

More Than Good Intentions



HOW A NEW ECONOMICS IS HELPING
TO SOLVE GLOBAL POVERTY

DEAN KARLAN
— AND JACOB APPEL —

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A leading economist and researcher report from the front lines of a revolution in solving the world's most persistent problem.

When it comes to global poverty, people are passionate and polarized. At one extreme: We just need to invest more resources. At the other: We've thrown billions down a sinkhole over the last fifty years and accomplished almost nothing.

Dean Karlan and Jacob Appel present an entirely new approach that blazes an optimistic and realistic trail between these two extremes.

In this pioneering book Karlan and Appel combine behavioral economics with worldwide field research. They take readers with them into villages across Africa, India, South America, and the Philippines, where economic theory collides with real life. They show how small changes in banking, insurance, health care, and other development initiatives that take into account human irrationality can drastically improve the well-being of poor people everywhere.

We in the developed world have found ways to make our own lives profoundly better. We use new tools to spend smarter, save more, eat better, and lead lives more like the ones we imagine. These tools can do the same for the impoverished. Karlan and Appel's research, and those of some close colleagues, show exactly how.

In America alone, individual donors contribute over two hundred billion to charity annually, three times as much as corporations, foundations, and bequests combined. This book provides a new way to understand what really works to reduce poverty; in so doing, it reveals how to better invest those billions and begin transforming the well-being of the world.

More Than Good Intentions: How a New Economics Is Helping to Solve Global Poverty Details

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Mark says

Karlan and Appel make a good team. They should do more research of their own.

Most of the research in this book are the same studies that Poor Economics covers. It's slightly more entertainingly written than Esther Duflo and Abhijit Bannerjee's book, but as Karlan is an apprentice of Duflo and Bannerjee, it just seems like a lesser book that you could skip.

I'm a bit skeptical of the value of Karlan's site, stickK.com, and more than a bit annoyed that he shilled it in the middle of a book on the poor. It's a good idea, but I don't know if its a good implementation.

It was a decent read, though, and it reminded me of a lot of awesome research.

Michel Russo says

As someone just entering the field of international development, I found this book extremely helpful in answering my biggest question; does any of this actually work?

My own (simplified) understanding of development is that, for years, money has been poured into different governments, projects, and organizations internationally...some of which has made an impact but too much of it hasn't.

What I love about this book is how Karlan and Appel seek ways to discover what makes development programs successful. They perform the analysis necessary to discover if the people and problems targeted by aid programs are really being affected. In many ways, they aren't. This book is not a rain on development parade though (I've read those books, and they're exhausting.) Instead, Karlan and Appel highlight how, in certain cases, they reworked programs, specifically their incentive structures (they're economists after all) in order to create more effective outcomes.

While these solutions cannot be blanketed for each program in every country, they highlight the importance of critical analysis of development to reach an ultimate goal. For this reason, I'm still skeptical of the seven goals listed in the end of the book as things that are "inherently successful" as the range of variables are too broad in every scenario. However, it's a great guide to how development programs should function; not with pride in their endeavors but instead meaningful analysis and willingness to adapt to the needs of the people.

Needless to say, I think this is one of the best books for anyone working in development to read in order to understand the methodology of thinking and adaptation every program should embody if they truly desire to serve the causes and people they set out to.

I was somewhat put-off by the advertising for Karlan's website, but was able to overlook that via the plethora of valuable research based content contained within the pages. I'm hopeful I will be a more responsible development worker after this book.

Sam Erlinger says

Fairly interesting overview of how we should think about global aid and evaluate anti-poverty programs. Easy to read writing with many specific and thought-provoking examples, but perhaps at the cost of oversimplifying issues, mostly by suggesting that everything can have an answer if you just designed an RCT.

Jamie says

A broad brush stroke of development initiatives supported by randomized control trials, primarily conducted by Innovations for Poverty (IPA). I empathized with the dilemma presented by Peter Singer of our localized and immediate compulsion to give away away money if it was to save a child we could see drowning, but not to save someone remotely in poverty. I particularly liked the willingness of the book to challenge accepted norms.

