For Stephan Klasen’s 50th birthday:
50 economists answer 50 questions
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As Stephan turns 50, he has already supervised more than 50 PhDs. Amazingly, he has always managed to provide support and helpful comments to every single student whenever needed. The four of us were among the first batch of Stephan's PhD students at Göttingen University. When we think of Stephan as our PhD supervisor, all of us are reminded of one really fascinating quality: no matter what question we asked, he always(!) had an answer ready. He would sometimes disappear behind one of the huge stacks of papers in his office and return with an article in his hand that addressed our problem directly.

As some of his first students at Göttingen University, we also observed as Stephan expanded a small development economics chair into Germany’s leading center for development economics research. The rise of this group happened thanks to Stephan’s major academic contributions, his ability to build bridges to other disciplines within the university, and his dedication to training a new generation of young development economists. When he had outside offers, he did not use his bargaining power to maximize his own personal benefits, but instead used it to further enhance the development economics research group. All current, former, and future students in Göttingen are the beneficiaries of these accomplishments.

Stephan’s activities are not limited to research and teaching. He is also highly dedicated to bringing change to the world’s poor, particularly disadvantaged girls and women. He is an esteemed advisor to numerous international organizations and, most notably, he is the only German member of the UN Committee for Development Policy.

Stephan’s 50th birthday is thus a great opportunity to say, “Thank you!” We are extremely grateful for all of the support he has given us over the years. Not only our doctoral experience, but also our lives would have shaped up very differently without his guidance, both academically and personally. Stephan is an academic who does not only have a brilliant mind, but at the same time is kind and caring, with a great sense of humor.

The fact that Stephan can always give a precise answer to very complicated or even complex questions inspired the idea for this book. We asked 50 development economists (and friends of Stephan) around the world to answer 50 (serious and not-so-serious) questions about development research and policy. We were extremely impressed with everyone’s willingness to leave the comfort zone of academia and the safety of long-winded answers, by approaching what could be seen as big, complicated questions with short, sometimes witty, and frequently sincere responses.
We sincerely thank all the contributors for their time and thoughtful answers. We would also like to thank Yael Borofsky and Bartłomiej Kudrzycki, with the support of Evelyn Mühlhofer, Shailee Pradhan and Darcy Molnar, for their invaluable assistance in editing this book. Last but not least, we would like to thank Stephan’s four children for the design of the book cover, which is a drawing done by one of them. We (secretly) took the drawing from the walls of Stephan’s office (and returned it after we had scanned it).

Stephan, we hope you enjoy reading the interviews and we would love to hear your answers to the questions.

Happy Birthday!

*Isa, Ken, Melanie, and Sebastian,*  
*ETH Zürich and Georg-August-Universität Göttingen,*  
*PhD students of Stephan Klasen*
On Stephan Klasen’s leadership in economic research

I came to know Stephan Klasen more than a quarter century ago. I saw him a few times when he took a course with me on “hunger in the modern world,” in which he did, as could be readily guessed, exceedingly well. But this was a large course with close to three hundred students. It was a couple of years later, in 1991, when I came to know him personally. I was one of the two examiners of his Senior Honours Thesis for his Bachelor’s degree from Harvard University. In that hugely impressive thesis, Klasen applied what economists call a “computable general equilibrium model” to the analysis of agriculture in Bolivia. Two things were immediately clear to me as I read his splendid economic analysis. First, that I am dealing with a totally brilliant student, and second, that Stephan Klasen must be – absolutely must be – rescued from the arid ground of computable general equilibrium model-building.

The rescue was needed not because Klasen’s reasoning was not powerful – it was in fact extremely robust, within its context. In fact, the need for rescue arose precisely because Klasen’s extraordinary skills were manifest in the thesis. With a mind like that, I asked myself, why is this totally exceptional young economist following the disastrous practice common in the pedagogy of modern economics of the brightest of students being persuaded to work on the remotest of subjects. Sure enough, general equilibrium of competitive markets is a great subject to study for an economist seeking clarity on how markets are supposed to work, but doing the exacting calculations for applying that theory to real-life problems – whether in Bolivia or elsewhere – is a gigantic leap into an imagined land. Klasen knew all that, but the exercise was still one which would bring him credit for addressing a complicated analytical and mathematical problem. Indeed, computable general equilibrium does demand technical skill, which Stephan Klasen had plentifully. I did not have the slightest hesitation in giving Stephan the highest mark for the quality of his work – Summa Cum Laude – that Harvard can bestow on a student. He also got the Allyn Young Prize for the best senior thesis that year among all the Harvard student. But why use such an extraordinary mind with exceptional skills to get some small answers to tiny questions using a model of market relations that strays far away from the actual markets, not to mention actual economic and social relations, that could be found anywhere – whether in Bolivia, or in Germany and the United States.

I much enjoyed the discussions that followed about what Stephan was going to do in his post-graduate research. After some discussions, Stephan chose “gender inequality and development strategies.” He was clearly excited to work on what we may understand as a “real problem,” and going beyond that, on what we may call a “world problem.” As
we discussed his earlier days, there were clear indications that he was inclined in the direction of taking a world view – including a real and relevantly accurate understanding of the world. Klasen’s choice of post-graduate research fitted in well with his school-day commitments at the United World College in Montezuma, New Mexico, where he had been admitted as the German representative among students from 70 different countries studying in that great international school.

Klasen’s post-graduate work on gender inequality and development proceeded with sure-footed mastery, and before long we had a new leader of gender-related economics in the world. He shunned take any short-cuts. His study of the present – of the challenges of high relative mortality rates of girls and of women, compared with what could be expected given the observed mortality rates of boys and men – had to be founded on painstaking historical research of what had happened in the past of the now rich countries, for example Germany a century or so ago. The subtitle of his Ph.D. thesis – “Lessons from the Past and Policy Issues for the future” – well reflects how he had to extend the epistemological basis of his work, along with using the emerging knowledge to draw policy conclusions of relevance today and tomorrow.

What began as doctoral work led Stephan to continue, expand and radically develop his research in the post-doctoral phase, and then eventually in his academic career as an immensely influential and successful Professor at very distinguished universities. Before long Stephan Klasen emerged as the strongest and most clear-headed contributor to the subject of gender inequality and its policy implications. He influenced research in this whole area both through his writings, but also through his guidance on the research of others – in Munich and in Gottingen particularly, but also in a number of other places which he visited – from New York to Johannesburg, from Harvard to the University of Cambridge. Klasen’s leadership in gender economics is now well established. This is a good moment to recognise and applaud Stephan’s achievements on his 50th birthday!

I will not attempt to go through Stephan’s publication list, but it is important to see with clarity the nature of his work. Many problems of gender inequality are easy to air as general ideas – as I had, for example, done with the idea of “missing women,” reflecting how many more women we should expect to see in different countries of the world if women’s mortality rates were not artificially elevated through neglect and gender discrimination (elevated well beyond what could be expected on the basis of biological features alone, in which women actually have a survival advantage). I had presented, in 1990, some illustrative numbers of plausible figures of missing women based on very aggregate contemporary statistics. But since these numbers keep being cited in different publications in the world, they came to be used well beyond their intended use, and for this reason – as well as for our basic scientific curiosity as well as policy guidance - we need to do more detailed assessments, based on a larger set of more disaggregated information, and making use also of extensive historical studies. That is one of the large and multi-dimensional exercises that Klasen went on to complete effectively.
However, even as Stephan was working on missing women, the nature of the problem was changing – happily with declining mortality disadvantages of women in most regions of the world, but unhappily, with the emergence of a new source of women’s disadvantage in the form of sex-selective abortion of female foetuses, drawing on the increased availability of new techniques of sex-determination of foetuses. This is the primary reason why despite a fall in the mortality disadvantages of women in China and India, the incidence of missing women – fed by selective abortion – has not radically declined. Klasen’s work makes us understand how gender inequality can be sustained by many different factors.

Many different kinds of development problems and different manifestations of gender disparity have received Stephan Klasen’s systematic attention, and we know a lot more about these problems as a result of what he has done. However, since new questions always arise – sometimes sensibly and at other times through hurried conclusions based on a puny set of under-examined data – Klasen as the most accomplished researcher in this area has also been playing the role of a referee, checking whether a new point is convincing or not, and deciding on what is foul and what is fair. Klasen may not have foreseen that being a leader of a field makes it necessary to have the referee’s whistle in his mouth all the time, but given his accomplishments, he is not really at liberty to throw the whistle away. Since it is clear that Stephan Klasen would have been in a leadership position in whatever area of research on which he chose to work, this supervisory role is not a special burden that has come to him only because he has been working on gender inequality (though it is possible that he would have been allowed more peace and solitude had he been applying computable general equilibrium models to one country after another, following Bolivia).

Missing women was Stephan’s point of entry into gender economics and into the study of human deprivation in general. He has been able to enhance our understanding of a cluster of very different development problems, by making major contributions to the analysis of – to choose some examples as illustrations – the causation of high fertility and the forces that lead to rapid fertility decline, the appreciation of what works and what does not among the proposed ways of poverty removal, to the investigation of the nature and reach of public health services as well as of the consequences of their neglect, and the critical evaluation of the newly fashionable “capability approach” for investigating gender inequality and poverty. Klasen’s students and colleagues have pursued many further problems, influenced by his originality and guided by his advice, but also inspired by Klasen’s firm commitment to work for deprived people across the world.

I see my task here today as more of initiating a discussion, rather than giving a long uninterrupted lecture. So I must not go on and on, and look forward instead to discussion. However, I will take the liberty, before ending, of pointing to a couple of very important problems to which Stephan is rightly turning his attention at this time.
The first is the linkage of women’s position in society with their ability to participate in valued and remunerative employment. The fact, for example, that there has been a remarkable stagnation of female labour force participation in urban India, which Klasen has been studying with his collaborators, is extremely important for understanding the continuation of sharp gender inequality in India. The role of employment can not only be transformative (for example, female employment gives women a much more effective voice in the direction of gender equity), it also reflects social and cultural forces that encourage or discourage female employment, especially as people’s incomes rise. These attitudinal issues are both very important and have been peculiarly neglected in the development literature.

The second point relates to the first, and concerns the relevance of people’s – women’s and men’s – understanding of the nature of the world, including social institutions and societal barriers. In one of his recent papers, Klasen refers to the idea of “false consciousness” that Karl Marx had talked about. That concept belongs to the study of what Marx called “objective illusion.” An illusion can be based on very objective observation from a certain confined position, but that positional objectivity does not indicate that the illusion is the only way of analysing a real phenomenon. For example, it is not defective vision that makes people on earth see the sun and the moon to be roughly of the same size – indeed anyone with a good vision on earth will see the moon and the sun to be similar in size. But this is only a position-related observation, without indicating that the sun and the moon really have the same volume, or identical mass.

Gender discrimination survives on the basis of a set of objective illusions, which among the reasons why it is so difficult to eliminate. It is not hard to form the view, given the way the society is currently organized in different parts of the world, that men have the ability to achieve more in life than do women. Observed men can do more original work, accomplish greater breakthroughs, and typically earn much more than women. It is not hard to understand why parents – including mothers as well – tend to believe, in many countries, that women are intrinsically less capable – even less worthy – than men. But of course that conclusion is a total mistake and reflects only the kind of experiences of societies that many people actually have (or see), overlooking the possibilities of social organization that stretch well beyond those limited experiences. I was personally spared this perceptual bias because at the age of 18 when I was undergoing radiation therapy for oral cancer in Calcutta, the name that was most strongly present in my clinical concerns was that of Marie Curie (as it happens, her daughter Irene Joliot-Curie, had also inaugurated the cancer hospital in Calcutta in which I was one of the first radiotherapy patients).

It is important to understand how the prevailing social attitudes can be transformed with scientific education, informed political discussion and probing literary and social analyses related to the roles of men and women (just as we move from the positionally objective but mistaken view that the sun and the moon are of the same size to a better comprehension of their relative sizes on the basis of scientific information and data,
and fuller epistemic engagement, that go beyond mere appearances). One of the lessons from Stephan Klasen’s continuing accomplishments in several different fields is to appreciate, first, the importance of knowledge and understanding in our critical thoughts, and second, the role of our critical thoughts in altering the world as we know it.

I take the liberty of ending my presentation on a self-centred note. I have been extremely fortunate in many different ways from my childhood onwards in being helped by circumstances, but nothing has given me as much satisfaction as having totally outstanding students with whom I have had the privilege to work. Stephan Klasen cannot be surpassed in his success in generating amazement and joy. To see a person like Klasen alter the world of understanding and initiate big social changes is totally wonderful. Let me stop on that happy note, as we celebrate Stephan Klasen’s 50th birthday.

Amartya Sen,
Harvard University,
PhD supervisor of Stephan Klasen

On June 23rd and 24th, 2016, more than 150 development economists from all over the world gathered in Göttingen to celebrate the 50th birthday of Stephan Klasen in form of a two-day conference. Amartya Sen gave the keynote speech which is reprinted here.
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Where and when do you work best?
1 Early morning in my office.

What is the most “interesting” email you ever got from a student?
2 A request to allow for a repeat of a test for which he just submitted an almost blank sheet of paper in the first round.

What was the biggest failure in your career?
3 Not being able to prove and reject a non-credible application of a candidate for the presidency of the Kiel Institute.

Do you have a clean or messy office?
4 Messy. Principle: If a messy desk stands for a messy brain, what does an empty desk stand for?

Is “developing country” an appropriate term? Any better suggestions?
5 No. Lower income country.

Does aid conditionality contradict democracy?
6 Not necessarily. Who pays for the music orders the tone. It is economically wasteful, but so is democracy, sometimes.

Suggest one policy to fight poverty.
7 Education policy!!! Especially for girls.

Which economics paper or book has influenced your thinking most over the last year?
8 Paul Collier: Exodus.

What is the most important unsolved question in development economics?
9 The link between inequality and growth.

Is a global tax on capital utopia or could it actually work?
10 It is utopia (unfortunately).

How can cooperation between researchers and development practitioners be improved?
11 Counter question: Must it really be improved? I think it has improved due to more field research by researchers.

Which of your own articles do you like best?
12 A very old one (1984, in German) provides reasons for sub-Saharan Africa's economic malaise. Regrettably, still valid.
More development aid or more impact evaluations?

None of both. More private investment.

Development economics is missing new theories – true?

Economics in general is missing new theories. Old theories die hard.

If you were stranded on a deserted island, which economics book would you want with you?

A piracy version of Daron Acemoğlu/James Robinson: Why Nations Fail. The pirated version is not as heavy as the official version. That should matter on a deserted island.

Blogs, working papers, books, or journals to follow research?

Blogs are important.

How can the SDGs be useful?

Only when everybody has understood what sustainability is.

What is the impact of development aid?

Very limited.

Suggest one economic policy to fight national income inequalities. Should one always fight them?

(See Q9). But, ok: More money for better education.

Do we need more data, better data, better questions, or better methods for research?

We will never have enough of all of them.

Which economist has inspired you most?

Herbert Giersch.

Suggest one economic policy to fight climate change.

End-of-pipe taxation of CO₂ emissions.

What is the worst assumption you have come across in an economic model by an economist?

Comparative statics. The jump from one equilibrium to the other takes no time.

How many emails per day do you get? How many do you answer?

Now, as a retired researcher, about 20, and I answer about 20%.

What is the most effective development policy?

Non-discrimination in trade policy.

Which policy maker would you like to have dinner with?

If the talk is important: Mr. Cameron [Prime Minister, United Kingdom]. If the food is important: Lee Hsien Loong [Prime Minister, Singapore].
If you had to decide on one indicator: what is your proposed measure of development?

What is the responsibility of a development economist?

Which of your policy recommendations has had the biggest impact?

What makes a successful development economist?

What is your favorite place in the world?

Why did you decide to become a development economist?

What is the role of international private companies and private foundations in development?

We need more development economics research on…?

Are new bilateral development aid providers better or worse than traditional OECD donors?

Suggest one economic policy to fight gender inequality.

Gross Domestic Product or Gross Domestic Happiness?

Big data – big opportunity or data mining?

Is there anything you are afraid of?

If you had to spend USD $1 billion to found an NGO, what would it work on?

If you had to decide on one indicator: what is your proposed measure of development? Human Development Index.

To underline how limited our understanding of “development” is.

The one on the questionable effects of trade preferences for developing countries.

Successful in terms of quality of research or quality of advice? If the latter: remain modest in what you expect from your impact on policy makers.

A quiet, warm, summer evening at the Kiel Bay embankment when I leave the office and start jogging.

Because I was naïve enough to think it is possible to remove unfairness in world economic relations.

The most important one!

…the interactions between income inequality and the unhappiness of people (last place aversion).

It depends on what one measures as performance. In principal, NGO aid is not necessarily better than OECD aid.

Schooling education in classes reserved for girls (no co-education in male-dominated societies).

Gross National Happiness, which includes income and gains in happiness earned abroad. Thinking in terms of “Domestic” has become meaningless in times of globalization.

Big opportunity!

If there were anything, would it help to be afraid? No.

As I will never have USD $1 billion, I can talk rubbish: an NGO which enforces a free press in all countries.
How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?  

Mission impossible. Financial markets are notoriously imperfect (unless you rely on Chinese taxpayers’ money. But this will also come at a cost). Gaps will not be closed.

Unconditional cash transfers – more or less?  

More, if you believe in the effectiveness of Helicopter Money and Mr. Draghi’s policy. Less, if you believe in the importance of incentives.

Too many detailed questions and not enough big picture in recent years in research?  

We should be modest. The big picture is very difficult to sketch. So, case studies offer a piecemeal “tentative” alternative.

What makes a good research paper?  

Relevant motivation, reasonable theory, sound empirics, reluctant outlook (“There is still much to do”).

What should be taxed most and what least?  

Most: Windfall income gains; Least: Wealth.

What are the three most important challenges of international development policy?  

Agreement on priorities, funds availability, implementation.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Name a topic you have never worked on, but would like to in the future.  

My future is certainly limited in terms of life expectancy and remaining talents, but studying volcanic activity and the possibilities of making forecasts on eruptions more feasible would be such a topic.

What will development cooperation look like in 2030?  

Good question, next question.

Would you advise your friends to buy Fair Trade products?  

No, there is a confusingly large number of labels on Fair Trade products. Moreover, a product-specific income subsidy has a number of questionable incentive effects (for instance, against product diversification and perhaps even against human capital formation).
Is “developing country” an appropriate term? Any better suggestions?

All countries are “developing” – some fast, some slow, at times some up, some down. There is no catch-all. Better call countries what they are: high income/low income/emerging/well-governed/failed, etc.

Which questions would be best answered by collaborations between economics and other disciplines?

All of them.

Development economics is missing new theories – true?

Inclusion of behavioral economics and institutional economics has come a long way.

Should development cooperation focus on poor countries or poor people?

Both. Poor people in middle income countries need more attention.

Which economic question would best be answered by other disciplines?

The economic behavior of economists. But economics should not marginalize itself.

We need more development economics research on...

… fundamental causes of poverty.

What makes a successful development economist?

Having an impact on poor people’s livelihoods and sustainability of human actions.

How can cooperation between researchers and development practitioners be improved?

By researchers gaining experience with and engaging in development practice.

Suggest one economic policy to fight climate change.

Incentives for recarbonization of the biosphere as part of investing in a sustainable bioeconomy.

What are the three most important challenges of international development policy?

• Policy coordination to deal with international public goods.
• Engaging with peace and security policy in meaningful ways.
• Corruption.

What is the worst assumption you have come across in an economic model by an economist?

Household models assuming equal benefits of profits for women and men.
Which economist would you like to have dinner with?
Stephan Klasen.

Which of your policy recommendations had the biggest impact?
The global food crisis of 2008 needs comprehensive action.

What makes a good research paper?
Correcting conventional wisdom with evidence.

What is the role of international private companies and private foundations in development?
Big and growing bigger. Development economists engage too little with corporate partners. Yet, companies need transparency as well as social and environmental auditing, integrated in their external audits.

Name a topic you have never worked on, but would like to in the future.
Oceans and sustainable development.

What is the impact of development aid?
A 0.1% increase of GDP growth in recipient countries. New thought and research facilitated by aid has a much bigger impact than the financial transfers (e.g., China’s agricultural reform 1978, conditional cash transfers, agricultural research, health systems research).

Is there anything you are afraid of?
Racism.

How do you get or develop new research ideas?
Sitting under a Baobab tree. Talking with people in villages.

Would you advise your friends to buy Fair Trade products?
Not unless there is an evidence base for its contribution to poverty-reducing development.

How can the SDGs be useful?
By getting them implemented, and that needs lots of research investment, which is not lined up so far.

Do you have a clean or messy office?
Clean.

Suggest one economic policy to fight national income inequalities.
Child nutrition programs, because, if well designed, they improve human capital of the poor.

What will development cooperation look like in 2030?
Less bilateral. More global.

Where and when do you work best?
At home, at night.
What is the most “interesting” email you ever got from a student? 26

“Professor I would like to ask you to bring me some deospray from Germany if possible when you will come for defense in April in Dakar. I really like them, but they are very expensive here. It is called Balea and it cost almost one euro. I want 10. 5 for women and 5 for men.” (March 2016)

Which policy maker would you like to have dinner with? 27

Pope Francis.

What was the most important step in your career? 28

Farm worker and tractor driver as a student in Turkey (helped strategic thinking as International Food Policy Research Institute (IFPRI) Director General and Director of ZEF).

Is the outsourcing of bilateral aid implementation to private companies good or bad? 29

Can be absolutely necessary, good, or bad.

What is the responsibility of a development economist? 30

To swear the Hippocratic Oath to “do no harm.”

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps? 31

Nonsense. Bonds are now even more risky than aid.

Does aid conditionality contradict democracy? 32

No.

Which economist should win the next Nobel Prize in economics? 33

Daron Acemoğlu.

Are new bilateral development aid providers better or worse than traditional OECD donors? 34

Worse.

What is the most important unsolved question in development economics? 35

How to really end undernutrition of all kinds.

Suggest one economic policy to fight corruption. 36

Invest in rule of law. Support Blockchain IT.

If you were not in academia, which organization would you like to work with? 37

Welthungerhilfe.

Gross Domestic Product or Gross Domestic Happiness? 38

GDH.
If you had to spend USD $1 billion to found an NGO, what would it work on?

39 End hunger.

Which economist has inspired you most?

40 T.W. Schultz.

Suggest one policy to fight poverty.

41 Property rights for small farmers.

Which economics paper or book has influenced your thinking most over the last year?


If you had to decide on one indicator: what is your proposed measure of development?

43 Life expectancy.

Too many detailed questions and not enough big picture in recent years in research?

44 No, too few case studies.

Does development cooperation focus too much on small-scale interventions?

45 Yes.

Why did you decide to become a development economist?

46 It just happened.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

47 Yes. Zakat is good.

Is a global tax on capital utopia or could it actually work?

48 Could work.

Suggest one economic policy to fight gender inequality.

49 Grants for girls’ schooling.

If you were stranded on a deserted island, which economics book would you want with you?

50 Robinson Crusoe’s Economic Man: A Construction and Deconstruction (publ. by Ulla Grapard, Gillian Hewitson).
Where and when do you work best?

