF0QT0
• UNDP/ Millennium Development Goals Monitor http://www.mdgmonitor.org/