The book emphasized the need to market and sell development solutions, such as bed nets, chlorine water dispensers and insurance by using in-home personalized sales and clear signs. It noted that there is no conclusive evidence on the impact of microfinance, detailing one study that noted higher returns for men, and negative results for women. The book also suggested that certain types of people would be more suited to microfinance and that profiling lenders could be important in identifying entrepreneurs that would use the money most effectively. FINCA highlighted the importance of microfinance coupled with business training and Village Welfare Society demonstrated the benefit of regular group meetings to improve repayment rates. Save Earn Enjoy Deposit (SEED) demonstrates that the poor want tools to help them save, and that there is an interest in formal financial services by the 2.5 billion people without, providing transaction costs were minimized. DrumNet highlights a Kenya farming initiative to boost exports that collapsed due to a lack of anticipation of foreign market changes.

The Savings and Fertilizer Initiative highlights the importance of addressing behavioral economics in maximizing the adoption of a product such as fertilizer. Fertilizer has a clear long term value, but must combat farmer tendencies towards procrastination and shortsightedness. The timing of payments can be an important determinate of how money is used, as an example, asking for payments for fertilizer at harvest time can result in fertilizer purchases increasing by 50%. ICS Africa demonstrates that reducing the transaction costs to schooling, such as by providing uniforms, improves attendance. The Subsidios Program in Colombia demonstrates how incentives can change long term behaviors, encouraging continued education by tying a portion of conditional cash transfers to subsequent school enrollment and matriculation. The deworming program in Kenya demonstrates the wide ranging benefits to society of a low cost solution that extends beyond the immediate recipients.

I see the value of objective testing, but don't agree with the idea that global poverty challenges will be solved by focusing on testing little changes in approaches. RCT forms one of a wide range of tools to solve the development challenges of today. Although RCT is one of the more objective mechanisms, it is often inconclusive and expensive. There needs to be more impatience about the level of change, rather than our level of understanding of what works. The focus should be on permanently addressing the issues of the poor with common sense long term solutions, rather than implementing and testing low cost compromises. I further wish the book provided more detail on the studies conducted, or at least attached appendices to better

understand their scope, approach and findings.

Tonipi says

I found this to be a terrific read on what I believe is the biggest problem here and abroad (hint: NOT drugs) when I read this more than 5 years ago.

Lavender says

I won this book from First Reads giveaway. Should be an interesting read. Thank you.

Jocelyn says

This is a great book for people just starting out thinking about how to make their donations matter. From a social science perspective, a lot of the experiments are quite clever – I also learned a lot about the social context in which many of these problems are able to exist.

Ailema says

As someone working in development, I wish more of the general public would read books like this, rather than either blindly throwing cash at dodgy projects or bitching about how all NGOs are just imperialism through voluntourism.

This is a coherent and accessible walk-through of a very important issue: what development interventions actually help?

Some of the background-setting information sometimes seems a little redundant, or the treatment of some studies possibly a little shallow, but after all, it's not designed for an audience of development professionals.

I think, more than anything, I enjoyed reading this because a few of the case studies and RCTs rang really true, such as the young Ghanaian who wanted to study or the discussion of schooling costs. It was interesting to read the authors' analyses of these situations, and gave me a few ideas to try - and not to try - along the way.

Lavanya says

I didn't know individual U.S. donors donate more than \$200 billion every year. And that till recently they didn't even know whether the products (e.g., brilliant microcredit plans) they were investing in were reaching customers, let alone if they worked as intended.

If enough people think about what they're donating to we could actually save the world. I'm not being an idealist here. For e.g., 40 mn people suffer from Trachoma, an effective prognosis like an eye surgery takes \$20. So curing the world of Trachoma takes less than 0.5% of what we're donating now. Of course we'll need the govt. to ensure proper sanitation etc. and prevent more incidences. But the fact that as individuals we're giving away (much) more than enough money to buy decades of colorful memories for a population as large as France is pretty amazing. We really need to find a way to channel our money into evaluate-able effective programs.

(A \$20 eye surgery v/s \$50K for training a guide dog, to help people with Trachoma seems to be a classic example to show that some programs are more effective than others.)

The authors compare the way the people have been donating to popular charities to how doctors practiced bloodletting till early last century even though there was no convincing evidence it worked.

