

## Academic Lecture Review

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The conference I attended on March 23 called “the Economics of Ultra-poverty: Causes and Remedies” and it was organized by George Washington University and World Bank. This two-day's conference mainly discussed the poverty issues in developing countries. Many researchers and administrative officials from different institutes or academic organizations presented their current outcomes of the researches or on-going programs.

To be honest, because more than half of the presenters on the conference were non-English native speakers, so it was a little hard for me to understand them completely due to the barriers of accent. Also, since I haven't taken enough fiscal and economic-related courses in my program, it was not easy for me to fully understand their researches methods or backgrounds either. Besides, I was not familiar with the poverty situations in some developing countries either, such as Bangladesh or Bolivia. Therefore, this conference attending experience was more intuitive-based. However, during the coffee break, I had a good conversation with a presenter from Oxford; we talked something about the special poverty problems in China and my questions about his research. I found that I was less nervous than I had expected I would be in such a formal academic condition. Besides, another interesting part of the conference was that, there was one absent presenter from UK but she still made the presentation with audio record. I don't know if this was a common situation in most academic conferences but I still think it was a little bit weird for people to applaud to an invisible person on an empty lectern at the end of “presentation”.

Since my research topic is about the poverty problems in America, I found three articles that study the poverty issues in America. This is good for us to understand how poverty issues differ in developed and developing worlds.

#### Bibliography:

- Daniel R. Meyer & Geoffrey L. Wallace. (2009). Poverty levels and trends in comparative perspective. *Focus*. Vol. 26, No. 2, 7-13

In this article, the author reviews the way that how poverty is officially measured in the United States. And the author utilized this method to discuss the poverty condition of the year of 2006. I think it is a very good start to study poverty problems by asking a proper definition of “poverty” itself. According to the author, in America, official measurement on poverty is to include total pre-tax money income (ignoring near- and non-cash sources, assets, and all expenditures) and comparing this to a threshold that varies by the family's size and age composition. Also, the author compares the poverty situations in the US with other developed countries and claimed that the poverty rates in the United States are also quite high when compared with the rates in other developed countries, such as UK, Canada, etc.

Besides, the author discovered that economic boom in 1990s was associated with increased willingness of employers to hire minorities and other groups that have traditionally faced disadvantages when economic situations were negative. This point somehow illustrates that although economic boom will not necessarily reduce poverty level, maybe it will ameliorate living conditions of those people who have the serious poverty problems (or “ultra-poverty”) within the society. Or, in other words, more generally, economic situations have different impacts on different level of poverty. It brings us an important idea that the evaluation of anti-poverty programs should be designed more specifically.

In addition, one important point of Daniel and Geoffrey’s work is that they found a same phenomenon which is that poverty problems will not be relieved during the economic growth period. This finding is in line with Jaynes’s research also.

- Gerald D. Jaynes. (2011). *SOCIAL POLICY & U.S. POVERTY 1960-1999: An Economic History*. *Yale Economics Department Working Paper No. 90*

This is an empirical study based on data information from 1960 to 1999. According to the author’s research, they gave us a distinct idea with concrete evidences that economic development will not necessarily reduce the rates of poverty.

The author reviewed the history of poverty rate in America. Poverty declined sharply and steadily during the 1960s and early 1970s. But the downward trend in poverty reversed during the mid-1970s. Beginning with the late 1970s, there were two sharp upward trends on both poverty number and poverty rate. Since 1980s, the poverty rate and numbers remained the trend of cyclical, but still at a relatively high level. The author claimed that Ford’s Presidency period (1974-1976) was usually consider as the transition between policy regimes characterized by Presidential Administrations targeting redistributive social policies toward the poverty problem and Administrations curtailing redistributive impulses in favor of fiscal restraint toward poverty reduction. The break in policy toward the poor is usually attributed to the Reagan Administration since 1980s. We can also find this trend from the historical figure (during 1974-1976, the poverty population was lowest in postwar period). There were two argumentations about this increasing poverty while economic growth period. One side argued that the failure of 1980s growth to reduce poverty stemmed from fundamental economic realignments that increased inequality and required redistributive policies. The other side contended poverty rates were the “legacy” of failed redistributive policies that realigned the social behavior of the poor against work and two-parent families causing poverty to rise. The second point was also indirectly mentioned by Rose and Fellow’s research (2012). They claimed that the poor are more often to be considered as the cheaters or chiselers of welfare programs. The redistributive policies are not really effective to reduce poverty rates from the foundation.

In addition, historical data shows that much of the volatility in poverty derived from instability of the distribution of income by the cyclical effects of macroeconomic performance on measures of aggregate income and inequality. Over the four decades, the economy generated average annual

increases in the real mean income of families of \$872 per year. However, a large standard deviation (\$1147) indicates great volatility as the business cycle frequently interrupted the ameliorative effects of economic growth on incomes and poverty. On the other hand, changes in inequality suggest similar observations. Family income's gini coefficient increased on average slightly less than .002; but its standard deviation of (0.006) reminds us that changes in the shape of the income distribution were frequent and an important source of change in poverty.

- Max Rose, Autry Fellow, 2012, Framing the Poor Media Coverage and US Poverty Policy, 1960–2008, *Policy Studies Journal*, February

In this research, as the findings of Jaynes's research, similarly, authors also found the point that the governmental support was insufficient even during a good economy period. But authors went deeper than Jaynes's research.

In order to evaluate the effect and performance of government's policy, first, authors discuss the categories that government's policy tools towards poverty group. Usually, it is difficult for researchers to make a clear boundary between poverty support and other social security programs, therefore the authors only focus on means-tested as the governmental poverty programs. Generally speaking, the main forms of government support (means-tested) are cash support, provision or subsidization of necessities, educational programs for youth, employment-related programs, such as job training, economic development, or direct. Also, program eligibility can be determined by a number of factors, including the poverty line, state and local laws, area median income, or enrollment in other programs. Then, the authors made a large number of statistical graphs to indicate how's government's performance on poor support programs in the past few decades. This part is useful to our research because it can help us to specify the proper variable indications that can represent the government's performance on supporting the poor groups.

Authors reminds us that we couldn't look at the number of poor assistance on governmental spending independently because although the spending on these programs has increased overtime, it actually was also could be influenced by increasing number of the poor and price level. In other words, increased health spending for the poor has been driven in part by factors relating to health economics and automatic spending changes, and only in part by concern for people in poverty. Also, another point is that poor support programs are not various enough. The most common types of poor support are health care programs. But data also indicates that non-health related poverty spending has increased much more slowly than the health-care spending.