

# Economics Nobel Prize 2019

Awarded to Abhijit Banerjee, Esther Duflo and Michael Kremer  
for their experimental approach to alleviating global poverty

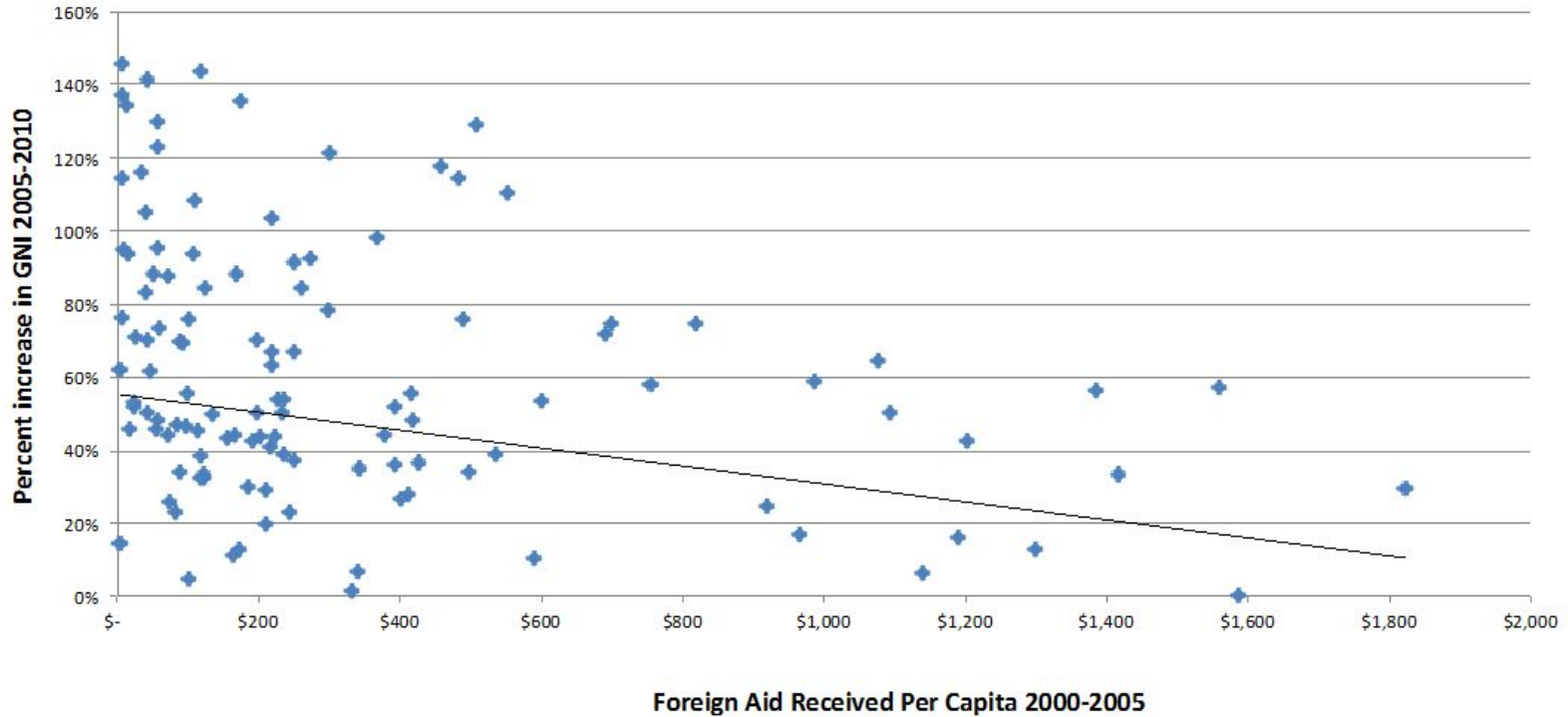
**Presented by José Vila-Belda**

Research Manager

Department of Economics

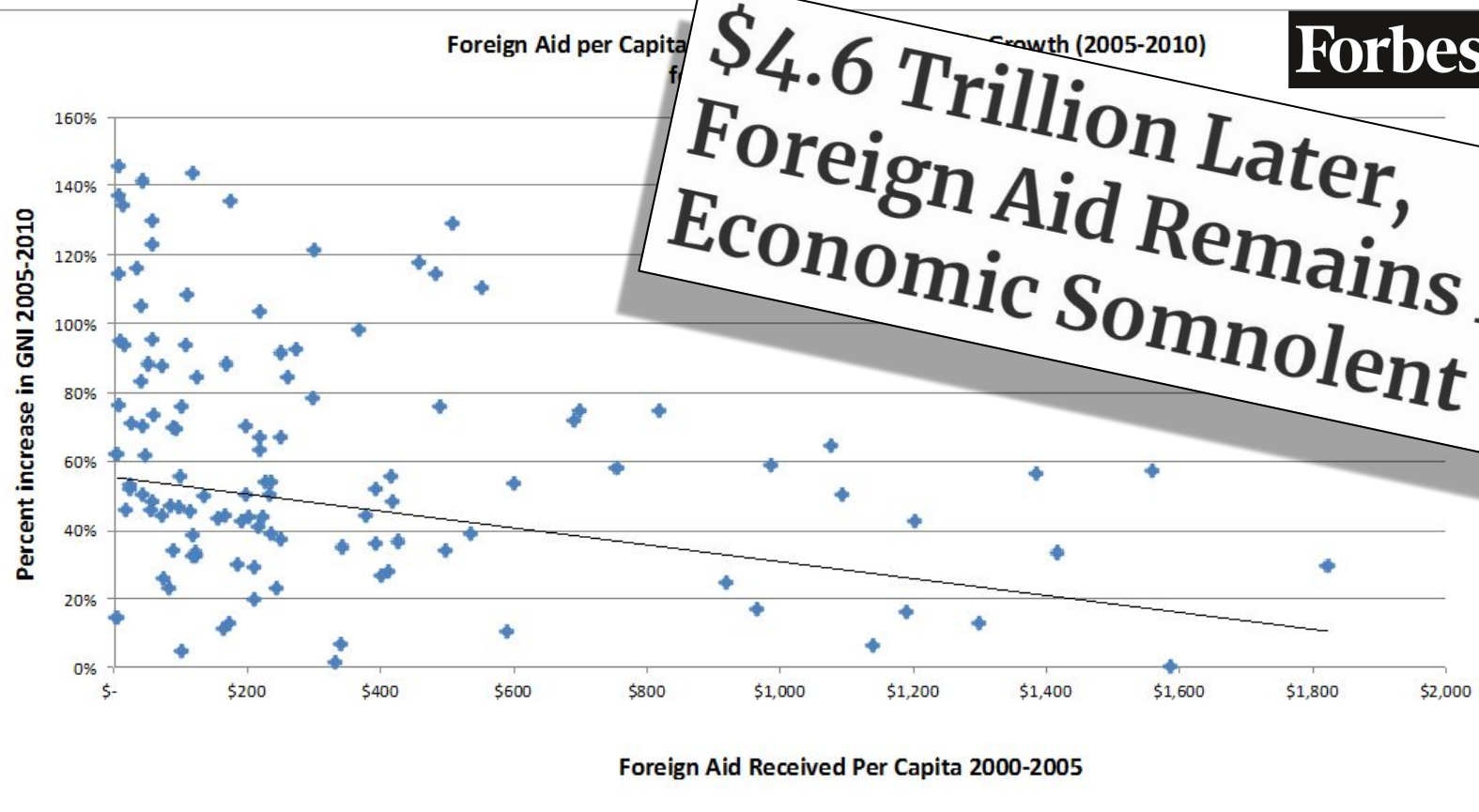
