Introduction to Poverty and Inequality

Jindal School Of Government and Public Policy

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1   Course Description

This course aims to familiarize students with the issues of deprivation and distribution in the context of the Indian economy. The course offers an introduction to the different methods of understanding and conceptualising poverty. The course aims to cover the major debates on poverty measurement in India, including the recent debates on poverty measurement post-Covid.

In part-2 of this course, students will learn the latest developments in understanding the evolution of inequality, the statistical indices used to measure it, tracking its significant increase at a time of rapid growth in India. The course uses media such as documentaries and movies to briefly introduce the students to the issues of poverty and inequality that prevail in the Indian economy, including caste, class, and gender inequality. Through this course, the student will be introduced to the theoretical and empirical tools necessary to better understand the twin issues of poverty and inequality in India.

2   Instructor

Dr. Prachi Bansal
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Dr. Prachi Bansal holds a Ph.D from Jawaharlal Nehru University, New Delhi and is also a WID.world Fellow at the World Inequality Lab, Paris School of Economics. Her research areas include agriculture, inequality, labour, and technology. Her work examines how structural changes in the economy from agricultural transformation to the rise of artificial intelligence shape patterns of work, care, and welfare. She has collaborated with international organizations including the Food and Agriculture Organization (FAO) and the International Labour Organization (ILO) on projects concerning data anonymization, debt-bondage, and SDG indicators on labour and food security.

3   Assessment

- Internal: 50 percent grade

- External: 50 percent grade (closed-book examination)

4 Prerequisite

- Microeconomics I and Macroeconomics I

- Mathematics I

- Statistics I

The course is designed as a cross-elective. A basic understanding of micro and macro economics, statistics, and mathematics is a requirement.

5 Course Assessment Breakdown

1. **Group Presentations (20%)**

   - Each group presents a **movie analysis + 5 related papers**.

   - **Duration**: 45 minutes for the presentation in class followed by questions.

   - **Presentation Content**:

   - Analyzing key themes from the movie/documentary.

   - Connecting them with insights from the assigned papers.

   - **Questions**: Marks awarded for the ability to ask insightful questions (encouraging active engagement from all groups).

   - Group consists of 3 members **Q&A Participation**
     - **Audience Questions**: Each individual receives marks for asking questions during others' presentations. Each person must ask three **relevant** questions to get marks.
     - **Individual Answers**: Individual grade on how well students answer both audience and instructor questions after the presentation.
     - Grades will be given at the end of the course for this.

2. **Essay/Exam** (10 %)

3. **Quiz (20%)**

   - One **quiz** midway through the course to test foundational knowledge and key concepts.

4. **Final Exam (50%)**

   - **End-of-semester exam** covering the core material from the entire course.

6 Syllabus

6.1 Unit 1: Understanding poverty

- Conceptualising poverty. Income vs consumption poverty, absolute vs relative poverty.

- The measurement of poverty. What makes a good poverty line?

- Multi-dimensional poverty.

1. Readings:

(a) Haughton and Khandker (2009): Handbook on Poverty and Inequality. The World Bank: Washington D.C (Chapters 1 and 2).

(b) Multidimensional Poverty as an Instrument of Programmatic Intervention, Kundu and Mohanan, Economic and Political Weekly.

`https://www.epw.in/journal/2023/33/commentary/multidimensional-poverty-instrument-programmatic.html`

2. Movies/Podcasts/Other Resources

- Angelina Jolie & Jeffrey Sachs- Part 1 : `https://www.youtube.com/watch?v=uUHf_kOUM74`
- Angelina Jolie & Jeffrey Sachs- Part 2 : `https://www.youtube.com/watch?v=OpCnikxLfkE`
- Salaam Bombay
- Distant Thunder `https://www.imdb.com/title/tt0069737/`
- The boy who harnessed the wind
- Nero's Guests: `https://www.google.com/search?q=sainath+documentary+mview&oq=sainath+documentary+mview&gs_lcrp=EgZjaHJvbWUyBggAEEUYOTIGCAEQLhhAOgEIOTcyMGowajGoAgCwAgA&sourceid=chrome&ie=UTF-8#fpstate=ive&vld=cid:ed2fb814,vid:I1XaVvG9rgU,st:0`

