Syllabus for Public Affairs 974
Contemporary Issues in Development Policy
Spring, 2015

Location: 224 Ingraham, Tues, 9-10:55

DRAFT—will be updated and revised as the course progresses

Instructors Information
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Course Description
In recent years, poverty and inequality have become increasingly important topics for public debate, reflecting concerns about rising inequality in wealthy countries like the U.S., political instability and protests in middle and lower income countries e.g. Egypt and Brazil, coupled with increasingly visible and growing gaps in wealth and living conditions between rich and poor countries. Some countries have achieved unprecedented rates of growth and massive improvements in living conditions, while others have faltered. Despite this progress, over a billion people still lived on less than $1.25 a day in 2011 and many remain vulnerable to poverty. Why are so many people still poor? What factors constrain them from catching up? More importantly, what strategies hold the most promise to help the remaining poor rise out of poverty and live better and more secure lives?

We begin by defining the primary objectives of development—i.e. reducing poverty and vulnerability, promoting equity and “good” types of inequality while reducing “bad” inequalities, promoting human development—and discussing regional and national trends in related indicators. Economic growth has been a driving force for poverty reduction; the course looks at big-picture issues including growth strategies and the role of institutions, and summarizes recent debates around the role of international development assistance and big-push versus incremental development strategies.

The second part of the course looks in depth at a selected set of contemporary development challenges. Proposed topics include urbanization and rising numbers of urban poor/vulnerable; the persistence of chronic, extreme poverty, including issues of exclusion linked to ethnicity and gender; the primary of measures to improve skills and health outcomes; government failure, linked to corruption and elite capture; and energy subsidies and pricing policies.

Course materials will be augmented by case studies from low and middle income countries (primarily East and South Asia, with some materials from sub-Saharan Africa) as well as papers produced by local research institutes and think tanks.
The aim of the course is to train students to become better informed participants and more effective contributors to global debates about poverty, inequality and economic development.

**Method of Instruction**
I hope the class will be highly interactive. Lectures will present the key issues and highlight important points from the background readings; the PPTs will be posted on Learn@UW just after each class. Readings and class discussion will also be based on selective case studies from low and middle income countries in East and South Asia, and may include some limited examples from countries in Africa.

The first 15 minutes of each class will be reserved for a quick re-cap of issues discussed in the previous class, and 2-3 presentations of responses to “puzzle” questions (see below). These will provide an opportunity to practice and hone your presentation skills; let’s aim for a 3-minute/3-slide presentations.

**Texts and Teaching Resources**
Many of the reading materials will be from journal articles and reports/policy papers; these will be posted on Learn@UW at least one-week in advance of the relevant class.

Although there are no required textbooks for this class, a number of readings come from the books listed below and you may want to purchase them (reasonably cheap from Amazon). The relevant chapters will be available on the class Learn@UW website.


Or (much more expensive, but an easier read):

We will not have time to discuss impact evaluation methods; these are covered in a new class (974) on International Program Evaluation. The World Bank has a good non-technical treatment of impact evaluation methodologies available on line:.
- https://openknowledge.worldbank.org/handle/10986/2550
Requirements and Assessment

Four components go into determining your grade.

1. Read a good book about development (see suggested list below) and write a review: (3-5 pages) (25%) My preference is for us to all read Munk (and discuss together) but I am open to other options.


   In deciding on whether as a class to read *The Idealist*, listen to an interesting interview with Nina Munk on a British talk show (Development Drums)

2. Respond to six “puzzle” questions focused on lectures and related readings. These will be given at the end of specific classes; responses will be discussed briefly at the beginning of the next class, including (volunteer) presentation. Please also bring your (3-minute/3-slide). Please bring your own “puzzles” into the class (6 written outputs, also class presentations) 25%

3. Prepare a country case study, focusing on development diagnostics and one or two high profile policy questions, taking up issues discussed over the course of the class. These will be presented in a special session of the class. You can work alone or in teams of two. 40%

4. Class participation—and you can’t participate if you don’t come! 10%
Course Outline

This a new course and we may adjust or reschedule topics as the course proceeds, also based on your feedback regarding specific interests and preferences. The current class timings are only estimates: there is a lot of material to cover and only a limited number of class sessions.

The first half of the class (topics 1-4) focuses on conceptual building blocks, including measurement and data, as well as global debates around aid, inequality and economic growth. The second half looks in greater depth at a subset of key contemporary challenges for reducing poverty and inequality—reaching the poorest, market failures and the role of ethnicity and social identity; strengthening education and skills; global health concerns including HIV and recent epidemics; urbanization, labor mobility and employment diversification; access to infrastructure with a particular focus on energy (pricing and subsidies); and finally the role of good governance and institutions, grand and not-so-grand corruption. The readings for the first four topics are fairly well-defined, although I may add some more specific case studies and country examples. I will flesh out the reading list for the second half of the course--focusing more on case studies and examples, less on research papers—based on your feedback.

