

Poverty and Development

Course Code: DV202

Course Outline

Instructors

Dr Elliott Green (EG) *Department of International Development, London School of Economics and Political Science, e.d.green@lse.ac.uk*

Elliott Green is an Associate Professor of Development Studies at the LSE. He holds degrees from Princeton University (BA) and the LSE (MSc, PhD), and has been teaching in the Department of International Development at the LSE since he received his PhD in 2005. His current research focuses on the political demography of modern Africa with special attention to migration and urbanization and with empirical interest in Uganda, Tanzania and Botswana, among other countries. He sits on the editorial boards of such journals as the *Journal of Development Studies* and the *Journal of Modern African Studies*.

Dr Prithish Behuria (PB), *Department of International Development, London School of Economics and Political Science, p.behuria@lse.ac.uk*

Prithish Behuria is an LSE Fellow in the Department of International Development at the LSE. He holds degrees from Northwestern University (BSc) and the School of Oriental and African Studies (MSc, PhD). His current work is on the politics of industrial policy in East Africa, with a particular focus on Rwanda. His work has been published in journals including the *Journal of Modern African Studies* and the *Review of African Political Economy*.

Teaching Assistant

Gauthier Marchais, *Department of International Development, London School of Economics and Political Science, gauthier.marchais@gmail.com*

Gauthier Marchais is a PhD student in the Department of International Development at the *London School of Economics and Political Science*. He has undertaken extensive work on conflict and development in the Democratic Republic of Congo and also has significant teaching experience. Email:

Course Overview

The course is an interdisciplinary analysis of poverty and development, where the focus is on how and why some countries can achieve poverty reduction and development while others do not. The course pays particular attention to the political economy of development, investigating the way we conceive of poverty and development both philosophically and practically. In particular the course examines the political and economic incentives that can drive governments to focus on development and poverty reduction, especially in Sub-Saharan Africa. We also focus on such topics as the relationship between poverty and inequality, health, democratization, urbanization, and demography.

We will have lectures in the morning and classes in the afternoon every weekday from June 27th through July 7th; the lecture on July 8th will be a half lecture to allow students time to study for the exam on the afternoon of that day.

Course Objectives:

This course aims to help you

- Understand the concept of development and its different forms
- Critically analyze the differences between poverty reduction and development
- Examine the poverty-inequality-growth nexus
- Critically evaluate the relationship between poverty and violence

Background and Preparatory Reading List

There is **one required text** for this course:

- Deaton, Angus. 2013. *The Great Escape: Health, Wealth and the Origins of Inequality*. Princeton: Princeton University Press.

Deaton is well known for his work in the field of development economics, which won him the 2015 Nobel Prize in Economics. This is his most recent book: it is very well grounded in empirical economic research but is very easy to read. It is widely available.

Other recent books on the political economy of poverty and development which students might find useful in preparation for the course include the following:

- Acemoglu, Daron and James Robinson. 2013. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. Profile Books.
- Banerjee, Abhijit V. and Esther Duflo. 2011. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs/Penguin
- Collins, Daryl, Jonathan Morduch, Stuart Rutherford and Orlanda Ruthven. 2009. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Princeton, NJ: Princeton University Press.
- Dyson, Tim. 2010. *Population and Development: The Demographic Transition*. Zed Books.
- Fisman, Raymond and Edward Miguel. 2008. *Economic Gangsters: Corruption, Violence and the Poverty of Nations*. Princeton, NJ: Princeton University Press.
- Karlan, Dean and Jacob Appel. 2011. *More than Good Intentions: How a New Economics is Helping to Solve Global Poverty*. London/New York: Dutton.
- Krishna, Anirudh, ed. 2008. *Poverty, Participation and Democracy: A Global Perspective*. Cambridge: Cambridge University Press.
- Krishna, Anirudh. 2010. *One Illness Away: Why People Become Poor and How They Escape Poverty*. Oxford: Oxford University Press.
- Radelet, Steven. 2015. *The Great Surge: The Ascent of the Developing World*. Simon and Schuster.
- Sen, Amartya. 1999. *Development as Freedom*. Oxford: Oxford University Press.

Prerequisites

There are no prerequisites for this course.

Assessment

Assessment will be based on an essay of 1,500 words as a mid-term paper due on **July 4th** (worth 50% of the final mark) and a final exam with essay questions that takes place on **July 8th** (worth 50% of the final mark).

Course Content

June 27 Capabilities and Human Development (EG)

Today introduces the capability approach originally developed by the Nobel-Prize-winning economist Amartya Sen in the 1970s. We examine the philosophical origins of the capability approach as well as its practical implications with special focus on the concept of human development. We conclude by discussing criticisms and extensions of the capability approach, including the work of Martha Nussbaum.

Required readings:

- Deaton, Angus. (2013). *The Great Escape*: Chapter 1: The Well-Being of the World, pp. 23-56.
- Robeyns, Ingrid. 2005. The Capability Approach: A Theoretical Survey. *Journal of Human Development* 6, 1: 93-114.

June 28 Population and Development (EG)

We discuss the role of demography in development, with a special focus on fertility and mortality decline and population growth and ageing. We focus on understanding the causal processes involved in the demographic transition while also examining variations in demographic processes across the developing world. Finally, we examine the relationship between demography and democratization.

Required readings:

- Deaton, Angus. 2013. *The Great Escape*: Chapter 2: From Prehistory to 1945, pp. 59-100.
- Green, Elliott. 2016. 'Structuralism.' *Oxford Handbook on the Politics of Development*. Forthcoming – available from author.

