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Master Seminar

Seminar in Development Economics

Growth, Inequality and Poverty: Determinants of Economic Development

Content

Development strategies have long been a central debate in economics, with questions of whether the focus should be on growth, poverty reduction, or inequality. Another central issue is whether development should follow a bottom-up or top-down approach. Considering China's economic success, there is a growing interest in identifying the factors that drive growth and how these can be applied in other settings. This seminar will explore the complexities of development economics and introduce core issues in economic development.

In this seminar, we will review aspects of the fundamental issues of economic development – **growth, poverty and inequality.** We will focus on theoretical contributions and empirical applications to understand the trade-offs and interactions between growth, poverty and inequality. The questions we will take up include: *Why are some countries poor? Are growth-focused policies sufficient for development? Does economic growth translate into poverty reduction? Is there a trade-off between growth and poverty reduction? Do growth-focused policies often overlook the distribution of benefits? What accounts for growth differences across countries?*

While students need to understand the scope and methodologies involved, the emphasis is on understanding the controversies arising from them. Students will become familiar with several empirical identification strategies for estimating causal relationships.

Target Group

The participants of this seminar should be familiar with regression analysis (OLS, fixed effect, etc.) and, as such, have a good understanding of how to read and interpret econometric output. Master students in Economics, Internationale Wirtschaft & Governance, Philosophy & Economics, History & Economics, and Development Studies form the target group for this seminar. ***Advanced Bachelor*** students may also apply if they have prior experience in empirical analysis. Please note that Master students receive priority in the case of overbooking.

**The seminar will be held in English.*

Accreditation

Students can earn credit points for the following degree programs:

- Economics (M.Sc.): "Individual Focus, Volkswirtschaftliche Spezialisierung"
- Internationale Wirtschaft und Governance (M.A.): Theorie und Empirie der gesellschaftlichen Entwicklung
- Philosophy & Economics (M.A.): "Electives"
- History & Economics (M.A.): "Specialisation"
- Development Studies (M.A.): D2
- Business Administration (M.Sc.): "Individual Focus"
- Economics (B.Sc.): "Seminar on development"
- Philosophy and Economics (B.A.): "Seminar on development"
- Internationale Wirtschaft und Entwicklung (B.A.): "Seminar on development"

Requirements

- **Seminar paper:** Seminar participants are required to prepare written work in the form of a **seminar paper** (approx. 2,500 words for Master students and 2,000 words for Bachelor students) on a research article of choice.
- **Academic presentation:** Participants are expected to deliver an **academic presentation** (30 minutes) on their chosen research article. Each speaker is assigned a discussant who will initiate and lead a discussion following the presentation (10 minutes).
- **Policy brief:** Following the presentations, participants will submit an individual policy brief (2–4 pages) using descriptive evidence from the World Bank database (e.g., Poverty and Inequality Platform (PIP)) and relevant data sources on the growth–inequality–poverty nexus in a selected developing country, including a short, evidence-based policy recommendation. This constitutes the fourth component of the final grade.
- ***Active participation*** *in these discussions is expected of all attendees and contributes to the overall grade.*

Seminar Organisation

A mandatory **introductory lecture** is scheduled on the ***15th October,*** from 16:00-19:00. This session serves to present the structure of the seminar, introduce the topics, and includes a first paper presentation from the lecturer to familiarise the participants with the presentation format expected. The introductory lecture also gives room for students' questions regarding topics, formal requirements as well as the mode of examination. Following the introductory lecture, participants must **register** on CMlife until November 1st to enrol in the seminar for credit. It is important to note that a registration from this point onward is binding. Failure to deliver the required work packages thereafter will result in a failing grade (i.e., 5.0).

The **presentation** of papers is scheduled for ***21st and 22nd January, 2027.*** Participants are required to submit their **seminar paper**

("SemDevEconWS2027_SeminarPaper_NameFirstname.pdf") as well as **presentation files** ("SemDevEconWS2027_Presentation_NameFirstname.pdf") beforehand (no later than 20th January).

