Poor Economics May Give a Rich Dividend

Book review

Prema Basargekar

Details of the book reviewed:


Despite millions of dollars spent every year as international aid by rich philanthropists and by international organizations, poverty alleviation still remains a distant dream with billions of people sleeping hungry every day. This creates a great stir amongst academicians and policy makers. Where does this aid actually go? Who benefits from it, or rather, does it benefit anybody at all? In the whole gamut of these opinions two opposing views emerge; one promoted by Jeffrey Sachs from Columbia University and his supporters who firmly believe that aid and government intervention are important for the eradication of poverty and the other with proponents like Bill Easterly from NYC which proclaims that no improvement can take place unless and until the need for it emerges from the bottom. In fact, they believe that aid does more harm than good. Poor Economics\(^2\), authored by Abhijit Banerjee and Esther Duflo\(^3\), tries to find some answers to these questions.

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\(^2\) The book is recipient of 2011 Financial Times & Goldman Sachs Business book of the Year award.

\(^3\) Abhijit Banerjee is a Ford Foundation International Professor of Economics, MIT and Ester Duflow is a Professor of Poverty Alleviation and Development Economics, MIT