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**Федеральное государственное автономное образовательное учреждение
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«Национальный исследовательский университет
Высшая школа экономики»**

Факультет экономических наук
Департамент прикладной экономики

**Программа дисциплины «Измерение бедности и неравенства. Оценка по-
литики сокращения бедности и неравенства»**

**(«Measurements of Poverty and Inequality. Evaluation of Poverty and Inequality
Reduction Policies»)**

для направления/ специальности 38.04.04 «Государственное и муниципальное управление»
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Measurements of Poverty and Inequality. Evaluation of Poverty and Inequality Reduction Policies (Semester 1)

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1 General information about the course

The present syllabus is aimed at faculty teaching this course, their teaching assistants, and students of the field of study 38.04.04 “Public and Municipal Management”, Master’s program with specialization at ‘Population and Development’. It consists of **40 hours**: 20 hours of seminars and labs / 20 hours of lectures.

This syllabus meets the standards required by:

- National Research University - Higher School of Economics,
- field of study 38.04.04 “Public and Municipal Management”, Master’s program with specialization at ‘Population and Development’,
- Master program curriculum as of 2018.

2 Course goals, learning objectives, expected learning outcomes

The course is aimed at preparing students for independent research activities. Its particular goals include introducing students into the methodology of measuring poverty and inequality, training them to critically evaluate reliability and adequacy of the statistical data, as well as comparability of different statistical sources, providing them a systematic understanding of the relations between poverty, inequality and economic development, and introducing into a range of quantitative methods of evaluation of poverty and inequality reduction policies.

This course relies on previous knowledge of students in economics, political and social theories, and statistics. During the course students will have an opportunity to apply their understanding of the demographic and economic situation in certain countries and regions, as well as of the global demographic and economic trends to the analysis of social processes in different parts of the world.

The learning objectives of this course are:

- to introduce main concepts applied in social policy analysis, definitions and approaches to measure poverty, inequality and quality of life;
- to provide an understanding of various effects of demographic, social and economic factors on poverty and inequality;
- to develop practical skills of estimating poverty, inequality and social program effects based on population survey data and official statistics;
- to familiarize with limitations of statistical data on poverty and inequality coming from different sources, focusing on the impact of survey methodology on the content and quality of collected data.
- to provide a range of quantitative methods of evaluation of poverty and inequality reduction policies;
- to study examples of their application;



- to familiarize with the problems that arises when evaluating programs and policies.

The successful development of the course will enable students to improve their general skills of oral homework essays and the ability to participate in a discussion on a given topic in English. They will improve their critical reading and critical thinking skills and develop abilities to assess reports and academic papers, analyze legal documents, evaluate and interpret statistical data seeing limitations and advantages of one statistical sources over others.

As a result of mastering the discipline, the students are expected:

- to have a deeper knowledge of well-being, poverty, inequality and quality of life measurement;
- to be able to estimate, interpret and compare the most popular poverty and inequality indicators;
- acquire practical skills of analytical work on the study of poverty and inequality at national and international level;
- to be able to perform comprehensive analysis of poverty and inequality based on the population survey data and using one of the common statistical packages.
- to possess knowledge on quantitative methods of evaluation of poverty and inequality reduction policies.
- to be able to apply methods of assessing policies of poverty and inequality reduction for a specific socio-economic process under study.
- to gain experience of working with STATA, which allow applying methods of poverty and inequality measurement and evaluating policies of their reduction.

The discipline is a selective two modules course for second-year students of the Master Program with specialization at ‘Population and Development’ at the Faculty of Social Sciences.

The discipline is taught in English.

Students should have some knowledge of economics (micro- and macro-, public economics), demographics, and of at least one social science (sociology, political science or international relations) and statistics, be familiar with user interface of Stata statistical package. Pre-requisites to this course are courses on population and economic development, population economics, or social policy. Students should have a good command of English to be able reading population survey questionnaires and academic literature on the topic, and discussing social issues in English.

