

14.73: The Challenge of World Poverty

Syllabus Fall 2022

Esther Duflo and Frank Schilbach

Mondays 1:00–2:30 pm; Wednesdays 12:30–2:30 pm

First lecture: Wed Sept 7 from 12:30 pm to 2:30 pm in E51-395

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 a 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 course is designed for those who are interested in the challenges posed by massive and persistent world poverty, and are hopeful that economists might have something useful to say about these challenges.

The class feature a mix of lectures and case studies. In the lectures, we will give you an introduction to development economics based on Esther Duflo and Abhijit Banerjee's award-winning book [Poor Economics](#). In the case studies, you will apply this knowledge in small teams 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!

(No) Prerequisites

There are no prerequisites! The class is designed for first-year students and 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. However, there is one requisite: regularly attending class (including recitations). If you cannot attend class regularly, you cannot take this class.

Administration

- **Instructors**

Esther Duflo (eduflo@mit.edu, E52-544)

Office hours by appointment.

Frank Schilbach (fschilb@mit.edu, E52-560)

Office hours by appointment. Please email or sign up [here](#).

- **Teaching assistants**

Jie Zhou (jiezhou@mit.edu); office hours: TBD.

Mikey Jarrell (miskeyj@mit.edu); office hours: TBD.

Class email address: 1473fall2022@gmail.com

- **Recitations**

Section 1: Friday 1:00–2:00 pm, E25-117 (Jie)

Section 2: Friday 2:00–3:00 pm, E25-117 (Mikey)

- **Writing advisor**

Louise Harrison-Lepera (lhl3@mit.edu)

Office hours by appointment.

- **Classrooms**

Lectures: Wednesdays 12:30–2:30 pm in E51-395

Case Studies: Mondays 1:00–2:30 pm in E52-432 (with some use of E52-324)

- **Course website** (written assignments, readings, etc.)

<https://canvas.mit.edu/courses/15551>

- **Piazza website** (for Q&A and discussions)

<https://piazza.com/mit/fall2022/1473>

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: the role of evidence, food, health, education, risk and insurance, credit and microfinance, savings, entrepreneurship, and the psychology of poverty. Each of these topics is covered by a combination of a two-hour (in-person) lecture and a combination of reading material, hands-on case studies with student presentations, and essay writing. If you cannot attend class and recitation regularly and arrive on time every time, you should not take this class.

Lectures

We cover each topic in a two-hour lecture, usually on Wednesdays. The course closely follows the book Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty by Abhijit Banerjee and Esther Duflo, which you will need to purchase or borrow for this class. A few of these will be special lectures: for example, in one we will watch and discuss a movie directed by Professor Banerjee.

It will be assumed that you have read the relevant chapter of *Poor Economics* before class. Everything else will be much easier for you if you have. In addition, some topics will include supplemental reading posted on the course website, also to be completed beforehand.

Participation requires attendance and timeliness, as lectures or group work will start promptly at 12:35 pm on Wednesdays and on 1:05 pm on Mondays.

Weekly memos

Each week on the day before lecture, you will submit a short memo that relates to the readings for the lecture. In this memo, you should describe briefly what you found most important in the readings, and why you think what you read is important. These memos will be generously graded as their primary goal is to ensure that you do the readings in time and think a bit about them before class. Each memo is due at 8 pm on the Tuesday before lecture.

Case studies

Case study classes will be organized around presentations by teams of three to five students each. Teams of students will be formed at the beginning of the semester, and then reassigned once during the semester. Some adjustment based on drop-outs may have to be made as we go. Case study presentations will relate to the topic of study for the week. These will proceed as follows.

- (1) Prior to a case study class, we will distribute (on the course website on Thursdays and sometimes in recitation on Fridays) a set of background readings related to the case study. It is essential that you read these materials before the case study class. In the recitation prior to the class, your TA will help you with some background and tools that will help you to navigate the case.
- (2) At the start of each class, the professor will introduce the topic and then hand out a series of questions related to the case study.
- (3) Each team will then have about 45 minutes to prepare a 5–7 minute presentation (with slides) on the case study questions.
- (4) Since you won't know the case study questions beforehand, you will need to arrive to class promptly and be willing to work interactively and intensively with your team members to complete your presentation during the class time.