I also thought it sounded a bit like the early approach to fighting cancer, except the RCTs can be a little less harmful and have more takeaways than trying random combinations of toxic drugs on patients. Also that there is no panacea, although I guess what you learn about people's behavior in one program might be helpful in many others.

In general, I think the authors use great analogies, simple and effective.

I liked the fact that the authors tried to explain why the monks who wanted to save the fish from the fishermen may prefer their prayers and symbolic gestures to actually paying the fishermen to not fish. Some people might just dismiss that as ignorance, but the authors were very open and scientific about it (e.g., maybe the monks cared about seeing the splash of the fish as they released them into water)

they successfully got the point across that it's important to separate what drives us emotionally (e.g., a touching anecdote about how microcredit helped feed a family) from what actually works efficiently (e.g., helping as many families as possible with the money we put in.) I guess for me and many others, we would need both to keep giving and giving effectively.

It's funny that it's not just developmental economists who have the last mile problem i.e. they don't market their programs at all. Even many donors donate a lot of money without seeing if it's actually helping as many people as possible (which is as simple as looking up GiveWell or thinking about how the program works.)

I really liked this line that tries to explain poverty and why people who live comfortably have a hard time grasping it- "poverty doesn't have many positive sensory attributes, because to be poor means not to have things, in the most immediate sense.. not having enough food, not having shelter.. The day-to-day experience .. about lacking things. .. not being able to get what you need." Kind of like you don't know how much your good health means to you until you fall sick for days. we take our basic comforts for granted so it's hard to "understand" what it's like to live without them until we actually experience it

Gwenyth says

I would probably recommend certain chapters of this book to people to read as alongside other material on the same topic. For example, I liked the chapter on microfinance, and I thought provides the sort of background and commentary on the subject you might if someone was interested in learning a bit about the

subject. The section on malaria bed nets did a good job of very simply summarizing the Sachs-Easterly debate and provided a bit of interesting additional evidence.

Probably I would not recommend reading the book straight through, though. Some chapters were a lot weaker than others and there was a fair amount of repetition. "Randomized trials in economics are great!" would have been a good theme for a long magazine article, but as a book it felt like a weak way of threading together stories about the different research projects.

They talked a little about some of their projects that failed (why they failed, what they learned from them) - they could have done even some more of that. On the other hand, the conversational tone of the book started to feel a bit false after a while; and they kept pushing some website (why? it was weird). Several chapters began with anecdotes about some poor person they had encountered during their work, but these kind of felt like calculated stereotypes rather than fully-realized characters - they were, I don't know, not terrible, but a little uncomfortable to read.

Hadrian says

Excellent book which discusses the nature of charity and poverty, and which programs work best. People do not always act in their most rational interests, and poverty restricts their options even further. The author has done a lot of research and investigation into which programs are the most beneficial, and offers several extremely promising programs in addition to thoroughly detailing the theory behind them. An excellent book.

Adelaida Diaz-Roa says

Loved this book. It is a great glimpse at things that work to make an impact but more importantly examples of how to rigorously test your ideas to make sure you make the most impact per dollar.

Daniel Tello says

Disclaimer: I received a free copy from the publisher via Goodreads First Reads program.

Team Sachs? Team Easterly? Try Team Evidence. It might not be catchy, but it is definitely catching on in the development/aid world. If you are interested in what Team Evidence has to offer there is no better way than Karlan's and Appel's book: *More than Good Intentions*. The already-proven successful, yet conversational, approach is used in this book to capture readers and explain the fascinating development of "New Economics" and how it can demonstrate what programs work to improve the lives of the poor.

What will you encounter?

Professor Dean Karlan from Yale University and founder of Innovations for Poverty Action (IPA), and Jacob Appel, a previous Project Associate for IPA, team up to narrate a compilation of stories of economic research conducted in developing countries, in topics of health, microfinance, savings, sexual education and such. The book motivates these stories by asking questions such as: What can we do to help the poor, and how can we know if that is actually helping them? A question, that although simple, has not been answered with enough

rigorous analysis.

If you are an academic and familiar with the topics in this book, you will find the book very refreshing and a more entertaining way of reading abstracts of research papers. And you might be inspired to find a solution or a potential change to the model on your upcoming paper. (Maybe)

If you are a potential donor who is not sure where to put your money, then this book will be extremely useful. It will offer you a new (or reinforce) the perspective on how to think about programs that other NGO's have implemented, helping you make a better decision. In addition it will recommend programs where your money will be used most effectively.