3 Course Outline

#	Topics	Course Hours	Academic Hours		Self-study Hours	Reading
			Lectures	Seminars		Exercises
1.	Introduction to the course. Poverty and inequality: basic concepts	4	1	1	2	H Ch.1, C
2.	Measuring poverty					
2.1.	Welfare indicators	4	1	1	2	H Ch.2, App. 3 Ex.1
2.2.	Poverty lines	6	2	1	3	H Ch.3, App. 3



#	Topics	Course Hours	Academic Hours		Self-study Hours	Reading
			Lectures	Seminars		Exercises
						Ex.2
2.3.	Poverty indices	6	2	1	3	H Ch.4, App. 3 Ex.3
2.4.	Robustness of measures	3	0.5	1	1.5	H Ch.5, App. 3 Ex.4
2.5.	International poverty comparisons	3	0.5	1	1.5	H Ch. 10, App. 3 Ex.8
3.	Inequality measures	6	2	1	3	H Ch.6, App. 3 Ex.5
4.	Policies of reduction poverty and inequality and their estimates					
4.1.	Targeting poverty groups	4	1	1	2	H Ch.7, App. 3 Ex.6
4.2.	Understanding the determinants of poverty. Vulnerability to poverty	6	1	2	3	H Ch.8, 12, App. 3 Ex.7, 12, 13
4.3.	Reduction poverty policy examples	2	1		1	H Ch.9
4.4.	Taxation and government spending in reduction poverty and inequality	2	1		1	H Ch.15
5.	Policies monitoring and evaluation					
5.1.	Monitoring vs. evaluation. Analysis of policies over time	10	2	3	5	H Ch.11, 13, App. 3 Ex.9, 10, 11, 14, 15, K Ch.1
5.2.	Randomized impact evaluation. Using survey data	6	1	2	3	H Ch. 16, App. 3, K Ch.3, 12
5.3.	Using regressions in impact evaluation. Double difference. Instrumental variables	10	2	3	5	H Ch.14, K Ch.5, 6, 14, 15
5.4.	Propensity score matching in impact evaluation	10	2	3	5	K Ch.4, 13
	Total	80	20	20	40	



Sources:

H - Houghton, J., Khandker, S. R. (2009) *Handbook on poverty and inequality*. The World Bank Publications.

K - Khandker, S.R., Koolwal, G.B., Samad, H.A. (2010) *Handbook on Impact Evaluation: Quantitative Methods and Practices*. The World Bank Publications.

C – Choo, S., Andersson, P., Sokou, E. (2018) *A Policymaker's Guide on Inequality*. Social Development Division of UNESCAP.

4 Texts, readings and other informational resources

4.1 Required readings:

- Houghton, J., and Khandker, S. R. (2009). *Handbook on poverty and inequality. World Bank Publications*.
- Khandker, S.R., Koolwal, G.B., Samad, H.A. (2010) *Handbook on Impact Evaluation: Quantitative Methods and Practices. The World Bank*.

4.2 Recommended

- Angrist J.D., Pischke J.-S. (2008) **Mostly Harmless Econometrics: An Empiricists Companion**.
- Chen, S., and Ravallion, M. (2011). Absolute poverty measures for the developing world, 1981–2008. *International Comparison Program*.
- Deaton, A., and Zaidi, S. (2002) Guidelines for constructing consumption aggregates for welfare analysis (Vol. 135). *World Bank Publications*.
- Duflo, E, Glennerster, R., Kremer, M. (2007) Using Randomization in Development Economics Research: A Toolkit. *CEPR Discussion Paper No. 6059-6092 p*.
- Heckman, J.J., Vytlacil E.J. (2007) Chapter 70 Econometric Evaluation of Social Programs, Part I: Causal Models, Structural Models and Econometric Policy Evaluation. *Handbook of Econometrics*. Vol.6, Part B: 4779-4874
- Joumard, I., M. Pisu and D. Bloch (2012) Less Income Inequality and More Growth – Are They Compatible? Part 3. Income Redistribution via Taxes and Transfers Across OECD Countries, *OECD Economics Department Working Papers 926*.
- Khandker, S.R., Z. Bakht, and G.B. Koolwal (2009) The Poverty Impacts of Rural Roads: Evidence from Bangladesh. *Economic Development and Cultural Change 57 (4)*, 685–722.
- Ravallion M. (2011) On multidimensional indices of poverty // *The Journal of Economic Inequality*. T. 9, №. 2, pp. 235-248.
- Ravallion M. (2014) Income inequality in the developing world. *Science 344*, 851
- Todd, P. (2007) Evaluating Social Programs with Endogenous Program Placement and Selection of the Treated. In *Handbook of Development Economics*, 4, ed. T. Paul Schultz and John Strauss, 3847–94. Amsterdam: North-Holland.



