

# PPOL6100S

## The Political Economy of Poverty, Inequality, and Development

**Instructor:**

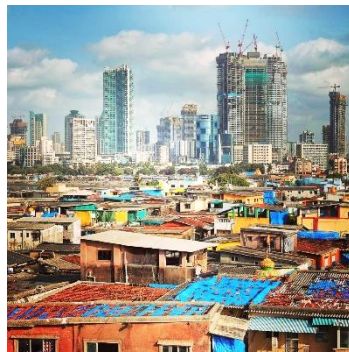
**Dr. Michael Tyrala**

[mtyrala@ust.hk](mailto:mtyrala@ust.hk)

Room 4339, 4/F, Academic Building  
(Office hours by appointment)

**Time:** Tue/Thu, 18:30-21:20; Sat, 10:30-13:20

**Place:** Room 2303, Lift 17-18 (91)



## Course Description:

Poverty, inequality, and persistent underdevelopment are among the most pressing challenges that the world's public policy professionals and policymakers face today. Despite some progress based on decades of international efforts and impressive growth in several emerging markets, about 9.2% of the world, or 719 million people, still live in extreme poverty, defined as living on less than US\$2.15 a day, a threshold which experts agree does not capture the true extent of poverty. When the threshold is set to US\$6.85 a day, which is still lower than the threshold necessary to achieve basic nutrition and normal human life expectancy, we find that about 46% of the world, or 3.6 billion people, still live in poverty, with most of them concentrated in sub-Saharan Africa and South Asia. Meanwhile, global inequality has skyrocketed, with the world's richest 1% owning 45.8% of all the world's wealth and capturing 19% of the world's annual income, while the world's poorest 52% owned just 1.2% of all the world's wealth and earned just 8.5% of the world's annual income in 2022. Moreover, about 80% of the world's population lives in countries where income and wealth differentials are increasing, and states seem unable to provide economic security and material improvement to their populations in ways that at least some of them once did. This raises several important questions. Why is poverty such an intractable problem in a world of unprecedented wealth? Why does global inequality keep increasing in most of the world, and why has this problem been ignored for such a long time? Why are some countries able to develop and others not? And perhaps most uncomfortably, is it possible to achieve universal progress on poverty, inequality, and development, or does progress necessarily mean that some people and countries fall behind as others advance in the current systemic configuration? In this course, we will draw on key theories of political economy and development as well as on long-standing debates in the history of development thought and practice to try and answer these and other related questions, and critically evaluate a wide range of mainstream and alternative development models and issues, and the complex politics behind them. The course will be useful to those pursuing a career in the public and private sectors, international organizations, civil society organizations, journalism, or academia, as well as to anyone wanting to understand poverty, inequality, and development better and to make a difference.

## Course Objectives:

Upon successfully completing the course, students will be able to:

- Understand the relationship between poverty, inequality, and development, as well as the main controversies surrounding development and the efforts to eradicate extreme poverty and reduce inequality.
- Distinguish between competing measures of poverty, inequality, and development, and explain the political and technical reasons why some are preferred over others.
- Identify and critically evaluate the main theoretical perspectives on development, as well as their past and present practical applications, especially as they pertain to the eradication of extreme poverty and reduction of inequality.

- Compare and contrast the different policy approaches of key international organizations such as the United Nations and the World Bank to development, and to the eradication of extreme poverty and reduction of inequality.
- Assess the strengths and weaknesses of a wide range of mainstream and alternative approaches to development, and to the eradication of extreme poverty and reduction of inequality.

## Course Structure:

This course combines lectures, class and online discussions, documentaries, expert guest speakers, and individual and group work to familiarize students with the various multifaceted issues related to poverty, inequality, and development. The approach is multidisciplinary, drawing on insights and methods from public policy, global political economy, international relations, and development studies, and blends theory with practice through exposure to numerous real life case studies. The course is open to MPP, MPM, and other PG/UG programs.

## Overview of Assessment:

Assessment Task	Weight	Date
Attendance and Active Participation (Discussions of lectures, documentaries, required readings, etc.)	20%	Throughout
Group Debate (Two teams of students competitively arguing the opposing sides of a chosen debate statement)	20%	July 11 and 13 (Meeting 11 and 12)
Final Quiz (A combination of multiple choice, short-answer, and long-answer questions based on material from the whole course)	40%	July 18 (Meeting 13)
Final Research Paper (A 1,800–2,000-word research paper about the impact of neoliberalism or another theory of political economy and development on a chosen developmental actor or country/jurisdiction)	20%	July 25

## Explanation of Assessment:

### (1) ATTENDANCE AND ACTIVE PARTICIPATION (20%)

Attendance is mandatory, unless the student in question has a well-documented reason, which the instructor should be informed about at [mtyrala@ust.hk](mailto:mtyrala@ust.hk) before the missed class, or in cases of emergencies as soon as possible after the missed class.