1. At home, or in the office once everyone else has gone home.

What makes a successful development economist?

2. The ability to find the important questions that can lead ahead.

What are the three most important global challenges for the next 50 years?

3. Poverty and inequality reduction, mitigating climate change.

Have you had any career outside of academia, and if so, why did you stop?

4. I do not like hierarchies.

Which subject other than economics would you like to study?

5. Psychology, Philosophy, Theology.

What is the worst assumption you have come across in an economic model by an economist?

6. All developing countries are democracies.

Should development cooperation focus on poor countries or poor people?

7. On poor countries because wealthy countries have the resources to solve their poverty problems themselves, and they should not get the incentive not to do so. In addition, since aid is fungible, giving it to poor people in wealthy countries – with elitist governments that are not themselves willing to engage in pro-poor policies – may eventually only make the rich people richer.

Is a global tax on capital utopia or could it actually work?

8. The fee on the Clean Development Mechanism comes close to a global tax and it did work. So, there is already a precedent.

How can the SDGs be useful?

9. They can help decision makers to think more connectedly.

Suggest one economic policy to fight corruption.

10. Simplifying procedures and increasing transparency.

Blogs, working papers, books, or journals to follow research?

11. Any of these are fine for a brief overview. It depends on the depth of information required.
More development aid or more impact evaluations? 12 Refocus within both categories. Do not run impact evaluations merely for the sake of running an impact evaluation.

If you were not in academia, which organization would you like to work with? 13 Perspectives Climate Change.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org). 14 Yes, I agree.

What is your favorite place in the world? 15 The answer depends on my mood and varies between Swiss mountain villages, small Greek islands, and the major capitals, Delhi and Paris.

If you had to spend USD $1 billion to found an NGO, what would it work on? 16 Poverty reduction, in a broad sense.

Suggest one policy to fight poverty. 17 Free school meals.

Is there anything you are afraid of? 18 Stray dogs. At a more abstract level: restriction of the freedom of thought, lack of tolerance, violence.

Which economics paper or book has influenced your thinking most over the last year? 19 I am unable to name a single one that stood out.

Suggest one economic policy to fight gender inequality. 20 Ensure that ownership of productive resources is possible for both sexes.

What is the most important unsolved question in development economics? 21 How to generate development...

What is the most “interesting” email you ever got from a student? 22 Same grandmother died several times in a row.

Suggest one economic policy to fight national income inequalities. 23 Introduce social security systems, even in poor countries, ideally using self-targeting interventions.

What should be taxed most and what least? 24 Simple income tax with appropriate redistributational design should suffice. Proxy means-testing may be used for assessment.

Is “developing country” an appropriate term? Any better suggestions? 25 I do not see any better alternative.
What was the biggest failure in your career?

I never really focused on anything enough to really know it well.

Does development cooperation focus too much on small-scale interventions?

As far as we lack convincing grand ideas, it is difficult to suggest anything else.

We need more development economics research on...?

...poverty reduction policies that are both effective and politically/socially feasible.

Which of your policy recommendations has had the biggest impact?

In 2000, the Conference of Francophone Education ministers (CONFEMEN) decided to adopt all the conclusions of a paper I had presented there (while these topics had not even been on the agenda for discussion). I also believe that our analysis of the German aid evaluation system had some impact on the reforms undertaken thereafter, and that our assessment of donor reporting to the Development Assistance Committee (DAC) using Rio markers is somehow related to the improved data we find today.

Too many detailed questions and not enough big picture in recent years in research?

To some extent, the randomized controlled trial (RCT) trend has indeed generated a problem in this respect. Replication is not rewarding for researchers. And RCTs also channel research in certain areas, leaving out others that are non-RCT-able. On the other hand, have we ever managed to construct a useful “big picture” even before the RCT trend? The big picture may simply not exist. The great development theories are all dead.

Gross Domestic Product or Gross Domestic Happiness?

Depends on context. There is also a risk that an indicator like GDH may be misused as an excuse to keep people poor and without access to information.

Why did you decide to become a development economist?

Because I felt concerned by poverty and could not imagine becoming a medical doctor.

If you were stranded on a deserted island, which economics book would you want with you?

Perhaps Angrist and Pischke’s “Mostly harmless econometrics.” It’s relatively small and handy, but one can still spend a lot of time on it, I believe.
What are the three most important challenges of international development policy? 34

- Incentivizing governments in developing and developed countries to focus on poor people, their rights, and their access to basic services.
- Ensuring international cooperation on the provision of global public goods (GPGs) and sufficiently strong engagement of all partners.
- Ensuring donor accountability, which becomes much more complex in the context of GPGs and the broad range of the SDGs.

Which economist has inspired you most? 35

During my study time, this was clearly Roland Vaubel with his approach to Public Choice (i.e., the simultaneous reflection upon economic efficiency and political incentives). His results were often highly controversial. But the more controversial the outcome, the greater my interest to understand which assumptions and arguments lead to this outcome.

What will development cooperation look like in 2030? 36

Countries, like China and India, will have a much stronger role to play.

If you had to decide on one indicator: what is your proposed measure of development? 37

I think the Human Development Index is not too bad …

Name a topic you have never worked on, but would like to in the future. 38

A broader range of social services and related governance problems.

Which of your own articles do you like best? 39


Do you have a clean or messy office? 40

Rather clean, I suppose.

Big data – big opportunity or data mining? 41

Both, I suppose.

Which economic question would be best answered by other disciplines? 42

Many questions require answers by both economists and scholars of other disciplines. And, in fact, they are. One problem here seems to me that economists tend to read and refer to only those papers that are listed in the Journal of Economic Literature (JEL). Were they to look at the Social Sciences Citation Index (SSCI) more broadly, they would find more …
What is the impact of development aid? This depends on donor, as well as recipient government, motives and on the fungibility of aid. I believe that it generally works best in sectors like basic health and education, where incentives of donor and recipient governments are usually aligned, although fungibility remains an issue.

Do we need more data, better data, better questions, or better methods for research? If we really want to move ahead, we probably indeed need better questions to start with.

Which questions would be best answered by collaborations between economics and other disciplines? Questions related to behavioral change could benefit from increased collaboration with psychologists, sociologists, and perhaps also anthropologists; questions related to governance, to political feasibility, and to political processes, more generally, could benefit from more exchange with political scientists; questions related to international decision making might usefully be tackled together with legal scholars. Other topics, like those related to climate change, also require cooperation with more technical disciplines and natural sciences.

Is the outsourcing of bilateral aid implementation to private companies good or bad? Again, there are both opportunities and risks. Much depends on whether the objectives are aligned. Current public-private partnership (PPP) projects involve a lot of principal-agent problems. There is also an issue regarding the transparency of resource flows and financial additionality.

Which policy maker would you like to have dinner with? Jairam Ramesh, former Minister of the Environment and Forests, then Minister of Rural Development, now member of the Rajya Sabha in India.

Are new bilateral development aid providers better or worse than traditional OECD donors? In many ways, they seem to start from where traditional DAC donors started in the 1960s…
Does aid conditionality contradict democracy? 49

Not directly, because the agreement to the package “aid cum conditionality” as a whole is at the government’s discretion. Yet, conditionality can shift government accountability from accountability to the population to accountability to donors, which is problematic. But, it all depends on the type of conditionality. Conditionality can directly refer to government accountability (e.g., in the context of “process conditionality”) and empower the population so that they demand more accountability. We have a new paper on precisely this issue (Birchler, Limpach and Michaelowa, forthcoming in International Studies Quarterly).

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps? 50

First, financial gaps are not the only problem (there is a reason why the gap models are out of fashion), and aid is meant to go way beyond that. Second, the international bond market will provide funding for some and not for others (and the selection will certainly not primarily respond to the criteria of need). Third, how is the international bond market going to solve problems related to the under-provision of global public goods?
What makes a good research paper?

1. It needs to have a good story and a clear message that can be summarized in 1–2 sentences.

We need more development economics research on ...?

2. ... how to prevent terrorism from a long-term economic, social, and cultural development perspective.

Which economist has inspired you most?

3. David Zilberman, a friend and mentor who taught me to focus on issues relevant in the real world.

Gross Domestic Product or Gross Domestic Happiness?

4. Gross Domestic Happiness, but we still need to agree on how to really define and measure it.

Which of your policy recommendations has had the biggest impact?

5. Unfortunately, not the ones on GMOs.

Have you had any career outside of academia, and if so, why did you stop?


Should development cooperation focus on poor countries or poor people?

7. Financial cooperation should focus more on poor countries, but technical cooperation and policy advice is equally important for middle-income countries with many poor people.

Too many detailed questions and not enough big picture in recent years in research?

8. I would like to see more big-picture research, but not at the expense of case studies, because these are needed to create empirical evidence for big-picture stories.

What is the worst assumption you have come across in an economic model by an economist?

9. That there is a long-term equilibrium in the economy.

Suggest one economic policy to fight national income inequalities.

10. Reduce biases in access to education and knowledge.

How do you get or develop new research ideas?

11. Sitting in policy advisory boards can be quite rewarding in terms of getting ideas for hot and emerging topics.

Which policy maker would you like to have dinner with?

Spending two years as a postdoc at a leading US university. This helped me to better understand the US academic system that others try to copy.

Decoupling economic development from environmental pollution. Managing religious fanaticism. The rising policy influence of campaigning NGOs.

Definitely difficult.

No.

Keeping the big picture, and the fact that most people are non-economists, in mind.

More development aid well spent, and this requires building on rigorous impact evaluation.

The private sector is absolutely key for development.

Interesting idea. But I feel that there is no shortage of money, a much bigger problem is wrong priorities in terms of allocating the available money.

Too many, and I answer all that require an answer.

I can work almost everywhere.

The challenge would be to get the incentives right in the performance contracts.

Publication of contracts.

Too little, due to too many other tasks.

I developed a passion for developing country topics already during high school.

Aid conditionality can also promote democracy.
Does development cooperation focus too much on small-scale interventions? 28

Yes, and it is often not sufficiently coherent and coordinated between aid organizations.

Suggest one economic policy to fight gender inequality. 29

Educating girls is important, but not sufficient. Boys and men need to be engaged in order to enact cultural change.

What should be taxed most and what least? 30

This depends on the country and context.

Suggest one policy to fight poverty. 31

Improving roads in rural Africa.

If you were not in academia, which organization would you like to work with? 32

I would open a restaurant and be a chef.

What is the most important unsolved question in development economics? 33

How to deal with politics.

Which economist should win the next Nobel Prize in economics? 34

Stephan Klasen.

What is your favorite place in the world? 35

I have never really thought about this. Probably a nice piazza in Rome with good food and wine would be among the top three.

Which questions would be best answered by collaborations between economics and other disciplines? 36

All questions. Real-world problems do not care about disciplinary boundaries.

What will development cooperation look like in 2030? 37

Hopefully, we will worry about absolute poverty only for a tiny fraction of the world population.

Big data – big opportunity or data mining? 38

I am still a bit skeptical, but this may be due to my limited imagination.

If you had to decide on one indicator: what is your proposed measure of development? 39

The poverty headcount index.

Are new bilateral development aid providers better or worse than traditional OECD donors? 40

Better or worse, new donor countries and organizations will remain a reality that contribute positively to aid flows and diversity.

What makes you angry? 41

Sanctimony.

Suggest one economic policy to fight climate change. 42

A global CO\textsubscript{2} tax on the energy sector.
### Unconditional cash transfers – more or less?  
Some of the positive effects observed through randomized controlled trials (RCTs) probably lack external validity. UCTs have a role to play, but it should not be overestimated.

### What was the biggest failure in your career?  
Getting rejections for ideas and projects that you spend a lot of preparation time and energy on can be frustrating, but this is an integral part of our job.

### If you had to spend USD $1 billion to found an NGO, what would it work on?  
Developing and using new approaches of agricultural extension.

### Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).  
With 5% we would already have an incredible amount of additional money to spend on poverty reduction.

### Name a topic you have never worked on, but would like to in the future?  
The social implications of the smartphone revolution.

### What is the impact of development aid?  
The impact of a narrowly defined aid sector may be limited, but more broadly defined development policy certainly plays an important role.

### Do you have a clean or messy office?  
My office is fairly clean. I am a bourgeois.

### Which economics paper or book has influenced your thinking most over the last year?  
I currently enjoy reading The Risk Paradox (in German) by Ortwin Renn, a sociologist who explains why we care about the wrong types of risks and how this bias may obstruct sustainable development.
Name a topic you have never worked on, but would like to in the future.

1 Environmental economics.

Does aid conditionality contradict democracy?

2 International Monetary Fund (IMF)/World Bank (WB) conditionality often does, but now less so than 20 years ago. I think that conditionality should concern the (politically reasonable) targets to be achieved, not the instruments to be used. This is also the (hidden) opinion of some IMF staff.

How do you get or develop new research ideas?

3 Reading left and right, talking to colleagues, and going to seminars. But I always tend to do research in 5–6 fields on which I have written – possibly I am a bit afraid to venture into completely new fields.

Suggest one economic policy to fight corruption.

4 Pay well the police and the judiciary (i.e., those who have to catch the corrupt guys).

What was the biggest failure in your career?

5 When I was at the University there were no development courses. I should have been bolder and tried to go to Oxford… Then worked 3 years for Economic Studies Centre of FIAT and another 3 for the UN ECE in Geneva – both useful to improve modelling, but not for poor countries. After that I joined UNCTAD at age 31… I lost 5 years.

Development economics is missing new theories – true?

6 We need to formulate an open-economy, structuralist model with global public goods/bads.

Too many detailed questions and not enough big picture in recent years in research?

7 Yes, too much on survey-based, micro-econometric analyses that capture the impact of personal characteristics, but not the impact of policies, macroeconomics, and institutions.

Do you have any hidden talents?

8 Probably not, if I did, they should have come out by now (I am 69)!
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>Why did you decide to become a development economist?</td>
<td>Since I was an adolescent, I felt the world was terribly unfair, and thought I should use my limited knowledge and energy to try to modify this state of affairs a bit.</td>
</tr>
<tr>
<td>Individuals in high-income countries should donate 10% of their personal income for poverty reduction (<a href="http://www.givingwhatwecan.org">www.givingwhatwecan.org</a>).</td>
<td>I pay high taxes (and I am happy to do so), as I hope everybody in my country has access to health, education, and social security. In addition, I have been donating for years 3–4% of my net income to Doctors Without Borders.</td>
</tr>
<tr>
<td>Which subject other than economics would you like to study?</td>
<td>Mathematics, philosophy/theology.</td>
</tr>
<tr>
<td>How much time do you spend “in the field” per year?</td>
<td>Now, very little. When at UNICEF, I was on the road some 4–5 months a year. Before that, I undertook trips of 1–3 months, just by myself, to India, Bangladesh, Peru, etc., to try to understand why people were so poor.</td>
</tr>
<tr>
<td>What is the worst assumption you have come across in an economic model by an economist?</td>
<td>The Walrasian equilibrium idea.</td>
</tr>
<tr>
<td>Which policy maker would you like to have dinner with?</td>
<td>Janet Yellen [Chair of the Federal Reserve System], to ask her to seduce Wolfgang Schäuble [Finance Minister, Germany] about the need for countercyclical macro policies.</td>
</tr>
<tr>
<td>Suggest one economic policy to fight national income inequalities.</td>
<td>Universal, free, and compulsory secondary education with subsidies for poor children. Latin America is a recent good case in point.</td>
</tr>
<tr>
<td>Is there anything you are afraid of?</td>
<td>Accepting too many commitments that then make me sacrifice my private life and leisure to honor them. Workaholism is difficult to cure.</td>
</tr>
<tr>
<td>Which economics paper or book has influenced your thinking most over the last year?</td>
<td>“Inequality: what can be done” by Tony Atkinson.</td>
</tr>
<tr>
<td>What is the impact of development aid?</td>
<td>Despite leakages, aid has had a strong impact on well-being (infant mortality rates, education, access to water, etc.). The impact on growth is more elusive, at least over the medium term.</td>
</tr>
<tr>
<td>Which economic question would be best answered by other disciplines?</td>
<td>The ways individuals in groups make decisions. The homo oeconomicus story is unsatisfactory.</td>
</tr>
</tbody>
</table>
What are the three most important challenges of international development policy?

Climate change, Africa’s development, controlling finance.

What is the role of international private companies and private foundations in development?

I am skeptical about “corporate responsibility for development.” Transnational corporations (TNCs) should pay decent wages, respect labor laws, and reinvest profits. I am much more optimistic about the foundations (just think of the impact the Consultative Group on International Agricultural Research [CGIAR] had).

What is the responsibility of a development economist?

Researching the causes of problems using both theory and data, training good students, and engaging with policy makers and the general public.

Is a global tax on capital utopia or could it actually work?

With all these tax havens (including in the EU and US) I will not see it during my lifetime, but we will get there one day.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

Unviable – she probably did not visit the Sahel.

What should be taxed most and what least?

Incomes/wealth/luxury imports/pollutants most – basic consumption items least.

Suggest one economic policy to fight climate change.

I am too ignorant to answer.

Does development cooperation focus too much on small-scale interventions?

Yes, the late Jim Grant (my UNICEF boss, 1980–1995) warned us about “the risk of too many Palanpur” and the need “to go to scale,” as UNICEF did with basic health services for children. He was a visionary and a saint.

What makes a good research paper?

Gut feelings for and novelty of the topic selected, intuition, and a clear theoretical, but testable analytical framework.

We need more development economics research on…?

…the interaction of micro, meso, and macro variables. Challenging, but needed.

What will development cooperation look like in 2030?

It will focus on Africa and global issues.

Which questions would be best answered by collaborations between economics and other disciplines?

Anthropologists/psychologist/sociologists can help us a lot in understanding values and behaviors.

Suggest one policy to fight poverty.

One is not enough. Need to attack on a broader front.
What was the most important step in your career? 33

Being asked to direct the World Institute for Development Economics Research (WIDER). And being given carte blanche in Florence as a full professor (though I had never worked for an Italian University before).

Suggest one economic policy to fight gender inequality. 34

Complete secondary female education.

Which of your policy recommendations has had the biggest impact? 35

Adjustment with a Human Face.

How can cooperation between researchers and development practitioners be improved? 36

Having researchers spend time in the field and also practitioners thinking in abstract terms.

If you had to decide on one indicator: what is your proposed measure of development? 37

Life expectancy at birth.

Unconditional cash transfers – more or less? 38

More (but focused).

What makes you angry? 39

Colleagues thinking in purely doctrinal terms. Reality is complex and, as Marx said, it changes over time. Eclectic and rigorous approaches are often needed.

How can the SDGs be useful? 40

To my surprise, the MDGs were fairly successful. The SDGs may help further by looking at the environment, inequality, and employment.

If you were not in academia, which organization would you like to work with? 41

Half in a think-tank (like WIDER, the National Bureau of Economic Research, etc.), but with a big chunk of my time in the field. Ivory towers are dangerous, you might fall down from them.

If you had to spend USD $1 billion to found an NGO, what would it work on? 42

Bringing the Green Revolution to all of Africa.

Big data – big opportunity or data mining? 43

Both.

Which economist has inspired you most? 44

A.K. Sen.

How many emails per day do you get? How many do you answer? 45

About 80, and answer 6–7.

Do you have a clean or messy office? 46

Pretty tidy, unlike that of my wife!
What is the most important unsolved question in development economics?  

See 20 and 29.

Are new bilateral development aid providers better or worse than traditional OECD donors?  

I think China’s “package approach” (combining aid, private loans, student exchanges, no chip on the shoulder, etc.) is fairly innovative – and much cheaper than the OECD technical assistance.

More development aid or more impact evaluations?  

Both, not only the latter.

What is the most effective development policy?  

Human capital formation (see above).
What will development cooperation look like in 2030?

Prediction is not my strong suit, so I will let this one pass.

What was the most important step in your career?

Several steps: William Smith College (NY, USA); University of Cambridge; Humboldt Fellowship – LMU, Germany; University of Southampton – where I was transformed into a geographer. The list could go on; too many to mention …

Have you had any career outside of academia, and if so, why did you stop?

Yes; working for the International Labour Office (ILO) in Geneva, Switzerland. I stopped and returned to academia because about 15 years ago, this person called Stephan Klasen (didn’t know him at the time!) had gently twisted my arm to apply for a Humboldt Fellowship – and, while at the ILO, I learned of my success! Between Stephan and my former PhD supervisor, Jane Humphries, letting go of a Humboldt Fellowship was a no-no (although I did seriously consider that, too!).

What are the three most important challenges of international development policy?

a) Tackling inequality;
b) Gender discrimination;
c) Everyday and extra-ordinary violence; and a fourth,
d) Environmental change

What is your favorite place in the world?

Sigiriya, Sri Lanka.

Suggest one policy to fight poverty.

Wealth redistribution.

Big data – big opportunity or data mining?

Data mining.

Which economic question would be best answered by other disciplines?

Economics doesn’t exist separately from other disciplines. It is intrinsically interconnected to all social science disciplines in complex ways. This is why the Classical political economists got it right – there was no economics; political economy instead.

Is “developing country” an appropriate term? Any better suggestions?

Doesn’t seem apt, given the uneven development within the OECD world, too. Global South – signaling the centrality of the hemisphere.
Is there anything you are afraid of?  
Getting caught up in the illusion of life.

Is a global tax on capital utopia or could it actually work?  
Global tax on capital could actually work; we simply need to have the political will to make it work.

How many emails per day do you get? How many do you answer?  
Try not to count; try to answer as many as I humanly can.

Do you have a clean or messy office?  
Clean office.

If you had to decide on one indicator: what is your proposed measure of development?  
Not sure what I would call it, but an indicator that captures the eradication of income inequality (nope, not quite Gini coefficient).

Which economics paper or book has influenced your thinking most over the last year?  
Kalyan Sanyal – *Rethinking Capitalist Development: Primitive Accumulation, Governmentality and Post-Colonial Capitalism*. Should have read it ages ago, shamefully didn’t do so until recently.

Suggest one economic policy to fight climate change.  
I would rather not offer suggestions because my knowledge of the political economy facets around climate change issues is limited.

What is the worst assumption you have come across in an economic model by an economist?  
That we are rational and well-informed agents.

Is the outsourcing of bilateral aid implementation to private companies good or bad?  
Bad for development; is it not the private sector (banks) that caused the economic crash of 2008?

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?  
Probably not viable.

Which economist has inspired you most?  
Of dead (white) men – Karl Marx, Friedrich Engels, Thorstein Veblen, and John Maynard Keynes; of (mostly alive) feminist economists – Jane Humphries, Gita Sen, Ruth Pearson, Joan Robinson, and Diane Elson.

Does development cooperation focus too much on small-scale interventions?  
Yes, to the detriment of the thing called the public good.

Which policy maker would you like to have dinner with?  
None that I can think of off the top of my head.
Does aid conditionality contradict democracy?

Yes.

We need more development economics research on ...?

Too many to mention.

Unconditional cash transfers – more or less?

More.

If you were stranded on a deserted island, which economics book would you want with you?

Karl Marx – *Capital (V1)*.

