

The Frontiers of Development Economics

Global Development Policy needs
fresh thinking and debate

Learning from Chicago

- Radical LSE to UofC
- Rigor
- Charged intense atmosphere
- 40-50 seminars a week
- Debate/provocative/challenging
- Networked

Origins

- Rockefeller- 1892
- Harper
- Provocative from the start
- Decade later



Frontiers

- Lucas
- Becker
- Heckman
- Grossman
- McCloskey
- Schulz
- Stigler

My Experience

- Midnights children
- Looking for convergence
- Path dependence
- Capital flight and human capital flight

IMF and Global Development

- Modelling –IMF and macro – the Lucas problem
- Spreadsheet economics
- Institutions and initial conditions

Meanwhile at Home

- Colonial system –law, DMG, judges and army gaming
- One step forward, two back
- Human capital flight and capital flight
- Incentives distorted

One Size Fits All ?

- Animal Farm
- Tax and budget deficit are all
- Growth ignored
- Too many lenders

The Rise of TA, and So Many Agendas

- Missions– do I know the country?
- Agency and negotiation –hitmen
- Conflict of interest

The Agency Problem

- Orientalism
- Chicago provocation no more
- Homogenized development strategies
- Aid empowers western universities
 - Poverty Lab, IGC etc. aid entrepreneurs

The Madison-North Problem

- One event why?
- North/Mokyr/Weber
- Lucas/Romer/Schumpeter/Mokyr
- Innovation research pays

Ideas- Common Theme

- Ideas embedded in networks
- Enlightenment
- Movements
- Change –populism

Networks

- From guilds to journals to aid and media to social media
- Multilateral networks
- Lack of development a network issue

Exclusion

- Most development scholars, authors are Western
- Flagship publications WDR, WEO, GEP
 - Can they be led by other countries?
- SDGs, MDGs

FEG and PIDE

- Aid bureaucracy does not like local competition
 - sides with the DMG
 - Symbiotic relationship
- ‘Homegrown’ with foreign consultants
- Thought industry

Role of Global Bureaucracies in Policy Advice

- Technical assistance (TA)
- William Easterly critiques the top-down approach which ignores local conditions
- Haque and Aziz argue technical assistance leads to policy dependency rather than capacity building
- Local governance structures need more autonomy and intellectual capacity to address challenges effectively

PSDE RASTA and Local Network

- Both government and donor/lender worried
- Bureaucrats feel their foreign trips/assignments are threatened

Emerging issues and the old Uof C approach

- Migration
- Sanctions and Us controlled networks
- Reserve currency
- Trade
- Technology and raw labor
- Alternative institutions
- Narrative competition – soft power

The Need for BRICS-Led Intellectual Networks

- BRICS nations are uniquely positioned to foster intellectual networks
- Sharing of ideas, research, and best practices
- Alternative perspectives and solutions tailored to the specific needs of developing countries
- Such networks could be provocative and generate debate
- Local solutions for local problems!

A new thought leadership

Dare to challenge

New networks

A new debate
Soft power

Can we do it?