If you are a (or would like to be) an aid-person , then this book combined with Poor Economics, will be a major step on your knowledge of the cutting edge research done by top people in the field. I will also add Economic Gangsters, to reinforce topics of corruptions and violence. Aside from introducing you to relevant research it will provide you with a different way of thinking about the problem of poverty.

Finally, if you are none of the above, this book will provoke you to think differently of the type of aid countries and NGO's are delivering to the poor in developing countries and potentially understand why we haven't eliminated the poverty, and why we won't eliminate it in the next 10 years, but most importantly what can we do to approach that goal.

Eva says

An intriguing book, academic but with vivid case studies and anecdotes. Some quotes from kindle:

Three billion people, about half the world, live on \$2.50 per day. (To be clear, that's \$2.50 adjusted for the cost of living—so think of it as living on the amount of actual goods that you could buy for \$2.50 per day in the United States.) - location 156

When you click to fund the woman's loan, you make a hundred-dollar no-interest loan to Kiva. Kiva then makes a hundred-dollar no-interest loan to the client's Peruvian microlender. The hundred dollars goes into the microlender's loan portfolio, and is lent out to clients (but not the one you clicked on, who already has her loan) at around 40 to 70 percent APR. - location 321

Here is an example from a project of mine on microcredit interest rates. Jake, who was a research assistant on the project at the time, conducted an interview with a phone card salesman in Ghana while pilot-testing a survey. Ernest was sitting in the shadow of a yellow umbrella. The dusty sidewalk shone, bleached by the bright white sunlight, and the frontier of the shadow cut a sharp edge against it. The umbrella was anchored by a small wooden cabinet painted bright yellow. On its top were a foolscap notebook, a ballpoint pen, and two mobile phones. Jake ducked his head under the rim of the umbrella and greeted him. "Good afternoon, sir." "Yes, sir, good afternoon to you too." "Sir, my name is Jake. Today I am doing a survey to learn about the businesses in this area and about their owners. Do you mind if I ask you a few questions about your phone card business?" "Oh, that will be fine, Jake. My name is Ernest." Jake began with the first survey question, and soon came to the fifth question. "Ernest, how many people belong to your household? By that I mean: How many are you that share a single living space and take meals together?" Ernest didn't waste any

time. "Oh, that is just me, sir." "I see. So you live alone?" "Oh, no, sir. I have a wife and three children. But myself, I wouldn't eat with them. My wife brings my food to me alone." "Ah. But normally your wife cooks for the whole family." "Yes. She will prepare the stew and the fufu for all." "So for how many people does your wife prepare food each evening?" "That is"—and Ernest counted silently on his fingers—"eight." "Eight. So it is yourself, your wife, your three children, and three others. Who are the other three?" "Hm. They are my grandmother and my wife's sister." He cocked his head and waited. "Well, that sounds like two." "Yes." "So that makes seven altogether: you, your wife, your three children, your grandmother, and your wife's sister." "Yes, we are seven. And also the sister's children. They are two." "Oh, so seven and the two children—nine in all?" "Yes." "And your wife's sister, is she married?" "Yes, she has husband." "And does he join you for meals most days?" "No, he stays with his family at the Central Region." "I see. But what about his wife and two children you mentioned? Do they live at your house?" "No. They are with him." "Oh. I thought you said they normally share meals with your family." "Yes, we have been eating together." "I'm afraid I don't understand. Your wife's sister and her two children—how can they live in the Central Region and also normally share meals with you?" "Oh, Jake! They have come to stay with us." Ernest was smiling. Maybe he was thinking of his full house. "Are they just visiting, or do they live in the house with you?" "Oh, no, they don't live there. They have only been staying for a very short time." "Okay. So how long have they been with you?" "They came around the Christmas season." It was July. - location 555

we often don't think we need to sell development solutions at all, but rather expect them to be adopted on their merits alone. (Note that this approach has not worked very well for lima beans.) - location 655

U.S. Supreme Court Justice Potter Stewart's famous description of pornography: "I know it when I see it." - location 982