Lectures will frequently be interspersed with and followed by class discussions, and the Canvas discussion board will be available to contribute to on a regular basis as well.

There is a substantial amount of required readings to be done individually by each student in this course (on average around 35-40 pages per meeting). Students are expected to set aside sufficient time to complete this mandatory reading load before each meeting, and use the class discussions and activities, the regular Canvas discussion boards, and the debate Q&A sessions to demonstrate that they have done so. Only students that actively participate on a regular basis through clear, concise, and insightful comments, and by asking pertinent questions that enhance the discourse will be able to receive full credit for this part of the assessment. The quantity of engagement matters, but so does its quality, so while any and all eligible participation is welcome and will be counted, not all interventions will necessarily be worth the same.

## **(2) GROUP DEBATE (20%)**

On July 11 and 13 (Meeting 11 and 12), we will hold group debates. Each debate group will consist of four or five students. Each debate group will first choose a debate statement and will then notify me by e-mail what their chosen debate statement is. This is to ensure that two or more debate groups do not choose the same debate statement. Debate statements are chosen on a “first come, first serve” basis. Ideally, each debate group should notify me of what their chosen debate statement is at least one week before their debate is scheduled to take place, so they have enough time to think of and research a new debate statement in case their chosen debate statement had already been chosen by another debate group.

Each debate group will separate into two teams representing the opposing sides of their chosen debate statement, arguing for or against it. For example, debate group X, consisting of students A, B, C, D, and E, chose the following debate statement: “The Belt and Road Initiative has helped alleviate poverty and reduce inequality”. Debate group X will separate into two teams, with students A and B arguing YES, the Belt and Road Initiative has helped alleviate poverty and reduce inequality, and students C, D, and E arguing NO, the Belt and Road Initiative has not helped alleviate poverty and reduce inequality.

The formation of the debate groups and the schedules of the debates will be determined by July 2 (Meeting 7), and the debate statements will be chosen by July 6 (Meeting 9).

The group debate structure will be as follows:

- (1) Each of the debate group’s two teams makes an opening statement (5 minutes x2);
- (2) Each of the two teams considers the arguments of the other team’s opening statement and prepares a rebuttal (2 minutes);
- (3) Each of the two teams delivers a rebuttal (3 minutes x2);
- (4) The debate will be opened to a Q&A with the audience, with the two groups taking turns responding to questions/challenges from the audience (8 minutes);

- (5) Each of the two groups makes a closing statement (2 minutes x2);
- (6) The audience anonymously votes on which of the two teams they found to be the most argumentatively convincing, regardless of whether they agreed with the team's stance or not. The audience vote is worth a bonus 2/20 points, so there is a competitive element to the debates, which is why it is important to choose a debate statement that is genuinely controversial and could easily be argued both ways. The group debate grade will have both an individual grade (10/20) as well as a team grade (10/20).

Examples of debate statements:

- The rich are rich because generally, they are smart and they work hard, and thus deserve their wealth.
- The poor are poor because generally, they do not work hard enough, and thus deserve to be poor.
- The poor are poor because they lack access to a good education.
- Poverty has nothing to do with race.
- Poverty is worse for women than for men.
- The global community has made great progress in alleviating poverty, and we are well on track to fully eradicate extreme poverty within a decade or two.
- Most humans are selfish, so it is impossible to get enough people to care about global poverty and inequality.
- Most humans are only selfish because the logic of capitalism compels them to be, but under a more humane system, things could be different.
- Inequality is natural and mostly fair, and so does not need to be addressed at all.
- Massive and increasing inequality around the world is inevitable.
- Poor countries should not use the excuse of colonialism anymore because it is ancient history.
- The inability of some countries to develop is mostly due to internal rather than external factors.
- Adopting neoliberal free market policies will increase prosperity for all.
- Free trade and globalization will increase prosperity for all.
- Capitalism will always create poverty and inequality.

- It is better to reform capitalism with a robust social welfare state than to struggle for revolution.
- If every poor country followed the East Asian developmental state model, then they would become rich too.
- China's embrace of capitalism benefits most Chinese people.
- The Belt and Road Initiative has helped alleviate poverty and reduce inequality.
- Most foreign aid is just another form of neocolonialism.
- Most foreign aid does more harm than good.
- Foreign aid NGOs only provide band-aid solutions and do not address the root causes of poverty.
- Foreign aid should be unconditional.
- Social movements do not offer realistic solutions to poverty, they are only anti-this or anti-that.
- Western-led international organizations (e.g., the IMF, the World Bank, etc.) provide the best strategies to confront poverty.
- Democracy is unnecessary to alleviate poverty and reduce inequality, and in fact, authoritarian governments do better at both.
- Communism has a better track record of poverty alleviation and inequality reduction than capitalism.
- State capitalism is much better than neoliberalism for national development.