University of Zurich

**Foreign Aid per Capita (2000-2005) and Economic Growth (2005-2010)  
for 131 Developing Countries**



Source: Data from OECD Factbook 2011-2012 Doi: 10.1787/factbook-2011-2012

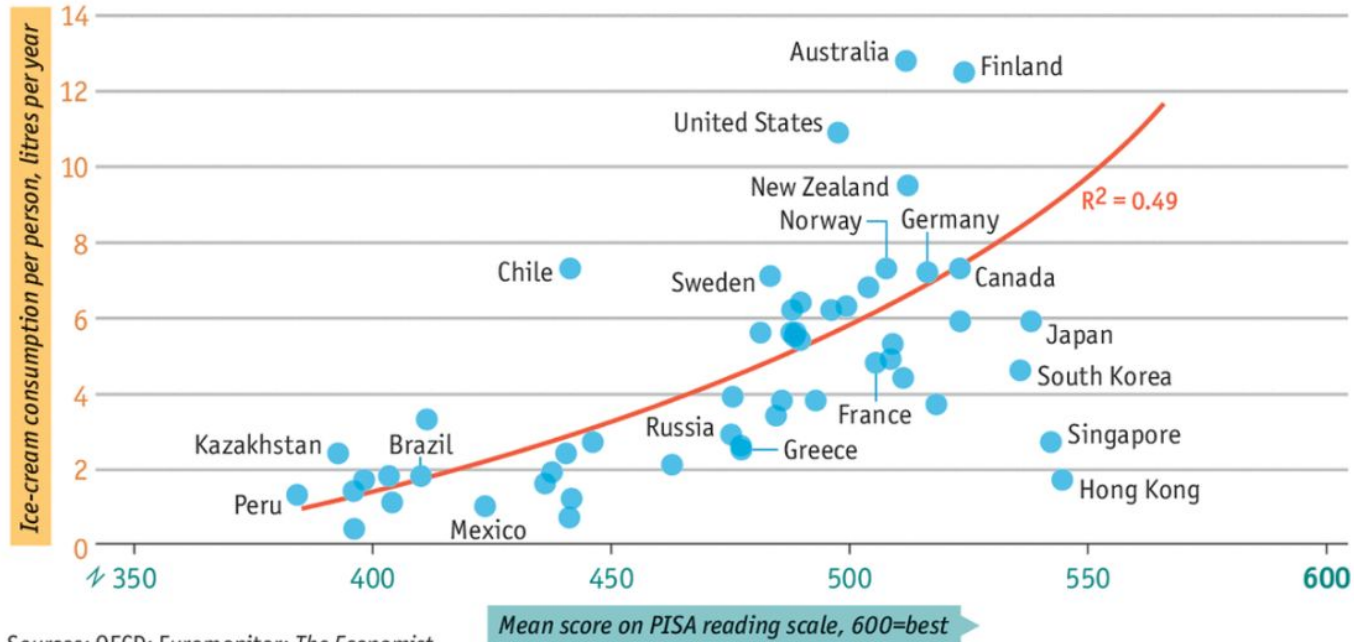
**\$4.6 Trillion Later,  
Foreign Aid Remains An  
Economic Somnolent**



