INTL 102: World Poverty

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Quiz

In a few sentences, please reflect on how the midterm went for you.

Do you feel like you did the best you could have? What strategies worked well for you? What will you do differently for the final (keeping in mind the final is in class, not take-home)?

Changes for Next Week

CHANGED OFFICE HOURS next week: Thursday 9:00-10:45, SSB 343.

Assignment #3 due in section NEXT WEEK.

Reading essays due in section (staggered based on when you signed up) AND on Turnitin.com (via TED). Make sure you write two!

Section slides available on my website: `heidimcnamara.com`

Main Midterm Confusions

First section:

- ► What is meant by "poverty traps"?

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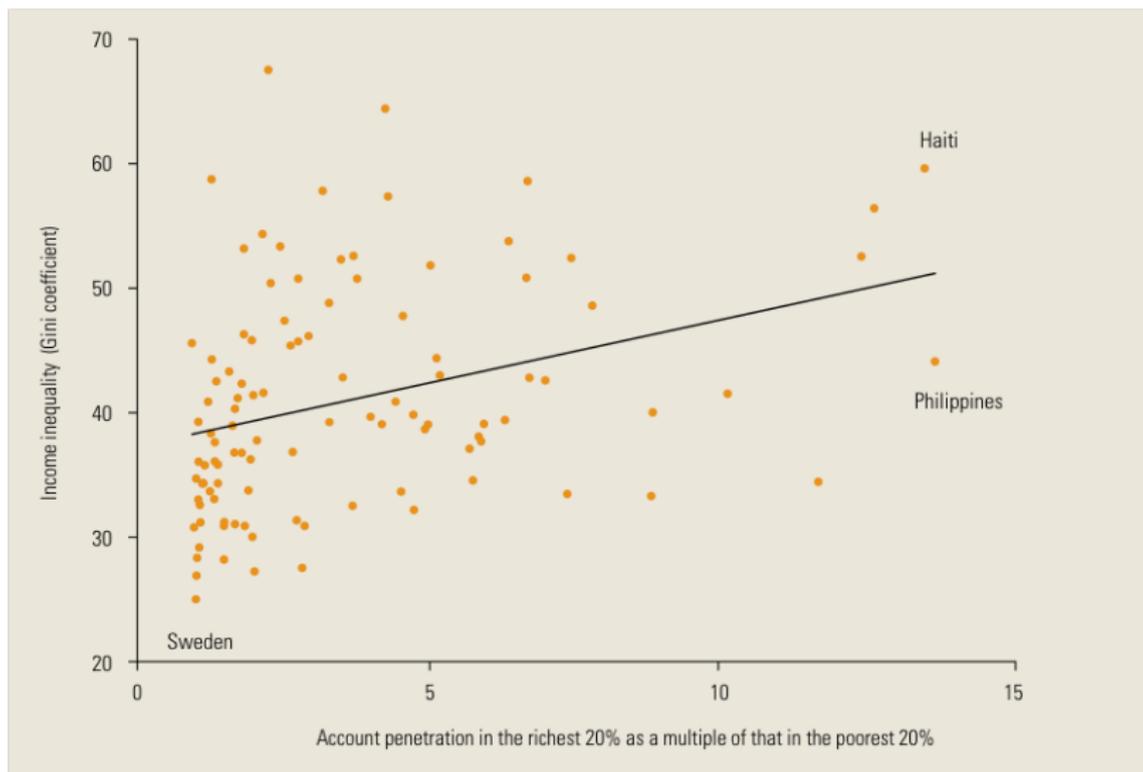- ► Why are national poverty lines likely to differ?

Main Midterm Confusions

First section:

- ▶ What is meant by "poverty traps"?
- ▶ Why are national poverty lines likely to differ?
- ▶ What is covariate risk and why does it matter for insurance?

Data Questions

FIGURE 1.16 Correlation between Income Inequality and Inequality in the Use of Financial Services

Essay Question

What are the *mechanisms* through which geography or resource
endowment affects growth? How do these factors work?

Quick review of last week's readings: Acemoglu and Robinson

In political science (in this class and in this reading), what do we mean by "institutions"?

What do they mean when they say that political institutions are set up to benefit different groups of people?

How do different types of institutions lead to different incentives for individuals, and how does this impact economic growth prospects?

How do causes of death differ between poor and wealthy nations?

