



Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty, published ten years ago, tackles the grey areas that experts often overlook regarding the formulation and implementation of aid policies to eradicate poverty in developing countries. The book is still relevant today because the authors advance our understanding of how the poor perceive poverty traps perpetuating their never-ending cycle of poverty via analysis of the two opposing viewpoints to addressing global poverty. The first from Jeffrey Sachs, advocating for foreign aid to kick-start a virtuous cycle by helping developing countries invest in critical economic sectors and making them more productive. The second, from William Easterly and Dambisa Moyo, who argued that aid worsens the poor's plight by preventing people from searching for a location and context-specific solutions to local problems while creating a legion of self-perpetuating aid lobbyist agencies. The latter argues, when the markets are free and incentives are suitable for everyone, developing nations can get value for foreign exports such as cash crops and find ways to solve their problems.

Abhijit and Esther used evidence from randomized control trials to argue that when it comes to improving the lives of the poor, much of the debate should not be focused on if aid will solve or worsen the existing predicament of the poor. Instead, the focus of the debate should be on the availability of empirical evidence that will inspire confidence in the formulation of social policies to catapult the poor from their poverty onto the development path. According to the authors, the discussion on fighting global

poverty should be focused on a simple question such as what is the best way to fight infectious diseases such as diarrhea or dengue, rather than the "big questions" - "What is the ultimate cause of poverty? How much faith should we place in free markets? Is democracy good for the poor? Does foreign aid have a role to play?" Throughout the pages of the book, the authors make it clear that their intention is not to downplay the importance of foreign aid to developing nations, nor agree with the widespread opinion that the key to helping the poor escape from their so-called poverty trap is- a big push deeply rooted in foreign aid. Instead, they question, "if there is really no evidence for or against aid, what are we supposed to do - give up on the poor... do we know of effective ways to help the poor?" (p. 4&5).

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Chapter one stands alone and calls for decolonizing the approach to tackling poverty and underdevelopment. The book's remaining chapters are divided into two sections; part one comprises chapters 2-5, navigates the poor's private lives, and explores their lived experiences. It highlights some of the poverty traps the poor experience, such as nutrition-based, health-based, education-based, population and reproductive-based and market-based traps, and details them from the poor's perspective. The authors then explore the potential of micro solutions to the seemingly macro

problems. The authors then discuss potential solutions to these traps. For instance, the answer to the under-nutrition of the poor might not be subsidizing food for the poor. Instead, it is essential to understand and respect the cultural context of the poor rather than imposing western standards. The poor usually have priorities different from what the experts think. They spend on weddings, funerals, other social pleasures and might not spend on food as expected.

The second section of the book, Chapters 6-10, explores the role of political and economic institutions and institutional structures in perpetuating never-ending poverty for the poor. The authors note that the lack of an enabling business environment, the politics behind policy formulation and implementation, and existing institutional frameworks, continue colonial legacies built for exploitation, makes it hard for impoverished individuals to strive to make ends meet for themselves and their families. For instance, an inaccessible business environment forces the poor to raise money through high-risk savings accumulation or borrowing to farm within rapidly changing climatic conditions. The absence of a weather-index and crop insurance mechanism put their investment at a much higher risk of climate perturbations with no insurance cover for protection when the inevitable happens. The book suggests solutions such as crop and business diversification, adoption of new planting materials and complementary technologies coupled with effective policies on credit financing for the poor, regulating insurers, market access and a helping hand from each other in the community might trigger

economic development for the poor. However, it should be noted that domestic markets are not always able to compete with cheap imported goods from countries where production capital is readily available and agriculture is highly subsidised.