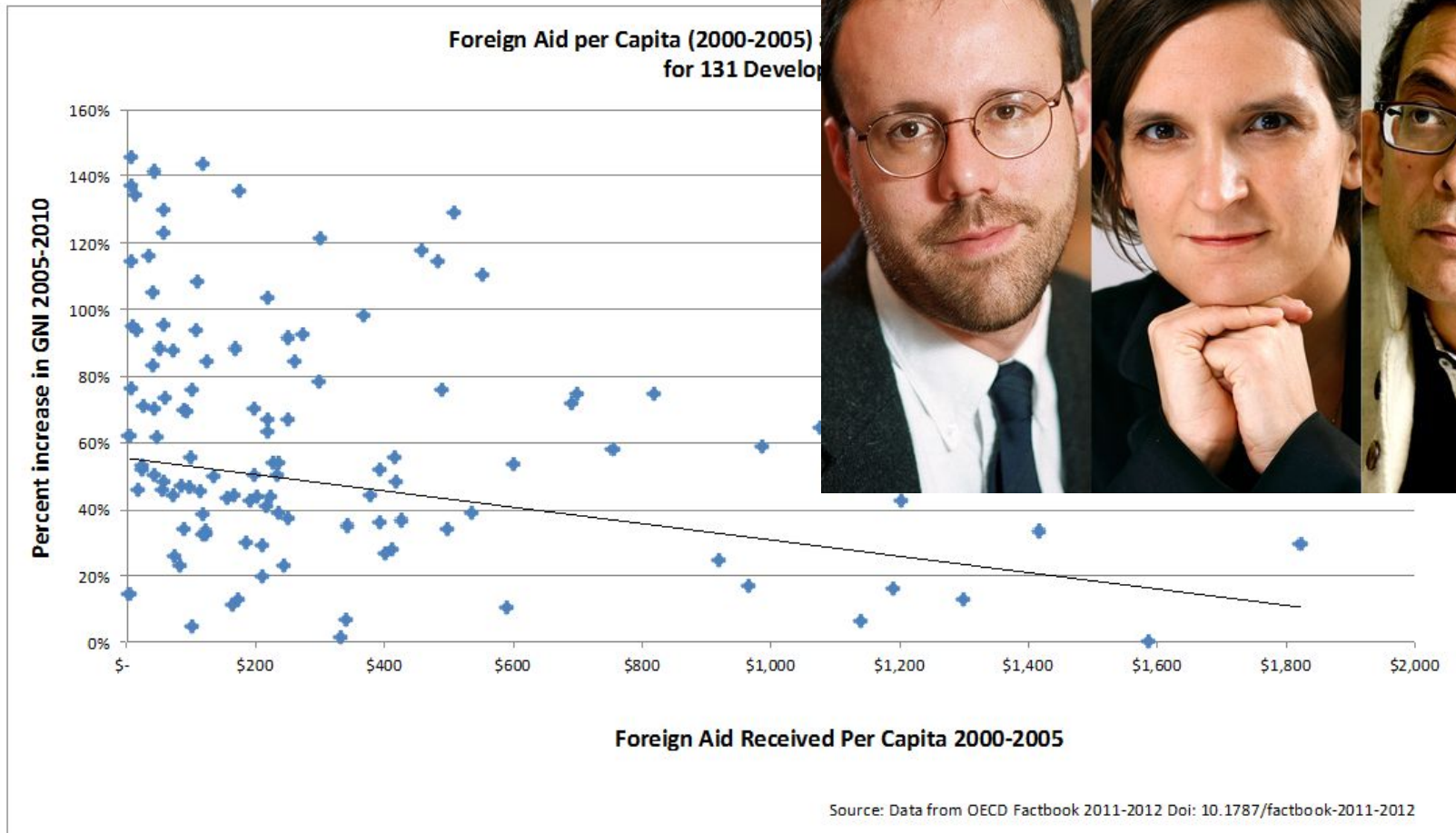
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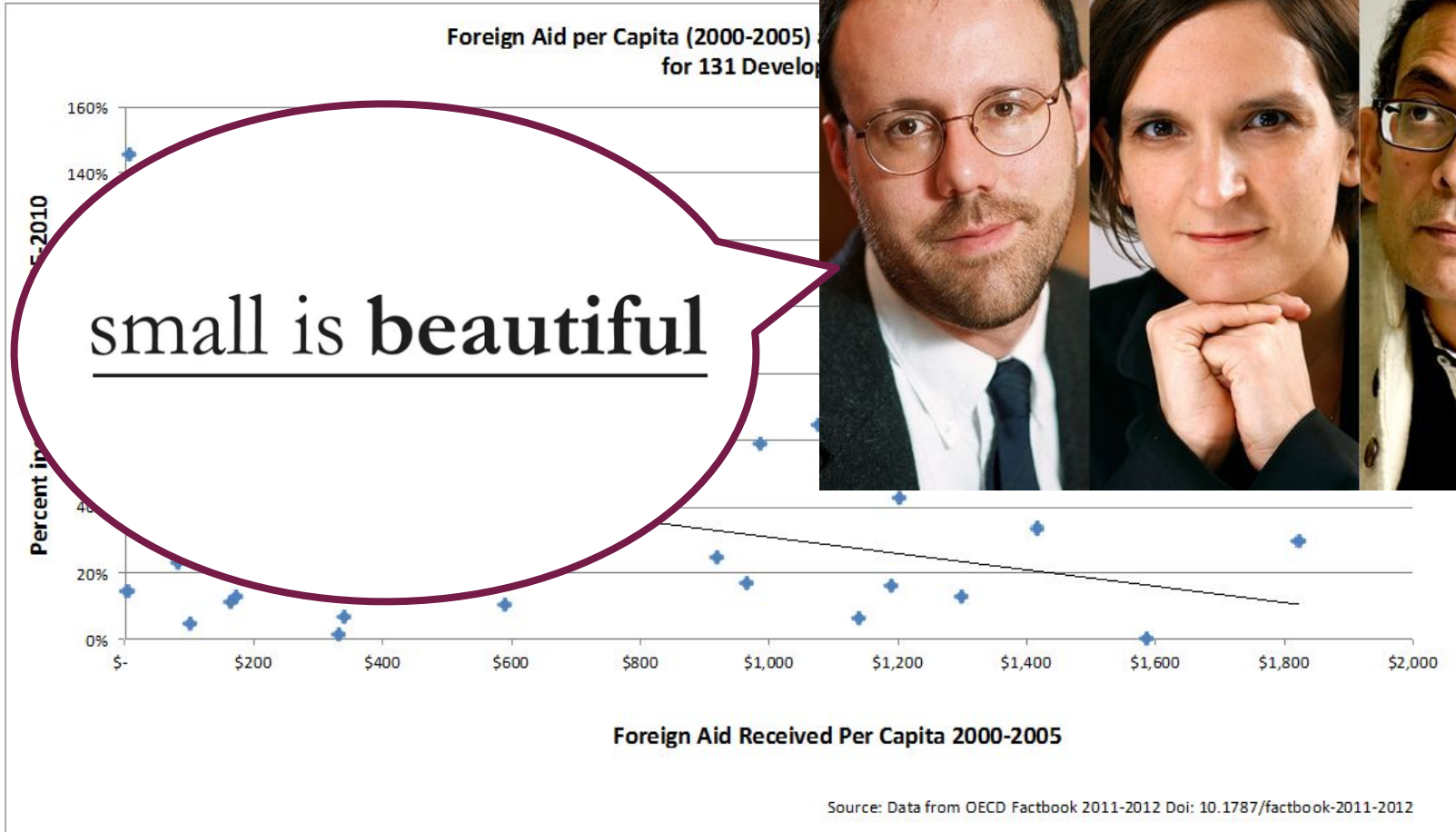
# Ice-cream consumption and PISA educational performance scores

