

## **Poverty, Inequality and Social Policy**

**Professor:** Silvia Borzutzky

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**Office Hours:** Feel free to email me to request a meeting. We'll schedule the meeting at your earliest convenience

**Office:** 2112 Hamburg Hall

### **TAs:**

Kara Lowry ([Klowry@andrew.cmu.edu](mailto:Klowry@andrew.cmu.edu)) and Sam Zdunski ([szdunski@andrew.cmu.edu](mailto:szdunski@andrew.cmu.edu))

**Course Description and Objectives:** In her book Social Forces and States Judith Teichman argues that “significant and long term improvement in distributional outcomes is a daunting political task [that requires] a strong societal consensus on the importance of the reduction in inequality, one that compels political leaders to make difficult policy changes.” Teichman’s words indicate that poverty and inequality are not just socioeconomic problems, but critical political and policy problems both in the U.S. and in the rest of the world, and that these problems do not have easy solutions.

This class attempts to tackle some of those complex problems by looking at poverty, inequality and the social and economic policies designed to ameliorate these problems in the U.S. and selected African, Asian, European and Latin American countries

### **This course is divided in four sections:**

- a) The first section discusses the concepts of poverty and inequality
- b) The second section will focus on anti-poverty policies pursued in Western Europe and the U.S. This section includes a discussion of Welfare State policies in Europe, as well as a variety of social policies in the U.S.
- c) The third section focuses on the economic/development policies pursued in four middle-income countries: Chile, Mexico, Indonesia, and South Korea. The focus here will be on the role that social forces and the state play in the generation of economic policy responses to poverty and inequality, especially in the form of job creation. China’s approach to economic development and job creation is included here as well. Conditional Cash Transfers will be examined in this section because they originated in Mexico and are widely applied in many Middle- Income countries.
- d) The fourth section analyses poverty and the behavior of those living in poverty in low-income countries, or regions of the world. It also discusses specific policies such as Microfinancing and Unconditional Cash Transfers or Universal Basic Income, the newest form of social policy.

## **2.-Skills: The course emphasizes the development of analytical skills.**

Students will develop these analytical skills through:

- a) **Class discussions** which will allow the students to develop the ability to analyze, discuss, and defend different policy positions in an academic environment
- b) **Writing policy memos:** It is critical for all of us to be able to summarize a problem, present possible solutions, and recommend policies/solutions to others. The policy memos allow the students to develop these very important skills. Students are expected to assume the role of a policy maker and provide specific policies to the President or another relevant policy maker. The policy memos emphasize the use of data, the analysis of the problem, and the policy design.
- c) **Group presentation and paper:** Group presentations are geared to allow the student to develop the ability to work in a project with other students, learn about a specific topic in depth, and prepare a class presentation using either power point or class handouts. To ensure the effectiveness of the presentation the instructor meets with the student about a week before the presentation to set the specific topics and parameters of the presentation. The handout or slides need to be submitted to the instructor at least 24 hours before the presentation. The instructor will review the slides or handouts to verify the effectiveness of the presentation. The members of the group will also have to provide the instructor with a 10-12 pp. case study paper. The paper will be due five days after the presentation.

### **Requirements and grading**

**It is required to attend class, do the readings, and participate in the class discussions.**

**It is required to connect the video camera during zoom meetings**

**Students who do not attend class will have their grade substantially reduced.**

**Grade reduction will proceed as follows:**

Between 3-4 unexcused absences= One point reduction i.e. from A to B

Between 5-6 unexcused absences=two points reduction i.e. from A to C

Over 6 unexcused absences= students will fail the class

If you have a reason for not attending class, please email me.

### **Grading:**

**Policy Memos (midterm and final exam): 70% of the grade**

**Group project: Includes presentation and paper= 30% of the grade**

**Policy memos.** Memo topics and detailed guidelines will be distributed to the class on the assigned date

Students will have the option of submitting a draft of the memo to the TA for comments.