6.2   Unit 2: Understanding Food Insecurity

- Food insecurity and its relevance for measurement of poverty

1. Readings

(a) Rawal, V., Bansal, V., & Bansal, P. (2019): "Prevalence of undernourishment in Indian states", Economic & Political Weekly, 54(15), 35. `https://www.epw.in/journal/2019/15/special-articles/prevalence-undernourishment-indian-states.html`

(b) Sen,A. (1977): Starvation and exchange entitlements: a general approach and its application to the great Bengal famine, Cambridge Journal of Economics, March 1977, Vol. 1, No. 1, pp.33-59

2. Movies/Podcasts/Other Resources

- The breadwinner
- "Mother India" (1957) Directed by Mehboob Khan
- "Lion" (2016) Directed by Garth Davis
- "Grapes of Wrath" (1940) Directed by John Ford
- "Amma Rajinama" (1991) Directed by Dasari Narayana Rao

6.3   Unit 3: Poverty in India (4-9)

- Consumption poverty and the development of poverty lines in India.

- Growth, liberalization and poverty. What factors have driven poverty reduction in

India?

- The calorie consumption debate. Difficulties in early poverty measures in India. The

problems with simple consumption measures of poverty.

- The evolution of poverty measures, and controversies of measurement.

- Poverty and Inequality in India:

1. Readings:

   (a) The World Bank (2011): Perspectives on Poverty in India: Stylized Facts from

   Survey Data. (Selected Chapters).

   (a) Drèze, Jean and Sen, Amartya (eds) (1990): The Political Economy of Hunger, Clarendon, Oxford. (Selected chapters)

   (b) Sen (1999), Development as Freedom, Amartya Sen (Pages 13-34)

   (c) Kaushik Ranjan Bandyopadhyay (2010): Poverty in India: A Chronological Review on Measurement and Identification.

   (d) Himanshu (2021): Do we know what has happened to Poverty since 2011-12?, The India Forum, June 16, 2022.

   (e) HCES Factsheet 2022 `https://www.mospi.gov.in/sites/default/files/publication_reports/Factsheet_HCES_2022-23.pdf`

   (f) HCES Factsheet 2023 `https://www.mospi.gov.in/sites/default/files/publication_reports/Factsheet_HCES_2023-24.pdf`

2. Link to Important News Articles on this Topic

   `https://www.businesstoday.in/latest/economy/story/heres-what-the-household-consumption-expenditure-survey-means-418924-2024-02-26`

   `https://thewire.in/economy/growing-evidence-of-a-vanishing-middle-class-struggling-low-income-class-in-india`

   `https://thewire.in/economy/household-consumption-expenditure-survey-food-poverty-india-economy`

   `https://thewire.in/economy/the-truth-behind-the-governments-claim-that-poverty-has-fallen-to-just-5`

   `https://www.thehindu.com/business/Economy/after-11-years-household-consumption-expenditure-survey-findings-released/article67882939.ece`

   `https://www.thehindubusinessline.com/opinion/editorial/nss-consumer-survey-shows-qualified-gains-in-well-being/article67891930.ece`

   `https://indianexpress.com/article/india/household-consumption-expenditure-survey-monthly-spend-of-farm-families-below-rural-average-9180780/`

   `https://indianexpress.com/article/explained/explained-economics/household-consumption-expenditure-survey-2022-23-9179539/`

   `https://www.indiatoday.in/business/story/india-poverty-level-reduces-five-percent-of-population-consumer-expenditure-survey-nsso-2507119-2024-02-26`

3. Movies/Podcasts/Other Resources

   - Water

   - The Peepli live

- Grave of the fireflies
- Pather Panchali
- Podcast: `https://open.spotify.com/episode/7jwJYt6tWDL2IP1dVOjRQi?si=cVjvtmLUS 2ySZROP9Gq7Tw`

`https://www.thehindu.com/opinion/op-ed/has-poverty-really-dropped-to-5-in-india /article67950618.ece`

6.4 Unit 4: Inequality in India

- Understanding income inequality in India over the long run. How does India compare to other economies?