2012

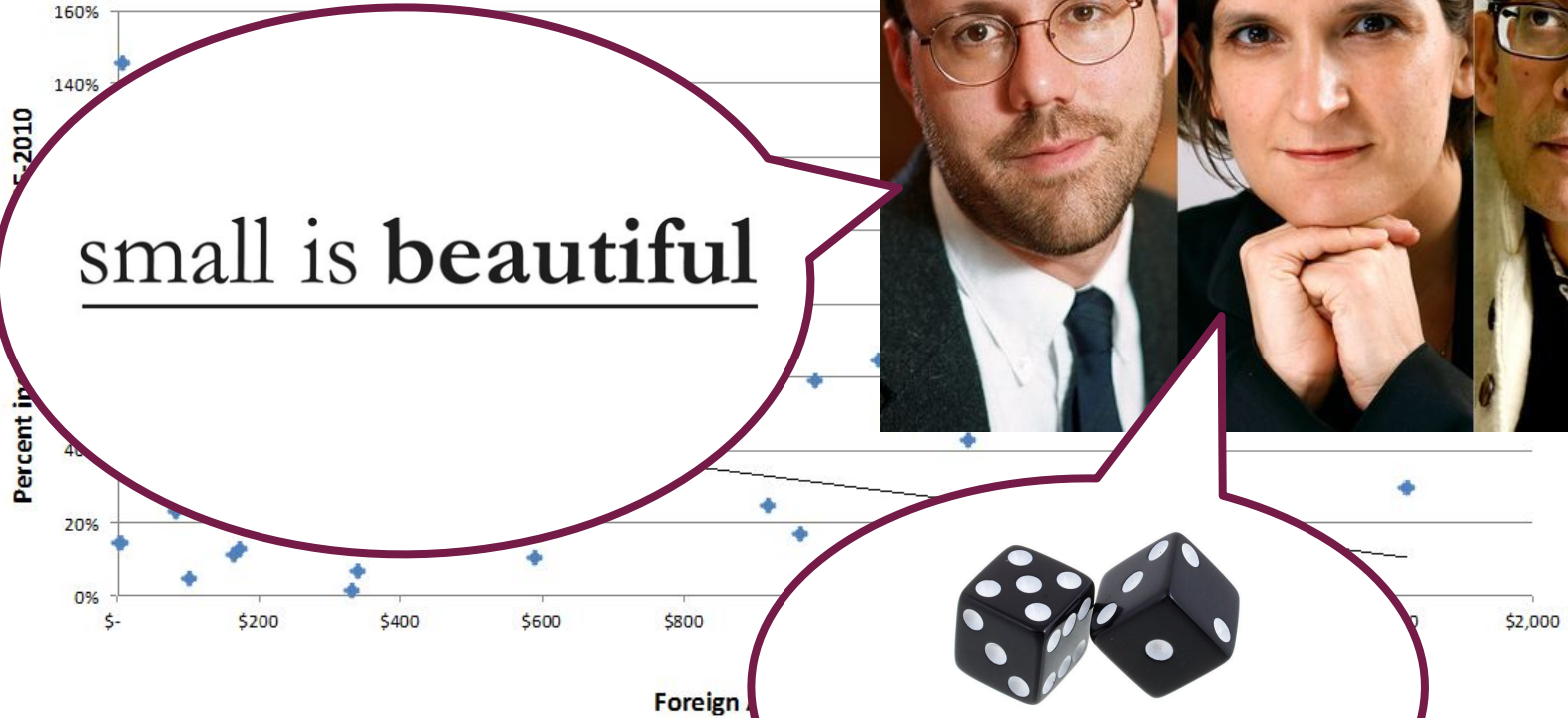


Sources: OECD; Euromonitor; *The Economist*





Foreign Aid per Capita (2000-2005)  
for 131 Develop



small is beautiful



(Randomized Experiments)

book-2011-2012



# The Case of Malaria Prevention





**The Anopheles Mosquito**

2018:  
**228 million cases** of malaria  
**405,000 deaths** caused by it

Insecticide-treated bednets:



## Insecticide-treated bednets: **effective but low coverage**



Insecticide-treated bednets: **effective but low coverage**



**How can bednet use be expanded?**

# How can bednet use be expanded?

*Policy option 1:*  
**Free distribution**

*Policy option 2:*  
**Cost-sharing**

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1. Use

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**Cost-effectiveness**

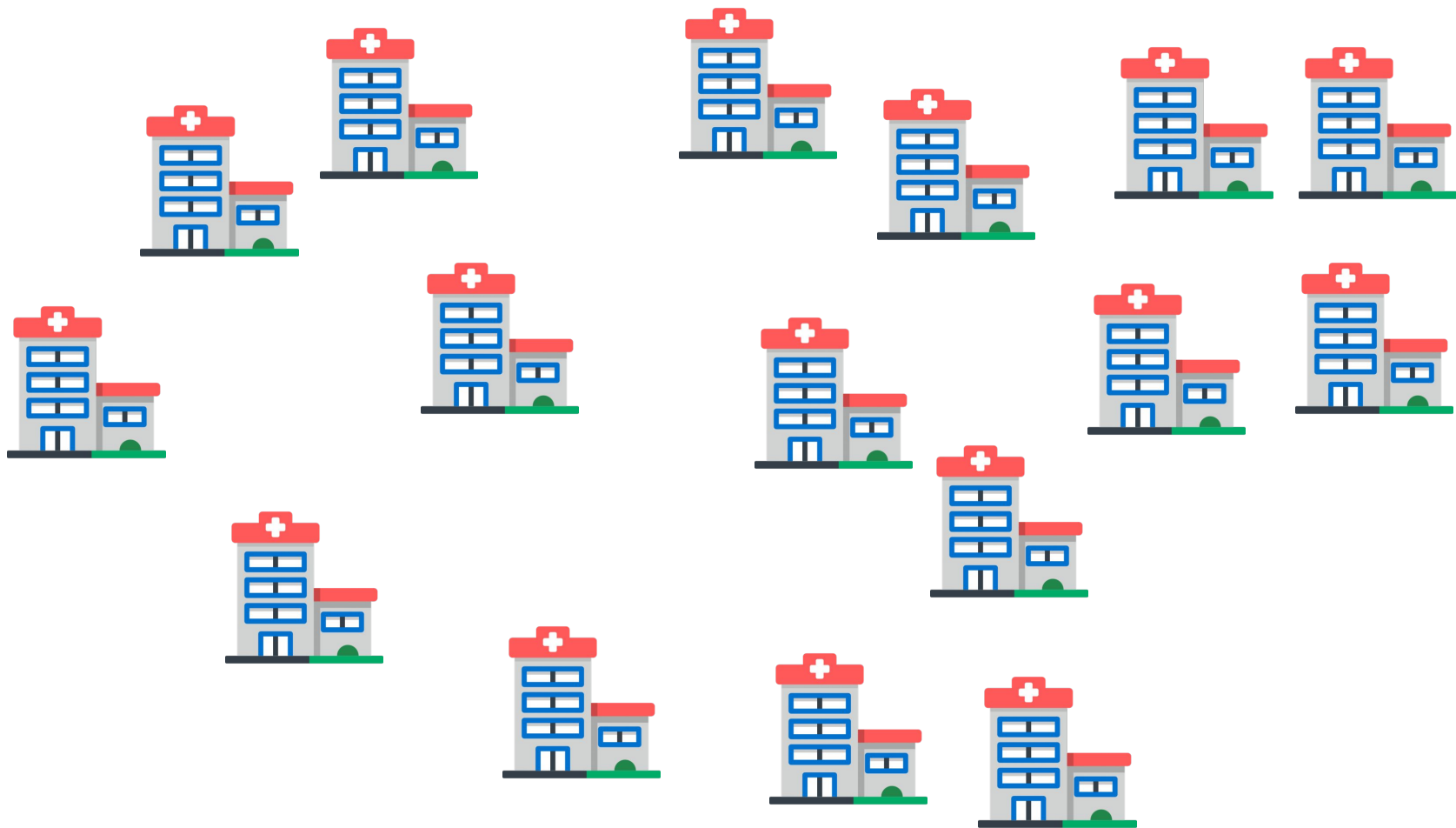
# How can bednet use be expanded?