Students are strongly encouraged to use this option. The TA will be able to review the paper's content, style and citations.

**Policy memo 1 (midterm exam) : Topic distributed Oct 6 (about 5-6 pages)**  
**Memo due:** Oct. 17 before 10:00 PM

**Policy Memo 2 (final exam): Topic distributed Nov 17 (about 5-6 pages)**  
**Memo due:** Nov 28, before 10:00 PM  
**Please submit all your assignments through Canvas**

**Group project:** Students will select a country or policy during the second week of classes and the instructor will form groups of about four or five students each. The group will do a class presentation and write a case-study paper on the chosen topic. Topics will be organized around policy areas or countries.

The length of the paper is between 12-15 pp. double spaced, one-inch margins. The paper will be due a week after the presentation and the instructor will provide guidelines for each paper after the presentation.

**Memo and Papers Grading Criteria**

**Problem**

**Grammar and spelling:** minor problems  
Major problems

**Missing sections:**

- a) Abstract and/ or conclusions:
- b) Missing one of the content sections:
- c) Failing to analyze the problem:

**Recommendations:**

No recommendations  
Good idea for a recommendation,  
but poor development or implementation:

**Citations:**

Depending on the seriousness of the problem:

**Impact**

minus half grade point  
minus one point

minus half point each  
minus one point  
minus one point

minus one point

minus half point per recommendation

minus one point to failing grade

**Cheating and Plagiarism:** Students who plagiarize will receive 0 points in the assignment and consequently **will fail the class.** **The instructor will make use of all available University policies. All cases of plagiarism will be reported to the Dean and Program Chair.**

**Cell phone use and texting:** Please disconnect your cell phone before coming to class and refrain from either checking messages or sending text messages.

**Use of Internet Sources:** Please use reliable sources. Wikipedia and blogs are not reliable sources.

**Accommodations for Students with Disabilities:** If you have a disability and have an accommodations letter from the Disability Resources office, I encourage you to discuss your accommodations and needs with me as early in the semester as possible. I will work with you to ensure that accommodations are provided as appropriate. If you suspect that you may have a disability and would benefit from accommodations but are not yet registered with the Office of Disability Resources, I encourage you to contact them at [access@andrew.cmu.edu](mailto:access@andrew.cmu.edu).

**Writing Support:** Feel free to get in touch with the Global Communication Center (GCC), if you need writing support. You can schedule appointments by emailing the [gcccmu@andrew.cmu.edu](mailto:gcccmu@andrew.cmu.edu)

**Take care of yourself.** Do your best to maintain a healthy lifestyle this semester by eating well, exercising, avoiding drugs and alcohol, getting enough sleep and taking some time to relax. This will help you achieve your goals and cope with stress.

All of us benefit from support during times of struggle. You are not alone. There are many helpful resources available on campus and an important part of the college experience is learning how to ask for help. Asking for support sooner rather than later is often helpful.

If you or anyone you know experiences any academic stress, difficult life events, or feelings such as anxiety or depression, we strongly encourage you to seek support. Counseling and Psychological Services (CaPS) is here to help: call 412-268-2922 and visit their website at <http://www.cmu.edu/counseling/>. Consider reaching out to a friend, faculty or family member you trust for help getting connected to the support that can help.

### **Required Books:**

Judith Teichman, The Politics of Inclusive Development: Policy, State Capacity, and Coalition Building, Palgrave MacMillan 2016

Abhijit Banerjee and Esther Duflo, Poor Economics: A Radical Rethinking of the way to Fight Poverty, Public Affairs 2011

**Please note that these books are available in Kindle or paperback**

**Articles can be accessed online or on Canvas**

## Syllabus

### **Section 1: Defining Poverty and Inequality**

#### **September 1**

**Topics: Measuring Poverty and Inequality; Why to be concerned? The role of social policy**

“Covid-19 is undoing years of progress in curbing global poverty”, The Economist, May 2020,  
<https://www.economist.com/international/2020/05/23/covid-19-is-undoing-years-of-progress-in-curbing-global-poverty>

