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POOR ECONOMICS by Abhijit V. Banerjee and Esther Duflo
wins the Financial Times and Goldman Sachs
Business Book of the Year Award 2011



London, 3 November 2011: Abhijit V. Banerjee and Esther Duflo today won the Financial Times and Goldman Sachs Business Book of the Year Award 2011 (www.ft.com/bookaward) for **Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty**, published by Perseus Books. The book is a journey into the multi-faceted and complex lives of the poor, based on over fifteen years of work the authors have done with the poor, trying to understand the specific problems that come with poverty – and to find proven solutions.

The Award, which aims to find the book that provides 'the most compelling and enjoyable insight into modern business issues', was presented today to Abhijit V. Banerjee at the Wallace Collection in London by Lionel Barber, Editor, Financial Times, and Lloyd C. Blankfein, Chairman and Chief Executive Officer, The Goldman Sachs Group, Inc. The keynote speaker was Lord Patten of Barnes, Chairman, BBC Trust.

Abhijit V. Banerjee and Esther Duflo share a £30,000 prize. Each of the five runners-up received a cheque for £10,000, and can expect a heightened interest in their influential books.

Lionel Barber, Editor, Financial Times and Chair of the Panel of Judges, said: "I was blown away by the thoroughness of the empirical research. This is going to be a real basis for innovation in policy, innovation in government, and a guide to intellectual debate. This is a business book in the broadest sense."

Lloyd C. Blankfein, Chairman and Chief Executive Officer, The Goldman Sachs Group, Inc., commented: "This is an important and thoughtful book. It provides real insight into many of the fundamental issues that can help alleviate poverty. *Poor Economics* is a deserving winner."

The distinguished judging panel for the 2011 Award was:

- Vindi Banga, Partner, Clayton, Dubilier & Rice
- Lynda Gratton, Professor of Management Practice, London Business School
- Arthur Levitt, former Chairman of the United States Securities and Exchange Commission
- Mario Monti, President of Bocconi University, Milan, European chairman of the Trilateral Commission, honorary president of Bruegel
- Jorma Ollila, Chairman of Nokia and Royal Dutch Shell
- Shriti Vadera, Director of Shriti Vadera Ltd, Non-Executive Director of BHP Billiton and AstraZeneca

Lord Patten of Barnes added: "This prestigious literary award has helped to rescue the concept of "business books" from that pile of volumes at airport terminals which advise you, first, how to make the most of your attributes as a first-class underling, and second, never knowingly to underestimate the taste of the public. This prize, with its distinguished list of past winners, has transformed the whole notion of business literature."

Photographs of Abhijit V. Banerjee and shortlisted authors, keynote speaker Lord Patten, the judges and the award ceremony will be available to download from <http://www.flickr.com/photos/financialtimes/> after 12am EST on 4 November, and on request.

A video of the shortlist can be viewed at: <http://bit.ly/ftgsbbya>.

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The Financial Times and Goldman Sachs Business Book of the Year Award 2011:

WINNER 2011

Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty

Abhijit V. Banerjee and Esther Duflo (PublicAffairs, USA; Perseus Books, UK)

Poor Economics is a journey into the incredibly multi-faceted and complex economic lives of the poor. For more than fifteen years, Abhijit V. Banerjee and Esther Duflo have worked with the poor in dozens of countries spanning five continents, trying to understand the specific problems that come with poverty and to find proven solutions. Their book is at once radical in its rethinking of the economics of poverty and entirely practical in the suggestions it offers, allowing a ringside view of the lives of the world's poorest. Drawing on a very rich body of evidence, including the hundreds of randomised control trials they have pioneered at the Abdul Latif Jameel Poverty Action Lab (J-PAL), they show why the poor, despite having the same capacities and aspirations as anyone else, end up with entirely different lives.

They help us understand why the poor need to borrow in order to save, why their children go to school but often do not learn, why they miss out on free life-saving immunizations but pay for drugs that they do not need, why they start many businesses but do not grow any of them, and many other puzzling facts about living on less than 99 cents per day.

Poor Economics argues that so much of anti-poverty policy has failed over the years because of an inadequate understanding of poverty. The battle against poverty can be won, but it will take patience, careful thinking, and a willingness to learn from evidence.

Abhijit Vinayak Banerjee was educated at the University of Calcutta, Jawaharlal Nehru University and Harvard University. He is currently the Ford Foundation International Professor of Economics at MIT. Banerjee is a past president of the Bureau for Research in the Economic Analysis of Development, a fellow of the American Academy of Arts and Sciences and the Econometric Society, and has been a Guggenheim Fellow and an Alfred P. Sloan Fellow. He is the recipient of many awards, including the inaugural Infosys Prize in 2009, and has been an honorary advisor to many organisations, including the World Bank and the Government of India.