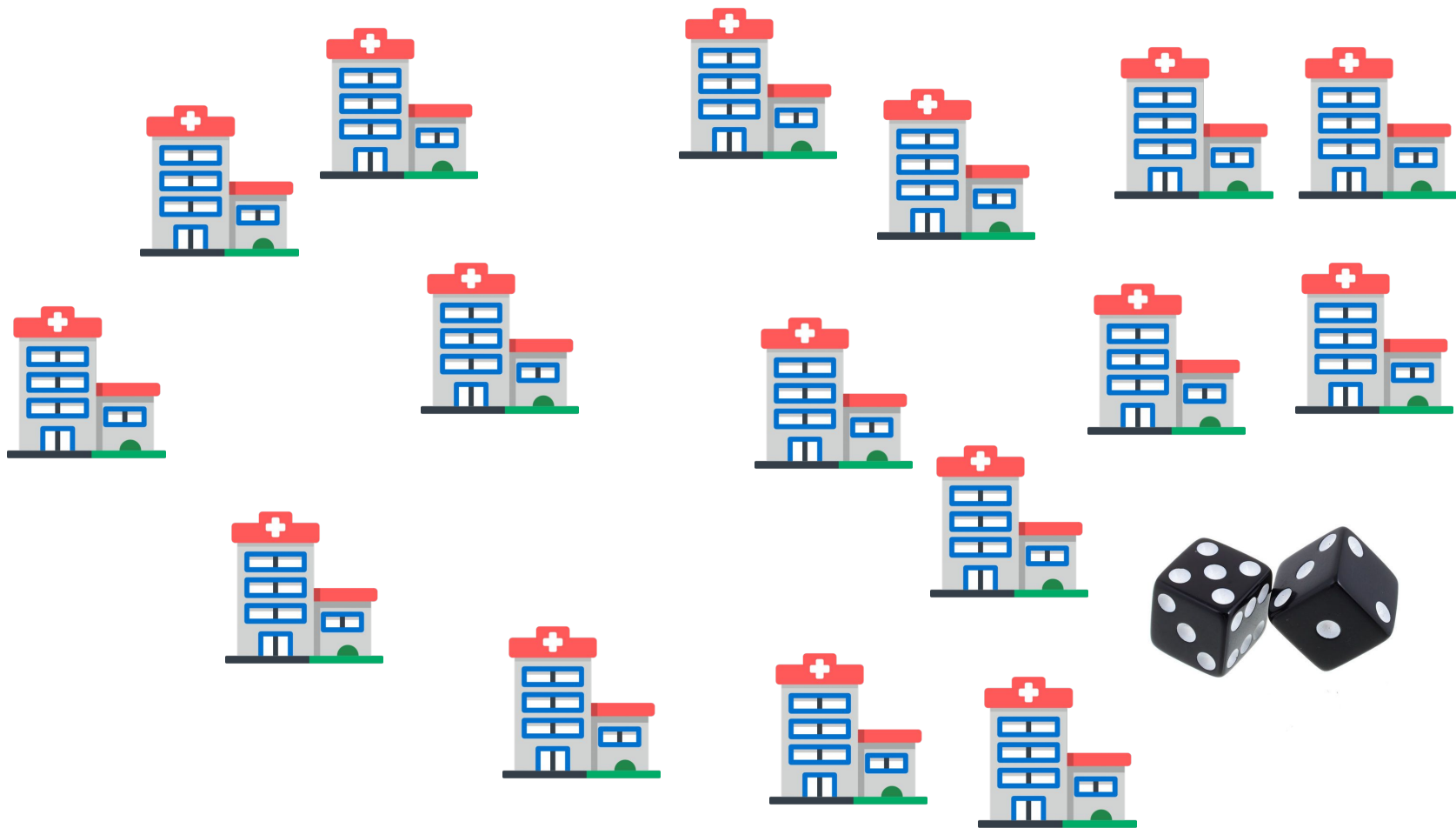
*Policy option 1:*  
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1. Use		
2. Access		
3. Cost per user		
<hr/>		
<b>Cost-effectiveness</b>		

# The Experiment





1)



2)



3)



4)





# Fees paid by user as % of market price

(Market price: \$7)

1) Free



2) 2.5%



3) 5%



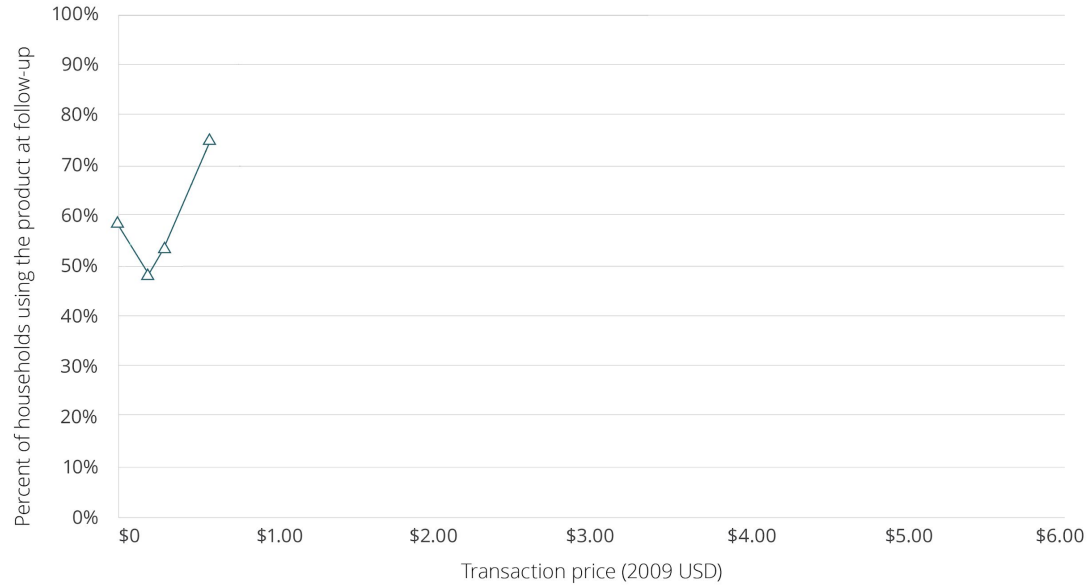
4) 10%  
(\$0.70)