Gross Domestic Product or Gross Domestic Happiness?

Gross Domestic Happiness.

Which economist should win the next Nobel Prize in economics?

A feminist economist (or a woman) would be nice, for a change.

What is the role of international private companies and private foundations in development?

Both are unaccountable to locals and hence, should have none, although I realize that this is not the case.

What is the impact of development aid?

Complex and contradictory.

Why did you decide to become a development economist?

I am a development scholar – no more a development economist that I aspired to be when younger (no regrets); I decided to focus on development because I wanted to understand how this paradigm was constructed and the attempts to naturalize it – despite the many contestations.

How can the SDGs be useful?

If treated with caution and not considered a panacea to deeply political problems that requires will rather than technical targets alone.

Suggest one economic policy to fight corruption.

Stronger legislative frameworks and punitive measures against corporations (private sector) that perpetuate corrupt practices.

How can cooperation between researchers and development practitioners be improved?

Through dialogue and an openness to listen and learn from each other.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Yes, and states should be held equally accountable.
Which questions would be best answered by collaborations between economics and other disciplines?

Almost all questions; disciplinary boundaries are porous and always have been. Better to acknowledge it than consider each discipline a water-tight entity.

Suggest one economic policy to fight national income inequalities.

Progressive taxation and wealth redistribution.

What is the most important unsolved question in development economics?

The lack of consensus on the central import of wealth redistribution to tackle income inequality.

What makes a successful development economist?

One who is grounded in the complex realities of the world and humble about what s/he can achieve in this world.

Are new bilateral development aid providers better or worse than traditional OECD donors?

The same; all donor relations are entrenched in power and hierarchical dynamics that manifest in different ways.

Too many detailed questions and not enough big picture in recent years in research?

No, I wouldn’t say that.

Do you have any hidden talents?

None that I am aware of.

What makes a good research paper?

One that is based on long-term fieldwork and a familiarity with the region.

What makes you angry?

Social injustice.

Name a topic you have never worked on, but would like to in the future.

More on environmental issues.

Which subject other than economics would you like to study?

Religious studies or anthropology.

More development aid or more impact evaluations?

More development aid.

If you had to spend USD $1 billion to found an NGO, what would it work on?

I try not to think of hypothetical situations!

Which of your own articles do you like best?

The one in Cambridge Journal of Economics.

What are the three most important global challenges for the next 50 years?

Tackling growing income inequality; war and violence (including gendered forms); and environmental change.
1. What is your favorite place in the world?
   Our house in Cambridgeshire, England.

2. What are the three most important challenges of international development policy?
   • How to reduce the pockets of poverty in an increasingly prosperous world.
   • How to counter inequality increasing forces emanating from technology and trade.
   • How to manage a wide range of cross-border externalities and spillovers.

3. Too many detailed questions and not enough big picture in recent years in research?
   Yes.

4. What is the responsibility of a development economist?
   To be a good economist, but to be a good economist is not easy. To quote Keynes, the master economist, “must be mathematician, historian, statesman, philosopher – in some degree.”

5. Development economics is missing new theories – true?
   Yes.

6. Which economist would you like to have dinner with?
   John Maynard Keynes.

7. What is the most effective development policy?
   No single answer – depends on context.

8. Blogs, working papers, books, or journals to follow research?
   All of the above.

9. How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?
   Not very viable, but it generates good discussion.

10. Which economist should win the next Nobel Prize in economics?
    I do not believe there should be a Nobel Prize in economics.

11. How can cooperation between researchers and development practitioners be improved?
    One-on-one contact and trust between willing parties.
What is the worst assumption you have come across in an economic model by an economist?

12 No such thing as best or worst assumption, in general. It all depends on what the model is for.

What is the most important unsolved question in development economics?

13 Don't know and this not how I think. I work on intellectual and policy puzzles as they turn up at my office door or in my mind.

We need more development economics research on ...?

14 Let a thousand flowers bloom. But, per the answer to 5, perhaps time to theorize a bit more than we have been doing.

What is the role of international private companies and private foundations in development?

15 They each have their own objectives, like households or official aid agencies. We need, first of all, some positive analysis of how the current ecosystem of agencies works.

Is "developing country" an appropriate term? Any better suggestions?

16 Fine by me. It captures a number of broad aspects. Not sure if we should waste time agonizing over the term.

Do you have any hidden talents?

17 Yes probably, but very hidden so far.

What are the three most important global challenges for the next 50 years?

18 See answer to (2).

What makes a good research paper?

19 Don't know that I could specify it, but I know one when I see one. However, beauty might very well be in the eye of the beholder.

Suggest one economic policy to fight climate change.

20 Unfortunately, economic analysis suggests not one policy, but a package which fixes both incentives and distribution.

How many emails per day do you get? How many do you answer?

21 A lot. I answer all, by and large.

What was the biggest failure in your career?

22 Not sure if it is worth dwelling on these, or on successes. “If you can meet with triumph and disaster, and treat those two impostors just the same…” (Rudyard Kipling)

Should development cooperation focus on poor countries or poor people?

23 Poor people as the objective. Poor countries as one instrument.

Suggest one economic policy to fight national income inequalities.

24 Straightforward redistribution of income and wealth through progressive taxation.

Which economist has inspired you most?

26 Which economics paper or book has influenced your thinking most over the last year?

Keynes, “The End of Laissez Faire” (1926).

27 Are new bilateral development aid providers better or worse than traditional OECD donors?

No simple answer. Depends on context and contingency.

28 Does aid conditionality contradict democracy?

All aid is conditional. The trick is to design the conditionality.

29 Which policy maker would you like to have dinner with?

Again, John Maynard Keynes, wearing his hat as policy maker.

30 Have you had any career outside of academia, and if so, why did you stop?

Yes, in the World Bank. I returned to academia to have the freedom to write anything about anything.

31 Big data – big opportunity or data mining?

Bit of both.

32 If you had to spend USD $1 billion to found an NGO, what would it work on?

Experimentation on social innovation.

33 What should be taxed most and what least?

Wealth most. Basic food least.

34 What was the most important step in your career?

Going to the World Bank from academia, spending 10 years there, and returning to academia.

35 Which of your policy recommendations has had the biggest impact?

This is for others to say.

36 If you had to decide on one indicator: what is your proposed measure of development?

Not sure, but infant/maternal mortality is one.

37 How much time do you spend “in the field” per year?

Not as much as I would like.

38 Gross Domestic Product or Gross Domestic Happiness?

False choice?

39 What is the impact of development aid?

It all depends.

40 What makes a successful development economist?

See answer to (4).

41 If you were not in academia, which organization would you like to work with?

The World Bank.
Which economic question would be best answered by other disciplines?

All questions are best addressed by the best of many disciplines.

What will development cooperation look like in 2030?

Vestiges of the old, plus new elements nipping at their heels.

Why did you decide to become a development economist?

No grand motivating reason. It just happened.

Name a topic you have never worked on, but would like to in the future.

History of economic thought, which I have dabbled in a little.

Suggest one economic policy to fight corruption.

Can't. One would have to get much more specific about the nature of the corruption under discussion.

Is a global tax on capital utopia or could it actually work?

It is a good organizing theme for discussing international cooperation, even if it didn't work in practice.

Unconditional cash transfers – more or less?

Unconditional is better from a narrow economic perspective. Conditions are what gets political buy-in from middle and upper classes.

How can the SDGs be useful?

As a broad platform for discourse, rather than specificities.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Each to his or her own. Donation can be in kind or in cash. How is the equivalence to be established?
Are new bilateral development aid providers better or worse than traditional OECD donors?

1 You guessed it: it depends!

Do you have any hidden talents?

2 If I do, they must be extremely well hidden: I haven’t found them yet …

What is the role of international private companies and private foundations in development?

3 International private companies aim to maximize profits, I suppose … They can be a positive force by bringing in investment, technology, and good management techniques. And they can be a negative force if they are allowed to engage in transfer pricing and to neglect their tax, regulatory, and environmental obligations. The devil is in the details – typically the details of how national governments handle and enforce rules. Private foundations can usefully advocate for and promote public goods in their pet areas – as long as they are not allowed to capture the policy agenda to an excessive extent.

Does development cooperation focus too much on small-scale interventions?

4 Small-scale interventions are extremely useful as proofs-of-concept. But one then does need to take the next step and see whether interventions work when run at scale by the agencies ultimately intended to operate them. That’s harder to do, so we (the development “community”) do too little of it.

If you were not in academia, which organization would you like to work with?

5 I am not in academia: I work for the World Bank. However, as the grass is always greener in your neighbor’s garden, I would actually much prefer to be in academia. Please let me know of any openings at Göttingen!

Suggest one policy to fight poverty.

6 Promote early childhood interventions – integrating nutrition and stimulation support – for poor households in the poorest regions of your country. Then, follow up with supporting recent graduates from the capital city to spend a year or two as primary school teachers in those same areas to build human capital complementarities.
What was the most important step in your career?

Going back to Brazil in 1999 and joining the Economics Department at the Catholic University of Rio de Janeiro (PUC-Rio). This got me back into research after three relatively “dead” years following my PhD.

What is the most important unsolved question in development economics?

Whether and how structural transformation – the successful transfer of resources from low-productivity to higher-productivity sectors – can be actively and reliably promoted by trade and/or industrial policy.

What is the most effective development policy?

Invest in broad-based, high-quality education: it makes for more productive workers and more critical and engaged citizens.

What should be taxed most and what least?

High-carbon luxury items (e.g., air travel, luxury automobiles, yachts, etc.) should be taxed the most. Education should be subsidized the most.

If you had to spend USD $1 billion to found an NGO, what would it work on?

As I guess you can tell from my answers to Q6 and Q9, it would work on early childhood development (ECD) and improving the quality of primary education.

How many emails per day do you get? How many do you answer?

Get about 100, answer about 15.

Suggest one economic policy to fight national income inequalities.

Create and enforce a real inheritance tax, complete with loophole-free monitoring of in-life gifts and bequests. Use the proceeds to fund ECD, schools, clinics, rural roads, and rural electrification in the poorest third of the country’s subnational units – states, provinces, regions …

Which of your policy recommendations has had the biggest impact?

That’s easy. In March 2001, a Brazilian co-author and I wrote a working paper (in Portuguese) proposing the unification of a range of small social programs into a “single, unified cash transfer program” for Brazil. A number of calculations and meetings later – some of which were held in secret with people in government – the proposal was launched by then President Luiz Inácio Lula da Silva as Bolsa Família.

What are the three most important challenges of international development policy?

Coherence, accountability, and relevance.
Suggest one economic policy to fight climate change. Institute a globally administered Pigouvian tax on carbon emissions. Use the proceeds for, among other things, subsidizing both research on and adoption of renewable energy alternatives.

Does aid conditionality contradict democracy? Not if the government that accepts the aid is truly democratic, and the conditions are public.

Which economist would you like to have dinner with? Stephan Klasen, hands down. Unless Shakira ever studied economics…

Development economics is missing new theories – true? No. It is missing a better linkage between the theories and the empirical work.

More development aid or more impact evaluations? More impact evaluations. And more syntheses of what we learn from these impact evaluations that might actually have external validity.

Which of your own articles do you like best? None of them is that great. But I am a little fond of an old and obscure paper entitled, “Education for the masses?” which I published in Economics of Transition back in 2001.

What makes a good research paper? A relevant, well-defined question, which is then convincingly answered. Preferably with a how or why component, rather than just whether or how much.

How can the SDGs be useful? By giving people concrete targets with which to hold politicians accountable in 2030.

Which questions would be best answered by collaborations between economics and other disciplines? Almost everything behavioral – an area where the discipline is making some of the most exciting progress these days – requires greater collaboration with psychologists.

Which economist has inspired you most? François Bourguignon and John Roemer.

What is the responsibility of a development economist? To be driven by evidence, not ideology; to be ready to revise his or her priors when the evidence so requires.
What are the three most important global challenges for the next 50 years?

First, finding ways to reconcile technological progress and globalization with prosperous middle classes in middle- and high-income countries (if this fails, the political consequences could plunge the world into turmoil). Second, handle the migratory pressures arising from rapid population growth in Africa. Third, manage the transition to a low-carbon economy without smothering growth in poor countries.

What is the impact of development aid?

Mixed, at best.

What will development cooperation look like in 2030?

More Asian than it looks today, on the donor side, and even more African on the “recipient” side.

Which policy maker would you like to have dinner with?

Jean-Yves Duclos [Minister of Families, Children and Social Development, Canada].

Gross Domestic Product or Gross Domestic Happiness?

Gross Domestic Happiness.

What is the most “interesting” email you ever got from a student?

My favorites are the ones from students I have never met, from universities I have never visited, asking me to please explain some vague statement their professor made in class. I seriously have had a couple of these.

Suggest one economic policy to fight gender inequality.

Make equally-shared (and relatively generous) maternity and paternity leave mandatory.

Which economic question would be best answered by other disciplines?

If history is any guide, the real question is: “What questions currently still outside the present realm of economics will economists be answering next?”

Name a topic you have never worked on, but would like to in the future.

Perceptions of fairness, and how they influence individual behavior.

Is a global tax on capital utopia or could it actually work?

It could actually work. There was a time when extending the franchise to women seemed utopic.

How much time do you spend “in the field” per year?

Too little!

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

Frankly, I have no idea.
Why did you decide to become a development economist?

I decided to become an economist because it seemed to offer the best available combination of social relevance and intellectual rigor among the options open to me at the time. I am not entirely sure that I would describe myself as a development economist, other than in the sense that the questions that interest me – largely around poverty and inequality – are very pertinent in developing countries. I grew up in a developing country and thought about these questions mostly in that context.

Unconditional cash transfers – more or less?

More. And more conditional ones, too.

Do you have a clean or messy office?

It is pretty clean, I guess…

What makes you angry?

People in positions of authority who think rank is a valid intellectual argument. And the use of the phrase, “J’arrive” by Parisian waiters…

If you were stranded on a deserted island, which economics book would you want with you?

Volume II of the Handbook of Income Distribution, edited by Atkinson and Bourguignon. Largely because I haven’t read much of it yet!

We need more development economics research on…?

…the process of structural transformation.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

I have absolutely no idea.

Would you advise your friends to buy Fair Trade products?

Only if the products were worth it.

How do you get or develop new research ideas?

Talking to colleagues, often over a drink!

Blogs, working papers, books, or journals to follow research?

Journal articles.

Which economics paper or book has influenced your thinking most over the last year?

Branko Milanovic’s book on Global Inequality: A new approach for the age of globalization.

How can cooperation between researchers and development practitioners be improved?

Through greater mutual respect for one another’s role and contributions.
Are new bilateral development aid providers better or worse than traditional OECD donors?

1 I am not sure whether there is much difference in general.

Does development cooperation focus too much on small-scale interventions?

2 Clearly, yes.

Which economist has inspired you most?

3 In the beginning, as a PhD student, James Tobin, later, Jeffrey Frankel and Robert Shiller.

Which questions would be best answered by collaborations between economics and other disciplines?

4 All questions where other disciplines can contribute, such as explaining behavior, political institutions, biological foundations, etc.

Where and when do you work best?

5 This really depends on the task, etc. Mostly, I prefer working at home where it is quiet, but sometimes the train is good, as well.

Which economics paper or book has influenced your thinking most over the last year?

6 Several, there was no such highlight.

What was the most important step in your career?

7 Getting my first permanent position as an academic.

We need more development economics research on …?

8 … many issues.

What is your favorite place in the world?

9 There are several great places which I like for different reasons.

What is the role of international private companies and private foundations in development?

10 They can play useful roles.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

11 I do not agree with this proposal, although I’d like to give countries more responsibility for their path of development and the consequences of their policies.
12 Should development cooperation focus on poor countries or poor people?
There is a large overlap between both. In the long run, countries matter more, for immediate help the focus is on people.

13 Which of your policy recommendations has had the biggest impact?
I guess my proposals did not really influence policy so far.

14 Does aid conditionality contradict democracy?
No, but that depends of course on the kinds of conditions.

15 Development economics is missing new theories – true?
Do we really know, ex ante, what is missing? There will always be progress leading to new theories.

16 What was the biggest failure in your career?
There were many painful failures. Something I had to learn is focusing activities better during a research semester.

17 Suggest one policy to fight poverty.
Developing functioning markets (in most cases, poverty will not be eliminated by a single, specific policy).

18 What makes a good research paper?
Most important is an innovative idea, then one needs data and/or theory, writing, polishing, etc.

19 What is the most “interesting” email you ever got from a student?
Do not remember anything specific, but students can be really creative.

20 What are the three most important global challenges for the next 50 years?
I do not have the overview to make a qualified judgment, but I guess climate is one, peaceful development has always been a problem, …

21 Big data – big opportunity or data mining?
Opportunity for researchers (and threat to society).

22 What makes you angry?
Depends.

23 Which policy maker would you like to have dinner with?
It does not seem to be an easy task to convince them anyway.

24 Which subject other than economics would you like to study?
Sociology.

25 If you had to spend USD $1 billion to found an NGO, what would it work on?
I never thought about such an event. I would probably prefer to work on some finance issues.

26 What should be taxed most and what least?
–

27 What makes a successful development economist?
Excellent education, curiosity, endurance, some practical/field experience may be helpful.
How much time do you spend “in the field” per year?

About one week.

Suggest one economic policy to fight climate change.

Not my field.

What is the most important unsolved question in development economics?

In each sub-field there are many.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

I like people who pay their taxes, donate time, or money, but I do not like such recommendations on what others should do.

How do you get or develop new research ideas?

There are various ways, such as reading papers, discussing work; very often it is following unresolved issues from earlier research.

Is a global tax on capital utopia or could it actually work?

Currently, it does not seem to be implementable.

Why did you decide to become a development economist?

It is not my main field and I never decided consciously, but got interested in these questions.

Which economist should win the next Nobel Prize in economics?

Sorry, I do not have a good enough overview across fields.

What is the worst assumption you have come across in an economic model by an economist?

Bad models can make bad assumptions (not worth being mentioned).

What are the three most important challenges of international development policy?

This is definitely an important question. However, regarding my limited knowledge, you ask questions that are too big.

Unconditional cash transfers – more or less?

Less.

Have you had any career outside of academia, and if so, why did you stop?

I went to the private sector after my PhD, but found out that I like the independence of a researcher more than the money and impact of the private sector.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

As it is often the case, it depends, but I like to see some competition.

Which economic question would be best answered by other disciplines?

Maybe not by other disciplines, but in collaboration with them.
How many emails per day do you get? How many do you answer? 42

Never counted; maybe 20–30, I might answer 5–10 of them.

Is “developing country” an appropriate term? Any better suggestions? 43

I have no problem with this term (even though all countries hopefully are developing).

What is the impact of development aid? 44

This really depends on the kind and amount of development aid.

Do we need more data, better data, better questions, or better methods for research? 45

All of it is useful.

Suggest one economic policy to fight gender inequality. 46

There are many. In many poor countries it may be education; in Germany, it may be providing childcare, etc.

Suggest one economic policy to fight national income inequalities. 47

Open educational system.

What will development cooperation look like in 2030? 48

Possibly not very different from today.

What is the most effective development policy? 49

Policy has to answer this question all the time. I do not like to answer such general questions, as effectiveness depends on the problems that have to be solved.

More development aid or more impact evaluations? 50

Both, but evaluation first, before money is spent.
Suggest one economic policy to fight national income inequalities.

1. Set a cap on the maximum wage football players can earn (e.g., at 10 times the average wage, instead of the exorbitant wages we observe today).

If you were stranded on a deserted island, which economics book would you want with you?

2. A book on engineering, in particular maritime engineering, may be more appropriate to learn how to build a boat to leave the island, but waiting to be rescued, I would enjoy reading “The Political Economy of Dictatorship,” (1998) by Ronald Wintrobe, Cambridge University Press, again.

We need more development economics research on…?

3. …the role and impact of the presence of large international companies in developing countries.

Big data – big opportunity or data mining?

4. Data mining.

Which economist should win the next Nobel Prize in economics?

5. Daron Acemoğlu.

What is the most “interesting” email you ever got from a student?

6. “Can you give me two points more on your exam please, because I already booked my flight to Turkey this summer.”

What are the three most important challenges of international development policy?

7. • Stop the plundering of natural resources on a global scale by reducing demand for them.
• Put in place mechanisms to govern the exploitation of natural resources in developing countries, similar to the Norwegian model of oil management.
• Publish the receipt of income streams from natural resources to promote in-country transparency and allocation of the income.
What makes a successful development economist? By doing one’s own field work, preferably in an iterative way, as suggested by Chris Udry, meaning via multiple visits and using a combination of quantitative and qualitative approaches. That is when you start to understand, in a particular country, how people operate in their institutional environment. When you translate your findings into a paper or speak before an audience, it will become clear that you did not take your data from a website, but that you have a thorough understanding of what is going on.

Have you had any career outside of academia, and if so, why did you stop? I worked one year as a Poverty Economist with the World Bank, placed in-country; too short to get to know the institution and too far from Washington DC to understand how it really works.

What will development cooperation look like in 2030? The current approach of project, sector, and budget aid conditional on the respect of procedures, values, and norms, inspired by Western thinking and driven by North-South inequality – however imperfect its application is – will be replaced by non-Western approaches driven by the rise of Brazil, Russia, India, China, and South Africa (BRICS).

Should development cooperation focus on poor countries or poor people? If we want to improve the fate of poor people, then we have to tackle the main issues in the countries where they live, in particular, institutional reform: how to get from bad to good institutions.

If you were not in academia, which organization would you like to work with? The World Bank.

Blogs, working papers, books, or journals to follow research? Working papers.

What makes a good research paper? Something you wish you had written yourself or from whose beauty you derive lots of energy and inspiration to start your next project.

Is a global tax on capital utopia or could it actually work? It can work.
Philip Verwimp

What are the three most important global challenges for the next 50 years?

• Find better ways to end the rule of despots and dictators without being seen as neo-colonial.
• Prevent the crumbling of the moderate political center in western societies linked to the crumbling of the middle class, to the benefit of populist extreme left and right.
• Find better ways to integrate migrants in host societies by fostering mutual understanding and putting in place incentives to nudge behavior of natives and immigrants.

Which economist would you like to have dinner with?

Stephan Klasen.

Suggest one economic policy to fight gender inequality.

Parental leave, of which fathers need to take at least 1/3, as in Sweden.

What is the impact of development aid?

Undermining of political accountability of governments in developing countries, creation of dependency relations, and misalignment of incentives for local professionals. But also the transfer of skills and technology.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

There are examples of good and bad practices, difficult to generalize.

What is the responsibility of a development economist?

Speak her/his mind, on the basis of her/his research findings, unimpressed and unconstrained by the powers that be.

Why did you decide to become a development economist?

At the time that I was choosing my dissertation topic (1997), the Belgian press revealed, on a day-to-day basis, the extent of the knowledge the Belgian government and the international community had BEFORE the outbreak of the Rwandan genocide (1994) on its potential occurrence. The failure to stop the genocide and its eventual execution was one of the most significant events in post-WW II history. I wanted to work on its causes and consequences since it would allow me to combine my long-term interest in politics, history, and conflict with the insights and methods from development economics and political economy.