The **policy brief** is due two weeks after the presentations ("SemDevEconWS2027_PolicyBrief-Country_NameFirstname.pdf"), on **7 February.**

To apply for the seminar (first-come-first-served basis), please fill out the following form, including your three prioritised research articles by ***10th October:***

https://forms.gle/7DWeANGhcugTbKu3A

The seminar is limited to **15 participants**.

All course-related questions should be sent to josephine.baako-amponsah@uni-bayreuth.de

Literature

The following list provides an overview of topics discussed in the seminar. Students are expected to choose one article from the list of starred readings as the topic for their presentation and term paper and use additional literature when preparing their presentations. In the application for the course, students must indicate their first, second, and third choice of articles.

1. * Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review*, vol. 91, no. 5, pp. 1369–40.
2. Albouy, David Y. 2012. "The Colonial Origins of Comparative Development: An Empirical Investigation: Comment." *American Economic Review*, vol. 102, no. 6, pp. 3059–76
3. * Adams, Richard H. Jr. 2004. "Economic Growth, Inequality and Poverty: Estimating the Growth Elasticity of Poverty." *World Development* 32 (12): 1989-2014.
4. Addae-Korankye, Alex. 2014. "Causes of Poverty in Africa: A Review of Literature." *American International Journal of Social Science* 3 (7): 147-153.
5. Adelman, Irma, and Sherman Robinson. 1989. "Income Distribution and Development." *Handbook of Development Economics* 2: 949-1003.
6. * Alkire, Sabina, and James Foster. 2011. "Understandings and Misunderstandings of Multidimensional Poverty Measurement." *The Journal of Economic Inequality* 9 (2): 289-314.
7. Alkire, Sabina, José Manuel Roche, Paola Ballon, James Foster, Maria Emma Santos, and Suman Seth. 2015. *Multidimensional Poverty Measurement and Analysis*. Oxford University Press.

8. Barro, Robert J. 1991. “Economic Growth in a Cross Section of Countries.” *Quarterly Journal of Economics* 106 (2): 407–43
9. Barro, Robert J. and Sala-i-Martin, Xavier.1992. Convergence. *Journal of political Economy*, *100*(2), pp.223-251.
10. Banerjee, Abhijit V. 2008. “Big Answers for Big Questions: The Presumption of Growth Policy.” *Brookings Global Economy and Development*.
11. * Banerjee, Abhijit V., and Esther Duflo. 2007. “The Economic Lives of the Poor.” *Journal of Economic Perspectives* 21 (1): 141-168.
12. Banerjee, Abhijit V., and Esther Duflo. 2004. “Growth Theory Through the Lens of Development Economics.” *Handbook of Economic Growth*.
13. Bardhan, Pranab. 1993. “Economics of Development and the Development of Economics.” *Journal of Economic Perspectives* 7 (2): 129-142.
14. Bhalla, Surjit S. 2002. *Imagine There's No Country: Poverty, Inequality, and Growth in the Era of Globalization*. Peterson Institute.
15. * Bigsten, A. (2018). ‘Determinants of the evolution of inequality in Africa’, Journal of African Economies, 27(1), pp. 127-148.
16. Brady, David. 2019. “Theories of the Causes of Poverty.” *Annual Review of Sociology* 45 (1): 155-175.
17. Caselli, Francesco. 2005. “Accounting for Cross-Country Income Differences.” In *Handbook of Economic Growth*, edited by Philippe Aghion and Steven Durlauf, vol. 1, chapter 9, 679-741. Elsevier.
18. Chakravarty, Satya R. 2009. *Inequality, Polarization, and Poverty: Advances in Distributional Analysis.* Springer.
19. * Cornia, Giovanni Andrea. 2004. “Inequality, Growth, and Poverty: An Overview of Changes Over the Last Two Decades.” *Inequality, Growth, and Poverty in an Era of Liberalization and Globalization*: 3-25.
20. * De Maio, F.G. (2007). ‘Income inequality measures’, Journal of Epidemiology & Community Health, 61(10), pp. 849-852
21. * Dollar, David, Tatjana Kleineberg, and Aart Kraay. 2016 "Growth Still Is Good for the Poor." *European Economic Review*, vol. 81, pp. 68–85
22. Dollar, David, and Aart Kraay. 2002. “Growth Is Good for the Poor.” *Journal of Economic Growth* 7 (3): 195-225.
23. Fosu, Augustin Kwasi. 2008. “Inequality and the Growth–Poverty Nexus: Specification Empirics Using African Data.” *Applied Economics Letters* 15 (7): 563–566.
24. Fosu, Augustin Kwasi. 2010. “Inequality, Income, and Poverty: Comparative Global Evidence.” *Social Science Quarterly* 91 (5): 1432-1446.