Global mortality in 2008, and in the poorest and richest countries

	World	Low-income	High-income
Percentages of deaths (percentages of population)			
Ages 0–4	14.6 (9)	35.0 (15)	0.9 (6)
Ages 60 and above	55.5 (11)	27.0 (6)	83.8 (21)
Cancer	13.3	5.1	26.5
Cardiovascular disease	30.5	15.8	36.5
Millions of deaths			
Respiratory infections	3.53	1.07	0.35
Perinatal deaths	1.78	0.73	0.02
Diarrheal disease	2.60	0.80	0.04
HIV/AIDS	2.46	0.76	0.02
Tuberculosis	1.34	0.40	0.01
Malaria	0.82	0.48	0.00
Childhood diseases	0.45	0.12	0.00
Nutritional deficiencies	0.42	0.17	0.02
Maternal mortality	0.36	0.16	0.00
From all causes	56.89	9.07	9.29
Total population	6,737	826	1,077

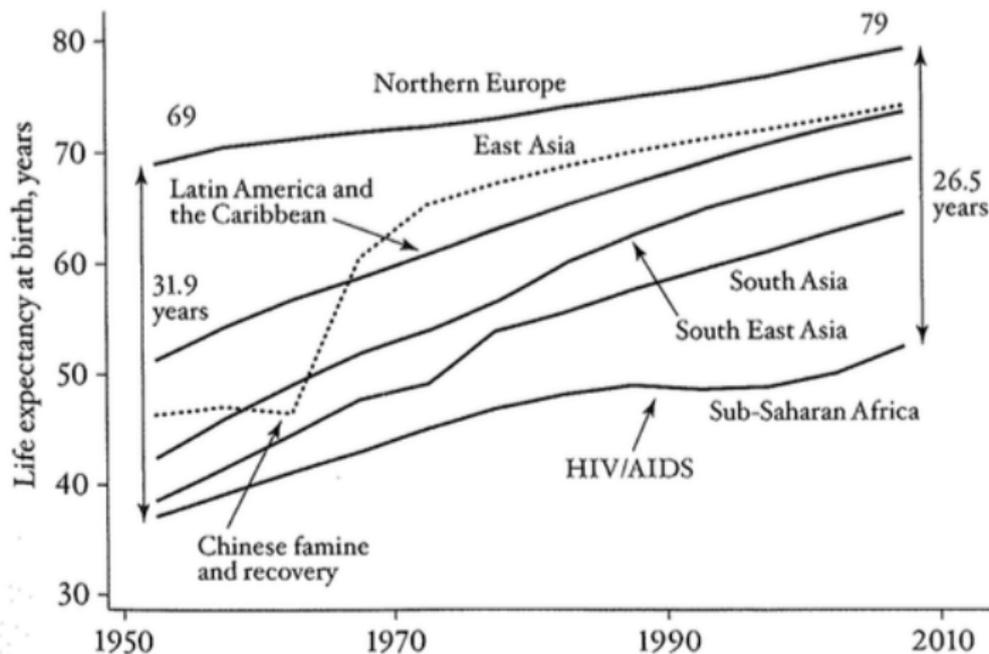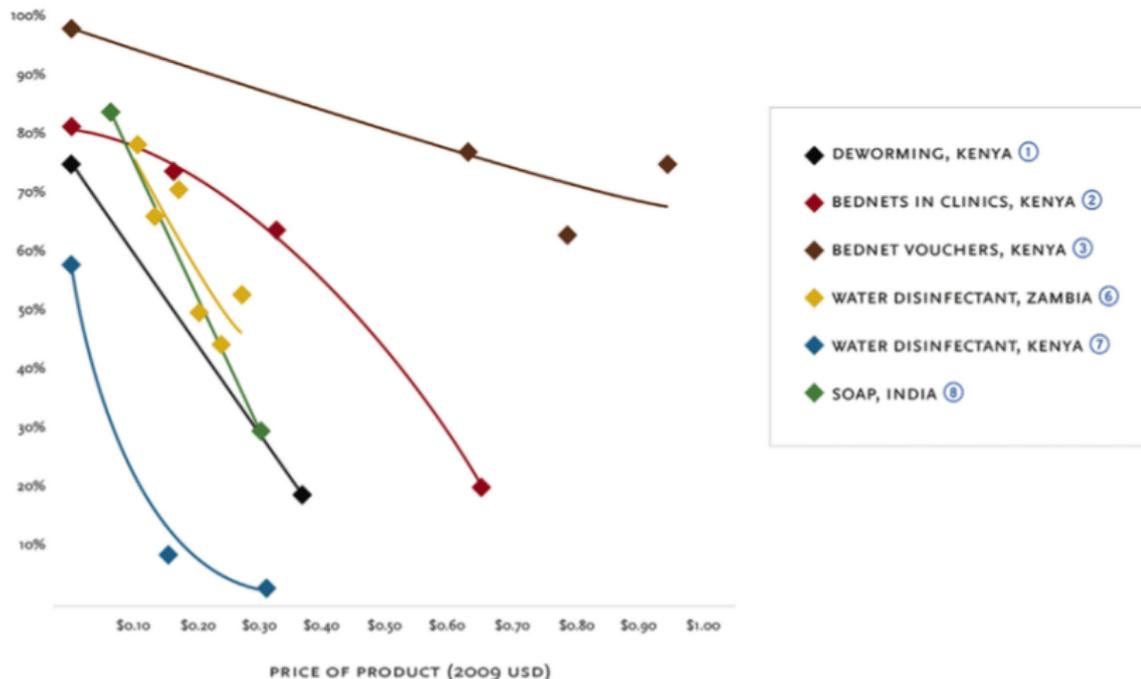# Has life expectancy converged or diverged in the last sixty years?