- Todd, P., and K. Wolpin (2006) “Assessing the Impact of a School Subsidy Program in Mexico: Using a Social Experiment to Validate a Dynamic Behavioral Model of Child Schooling and Fertility. *American Economic Review* 96(5), 1384–417.
- Todd, P., Wolpin K. (2010) Ex Ante Evaluation of Social Programs. *Annales D'économie et de Statistique* 91, 259-286.
- UN (2015) Transforming Our World: The 2030 Agenda for Sustainable Development. UN.org. A/RES/70/1 - sustainabledevelopment.un.org
- Verbeek M. (2004) **A guide to modern econometrics**. John Wiley and Sons, Ltd.
- Wooldridge J.M. (2010) **Econometric analysis of cross section and panel data**. MIT press.

4.3 Websites and other informational resources

- <https://worldpoverty.io/index.html>
- OECD: <https://data.oecd.org/inequality/income-inequality.htm>
- World Bank: <https://www.worldbank.org/en/topic/poverty>
- Asian Development Bank: <http://www.adb.org/>
- European Union: <http://europa.eu/>
- Eurostat: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>
- ILO: <http://www.ilo.org/global/lang--en/index.htm>
- Inter-American Development Bank: <http://www.iadb.org/en/inter-american-development-bank,2837.html>
- NATLEX – ILO database of national labour, social security and related human rights legislation http://www.ilo.org/dyn/natlex/natlex_browse.home
- NORMLEX – ILO database of information on the International Labour Standards, national labour and social security laws: <http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:1:0::NO:::>
- Social Security Programs Throughout the World <http://www.ssa.gov/policy/docs/progdesc/ssptw/>
- Socio-Economic Database for Latin America and the Caribbean (SEDLAC): <http://sedlac.econo.unlp.edu.ar/eng/statistics.php>
- UN Research Institute for Social Development (UNRISD): <http://www.unrisd.org/>
- UN Statistics Division: <http://unstats.un.org/unsd/Demographic/default.htm>
- <https://www.un.org/en/sections/issues-depth/poverty/>
- <https://www.un.org/sustainabledevelopment/poverty/>
- <https://www.un.org/development/desa/socialperspectiveondevelopment/issues/inequality.html>
- Unicef – TransMonEE database: <http://www.transmonee.org/about.php>

4.4 Software: Excel, Stata

5 Examination/Evaluation

5.1 Total score calculation

The grade is based on participation in the lectures and seminars, namely, discussing papers and answering tutor’s questions, solving proposed problems using statistical packages (30%), a homework essay (30%), and a final written examination in the form of test (40%).

The total score = 0.3 activity score + 0.3 homework essay + 0.4 final test.