David Fine, et.al. “Inequality: A Persistent Challenge and its Implications”, McKinsey Global Institute, 2019,  
<https://www.mckinsey.com/~media/mckinsey/industries/public%20and%20social%20sector/our%20insights/inequality%20a%20persisting%20challenge%20and%20its%20implications/inequality-a-persisting-challenge-and-its-implications.pdf>

E. Sommelier and M. Price, “The New Gilded Age: Income Inequality in the U.S. by State, Metropolitan Area, and County” Economic Policy Institute (EPI), 2018  
<https://www.epi.org/publication/the-new-gilded-age-income-inequality-in-the-u-s-by-state-metropolitan-area-and-county/>

Idris Kahloon, “Piketty Goes Global” The New Yorker, March 2 2020,  
<https://www.newyorker.com/magazine/2020/03/09/thomas-piketty-goes-global>

O. Blanchard and D. Rodrik, “We have the tools to Reverse the rise in Inequality”,  
<https://www.piie.com/commentary/speeches-papers/we-have-tools-reverse-rise-inequality>

### **Section II: The Welfare State in Europe and Social Policies in the U.S.**

#### **September 8:**

**Topics: The Welfare State: How Poverty was Reduced in Europe after WW II; The Swedish Welfare State**

#### **Read:**

Christopher Pierson, “Origins and Development of the Welfare State 1880-1975”  
<http://rszarf.ips.uw.edu.pl/welfare-state/pierson.pdf>

Urban Lundberg & Klas Åmark “Social Rights and Social Security: The Swedish Welfare State, 1900-2000” Scandinavian Journal of History, Nov. 2010  
<https://www.tandfonline.com/doi/abs/10.1080/034687501750303837>

## **September 15**

**Topics: Child Care/Family Leave Policies and Social Security policies in the US**

**Read:**

Heather Boushey and Sarah Jane Glynn, “The Effects of Paid Medical and Family on Employment Stability and Economic Security” Center for American Progress, 2012, <https://www.americanprogress.org/issues/economy/reports/2012/04/12/11449/the-effects-of-paid-family-and-medical-leave-on-employment-stability-and-economic-security/>

Schochet, Leila, The Child Care Crisis Is Keeping Women Out of the Workforce, 2019, Center for American Progress, <https://www.americanprogress.org/issues/early-childhood/reports/2019/03/28/467488/child-care-crisis-keeping-women-workforce/>

“Social Security: A Primer”, Congressional Research Service, 2020, <https://fas.org/sgp/crs/misc/R42035.pdf>

Benjamin W. Veghte, Elliot Schreur, and Mikki Waid , “Social Security and the Racial Wealth Gap”, National Academy of Social Insurance, December 2016 <https://www.nasi.org/research/2016/social-security-racial-wealth-gap>

Joan Entmacher, Mikki Waid, and Benjamin W. Veghte , “Overcoming Barriers to Retirement Security for Women: The Role of Social Security”, National Academy of Social Insurance, <https://www.nasi.org/research/2016/overcoming-barriers-retirement-security-women-role-social-se>

**Conservative approaches to these policies can be found in The CATO Institute and the Heritage Foundation’s websites**

## **September 22**

**Topic: U.S. Anti-Poverty Policies: Focus on Health: Medicare, Medicaid and the ACA**

**Read:**

Huffman KF and Upchurch G., “The Health of Older Americans: A Primer on Medicare and a Local Perspective”, Journal of the American Geriatric Association, 2018, <https://www.ncbi.nlm.nih.gov/pubmed/29124737>

Robin Rudowitz , Rachel Garfield and Elizabeth Hinton, “10 Things to Know about Medicaid: Setting the Facts Straight”, 2019 H. Kaiser Family Foundation, <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-setting-the-facts-straight/>

Christine Eibner, “The Affordable Care Act in Depth” Rand Corporation  
<https://www.rand.org/health/key-topics/health-policy/aca/in-depth.html>