**" CRITICAL ATTENTION MUST BE GIVEN TO THE POPULATION'S ACCESS TO CREDIBLE INFORMATION, FAVOURABLE MARKETS AND FAIR TRADE AGREEMENTS THAT SUPPORT LOCAL PRODUCERS"**

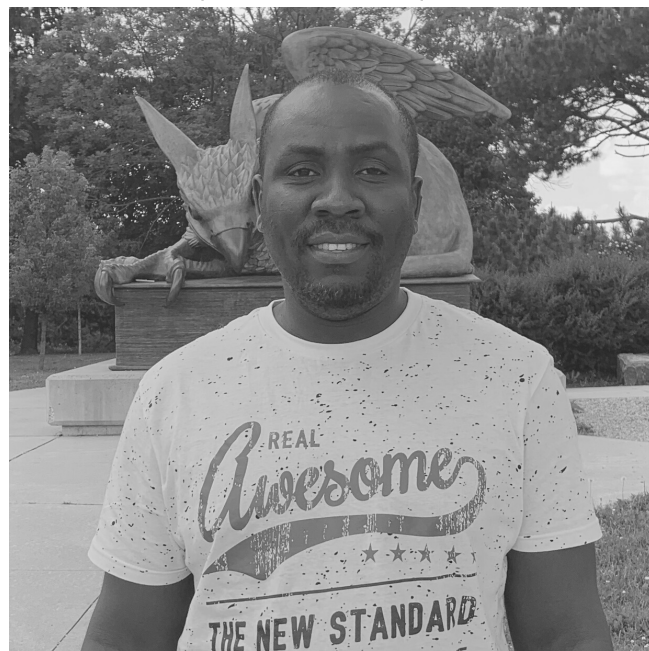
Contrary to the popular opinion that the poor require external support such as foreign aid to alleviate poverty, Abhijit and Esther argue that the poor themselves have been and continue to bear the enormous responsibility of improving their lives. Developing nations have and continue to fund most development programs from their own resources without external support such as foreign aid. According to the book, there is no one-time magic solution that, when implemented, can change the fortune of the poor overnight. The book discusses that to bring the poor out of poverty, critical attention must be given to the population's access to credible information, favourable markets and fair trade agreements that support local producers. A simple solution such as salt fortified with iron and iodine could be made cheap for the poor to improve cognitive and logical thinking required to solve day-to-day life's problems.

One interesting argument from the book is that developing countries are not poor because western elites have taken the country's economy hostage and do not

want the economy to grow, as some dependency theorists claimed (e.g. Valenzuela & Arturo, 1978; Frank, 1996). Although, many of the developmental problems and lack of industrialization are related to path dependency and lock-ins, particularly political and institutional lock-ins, which hinder development processes restructuring (Hassink, 2005). The book argues the solution to poverty and underdevelopment in developing nations is deeply rooted in Pritchett et al.'s (2013) suggestion that those nations must have institutions that have the capacity and capability to conduct their operations. For example, police doing policing, tax officers collecting tax, engineers doing engineering work, and teachers teaching in class, all cascading within good governance. Simple solutions such as making sure everyone is invited to village meetings for information sharing, monitoring government workers and holding them accountable for failures in performing their duties and monitoring politicians at all levels to ensure they respect the rule of law and make decisions that will better the lives of the poor will go a long way to solve issues of poverty and underdevelopment.

A decade after the book was first published, it is still relevant and remains a must-read for all international development students and researchers before they undertake any development research. The book draws attention to the multi-scaler, multi-dimensional connectivities and complexities of possible causes of underdevelopment and global poverty. *Poor Economics – A Radical Rethinking of the Way to Fight Global Poverty* is grounded on the idea that development policy decision-making processes should

be supported by evidence-based context-specific lived experiences of people whose wellbeing is considered. It encourages development research projects to follow the call by Sumner & Tribe (2008) for transdisciplinary research, emphasizing participatory learning approaches. These approaches help uncover realities of poverty experiences and the extent to which poverty affects vulnerable groups. Furthermore, need-based solutions are required to maximize the efficiency of development input. The book offers development students and practitioners an opportunity to learn, unlearn, and relearn to decolonize the single approach mentality to tackling poverty and underdevelopment for the poor.



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