First, many borrowers used the loan to pay for transport-related costs. They repaired breakdown cars and motorbikes and bought bus fares, all of which allowed them to get to work on time and avoid getting into hot water with their employers. Second, borrowers sent money home to needy relatives in rural areas. Had they been unable to send assistance, many would have been obliged to pull up stakes and go in person to help their loved ones, a move that would have spelled disaster for their steady jobs at home. But with the aid of credit—even the high-priced consumer variety—both stories had comparatively happy endings. The paychecks kept rolling in. - location 1020

despite widespread enthusiasm in the developed world, it would appear that one very important group is not entirely sold on microcredit: the poor. - location 1067

The researchers found that recipients of no-strings-attached cash grants spent just over half (58 percent) on business purchases. The rest went toward savings, paying off debts, and everyday consumption items like food, clothes, medicine, and bus fare. If this is really how they wanted to spend their money, is it any surprise that they weren't taking more entrepreneurial microloans? - location 1103

Once each person had been labeled as an actual entrepreneur, a likely entrepreneur, or an unlikely entrepreneur, the researchers could compare the groups to see how credit impacted each of those groups. This three-way division gets at the heart of our question. Do the poor share a common and equal capacity to

exploit microloans for their own—and their families', and their communities'—benefit? Or does that ability belong to some more than others? Comparing the three groups side by side, the differences were striking. And they told a coherent story. Business-minded folks did well. Actual entrepreneurs tended to funnel money into their existing enterprises. Likely entrepreneurs cut back on consumption—especially consumption of so-called “temptation goods” like alcohol, cigarettes, lottery tickets, and roadside cups of tea (the Indian equivalent of Starbucks)—and ramped up spending on durable goods. They bought exactly the kinds of things you'd need to start a business: sewing machines if they were tailors, ovens if they were bakers, refrigerators if they were grocers. All this business-related spending meant people were building and fueling economic engines. Despite the researchers' finding that people were not wealthier on the whole, they appeared to be heading in that direction. And the cutback in spending on temptation goods suggested that, with their entrepreneurial dreams now in reach, people were making smart sacrifices to achieve their goals. So far, the classic story about microcredit was safe. But the unlikely entrepreneurs threw a major wrench into the works. They didn't buy durable goods or invest in businesses; they just consumed more. More of everything, from clothes to food to cigarettes and cups of tea. And at the end of the day, they weren't any wealthier than when they started. All they had left was their obligation to Spandana. So they wound up looking more like characters from a cautionary tale about, say, credit card debt than like the inspiring figures of microcredit - location 1174

The problem with microcredit is the way it has been pitched: as a one-size-fits-all solution to poverty that can be adopted effectively even without careful impact evaluations, and as something that every poor person should want. For all its merits, it is not that. - location 1203

Daniel had suggested that, instead of taking taxis to and from work every day, Jake could hire his friend Oti by the month to chauffeur. They agreed on a price and a timetable. Oti would come at eight o'clock each morning at the house and at four thirty each afternoon at the office. Oti was very friendly and personable, and he had a comfortable and light car that was reasonably functional. When it acted up, at least it was easy to push. And so began a fine working relationship. But soon it became clear that it was not only Oti's vehicle that suffered from reliability issues. After a few nights waiting in the hot, sticky dark, it was undeniable: The bloom was off the rose. Rather than fire Oti, though, it seemed a better idea to see whether a little elbow grease on the relationship would suffice, as it often did with his car. Jake thought the situation might be salvageable because the task in question seemed very simple. There was an element of mystery in the erratic timing; after all, it was barely four miles from Oti's house to the office. So what did it mean when he missed the appointed time by two hours? Well, it's hard to say exactly what it meant. If nothing else, Oti proved that what is true of cat-skinning is also true of arriving late: There's more than one way to do it. Some ways are ordinary, like waiting until an hour after the pickup time to leave the house because you were watching a movie with your girlfriend, or getting stuck in a horrific traffic jam near the office of the National Lottery Board. Other ways are more involved, like setting out for the office with the tank on empty, then running out of gas on the way and realizing you forgot your jerry can at home, then walking over a mile back home to get the can, then walking to the gas station to fill it, then walking back to find that your car has been pushed out of the shoulder and onto the sidewalk by angry rushhour motorists (much to the dismay of the many pedestrians who are now gathered around it, waiting to give you a talking-to), and finally filling the tank and making the pickup. Yes, there are myriad ways to be two hours late, and Oti knew a lot of them. Even more remarkable than the breadth and variety of contingencies, though, was the utter equanimity with which Oti endured—or actively authored—them. On the night in question, as on many other nights, he arrived with a smile and a cheery “Oh, Jake! How is it?” and Jake was left to wonder about the rest. If the mistake was his, he was unrepentant; and if the fates had conspired against him, stranding him for hours in an intractable knot of traffic, he was quiescent and no worse for the wear. It was one thing if Oti didn't mind wasting his