Suggest one economic policy to fight climate change.

Stop the nearly tax-free treatment of kerosene.

Would you advise your friends to buy Fair Trade products?

Yes, even when it is not a solution to the big issues.
Where and when do you work best?

At home, where I can concentrate and focus on one specific topic, quiet and undisturbed, so I can free my mind of other things and give it the energy and time needed to be as creative as I can. The higher on the academic ladder, the scarcer that time seems to become.

Gross Domestic Product or Gross Domestic Happiness?

GDH.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

It would not solve the need for skills transfer, technology, best practices, rule of law, and so forth, which are at least as important for development as mere financing.

What is the worst assumption you have come across in an economic model by an economist?

Compared to the time I was an undergraduate student in economics (early nineties), the currently used assumptions are much more in tune with observed behavior. The most unrealistic one which, nevertheless, is still used as the benchmark is “perfect competition in markets,” which instead should be studied as an exceptional situation.

What is the role of international private companies and private foundations in development?

Understudied and, thus, not well understood. Large companies have obviously a large impact on development, but our models seem to limit that impact to the transfer of technology. Their role, on the positive side, in the formation of a middle class in Africa is not well understood. Their role, on the negative side, in the scramble for natural resources is equally understudied. Private foundations have modes of operation that are much more flexible and innovative than large international organisations. Much can be learned from them.

Which economics paper or book has influenced your thinking most over the last year?


How can cooperation between researchers and development practitioners be improved?

Allowing or facilitating leave of absence for both professions so that they can spend time in each other’s working environments (e.g., through “practice” fellowships for researchers or “study” fellowships for practitioners). Upon return to their own environment, they will have a better understanding of the needs, qualities, and constraints of the other.

Which economic question would be best answered by other disciplines?

How to improve the quality of education?
Which questions would best be answered by collaborations between economics and other disciplines?

How to get from bad to good institutions?

A combination of merit and need-based scholarships for students from African countries to pursue university education, with a condition/mechanism that after completion they will teach a few years in their country.

What is the most effective development policy?

Investment in the quality of education.

Is “developing country” an appropriate term? Any better suggestions?

The term does not cover one reality anymore (if it ever has). Better to distinguish along several axes, such as resource-rich vs. -poor countries, landlocked vs. sea-bordering countries, conflict-affected vs. not affected countries …

If you had to decide on one indicator: what is your proposed measure of development?

The extent to which human beings can realize the potential they have in them.

Which policy maker would you like to have dinner with?

Bill Gates [Founder of Microsoft and Bill and Melinda Gates Foundation], as we are in an era where the likes of him have a far greater impact on our world than any person in elected office.

Which of your policy recommendations has had the biggest impact?

My proposal to set up grants for development economists, issued by the government, in such a way that it allowed young researchers to combine the needs for the government to get policy advice with the incentives for researchers to do fundamental research and publish papers.

What should be taxed most and what least?

Investments in one’s human capital should be taxed least and speculation in capital markets should be taxed most, exactly the opposite as we have today.

Which economist has inspired you most?

Edward Miguel.

Which subject other than economics would you like to study?

Medical Science.

Does development cooperation focus too much on small-scale interventions?

No.
What is the most important unsolved question in development economics?

How to go from bad institutions to good ones.

Unconditional cash transfers – more or less?

More.

Is there anything you are afraid of?

Waking up in a police state.

Development economics is missing new theories – true?

We don’t know. We borrow a lot from other parts of economics, but historically there was only one science, “political economy,” that studied growth and distribution, so, in essence, we learn and borrow from our own. New theories will soon find their way in development economics.

How do you get or develop new research ideas?

There does not seem to be one road to it (luckily). Sometimes it comes as a result of conversations with colleagues, where there is all of sudden an "Aha-Erlebnis" that none of the discussants had thought about before. At other times, it comes at my desk, when I see links between different issues and then wonder if there is something to be discovered.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Suggest one policy to fight poverty.

No.

Seizure of the money transferred to Swiss, Panama, and other bank accounts during the time in office of politicians worldwide for which they cannot give an explanation for how the money was earned. And the return of that money to their populations for investment in the quality of education.
What will development cooperation look like in 2030?
Not very different from what we have today, just concentrated on fewer countries and maybe more targeted towards population growth and migration.

What was the most important step in your career?
Doing an MA and PhD in France.

How much time do you spend “in the field” per year?
Not enough.

Big data – big opportunity or data mining?
Big opportunity.

Which economist would you like to have dinner with?
Robert Solow.

More development aid or more impact evaluations?
A moderate proportional increase of both would be just fine.

Suggest one economic policy to fight national income inequalities.
Early childhood development (in both rich and poor countries).

How many emails per day do you get? How many do you answer?
Too many, but I answer almost all of them.

Suggest one economic policy to fight gender inequality.
Increasing female labor market participation.

What is the most important unsolved question in development economics?
Why there is such a hype around randomized controlled trials (RCTs).

Is there anything you are afraid of?
That Europe falls apart.

What are the three most important challenges of international development policy?
A green revolution in sub-Saharan Africa. Peace. Providing jobs to the youth.

Is the outsourcing of bilateral aid implementation to private companies good or bad?
It depends.
Do you have any hidden talents?

14 Maybe, but because they are hidden, I don’t know.

Unconditional cash transfers – more or less?

15 More.

Development economics is missing new theories – true?

16 True.

Does development cooperation focus too much on small-scale interventions?

17 No.

Which of your policy recommendations has had the biggest impact?

18 The recommendation not to support a program for village-level biogas-digesters in Burkina Faso.

Which economic question would be best answered by other disciplines?

19 Why some consumers buy a BMW X6.

Which questions would be best answered by collaborations between economics and other disciplines?

20 The policies in place to fight HIV/AIDS could benefit a lot from a closer collaboration with medical scientists.

Suggest one economic policy to fight climate change.

21 The promotion of solar energy.

What is the most “interesting” email you ever got from a student?

22 Once a student came to my office hours to ask what I’m actually doing the whole day.

Should development cooperation focus on poor countries or poor people?

23 Poor countries.

What is the role of international private companies and private foundations in development?

24 Their role is more important than the one of donor agencies.

How can cooperation between researchers and development practitioners be improved?

25 The ministry could provide funding for projects conditional on the fact that researchers and development practitioners collaborate.

Suggest one economic policy to fight corruption.

26 Freezing of accounts abroad.

Are new bilateral development aid providers better or worse than traditional OECD donors?

27 Some of them seem to be more effective, at least in the short term, but the question remains whether it is sustainable.

Which subject other than economics would you like to study?

28 Sports.
On handicapped children in developing and developed countries.

Everybody should spend 10% of his or her personal income on goods produced in Africa.

The Alps.

Children’s health and education.

Economic Prospects for Small Island Economies by Clem Tisdell.


On average, a small positive impact. But this average effect is not very interesting.

That labor markets function perfectly.

I did not really decide, I slowly slipped into it while pursuing my studies in Paris.

Either before or after an extended tour on my racing bike.

My many colleagues over the past few years.

Oded Galor.

My paper on the emergence of formal land titles and their role for agricultural investment in Sulawesi (with Stephan Klasen).

Roch Marc Christian Kaboré [President, Burkina Faso].
We need more development economics research on...?

How viable is Dambisa Moyo's proposal to phase out aid and rely on the international bond market for financing gaps?

Too many detailed questions and not enough big picture in recent years in research?

What is the most effective development policy?

Have you had any career outside of academia, and if so, why did you stop?

What should be taxed most and what least?

Is a global tax on capital utopia or could it actually work?

Does aid conditionality contradict democracy?

...the determinants of the emergence of responsible, accountable, and committed policy makers.

Very unviable and there is a high risk that this is not sustainable.

Yes, time to balance.

I don’t think there is any policy that turns out to be most effective at any time and in any place.

Middle-distance runner. I stopped when I realized that I won’t make it above the poverty line when relying just on that.

Gas guzzlers most and healthy food least.

Unfortunately, this is utopia, but national taxes on wealth in the club of rich countries in conjunction with stricter capital controls and agreements with tax havens might be a good second best.

No.
Which policy maker would you like to have dinner with?
1. Kofi Annan [former Secretary-General of the United Nations].

What is the most “interesting” email you ever got from a student?
2. For a presentation: “…the use of the German language would be highly favourable for me but I don't know if you can agree on that, of course we all speak English.”

Which economics paper or book has influenced your thinking most over the last year?

What is the most effective development policy?
4. Policies supporting education and health, such as conditional cash transfers.

Is there anything you are afraid of?
5. Wars.

Suggest one economic policy to fight national income inequalities.
6. Income tax redistribution.

If you had to decide on one indicator: what is your proposed measure of development?
7. Human Development Index (HDI)

Do we need more data, better data, better questions, or better methods for research?
8. Better questions.

Which economist has inspired you most?

Which economic question would be best answered by other disciplines?
10. Many “economic” questions should be answered using an interdisciplinary approach. By the way, we should start by defining “economic” question.

Is the outsourcing of bilateral aid implementation to private companies good or bad?
11. It depends on the project and the country of destination.

Suggest one economic policy to fight corruption.
12. An independent judicial system, compliance of laws, and punishment of criminal actions.
If you were not in academia, which organization would you like to work with?

The World Trade Organization (WTO).

Unconditional cash transfers – more or less?

More than less.

Do you have any hidden talents?

We all do.

How many emails per day do you get? How many do you answer?

I get around 50, answer around 15.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

Unviable.

If you had to spend USD $1 billion to found an NGO, what would it work on?


Suggest one policy to fight poverty.

Educational training and production capacity building.

Blogs, working papers, books, or journals to follow research?

All.

Which economist would you like to have dinner with?

Jeffrey Sachs.

Where and when do you work best?

In my office, early in the morning.

Does aid conditionality contradict democracy?

No.

Should development cooperation focus on poor countries or poor people?

Both.

Suggest one economic policy to fight gender inequality.

Educational policies and regulations to avoid discriminatory practices.

Which questions would be best answered by collaborations between economics and other disciplines?

All questions, especially with political scientists, with sociologists, and with lawyers.

What is the worst assumption you have come across in an economic model by an economist?

Economic agents are rational.
Which economist should win the next Nobel Prize in economics? 
Thomas Piketty.

What is the role of international private companies and private foundations in development?
It is a very important role, it could be enhanced with more coordination and collaboration with international public organizations.

What is your favorite place in the world?
Spain.

What is the most important unsolved question in development economics?
Poverty and hunger.

How can cooperation between researchers and development practitioners be improved?
Researchers should focus on more down-to-earth questions and listen more to practitioners to find out what the critical questions are and the most successful economic policies.

What are the three most important challenges of international development policy?
Coordination in international cooperation, redistribution of decision-power in international institutions, better regulations for international and return migration.

What are the three most important global challenges for the next 50 years?
Terrorism, climate change, and migration.

Do you have a clean or messy office?
In between.

We need more development economics research on...?
...the economics of conflict, migration, and climate change in the developing world.

Why did you decide to become a development economist?
By coincidence.

What is the impact of development aid?
Positive at the project level when it is well targeted.

Is a global tax on capital utopia or could it actually work?
Could work with a lot of commitment.

Name a topic you have never worked on, but would like to in the future.
Gender issues.

What is the responsibility of a development economist?
Eradicate poverty.

What should be taxed most and what least?
Wealth and polluting activities should be taxed more.
Big data – big opportunity or data mining?

Big opportunity.

What will development cooperation look like in 2030?

No idea, but ideally coordination among all donors should improve in order to increase effectiveness.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

This should be a personal choice.

How much time do you spend “in the field” per year?

Not much.

How do you get or develop new research ideas?

Reading news and books, thinking and talking to other scientists about science (not only economists) and to normal people about everyday life.

Which of your policy recommendations has had the biggest impact?

Forecasting trade effects of Mexico-EU free trade agreement (FTA) for the Mexican government. The agreement was indeed signed in 2000 and our prediction for trade in 2000/2001 turned out to be very accurate. They congratulated us. Also, the effect of trade policy in Tunisia on households’ income suggesting that the reduction/elimination of tariffs is pro-poor.

Are new bilateral development aid providers better or worse than traditional OECD donors?

Too early to answer this question, but I guess they are the same in terms of strategic and commercial interest.

Gross Domestic Product or Gross Domestic Happiness?

Neither of the two, I prefer green accounting.
What will development cooperation look like in 2030?

This is too complex a question for a first question.

How can cooperation between researchers and development practitioners be improved?

The following three things would help: 1) Research papers that conclude by saying, “more research is needed” will no longer be published – instead “the practical implications of this research mean x, y, z…” 2) Development projects should have 5% of their resources dedicated to show their contribution to ongoing local research. 3) The fluidity between research and practice should increase by strengthening forms of engagement and mutual learning.

Which economics paper or book has influenced your thinking most over the last year?

Morten Jerven: Poor Numbers.

Unconditional cash transfers – more or less?

More; but at the same time, equally investing in building social security systems.

Which economist would you like to have dinner with?

I do not want to have dinner with an economist.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

No. What we need is thinking about changing the redistributive system that also includes the wealth of the upper top 10% of the income distribution and addresses BEPS (base erosion and profit shifting) of companies.

What is the most “interesting” email you ever got from a student?

The mortality pattern of “grandparents” seems to be closely associated with the preparedness for presenting the term paper in class at a pre-fixed date.

Where and when do you work best?

Early mornings, location does not matter, but a good coffee helps.

Suggest one policy to fight poverty.

Promoting social cohesion – fighting inequality, promoting social mobility, and fostering trust – at various levels.

Which policy maker would you like to have dinner with?

Najat Vallaud-Belkacem [Minister of Education, France] to discuss the impact of the recent change in the curriculum of the “college.”
| Do we need more data, better data, better questions, or better methods for research? | We need the right data at the right time, in the right format for the right people – make the data revolution work for everyone! |
| How do you get or develop new research ideas? | While running, talking with friends/colleagues, or after a few glasses of wine. |
| Which questions would be best answered by collaborations between economics and other disciplines? | For which questions does development economics NOT need more collaborations with other disciplines? |
| Which of your policy recommendations has had the biggest impact? | I pass on this question (second Joker). |
| What makes a successful development economist? | Focuses on “development” and challenges any conventional wisdom in “economics.” |
| We need more development economics research on...? | Political economy of the global statistical system. |
| More development aid or more impact evaluations? | Both, but done differently. |
| Blogs, working papers, books, or journals to follow research? | You forgot Twitter, Facebook, Instagram, Snapchat, Spotify, and Netflix. |
| Why did you decide to become a development economist? | My high school teacher in geography raised my interest for understanding the Green Revolution, agricultural systems and yes, I like travelling, too. |
| How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps? | On a scale between 0 (viable) and 10 (not viable), I give it an 11. |
| Suggest one economic policy to fight gender inequality. | Hand money to men to stay at home doing child care, homework, and taking care of the elderly and abolish incentives for women/mothers to stay at home. |
| Name a topic you have never worked on, but would like to in the future. | If and how the development of football is linked to economic development. |
| What is the responsibility of a development economist? | To constantly challenge our main profession: “economics.” |
| Should development cooperation focus on poor countries or poor people? | Continue to do both, but sell it better to the tax payer that focusing on poor people in middle income and rich countries is also needed – just with other means. |
How much time do you spend “in the field” per year?

25 Not enough.

Which of your own articles do you like best?

26 I like them all equally.

Do you have any hidden talents?

27 No.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

28 It depends.

Are new bilateral development aid providers better or worse than traditional OECD donors?

29 See answer to question 28.

What is the worst assumption you have come across in an economic model by an economist?

30 Agents behave rationally.

What makes you angry?

31 When Borussia Dortmund loses to Bayern München.

Suggest one economic policy to fight national income inequalities.

32 Provide every policy maker with a copy of Thomas Piketty’s book for free.

What is the most important unsolved question in development economics?

33 Are there any solved ones? Sorry, I must have missed something.

What was the biggest failure in your career?

34 I pass on this question (last joker!).

Does development cooperation focus too much on small-scale interventions?

35 Yes.

Would you advise your friends to buy Fair Trade products?

36 Absolutely.

What makes a good research paper?

37 If it reaches folks beyond the research community.

Suggest one economic policy to fight climate change.

38 Subsidize the use of bicycles, promote public transport, and tax the use of trucks and cars in cities heavily.

Have you had any career outside of academia, and if so, why did you stop?

39 Hm, I actually did not stop …

What is the impact of development aid?

40 Ambiguous – but desperately needed for the poorest, fragile states.
What is the role of international private companies and private foundations in development?

If you had to decide on one indicator: what is your proposed measure of development?

Big data – big opportunity or data mining?

What are the three most important challenges of international development policy?

Which economist has inspired you most?

If you had to spend USD $1 billion to found an NGO, what would it work on?

What should be taxed most and what least?

Is “developing country” an appropriate term? Any better suggestions?

How can the SDGs be useful?

What are the three most important global challenges for the next 50 years?

Catalysts for change.

SDG indicator 17.19.1 – spending of $ in support of national statistical systems.

If combined with conventional data sources like the census, household surveys, and data from administrative systems in a way that strengthens national statistical systems – big opportunity.

Fostering social cohesion, fostering social cohesion, and fostering social cohesion. But not necessarily in this order.

Steven E. Landsburg: “Economics is about incentives – the rest is commentary.”

Developing small soccer pitches for girls and boys in poor countries/fragile states. Building a culture of trust, fairness, and fun, while learning how to become competitive at the same time.

Tax most: arrogance by the economic profession to always know better. Tax least: curiosity in finding new answers even if they come with failures and errors.

No, and unfortunately I have no idea.

If they are applied to national contexts, are embraced by national stakeholders, and change policies and institutions for better lives – not by only feeding the international SDG reporting machinery.

See question 44.
1. Take humble steps towards better donor coordination (e.g., multi-donor trust funds) because great leaps forward do not work.

2. Philosophy.

3. On balance, yes, because numerous small projects, as opposed to funding (largely home-grown) programs (e.g., through budget support), undermine local ownership and thereby limit overall effectiveness.

4. Even though I like most of Gary Becker’s research, the notion of “rational addiction” has always struck me as weird.


6. Getting governments into office (preferably through elections) that really care about the welfare of their citizens.

7. Securing peace; eradicating poverty; combating climate change.

8. I expect a stronger focus of development cooperation on the provision of global public goods and less traditional aid. As a result, the distinction between donors and recipients will become increasingly blurred.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

It might work for countries that do not really need aid, but not for the poorest countries.

Why did you decide to become a development economist?

When beginning to study economics, I had a particular interest in international (economic) relations; the move from there to development economics was not really planned, but the result of an attractive job offer. I realized only afterwards that this was an excellent choice.

What was the biggest failure in your career?

I had a very good econometrics education at university and did not really capitalize on it in my early academic career (being involved in a large project that required CGE modeling); this may have prevented a better publication record.

Would you advise your friends to buy Fair Trade products?

Yes. I take the economic arguments against fair trade seriously (providing incentives for farmers to stay in agriculture, rather than moving to more productive activities), but think that many small farmers have few alternatives. In addition, Fair Trade may mitigate market imperfections along the value chain (e.g., monopolistic traders).

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

This sounds too paternalistic to me: first, people should be free to choose where to engage (poverty reduction is very important from a moral point of view, but there are definitely other worthy causes); second, and more fundamentally, I don’t see myself in a position to impose altruistic behavior on others.

Does aid conditionality contradict democracy?

Yes, at least in the excessive form it has taken in many structural adjustment programs.

Which economic question would be best answered by other disciplines?

None, but many (if not most) need collaboration across disciplines.

We need more development economics research on…?

…how to improve the quality of schooling.

Where and when do you work best?

In the office; sometimes on the train.

Are new bilateral development aid providers better or worse than traditional OECD donors?

There is a widely held belief that they are worse, but this is not borne out by the available evidence.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Should development cooperation focus on poor countries or poor people?</td>
<td>Poor people.</td>
</tr>
<tr>
<td>Development economics is missing new theories – true?</td>
<td>No, at least not more so than other sub-disciplines.</td>
</tr>
<tr>
<td>How many emails per day do you get? How many do you answer?</td>
<td>30–50, and I answer most of them.</td>
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<tr>
<td>In my youth, I was a talented long-distance runner, but preferred to play football. When I told an athletics coach 20 years later how fast I used to run 5000 meters, he was impressed.</td>
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<tr>
<td>Do you have any hidden talents?</td>
<td>In my youth, I was a talented long-distance runner, but preferred to play football. When I told an athletics coach 20 years later how fast I used to run 5000 meters, he was impressed.</td>
</tr>
<tr>
<td>Which economist has inspired you most?</td>
<td>James Robinson; he has the rare talent to combine profound institutional knowledge, which always leads him to convincing narratives, with economic rigor.</td>
</tr>
<tr>
<td>Have you had any career outside of academia, and if so, why did you stop?</td>
<td>None.</td>
</tr>
<tr>
<td>What was the most important step in your career?</td>
<td>Finishing my PhD.</td>
</tr>
<tr>
<td>What makes a good research paper?</td>
<td>(i) A clear and relevant research question; (ii) a convincing identification strategy (in empirical papers), which must not always be the fanciest instrumental variable approach; (iii) concise writing [(iii) is often underestimated in the economics literature].</td>
</tr>
<tr>
<td>Unconditional cash transfers – more or less?</td>
<td>More unconditional transfers, because people usually know best how to spend the money. The burden of proof should always be with those who advocate conditional cash transfers as the superior alternative.</td>
</tr>
<tr>
<td>Suggest one economic policy to fight national income inequalities.</td>
<td>Equal access to high-quality education.</td>
</tr>
<tr>
<td>What are the three most important challenges of international development policy?</td>
<td>Eradicating hunger; eliminating absolute poverty; conserving life-support systems (tropical forests, climate, etc.).</td>
</tr>
<tr>
<td>Gross Domestic Product or Gross Domestic Happiness?</td>
<td>Gross Domestic Product.</td>
</tr>
</tbody>
</table>
If you were stranded on a deserted island, which economics book would you want with you?

Acemoğlu and Robinson: Why Nations Fail (it’s already on my shelf).

Do you have a clean or messy office?

Somewhere in the middle.

Too many detailed questions and not enough big picture in recent years in research?

There are not too many case studies, but more effort should be put into improving external validity (e.g., through careful comparative case studies).

Is a global tax on capital utopia or could it actually work?

It is utopia, as there always will be loopholes and cooperation among governments will be incomplete.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

There is no definite answer to this question; the answer has to be given case by case.

If you had to decide on one indicator: what is your proposed measure of development?

(Relative and absolute) pro-poor growth indices, because I believe that the poverty-growth-inequality nexus is at the core of development.

Which policy maker would you like to have dinner with?

Trevor Manuel [Former Minister of Finance, South Africa].

Suggest one policy to fight poverty.

Raising productivity in smallholder agriculture.

What is the role of international private companies and private foundations in development?

Both have an important role: foreign direct investment by private companies can foster growth and employment creation; private foundations can complement public donors.

How can the SDGs be useful?