- (5) Both the professor and the teaching assistants will be available to answer questions during this time. Below we describe the characteristics of a successful presentation.
- (6) At the end of the 45 minutes, all teams will email their presentations to the TAs via the class email address (1473fall2022@gmail.com). Then one of the teams will be chosen randomly to present. While only one team will be actually delivering their presentation, all teams' presentation slides will be graded after the class.
- (7) After the presentation, there will be a group discussion, moderated by the professor. One goal of this class is for you to learn the art of constructive criticism from these exchanges.
- (8) Finally, the class will conclude with a short summary and overview from the professor.

Written assignments

Throughout the term, you will be asked to write two essays (1,500 words each) and one policy brief (2,000 words). Essays will be related to the cases discussed in class. For example, if the case tasks with you with advising a government on a topic, the essay will be a memo on this topic. You will be supported by the professors, the TA, and an MIT specialist writing advisor! Late submissions will NOT be accepted (for any of the assignments).

- **Essay 1** (1500 words): based on Case 1, 2, or 3.
 - First draft (ungraded) due Thu, Oct 13 at 8 pm.
 - Final draft due Thu, Oct 27 at 8 pm.
- **Essay 2** (1500 words): based on the movie, Case 4 or 5, or any Case not chosen for Essay 1.
 - No first draft.
 - Final draft due Thu, Nov 10 at 8 pm.
- **Policy Brief** (2000 words)
 - First draft (graded) due Thu, Nov 17 at 8 pm.
 - Final draft due Tue, Dec 6 at 8 pm.

Although the first draft of Essay 1 is ungraded, you will receive feedback from the TAs and from a *required* individual meeting with your writing advisor. You should incorporate the feedback from both of these sources into your final draft. You are not required to submit a first draft of Essay 2.

In addition to the essays, you will be asked to write a **policy brief** along the lines of actual policy briefs published by J-PAL ([here](#)). To prepare you for this task, a member of the Policy Team at J-PAL will give a guest lecture on policy briefs and how to write them. As with Essay 1, you will receive feedback on the first draft of your policy brief, which you are expected to incorporate into the final draft. Unlike Essay 1, both drafts of the policy brief count towards your final grade.

Recitation

Recitations are an essential part of this class — this is a CI-H class, so you will have recitation in small groups. To be able to take this class, you must be available during one of the recitation time slots and attend recitation regularly. Recitation will cover:

- Tips on presentation and writing;
- Recap of the concepts and materials covered in class; and
- Background on the case to be covered in the following week.

Recitations begin on Friday, September 9 at 1 pm and at 2 pm (each in E25-117). You can attend any of the two recitations in the first week but you will be assigned a recitation time slot for the remainder of the semester.

Getting help outside of class

If you have questions regarding the class material, there are four ways to get help.

- (i) Use the online forum ([Piazza](#)). We will have threaded discussions (monitored by the TAs and professors) for all class-related topics, which should allow you to get a timely, high-quality answer to most of your questions.
- (ii) Drop in during TA office hours (see info above).
- (iii) Go to the professors' office hours (see info above).
- (iv) Ask questions during lecture and recitation.

Please avoid sending us your class-related questions by email (except for personal class-related matters). The discussion forum and office hours are more efficient ways for us to communicate with you, and your forum questions and responses will benefit many of your classmates.

Schedule of classes and readings

We will proceed as described in the schedule below. Within each module, the first date listed is for the lecture, and the second is for the case study. With the exception of the very first lecture, you should complete these mandatory readings (usually a *Poor Economics* chapter) prior to their respective lectures. Additional readings not listed here that will be assigned for the case studies.

MODULE 1: INTRODUCTION

- **Sep 7 (Wed) — Lecture 1: What Is This Class About?**
 - Read Quiet Violence: Chapter 12, “The Trials of a Poor Peasant Family.”
 - Read Poor Economics: Chapter 1, “Think Again, Again”
- **Sept 12 (Mon) — Case 1: What Does it Mean to be Poor?**
 - Familiarize yourself with the website <https://www.gapminder.org/>. In particular:
 - Play around a bit with <https://www.gapminder.org/tools/> and work out how to visualize changes in relationships over time.
 - Explore the Dollar Street section: <https://www.gapminder.org/dollar-street/matrix>.
 - Check out some of the slides and interactive presentations (half way down the page) at <https://www.gapminder.org/downloads/>.