Active participation, and early and frequent feedback will make the course fun and rewarding for all of us.

Introduction: Setting the Stage—the Challenge of Global Development (1 class)
How do we measure development? How have countries evolved over time in terms of development performance?

Easterly, The Elusive Quest for Growth, Chapter 1
Visit www.gapminder.org website, go to “Gapminder World” page and experiment with the data. View at least on of Hans Rosling’s Ted Talks, particularly this one (http://www.ted.com/talks/hans_rosling_shows_the_best_stats_you_ve_ever_see)

Additional suggested readings:
Debraj Ray, Development Economics, Chapter 2

Topic 1: Measuring Development, Poverty, and Vulnerability (2 classes)
What does it mean to be poor?
What methods (and data) are used to measure poverty and vulnerability?
What are big global and national debates around poverty measurement and monitoring?

Handout on poverty measurement (Deaton).
ABCD Conference.

Global poverty estimates are described on the POVCALNET website of the World Bank
http://iresearch.worldbank.org/PovcalNet/index.htm?0,2
http://www.economist.com/node/16693283
trends-chandy
On the MDGs and post-2015 SDG debates:
Easterly on the MDGs: http://www.huffingtonpost.com/william-easterly/its-over-the-
tragedy-of-t_b_226120.html

Additional suggested readings:
http://economics.mit.edu/files/6605
World Bank, 2002. Poverty in India: the Challenge of Uttar Pradesh, Poverty Reduction and
Economic Management Unit, South Asia Region. Chapter 2.
Valerie Kozel and Barbara Parker, 1999. “Poverty in India: the Contribution of Qualitative
Research to Poverty Analysis”, World Bank.
*Valerie Kozel, 2014. Well Begun but Not Yet Done: Poverty and Emerging Challenges for
Examples, and Illustrative Examples”, Department of Economics, Columbia University.
http://info.worldbank.org/etools/docs/library/97185/Keny_0304/Ke_0304/vulnerability-
assessment.pdf
Stefan Dercon, keynote presentation at 2013 ABCDE Conference, Jun 3-4, Washington DC.

**Topic 2: The Big Picture—Growth and Rising Prosperity (2 classes)**
Why have some countries become rich while other remain persistently poor? What does
(growth) theory say about why some countries prosper while others do not? Is theory
consistent with practice?

Easterly, The Elusive Quest for Growth, Chapters 2 and 3
Deaton, *The Great Escape*, Chapter 6

*Additional Suggested Readings*

**Topic 3: What can Aid Do? (1-2 classes)**
What works in promoting good development? What has been the impact of 50 years billions spent on aid?

William Easterly, *The Elusive Quest for Growth*, Chapter 6: “The Loans that Were, the Growth that Wasn’t”
Jeffrey Sachs, Sept 2005. “Can Extreme Poverty be Eliminated”, *Scientific American*
Banerjee and Duflo, *Poor Economics*, Chapter 10

To see what happens when Hollywood meets Development, look at a short video describing a Jeffrey Sacks-Angelina Jolie visit to the Millennium Villages in Africa at [https://www.youtube.com/watch?v=uUHf_kOUM74](https://www.youtube.com/watch?v=uUHf_kOUM74)
Also a short but less flashy statement by Bill Easterly on two tragedies in Africa [https://www.youtube.com/watch?v=vzy8dafM89E](https://www.youtube.com/watch?v=vzy8dafM89E)
**Topic 4: Inequality (1-2 classes)**

How is inequality measured, and what are national and global trends?

Is inequality “bad”? What are “good” and “bad” sources of inequality and what—if anything—should policy makers do about inequality?

(Review) Angus Deaton, *The Great Escape*, particularly Chapters 5 and 6


**Additional suggested readings:**


World Bank (2105). *Addressing Inequality in South Asia*. South Asia Development Matters, World Bank Group. Read the Introduction, also Chapters 1-2 if time permits (and you have a particular interesting in South Asia)


**Part II (Proposed) CONTEMPORARY CHALLENGES AND DEBATES**

**Topic 5: Reaching the Poorest (2 classes)**

Coming soon!

**Topic 6: Investing in People: Education and Health (1-2 classes)**

Coming soon!

**Topic 7: Energy Access, Subsidies and Pricing (1 class)**

Coming soon!

**Topic 8: Urban Poverty and Migration (1 class)**

Coming soon!

**Topic 9: Government Failures, Corruption and Elite Capture (1 class)**

Coming soon