The debate groups are NOT obligated to choose any of the above debate statements. They are welcome to come up with their own debate statements, subject to my approval.

### **(3) FINAL QUIZ (40%)**

On July 18 (Meeting 13), a 3-hour open book final quiz will be administered in class. It will consist of 8 multiple choice questions, 4 short-answer questions (around 200-word answers each) and 2 long-answer questions (around 600-word answers each) based on material from the required readings and the lectures from the whole course.

### **(4) FINAL RESEARCH PAPER (20%)**

Every student is required to write and submit to Canvas a 1,800–2,000-word research paper on ONE of the following two topics:

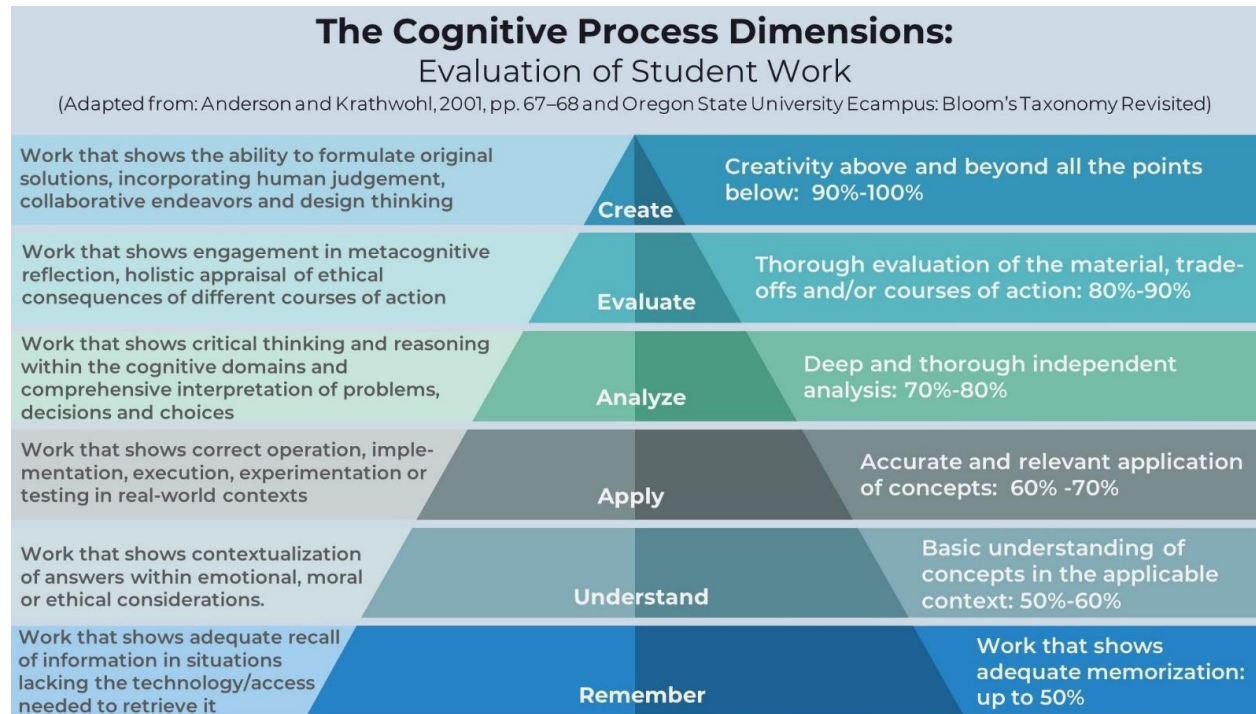
- (1) With detailed reference to a particular development actor (multilateral development organization, NGO, social movement, government agency engaged in development work, etc.), explain how neoliberalism has informed modern development practice, especially as it relates to poverty and inequality. The specific topic should be as narrow and focused as possible, and it should include detailed examples of how neoliberalism has informed the particular projects, programs, and agendas of the chosen development actor.

OR

- (2) Focusing on a particular country/jurisdiction, explain how a specific theory of political economy and development has impacted that country/jurisdiction, especially as it relates to poverty and inequality. The specific topic should be as narrow and focused as possible, and it should include detailed examples of how the chosen theory of political economy and development has shaped particular development policies and the society in the chosen country/jurisdiction.