Type of con-	Form of control	2 nd year	Details
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Control		1 st module	2 nd module			
Current	Solving problems at seminars and at self-study hours	*	*			Current control in the form of solving problems on measurement of poverty/inequality, reduction policy and its impact evaluation based on the population survey data and using Stata package
	Home work		*			An essay summarizing implementation of measurement of poverty/inequality, reduction policy and its impact evaluation in one of the recommended articles or other sources
Final	Written examination		*			Final examination in the form of test with multiple choice questions

5.2 Criteria for Assessing Knowledge, Skills

During the course students are expected to read academic literature on the topics of the course. In their work (at seminars, in homework essay, and final test) students should demonstrate good knowledge of the literature included in the mandatory list and some knowledge / familiarity with some of the literature included in the optional list. Students should demonstrate their ability to critically assess the arguments in the academic literature and discourse. In their independent work (home work) they should prove their ability to find relevant reports, academic literature and statistical data; to apply knowledge and skills obtained at the seminars and to use statistics and statistical methods to describe particular social problems related to poverty and inequality issues.

Lectures and seminars will include the following forms of activity: discussions of the papers from the mandatory reading list, discussion of the social problems, problem solving, case studies, practical exercises on measuring poverty and inequality based on survey data in a statistical package (Stata). Analysis of case studies and problem solving might assume group work.

Each student is expected to make one homework essay and at least once be a reviewer of someone else's essay.

The final control is done in the form of written test with multiple choice questions. The duration of the test is 90 min (two academic hours).

Homework essay

The homework essay should be based on the topic of research conducted by the student during the study or his/her previous working experience, one of the recommended research articles, or on the research article proposed by the student.

The homework essay is a form of the intermediate control and is conducted during the 2nd module. The topics of the essays are approved by the tutor at the beginning of the 2nd module.

The homework essay is aimed at analyzing and discussing chosen poverty (inequality) reduction policy cases. The details are given in Section 8.1.

6 Academic Integrity

The Higher School of Economics strictly adheres to the principle of academic integrity and honesty. Accordingly, in this course there will be a zero-tolerance policy toward academic dishonesty. This includes, but is not limited to, cheating, plagiarism (including failure to properly cite sources), fabricating citations or information, tampering with other students' work, and presenting a part of or the entirety of another person's work as your own. HSE uses an automated plagiarism-detection system to ensure the orig-



inality of students' work. Students who violate university rules on academic honesty will face disciplinary consequences, which, depending on the severity of the offense, may include having points deducted on a specific assignment, receiving a failing grade for the course, being expelled from the university, or other measures specified in HSE's Internal Regulations.

7 Grading Estimation

7.1 Homework Essay Requirements

Homework essay (up to 8 pages) is to be prepared before final examination. Each student is expected to write an essay and be a reviewer for at least on essay.

Essay has to describe a research problem on evaluation of a treatment effect aiming poverty or inequality reduction. A student can use his (her) own research problem (relevant to the course subjects), consider an article among recommended for the course or on his (her) own choice. It is very wise to discuss the selected research problem and the source with the tutor before starting the home work. The student is expected to characterize the problem, goals of the policy and key indicators, data, treatment, possible outcomes, a method of estimation, and the anticipated results of the estimation.

Students are free to choose any topic and a source article in peer-reviewed journal within Syllabus. The topic and the source of Essay has to be approved by Instructor in advance.

Structure of Essay:

- 1) Briefly describe general characteristics of the chosen country. Economic specialization and wealth, national poverty lines, an overview of country poverty profile, country inequality profile, and an overview of the academic studies published on the topic with a critical analysis of the data used by the researchers.
- 2) Consider a research problem that is relevant to evaluation of policy on poverty or inequality reduction. Describe the reform (policy), its period, area (country, region), units, targets and key indicators. Provide a reference to a research paper, a normative act or another document that verify that the reform is to be or has been conducted.
- 3) Are there other possible policies that would lead to the same goals and be addressed to the same group of people? Describe them and compare advantages and disadvantages of policies with the policy considered in paragraph 2. Namely, describe how the groups would be targeted, how the outcomes would be measured, how the data would be collected.
- 4) Further focus on the policy considered in paragraph 2. How can the treated and the control groups be selected? Are they homogenous in their characteristics? What should be done to isolate the effect of the treatment from confounding factors? Are there reasons to expect endogeneity of the treatment caused by self-selection or program placement? Would you expect compliers and attrition in the treatment? Would you expect spillover effects?
- 5) Describe approach for estimation the effect of the treatment. Provide if possible an analytical model for the outcome, for the average treatment effect and the average effect on the treated (or other) for your model of estimation. Give explanation of variables and coefficients.
- 6) What are the advantages and disadvantages of the approach of estimation?
- 7) What are the expected estimates for the treatment? Why are they expected to be so (large, small, insignificant, negative, positive)?