25. * Fosu, Augustin Kwasi. 2018. “The Recent Growth Resurgence in Africa and Poverty Reduction: The Context and Evidence.” *Journal of African Economies* 27 (1): 92-107.

26. Galor, Oded, and Daniel Tsiddon. 1996. “Income Distribution and Growth: The Kuznets Hypothesis Revisited.” *Economica*: S103-S117.

27. Helpman, Elhanan. 2004. *The Mystery of Economic Growth*. Belknap Press.

28. * Hsieh, Chang-Tai, and Peter J. Klenow. 2020. "The Reallocation Myth." *NBER Working Paper*, no. 27065, National Bureau of Economic Research.

29. Jones, Charles I. 1997. “On the Evolution of the World Income Distribution.” *Journal of Economic Perspectives* 11 (3): 19–36.

30. Kokko, Hanna, Andrew Mackenzie, John D. Reynolds, Jens Lindström, and William J. Sutherland. 1999. “Measures of Inequality Are Not Equal.” *The American Naturalist* 154 (3): 358-382.

31. * Kraay, A. & McKenzie, D. (2014). ‘Do poverty traps exist? Assessing the evidence’, Journal of Economic Perspectives, 28(3), pp. 127-148.

32. Lok-Dessallien, Renata. 1999. “Review of Poverty Concepts and Indicators.” UNDP Social Development and Poverty Elimination Division.

33. Milanovic, Branko. 2000. “Determinants of Cross-Country Income Inequality: An Augmented Kuznets' Hypothesis.” *Equality, Participation, Transition—Essays in the Honor of Branko Horvat*, 48-79. London: St. Martin’s.

34. * Olowa, O.W. (2012). ‘Concept, measurement and causes of poverty: Nigeria in perspective’, American Journal of Economics, 2(1), pp. 25-36.

35. Quah, Danny T. 1997. “Empirics for Growth and Distribution: Stratification, Polarization, and Convergence Clubs.” *Journal of Economic Growth* 2 (1): 27–59.

36. Ravallion, Martin, Gaurav Datt, and Dominique Van de Walle. 1991. “Quantifying Absolute Poverty in the Developing World.” *Review of Income and Wealth* 37 (4): 345-361.

37. * Ravallion, M. (2001). ‘Growth, inequality and poverty: looking beyond averages’, World Development, 29(11), pp. 1803-1815.

38. Ravallion, M. (2005). ‘A poverty-inequality trade-off?’, The Journal of Economic Inequality, 3(2), pp. 169-181.

39. * Ravallion, M. (2012). ‘Why don't we see poverty convergence?’, American Economic Review, 102(1), pp. 504-523.

40. * Sala-i-Martin, Xavier. 2006. “The World Distribution of Income: Falling Poverty and… Convergence, Period.” *The Quarterly Journal of Economics* 121 (2): 351-397.

41. Sen, Amartya. 1980. “Equality of What?” *The Tanner Lectures on Human Values*.

42. Thorbecke, Erik. 2013. “Multidimensional Poverty: Conceptual and Measurement Issues.” In *The Many Dimensions of Poverty*, 3-19. Palgrave Macmillan.

43. Townsend, Peter. 2014. *International Analysis Poverty*. Routledge.

44. * Wade, Robert Hunter. 2020. “Is Globalization Reducing Poverty and Inequality?” In *Neoliberalism, Globalization, and Inequalities*, 143-176. Routledge.

45. World Bank. 2021. *World Development Indicators 2020*. Washington, DC: World Bank.