Unlike the MDGs, the SDGs cannot be used as a direct benchmark for development policy as they constitute a too complex set of targets; they may still serve as a general development paradigm, forcing national governments to set priorities and to carefully spell out trade-offs and complementarities between targets.

Which questions would be best answered by collaborations between economics and other disciplines?

The new field of behavioral development economics, in particular, needs more collaboration with psychologists, anthropologists, etc.
Do we need more data, better data, better questions, or better methods for research?

We probably need all of these, but the sequence should be right: first, come up with an interesting question, and then look for better data and methods. In my view, a significant part of development economics research is excessively data and methods driven.

Suggest one economic policy to fight gender inequality.

Equal access of girls to high-quality education.

How can cooperation between researchers and development practitioners be improved?

Both sides have to acknowledge that they face inherent problems (different time horizons, different languages, broad policy questions vs. specific research questions, etc.), which can only be solved (or at least mitigated) through mutual understanding and continuous dialogue.

Which economist should win the next Nobel Prize in economics?

After Angus Deaton, there will probably not be a winner from development economics for some time to come, but Banerjee/Duflo/Kremer would deserve it for introducing randomized controlled trials (RCTs) into the mainstream of empirical economics; realistically speaking, I would opt for Martin Weitzman.

Which economics paper or book has influenced your thinking most over the last year?

Perhaps the last World Development Report on behavioral economics. I have long hesitated to fully embrace behavioral economics concepts, but now start to think that they have an important role to play in development economics.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Improving agricultural productivity in Africa.

What is the most important unsolved question in development economics?

How to initiate a process that leads to development-friendly institutions.

What is your favorite place in the world?

I like many different places, but, on balance, I would go for Paris.
Three of my candidates are Richard Thaler, Matthew Rabin, and Sendhil Mullainathan. They have done great work in behavioral economics and have reshaped the way we think about public policies.

Axel Dreher and Stephan Klasen are the experts; however, I disagree with their conclusion that it has limited impact on growth. I guess more development aid and less corruption would be required.

More research should focus on testing policies that consider how people really decide by incorporating behavioral factors.

I would rather suggest: take from the rich and give to the poor. Yet I think that redistribution using taxes is more effective and egalitarian than direct donations. Companies could also contribute more.

I like it better than underdeveloped country or third world country. I don’t have much of a problem with the term, but an alternative would be low-income or low-growth countries.

I do not know. The projects I am more familiar with in Colombia as Plan Colombia were large-scale projects that lasted more than 10 years. I think that, generally, policy makers are confronted with the problem of defining long-term objectives, making it hard to coordinate actions.

No. They can decide on their own.

I think they help to prioritize, evaluate progress, and adjust policies. I love figures like X% of the goals have been reached.

No idea.
What are the three most important global challenges for the next 50 years?

Gender gap disparities, organized crime and terrorism, inequalities at the global scale.

What makes a good research paper?

Three things: a new idea, a good theoretical model, and decent data (preferably experimental).

Which questions would be best answered by collaborations between economics and other disciplines?

If we want to design better policies that consider how people decide (behavioral economics) and not how people should decide (neo-classical economics), we need more collaboration with psychologists, sociologists, and political scientists.

Suggest one economic policy to fight climate change.

Subsidies for research on use and storage of solar energy. I am surprised that we don’t have commercial solar cars yet. Apparently, it is a question of finding more efficient technologies.

Which economic question would be best answered by other disciplines?

Family planning. I find absurd the economic models where family planning is a rational decision where parents consider the help they can extract from their children. Even among highly-educated individuals, who have family planning possibilities, a large fraction of children are unplanned.

Are new bilateral development aid providers better or worse than traditional OECD donors?

I don’t know.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

If we believe in specialization, as Adam Smith suggested, this should be good for efficiency and economic development.

We need more development economics research on…?

Behavioral development economics. To reduce inequality, we need to better understand how preferences for redistribution develop and are shaped by policies and circumstances. We also need to learn whether it is possible to nudge people to make better economic decisions.

What is the most effective development policy?

My guess would be anti-corruption policies.

How much time do you spend “in the field” per year?

Unfortunately, not too much. Last year, only two weeks. I loved the three-month visits to the field I used to do.
Which of your own articles do you like best?

Of course, they are all great. I find that the series of papers on coca are quite good. Although not very cited, the JPUB is a very nice one. I also like our papers on gender self-discrimination.

What makes a successful development economist?

I wonder. Maybe working in international or local organizations where your ideas can be transferred into policies is not a bad idea.

Where and when do you work best?

At night, between 10 pm and 2 am on the sofa. Note: Please do not call in the morning, I am usually not in a good mood.

What are the three most important challenges of international development policy?

Transfer goals into policies that work, confront bureaucratic institutions, break inertia.

If you were stranded on a deserted island, which economics book would you want with you?

Schumpeter’s history of economic analysis.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

Sorry, not my area.

What is the role of international private companies and private foundations in development?

I find Bill and Melinda Gates’ [Bill & Melinda Gates Foundation] move to invest in research on development to be positive.

Which economist has inspired you most?

Gardner Brown. I met him in Gothenburg University when he came as visiting lecturer. I learned a lot from his course on environmental economics. He had a decisive role in shaping my career.

Gross Domestic Product or Gross Domestic Happiness?

GDP. Money might not buy everything, but unlike happiness, we know what it means.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Economic and political empowerment of women and girls.

How can cooperation between researchers and development practitioners be improved?

Please let us participate in the design of your programs. Invite us to evaluate them and let us discuss openly what works and what does not.
Should development cooperation focus on poor countries or poor people?  
Poor countries. I think that it is more important to create the conditions for long-term growth by investing in institutions, rather than reducing the number of poor.

What should be taxed most and what least?  
Higher tax for carbon emissions and negative taxes for consumption of fruits, vegetables, and books.

Unconditional cash transfers – more or less?  
Less. Conditionality seem to be working.

More development aid or more impact evaluations?  
Development aid that is accompanied by independent impact evaluations.

Development economics is missing new theories – true?  
I like the theory of Mullainathan and Shafir that scarcity changes the way we think and, hence, affects poverty. Also, the theories related to poverty and aspirations. Behavioral economics can say a lot more about development.

Do you have a clean or messy office?  
Medium messy. Papers and notes, here and there.

Is there anything you are afraid of?  
Snakes.

Why did you decide to become a development economist?  
I think of myself as an economist working on developing countries. Working in Colombia is close to my heart and my family.

Big data – big opportunity or data mining?  
Big opportunity when accompanied by good questions.

Which economist would you like to have dinner with?  
Marcel Fafchamps.

Suggest one economic policy to fight national income inequalities.  
Inequalities are perpetuated by low social mobility. Blind hiring processes based on performance tests could help to foster brilliant professionals from disadvantaged families.

Do we need more data, better data, better questions, or better methods for research?  
Better questions. I think that what matters most is the motivation and the innovativeness of the research question.

Which policy maker would you like to have dinner with?  
Bo Mathiasen, UNODC representative in Colombia.

If you had to decide on one indicator: what is your proposed measure of development?  
I suggest to use the Programme for International Student Assessment (PISA) scores. This should capture the ability to get out of poverty and innovate, and should be correlated with health indicators and income measures.
Which economics paper or book has influenced your thinking most over the last year?  

Thinking, Fast and Slow by Daniel Kahneman, Scarcity by Sendhil Mullainathan and Edar Shafir, and the World Bank (WB) report Mind, Society and Behavior (Stephan, thanks for lending me the printed version).

What makes you angry?  

Coffee. After three cups there is a high likelihood I will be angry and will be very nasty to those who do scientific malpractice.

What is the responsibility of a development economist?  

A development economist should be careful with drawing policy recommendations from their research. Normally, the results are rather indicative, based on small samples, or are particular for specific contexts.

What was the most important step in your career?  

PhD at Gothenburg University. It was a great opportunity to learn a new topic from leaders in the area.

Which subject other than economics would you like to study?  

Psychology, Geography.

Does aid conditionality contradict democracy?  

I do not think so. However, it is clear that many of the conditions are self-serving (US aid as military help to Colombia) or are weakly supported (move towards privatization fostered by World Bank).
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<tr>
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<tbody>
<tr>
<td>If you had to decide on one indicator: what is your proposed measure of development?</td>
<td>Variations of the head count ratio.</td>
</tr>
<tr>
<td>What will development cooperation look like in 2030?</td>
<td>I can't paint a coherent picture of what it looks like now, so it’s hard to tell you what it will look like in 2030. The optimist in me says that we will no longer use the prefix “development” and just have “cooperation.”</td>
</tr>
<tr>
<td>Is there anything you are afraid of?</td>
<td>No, although I sometimes despair.</td>
</tr>
<tr>
<td>How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?</td>
<td>I think this is a pipe dream. It requires a combination of institutional organization, financial sophistication, and good will that are completely unrealistic.</td>
</tr>
<tr>
<td>Which questions would be best answered by collaborations between economics and other disciplines?</td>
<td>Political scientists for questions related to accountability and governance; sociologists for questions related to networks and norms; psychologists for questions about (systematic) behavioral anomalies; civil engineers for questions related to cities and urbanization; agronomists for questions related to rural development; … I could go on and on.</td>
</tr>
<tr>
<td>How can the SDGs be useful?</td>
<td>Primarily to capture the imagination and focus popular attention.</td>
</tr>
<tr>
<td>Gross Domestic Product or Gross Domestic Happiness?</td>
<td>If those are the two options, then GDP. I don't know what to make of aggregate subjective measures.</td>
</tr>
<tr>
<td>Suggest one economic policy to fight corruption.</td>
<td>Requiring transparency and providing the right to information.</td>
</tr>
<tr>
<td>If you were stranded on a deserted island, which economics book would you want with you?</td>
<td>The Poor and Their Money by Stuart Rutherford.</td>
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Big data – big opportunity or data mining?  
Neither. It’s just more data, which is available in a cheaper and more timely fashion and is just as useless for causal inference as “small data” is.

What is the impact of development aid?  
If only we actually knew.

Suggest one economic policy to fight climate change.  
Cap and trade.

Suggest one economic policy to fight gender inequality.  
Realistic job opportunities for women.

Do you have a clean or messy office?  
I don’t think I’m the right person to ask about my office.

What is the most important unsolved question in development economics?  
Where do I start…? I think the question of unbalanced growth is a biggie.

How many emails per day do you get? How many do you answer?  
Roughly 30 messages on average. I answer what I have to or want to answer.

What was the biggest failure in your career?  
Lack of focus on a single, earth-shattering question.

Suggest one economic policy to fight national income inequalities.  
Progressive taxation is an obvious ex-post policy response. Equality of opportunity seems like a better ex-ante remedy.

Which of your own articles do you like best?  
“Anatomy of a Contract Change” (with Debraj Ray) and “Linear Social Interactions Models” (with Larry Blume, Buzz Brock, and Steven Durlauf).

Should development cooperation focus on poor countries or poor people?  
Poor people in poor countries, ideally.

What was the most important step in your career?  
A critical, if not important, step was the decision to live in Germany.

What is the role of international private companies and private foundations in development?  
They have different functions. In general, I think private companies are important for (profit-oriented) investment and employment generation, which are key to poverty alleviation. The role of private foundations is, I think, to fix market failures (fund or provide public services that the poor cannot otherwise afford, fund basic research, etc.) where the government is unable to successfully play this role on its own.
Too many detailed questions and not enough big picture in recent years in research?  

Maybe, due to our obsession with randomized controlled trials (RCTs). It’s time to take a step back and look at the big picture. But it’s still important to think hard about identification.

Why did you decide to become a development economist?  

I’m not sure it was a conscious decision. My parents worked for the U.N. and it was always clear to me that I’d be involved in development. The economics was incidental, perhaps because there is no such thing as a “development sociologist” or “development historian.”

If you were not in academia, which organization would you like to work with?  

As an economist? Some think tank or other. Maybe an NGO or a social enterprise. I’m not sure.

Have you had any career outside of academia, and if so, why did you stop?  

No. I’m a one-trick pony.

Do we need more data, better data, better questions, or better methods for research?  

All of the above, I’m afraid.

More development aid or more impact evaluations?  

Ideally, a combination of the two, in reverse order of appearance in this question.

How do you get or develop new research ideas?  

A combination of accident, personal interest, and data availability, which probably explains my answer to question 17, now that I think about it.

Which policy maker would you like to have dinner with?  

At this point in time, probably Angela Merkel [Chancellor, Germany]. It’s a choice I never thought I’d make, but I’d genuinely like to know what possessed her to do something as admirably humane and politically suicidal as opening the floodgates to refugees.

What is your favorite place in the world?  

The beaches, temples, and villages of Tamil Nadu.

Which economics paper or book has influenced your thinking most over the last year?  

“Unbalanced Growth” (by Albert O. Hirschman, among others).

What are the three most important challenges of international development policy?  

Unbalanced growth, the inequality it engenders, and the social conflict that tends to arise as a consequence.

What makes a good research paper?  

An interesting question, an appropriate methodology, and a compelling answer.
Which economist has inspired you most?

Jean Drèze.

Which economic question would be best answered by other disciplines?

Economic questions should be answered by economists, but if other disciplines want to take a crack at them too, I can’t see any a priori reason to object.

Do you have any hidden talents?

If I do, they are very successfully hidden.

Does development cooperation focus too much on small-scale interventions?

No. If anything, I fear that too much money is thrown at big interventions, with no solid basis in evidence.

Unconditional cash transfers – more or less?

Conditional on what?

Which of your policy recommendations has had the biggest impact?

I hesitate to make policy recommendations. It involves too much hubris.

Which policy recommendation has had the biggest impact?

Basic education.

If you had to spend USD $1 billion to found an NGO, what would it work on?

It may work, but it is nevertheless utopian.

Is a global tax on capital utopia or could it actually work?

There is always room for new theories, but I think we have some pretty good theories. This does not detract from the fact that too much of what we do is a-theoretical.

Development economics is missing new theories – true?

No. The poor should have no such obligation and 10% is a completely arbitrary recommendation.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Is “developing country” an appropriate term? Any better suggestions?

I think it’s a very hopeful moniker. It’s certainly a big improvement on “third world.”

Are new bilateral development aid providers better or worse than traditional OECD donors?

I’m not sure there is any solid evidence one way or another.

How can cooperation between researchers and development practitioners be improved?

Speaking to one another would be a start, at least in Germany.

We need more development economics research on…?

…pretty much everything.
Depends. There are a lot of things that the private sector is better equipped to do than the public sector, and vice versa. It’s a question of incentives and comparative advantage.

Angry is a strong word. With respect to development, I sometimes despair at how patronizing and un-empathetic the rich are with respect to the poor.
Big data – big opportunity or data mining?
1. Depends so much on who is using it.

Development economics is missing new theories – true?
2. Yeah. The whole issue about the development of the so-called “developed countries” is still missing.

Which economist should win the next Nobel Prize in economics?
3. The one who contributes to show a way out of the “ever more ever faster” dogma.

If you had to spend USD $1 billion to found an NGO, what would it work on?
4. Found free schools (free in the sense of letting the kids decide about what they want to explore and learn) and get teachers fit for it.

Do you have any hidden talents?
5. I kind of know how to swim butterfly. Completely useless in everyday life, exhausting, but when it works out right it just feels great.

Have you had any career outside of academia, and if so, why did you stop?
6. The last one since eleven years and I haven’t stopped yet!

Does aid conditionality contradict democracy?
7. Not if both parties really negotiated it and the decision to accept it has been taken by a “real” parliament. Unfortunately, not that common.

Which of your policy recommendations has had the biggest impact?
8. Expanding a Poverty Reduction Strategy Paper (PRSP) implementation period from three to five years.

How can the SDGs be useful?
9. Only when we remember them while we design the day-to-day business and put them into action.

Why did you decide to become a development economist?
10. The meaning of life …

Do we need more data, better data, better questions, or better methods for research?
11. For my part, I would be happy with more policy-oriented answers from research.
<table>
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<tbody>
<tr>
<td>Should development cooperation focus on poor countries or poor people?</td>
<td>When reaching poor people is the objective of development cooperation with poor countries, then cooperation should be stopped if it can’t improve the situation of poor people.</td>
</tr>
<tr>
<td>What is the most “interesting” email you ever got from a student?</td>
<td>“I can’t take that course because it is a 3-credit point course and I need only two more credit points!”</td>
</tr>
<tr>
<td>Is “developing country” an appropriate term?</td>
<td>Less Polluting Country (LPC).</td>
</tr>
<tr>
<td>We need more development economics research on …?</td>
<td>… how to achieve development in a more ecological way.</td>
</tr>
<tr>
<td>How can cooperation between researchers and development practitioners be improved?</td>
<td>Create a journal only for impact analysis and policy recommendations. Assure high quality of articles published in the journal so they count for PhDs and in the general publish-or-perish business. Give the next Nobel Prize to someone who made a big contribution to solving a real-life question.</td>
</tr>
<tr>
<td>Suggest one economic policy to fight climate change.</td>
<td>Short-sleeved shirts to the office, instead of three-piece suits (I think the Japanese introduced that some years ago) and three mission-free months a year for every “developing” country.</td>
</tr>
<tr>
<td>What is the responsibility of a development economist?</td>
<td>To find out what works and what doesn’t and why, in spite of political “requirements.”</td>
</tr>
<tr>
<td>More development aid or more impact evaluations?</td>
<td>No aid without impact evaluation. Couldn’t we have PhDs on really good impact evaluation?</td>
</tr>
<tr>
<td>What is the role of international private companies and private foundations in development?</td>
<td>Put issues into focus that are not on the political agenda.</td>
</tr>
<tr>
<td>Which economist has inspired you most?</td>
<td>William Easterly, and then, Abhijit V. Banerjee and Esther Duflo.</td>
</tr>
<tr>
<td>What should be taxed most and what least?</td>
<td>Most: petrol and derivatives, least: medicine and books.</td>
</tr>
<tr>
<td>Is a global tax on capital utopia or could it actually work?</td>
<td>I hope it will some day!</td>
</tr>
<tr>
<td>Which subject other than economics would you like to study?</td>
<td>Carpentry.</td>
</tr>
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</table>
Which economics paper or book has influenced your thinking most over the last year?

Multiple papers and books on how to develop and implement locally-adapted solutions, how values are defined, and how change in behavior is happening (the brain-science guys) and what all that means for education.

Where and when do you work best?

At times when other people are sleeping.

Does development cooperation focus too much on small-scale interventions?

Development cooperation should enable the structures in a country, public, private, civil society, to find out what and how they want it to be done and then how to do it on their own with the resources available. The worst thing is to make people believe that nothing can be done without expensive consultants, year-long feasibility studies, extra coordination units, and tons of workshops in fancy hotels.

Which of your own articles do you like best?

One on participatory impact monitoring of public expenditure in primary schooling.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

Consulting companies can be quite good at scaling-up well-defined technical pilots. But accompanying the preparation and implementation of structural change and reforms on the national level is often difficult to outsource as consulting companies are often not perceived as counterparts on the appropriate level by government and the public institutions of the partner country.

Blogs, working papers, books, or journals to follow research?

Mostly working papers, not often enough, unfortunately.

Suggest one economic policy to fight national income inequalities.

Up to a certain degree, I am ok with income inequality. But high quality education should be offered on all levels, so people can get creative on their own.

How many emails per day do you get? How many do you answer?

80/20.

What is the worst assumption you have come across in an economic model by an economist?

That an exact monetary value can be calculated for everything.

Do you have a clean or messy office?

Clean, unsorted stacks of paper make me nervous.
What was the most important step in your career? Meeting a new, young professor at the economics faculty, where I was working on my PhD, who talked about writing papers and going to conferences instead of writing a monography. Sounds incredible, but it is true.

Which economic question would be best answered by other disciplines? The value of just about everything non-material.

What is the most effective development policy? As in Question 31. High-quality education on all levels, so people can get creative on their own.

What will development cooperation look like in 2030? Hopefully no more development cooperation, but concert-ed action on ecological issues and many different locally-adapted approaches on how to live together.

Which policy maker would you like to have dinner with? Mahatma Gandhi [Leader of Indian independence movement] or Nelson Mandela [first President of South Africa] to talk about how to initiate policy changes in a non-violent and constructive way.

Suggest one economic policy to fight corruption. Forbid men to take any higher political posts in public service. Unless this is achieved, install a whistleblower-programme.

What is the most important unsolved question in development economics? What do the results of research tell us about policy design and implementation?

What is your favorite place in the world? Wherever family and friends are.

What are the three most important challenges of international development policy? 1. Decisions should be made at the lowest possible level. 2. All stakeholders should be heard. 3. Get it done, get it done, get it done.

If you had to decide on one indicator: what is your proposed measure of development? The propensity to migrate.

How do you get or develop new research ideas? While running or swimming.

Suggest one economic policy to fight gender inequality. Telling the decision makers how much GDP they miss out on when excluding women and handicapped persons from economic activities.

Which questions would be best answered by collaborations between economics and other disciplines? A lot of times, the cultural background is not appropriately taken into account and therefore important information is excluded.
Unconditional cash transfers – more or less?

Less.

Suggest one policy to fight poverty.

See answer to question 37.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Good idea, but why restrict to individuals in high income countries?
Andrew Clark  
*Paris School of Economics*

**What should be taxed most and what least?**

1 Most: Large cars! Who needs them?  
   Least: Fruit, vegetables, public transport.

**Does development cooperation focus too much on small-scale interventions?**

2 I was taught that macro is just the aggregate of micro.  
   But you can't have a micro intervention on the exchange rate or public goods, such as trust, of course.

**What was the most important step in your career?**

3 Having travelled very little as a student, and swearing blind that I would never, ever, in a million years teach, accepting an Assistant Professor job in the US.

**How many emails per day do you get? How many do you answer?**

4 About 200, of which 80–100 are of some interest. Lots of announcements. A trawl of my last week suggests I send about 15 a day (not all work related…). I do genuinely try to answer the serious ones.

**Is “developing country” an appropriate term? Any better suggestions?**

5 Country, and Country,?

**What was the biggest failure in your career?**

6 Apart from Oxford somehow imagining they could get by without me as an undergraduate student, spending time thinking that I was a theorist. It did teach me that I wasn’t, though.

**Are new bilateral development aid providers better or worse than traditional OECD donors?**

7 As one of my first-year students in the US said in an exam: punt!

**Would you advise your friends to buy Fair Trade products?**

8 Yes, assuming that we can avoid the gaming of certification.

**Which of your own articles do you like best?**

9 The 2008 Journal of Economic Literature survey: a marathon written across way too many time zones.  
The 1996 Journal of Public Economics piece: great idea (based on the idea of wage comparisons in the union-bargaining literature), rather ropy econometrics, rejected by five separate journals, took five years to be published.
Suggest one policy to fight poverty. 10

Arms control.

Which questions would be best answered by collaborations between economics and other disciplines? 11

As is the case with a lot of economics, psychology I would think. Individuals' reactions to situations are not always rational (although they are very likely purposeful), and income is far from being all that matters.

If you were stranded on a deserted island, which economics book would you want with you? 12

When I was knee-high to a grasshopper, I got a huge amount out of Hard Heads, Soft Hearts by Alan Blinder. If it was a book I hadn’t read, it would be the ideal time to tackle one of Ken Binmore’s bargaining magnum opuses.

