

## ECONOMICS FOR A BETTER WORLD

Professor: **Olivia BERTELLI, Véronique GILLE, Kenneth HOUNGBEDJI**

Session: **July 2024**

Language of instruction: **English**

Number of hours of class: **36h**



### Objective of the Course

This course seeks to introduce pressing issues in contemporary public policies, aiming at improving living conditions and life outcomes in low-income countries. First, we review the concept of poverty and discuss the policies to tackle it and the resulting challenges. Second, we introduce the concept of human capital and discuss public policies aiming at improving life outcomes through adoption of agricultural practices, access to education and health services, and by addressing issues related to gender-based discrimination. Last, we present environmental concerns generated by economic activities and discuss the policy options seeking to promote economic activities and sustainable use of natural resources.

Students enrolled in this course are required to have validated one university-level course in microeconomics and statistics.



### Summary

According to recent estimates from the World Bank, 736 million people are living in extreme poverty around the world. While some regions have experienced significant progress in poverty reduction, others, such as Sub-Saharan Africa, still struggle with increasing extreme poverty.

From a development economist perspective, these numbers trigger at least two types of questions: the first relates to how these numbers are computed and to what they mean. The second relates to the relationship between poverty and economic development and, in particular, to the policies that can be implemented to reduce (or even eliminate) extreme poverty.

With these questions in mind, the goal of this course is to present the main topics related to poverty reduction from the perspective of development economics. While addressing global issues, the course emphasizes the microeconomic dimensions of poverty such as lack of human capital, lack of physical assets, lack of insurance, etc. The course also pays great attention to measurement issues and to the methods that are used to produce quantitative evidence on the causes of, and solutions to, poverty. To echo the 2019 Nobel Prize in Economics attributed to Esther Duflo, Abhijit Banerjee and Michael Kremer, examples will be taken from recent randomized experiments, although not exclusively.

The course is intended for students who have an intermediate level in economics. It requires a willingness to understand the economics approach to poverty issues as well as a taste for quantitative approaches, but will not delve into the discussion of models and equations.



## Organization of the course

The course is organized into 11 topics.

The topics will be:

1. What is Poverty? Who are the Poor?
2. Poverty Reduction Policies: Design and Evaluation
3. Human Capital 1: The Primacy of Education
4. Human Capital 2: The Health Policies
5. Gender issues
6. Agricultural Economics
7. Environment and Natural Resources: Introduction
8. Environment and Natural Resources: A Focus on Deforestation
9. Environmental and Development Policies
10. Credit Access and Microfinance
11. Political Economy of Policies: Corruption



## Bibliography

Banerjee, A. V., Banerjee, A., & Duflo, E. (2011). Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty. Public Affairs.

Chen, S., & Ravallion, M. (2010). The Developing World is Poorer than we Thought, but no less Successful in the Fight Against Poverty. The Quarterly Journal of Economics, 125(4), 1577-1625.

Deaton A. (2013): The Great Escape. Princeton University Press

Duflo, E. (2012). Women Empowerment and Economic Development. Journal of Economic Literature, 50(4), 1051-1079.

Greenstone, M. and B. K. Jack (2015). Envirodevonomics: A Research Agenda for an Emerging Field. Journal of Economic Literature 53(1), 5–42

Ostrom, E. (1990). Governing the Commons: The Evolution of Institutions for Collective Action. Cambridge University Press.



## Requirements for validation

- 1 oral presentation by groups of two or three students
- 1 online multiple choice questionnaire (MCQ)



## Professor's Biography

Olivia Bertelli, Véronique Gille and Kenneth Hounbedji are economists from the University Paris-Dauphine and the French National Research for Sustainable Development (IRD), currently assigned at DIAL, a joint IRD - University Paris-Dauphine research center on development economics and international Economics in Paris. Olivia Bertelli received a PhD in Development Economics from the Paris School of Economics in 2016. Her research focuses on how to improve agricultural production in Uganda, on empowering young women in Mali and on how the civil conflict in Yemen affects people's trust in others, as well as migration issues, with a strong focus on the migration and development nexus in Western Africa. Véronique Gille graduated from the University of Paris 1 Panthéon Sorbonne in 2013. She works on social capital and identity in India. Kenneth Hounbedji holds a PhD in Economics from the Paris School of Economics. His research focuses on topics of development and environmental economics and studies how norms and institutions help improve life outcomes in low-income countries.

