

# Expanding Access: Quality and Quantity

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# Quantity

- South Africa
  - 200% apr
  - Consumer lending
  - If we want to find bad outcomes from high interest rate debt, this would be a good place to look....
  - Result:
    - more people kept their jobs
    - lower poverty
    - Lower incidence of hunger

# Quality

- “Nudge” applied to development...
  - Commitment contracts
    - Contracts to save more
      - First study, increased savings three-fold
      - And to help them: jigsaw puzzles, reminders, gain/loss frames in marketing and reminders, habit formation, etc.
    - Contracts to stop smoking (and save!)
      - 30% point improvement in likelihood of smoking cessation
      - Using social networks could enhance effectiveness even more
- And some plain vanilla economics...
  - Group liability: panacea or tax on the poor?