customer's time. Most of us have met somebody like that. The bizarre thing was that Oti didn't seem to mind wasting his own time. And so that was the topic of his and Jake's serious conversation on the ride home, weaving through the lumbering vans and rattling taxis on the pitted roads of the Ghanaian capital. - location 1223

These studies show that microentrepreneurs can improve their businesses through training, but the bigger takeaway was the evidence that they had something to learn in the first place. As I said before, the fact that the poor are not all innately top-flight entrepreneurs should not come as a big surprise—but, judging from Muhammad Yunus's words, it's something many microcredit advocates need to hear. Not everyone (in developing countries, or anywhere else, for that matter) is cut out to run a business—or to take on entrepreneurial debt. - location 1396

About two weeks later, around the time when paychecks went out, Jake asked how things were going. Philip seemed upbeat. "I am out of that guesthouse. I wouldn't let them catch me again," he said, shaking his head and pantomiming grabbing an animal by the scruff of its neck. "And did you settle the whole bill? You don't owe anything more to them?" "Well, there is some small balance left, but for that they wouldn't chase me." "A balance?" Jake had lent Philip enough to repay his whole debt. Where had it gone, if not to the owner of the guesthouse? "Well," Philip said, looking away, "I also bought a rice cooker. Now I can cook on my own." This kind of scenario infuriates donors. We dig deep into our own pockets to help a guy like Philip with his rent and he turns around and buys a kitchen appliance. Jake dressed Philip down. A picture of composure, Philip held his ground. He smiled and heaved a tired sigh: "I knew you would be upset with me. But you don't understand how it is with this guesthouse man. Once I gave him something, I knew he would not make trouble again for some few weeks. I can pay him the rest from my salary check." Philip had gone back on his word. He really had said he would use the money to pay his rent. But then his way of dealing with the world did work in its way. Neither the police nor the guesthouse proprietor was seen or heard from again, and Philip enjoyed many heaping bowls of perfectly cooked white rice in his new room. - location 1420

If we really want to make microcredit work for the poor, we cannot delude ourselves into thinking that all microloans go toward enterprise investments. For how can we hope to fix a machine when its inner workings look nothing like our schematic? - location 1454

Julian Jamison, an economist at the Federal Reserve Bank of Boston (and someone who considers a marathon a "training run"), - location 1477

Using the list randomization approach yielded drastically different answers. Once the sensitive questions (like "Did you spend part of your microloan money on household goods?") were surrounded by easy ones (like "Did you spend part of your microloan money on business supplies?"), we started to see the real picture. Now it looked like 32 percent of borrowers had used some loan monies for household goods, 33 percent for children's education, and 23 percent for health care. - location 1491

She said as much when Jake asked her whether she kept any savings at her house. Naturally, she didn't enjoy handing over the better part of her day's earnings to a collector instead of bringing it home to her family; but

she didn't see an alternative. She laughed matter-of-factly and slapped the arm of the woman sitting next to her, who also chuckled and shook her head without looking up from the garland in her hand. Vijaya knotted another jasmine bud and said, "Of course we cannot save anything in the house. Whatever I bring home, my husband drinks it up." She did the international pantomime for drinking. The adjacent flower sellers, who had overheard her comment, concurred. - location 2053

We found that simply offering a SEED account caused the typical client's balance to increase by 47 percent over six months. That figure rose to 82 percent after twelve months. Keep in mind that this was the average change in savings balances for everyone offered the account—regardless of whether they accepted. In fact, the impact of SEED only on those who actually opened accounts was a remarkable 318 percent. That is, we found that the effect of offering a SEED account to a client who will open it is to increase her savings balance fourfold! - location 2188