Esther Duflo is the Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics at MIT. She studied at the École Normale Supérieure, in Paris, and at MIT. She has received numerous honors and prizes, including a John Bates Clark Medal for the best American economist under forty in 2010, and a MacArthur "genius" Fellowship in 2009. She was recognised as one of the best eight young economists by *The Economist* magazine, one of the hundred most influential thinkers by *Foreign Policy* since the list has existed, and one of the "forty under forty" most influential business leaders by *Fortune* magazine in 2010.

SHORTLISTED 2011

Exorbitant Privilege: The Rise and Fall of the Dollar

Barry Eichengreen (Oxford University Press, UK)

For a quarter of a century after World War II, the dollar reigned supreme. Only the United States emerged strengthened from the war; its economy towered over the world like none other. It accounted for fully half of global industrial production. Only its currency was freely traded.

The dollar, the world's international reserve currency for over eighty years, has been a pillar of American economic hegemony. In the words of one critic, the dollar possessed an "exorbitant privilege" in international finance that reinforced U.S. economic power.

In *Exorbitant Privilege*, eminent economist Barry Eichengreen explains how the dollar rose to the top of the monetary order before turning to the current situation.

The current crisis has placed serious strains on the dollar, and many believe that US influence in the world will be severely curtailed with the rise of competing currencies such as the Euro and the Chinese renminbi. However, Eichengreen suggests that, while we are most likely entering an era when the world will have more than one reserve currency, this does not in itself constitute a crisis. Moreover, predictions of the dollar's demise are greatly exaggerated. The most likely outcome is that the dollar will only slowly be supplanted by other currencies in a gradual transition that will resemble the relatively stable situation that prevailed before World War I.

Barry Eichengreen is Professor of Political Science and Economics at the University of California, Berkeley. He has written for the *Financial Times*, *Wall Street Journal*, *Foreign Affairs*, and other publications.

Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier and Happier

Edward L. Glaeser (The Penguin Press, USA; Macmillan, UK)

In 2009, for the first time in history, more than half the world's population lived in cities. In a time when family, friends and co-workers are a call, text, or email away, 3.3 billion people on this planet still choose to crowd together in skyscrapers, high-rises, subways and buses. Not too long ago, it looked like our cities were dying, but in fact they boldly threw themselves into the information age, adapting and evolving to become the gateways to a globalised and interconnected world. Now more than ever, the well-being of human society depends upon our knowledge of how the city lives and breathes.

Understanding the modern city and the powerful forces within it is the life's work of Harvard urban economist Edward Glaeser who is hailed as one of the world's most exciting urban thinkers. Travelling from city to city, speaking to planners and politicians across the world, he uncovers questions large and small whose answers are both counterintuitive and deeply significant. Should New Orleans be rebuilt? Why can't my nephew afford an apartment in New York? Is London the new financial capital of the world? Is my job headed to Bangalore? In *Triumph of the City*, Glaeser takes us around the world and into the mind of the modern city – from Mumbai to Paris to Rio to Detroit to Shanghai, and to any number of points in between – to reveal how cities think, why they behave in the manners that they do, and what wisdom they share with the people who inhabit them.

Edward L. Glaeser is the Fred and Eleanor Glimp Professor of Economics at Harvard University. He studies the economics of cities, housing, segregation, obesity, crime, innovation and other subjects, and writes about many of these issues for *Economix*. He serves as the director of the Taubman Center for State and Local Government and the Rappaport Institute for Greater Boston. He is also a senior fellow at the Manhattan Institute. He received his Ph.D. from the University of Chicago in 1992.

Wilful Blindness: Why We Ignore the Obvious at Our Peril

Margaret Heffernan (Walker & Co, USA; Simon & Schuster, UK)

Margaret Heffernan argues that the biggest threats and dangers we face are the ones we don't see – not because they're secret or invisible, but because we're wilfully blind. A distinguished businesswoman and writer, she examines the phenomenon and traces its imprint in our private and working lives, and within governments and organisations, and asks: What makes us prefer ignorance? What are we so afraid of? Why do some people see more than others? And how can we change?

Covering everything from our choice of mates to the SEC, Bernard Madoff's investors, the embers of BP's refinery, and the military in Afghanistan, this provocative book demonstrates how failing to see – or admit to ourselves or our colleagues – the issues and problems in plain sight can ruin private lives and bring down corporations. Heffernan explains how wilful blindness develops before exploring ways that institutions and individuals can combat it.