MODULE 2: THE ROLE OF EVIDENCE

- **Sep 14 (Wed) — Lecture 2: The Role of Evidence**
 - Watch Esther Duflo’s TED Talk “[Social Experiments to Fight Poverty](#)”
- **Sept 19 (Mon) — Case 2**
 - Readings will be assigned on Sept 15.

MODULE 3: FOOD

- **Sep 21 (Wed) — Lecture 3: Food and the Nutrition Poverty Trap**
 - Read Poor Economics: Chapter 2, “A Billion Hungry People?”
- **Sep 26 (Mon) — Case 3**
 - Readings will be assigned on Sept 22.

MODULE 4: HEALTH

- **Wed, Sept 28 — Lecture 4: Health**
 - Read Poor Economics: Chapter 3, “Low-Hanging Fruit for Better (Global) Health?”
- **Mon, Oct 3 — Case 4**
 - Readings will be assigned on Sept 29.
- **Wed, Oct 5 — Movie class!**
 - No readings.

NO CLASS ON MON OCT 10 (HOLIDAY)

MODULE 5: EDUCATION

- **Oct 12 (Wed) — Lecture 5: Education**
 - Read Poor Economics: Chapter 4, “Top of the Class.”
- **Oct 17 (Mon) — Case 5**
 - Readings for the case will be assigned on Oct 13.

MODULE 6: RISK AND INSURANCE

- **Oct 19 (Wed) — Lecture 6: Risk and Insurance**
 - Read Poor Economics: Chapter 6, “Barefoot Hedge-Fund Managers.”
- **Oct 24 (Mon) — Case 6**
 - Readings for the case will be assigned on Oct 20.

INTERMEZZO: GUEST LECTURE & BREAK

- **Oct 26: Guest lecture by [Anu Dathan](#) of the J-PAL Policy Team.**
- **Oct 31: No class!**

MODULE 7: CREDIT

- **Nov 2 (Wed) — Lecture 7: Credit**
 - Read Poor Economics: Chapter 7, “The Men from Kabul and the Eunuchs from India: The (Not So) Simple Economics of Lending to the Poor.”
- **Nov 9 (Mon) — Case 7**
 - Readings for the case will be assigned on Nov 3.

MODULE 8: SAVINGS

- **Nov 9 (Wed) — Lecture 8: Savings**
 - Read Poor Economics: Chapter 8, “Saving Brick by Brick.”
- **Nov 14 (Mon) — Case 8**
 - Readings for the case will be assigned on Nov 10.

MODULE 9: ENTREPRENEURSHIP

- **Nov 16 (Wed) — Lecture 9: Entrepreneurship**
 - Read Poor Economics: Chapter 9, “Reluctant Entrepreneurs.”
- **Nov 21 (Mon) — Case 9**
 - Readings for the case will be assigned on Nov 17.

NO CLASS ON WED NOV 23 OR ON MON NOV 28

MODULE 10: PSYCHOLOGY OF POVERTY

- **Nov 30 (Wed) — Lecture 10: Psychology of Poverty**
 - Readings TBD.
- **Dec 5 (Mon) — Case 10**
 - Readings for the case will be assigned on Dec 1.

WRAP-UP AND FINAL EXAM

- **Dec 7 (Wed) — Wrap-up Lecture**
 - No readings.
- **Finals Week — Final Exam**
 - Date, time, and place TBD.

Full schedule of assignments

All assignments are due at **8:00 pm sharp** on Canvas. Remember that late submissions will NOT be accepted (for any of the assignments).

Due Date	Assignment
September 13 (Tues)	Weekly Memo for Lecture 2 (Role of Evidence)
September 20 (Tues)	Weekly Memo for Lecture 3 (Food)
September 27 (Tues)	Weekly Memo for Lecture 4 (Health)
October 11 (Tues)	Weekly Memo for Lecture 5 (Education)
October 13 (Thu)	First draft of Essay 1 (based on either case 1, 2, or 3)
October 18 (Tues)	Weekly Memo for Lecture 6 (Risk and Insurance)
October 27 (Thu)	Final draft of Essay 1 (based on either case 1, 2, or 3)
November 1 (Tues)	Weekly Memo for Lecture 7 (Credit)
November 8 (Tues)	Weekly Memo for Lecture 8 (Savings)
November 10 (Thu)	Essay 2 (based on movie or any case 1–5)
November 15 (Tues)	Weekly Memo for Lecture 9 (Entrepreneurship)
November 17 (Thu)	First draft of Policy Brief
November 29 (Tues)	Weekly Memo for Lecture 10 (Psychology of Poverty)
December 6 (Tues)	Final draft of Policy Brief

Grading

The final grade will be scored out of 160 points based on the following four components:

1. Student presentations (40 points)

All presentation slide decks (not just those randomly selected to be delivered orally) will be graded. Therefore, slides should include all relevant information from the presentation. All members of a group will receive the same grade except those who were absent from class on the given day, who will receive a zero score on that presentation.

