INTERNATIONAL UNIVERSITY OF JAPAN

Graduate School of International Relations

Academic Year: 2016/2017

Term: Fall

Course	Course code ADC 7010	Course title Inequality and Poverty: Measurement and Applications	
Name of Instructor	Takahiro Akita		Credit Number: 2
Instructor's contact Information	Office phone# #471	Office Hours Thursday 13:00-14:30	E-mail: akita@iuj.ac.jp
Class Schedule Day / Time	Thursday / 14:40-16:10, 16:20-17:50		

Course Description: This course is designed to introduce measures of inequality and poverty and discuss their meaning and applications.	
Learning Objectives: Students will learn the following topics: growth-inequality-poverty relationships, Kuznets hypothesis, meaning of inequality (income homogeneity, population homogeneity, and transfer principle), Lorenz curves and Lorenz comparisons, Lorenz-consistent inequality measures and decomposable inequality measures, Gini coefficient and its decomposition by factor components, generalized entropy class of measures (e.g., Theil indices) and their decomposition by population sub-groups, Theil indices and the Kuznets process for urbanization and educational expansion, measurement of regional income inequalities, and measures of poverty such as the Foster-Greer-Thorbecke (FGT) index. Some STATA commands are introduced in computer workshops to conduct inequality and poverty analyses with actual household survey data.	
Career Relevance: The course will enhance the student's capacity in problem identification, policy formulation and problem solving in the areas of economic development.	
Course Context or Rationalization: This course is one of the courses offered for the IDP and PMPP students in their second year program that will enhance the students' analytical and problem solving capacity.	
Delivery Methods: lecturing, discussions, student presentations, cases and computer workshops	
Assessment: Midterm Examination (in class) 40%; Term paper 40%; Homework assignments 10%; Class participation (constructive) 10%	
Prerequisite: Mathematics for Economics and Management; Statistics; Applied Econometrics	
Textbook(s)	Required: No required texts Reference books/Journal Articles:

	1. Anand, Sudhir, 1983, Inequality and Poverty in Malaysia: Measurement and Decomposition, Oxford University Press, London. ISBN-10: 0195201531 2. Fields, Gary S., 2001, Distribution and Development: A New Look at the Developing World, MIT Press. ISBN-10: 0262561530 3. Haughton, Jonathan, and Shahidur R. Khandker, 2009, Handbook on Poverty and Inequality, World Bank. http://mail.beaconhill.org/~j_haughton/HandbookPovIneq.pdf 4. Ray, Debraj, 1998, Development Economics, Princeton University Press, New Jersey. ISBN-10: 0691017069 5. Sen, Amartya, 1997, On Economic Inequality, Expanded edition with a substantial annexe by James E. Foster and Amartya Sen, Prentice-Hall. ISBN-10: 0198281935 6. Todaro, Michael P., and Stephen C. Smith, 2003, Economic Development, 8th edition, Addison Wesley. ISBN-10: 1292002972
Class Outline	1. Course Introduction; Relationship between Growth, Inequality, and Poverty 2. Relationship between Growth, Inequality, and Poverty 3. Meaning of Inequality 4. Measuring Economic Inequality 1: Lorenz Curves and Lorenz Comparisons 5. Measuring Economic Inequality 2: Lorenz-consistent Inequality Measures and Decomposable Inequality Measures 6. Measuring Economic Inequality 3a: Gini Coefficient, Coefficient of Variation and their Decomposition by Income Sources 7. Measuring Economic Inequality 3b: Gini Coefficient, Coefficient of Variation and their Decomposition by Income Sources 8. Measuring Economic Inequality 4a: Generalized Entropy Class of Measures (e.g., Theil Indices) and Their Decomposition by Population Sub-groups 9. Measuring Economic Inequality 4b: Generalized Entropy Class of Measures (e.g., Theil Indices) and Their Decomposition by Population Sub-groups 10. Measuring Economic Inequality 5: Weighted Coefficient of Variation, Theil Indices, and Their Applications to the Measurement of Regional Income Inequalities 11. Computer Workshop 1 12. Measuring Poverty 1: Head Count Ratio and Foster-Greer-Thorbecke (FGT) Index 13. Measuring Poverty 2: Head Count Ratio and Foster-Greer-Thorbecke (FGT) Index 14. Midterm Examination 15. Midterm Examination 16. Computer Workshop 2 17. Student Presentation 1 18. Student Presentation 2 19. Student Presentation 3 20. Student Presentation 4
Others (if any)	