

14.009x: Good Economics for Hard Times

Instructors:

- Esther Duflo, Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics (MIT)
- Abhijit Banerjee, Ford Foundation International Professor of Economics (MIT)

Course Descriptions:

Why are some countries poor, and some countries rich? Should the United States trade more or less with China? Should the United States have a universal basic income? What can we do to mitigate climate change? Why does racism persist and how can we fight it?

Economics shows you how to think about some of the toughest problems facing society – and how to use data to get answers. This exploratory course is based on the recent book *Good Economics for Hard Times* and taught by Nobel-Prize winners Abhijit Banerjee and Esther Duflo, whose cutting-edge research aims to answer these questions and more.

By specifically addressing today's most pressing issues in the United States and other advanced economies, this course provides a broad survey of many strands of the current applied economics literature, designed for several types of audiences.

For learners who have not taken introductory economics courses that teach analytical tools and models, this course provides an accessible and intuitive introduction to how economic analysis is applied to current issues, and what those analyses find.

For learners who have studied the core abstract tools, concepts, and methods common in economics, this course provides a strong motivation for these concepts and allows learners to see how core tools are applied by current economic researchers.

This Course and the MicroMasters:

This course is part of the MITx MicroMasters Program in Data, Economics, and Design of Policy (DEDP). The program consists of two tracks and eight online courses and in-person proctored exams. This course is an introductory elective in the Public Policy track. Learners who pass the three core classes and two elective courses (and corresponding proctored exams), can earn their MicroMasters credential. The program is co-designed by and run by MIT's Department of Economics and the Abdul Latif Jameel Poverty Action Lab (J-PAL), a global leader in conducting randomized evaluations to test and improve the effectiveness of programs aimed at reducing poverty. The MicroMasters program is intended for learners who are interested in building a full set of tools and skills required for data analysis in the social sciences, understanding the problems facing the world's poor, and learning how to design and evaluate social policies that strive to solve them. You can learn more about this program on our [website](#) – we hope that many of you will decide to join us!

Prerequisites:

There are no prerequisites.

Assignments and Grading Scheme:

For every week during the course, there will be a homework assignment that covers the main topics in that unit. Homework assignments will be released on Tuesdays along with the videos, and will be due Tuesday. In addition, there will be a comprehensive review at the end of the course. Please see the online calendar for further information.

Grades of the course are calculated as follows:

- Homework Assignments: **14%**
- Finger Exercises: **9%**

- Comprehensive Review: **7%**
- Proctored Exam: **70%**

Lectures and Time Commitment:

The material for each topic will be posted weekly, and you should keep pace with the rest of the class. There will be about two lectures per week. You will have access to videos of the lecture presented in short segments (8-10 minutes on average), followed by finger exercises. You will also have access to the lecture notes and presentation slides.

The minimum commitment will be approximately 12 hours per week for watching the lectures, doing the readings, and completing the assignments.

Honor Code Pledge:

By enrolling in a MITx Online course or program, you agree that you will:

- Complete all tests and assignments on my own, unless collaboration on an assignment is explicitly permitted.
- Maintain only one user account and not let anyone else use my username and/or password.
- Not engage in any activity that would dishonestly improve my results, or improve or hurt the results of others.
- Not post online or share answers to problems that are being used to assess learner performance.

We will strictly enforce the honor code pledge. If you are found in violation of the Terms of Service or Honor Code, you may be subject to one or more of the following actions:

- Receiving a zero or no credit for an assignment;
- Having any certificate earned in the course or program withheld or revoked;
- Being unenrolled from a course or program; or

- Termination of your use of the MITx Online Site.
- Additional actions may be taken at the sole discretion of MIT.

No refunds will be issued in the case of any corrective action for such violations.

Honor Code violations will be determined at the sole discretion of MIT. You will be notified if a determination has been made that you have violated this Honor Code and you will be informed of the corresponding action to be taken as a result of the violation.

Course Syllabus and Reading Assignments:

The required text for this class is Good Economics for Hard Times. The book is available within the MITx Online platform.

Week One: Introduction

- Reading Assignment: Good Economics for Hard Times: Preface and Chapter 1 (“MEGA: Make Economics Great Again”).

Week Two: Migration

- Reading Assignment: Good Economics for Hard Times: Chapter 2 (“From the Mouth of the Shark”)

Week Three: Trade

- Reading Assignment: Good Economics for Hard Times: Chapter 3 (“The Pains from Trade”)

Week Four: Likes, Wants, and Needs

- Reading Assignment: Good Economics for Hard Times: Chapter 4 (“Likes, Wants, and Needs”) (pp. 98 - 118)

Week Five: Likes, Wants, and Needs, Continued

- Reading Assignment: Good Economics for Hard Times: Chapter 4 (“Likes, Wants, and Needs”) (pp. 118 - 145)

Week Six: Economic Growth

- Reading Assignment: Good Economics for Hard Times: Chapter 5 (“The End of Growth?”) (pp. 146 - 178)

Week Seven: Economic Growth, Continued

- Reading Assignment: Good Economics for Hard Times: Chapter 5 (“The End of Growth?”) (pp. 179 - 207)

Week Eight: Climate Change

- Reading Assignment: Good Economics for Hard Times: Chapter 6 (“In Hot Water”)

Week Nine: Inequality

- Reading Assignment: Good Economics for Hard Times: Chapter 7 (“Player Piano”).

Week Ten: Government

- Reading Assignment: Good Economics for Hard Times: Chapter 8 (“legit.gov”)

Week Eleven: Social Policy

- Reading Assignment: Good Economics for Hard Times: Chapter 9 (“Cash and Care”). and Good Economics for Hard Times: Conclusion.