7.1.1 List of preliminary topics for Essay

1. Education and child labour

Source:

Tang C., L. Zhao, Z. Zhao (2019) Does free education help combat child labor? The effect of a free compulsory education reform in rural China. *Journal of Population Economics* 1–31

2. Evaluation of the PROGRESA / Oportunidades Social Program on youth outcomes (Mexico)

One of the sources:

Behrman J.R., J. Gallardo-García, S.W. Parker, P.E. Todd, V. Vélez-Grajales (2012) Are Conditional Cash Transfers Effective in Urban Areas? Evidence from Mexico. *Educational Economy* 20(3), 233–259.

Behrman, J., and J. Hoddinott (2005) Programme Evaluation with Unobserved Heterogeneity and Selective Implementation: The Mexican ‘PROGRESA’ Impact on Child Nutrition. *Oxford Bulletin of Economics and Statistics* 67(4), 547–69.

Behrman, J., S. Parker, and P. Todd (2009) Long-Term Impacts of the *Oportunidades* Conditional Cash-Transfer Program on Rural Youth in Mexico. In *Poverty, Inequality, and Policy in Latin America*, ed. Stephan Klasen and Felicitas Nowak-Lehmann, 219–70. Cambridge, MA: MIT Press.

Hoddinott, J., and E. Skoufi (2004) The Impact of PROGRESA on Food Consumption. *Economic Development and Cultural Change* 53(1), 37–61.

Schultz, T.P. (2004) School Subsidies for the Poor: Evaluating the Mexican PROGRESA Poverty Program. *Journal of Development Economics* 74(1), 199–250.

Todd, P., and K. Wolpin (2006) “Assessing the Impact of a School Subsidy Program in Mexico: Using a Social Experiment to Validate a Dynamic Behavioral Model of Child Schooling and Fertility. *American Economic Review* 96(5), 1384–417.

Todd, P., Wolpin K. (2010) Ex Ante Evaluation of Social Programs. *Annales D'économie et de Statistique* 91, 259-286.

3. Effects of the Nicaraguan social safety net program Red de Protección Social for the poor (Nicaragua)

Source: Dammert, A. (2007) “Heterogeneous Impacts of Conditional Cash Transfers: Evidence from Nicaragua. Working Paper, McMaster University, Hamilton, ON, Canada.

4. The impact of the rural hospitalization insurance program offered by the Green Bank (Philippines)

Source: Giné, X., D. Karlan, and J. Zinman (2008) The Risk of Asking: Measurement Effects from a Baseline Survey in an Insurance Takeup Experiment. Working Paper, Yale University, New Haven, CT.

5. Evaluation of FONCODES investments in school infrastructure in Peru

Source: Paxson, C., and N. Schady (2002) The Allocation and Impact of Social Funds: Spending on School Infrastructure in Peru. *World Bank Economic Review* 16(2), 297–319.

6. Impact evaluation of the Jamaica social investment fund (JSIF) (Jamaica)



Source: Rao, V., and A.M. Ibáñez (2005) The Social Impact of Social Funds in Jamaica: A ‘Participatory Econometric’ Analysis of Targeting, Collective Action, and Participation in Community-Driven Development. *Journal of Development Studies* 41(5), 788–838.