Ricardo Nulia, “Poor and Uninsured in Texas” The New Yorker, August 18, 2016  
<https://www.newyorker.com/news/news-desk/poor-and-uninsured-in-texas>

J. McDermott, ‘Both in rich and poor Countries, Universal health care brings huge Benefits’,  
The Economist, <https://www.economist.com/special-report/2018/04/28/both-in-rich-and-poor-countries-universal-health-care-brings-huge-benefits>

J. Interlandi, “Why doesn’t the U.S has Universal Health Care: The Answer has Everything to do with Race”, The NY Times, Aug 2019,  
[https://www.nytimes.com/interactive/2019/08/14/magazine/universal-health-care-racism.html?nl=todaysheadlines&emc=edit\\_th\\_190818?campaign\\_id=2&instance\\_id=11591&segment\\_id=16273&user\\_id=b8f13fbb1d398398315a18158b082aef&regi\\_id=491673520818](https://www.nytimes.com/interactive/2019/08/14/magazine/universal-health-care-racism.html?nl=todaysheadlines&emc=edit_th_190818?campaign_id=2&instance_id=11591&segment_id=16273&user_id=b8f13fbb1d398398315a18158b082aef&regi_id=491673520818)

**Conservative approaches to these policies can be found in The CATO Institute and the Heritage Foundation’s websites**

## **Sept 29**

### **Topics: Housing Policies and Wages and the Racial Wage Gap**

#### **Read:**

Michael Greenberg, “Tenants under Siege: Inside New York City’s Housing Crisis”, NY Review of Books, 2017

<https://www.nybooks.com/articles/2017/08/17/tenants-under-siege-inside-new-york-city-housing-crisis/?printpage=true>

The Guardian, “Housing First: The 'Counterintuitive' Method for Solving Urban Homelessness” Oct 2014, <https://www.theguardian.com/cities/2014/oct/20/housing-first-the-counterintuitive-method-for-solving-urban-homelessness>

“State of Homelessness: 2020 Edition”, National Alliance to end Homelessness,  
[https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2020/?gclid=Cj0KCQjws536BRDTARIsANeUZ5-yIKbw6NueFcxLb0GcKwa\\_AySubCySRgH\\_nucB70ZsAEoDV2JHQLAaAuGoEALw\\_wcB](https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2020/?gclid=Cj0KCQjws536BRDTARIsANeUZ5-yIKbw6NueFcxLb0GcKwa_AySubCySRgH_nucB70ZsAEoDV2JHQLAaAuGoEALw_wcB)

The Guardian, “Gender pay gap means women work 67 days a year for free, says TUC”, 2018  
<https://www.theguardian.com/news/2018/mar/08/gender-pay-gap-means-women-work-67-days-a-year-for-free-says-tuc>

Lawrence Mishel and Julia Wolfe “CEO Compensation has grown 940% since 1978; Typical Worker Compensation has Risen only 12% during that time” Economic Policy Institute, August 14, 2019 <https://www.epi.org/publication/ceo-compensation-2018/>

Valerie Wilson, et. al., “Black Women have to work 7 months into 2017 to be paid the same as white men in 2016” Economic Policy Institute, <https://www.epi.org/blog/black-women-have-to-work-7-months-into-2017-to-be-paid-the-same-as-white-men-in-2016/>

Elise Gould, “State of Working America’s Wages” EPI, 2019  
<https://www.epi.org/publication/state-of-american-wages-2018/>

Janelle Jones, “The Racial Wealth gap: How African-Americans have been Shortchanged out of the Materials to build Wealth”, Economic Policy Institute, 2017 <https://www.epi.org/blog/the-racial-wealth-gap-how-african-americans-have-been-shortchanged-out-of-the-materials-to-build-wealth/>

Caleb Crain, “State of the Unions: What Happened to America’s Labor Movement?”, The New Yorker, August 19, 2019, <https://www.newyorker.com/magazine/2019/08/26/state-of-the-unions>