FIGURE 1 Life expectancy in regions of the world since 1950.

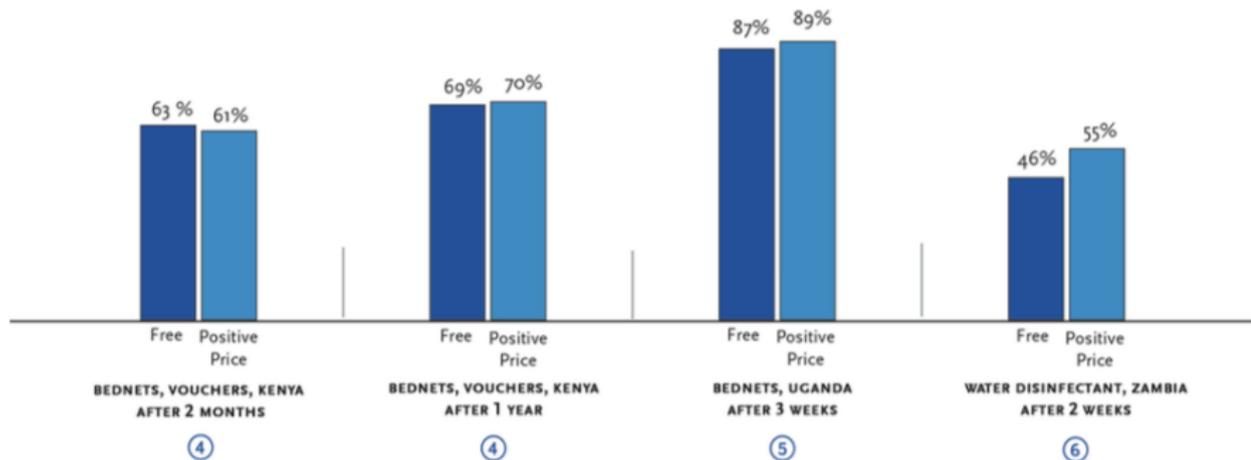# Should Clean Water (or a bed net, etc.) Have a Price?

FIGURE 1: DEMAND FOR PREVENTIVE
HEALTHCARE PRODUCTS BASED ON PRICE

PRICE OF PRODUCT (2009 USD)

Legend:
- DEWORMING, KENYA ①
- BEDNETS IN CLINICS, KENYA ②
- BEDNET VOUCHERS, KENYA ③
- WATER DISINFECTANT, ZAMBIA ⑥
- WATER DISINFECTANT, KENYA ⑦
- SOAP, INDIA ⑧

Should Clean Water (or a bed net, etc.) Have a Price?

FIGURE 2: EFFECT OF PAYING ON USAGE
Usage rates between recipients of free products and those who paid

Should Clean Water (or a bed net, etc.) Have a Price?

Arguments in favor of charging a small fee?

Arguments against charging anything?

What are people's incentives in each of these situations?

Reassessment: What should we do?

In addressing poverty what are the best strategies?

How should we, as an aid community, spend our resources?