How can the SDGs be useful? 13

Public Relations. Get people talking about both what are (positive) and what should be (normative) aspects of development.

Which economist has inspired you most? 14

Andrew Oswald.

What is the responsibility of a development economist? 15

Next time I run into one, I’ll ask her/him.

Why did you decide to become a development economist? 16


What makes a good research paper? 17

Andrew Oswald (although I’m sure he’d deny it) used to tell me 50% was the title and abstract, because that’s all most people read. More seriously, stick to the storyline and don’t over-write. I am fed up with refereeing 40- or 50-page papers.

What are the three most important challenges of international development policy? 18

Vested interests in the recipient country; Vested interests in the donor country; An understanding of why some interventions work and others don’t (and not just whether they do or not).

What are the three most important global challenges for the next 50 years? 19

• Most impressed to hear a recent seminar speaker think that global warming was essentially under control; I still think we are walking in the dark here.
• As long-standing discriminations unwind, beware of the backlash.
• Childhood is short and adulthood is long: we should take the emotional health of children more seriously.

What is the impact of development aid? 20

Pass.
What will development cooperation look like in 2030?

21 Help!

Which economics paper or book has influenced your thinking most over the last year?

22 Probably Eldar Shafir on the Psychology of Poverty.

If you had to decide on one indicator: what is your proposed measure of development?

23 Subjective well-being.

Unconditional cash transfers – more or less?

24 I used to think less, now I’m not so sure. Perhaps one mystery to be solved is why many individuals do not receive (or want to receive) the benefits to which they are entitled.

What is the worst assumption you have come across in an economic model by an economist?

25 Market clearing.

Suggest one economic policy to fight climate change.

26 Promote status competition in altruism and public goods, rather than private consumption.

Suggest one economic policy to fight national income inequalities.

27 Make income tax returns publicly available and searchable.

What is the most important unsolved question in development economics?

28 Is development economics fundamentally different from other types of economics, and when will it stop being so?

Does aid conditionality contradict democracy?

29 Perhaps no more than making unemployment benefits conditional on job search contradicts individual liberty.

Which policy maker would you like to have dinner with?

30 Angela Merkel [Chancellor, Germany]: I’m fascinated.

Have you had any career outside of academia, and if so, why did you stop?

31 One year in the Audit Department of Morgan Guaranty. Boring as sin.

Where and when do you work best?

32 At the office, when no one else is there: I’m rubbish at home. Also, random moments of inspiration where an article’s storyline suddenly pops up: train, shower, swimming pool, etc.

Should development cooperation focus on poor countries or poor people?

33 Poor people. And try to understand the mechanisms that produce rich people in poor countries: are they to be emulated or prosecuted?
34 If you had to spend USD $1 billion to found an NGO, what would it work on?

Youth sports teams in the world's poorest areas.

35 More development aid or more impact evaluations?

I suspect both. The marginal utility of income in rich countries is not particularly high. But impact in terms of what?

Disappointingly low on the “dog ate my homework”/“I thought the exam was tomorrow” excuse count. I was asked to be Faculty Representative for Tri-Kap, a notoriously conservative frat house, when I had just spent all semester in Economics 101 explaining that I was a woolly-hatted liberal.

36 What is the most “interesting” email you ever got from a student?

Disappointingly low on the “dog ate my homework”/“I thought the exam was tomorrow” excuse count. I was asked to be Faculty Representative for Tri-Kap, a notoriously conservative frat house, when I had just spent all semester in Economics 101 explaining that I was a woolly-hatted liberal.

37 Is a global tax on capital utopia or could it actually work?

We need to understand whether bank secrecy is second-best or third- (or worse-) best.

38 We need more development economics research on...?

...what happens to developed countries when they are overtaken by previously developing countries.

39 Is there anything you are afraid of?

Heights.

40 Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Yes. Almost everyone in rich countries is now rich: we don't need more things. Giving 10% of your income is like losing three years of productivity growth: it's tiny. And if everyone's doing it, no one changes their relative income.

41 Name a topic you have never worked on, but would like to in the future.

Polarisation.

42 Which economic question would be best answered by other disciplines?

Our perception of others.

43 What is the most effective development policy?

Information.

44 Suggest one economic policy to fight corruption.

Wikileaks.

45 Gross Domestic Product or Gross Domestic Happiness?

Can we have both, to compare and contrast?

46 Suggest one economic policy to fight gender inequality.

Subsidising education, at least in poorer countries.

47 Too many detailed questions and not enough big picture in recent years in research?

Welcome to science. The latter without the former often sounds like a polemic.
48 Working papers and journals.

49 A place for everything, and for everything a place. Which is not to say that I couldn't do with a little more shelf space.

50 In my field, there is a critical lack of comparable data on developing countries. We know an awful lot about Germans, but maybe they’re not representative …
If you were stranded on a deserted island, which economics book would you want with you?


What is the most effective development policy?

2 Vaccinations.

What are the three most important global challenges for the next 50 years?

3 Migration, Xenophobia, Inequality.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

4 10% sounds like a lot, but, in principle, giving in proportion to one’s income is reasonable.

What should be taxed most and what least?

5 Most: capital. Least: food, books.

If you were not in academia, which organization would you like to work with?

6 My own social enterprise.

How do you get or develop new research ideas?

7 Observe the world and brainstorm with colleagues.

Blogs, working papers, books, or journals to follow research?

8 Journals.

Which subject other than economics would you like to study?

9 Psychology.

Is a global tax on capital utopia or could it actually work?

10 I wish it could work.

Which economist has inspired you most?

11 Muhammad Yunus (not that I agree with all of his views, though).

Is “developing country” an appropriate term? Any better suggestions?

12 Not an appropriate term. I prefer to say “low-income” country (still not great).

Susan Steiner

Institute of Development and Agricultural Economics, Leibniz Universität Hannover
What are the three most important challenges of international development policy? 13

There is only one: to know what works and what does not.

What is the most “interesting” email you ever got from a student? 14

“Hey, Ich kann heute nicht kommen, weil ich krank bin.”

If you had to decide on one indicator: what is your proposed measure of development? 15

Infant mortality.

Suggest one policy to fight poverty. 16

Stop the protection of vested interests of rich companies and governments.

Which of your own articles do you like best? 17

The one on bride kidnapping and its effects on infant birth weight.

What is the most important unsolved question in development economics? 18

How much can we learn from randomized controlled trials?

If you had to spend USD $1 billion to found an NGO, what would it work on? 19

Make life in refugee camps more bearable or work with disadvantaged children.

Suggest one economic policy to fight gender inequality. 20

Educate girls.

Suggest one economic policy to fight corruption. 21

As a start, pay civil servants reasonable wages.

How much time do you spend “in the field” per year? 22

Way too little: 2 weeks.

Which policy maker would you like to have dinner with? 23

Ursula von der Leyen [Current Minister of Defense, former Minister of Labour and Social Affairs and Minister of Family, Senior Citizens, Women and Youth, Germany].

How can cooperation between researchers and development practitioners be improved? 24

• On the side of researchers: provide (monetary or career) incentives to summarize their findings in a language understandable by policy makers and the general public.

• On the side of practitioners: acknowledge that good studies and even literature reviews cannot be written in short periods of time.

Gross Domestic Product or Gross Domestic Happiness? 25

Gross Domestic Happiness.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Why did you decide to become a development economist?</td>
<td>When I was an undergraduate student, I went to Morocco. The poverty I encountered made me want to understand what could be done to alleviate it.</td>
</tr>
<tr>
<td>Are new bilateral development aid providers better or worse than traditional OECD donors?</td>
<td></td>
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<tr>
<td>More development aid or more impact evaluations?</td>
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<tr>
<td>Suggest one economic policy to fight national income inequalities.</td>
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<tr>
<td>What was the biggest failure in your career?</td>
<td>Not doing a PhD abroad.</td>
</tr>
<tr>
<td>What is the impact of development aid?</td>
<td>Well, if we only knew that…</td>
</tr>
<tr>
<td>What was the most important step in your career?</td>
<td>Leaving a research institute and joining the university.</td>
</tr>
<tr>
<td>Where and when do you work best?</td>
<td>In the mornings, at home.</td>
</tr>
<tr>
<td>What makes a good research paper?</td>
<td>Clear writing.</td>
</tr>
<tr>
<td>Which questions would be best answered by collaborations between economics and other disciplines?</td>
<td>Understanding human behavior (psychology, anthropology).</td>
</tr>
<tr>
<td>What will development cooperation look like in 2030?</td>
<td>We’ll find out.</td>
</tr>
<tr>
<td>Name a topic you have never worked on, but would like to in the future.</td>
<td>Crime.</td>
</tr>
<tr>
<td>Do we need more data, better data, better questions, or better methods for research?</td>
<td>All of them, but most importantly, better data.</td>
</tr>
<tr>
<td>What is the responsibility of a development economist?</td>
<td>To conduct rigorous research while questioning the standard assumptions in economics and considering the different institutional and cultural contexts.</td>
</tr>
<tr>
<td>Would you advise your friends to buy Fair Trade products?</td>
<td>Yes.</td>
</tr>
</tbody>
</table>
Do you have any hidden talents? 41 Baking cakes.

What is the role of international private companies and private foundations in development? 42 I think private companies are (mostly) doing pretty poorly, while private foundations are (mostly) doing pretty well.

Suggest one economic policy to fight climate change. 43 Reduce carbon emissions, but the big question is how to achieve that.


We need more development economics research on…? 45 …the importance of family relations and household composition for economic outcomes.

Have you had any career outside of academia, and if so, why did you stop? 46 No.

Which economist should win the next Nobel Prize in economics? 47 I am grateful I don’t need to decide that.

How can the SDGs be useful? 48 I think it’s good to have this global “agreement,” in the sense that it reminds us of all the many aspects that we should consider when we are interested in achieving development.

Unconditional cash transfers – more or less? 49 Less.

Does development cooperation focus too much on small-scale interventions? 50 No, but maybe it focuses too much on singular interventions.
My initial answer to this question was, “To provide policy-relevant research that bridges the gap between academic research and policy makers,” however, that does not quite cover it, as it depends a lot on the situation different development economists find themselves in. Thus, let me try a more nuanced answer:

• The development of economic theory and its application to developing countries remains important (though it is low on my own priority list).

• Good empirical research that addresses important development issues is crucially important. I think the empirical work using developing country data is the area in which we, as a profession, have made the greatest progress in the past few decades. However, much of this work is not well directed at informing the policy process. That is often the result of a poor understanding of policy needs by researchers, and a poor ability of policy makers (including the technocrats who serve them) to understand the relevance of research evidence to policy.

• To translate research evidence into policy advice is probably the area in which there is the greatest need. This task is often performed by people within the international development organisations, largely because such analytical capacity is relatively limited within developing country bureaucracies. That is why it is so important to place development economists within governments, where they can help with this translation task. However, that also requires that they remain familiar with the literature and the development of the field, something that is often difficult to do given their more urgent tasks within government. That is why I believe there is a special role for improving the flow of people and information between research academics or research institutions and the public service in developing countries.

1 What is the responsibility of a development economist?
2. Where and when do you work best?

When I have a hard deadline and there is no option but to work through the night to meet that deadline. Also, when working on a new dataset and realizing that everything you discover is new information is so stimulating that it can lead to long work sessions without noticing the time.

3. What will development cooperation look like in 2030?

My guess – and it is only a guess – is that the volume of development aid will decline over time, with a consequent reduction in the institutions that deal with development cooperation. On the other hand, it is likely that some other issues that have global significance – global health issues, climate change, etc. – will grow in importance, with developing countries being more integrated into these debates.

4. We need more development economics research on …?

… many things. But for me, dealing with the quality of service delivery and how accountability and capacity interact in affecting delivery is a vexing question that needs much more research.

5. Which economic question would be best answered by other disciplines?

Economists should naturally try to answer all economic questions, but that does not mean they should not draw from other disciplines. I have found some of the weakest models of behavior in economics where economists try to model the behavior of the state or political actors. Perhaps that is an area where we should learn more from political scientists.

6. Does development cooperation focus too much on small-scale interventions?

No, but not enough thought goes into institutional cooperation between developing countries. For instance, four of the five members of the Southern African Customs Union (Botswana, Lesotho, Namibia, and Swaziland) have populations of only about 2 million. It makes little sense for such countries to each build separate institutions for activities that require relatively high-level expertise – such as an Examination Board for school evaluations, training institutions for the tourist industry, or sampling for household and labour market surveys for the statistical agency. Joint institutions and sharing of personnel should be considered more often to deal with these issues.

7. What is the role of international private companies and private foundations in development?

I do not currently see a large role for international private companies, except to do the same work that is done in developed countries. However, international foundations play a major role in developing capacity in developing countries and taking the lead in undertaking things that governments are reluctant to do.
What is the impact of development aid?

Economists from developed countries tend to overestimate the value of development aid for developing countries. The reason is that such economists play important roles in debates about aid in their own countries and in international development organisations. In contrast, development economists in developing countries often focus less on development aid, as that forms only one part of the resources available for policy interventions in these countries. Accordingly, much of the interaction with the policy process for development economists in developing countries is around fiscal allocations, efficiency, and targeting of the full government budget, in which development aid plays only a small role.

Given the developed country context, it is not surprising that the fifty questions posed here have a strong focus on development aid, and little on issues of targeting, equity, and resource efficiency in the budgetary process of developing countries. Development aid does potentially offer the possibility of influencing the budgetary and, more generally, the policy process in countries that are relatively aid dependent. It is often used by development partners to ensure some policy cohesion and to support an equity agenda (including gender equity). Building institutional capacity is probably the area where it can play the biggest role. But aid dependence compared to the volume of internal resources in the budgets of developing countries is not all that high. According to the World Bank’s latest World Development Tables, Official Development Assistance amounts to 8.8% of GNI in low income countries, only 2.8% in Africa, and is much lower still in middle income countries: only 0.9% in lower middle income countries, and a paltry 0.1% of GNI in higher middle income countries. If one considers that government budgets are usually above 20% of GDP, one gets a better idea of the small share that ODI makes to GDP in all but the poorest countries.

To the extent that most of my own work in development has been focused on middle income countries, mainly in the higher middle income group (South Africa, Namibia, Botswana), development aid has not been of particular concern in my work. My responses regarding all the questions on development aid should thus be seen in that light, that I am by no means an expert on development aid, although I have had many dealings with “Development partners,” as they are euphemistically called.
Is the outsourcing of bilateral aid implementation to private companies good or bad?

In principle it can be good, but I have seen very dubious versions of this in some development contexts, where large sums of money go to private companies who know very little about the issues that they are expected to deal with. Often, when calls for proposals come out for projects that private organisations can bid on, I receive requests to participate from institutions in Europe, but often these organisations know very little of the topics or the countries they deal with; all they offer is a vehicle through which bids are made and then they seem to organise the work afterwards, paying more reputable “experts” to do the work.

What is the most important unsolved question in development economics?

I often think of the following two questions as related, namely (i) how to build appropriate institutions to support economic growth, and (ii) how to channel the energies of people into productive work so as to build the base of the economy. We have seen important development in institutional economics that have taken us forward in thinking about the first of these questions, though we still have little insight into how to build or redesign institutions to support growth and development. Regarding the second question, one can, perhaps, say that it relates to entrepreneurship and to supply responses, questions that have received some attention in other contexts, but from very particular perspectives and seldom located within an economic development context.

Suggest one economic policy to fight corruption.

Publication of the details of all bids for public tenders that are awarded, including those by both successful and unsuccessful bidders.

Suggest one policy to fight poverty.

As for the previous question, I can offer no new insights that have not been discussed before. In low income countries in Africa, I have found it surprising how little serious attention is given to improving the productivity of agriculture, considering how central it is in the livelihoods of most poor people, and how long this is likely to continue to be the case.
What are the three most important challenges of international development policy?

(i) To ensure that development aid is less directed at the strategic interest of donors and more at the alleviation of poverty; (ii) to ensure that development aid and other means are used to get developing country governments to act in the interests of their broader population rather than that of elites; (iii) to use the international organisations to get greater buy-in from developing country governments to an equity and human rights agenda, as was to some extent achieved through the MDGs.

Are new bilateral development aid providers better or worse than traditional OECD donors?

I do not think there is that much difference. In all cases, own (national) interests play a bigger role than is admitted.

Which economist has inspired you most?

A difficult question. In terms of their thinking, perhaps Eric Hanushek, amongst education researchers in developed countries, and Lant Pritchett, amongst education (and health) researchers in developing countries. Amongst development economists, I have great admiration for Martin Ravallion and for Angus Deaton, to name but two.

Do we need more data, better data, better questions, or better methods for research?

We probably need all these things, but in the context of a developing country I have seen how important data can be to build the evidence for better policies. Yet, most developing countries have limited data. For instance, apart from the few African countries that have participated in international educational evaluations such as Southern and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ) and the Programme for the Analysis of Education Systems (PASEC) – developing country equivalents of the Programme for International Student Assessment (PISA) – few African countries have any idea how their education system performs in a comparative perspective. Even the data that does exist within developing countries is often collected haphazardly and seldom used. In some cases, their own data is seen as an important trump card that can be used against government ministries, with the result that once the data has been collected, it sits on a shelf in a very dark corner.

Suggest one economic policy to fight climate change.

As this is an area that I know too little about, I would rather sit it out.
If you were not in academia, which organization would you like to work with?

The research side of development is what interests me most, but from the perspective of bringing research to bear on policy. Thus, working for an NGO, development organisation, or in government would have been relatively attractive alternatives to me. But none of them quite offer the freedom of the academic to follow his or her own research agenda.

Which of your own articles do you like best?

I wrote an article some years ago on the performance of South African children in SACMEQ, an educational evaluation undertaken in fifteen countries in southern and eastern Africa. What struck me then was that if one regressed children’s test scores in language or mathematics on their home background and various inputs, it appeared as if resources mattered moderately in determining learning outcomes. However, once one separates the most affluent schools – mainly schools frequented by whites only and by Indians only during apartheid – from the rest, the coefficients on inputs dropped away in the historically weaker (and poorer) part of the school system. Thus, my conclusion was that the ability of the weaker part of our school system to productively absorb resources was extremely limited, pointing to major functionality issues in most of those schools. In fact, one can think of the South African schools system as bimodal, with two different data generating processes operating in the formerly more privileged vs. the formerly less privileged part of the system. That means that the absorptive capacity of the weaker part of the system requires much attention; simply resourcing such schools better would not necessarily lead to better outcomes for poor children. This has now become conventional wisdom among researchers working on the economics of education in South Africa. Thus, much attention is now devoted to better understanding functionality issues, accountability structures, the role of trade unions, and opportunities to learn (proxied by such things as the proportion of lessons actually delivered, or the volume of writing that children do in a year). The paper that I wrote for this received an award from SACMEQ and was also published in an education journal (Van der Berg, Servaas. 2008. How effective are poor schools? Poverty and educational outcomes in South Africa. Studies in Educational Evaluation 34(3)).
If you had to spend USD $1 billion to found an NGO, what would it work on?

A billion dollars cannot go very far in providing services or in poverty alleviation over an extended timeframe. So I would try to do the things that governments are still too reluctant to do, or that they do not know how to set about doing. For instance, I would fund more surveys and make data publicly available. I would also work with governments to build the capacity of civil servants to work with and interpret data. Along similar lines, I would fund opportunities for civil servants (policy makers) to spend time in research institutions so as to improve the translation of research into useful knowledge within the public sector.

Gross Domestic Product or Gross Domestic Happiness?

When all is said and done, GDP is still the best way to measure the health of an economy. That, however, is not the same as the health of the inhabitants of a country. For that reason, more measures are needed to deal with issues of equity, sustainability, and quality of service delivery. Development economic research has done a relatively good job of tackling that task.

What should be taxed most and what least?

“Sin” taxes on tobacco and alcohol have been quite effective in generating revenues and in reducing consumption, at least in the case of tobacco, as far as I understand the literature. I am quite happy with high sin taxes, but one has to consider the perverse incentives that these create, as evident in tobacco smuggling in South Africa, for instance. On the opposite end, the lowest taxes should be for the basic staple foods of the poor.

How much time do you spend “in the field” per year?

If one defines “in the field” narrowly, as interacting with ordinary people who are the subjects of many of our investigations, I spend little time there. On the other hand, being located in the country where most of my research work is, I am confronted with the issues that concern them every day. If one also regards interacting with policy makers as being “in the field,” then I suppose that I spend a lot of my time in the field.
Much of my recent research has been on issues related to education, because of its crucial role in determining the distribution of income and therefore, also the extent of poverty in particularly South Africa and Namibia. Some two years ago, I heard a podcast of Lant Pritchett’s speech at the Young Lives Conference in Oxford. That appealed greatly to me and I invited him to spend a week with us at Stellenbosch as well as to critique our work. That was hugely enlightening (and also entertaining, I may add, as anyone who knows him will understand). He also introduced us to some of the ideas in his recent book (Pritchett, Lant. 2013. *The Rebirth of Education: Schooling Ain’t Learning.* Center for Global Development). His innovative way of thinking remains a pleasure to read, and I have learned much from that book and from his other work. What particularly struck a chord was his use of the term “isomorphic mimicry” to talk about many of the schools in developing countries (he drew many of his examples from India, but it is equally relevant in Africa). He says that what we observe in many of these schools is the form of a school (children, teachers, a classroom setting, desks, books, etc.), but not the substance: very little learning takes place in these schools. Thus, the subtitle of the book. This way of considering service delivery more generally as “mimicry” of what is offered in developed countries, form without substance, is a useful way of thinking of many of the social delivery problems in developing countries – and also lies at the heart of the accountability issue. Whether one looks at health, education, police, or welfare services, one often encounters “isomorphic mimicry,” while real delivery is largely absent.

Climate change has to be at the top of the list. In the current context, it would also surprise no one that international migration (and issues related to the protection of the borders of welfare states) is also on my list. Two others on my list, in no particular order, are health (the control of viruses such as *Ebola* and *Zika* may become a growing issue), and water. But I have little insights into these last two issues.
Too many detailed questions and not enough big picture in recent years in research?

I would tend to agree. Though I do not want to denigrate the very important information that case studies and particularly randomized controlled trials (RCTs) bring to the table, we need a better translation from the case study level to the policy level. That requires that the external validity of many of these studies should be brought into question more, so that we can have healthy debates about what these studies mean, and under which conditions the results hold.

Which questions would be best answered by collaborations between economics and other disciplines?

I am fond of quoting Sir John Hicks in this regard: “Underdevelopment economics is a vastly important subject, but it is not a formal or theoretical subject. It is a practical subject which must expect to call upon any branch of theory (including non-economic, for instance sociological, theory) which has any relevance to it.” (Sir John Hicks, Capital and Growth, quoted in Meier, Gerald M. 1968. The International Economics of Development. New York: Harper & Row: x). To my mind, there are many areas of our work where we can learn a lot from sociology, anthropology, political science, psychology, etc. Think of issues around household formation, migration, the division of labour within households, social networks, etc. The list is endless.

If you were stranded on a deserted island, which economics book would you want with you?