# The Findings

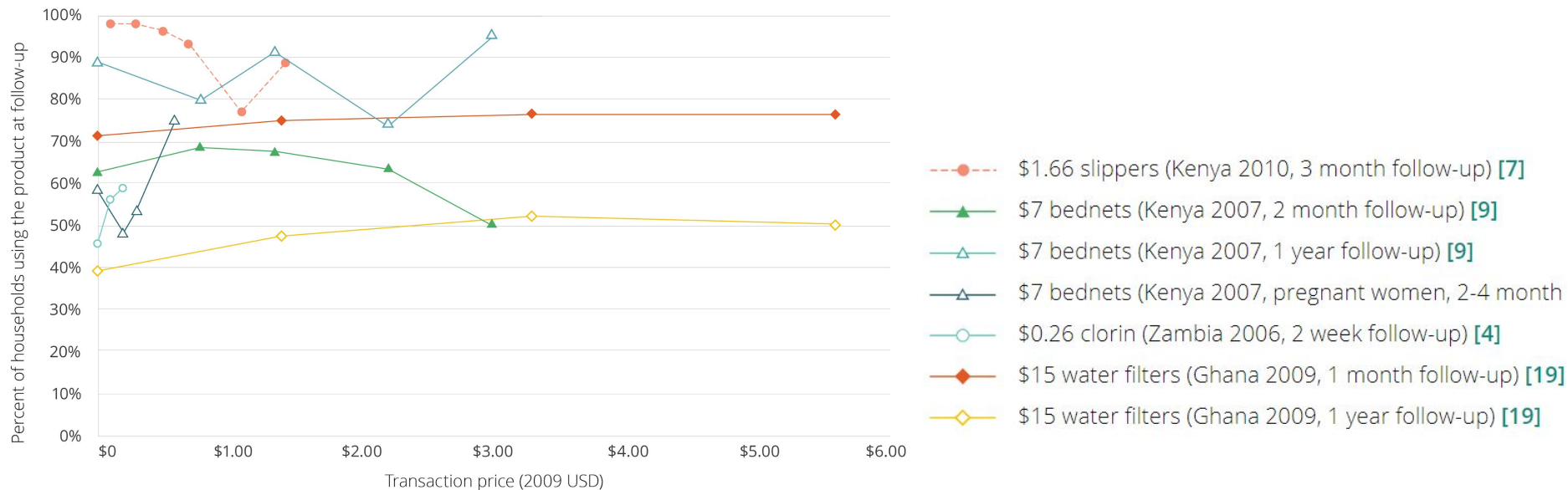
# Use of Bednets

Usage rates among households that purchased or received the product



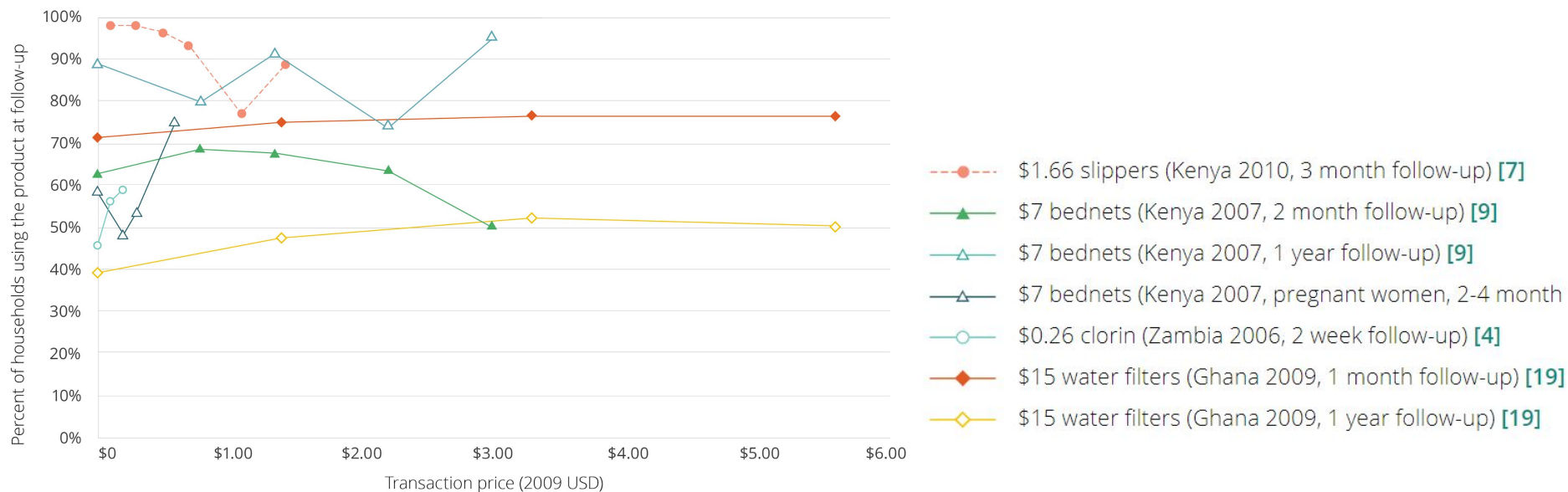
# Use of Bednets

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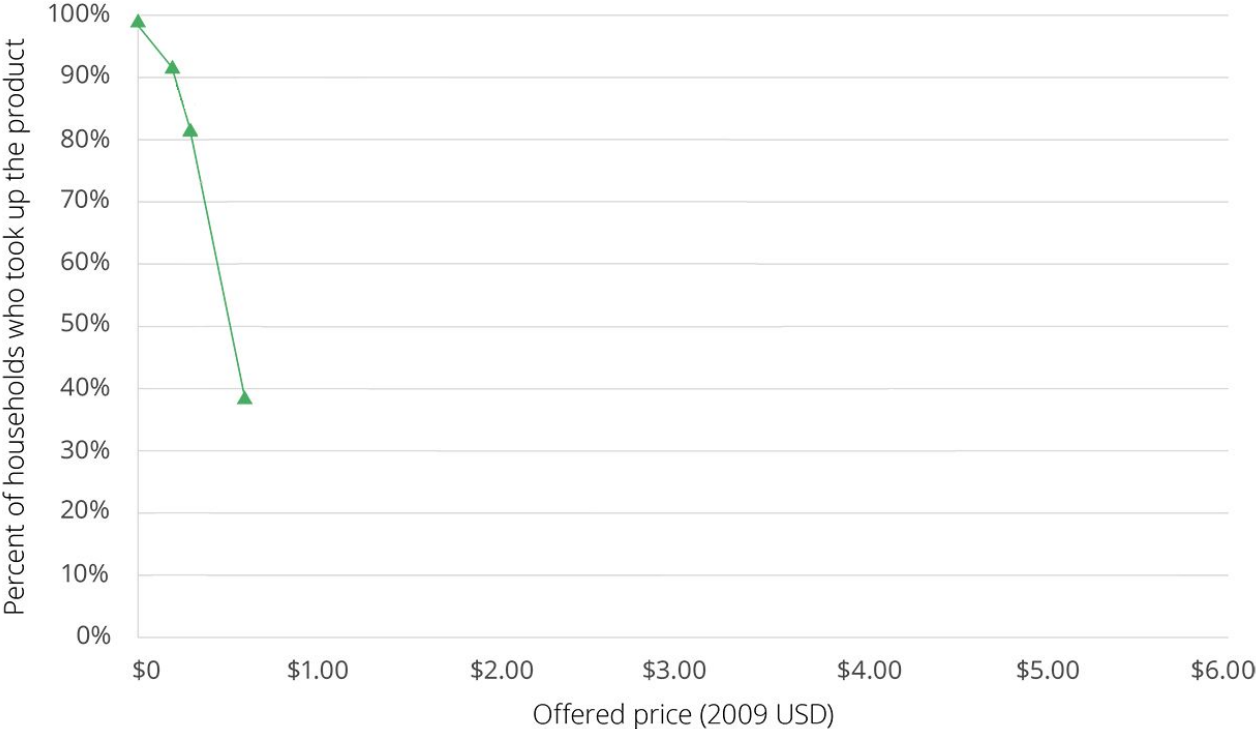
# Finding #1: Fees Do Not Substantially Promote Use

