

14.73: The Challenge of World Poverty

CI-H Class

Syllabus Fall 2019

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Mon/Wed 1:00-2:30

1 Course Description

- Do you want to be prepared to tackle global poverty?
- Do you want a hands-on class with real-world case studies every week?
- Do you want to get to know J-PAL, one of MIT's leading research labs?
- Do you want to satisfy your CI-H requirement?
- Do you want to master the art of effective oral and written presentations?

If so, 14.73 Challenges of World Poverty is exactly the right class for you. This is a course for those who are 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.

In the comfort of your dorm room or home, you will listen to video lectures taught by Abhijit Banerjee and Esther Duflo, based on their award-winning book [Poor Economics](#). In class, you will apply your minds, in small groups, to solve real-world cases, present them to your peers, and discuss their solutions. Even better, you will write and revise several essays and satisfy your CI-H requirement!

2 No Prerequisites

There are no prerequisites! This class should be an excellent introduction to economics: you will see immediately how it can help us solve some of the world's most important problems. Freshmen, students from other fields, and economists are welcome. However, attending class and completing the online viewing of lectures is a requirement.

3 Organization of this Course

This course has a somewhat unorthodox structure, but one that we think offers an exciting and novel approach to learning the course material. It is organized around a series of core

topics in Development Economics: Introduction, The Role of Evidence, Food, Health, Education, Inside the Family, Risk and Insurance, Credit and Microfinance, Savings, Entrepreneurship, and Political Economy.

You will be expected to view video lectures posted online, via the 14.73 private site, prior to the class in which we cover the corresponding topic. Each video lecture is sub-divided into short segments (8-10 minutes on average), and you will be invited to complete quick ‘finger exercises’ after each segment. These exercises are designed to probe basic comprehension of the video content and we strongly encourage you to complete them. In addition, every week before lecture, you will complete an online assignment that will make sure that you have understood the material, and occasional quizzes will ascertain your mastery of these topics.

4 Topics

The questions we will take up include: What is economic life like when living under a dollar per day? Is hunger the same thing as poverty? Why don’t schools work for poor citizens? How do we deal with the disease burden? Is microfinance invaluable or overrated? Should we leave economic development to the market? How about non-governmental organizations (NGOs)? Does foreign aid help or hinder? What is the best way to intervene? And many others.

- **What Is This Class About?** Why should we care about world poverty? Can anything even be done about it?
- **What is a Poverty Trap?** Are poor people trapped? Could small interventions help unlock this trap?
- **The Role of Evidence; Randomized-Controlled Trials:** How do we know what works and what does not when fighting poverty?
- **Food:** Is there enough food for everyone in the world? Are poor people starving?
- **Health:** Is it possible for the poor to consume too much and too little health care at the same time? How do people even figure out what is good for them?
- **Education:** Most kids are going to primary school now. Is the education battle won?
- **Risk and Insurance:** The poor face a tremendous amount of risk. Can we just sell them insurance to make everybody better off?
- **Credit and Microfinance:** Mohammed Yunus won the Nobel Peace prize for microfinance. Is that the best invention ever?
- **Savings:** The poor cannot save, since they have no money. Obvious? Think again.
- **Entrepreneurship:** Do the poor really love their businesses?
- **Political Economy:** Will all problems be solved by good institutions?
- **Summary:** Where do we go from here? How do we change the world?