June 29 Poverty and Health (EG)

Here we encounter a chicken-and-egg question, this time about poverty and health. We examine a variety of evidence pointing both to a causal influence of poverty on poor health and poor health on poverty, as well as some evidence suggesting an influence of poor health on poverty reduction. In the second half of the lecture we then examine key barriers to public health policies such as conspiracy theories and social divisions.

Required readings:

- Deaton, Angus. 2013. *The Great Escape*: Chapters 3: Escaping Death in the Tropics and 4: Health in the Modern World (pp. 101-164).

June 30 Poverty, Inequality and Growth (EG)

This lecture examines the relationship between poverty, inequality and growth. In particular we first focus on different definitions of both poverty and inequality before discussing how inequality can alter the way economic growth leads to poverty reduction. We then examine both the causes and consequences of inequality, with particular attention to regions with high levels of inequality such as southern Africa and Latin America.

Required readings:

- Bhorat, Haroon, Alan Hirsch, Ravi Kanbur and Mthuli Ncube. 2014. Economic Policy in South Africa: Past, Present and Future. Working Paper #201401, Development Policy Research Unit, University of Cape Town.
- Deaton, Angus. 2013. *The Great Escape*: Chapter 6: Globalization and the Great Escape, pp. 218-263.

July 1 Urbanization and Urban Bias (EG)

Here we discuss in more detail how development differs in agrarian and urban societies. In particular we focus on theories of urban bias from Bates and Lipton, which tried to explain why rural countries – especially in Africa – have perversely had poor agricultural policies. We then discuss the role of urbanization in contemporary development and its effects on such outcomes as national identity and slums.

Required readings:

- Bates, Robert. 1983. *Essays on the Political Economy of Rural Africa*. Cambridge: Cambridge University Press. Chapter 5: The Nature and Origin of Agricultural Policies in Africa.
- Fox, Sean. 2014. The Political Economy of Slums: Theory and Evidence from Sub-Saharan Africa. *World Development* 54, 191-203.

July 4 Poverty and Violence (PB)

Today we ask how poverty and underdevelopment influences violence and vice-versa. We examine two competing theories from Collier/Hoeffler (but originating with Nobel-Prize winning economist Gary Becker) and Fearon/Laitin that could explain why violence might be greater in poor countries. We discuss four types of violence: terrorism, interpersonal violence, riots and civil wars, as well as possible policy solutions proposed by Miguel and others.

Required readings:

- Miguel, Edward. 2007. [Poverty and Violence: An Overview of Recent Research and Implications for Foreign Aid](#). In *Too Poor for Peace? Global Poverty, Conflict and Security in the 21st Century* (eds.) Lael Brainard and Derek Chollet, Brookings Institution Press, 2007. Pp. 50-59.
- Sen, Amartya. 2008. Violence, Identity and Poverty. *Journal of Peace Research* 45, 1: 5-15.

July 5 Poverty and Democracy I: Does Poverty Hinder Democratization? (PB)

Today's lecture examines another chicken-and-egg question, namely which comes first, democracy or development? Scholars have argued for generations about whether democracy can thrive in poor countries, and whether economic development creates incentives for democratization. We examine in particular recent theories from both Acemoglu and Robinson as well as Przeworski on why and how development can contribute to democratization.

Required readings:

- Acemoglu, Daron and James Robinson. 2008. The Role of Institutions in Growth and Development. Working Paper #10, Commission on Growth and Development/World Bank.
- Przeworski, Adam. 2008. The Poor and the Viability of Democracy. In Krishna, A., (ed.) *Poverty, Participation and Democracy: A Global Perspective*. Cambridge University Press.

July 6 Poverty and Democracy II: Why aren't democracies better at reducing poverty? (PB)

Here we turn around the topic from the previous lecture and ask when and where democratization can reduce poverty. We examine potential reasons why democratic governments do not always pursue poverty reduction policies, including political business cycles, clientelism and patronage, identity politics and other factors. We also ask when and where non-democratic regimes are good at reducing poverty.

Required readings:

- Harding, Robin and Leonard Wantchekon. 2010. The Political Economy of Human Development. UNDP Human Development Working Paper #2010/29.
- Keefer, Philip and Stuti Khemani. 2005. Democracy, Public Expenditures and the Poor: Understanding Political Incentives for Providing Public Services. *World Bank Economic Observer* 20, 1: 1-27.

July 7 Poverty and Famines (PB)

Today's lecture focusses on one of the most important contributions by Amartya Sen to the study of economic development, namely his two theories of famines. We begin with a discussion of older theories of famine from Adam Smith and Malthus before focussing on Sen's theory of entitlements and his later theory about democracy and famine.

Required readings:

- Sen, Amartya. 1999. *Development as Freedom*. Oxford: Oxford University Press. Chapter 7: Famines and Other Crimes.
- Rubin, Olivier. 2009. The Merits of Democracy in Famine Protection – Fact or Fallacy? *European Journal of Development Research* 21, 5: 699-717.

July 8 Aid, the SDGs and Poverty Reduction in the 21st century: Summary and Reflection (PB)

We complete the course with a half-lecture on the broader topic of what development policy should look like in the 21st century. The goal is to critically examine Angus Deaton's strong critique of foreign aid in light of the current Sustainable Development Goals as well as broader thoughts on the lessons of the past two weeks.

Required readings:

- Deaton, Angus. (2013). *The Great Escape*: Chapter 7: How to Help Those Left Behind, pp. 267-324.