Usage rates among households that purchased or received the product



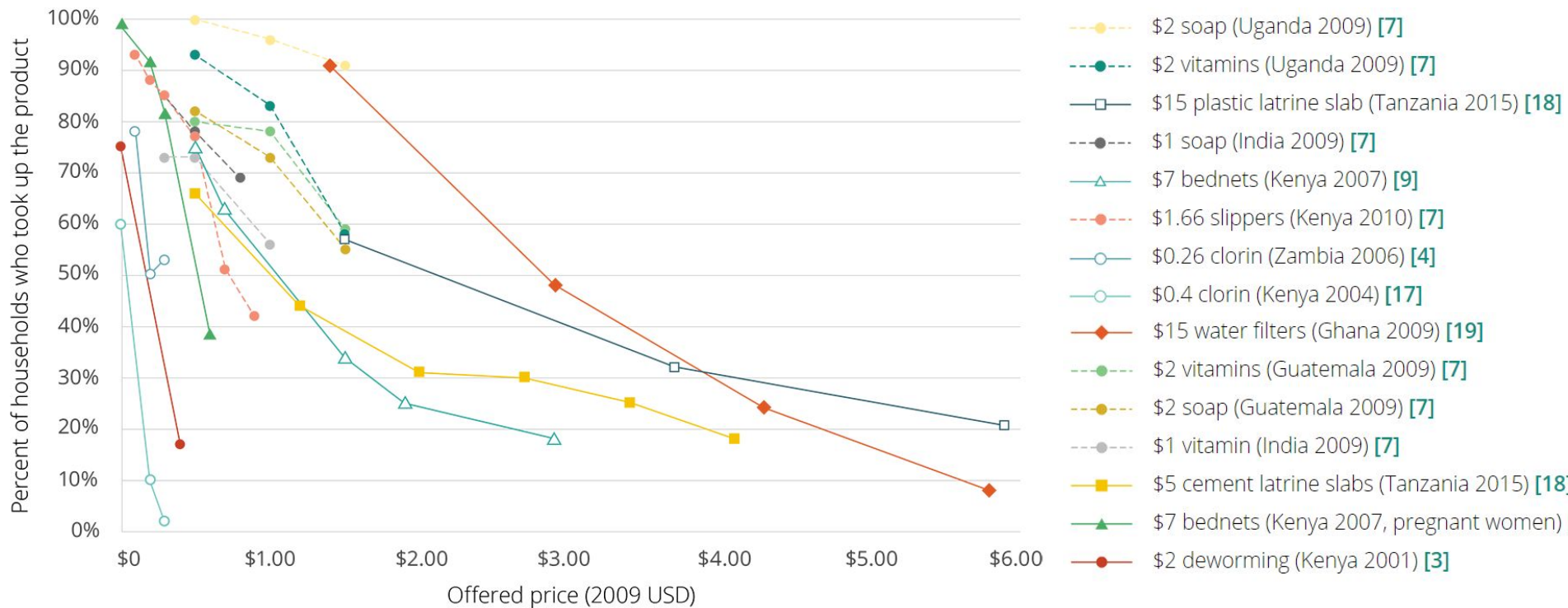
# Access to Bednets

Take-up rates of preventive health products at various prices



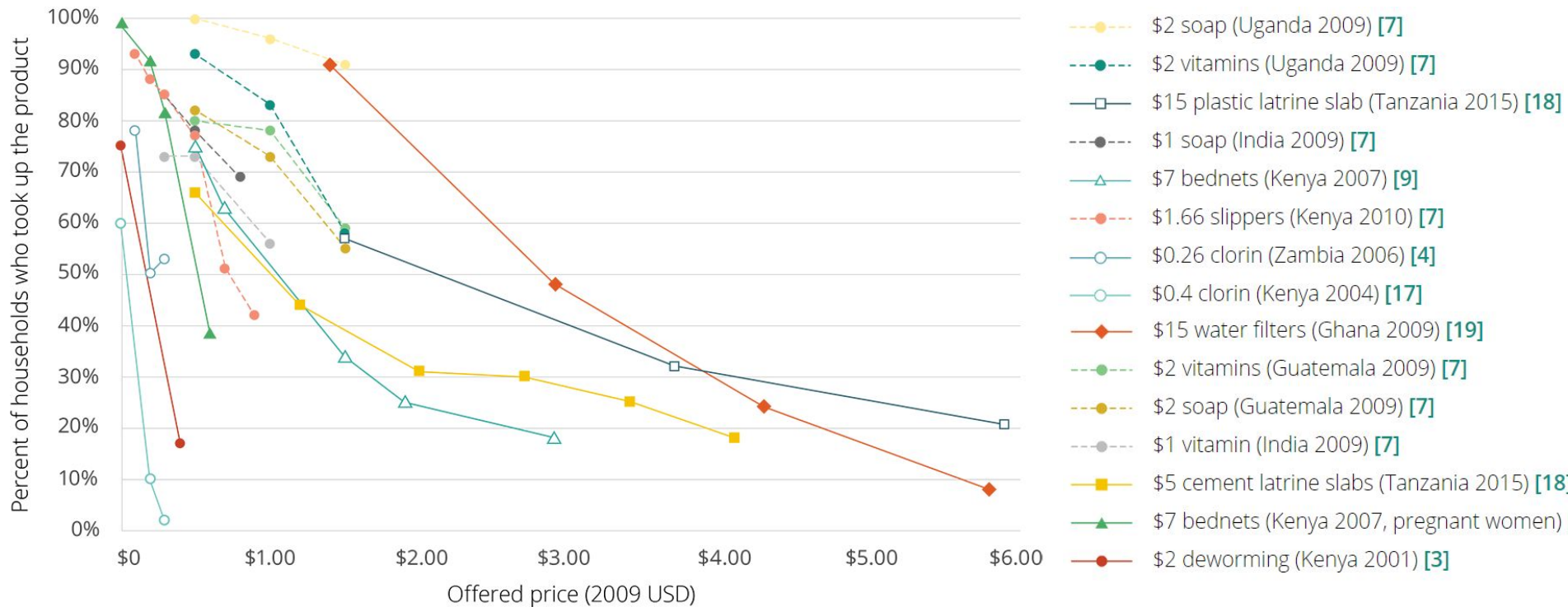
# Access to Bednets

Take-up rates of preventive health products at various prices



# Finding #2: Small Fees Cause Big Reductions in Access

Take-up rates of preventive health products at various prices





*Policy option 1:*  
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1. Use



2. Access

3. Cost per user

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**Cost-effectiveness**

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**Cost-effectiveness**

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**Cost-effectiveness**

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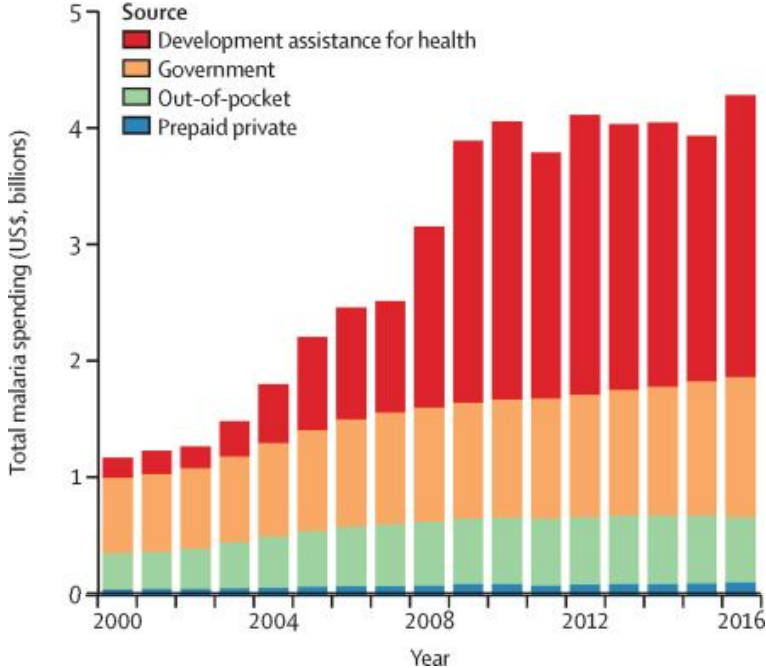