7. The impact of Colombia's Programa de Ampliación de Cobertura de la Educación Secundaria (PACES) on access to private secondary school for poor students (Colombia)

Source: Angrist, J., E. Bettinger, E. Bloom, E. King, and M. Kremer (2002) Vouchers for Private Schooling in Colombia: Evidence from a Randomized Natural Experiment. *American Economic Review* 92(5), 1535–58.

8. The results of experiments on improvement of the quality of education in urban slums (Mumbai and Vadodara, India)

Source: Banerjee, A., S. Cole, E. Duflo, and L. Linden (2007) Remedying Education: Evidence from Two Randomized Experiments in India. *Quarterly Journal of Economics* 122(3), 1235–64.

9. Benefits from high-achieving peers and tracking for first generation learners (Kenya)

Source: Duflo E., P. Dupas, and M. Kremer (2011) Peer Effects, Teacher Incentives, and the Impact of Tracking: Evidence from a Randomized Evaluation in Kenya. *American Economic Review* 101, 1739–1774.

10. The effect of Harlem Children’s Zone (HCZ) experiment on educational outcomes of poor children (US)

Source: Dobbie W., R.G. Fryer Jr. (2011) Are high-quality schools enough to increase achievement among the poor? Evidence from the Harlem Children's Zone. *American Economic Journal*.

11. Effects of early childhood nutrition on educational outcomes (Guatemala)

One of the sources:

Behrman, J.R., Hoddinott, J.F., Maluccio, J.A., Soler-Hampejsek, E., Behrman, E.L., Martorell, R., RamirezZea, M., and Stein, A.D. (2006) What Determines Adult Cognitive Skills? Impacts of Pre-Schooling, Schooling and Post-Schooling Experiences in Guatemala PSC Working Paper Series. 3.

Hoddinott J., J. Maluccio, J.R. Behrman, R. Martorell, P. Melgar, A.R. Quisumbing, M. Ramirez-Zea, A.D. Stein, K.M. Yount (2011) The Consequences of Early Childhood Growth Failure over the Life Course. IFPRI Discussion Paper 01073.

Maluccio, John A.; Hoddinott, John F.; Behrman, Jere R.; Martorell, Reynaldo; Quisumbing, Agnes R.; and Stein, Aryeh D., The Impact of Nutrition during Early Childhood on Education among Guatemalan Adults (2006) PSC Working Paper Series. 4.

12. The impact of a pilot farmer-field-school (FFS) program on farmers’ knowledge of pest management practices related to potato cultivation (Peru)

Source: Godtland, E., E. Sadoulet, A. de Janvry, R. Murgai, and O. Ortiz (2004) The Impact of Farmer-Field-Schools on Knowledge and Productivity: A Study of Potato Farmers in the Peruvian Andes. *Economic Development and Cultural Change* 52 (1), 129–58.

13. The net income gains of the Trabajar workfare program (Argentina)

Source: Jalan, J., and M. Ravallion (2003) Estimating the Benefit Incidence of an Antipoverty Program by Propensity-Score Matching. *Journal of Business and Economic Statistics* 21 (1), 19–30.

14. Effects of the World Bank Southwest China Poverty Reduction Project (China)



Source:

Chen S., R. Mu, M. Ravallion (2009) Are There Lasting Impacts of Aid to Poor Areas? *Journal of Public Economics* 93, 512–528

15. Impact of non-farm work on household income and food security among farm households (the Northern Region of Ghana)

Source: Owusu V., Awudu A., Seini A.-R. (2011) Non-farm work and food security among farm households in Northern Ghana *Food Policy* 36, 108–118.