Robin Bleiweis, “Quick Facts about the Gender Wage Gap”, Center for American Progress, <https://www.americanprogress.org/issues/women/reports/2020/03/24/482141/quick-facts-gender-wage-gap/>

**Conservative approaches to these policies can be found in The CATO Institute and the Heritage Foundation’s websites**

**Memo 1 topic distributed: Oct 6**  
**Memo due: Oct 17 before 10:00 PM**

### **Oct 6**

**Topics: Welfare and the Earned Income Tax; Conclusion of US Social Policies**

#### **Read**

Ashley Burnside and Liz Schott, “States Should Invest More of Their TANF Dollars in Basic Assistance for Families”, February 25, 2020, <https://www.cbpp.org/research/family-income-support/states-should-invest-more-of-their-tanf-dollars-in-basic-assistance>

Gene Falk, “The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to frequently Asked Questions”, Congressional Research Service, 2016  
<https://fas.org/sgp/crs/misc/RL32760.pdf>

Robert Moffitt “A Primer on U.S. Welfare Reform” Institute for Research on Poverty  
<https://www.irp.wisc.edu/publications/focus/pdfs/foc261c.pdf>

“Policy Basics: The Earned Income Tax Credit” Center on Budget and Policy Priorities,<https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit>

Eduardo Porter, “The Myth of Welfare Dependency Corrupting Influence on the Poor” The New York Times, 2015

<https://www.nytimes.com/2015/10/21/business/the-myth-of-welfares-corrupting-influence-on-the-poor.html>

By Arthur Delaney “Behind the Scenes, Trump Diligently Tries to Slash Social Programs” Huff Post

[https://www.huffpost.com/entry/donald-trump-social-safety-poverty-welfare\\_n\\_5cd5d5ebe4b054da4e895073](https://www.huffpost.com/entry/donald-trump-social-safety-poverty-welfare_n_5cd5d5ebe4b054da4e895073)

### **Section 3: Poverty Reduction in Middle Income Countries**

**Oct 13**

**Topic: Mexico and Indonesia: The Politics of Inclusive Development in Weak States and Introduction to Conditional Cash Transfers (CCTs)**

**Read:**

Judith Teichman, The Politics of Inclusive Development: Policy, State Capacity, and Coalition Building, pp.1-104

Maxine Molineux, N. Jones and F. Samuels, “Can Cash Transfer Programmes have ‘Transformative’ effects?” 2016

[http://discovery.ucl.ac.uk/1497225/1/Molyneux\\_SI%20Intro%20near%20FNL%20.pdf](http://discovery.ucl.ac.uk/1497225/1/Molyneux_SI%20Intro%20near%20FNL%20.pdf)

**Oct 20**

**Topics: Chile and South Korea and more on CCTs**

**Read:**

Judith Teichman, The Politics of Inclusive Development: Policy, State Capacity, and Coalition Building, pp. 105-180

J.E. Saavedra and S. Garcia, “Impacts of Conditional Cash Transfers on Educational Outcomes in Developing Countries: A Meta-Analysis” Rand Corporation, 2012

[https://www.rand.org/pubs/working\\_papers/WR921-1.html](https://www.rand.org/pubs/working_papers/WR921-1.html)

Articles available on Canvas and on-line

Amanda Glasman, “Cash Transfers and Deeper Causes of Poverty”, Center for Global Development

<https://www.cgdev.org/blog/cash-transfers-and-deeper-causes-poverty>

**Oct 27**

**Topics:**

**a) Reducing Poverty in China: Industrialization and Inequality: Can/should others copy the Chinese model? Assessing the economic policies analyzed in this section**

**Read**

Xiaolin Pei, "China's Pattern of Growth and Poverty Reduction, MedCrave, Volume 2 Issue 2 - 2018

