

China's Entry into WTO

China joined WTO in 2001:

1. Prices changed before 2001 (**WHY?**)
2. Reforms affected the economy after 2001

While computing the impact of China's accession to WTO on Chinese economy, should we consider only the changes after 2001? Why, or why not?

Step 1: Price changes before 2001 to approximate what the baseline distribution would have been

Step 2: Impact of changes after 2007

Fungibility

Even if the aid is linked to a good project, can it still be fungible? Why, or why not?

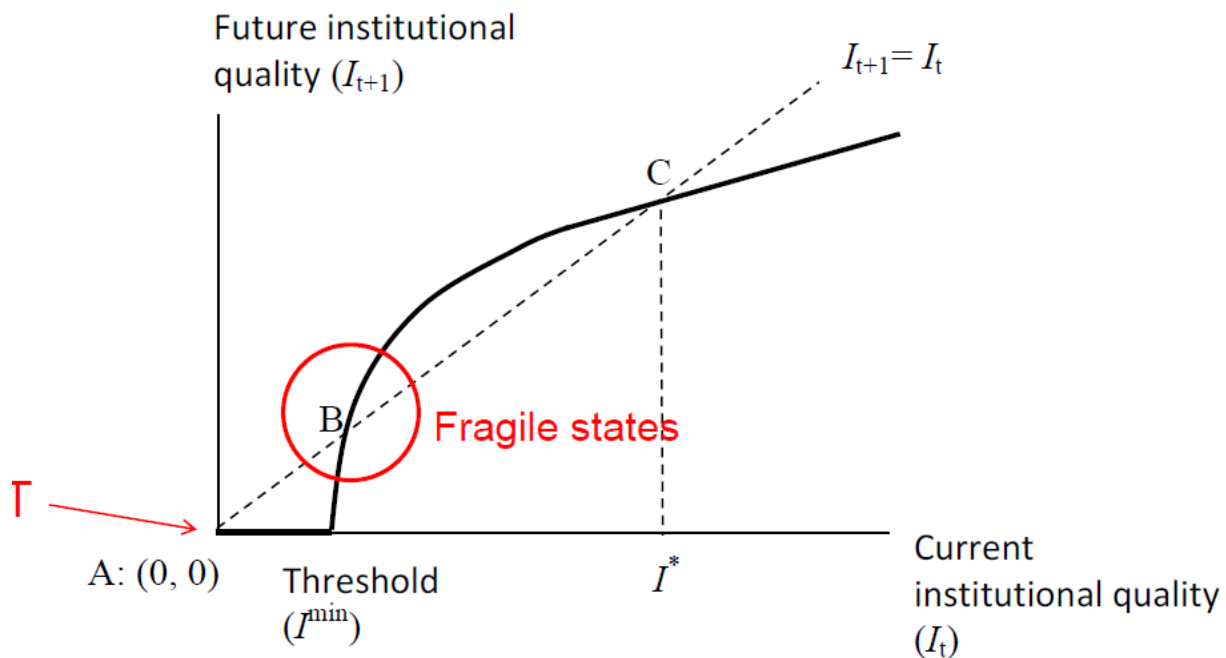
Humanitarian Aid

Explain how humanitarian aid in a war ravaged country can in fact be detrimental to its population.

Resource Curse

Explain why natural resources have been thought of as a *curse* for some countries.

Poor Institutions Trap



What is I_{\min} ? Why can withdrawal of foreign aid push a country into the "poor institutions trap"?

Poverty Elimination

"...the global poverty gap is roughly what Americans spend on lottery tickets every year, and it is about half of what the world spends on foreign aid."

Does this suggest that it is easy to eliminate global extreme poverty? Why, or why not?

Promotion Policies

Type 1 Promotion Policies: poor people to break out of the trap, by permitting a sufficiently large wealth gain, to put them on a path to reach their (higher and stable) steady state wealth

Type 2 Promotion Policies: raise productivity

Think about the policies you all suggested in your essays. Let us discuss them. Which of these were Type 1 promotion policies, and which were Type 2 promotion policies?