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**Cost-effectiveness**

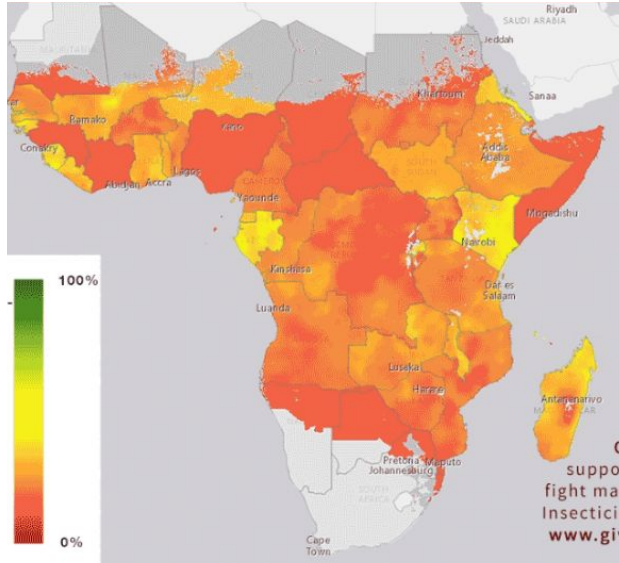


# Malaria Spending Worldwide

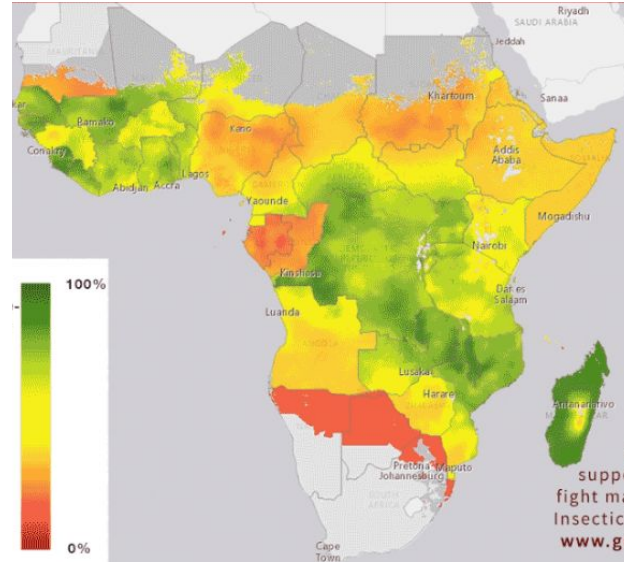


# Percentage of population sleeping under insecticide-treated bednets

**2006**

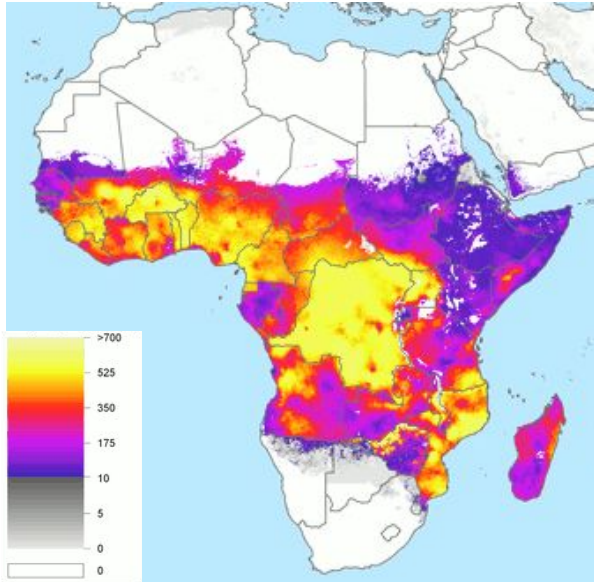


**2015**

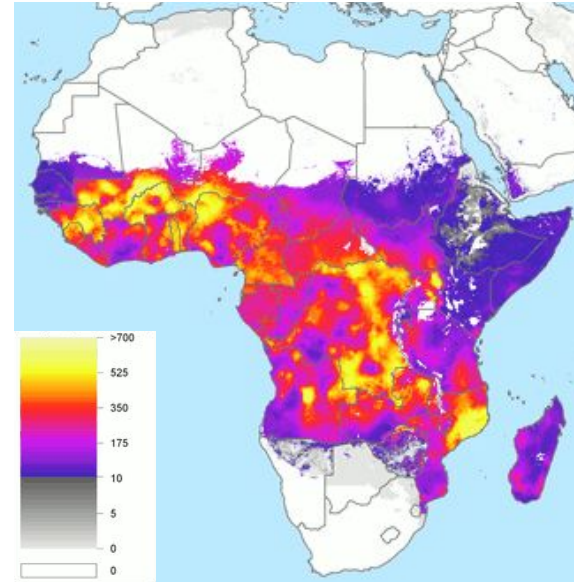


# Malaria cases per 1000 people per annum

**2006**



**2015**





Department  
for Internatio  
Development







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Crime, Violence, &  
Conflict

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Gender

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Health

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Labor Markets

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Political Economy &  
Governance

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