

Reading summaries



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Reading Summaries Having Global Poverty This research article was ed by T. Besley and fellow researchers who state that in order to alleviate poverty, policy based reforms are necessary. They state that the government needs to create policies that can help in increasing the opportunities for the poor individuals of the society. They state that these policies will encourage the creation of growth and in order to decrease poverty rates by 50% policies should be developed by policy makers that specifically target the area of poverty (Besley 9). Policy reforms along with measures taken to increase growth rate are essential because growth rate alone has failed in the past to cut poverty levels in half.

Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform

This article has been authored by Rodrik and in this article the researcher states that policy reforms are not the only tools that can help a developing nation in increasing development. The author states that in order for policies to take effect, institutions that are in the backdrop are ill structured and thus any policy can only have a long lasting effect if the institutions are solid in nature. The author states that various policies such as the policy of trade liberalization cannot work effectively if there is lack of fiscal institutions and similarly if there is lack of a proper capital market then funds will not be allocated to those areas that need to be expanded (Rodrik 978).

Aid And Development

This is a discussion paper authored by Finn Tarp and in this paper the author argues that it is not necessary that foreign aid only works in those countries where good policies have been implemented. This is because Tarp believes

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that impact of foreign trade should not be assessed in connection with good or bad policies because the policies that might be good might provide misleading information because it is not necessary that in developing nations there are institutions that are implementing these policies properly.

Fighting Poverty One Experiment At A Time: A Review Essay On Abhijit Banerjee And Esther Duflo, Poor Economics

In this article the researcher, Ravallion, identifies a new way of doing economics as identified by Banerjee as well as Duflo and according to this new way, decisions regarding economy should be based on randomized control trials or tests. The author states that performing randomized tests in order to conduct research related to economics is not new but these tests have provided surprising results. These tests are considered as important in order to identify causal relationship between different economic variables because these tests are easy to conduct as well as easy to explain. Another reason of these tests being good to perform causal study is that the findings in these tests are not dependant on assumption, while the other models of research such as the econometric models require heavy assumptions. Lastly these tests have the ability to make clean identification of causal relationship between variables and these findings are based on very low amount of assumptions.

World Development Indicators: 2008

World Development Indicators 2014

These two reports have been published by World Bank during the period of 2008 and 2014. During 2008, the World Bank issued a new poverty line measure that was \$2/day as compared to the previous poverty line indicator of \$1/day. The \$1/day poverty line measure was developed with the

assistance of purchasing power parities of around 146 nations. The Purchasing power parity of a nation is identified by comparing the number of goods and services that can be bought with certain quantity of currency of that nation with the number of goods and services that can be bought with \$1 within the United States (World Bank Publications (a) 2). The World Bank reports that during the period of 2010 the number of people living below \$1.25 decreased to 20.6% as compared to the number of people living below the poverty line during the period of 1990 which was 43.1% (World Bank Publications (b) 4). But if poverty is measured on the basis of \$2/day then there has been no change in the number of people living below the poverty line which is around 2.5 billion individuals.

Works Cited

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