- Income inequality and the concentration of incomes.

- Wealth inequality in India and concentration of assets.

- Gender Inequality, Caste Inequality, Climate Change Inequality, and Inflation Inequality (Four Lectures)

- Artificial intelligence and inequality

Readings:

- Maitreesh Ghatak (2021): Indias Inequality Problem, The India Forum, June 23, 2021.

- Lucas Chancel and Thomas Piketty (2019): Indian Income Inequality, 1922-2015: From British Raj to Billionaire Raj?, The Review of Income and Wealth, Vol 65, Issue S1.

- Anand, I. and Thampi, A., 2016. Recent trends in wealth inequality in India. Economic and Political Weekly, pp.59-67.

- Anand, I., Thampi, A. The Crisis of Extreme Inequality in India. Indian Journal of Labour Economics. 64, 663683 (2021). `https://doi.org/10.1007/s41027-021-00335-9`

- Acemoglu, Daron, and Pascual Restrepo. Artificial intelligence, automation, and work. The economics of artificial intelligence: An agenda. University of Chicago Press, 2018. 197-236.

- Resources on Gender Inequality (1 Lecture)

  - D'ignazio, Catherine, and Lauren F. Klein. Data feminism. MIT press, 2023. Link to the book: `https://data-feminism.mitpress.mit.edu/`

  - `https://github.com/MimiOnuoha/missing-datasets`

  - Prachi Bansal, June 2024, "AI is Sexist", Indian Express, `https://github.com/MimiOnuoh a/missing-datasets`

- Resources on Caste Inequality (1 Lecture):

  - Deshpande, Ashwini. The grammar of caste: Economic discrimination in contemporary India. Oxford University Press, 2011. Chapter 1,2, and 7

- Inflation Inequality (1 Lecture)

  - Bansal, Rohan, & Bansal, Prachi (2025), Measuring Inflation Inequality in India (WIL Working Paper No. 2025/10). World Inequality Lab. Read here: `https://wid.world/news-art icle/inflation-and-high-volatility-hit-the-poor-harder-in-india/`

- Resources for Climate Change Inequality (1 Lecture):

    - `https://poets.org/poem/letter-someone-living-fifty-years-now`

- Love in the times of climate change

    - `https://www.youtube.com/watch?v=KkH1wtfysec`

    - `https://www.youtube.com/watch?v=cSgsNNOt1fI`

    - `https://www.youtube.com/watch?v=75ZTDsBPJJo`

    - `https://www.youtube.com/watch?v=-klwPvwiJnc`

- Data Resource `https://ipcc-browser.ipcc-data.org/browser/dataset/3737/0`

- Readings: IPCC 6th Assessment Report. Link: `https://www.ipcc.ch/report/ar6/syr/downloads/press/IPCC_AR6_SYR_SlideDeck.pdf`

- Dario Kenner, Carbon Inequality: The Role of the Richest in Climate Change, Routledge Focus. See `https://www.google.co.in/books/edition/Carbon_Inequality/l06fDwAAQBAJ?hl=en&gbpv=1&dq=climate+change+inequality&printsec=frontcover`

1. Movies/Podcasts/Other Resources
    - The Great Indian Kitchen
    - Masaan
    - Modern Times (Charlie Chaplin)
    - Sujata
    - Faya Dayi
    - Born into brothels: Calcuttas red light kids
    - Selling children