<https://pdfs.semanticscholar.org/a137/900eeff107880b0d2660f39da82c86d75a69.pdf>

S. Chandra, et. al., Inequality in China: Trends, drivers and Policy Remedies, IMF, 2018

<https://wwimf.org/>

#### **Section 4: Behavioral Approaches to Poverty among the Poorest**

**Nov. 3**

**Topics: Hunger, Health and Education and Conditional Cash Transfers**

**Read:**

Abhijit Banerjee and Esther Duflo, Poor Economics: A Radical Rethinking of the way to Fight Global Poverty, pp. 1-101

**Nov. 10**

**Topic: Savings, Lending, Entrepreneurship and Microfinance**

**Read:**

Poor Economics: A Radical Rethinking of the way to Fight Global Poverty, pp. 103-181

Jpal, "Microcredit: Summary of Seven Studies on the impact of Microcredit: Where Credit is due", 2015

<https://www.povertyactionlab.org/sites/default/files/publications/where-credit-is-due.pdf>

M. Bateman and Ha-Joon Chang, "Microfinance and the Illusion of Development: From Hubris to Nemesis in 30 years" World Economic Review, Vol 1, pp. 13-36, 2012

<http://wer.worldeconomicassociation.org/files/WER-Vol1-No1-Article2-Bateman-and-Chang-v2.pdf>

**Policy Memo 2 (final exam): Topic distributed Nov 17**

**Memo due:** Nov 28, before 10:00 PM

**Nov 17**

**Topic: Savings, Policies and Politics, Unconditional Transfers and/or Universal Basic Income**

**Read**

Poor Economics: A Radical Rethinking of the way to Fight Global Poverty, pp. 183-274

Maura Francese and Delphine Prady, “Universal Basic Income: Debate and Impact Assessment”, IMF December 10, 2018

<https://www.imf.org/en/Publications/WP/Issues/2018/12/10/Universal-Basic-Income-Debate-and-Impact-Assessment-46441>

“Cash to the Poor: Pennies from Heaven: Giving Money Directly to Poor People Works Surprisingly Well. But it cannot deal with the Deeper Causes of Poverty” The Economist, Oct. 26, 2013, <http://www.economist.com/news/international/21588385-giving-money-directly-poor-people-works-surprisingly-well-it-cannot-deal>

Nathan Heller, Who Really Stands to Win from Universal Basic Income?, The New Yorker, 2018, <https://www.newyorker.com/magazine/2018/07/09/who-really-stands-to-win-from-universal-basic-income>

The Economist, “Why the world should adopt a basic income” July 4, 2018, <https://www.economist.com/open-future/2018/07/04/why-the-world-should-adopt-a-basic-income>

Banerjee, A. et.al, “Debunking the Stereotype of the Lazy Welfare Recipient: Evidence from Cash Transfer Programs Worldwide”, 2016, [https://scholar.harvard.edu/files/remahanna/files/151016\\_labor\\_supply\\_paper\\_draft\\_final.pdf](https://scholar.harvard.edu/files/remahanna/files/151016_labor_supply_paper_draft_final.pdf)

**Dec. 1**

**Topic: Covid and poverty worldwide**

**Read**

E. Gould, D. Perez and V. Wilson, “Latinx Workers—Particularly Women—face Devastating job Losses in the COVID-19 Recession <https://www.epi.org/publication/latinx-workers-covid/>

C. McNicholas, et.al., “Why unions are good for Workers—Especially in a crisis like COVID-19, EPI, [https://www.epi.org/publication/why-unions-are-good-for-workers-especially-in-a-crisis-like-covid-19-12-policies-that-would-boost-worker-rights-safety-and-wages/?utm\\_source=Economic+Policy+Institute&utm\\_campaign=178373f29](https://www.epi.org/publication/why-unions-are-good-for-workers-especially-in-a-crisis-like-covid-19-12-policies-that-would-boost-worker-rights-safety-and-wages/?utm_source=Economic+Policy+Institute&utm_campaign=178373f29)

Additional readings will be sent to the class