Representatives of the Savings and Fertilizer Initiative visited farmers at their homes immediately after the harvest and gave them a chance to buy a fertilizer coupon. This way they could pay up front for fertilizer that would be delivered (for free) in time for the following season. At harvesttime farmers were flush with money from selling their crop, and they had agricultural productivity on the brain. If there was ever an occasion when they'd be willing to spend on fertilizer, the researchers figured, this was it. They were right. Fertilizer use surged by over 50 percent for farmers who had the chance to buy the coupons. Farmers, finally making good on their long-standing wishes to buy fertilizer, grew more crops; and vendors sold over 50 percent more fertilizer without lowering their prices by so much as a penny. This coupon program is a prime example of the kind of everybody-wins solutions we get from behavioral economics. It's subtle, cheap, and incredibly effective. - location 2489

he recovered himself and reeled off the names of three prominent institutions: a liberal arts university, an engineering polytechnic, and a college that trained teachers. He said, "I want to attend university so I can get my degree. That way I will develop myself and find better work." "But those places you named are all very different. One trains teachers and another trains scientists. What is it you want to study? And what kind of work do you want to do in the future?" "By all means, I will study geography. As for the work, I can be in a company. I would be a manager." "A manager of what?" "Oh, any kind of company will be fine. Or a bank." It was becoming clear that Anthony didn't know exactly what he wanted. The trickiest part, it seemed, was right in front of him. Anthony didn't have a good sense of what tertiary education was about—of what one puts in and what one gets in return. Specifically, he never talked about acquiring expertise or skills that would ultimately find application in a job. But he spoke with great reverence about the college degree (any college degree) as if it were a very powerful talisman that would automatically confer wealth and prestige on its owner. His smile came back whenever he talked about it. The particulars—subject matter, educational institution, future employer—faded away. The value of higher education, it seemed, resided wholly in gaining access to the mysterious power of the degree. It was not something he had ever thought to question. That's not a strike against him; of course, the same is true of millions of high school graduates headed off to college, both in the United States and beyond. Many of us (Jake and me included) didn't settle on a specific career path before we finished high school. We pursued college degrees because we knew they were good to have, even if we were not sure exactly how we would use them. When we got to university we tried new things, stumbled on an interesting field of study, fell into a job—our paths were improvised and meandering. But it seemed that, with so much of his family's resources invested in his education, so much of their future hanging in the balance, and so minimal a cushion for mistakes, Anthony might have done well to have some kind of strategy. - location 2684

Crunching the numbers, an additional year of school enrollment from Progresa comes out to about \$1,000 a head. Generating an extra year of school attendance with the uniform-giveaway program costs roughly \$100 per student. An additional year of attendance from deworming costs \$3.50. Yes, you read that right. - location 2865

India has about a quarter-billion school-age children, many of whom suffer from teacher absenteeism on a regular basis. A series of unscheduled visits to rural schools across the country found that a quarter of teachers were missing, and that fully half of those who were in their classrooms were not teaching! That probably helps to explain some dismal facts about the state of learning in the country: A nationwide 2005 survey found that 65 percent of public school students in grades 2 through 5 couldn't read a simple paragraph, and 50 percent couldn't do basic arithmetic. - location 2923

The school system in Uttar Pradesh was broken. There were spectacular failures of education across all subjects and grade levels. A 2005 survey of children aged seven to fourteen produced some dismal figures: One in seven kids couldn't recognize a written letter, one in three couldn't read numbers, and two-thirds were unable to read a short story written for first-graders. The survey also found that students' deficiencies went largely unnoticed by their parents. In the most severe cases, where children couldn't recognize written letters, only a third of parents knew the extent of the problem. Most thought their children could read just fine. - location 3011

As with teachers, simply getting doctors and nurses to show up is a big part of the problem with health care in developing countries.) In fact - location 3111

Why could the herbalist provide such efficient and attentive service, when the hospital

Trice says

4.5* yeah, this book grew on me. strong information and important studies run to determine true effectiveness of various aspects of development programs focused on a wide-variety of issues, all of which central to addressing major problems of poverty. A smooth, speedy, interesting read on development efforts.
