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Nobel Prize in Economic Sciences 2019

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The Sveriges Riksbank Prize in Economic Sciences for 2019 was jointly awarded to **Abhijit Banerjee, Esther Duflo, and Michael Kremer**, for **'their experimental approach to alleviating global poverty.'**

- This year's laureates have introduced a **new approach** to obtain reliable answers about the **best ways to fight global poverty**. Their approach divides the larger issue into smaller ones that could be easily examined to find out the solution to the problem.
- The three adopted an **evidence-based approach** to apply their theory to real-life situations using randomized trials and then assessing the outcomes.
 - For instance, they found that in India, despite immunization being free, women were not bringing in their children for the vaccination shot. The two economists *Abhijit Banerjee & Esther Duflo* decided to give them a bag of pulses free to women who brought their babies for vaccination. This **freebie policy** soon spread and the rate of immunization shot up in the region.
 - The field-work based approach that these economists have presented has revolutionized the field of development economics and made it more relevant in policymaking.
- In this way, the **experiment-based approach** of the three laureates has transformed the developmental economics and turned it into a flourishing field of research.

The trio's experimental research methods have benefited more than **five million** Indian children, who are part of remedial tutoring programmes in schools.
- **Esther Duflo** has become the **second woman** to win the prize after Elinor Ostrom of the USA (in 2009). She is also the youngest ever to win the prize.

Source: TH