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## **Freakonomics Developnomics**

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The smart and eminently readable new book, “Economic Gangsters,” by Raymond Fisman and Edward Miguel, has a blurb on the cover from Steven Levitt, of “Freakonomics” fame. It fits, because Fisman and Miguel try to do for global poverty what Levitt did for domestic economic issues. For example, they look at the way “witches” are killed in Tanzania whenever rainfalls fail and food is scarce; it turns out that families try to save food by executing less-productive elderly women as witches.

Fisman and Miguel strongly back the idea of randomized testing for anti-poverty interventions, an idea that is being pushed with great success by the Poverty Action Lab at M.I.T. Randomized testing is expensive but very useful and has come up with important evidence of what is cost-effective. For example, the most efficient way to get more kids in school turns out not to be building schools, but deworming children.

The book also promotes the idea of automatic aid flows to vulnerable countries affected by climate shocks, such as drought. The idea is that otherwise, these countries risk being torn apart by conflict, even civil war — and that is far more costly to the global community than modest amounts of aid to cushion the shock. Since the average civil war in Africa imposes costs to itself and its neighbors of \$100 billion, that sounds like a good idea.