16. Impact of irrigation on household production and consumption (Mali)

Source: Dillon A. (2010) Do Differences in the Scale of Irrigation Projects Generate Different Impacts on Poverty and Production? IFPRI Discussion Paper 01022

17. Impact of microfinance program on poverty reduction (Bangladesh)

Imai K.S., Azam Md. S (2011) Does Microfinance Reduce Poverty in Bangladesh? New Evidence from Household Panel Data. RIEB Discussion Paper Series. Kobe University. Japan

18. Impacts of rural road rehabilitation on market development at the commune level in rural Vietnam

Source: Mu R., D. van de Walle (2007) Rural Roads and Local Market Development in Vietnam. Policy Research Working Paper 4340. Impact Evaluation Series No. 18

19. Economic and social impacts of the formation of self-help groups in India.

Source: Deininger K., Y. Liu (2009) Economic and Social Impacts of Self-Help Groups in India. The World Bank. Policy Research Working Paper 4884

20. Impact of the school feeding schemes on enrollment and children's nutritional status (Lao PDR)

Source: Bуттенгейм А., H. Alderman, J. Friedman (2011) Impact Evaluation of School Feeding Programs in Lao PDR. The World Bank. Policy Research Working Paper 5518

21. Impact of the Millennium Villages Project (MVP) on sustained local economic development in rural Africa

Source: Clemens M.A., Demombynes G. (2011) When Does Rigorous Impact Evaluation Make a Difference? The Case of the Millennium Villages. *Journal of Development Effectiveness*, 3(3)

22. Effects of the Female School Stipend Program on public school enrollment (the Punjab province of Pakistan)

Source: Nazmul C., and D. Parajuli (2006) Conditional Cash Transfers and Female Schooling: The Impact of the Female School Stipend Program on Public School Enrollments in Punjab, Pakistan. Policy Research Working Paper 4102, World Bank, Washington, DC.

23. The poverty impacts of rural roads (Bangladesh)

Source: Khandker, S.R., Z. Bakht, and G.B. Koolwal (2009) The Poverty Impacts of Rural Roads: Evidence from Bangladesh. *Economic Development and Cultural Change* 57 (4), 685–722.

24. Impact of microfinance programs on poverty (Bangladesh)

Pitt, M., and S. Khandker (1998) The Impact of Group-Based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter? *Journal of Political Economy* 106 (5), 958–98.

25. Evaluation of the Food for Education program in Bangladesh



Source: Ravallion, M., and Q. Wodon (2000) Does Child Labour Displace Schooling? Evidence on Behavioural Responses to an Enrollment Subsidy. *Economic Journal* 110 (462), 158–75.

26. Effects of child health and nutrition on education outcomes (Ghana)

Source: Glewwe, P., and H.G. Jacoby (1995) An Economic Analysis of Delayed Primary School Enrollment in a Low Income Country: The Role of Early Childhood Nutrition. *Review of Economic Statistics* 77 (1), 156–69.

27. Effect of private schooling expansion in Pakistan during the 1990s on primary school enrollment

Source: Andrabi, T., J. Das, and A.I. Khwaja (2006) Students Today, Teachers Tomorrow? Identifying Constraints on the Provision of Education. Harvard University, Cambridge, MA.

28. Evaluation of the Malawi Social Action Fund effects on food security and use of fertilizer (Malawi)

Source: Beegle K., Galasso E., and J. Goldberg (2017) Direct and Indirect Effects of Malawi's Public Works Program on Food Security. The World Bank.

7.2 Examples of questions

1 Which of the following is not a reason to go to the trouble and expense of measuring poverty?

- A. To evaluate the impact of policy interventions geared toward the poor;
- B. To keep poor people on the agenda of public policy;
- C. To measure the distributional effects of economic growth;
- D. To target interventions designed to reduce poverty.

2 You have information based on a regionally stratified random sample of households chosen with clustering.

- A. This means that regions in the country were first grouped together and then a simple random sample of households was chosen from each of these groupings.
- B. This implies that any measures of poverty will need to be computed using household or individual weights.
- C. This means that the standard error of measures of income will be smaller than would be the case with simple random sampling.
- D. The result is that one cannot generally break down poverty rates by region.

3 The poverty line will vary depending on the domain of comparison because

- A. Of the referencing problem.
- B. Of the identification problem.
- C. Of the purpose of the comparison.
- D. The \$1/day standard is too low.