Probably Angus Deaton’s, “The analysis of household surveys,” which I consult often, but have not read well enough.

Suggest one economic policy to fight gender inequality.

Unconditional cash grants for poor children to be delivered to the caregiver of the child. That has tremendously improved the economic situation of women in South Africa, who tend to be the caregivers, and has led to a shift in spending favouring children and women compared to cases where the household head (usually taken to be an adult male) receives the grant on behalf of the child.

How can cooperation between researchers and development practitioners be improved?

Greater flows of information in both directions would help. In this regard, I like the idea of people moving between these different roles where this is practical. Often institutional factors make that difficult in developing country contexts, but I think greater effort is required to ensure more flows of researchers into practice, and keeping practitioners better informed about the evidence gathered through research.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

This may seem to be a good idea to some, but it means that one privileges poverty reduction above many other good causes, such as combating child abuse or gender violence, climate change, etc. Moreover, it also assumes that it is the *volume of money* that is donated that will do most to end poverty, rather than good policies, the distribution of power in society, health care, or the efficiency with which funds for poverty reduction are spent.

How can the SDGs be useful? Focusing energies on specific goals does have a certain usefulness, and quantifying progress contributes further. Judging by the MDGs, these were used to some extent to commit development institutions and also governments of developing countries to some important goals that may not have received equal attention without these goals. Yet the SDGs, like the MDGs, may also sometimes divert attention from things that are important. For instance, the MDG focus on universal access to primary education perhaps came at the expense of a focus on the quality of education, which is now – belatedly – on the agenda.

How do you get or develop new research ideas? My ideas largely come from exposure to policy makers or to datasets, or a combination of these. I communicate with policy makers quite often, and have found that this often brings insights into the issues that they do not understand, or need clarity on, and where research work can be helpful. Similarly, when I work with data, I usually think how it can be best used to deliver insights to policy makers.

What makes a successful development economist? As discussed earlier, there are many ways in which development economists play a role, and it is therefore not always easy to distinguish between the different roles they can and should play. The role of the development economist located in rich countries is often to deal with the allocation of development aid and to inform the aid community. For development economists in developing countries, on the other hand, the challenge is often how to interact with the policy process without losing their objectivity. Being a “successful” development economist is thus, to a large extent, contingent on the situation you find yourself in.
I presume this question relates to things related to society and our work as development economists. If so, I guess the thing that I most fear is political populism. An often related issue is the tendency of politicians to change policies overnight, and to want short-term results. An example is Namibia, where universal primary and secondary education for 13 years was overnight declared to be government policy, in a country where many children still fail to complete primary school and many of those who do fare abysmally in examinations. Another similar intervention was in South Africa’s Gauteng province, where the provincial minister decreed that all classrooms will be paperless in the future, removed blackboards in some poor schools, and wanted to provide every child with an iPad. One of the results was that children became targets of criminals, whilst teachers did not know what to do with the new electronic boards that were installed (and had to be removed to safe storage every day to prevent theft).

The decision to become an academic, after one year as a journalist and five in a development research institution. It changed my life, allowing me to deepen my research whilst being involved in the policy process from a different vantage point.

Very messy, to the extent that I prefer to meet visitors elsewhere.

Not something I can recollect offhand, though it is something that I often encounter.

Improving education for the poor. In many countries, including most in Africa, this would inter alia require improving the quality of education for the poor. Latin America has recently seen a considerable improvement in income distribution after a long period of worsening distribution. At least, to some extent, that was because the convexity of the (conventional) returns to education was reduced. That would not be equally possible in South Africa for the simple reason that the vast majority of our population receives an inferior quality of education.
What makes you angry? I try to avoid getting angry, as I am not at my best when angry. But aimless bureaucratic rules implemented by people who should have the capacity to think and to use discretion do raise my ire.

Unconditional cash transfers – more or less? I cannot answer this question without some qualification. My research led to the institution of the Lund Committee in South Africa, on which I served, and from which grew our massive Child Support Grant, unconditional though means-tested. I am very much in favour of such grants where the fiscus can manage it, and if they are designed to avoid perverse incentives. In South Africa, I think such grants cannot really be taken further, given our circumstances. But in many other countries, especially middle income countries, there is probably scope for introducing or expanding such grants.

Why did you decide to become a development economist? Many years ago, Srinivasan warned that, “Those among economists who cannot make the grade as mathematical economists, statisticians, monetary or trade economists or economic historians, usually end up either as labour economists or worse still as development economists” (T.N. Srinivasan, The state of development economics, August 1972, cited in: Yotopoulos, Pan A. and Nugent, Jeffrey B. 1976. Economics of Development. New York: Harper & Row: 3).

I hope that is not the reason why I became a development economist. In fact, I often use this quote when speaking to students to emphasize that development economics needs rigour: the topic is too important to tolerate sloppy thinking.

So what attracted me to development economics? The economic development of countries and issues of poverty and distribution fascinated me even long before I went to university. At university, I was fortunate to have amongst my lecturers Jill Nattrass, Michael McGrath, and Gavin Maasdorp, three excellent economists who focused their research on development economics issues, then still within the confines of apartheid. That is probably what most attracted me to economics, though the elegance of economics as a subject also appealed to me.
I seldom read blogs and have given up on reading most of the books that, in the past, I may have read (be that economics, literature, or fiction). So, most of my economics reading is working papers and journals.

I think it is utopian, and also diverts attention from much more important issues.

On poor people in poor countries. Poverty within rich countries should be the concern of those countries themselves, whilst policies in poor countries are too often biased in favour of elites. I also strongly object to the tendency to consider the political leaders of poor countries as representing the poor; they seldom do, and listening to them is not listening to the voices of the poor.

I do not think it is an either/or situation. Impact evaluations are a way of improving policies and implementation, and are therefore important. So is development aid, if well applied.

Like everybody else, I have had ups and downs in my career. But I do not consider any of the downs as a “failure,” so that makes it difficult to answer this question.

It clearly is a euphemism, but there are few alternatives that suggest themselves that do not suffer from the same problem, so I tend to use the term.

I get about 60 emails per day, of which I answer probably about half. Some, of course, do not require answers.

After the death of Nelson Mandela [former President, South Africa], I cannot think of any policy maker that I urgently want to meet. But I suppose it would give me great pleasure to meet someone like Aung San Suu Kyi [State Counsellor, Myanmar and Nobel Laureate], whom I know little about, but nevertheless admire.
Which policy maker would you like to have dinner with?

1. Barack Obama [President, United States of America].

What are the three most important challenges of international development policy?

2. (In no particular order) lack of coordination; lack of sufficient funding; lack of knowledge of what really works for development.

What is the impact of development aid?

3. Definitely has improved health a lot; I think it has also contributed a lot to infrastructure, like roads and schooling; not sure about economic growth.

What should be taxed most and what least?

4. That depends on a country’s capacity; if all are equally feasible, I would start with consumption, then income, then capital.

What is the most effective development policy?

5. I think we really do not know…

If you were not in academia, which organization would you like to work with?

6. A hedge fund, so I could feel very smart and be very rich.

What makes a good research paper?

7. An interesting question and lots of careful analysis.

Is “developing country” an appropriate term? Any better suggestions?

8. Sure, works for me.

Suggest one economic policy to fight national income inequalities.


Have you had any career outside of academia, and if so, why did you stop?

10. I worked in the private sector for a while, but got bored…

What is the worst assumption you have come across in an economic model by an economist?

11. Not sure – maybe that governments maximize the welfare of their electorate?

We need more development economics research on…?

12. …everything, of course!
13 How do you get or develop new research ideas? 

By talking to others.

14 Is a global tax on capital utopia or could it actually work? 

I think it could work, but will need lots of multilateral negotiations.

15 Big data – big opportunity or data mining? 

Both!

16 Would you advise your friends to buy Fair Trade products? 

No.

17 What is the role of international private companies and private foundations in development? 

In general it is small, but the Gates Foundation definitely has become a major player, and is getting much attention from everyone else. The smaller foundations mostly just interfere with things because they all just do their own thing.

18 If you were stranded on a deserted island, which economics book would you want with you? 

I would happily leave all of them at home.

19 Suggest one policy to fight poverty. 

Conditional cash transfers.

20 What was the most important step in your career? 

Getting hired.

21 Is the outsourcing of bilateral aid implementation to private companies good or bad? 

Mostly a good thing.

22 What are the three most important global challenges for the next 50 years? 

Reduce inequalities; address radical Islam issues; tackle global warming.

23 Which of your own articles do you like best? 

Always the one I am working on right now.

24 What is the responsibility of a development economist? 

To be rigorous in the analysis, and to not oversell results to policy makers.

25 Do we need more data, better data, better questions, or better methods for research? 

Mostly more and better data.

26 Which economist has inspired you most? 

Stephan Klasen, of course!

27 Suggest one economic policy to fight climate change. 

Tax carbon heavily.
Which economist would you like to have dinner with?  
Stephan Klasen!

Which questions would be best answered by collaborations between economics and other disciplines?  
Most, but most importantly those looking at individual behavior.

Which economics paper or book has influenced your thinking most over the last year?  
No paper or book in particular.

Is there anything you are afraid of?  
Pain!

Does aid conditionality contradict democracy?  
No, I don’t think so – would depend on the intentions of the donor.

Why did you decide to become a development economist?  
It just happened; I guess I just liked the field.

Suggest one economic policy to fight gender inequality.  
Conditional cash transfers (CCTs) for female secondary schooling (or scholarship programs).

What is the most important unsolved question in development economics?  
We still don’t know what really drives economic growth…

What will development cooperation look like in 2030?  
Just the same as today, with some more players like China and India coming into the picture.

Gross Domestic Product or Gross Domestic Happiness?  
Isn’t that the same?

What was the biggest failure in your career?  
Not sure how to rank the many rejections.

If you had to spend USD $1 billion to found an NGO, what would it work on?  
Early childhood health and education.

Development economics is missing new theories – true?  
Yes, there are none, but no, don’t think anybody misses them.

Are new bilateral development aid providers better or worse than traditional OECD donors?  
Probably slightly worse – but overall still positive for low income countries, I think.

How can cooperation between researchers and development practitioners be improved?  
More regular interactions.
Name a topic you have never worked on, but would like to in the future.

43 There are soo many…

Indians in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

44 Weird proposal – who would get the 10%?

Which of your policy recommendations has had the biggest impact?

45 Sadly, I don’t think I have had a major impact on any policy so far.

Does development cooperation focus too much on small-scale interventions?

46 No, I don’t think so – lots of large infrastructure projects going on.

Suggest one economic policy to fight corruption.

47 Not sure there are good “economic” policies; just requires lots of auditing and monitoring, and a functional legal system.

How many emails per day do you get? How many do you answer?

48 Around 100 – answering maybe 25?

Do you have a clean or messy office?

49 Average … a bit messy, but not too bad.

How can the SDGs be useful?

50 They will be useful – will just be hard to monitor so many goals.
Matthias Schündeln
Faculty of Economics and Business Administration,
Goethe-Universität Frankfurt am Main

1. Is there anything you are afraid of?
   Fear of the dark (Iron Maiden 1992), but also see: Don’t worry, be happy (Bobby McFerrin 1988).

2. Does aid conditionality contradict democracy?
   Don’t be cruel (Elvis Presley 1956).

3. Unconditional cash transfers – more or less?
   Jein (Fettes Brot 1996).

4. We need more development economics research on...?

5. What should be taxed most and what least?

6. Have you had any career outside of academia, and if so, why did you stop?
   Don’t look back in anger (Oasis 1995).

7. What will development cooperation look like in 2030?
   All shook up (Elvis Presley 1969).

8. How can the SDGs be useful?
   God only knows (Beach Boys 1966).

9. What makes a good research paper?
   Just because you feel good, doesn’t make you right (Skunk Anansie 1996).

10. What makes a successful development economist?
    Göttingen (Monique Serf/Barbara, 1965).

11. Which policy maker would you like to have dinner with?
    God Save the Queen (Sex Pistols 1977).

12. How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?
    Gekommen um zu bleiben (Wir Sind Helden 2005).

13. Suggest one economic policy to fight national income inequalities.
    Nur geträumt (Nena 1982).

14. What is the impact of development aid?
<table>
<thead>
<tr>
<th>Question</th>
<th>Song</th>
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</thead>
<tbody>
<tr>
<td>What was the most important step in your career?</td>
<td>Go West (Pet Shop Boys 1993).</td>
</tr>
<tr>
<td>If you had to spend USD $1 billion to found an NGO, what would it work on?</td>
<td>A kind of magic (Queen 1986).</td>
</tr>
<tr>
<td>Too many detailed questions and not enough big picture in recent years in research?</td>
<td>Baby one more time (Britney Spears 1999).</td>
</tr>
<tr>
<td>Where and when do you work best?</td>
<td>Sittin’ on the dock of the bay (Otis Redding 1967).</td>
</tr>
<tr>
<td>Does development cooperation focus too much on small-scale interventions?</td>
<td>Sympathy for the devil (Rolling Stones 1968).</td>
</tr>
<tr>
<td>Is the outsourcing of bilateral aid implementation to private companies good or bad?</td>
<td>Waka Waka (Shakira 2010).</td>
</tr>
<tr>
<td>Gross Domestic Product or Gross Domestic Happiness?</td>
<td>Bruttosozialprodukt (Geier Sturzflug 1983), also: Happy (Rolling Stones 1972, Pharrell Williams, 2013).</td>
</tr>
<tr>
<td>Blogs, working papers, books, or journals to follow research?</td>
<td>Everything counts (Depeche Mode 1983).</td>
</tr>
<tr>
<td>What is the most “interesting” email you ever got from a student?</td>
<td>Do you really want to hurt me? (Culture Club 1982).</td>
</tr>
<tr>
<td>If you had to decide on one indicator: what is your proposed measure of development?</td>
<td>See (21).</td>
</tr>
<tr>
<td>More development aid or more impact evaluations?</td>
<td>Geiler is’ schon (Westernhagen 1983).</td>
</tr>
<tr>
<td>Which questions would be best answered by collaborations between economics and other disciplines?</td>
<td>More than you know (e.g., Eddie Vedder 2011).</td>
</tr>
<tr>
<td>Do you have a clean or messy office?</td>
<td>You know I’m no good (Amy Winehouse 2007).</td>
</tr>
<tr>
<td>What is the responsibility of a development economist?</td>
<td>You learn (Alanis Morissette 1995), also: Keep the faith (Bon Jovi 1992).</td>
</tr>
<tr>
<td>Suggest one policy to fight poverty.</td>
<td>Do kanns zaubre (BAP 1982).</td>
</tr>
</tbody>
</table>
30. Which of your own articles do you like best? See (9), also see (6).

31. Which economist has inspired you most? Heroes (David Bowie 1977).

32. Name a topic you have never worked on, but would like to in the future. Moves like Jagger (Maroon 5, 2011).

33. Should development cooperation focus on poor countries or poor people? See (22).

34. Which economics paper or book has influenced your thinking most over the last year? See (6).

35. Why did you decide to become a development economist? See (1) through (34).


37. What is the most important unsolved question in development economics? Die da?!? (Die Fantastischen Vier 1992).

38. Is a global tax on capital utopia or could it actually work? Hammal (Culcha Candela 2007).

39. What is the role of international private companies and private foundations in development? See (22).

40. What are the three most important challenges of international development policy? (1) Irgendwie (2) Irgendwo (3) Irgendwann (Nena 1984).

41. Do we need more data, better data, better questions, or better methods for research? See (22).

42. If you were not in academia, which organization would you like to work with? If I were a carpenter (Johnny Cash and June Carter Cash 1967).

43. Suggest one economic policy to fight climate change. Without a trace (Soul Asylum 1992).
Which economic question would be best answered by other disciplines?

See (26).

What makes you angry?

Was soll das? (Herbert Grönemeyer 1988).

Suggest one economic policy to fight gender inequality.


Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

100% (Sonic Youth 1992).

Is “developing country” an appropriate term? Any better suggestions?

Bad (Michael Jackson 1987).

If you were stranded on a deserted island, which economics book would you want with you?


How can cooperation between researchers and development practitioners be improved?

2000 light years from home (Rolling Stones 1967).
On the hard-core side, it was definitely Joseph Schumpeter, by explaining how (creative) destruction can generate progress and wealth. On the soft side, it was Amartya Sen, with his deep insights into the nature of poverty.

The activities of private (national and international) companies are a powerful force to generate employment, income, and skills – provided they respect basic labor, social, and environmental standards. Private foundations not only bring new ideas and concepts into the development debate, but also have the power and means to test and implement them (beyond the inherent restrictions and procedures of official development cooperation among states).

The three most important challenges of international development policy are (i) to understand that the poor and the rich sit in one boat and can reach their destination only by working collaboratively, (ii) to treat political, economic, social, and environmental aspects simultaneously rather than one-by-one, and (iii) to accept that international development policy can only promote, facilitate, and inspire, but not substitute, national development efforts.

Too little.

The attribution of impacts is difficult, but I hopefully contributed by being more humble and realistic when defining developmental objectives for projects (and to avoid the omnipotence trap).

In order to understand the real causes and dynamics of extreme poverty, development economists need to closely collaborate with anthropologists, sociologists, and political scientists.

Promote Social Security schemes and redistribute extreme incomes with a progressive tax system.
Which economics paper or book has influenced your thinking most over the last year?

The World Development Report on "Mind, Society, and Behavior."

Would you advise your friends to buy Fair Trade products?

Yes (rather to sensitize them to the power and potential developmental effects of responsible consumer behavior in a general way, more than that I believe the particular product will have a decisive impact on local poverty).

What is the most effective development policy?

The combination of promoting productive employment and democratization.

If you had to decide on one indicator: what is your proposed measure of development?

The Multidimensional Poverty Index (MPI).

Do we need more data, better data, better questions, or better methods for research?

We need all of them.

Does development cooperation focus too much on small-scale interventions?

Yes. We, of course, have to experiment with measures on a grassroots level to see what works and what doesn’t, but we definitely have a deficit in upscaling successful approaches.

What are the three most important global challenges for the next 50 years?

The three most important global challenges for the next 50 years are (i) eradicate extreme poverty, (ii) prevent new violent crises, and (iii) combat climate change.

Development economics is missing new theories – true?

No, we have enough theories, we need more empirical research and more ambitious politics.

Which economist would you like to have dinner with?

I would like to have dinner with James Shikwati (Kenyan development economist and fundamental critic of development assistance).

What was the most important step in your career?

My most important step was to enter primary school, as this marks the beginning of a more analytical way to learn how the world functions.

Which policy maker would you like to have dinner with?

I would like to have an informal dinner with Kim Jong-un, supreme leader of North Korea, to learn about his motives and ambitions. This would be an indispensable precondition for any constructive discussion about common concerns, poverty alleviation, and finally, political reforms in North Korea – dialogue is the only peaceful way for transformation, even if it’s painful to talk to brutal dictators.
19. If you were not in academia, which organization would you like to work with?
As I'm working in an agency, I'll turn the question around: If I were not working for an agency, I would like to work with the Centre for the Study of African Economies (Oxford).

20. How can cooperation between researchers and development practitioners be improved?
By talking more frequently to each other, so that researchers learn what practitioners would like to know and practitioners learn how researchers can help them to get answers.

21. Which economist should win the next Nobel Prize in economics?
Abhijit Banerjee and Esther Duflo for their radical shift towards evidence-based randomized controlled trials and their attempt to create a new knowledge base which exclusively builds on empirically proven hypotheses. This method will not be able to answer all our questions, but it has a high potential to improve policy making.

22. Is there anything you are afraid of?
Yes, I'm afraid of the dominance and even resurgence of national interests in addressing global challenges.

23. Suggest one economic policy to fight climate change.
Introduce a global carbon tax and use the receipts to promote renewable energies and to compensate negative distributional effects.

24. Where and when do you work best?
Before 10 am and after 8 pm (in between there are too many distractions).

25. Is the outsourcing of bilateral aid implementation to private companies good or bad?
It could be good if the companies were remunerated by the developmental impacts they produce, but as long as this is difficult to measure and monitor I prefer having it implemented by institutions which have the mission to promote development, rather than to maximize profits.

26. Which subject other than economics would you like to study?
Philosophy.

27. Blogs, working papers, books, or journals to follow research?
Blogs (quicker to absorb and easier to catch the crux).

28. How do you get or develop new research ideas?
From controversial discussions with colleagues.

29. Big data – big opportunity or data mining?
Generating Big Data (while keeping Big Brother outside) and mining it must go hand in hand.

30. Suggest one economic policy to fight corruption.
Increase transparency of financial flows (incomes of politicians, awarded company contracts, budget disbursements, royalties, etc.).
What is the most “interesting” email you ever got from a student?

“Could you please send me all relevant documents for the topic of my thesis, which is…”

Why did you decide to become a development economist?

A deep interest in social and economic change processes.

Too many detailed questions and not enough big picture in recent years in research?

Yes.

What is the most important unsolved question in development economics?

Why do people not behave the way theory predicts?

More – at least in countries which can afford it and which can assure that the transfers actually reach the people in need.

What is the responsibility of a development economist?

To make choices and trade-offs reasonable and transparent.

Gross Domestic Product or Gross Domestic Happiness?

GDP – as long as GDH is difficult to measure.

What makes a good research paper?

A well-derived hypothesis, a well-justified choice of the methodology, a diligent application of the method, and an unambiguous derivation of the conclusion (with discussion of alternative interpretations and the practical use of the results).

What makes you angry?

To read a poorly structured analysis.

How can the SDGs be useful?

The SDGs will only be useful if politicians are bold enough to prioritize goals which are of particularly high importance for their own countries, and if they commit to set ambitious targets and redirect policies and allocations to meet those targets.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Primary and vocational education.

What is the impact of development aid?

The impact is that many poor people get a better chance to a better life (including a better environment).

Suggest one economic policy to fight gender inequality.

Promote female employment, as this will increase their social status in the community. The command over financial resources gives them more self-confidence to raise their voice and it increases their bargaining power in their households.
We need more development economics research on...?

...vulnerability and resilience.

Should development cooperation focus on poor countries or poor people?

With respect to poverty alleviation, development cooperation should focus on poor countries (because better-off countries can better help themselves).

Suggest one policy to fight poverty.

Promote productive employment.

More development aid or more impact evaluations?

We need both: more aid and more proof of its efficient use in terms of impact. The law of diminishing marginal returns might also apply to impact evaluations, but for the time being, their marginal returns are still higher than their marginal costs.

What will development cooperation look like in 2030?

Quite different from today: poverty alleviation will be more focused on a few least-developed countries (LDCs) and fragile states (mainly in Africa), while the protection of global public goods (climate, biodiversity, and security) will dominate the cooperation with many emerging countries.

Are new bilateral development aid providers better or worse than traditional OECD donors?

In an overall assessment, many (not all) new bilateral development aid providers are worse than traditional donors because they disregard many well-proven standards of “good development cooperation practice” (e.g., local ownership, participation, capacity development, sustainability, etc.), but traditional donors can nevertheless learn from them how to respond and deliver quickly and unbureaucratically.

Is a global tax on capital utopia or could it actually work?

