



UNIVERSITÄT
BAYREUTH

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Bachelor Seminar

Seminar on Political Economy

Poor Economics

Content

Global poverty remains one of the main challenges in the 21st century. As a testament to this, in 2019, The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel was awarded to Abhijit Banerjee, Esther Duflo, and Michael Kremer "*for their experimental approach to alleviating global poverty.*" Findings from randomized controlled trials (RCTs) suggest that it may be oftentimes just a small intervention that has a large effect on the decisions of the poor, for instance, whether parents send their children to school, how many children they have or whether and how to save.

In this seminar, we will read and discuss Banerjee's and Duflo's book *Poor Economics* to review topics in development economics like education, health care, fertility, finances, or institutions. In their book the authors illuminate the economic lives of the world's poor and present their approach of *dividing development issues into smaller, but more manageable questions*. We will analyze and discuss the causes on why people are stuck in poverty as presented in the book and also look at potential solutions. Accompanying each chapter, we will read one research paper published in an economic journal underlying the authors' reasoning. We will thereby touch upon the methodology, advantages and limits of randomized controlled trials in development research. This will allow us to critically assess the idea of gradually improving the lives of the poorest.

Target Group

This seminar targets advanced bachelor students interested in analyzing and discussing topics and research in development economics. A very good understanding of how to read and interpret econometric results and economic models as well as an understanding of general economic principles

is required. Students should be familiar with econometric methods like OLS and Instrumental Variables. I recommend participating in the seminar only after having attended the courses *Entwicklungsökonomie I* or *Empirische Wirtschaftsforschung I*. The seminar language is English.

Accreditation

Students can earn credit points for the following degree programmes:

- Internationale Wirtschaft und Entwicklung (B.A.): “Seminar zur Entwicklung”
- Economics (B.Sc.): “Seminar zur Entwicklung”
- P&E (B.A.): “E6: Economics Seminar”

Requirements

The seminar is based on the reading of *Banerjee, A. V., Duflo, E., 2011. Poor Economics. Public Affairs, New York*. Participants therefore need to have a (print or digital) copy at hand for the seminar. Further literature and materials will be provided in the e-Learning course. Seminar participants are asked to give an academic presentation (50 minutes) in teams of two on one chapter in the book and one related article published in an academic journal. Participants are expected to inform themselves on additional related literature. Participants are also expected to moderate the discussion following their presentation (15 minutes). Active participation in discussions during the seminar is expected of all participants and attendance is compulsory. To encourage active participation, and the reading of the book, students will be able earn bonus points in short quizzes at the start of each session. The final grade will be given on basis of the seminar presentation and a written seminar paper of approximately 3200 words.

Seminar Organisation

Lecturer: Marco Frank (Ph.D. student), Volkswirtschaftslehre E, Marco1.Frank@uni-bayreuth.de

The seminar is held online on Thursdays (4pm-6pm) and Fridays (2pm-4pm) in the first week of the semester and from June 10 to July 16 (see below). A mandatory **introductory lecture** will be given to present the topics of the seminar, requirements for the presentation and the seminar paper and to assign the presentation topics. All potential questions regarding the seminar (e.g. difficulty of topics, presentation style, accreditation etc.) will be answered during the introductory lecture. The deadline for the submission of the final **seminar paper** is September 30, 2021. **To apply** for the seminar, please fill out the following form until April 08, 2021:

<https://forms.gle/VTpocJ6hs6dxrHdCA>

In case of overbookings, priority will be given to students who applied for the seminar in due time on a first-come-first-served basis conditional on eligibility. For **remaining questions** regarding content or organization of the seminar please send an email to Marco Frank.

Schedule, Topics and Literature

--- Application period until April 08, 2021 ---

Introduction

Thursday, April 15, 4pm-6pm

Literature: Poor Economics, Chapter 1

Presenter: Marco Frank

Randomized Controlled Trials

Friday, April 16, 2pm-4pm

Presenter: Marco Frank

--- Literature research, preparation of presentations ---

Nutrition

Thursday, June 10, 4pm-6pm

Literature: Poor Economics, Chapter 2 and Baird, S., Hicks, J. H., Kremer, M., & Miguel, E. (2016). Worms at Work: Long-run Impacts of a Child Health Investment. *The Quarterly Journal of Economics*, 131(4), 1637-1680. doi:10.1093/qje/qjw022

Presenter:

Health

Friday, June 11, 2pm-4pm

Literature: Poor Economics, Chapter 3 and Banerjee, A. V., Duflo, E., & Glennerster, R. (2008). Putting a Band-Aid on a Corpse: Incentives for Nurses in the Indian Public Health Care System. *Journal of the European Economic Association*, 6(2-3), 487-500. doi:10.1162/jeea.2008.6.2-3.487

Presenter:

Education

Thursday, June 24, 4pm-6pm

Literature: Poor Economics, Chapter 4 and Banerjee, A. V., Cole, S., Duflo, E., & Linden, L. (2007). Remedying Education: Evidence from Two Randomized Experiments in India. *The Quarterly Journal of Economics*, 122(3), 1235-1264. doi:10.1162/qjec.122.3.1235

Presenter:

Fertility

Friday, June 25, 2pm-4pm

Literature: Poor Economics, Chapter 5 and Dupas, P. (2011). Do Teenagers Respond to HIV Risk Information? Evidence from a Field Experiment in Kenya. *American Economic Journal: Applied Economics*, 3(1), 1-34. doi:10.1257/app.3.1.1

Presenter:

Education and Fertility – guest lecture

Thursday, July 01, 4pm-6pm

Presenter: Frederik Wild

Risk and Insurance

Friday, July 02, 2pm-4pm

Literature: Poor Economics, Chapter 6 and Zwane, A. P., Zinman, J., Dusen, E. V., Pariente, W., Null, C., Miguel, E., . . . Banerjee, A. (2011). Being surveyed can change later behavior and related parameter estimates. *Proceedings of the National Academy of Sciences*, 108(5), 1821-1826. doi:10.1073/pnas.1000776108

Presenter:

Microcredit

Thursday, July 08, 4pm-6pm

Literature: Poor Economics, Chapter 7 and Field, E., & Pande, R. (2008). Repayment Frequency and Default in Microfinance: Evidence From India. *Journal of the European Economic Association*, 6(2-3), 501-509. doi:10.1162/jeea.2008.6.2-3.501

Presenter:

Saving

Friday, July 09, 2pm-4pm

Literature: Poor Economics, Chapter 8 and Schaner, S. (2016). The Cost of Convenience? Transaction Costs, Bargaining Power, and Savings Account Use in Kenya. *Journal of Human Resources*, 52(4), 919-945. doi:10.3368/jhr.52.4.0815-7350r1

Presenter:

Entrepreneurship

Thursday, July 15, 4pm-6pm

Literature: Poor Economics, Chapter 9 and

Presenter: Field, E., Jayachandran, S., & Pande, R. (2010). Do Traditional Institutions Constrain Female Entrepreneurship? A Field Experiment on Business Training in India. *American Economic Review*, 100(2), 125-129. doi:10.1257/aer.100.2.125

Politics and Institutions

Friday, July 16, 2pm-4pm

Literature: Poor Economics, Chapter 10 and Olken, B. A. (4 2007). Monitoring Corruption: Evidence from a Field Experiment in Indonesia. *Journal of Political Economy*, 115, 200-249. doi:10.1086/517935

Presenter:

--- Writing seminar paper until September 30, 2021 ---