4 Based on experience in the Philippines, which of the following statements is not true?

- A. Subjective poverty lines are not absolute over time.
- B. Self-rated poverty lines show high poverty rates.
- C. The rich report markedly higher poverty lines than the poor.
- D. Urban households set poverty lines higher than rural households, by more than the price differential between urban and rural areas would imply.



5 The squared poverty gap index (sometimes referred to as the poverty severity index) is obtained by computing the square of the poverty gap index, which puts more weight on the very poor.

True;

False.

6 When the official poverty line is used, the headcount poverty rate is 31.5 percent. But if the poverty line is raised by 10 percent, then the poverty rate would be 38.1 percent. This represents an elasticity of poverty with respect to the poverty line of about

A. 2.0;

B. 0.7;

C. 3.8;

D. 3.2.

7 Accountability has been improved by all of the following except:

A. Public Expenditure Tracking Surveys.

B. Citizen Report Cards.

C. Poverty Reduction Strategy Papers.

D. Institutional and Governance Reviews.

8 Which of the following steps is not part of the World Bank's methodology for computing the \$1/day world poverty rate?

A. Pick a poverty line that allows households to buy enough food and other basic needs.

B. Use an average PPP exchange rate to translate the poverty line into domestic currency terms.

C. Use a domestic consumer price index to find the appropriate poverty line, in domestic currency, for the years in which household surveys were undertaken.

D. Measure the number of poor in a country by determining, based on fitting Lorenz curves, how many fall below the poverty line.

9 One of the biggest problems in determining the extent to which poverty fell in Indonesia after 1997 is that of deflating expenditures correctly; depending on the method used, headcount poverty rates rose by either 24 percent or 81 percent.

True;

False.

10 The central challenge of impact assessment is constructing a plausible counterfactual.

True;

False.

11 Real GDP rose by 3 percent in 2005, 2 percent in 2006, 4 percent in 2007, and fell 1 percent in 2008, apparently due to a financial crisis. Which of the following is the most plausible measure of the impact of the crisis on economic growth?

A. It lowered GDP growth by 6 percentage points.

B. It lowered GDP growth by 1 percentage point.

C. It lowered GDP growth by 7 percentage points.

D. It lowered GDP growth by 4 percentage points.

11 A concentration curve for a tax is computed by



- A. Sorting households by tax/capita and graphing the cumulative percentage of tax against the cumulative percentage of households.
- B. Sorting households by expenditure per capita and graphing the cumulative percentage of tax against the cumulative percentage of households.
- C. Sorting households by expenditure per capita and graphing the cumulative percentage of tax against the cumulative percentage of expenditure.
- D. Sorting households by tax/capita and graphing the cumulative percentage of tax against the cumulative percentage of expenditure.

12 Which of the following is not a significant problem in benefit incidence analysis:

- A. Survey data on educational attendance are unreliable.
- B. The choice of income vs. expenditure per capita in measuring the distribution of the benefits.
- C. Divergences between average and marginal benefits.
- D. Private valuations of government-provided services may differ from the cost of provision.

13 What are the major concerns of randomization?

- A. Ethical issues;
 - B. External validity;
 - C. Compliance and spillover.
- (a) All of the above;
(b) A and B;
(c) B and C;
(d) C only.

14 Weak common support in PSM is a problem because

- A. it may drop observations from the treatment sample nonrandomly.
 - B. it may drop observations from the control sample nonrandomly.
 - C. it always drops observations from both treatment and control samples nonrandomly.
- (a) A and B;
(b) B;
(c) A;
(d) C.

15 IV controls for biases (endogeneity) that arise from which of the following situations?

- A. Nonrandom program placement;
 - B. Nonrandom participation of households;
 - C. Nonrandom movement of nonparticipants between project and control areas;
- (a) A and B;
(b) B and C;
(c) A and C;
(d) C only.