14.73x The Challenges of Global Poverty
Syllabus

Abhijit V. Banerjee       Esther Duflo

1 Administration

- Instructors Esther Duflo and Abhijit Banerjee [on video], and Esther Duflo [staffing the online course]

- Course website: https://www.edx.org/course/challenges-global-poverty-mitx-14-73x-3

2 Course Description

This is a course for those interested in the challenge posed by massive and persistent world poverty, and are hopeful that economists might have something useful to say about this challenge. The questions we will take up include: Is extreme poverty a thing of the past? What is life like when living under a dollar per day? Are the poor always hungry? How do we make schools work for poor citizens? How do we deal with the disease burden? Is microfinance invaluable or overrated? Without property rights, is life destined to be “nasty, brutish and short”? Should we leave economic development to the market? Should we leave economic development to non-governmental organizations (NGOs)? Does foreign aid help or hinder? Where is the best place to intervene? And many others. At the end of this course, you should have a good sense of the key questions asked by scholars interested in poverty today, and hopefully a few answers as well, viewed through an economic lens.

3 Prerequisites

No prerequisites. But economics is a mathematical science so math will appear, in small doses, in two forms. First, this course is empirically-oriented, so almost all of the required readings and lectures will, at times, use elementary statistics to describe the world. A handful of the required readings will use more advanced statistical tools (such as correlations and regressions) to dig deeper into the data. Second, the lectures will occasionally discuss simple mathematical models that economists find helpful to describe some aspects of the data. The intuition behind these models will, however, always be made clear, and
can be used as a substitute (for the purposes of your understanding, and when answering assignment questions) for mathematics.

4 Lectures and Time Commitment

The material for each topic will be posted weekly, and you should keep pace with the rest of the class. There will be about two lectures per week. You will have access to videos of the lecture presented in short segments (8-10 minutes on average), followed by finger exercises. You will also have access to the lecture notes and presentation slides.

The minimum commitment will be approximately 6 hours per week for watching the lectures, doing the readings, and completing the assignments.

5 Text, Readings, Additional video

The required text for this class is Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty. The book is available within the edX platform, courtesy of Perseus Books Group. You can also purchase a hard copy of Poor Economics here.

We will also rely on articles that you can access online, either through the edX course website or elsewhere. Required readings are starred and need to be read before the lecture under which they are listed. Additional readings are not required, but will aid your understanding of the lecture material.

6 Assignments and Grading Scheme

For most weeks during the course, there will be a homework assignment that covers the main topics in that unit. Homework assignments will be released on Mondays along with the videos, and will be due the following Sunday. In addition, there will be a final exam which you will have about two and a half days to complete. Please see the online calendar for further information. There is also a pdf schedule that you can download and keep for offline use. Grades for edX students will be calculated as follows:

- Homework Assignments: 45%
- Finger Exercises: 30%
- Final Exam: 25%

7 Calendar with Reading Assignments

Note: Starred readings are required and should be read before class.
1. WEEK 1: INTRODUCTION

- Introduction I: What this class is about
  - *Poor Economics*: Chapter 1 and Chapter 2 (pages 19-22)
- Introduction II: What you will learn
- Introduction III: How to interact with the course: Thoughts from Prof. Duflo and Prof. Banerjee

2. WEEK 2: POVERTY TRAPS AND EXPERIMENTS

- Poverty traps I: What is a poverty trap?
- Poverty traps II: Learning what works: The role of experiments
  - *Post and Discussion by Mead Over from Dani Rodrik’s blog on January 15, 2008 (“Jeff Sachs Vindicated”/ "Jeff Sachs not vindicated")
- Fill in entrance survey

3. WEEK 3: FOOD

- Food I: Is there a nutrition-based poverty trap?
  - *Poor Economics*: Chapter 2: pages 22-28
  - *The Indiana Jones of Economics, Part I, II, III (Freakonomics Blog post by Robert Jensen on his work on Giffen goods)
- Food II: The hidden traps
  - *Poor Economics*: Chapter 2: Pages 28-40

4. WEEK 4: HEALTH

- Health I: Delivering healthcare: A case study from India
  - *Udaipur Case Study: “Improving Health Care Delivery in India”
- Health II: Low Hanging fruit: Understanding health care behavior in developing countries
  - *Poor Economics*: Chapter 3

5. WEEK 5: EDUCATION

- Education I: Setting the stage
  - *Case, Anne, “The Primacy of Education”, Chapter 18 in Understanding Poverty
• Education II: How to make schools work for the poor: Pratham’s experience

• Education III: Beyond supply and demand wars
  – *Poor Economics: Chapter 4

6. WEEK 6: FAMILY

• Family I: (Somewhat) unorthodox findings on the family
• Family II: What drives fertility decisions?
  – *Poor Economics: Chapter 5: pages 103-123
• Family III: Gender discrimination
  – *Poor Economics: Chapter 5: pages 123-129
  – *Amartya Sen "100 million missing women" New York Review of Books

7. WEEK 7: RISK AND INSURANCE

• Risk and Insurance I
• Risk and Insurance II
  – *Poor Economics: Chapter 6

8. WEEK 8: CREDIT

• Credit I: The not so simple economics of lending to the poor
  – *Poor Economics: Chapter 7: pages 157-168
• Credit II: The promise and perils of microfinance
  – *Poor Economics: Chapter 7: pages 168-180
  – Financial Times article - "Microcredit is not the enemy"
  – The Economist article - "Big Troubles for Microfinance"
  – New York times Yunus Oped article - "Sacrificing Microcredit for Megaprofits"

9. WEEK 9: SAVINGS
• Savings I
  – *Poor Economics: Chapter 8
• Savings II

10. WEEK 10: ENTREPRENEURSHIP

• Entrepreneurship I: Entrepreneurs and workers
  – *Poor Economics: Chapter 9

11. WEEK 11: INSTITUTIONS

• Policies and Politics I: Can evidence play a role in the fight against poverty?
  – *Poor Economics: Chapter 10
• Policies and Politics II
• Policies and Politics III

12. WEEK 12: CONCLUSION

• Conclusion: In place of a sweeping conclusion
  – *Poor Economics: Conclusion

**FINAL EXAM**