Margaret Heffernan has been the CEO of several businesses. Born in Texas and educated at Cambridge University, she worked for BBC Radio for five years where she wrote, directed, produced, and commissioned dozens of documentaries and dramas. Heffernan is author of *The Naked Truth: A Working Woman's Manifesto on Business and What Really Matters* and *How She Does It: How Women Entrepreneurs Are Changing the Rules of Business Success*, and is a regular contributor to *Real Business* and *Fast Company* magazine.

Good Strategy, Bad Strategy: The Difference and Why It Matters

Richard Rumelt (Crown Business, USA; Profile, UK)

Developing and implementing a strategy is *the* central task of a leader, whether the CEO at a Fortune 100 company, an entrepreneur, a church pastor, the head of a school, or a government official. In *Good Strategy, Bad Strategy*, Richard Rumelt shows that there has been a growing and unfortunate tendency to equate Mom-and-apple-pie values, fluffy packages of buzzwords, motivational slogans, and financial goals with "strategy." He debunks these elements of "bad strategy" and awakens an understanding of the power of a "good strategy."

Richard Rumelt received his doctoral degree from Harvard and holds the Harry and Elsa Kunin chair at UCLA Anderson School of Business. He is one of the world's most sought-after educators on strategy and general management and is a consultant to small firms such as the Samuel Goldwyn Company and giants such as Shell International, as well as to organisations in the educational and non-profit worlds. Rumelt was a founding member of the Strategic Management Society and served as its president in 1995-98. He has recently appeared on *CNBC*, and been featured in the *Financial Times*, *The McKinsey Quarterly* and *The Economist*, among others.

The Quest: Energy, Security, and the Remaking of the Modern World

Daniel Yergin (The Penguin Press, USA; Allen Lane, UK)

The Quest continues the riveting story Daniel Yergin began twenty years ago with his No.1 International Bestseller *The Prize*, revealing the on-going quest to meet the world's energy needs - and the power and riches that come with it - to prove that energy is truly the engine of global political and economic change.

From the jammed streets of Beijing, the shores of the Caspian Sea, and the conflicts in the Middle East, to Capitol Hill and Silicon Valley, Yergin tells the inside stories of the oil market, the rise of the 'petrostate', the race to control the resources of the former Soviet empire, and the massive corporate mergers that have transformed the oil landscape. He shows how the drama of oil - the struggle for access to it, the battle for control, the insecurity of supply, its impact on the global economy, and the geopolitics that dominate it - will continue to shape our world. And he takes on the toughest questions: will we run out; are China and the United States destined for conflict; what of climate change? Yergin also reveals the surprising and turbulent histories of nuclear, coal, and natural gas, and investigates the 'rebirth of renewables'- biofuels, wind, and solar energy - showing how understanding this greening landscape and its future role are crucial to the needs of a growing world economy.

Daniel Yergin is one of the most highly respected and influential authorities in the world on energy, international politics and economics. He is a recipient of the United States Energy Award for 'lifelong achievements in energy and the promotion of international understanding'. Dr. Yergin received the Pulitzer for *The Prize: The Epic Quest for Oil, Money and Power*, which became a No. 1 bestseller and was made into an eight-hour PBS/BBC series seen by millions of people around the world. He is chairman of IHS Cambridge Energy Research Associates, the leading research and consulting firm in its field. He serves as CNBC's Global Energy Expert.

Notes to editors:

Entry forms and details of the Terms and Conditions are available from www.ft.com/bookaward. This annual Award aims to identify the book that provides the most compelling and enjoyable insight into modern business issues, including management, finance and economics. The shortlist of six titles was chosen from a longlist of fourteen. The winner was announced at a dinner in London on 3 November 2011. Submissions were invited from publishers or bona fide imprints based in any country.

Eligibility:

Books must be published for the first time in the English language, or in English translation, between 16 November 2010 and 15 November 2011. There is no limit to the number of submissions from each publisher/imprint, provided they fit the criteria, and books from all genres except anthologies are eligible. There are no restrictions of gender, age or nationality of authors. Authors who are current employees of the Financial Times or Goldman Sachs, or the close relatives of such employees, are not eligible.

About the Financial Times:

The Financial Times, one of the world's leading business news organisations, is recognised internationally for its authority, integrity and accuracy. Providing essential news, comment, data and analysis for the global business community, the FT has a combined paid print and digital circulation of 592,390 (Deloitte assured, 4 July 2011 to 2 October 2011) and a combined print and online average daily readership of 2.1 million people worldwide (PwC assured, May 2011). FT.com has 4 million registered users and 247,000 paying digital subscribers. The newspaper, printed at 23 print sites across the globe, has a global print circulation of 344,583 (ABC, September 2011).

About Goldman Sachs:

The Goldman Sachs Group, Inc. is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.

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