Since this is a research paper, students should mostly use academic sources. Credible institutional, policy, think tank, and media sources are permitted as well, but they should not constitute a majority of the sources used. Overall, students must meaningfully use at least 20 English language sources (including a minimum of 12 academic sources). All foreign language sources must be fully translated into English. The research paper is due on July 25 by 23:59.

### Course Grading:



## Course Schedule:

<b>LECTURES</b>	
<b>Time: Tue/Thu, 18:30-21:20; Sat, 10:30-13:20</b>	
<b>Place: Room 2303, Lift 17-18 (91)</b>	
<b>MEETING 1</b>	<b>(Tue, Jun 18): Course introduction + Documentary film screening of: “Poor Us: An Animated History of Poverty” (2012)</b>
<b>PART I: KEY CONCEPTS AND HISTORICAL BACKGROUND</b>	
<b>MEETING 2</b>	<b>(Thu, Jun 20): Poverty and inequality</b> – How are poverty and inequality defined and measured, and how do they relate to each other? Are dominant measurements of poverty and inequality adequate in capturing their full extent and complexity?
<b>MEETING 3</b>	<b>(Sat, Jun 22): Development and foreign aid</b> – How is development defined and measured, and how does it relate to poverty and inequality? Are dominant measurements of development adequate in capturing its full extent and complexity? What is foreign aid, and what are the main controversies surrounding it?
<b>PART II: CLASSICAL AND CONTEMPORARY THEORIES OF POLITICAL ECONOMY AND DEVELOPMENT</b>	
<b>MEETING 4</b>	<b>(Tue, Jun 25): Mercantilism and liberalism</b> – What are the main characteristics of these classical theories of political economy and development, how have they approached poverty and inequality, and what lessons can public policy professionals learn from them today?
<b>MEETING 5</b>	<b>(Thu, Jun 27): Marxism</b> – What are the main characteristics of this classical theory of political economy and development, how has it approached poverty and inequality, and what lessons can public policy professionals learn from it today?
<b>MEETING 6</b>	<b>(Sat, Jun 29): Modernization theories, dependency theory, the developmental state model, and world-systems analysis</b> – What are the main characteristics of these post-World War 2 theories of political economy and development, how have they approached poverty and inequality, and what lessons can public policy professionals learn from them today?
<b>MEETING 7</b>	<b>(Tue, Jul 2): Neoliberalism and the Washington Consensus + Documentary film screening of: “Life and Debt” (2001)</b> – What are the main characteristics of neoliberalism, what impacts did neoliberal policies have on poverty and inequality in developed and developing countries, and what lessons can public policy professionals learn from them today?



<b>MEETING 8</b>	<b>(Thu, Jul 4): Neoliberalism and the post-Washington Consensus + Documentary film screening of: “Poverty, Inc.” (2014)</b> – Why was neoliberalism forced to soften its policy toolkit, what impacts has this softening of neoliberal policies had on poverty and inequality in developed and developing countries, and what lessons can public policy professionals learn from them today?
<b>PART III: THE ROOTS OF UNDERDEVELOPMENT AND CONTEMPORARY APPROACHES TO KEY ISSUE AREAS</b>	
<b>MEETING 9</b>	<b>(Sat, Jul 6): The rise of the West and the “rise” of the rest</b> – How did the most developed countries develop, and why is much of the developing world still struggling with persistent underdevelopment?
<b>MEETING 10</b>	<b>(Tue, Jul 9): Climate change, labor, gender, education, and health in the context of modern developmental discourse</b> – How do the United Nations and the World Bank differ in their policy approach to climate change, labor, gender, education, and health, and what are the reasons behind these different approaches? What progress has been made in the global efforts to eradicate extreme poverty and reduce inequality as part of the Millenium Development Goals, the Sustainable Development Goals, and beyond?
<b>PART IV: CURRENTLY EXISTING ALTERNATIVES AND BEYOND</b>	
<b>MEETING 11</b>	<b>(Thu, Jul 11): Currently existing alternatives</b> – What are the strengths and weaknesses of proposals like support for organized labor, expansion of the welfare state, worker cooperatives, and fair trade, and what can public policy professionals learn from the Kerala model of development?
<b>MEETING 12</b>	<b>(Sat, Jul 13): Beyond currently existing alternatives</b> – What are the strengths and weaknesses of proposals like debt resistance, radical democratization of the workplace, poverty floors, wealth ceilings, global redistribution through global tax initiatives, degrowth, and the promise of modern democratic socialism?
<b>MEETING 13</b>	<b>(Thu, Jul 18): FINAL QUIZ</b>