Only the best eight out of your ten presentation grades will count towards your final score—among other motives, we hope that this will allow students to make allowances for unavoidable illnesses or other absences.

The key to success on these presentation grades is to (i) address the questions posed in the case study, (ii) defend your position with clear and relevant logic, and (iii) relate your ideas strongly to the readings and lectures.

2. Written assignments (40 points)

Throughout the term you will write two essays (1,500 words each) and one policy brief (2,000 words). While you can discuss the content of these assignments with your classmates, you will need to work on them individually. You will receive feedback on the policy brief and you will submit a revised version. The essays will be worth 10 points each, and the policy brief will be worth 20 points (8 for the first submission, 12 for the revised version).

Successful essays will have the same attributes of successful presentations: (i) answers relevant to the question asked, (ii) clear exposition and logic, and (iii) connection with material covered in the course.

3. Weekly memos, attendance, and in-class participation (40 points)

Each of the 9 memos covering the readings will count for 2 points, though we will drop your lowest two scores, so the memos will earn you up to 14 points. The remaining 26 points will be awarded based on attendance and in-class participation. We will take attendance in lecture and recitation. We intend to reward students who deliver presentations well (so take turns equally within your group!), those who deliver constructive and relevant comments, and students who contribute helpfully to the overall discussion in lectures and recitation.

4. End-term exam (40 points)

The final exam — up to 3 hours in length, though we expect it to take less than that — will consist of one section on the material covered in the readings and lectures and one section with a case study related to various topics covered throughout the term. The same attributes that contribute to high presentation and essay grades will be rewarded on this exam. The final exam will take place during the final-exam period as determined by the MIT registrar later in the semester.

Collaboration between students

You are allowed to discuss the essays and the policy brief with your classmates. However, you should submit your own individual copy of these written assignments. Each of you should work on your own written assignments, which need to be distinct from the other students' submission.

Check

Great, you are still reading! To confirm that you indeed read the syllabus, please email a picture of a capybara to Prof. Schilbach (fschilb@mit.edu) with the subject line "14.73 capybara confirmation". Please try to send interesting capybara pictures rather than the first capybara that comes up on Google.

Reporting bias-related incidents; other support

Reporting bias-related or other incidents. The Economics Department fully endorses the Institute Discrimination and Harassment Response Office (IDHR) reporting process for any bias-related incident. We encourage students to use this valuable resource if needed for any reason. This process is useful for addressing any issues that may arise with professors, teaching assistants, or other students in this course. If you've had a negative experience and aren't sure if IDHR is the place to go, they can also help you find the right office at MIT to receive support. The department values such reports as important to our pursuit of equitable and inclusive treatment for all students, faculty, and staff. <https://idhr.mit.edu/submitincidentreport>

Accessibility and support. The Department of Economics values an inclusive environment. If you need a disability accommodation to access this course, please communicate with us early in the semester. If you have your accommodation letter, please meet with the faculty so that we can understand your needs and implement your approved accommodations. If you have not yet been approved for accommodations, please contact Disability and Access Services at das-all@mit.edu to learn about their procedures. We encourage you to do so early in the term to allow sufficient time for implementation of services/accommodations that you may need.

Additional writing and communication support. We encourage you to take advantage of the MIT Writing and Communication Center (WCC), which offers free one-on-one professional advice from MIT lecturers who are communication experts with advanced degrees and years of experience working with students, researchers, faculty, and staff. They all are instructors of communication, published scholars and writers, and skilled coaches. WCC experts can help anything having to do with written or oral communication, including class assignments, scientific writing, pronunciation practice, resumes, undergraduate theses, slide design, etc. To learn more about or sign up for WCC consultations, visit <http://cmsw.mit.edu/writing-and-communication-center>.