It’s utopia, comparable to the belief that people could fly to the moon.
Are new bilateral development aid providers better or worse than traditional OECD donors?

To the extent that they don’t follow the rules set by OECD’s Development Assistance Committee – in particular untied aid rules – I would say they are worse. But are we sure that OECD donors always behave according to the rules?

Why did you decide to become a development economist?

The mere experience of having spent two years in a developing country working on poverty and inequality issues.

What should be taxed most and what least?

According to theory (Ramsey-Boiteux), necessities with low price elasticity should be taxed most, but with enough social weight put on the poor, it may be the case that they must be taxed least! The question is also what is to be done with the proceeds from the tax.

Suggest one economic policy to fight national income inequalities.

Invest in the human capital of the poor.

Which economist has inspired you most?

Amartya Sen.

Name a topic you have never worked on, but would like to in the future.

Environment.

More development aid or more impact evaluations?

More efficient aid, less anecdotal and more theory-based impact evaluations.

Suggest one economic policy to fight corruption.

A necessary condition for such a policy to exist is the existence of a group of high-ranking politicians, civil servants, or judges who are completely uncorrupt, publicly recognized for being so, and willing to go against corrupt people. The problem is that there is no obvious policy to generate such a group.

Which economics paper or book has influenced your thinking most over the last year?

Piketty’s Capitalism in the 21st century. I do not share his views, but this book made us all think deeply about one of the key issues of our time.

Which policy maker would you like to have dinner with?

Bill Clinton [former President, United States of America], maybe.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>Is there anything you are afraid of?</td>
<td>Sickness.</td>
</tr>
<tr>
<td>Where and when do you work best?</td>
<td>In the country side, on a sunny terrace.</td>
</tr>
</tbody>
</table>
| What are the three most important challenges of international development policy? | • Fighting poverty and global inequality;  
• Controlling climate change;  
• Maintaining peace.                                                                                                                                                                                                       |
| Is “developing country” an appropriate term? Any better suggestions?    | I like "developing," it carries a lot of sense and a lot of promise. The only thing is that I am not convinced that many developing countries will actually become “developed” in the coming half century or so. |
| How do you get or develop new research ideas?                           | Writing or commenting on papers, attending seminars, giving lectures.                                                                                                                                                            |
| Suggest one economic policy to fight gender inequality.                | It depends where. Education may be the best tool in many developing countries. In developed countries, I am not sure how much inequality is actually left.                                                                            |
| If you were stranded on a deserted island, which economics book would you want with you? | Smith's Wealth of Nations.                                                                                                                                                                                                       |
| Do we need more data, better data, better questions, or better methods for research? | We definitely need more and better data in development economics. We have the questions and the methods. Note that “big data” is not the panacea that it is often thought to be! |
| What is the most effective development policy?                         | It depends on the country, but I would say there is no “one most effective policy.” Development, at all levels, requires a set of policies in different areas, infrastructure as well as education, trade as well as taxation. |
| We need more development economics research on...?                      | … industrial policies, including agro-industry.                                                                                                                                                                                  |
| Does aid conditionality contradict democracy?                          | Not necessarily. It may contradict sovereignty, but the will of the sovereign is not always that of the people!                                                                                                                   |
| What makes a successful development economist?                         | Good economics and some passion for more liberty and equality in the world.                                                                                                                                                       |
| Which of your policy recommendations has had the biggest impact?       | I am not sure one had any impact. I believe my message about the need to care about equity was heard in the development community, but I am not sure anything more than that happened. |
Development economics is missing new theories – true?

It may not be development economics, but development altogether. We know there is no universal recipe, but a few necessary conditions, including the accumulation of soft and hard infrastructure. Existing theory is fine for this, however, taking off involves some politics, some risk-taking spirit, and also some luck, for which there is no real theory in economics and in other disciplines.

Which questions would be best answered by collaborations between economics and other disciplines?

The role of institutions, at all levels, and the way they change endogenously or can be changed exogenously.

Should development cooperation focus on poor countries or poor people?

Sovereignty may prevent focusing on specific groups within a country, except through some conditionality. Also, fighting poverty often requires action at a higher level than poor people (e.g., creating jobs at the same time as providing better education).

What was the most important step in your career?

My first paper in a top 5 journal and, 30 years later, to be given a top responsibility in an international organization.

How many emails per day do you get? How many do you answer?

An average of 60 non-spam emails received per day, but around 15 remain after announcements of various types have been read. I generally answer (or try to) all of them.

Which subject other than economics would you like to study?

History.

What is the most important unsolved question in development economics?

Where does the spark come from?

At this stage, the difference between economics and other social sciences tends to blur more and more. I would be tempted to say that public decision making by government and politicians is an important issue that might be best tackled by political scientists, but, in this area, political science borrows more and more from economics.
It is utopia because of the quasi-impossibility of implementing such a tax. Yet, recent progress on the transparency of bank accounts held abroad (like the Foreign Account Tax Compliance Act [FATCA]) and on the geographical origin of multinationals’ profit (base erosion and profit shifting [BEPS]) may be a huge step forward. If more can be done to limit the role of tax havens, then global taxation, or, at least, global harmonization of taxes on capital, might become conceivable. Of course, another issue, and not a simple one, is at what level should capital be taxed: firms, individual wealth, real estate, inheritance … All?

Non-profit venture capital fund in industrial and agro-industrial projects in low-income countries (non-profit means that all returns are reinvested).

I wish it would be possible to identify it with any precision. To simplify, I would say that it is simply part of public spending and most likely among the most productive uses of it.

Yes, certainly so! You will not help a country develop and eradicate poverty only through micro-credit, weather insurance, and better schooling! You also need to create jobs, many jobs. This, in turn, requires better infrastructure, the right industrial and trade policies, the right exchange rate, etc. Because we could not find a universal answer to the kind of optimal structural macro policies to address this aspect of development, we seem to have simply deserted this research area. It is urgent that we come back to it.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Is the outsourcing of bilateral aid implementation to private companies good or bad?

This would help, but things are not so simple. The money should not be transferred directly to poor people in developing countries, but should be spent in such a way that the poor will get a decent job which they will be able to live on. There is an analogy here with income insurance programs. In most developed countries, care is taken that the beneficiaries of income insurance programs are not excluding themselves from the work-related part of social life. Donations for poverty reduction should go to human capital formation, infrastructure, and investment funds in developing countries. This raises the issue of building the capacity to use the money in the intended way.

What are the three most important global challenges for the next 50 years?

- Eradicate poverty;
- Climate change;
- Managing the next wave of innovation (robotisation, artificial intelligence) and the consequent restructuring of economies and employment.

Gross Domestic Product or Gross Domestic Happiness?

We have known for a long time that GDP is not a good measure of social welfare and that GDP-growth is not a good measure of social progress. Happiness, whether measured as subjective answers in surveys or possibly by objective measures through stress sensors and the like, is not a good measure either. The right way to go is by correcting and complementing GDP in several directions.

Do you have a clean or messy office?

I would consider it to be rather clean, but others might not.

If you had to decide on one indicator: what is your proposed measure of development?

In India, several years ago, Nick Stern was counting the proportion of people walking barefoot. I would personally go a bit further. I would be in favor of a multidimensional poverty index with a set of deprivation indicators substantially more ambitious than the United Nations Development Programme (UNDP). Occupation and work, as well as inclusion in social life and participation in public decision making, would be part of the list of items, along with various dimensions of material deprivation.
Have you had any career outside of academia, and if so, why did you stop?

Yes, for a couple of years, but, after a while, bureaucratic responsibilities and internal corporate politics appeared too burdensome.

What will development cooperation look like in 2030?

I am not sure it will be very different from now. It will probably tend to concentrate on a declining number of countries. If, as I expect, growth does not accelerate in the poorest countries, needs will remain acute and I don’t see why constituencies in developed countries would find it acceptable to leave needy people without help.

What is the responsibility of a development economist?

To understand better the mechanisms of development so as to help policymakers to make the right decisions.

Suggest one policy to fight poverty.

For the medium- and long-run, education would be my priority. In the short-run, social programs insuring people against adverse income shocks, like the National Rural Employment Guarantee Act (NREGA) program in India, financed by taxes levied on the upper part of the income scale, can do well.

How can the SDGs be useful?

I confess I am not a fan of the SDGs. Too many goals, too many targets. Among them, I hope the development community will concentrate on the goals that will permit us to “finish the MDG job.”

What is the most “interesting” email you ever got from a student?

“Sorry for having missed all your classes, I was opening a business in China. Could you give me a crash course the whole day tomorrow so that I don’t fail your class?” I did so and the student passed the course!

Blogs, working papers, books, or journals to follow research?

These are different tools. I would say that research goes first to journal articles. Blogs are more for discussion and books either for texts or for broader and more applied reflection.

Does development cooperation focus too much on small-scale interventions?

In terms of flows of funds, I am not sure this is the case.
1. Should development cooperation focus on poor countries or poor people?

Insofar as poor people live in poor countries, to concern oneself with the former requires concerning oneself with the latter.

2. How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

Ill-informed and ill-advised. The poorest countries cannot rely on the bond market at all.

3. Which economist should win the next Nobel Prize in economics?

I have never been sure the Nobel Prize in economics was a very good idea and, as the years go on, I am more sure that it is not.

4. What is the role of international private companies and private foundations in development?

To ignore them is to ignore reality. They can and should play a supportive role, but for them to set the agenda is to undermine democracy.

5. If you had to spend USD $1 billion to found an NGO, what would it work on?

50%: providing low-conditionality and long-term support for people and institutions worldwide espousing alternative ideas which have value for human society, and creating a bridge between the generation of such ideas and their application in public policy.

50%: working to enhance the economic, institutional, social, and cultural resources of selected poor areas of the world, including the drought-prone and arid region of Rayalaseema India, from which both of my parents hail.

6. Which economic question would be best answered by other disciplines?

What accounts for differences in savings rates across space and time?

7. Why did you decide to become a development economist?

Because I cared about addressing poverty and deprivation in the world, and about creating a more equal global order.

8. What is the most important unsolved question in development economics?

What policies can bring about distributed processes of inclusive growth and development that can become locally rooted and self-sustaining in a globalized world?

9. Where and when do you work best?

This is a question I am still trying to answer, but usually at home in the mornings, when I am alone.
10. I receive 60 to 100 emails a day and answer, perhaps, 20–40.

11. Opportunities should be created for researchers to be seconded to development institutions and activities in roles that integrate them into the work of the institution, but also value and maintain their independence of intellect and judgment.

12. Setting out a clear question and credibly answering it.

13. It depends what exactly is being outsourced, but often bad, especially where it creates a political economy that seeks to create, sustain, and reproduce opportunities for profitmaking that may not always be conducive to development.

14. Provide monetary rewards to those who provide credible information leading to identification of corrupt government offices and officials. Consider using internet-based approaches to reveal such information only when a sufficient number of persons have come forward to reduce the likelihood of identification.

15. Net global flourishing!

16. There is stiff competition. Many of the “standard” assumptions are terrible: existence of a representative agent, availability of lump-sum tax and transfer, etc. Much of development economics is soaked in cultural chauvinism to boot.

17. A robust workers’ role in governance of large firms, extending the German model of co-determination.

18. Environmental crises (climate change, water), weak employment generation alongside destruction of traditional sources of livelihoods, social and political chauvinism.

19. On average, possibly the same or better, but in some cases, definitely worse.
What will development cooperation look like in 2030?

The OECD will play a still smaller role. There will be a new interest in multilateral mechanisms alongside more democratic forms of governance of multilateral institutions.

What are the three most important challenges of international development policy?

How to create employment and sustainable livelihoods in a wide range of countries in the presence of globalization, how to ensure that an endogenous process of growth and development rooted in developing countries themselves emerges, how to ensure that high-quality social services are provided to all.

We need more development economics research on…?

…what makes for endogenously rooted and inclusive processes of growth and development, taking note of sociological and political considerations, as well as economic ones.

Which economist has inspired you most?

That is a difficult question, but among development economists, undoubtedly Amartya Sen.

What is the responsibility of a development economist?

To speak truth to people, and to power.

Is “developing country” an appropriate term?

Any better suggestions?

Poorer country.

Too many detailed questions and not enough big picture in recent years in research?

No, too many randomized trials! A dead end.

Unconditional cash transfers – more or less?

More, but no substitute for policies that ensure an inclusive productive economy.

What is your favorite place in the world?

Gozo, Malta.

Does development cooperation focus too much on small-scale interventions?

Yes, except when it makes the opposite mistake.

Which of your policy recommendations has had the biggest impact?

It is too early to tell!

If you were stranded on a deserted island, which economics book would you want with you?

Ricardo’s Principles of Political Economy and Taxation, because there is much in it of wide significance and enduring value that is far from straightforward, and that one must puzzle over.

What is the most effective development policy?

Facilitate individual and collective learning by the people.
If you had to decide on one indicator: what is your proposed measure of development?

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If you had to decide on one indicator: what is your proposed measure of development?
What makes a successful development economist? 46
A willingness to be flexible in method, while addressing a specific question. Knowledge of and sophistication in applying insights from relevant adjoining disciplines, including history, law, philosophy, politics, sociology, mathematics, and statistics.

Suggest one policy to fight poverty. 47
A universal child allowance set at a modest, but effective level.

How do you get or develop new research ideas? 48
Read the daily newspaper and look around.

Do we need more data, better data, better questions, or better methods for research? 49
All of the above, but especially better questions.

How can the SDGs be useful? 50
By emphasizing not targets and indicators, but the holistic vision of “the world we want.”
1. What are the three most important challenges of international development policy?

   Policy coherence, donor coordination (also with new donors), and not getting lost in the 169 targets (priorities!).

2. Does aid conditionality contradict democracy?

   Not necessarily. The donor may decide democratically to include conditions. The recipient may not have a choice, though.

3. Which economics paper or book has influenced your thinking most over the last year?

   I really don’t know. I tend to agree with a lot that Dani Rodrik writes in *Economics Rules*.

4. What will development cooperation look like in 2030?

   I fear … pretty much the same.

5. What is your favorite place in the world?

   The beach of St. Peter-Ording on a windy and sunny day.

6. What was the biggest failure in your career?

   Not inventing Lay’s Lemma.

7. If you were stranded on a deserted island, which economics book would you want with you?

   Some theory textbook.

8. Big data – big opportunity or data mining?

   Big threat to civil liberties, as well.

9. How can the SDGs be useful?

   Maybe by improving policy coherence.

10. Why did you decide to become a development economist?

    To find out why some countries and people are so rich, while others remain so poor.

11. Which policy maker would you like to have dinner with?

    Kemi Adeosun [Minister of Finance, Nigeria].

12. How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

    I know a couple of governments I would not lend money to.
How can cooperation between researchers and development practitioners be improved?

By interaction and by changing sides.

What are the three most important global challenges for the next 50 years?

Spreading prosperity, increasing democracy, and mitigating climate change – in this order.

Do you have any hidden talents?

Singing. But only my kids know my version of “Der Mond ist aufgegangen.”

Would you advise your friends to buy Fair Trade products?

Yes.

What is the most “interesting” email you ever got from a student?

The student who plagiarized almost his entire seminar paper because he “really did not know” that this is not allowed.

Which economist should win the next Nobel Prize in economics?

Daron Acemoğlu.

Blogs, working papers, books, or journals to follow research?

Lost in information.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

It does not make a big difference.

Suggest one economic policy to fight national income inequalities.

Robust, enforced, progressive income taxation.

Should development cooperation focus on poor countries or poor people?

Poor countries and selected poor people.

What is the most effective development policy?

A very clever trade policy.

Is “developing country” an appropriate term? Any better suggestions?

An appropriate term for what? A developing country?

Is there anything you are afraid of?

That Europe fails.

Which economist has inspired you most?

Gary Becker, because from his work I understood the beauty and the pitfalls of universal theories.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

No. Well, not if it were to be spent through the aid system … and eventually be paid back to us brilliant consultants.

Is a global tax on capital utopia or could it actually work?

No need to tax capital flows. Capital income is another story – and this is doable.

If you were not in academia, which organization would you like to work with?

The problem is that I would need to be the boss. Academia spoils. Maybe a company specialized in testing windsurfing gear under real conditions.

Suggest one economic policy to fight climate change.

Subsidies for energy sector transformation … in countries where it matters.

Which economic question would be best answered by other disciplines?

Many of the questions that economists seem to think are “economic questions.” Take Neuroeconomics.

How do you get or develop new research ideas?

Traveling. Listening. Thinking. Reading, not so much.

Which of your own articles do you like best?

The “gazelles paper” in World Development.

Which of your policy recommendations has had the biggest impact?

The Doha Round would long be concluded had we not said that positive impacts were moderate (and heterogeneous). Not that I would overestimate the impact of the papers that we write.

Which economist would you like to have dinner with?

Angus Deaton.

What is the impact of development aid?

Not an acceleration in growth.

If you had to decide on one indicator: what is your proposed measure of development?

Average real wages.

What should be taxed most and what least?

High and progressive income taxes are needed to curb income inequality. Least is difficult to say.

More development aid or more impact evaluations?

Let's do only impact evaluations.

What is the worst assumption you have come across in an economic model by an economist?

That there is one sector in an economy. Came across this assumption more than once.
How much time do you spend “in the field” per year?

Three weeks.

We need more development economics research on...

…the core of economic development: growth and structural change. And I don’t mean cross-country growth regressions.

Gross Domestic Product or Gross Domestic Happiness?

Gross Domestic Product, if you want to know what you measure.

If you had to spend USD $1 billion to found an NGO, what would it work on?

How to give the billion to the poor in cash with minimum overhead cost. As a one-time transfer.

What makes a good research paper?

A good and subtle argument.

Are new bilateral development aid providers better or worse than traditional OECD donors?

Worse… which does not mean that the others are much better.

Suggest one economic policy to fight corruption.

Put procedures online.

What was the most important step in your career?

Yet to come.

Do you have a clean or messy office?

Clean and tidy.

What is the most important unsolved question in development economics?

What productivity-boosting structural change in the developing world looks like in the 21st century.
**Stefan Klonner**  
*South Asia Institute, Universität Heidelberg*

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tr>
<td>Where and when do you work best?</td>
<td>In my office or on the train; generally, in the morning.</td>
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<tr>
<td>Why did you decide to become a development economist?</td>
<td>Clive Bell, as a teacher during my studies, sparked my interest.</td>
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<td>Would you advise your friends to buy Fair Trade products?</td>
<td>No.</td>
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<td>Does aid conditionality contradict democracy?</td>
<td>Other people should answer this question.</td>
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<td>What is the role of international private companies and private foundations in development?</td>
<td>Of course the former play a big role. The private corporate sector is the main source of value added for a market economy. I am less sure about private foundations. Their motives may be erratic and sustainability is less certain.</td>
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<td>Have you had any career outside of academia, and if so, why did you stop?</td>
<td>I am a licensed bank clerk. It was horrible. The two years of apprenticeship were a major personal motivation to pursue academia.</td>
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<tr>
<td>Do you have a clean or messy office?</td>
<td>Somewhere in between. The process of diffusion is once in a while disrupted by a major clean-up.</td>
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<td>What is the most “interesting” email you ever got from a student?</td>
<td>“Distinguishit Professor, …” from Pakistan.</td>
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<td>Which of your own articles do you like best?</td>
<td>Financial Fragmentation in South India with Ashok Rai. Still to be published.</td>
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<td>What is your favorite place in the world?</td>
<td>Can’t tell. It’s all about the freedom to roam around and view our planet from different angles.</td>
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<tr>
<td>What is the most important unsolved question in development economics?</td>
<td>How to make governments and bureaucracies effective?</td>
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<tr>
<td>Which of your policy recommendations has had the biggest impact?</td>
<td>I have been saying a couple of things. But in my perception, no policy maker ever listened to them …</td>
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Regarding methodology, it continues to be Mostly Harmless Econometrics by Joshua D. Angrist and Jörn-Steffen Pischke: learning about how to know your data well and produce transparent empirical results (if that is possible at all).

...welfare effects of big national anti-poverty programs.

I don’t think so.

Addressing relevant and perhaps not so obvious issues in low-income countries with sound methodology.

See 11.

The former.

Manmohan Singh [Former Prime Minister, India].

Conditional cash transfers.

Music.

I guess the latter make up the former, so the answer then is “yes.”

Not sure.


More openness by the latter. Perhaps the government should also press the state agencies more towards including research components. But this is probably not how politics work.

Postdoc at Yale with Chris Udry.
What should be taxed most and what least? 27 Not sure.

Which economist has inspired you most? 28 Chris Udry: a perfect blend of interesting issues, reasonable empirical methodology, together with a sound theoretical foundation.

Is a global tax on capital utopia or could it actually work? 29 Why not?

Blogs, working papers, books, or journals to follow research? 30 Anything, but rarely blogs; only when I am pointed to something specific.

How do you get or develop new research ideas? 31 Inspiration from interesting work in other settings; conversations with grad students and colleagues.

What are the three most important global challenges for the next 50 years? 32 Oh dear, I guess peace, failed states, and the environment.

Too many detailed questions and not enough big picture in recent years in research? 33 Sure. But science follows fashion trends, and certainly there will be a swing back.

How much time do you spend “in the field” per year? 34 Too little these days. My grad students do the travelling.

What will development cooperation look like in 2030? 35 No idea.

Suggest one economic policy to fight climate change. 36 Not sure. I guess the high-income countries should implement more aggressive goals to give an example for low- and mid-income countries. On equity grounds and given our own history, I find it very difficult to commit the latter to anything.

What are the three most important challenges of international development policy? 37 I am not a statesman.

Big data – big opportunity or data mining? 38 Some interesting questions can be answered. When I was a grad student, Indian micro-data from the National Sample Survey (NSS) was not yet available. Now we can do all kinds of interesting things with it, for example, policy evaluation with empirical approaches of natural experiments.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

39. No, finding effective ways to fight poverty is more important.

Are new bilateral development aid providers better or worse than traditional OECD donors?

40. The future will tell.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

41. See 40.

Which economist should win the next Nobel Prize in economics?

42. Of course, the birthday boy!

Unconditional cash transfers – more or less?

43. No.

If you had to spend USD $1 billion to found an NGO, what would it work on?

44. Child health.

What is the impact of development aid?

45. At Heidelberg, experts on this question reside on the other shore of the Neckar.

Do you have any hidden talents?

46. I play and perform the cello and sing. But I have no talent for it, I am afraid. I always had to practice more than others, and I practiced very hard for many years.

Suggest one economic policy to fight gender inequality.

47. Self-help groups.

Suggest one economic policy to fight national income inequalities.

48. Land reform, perhaps, but sounds outdated.

What makes a good research paper?

49. See 28.

What is the most effective development policy?

50. Oh dear, perhaps bringing down barriers to trade and an effective industrial policy.
How can the SDGs be useful?

1. They raise awareness among civil society and foster social mobilization; they indicate directions for economic policies and increase peer pressure.

Suggest one economic policy to fight national income inequalities.

2. Redistribution.

More development aid or more impact evaluations?

3. Impact evaluations, when possible.

Suggest one economic policy to fight corruption.

4. Education, at all levels.

What is the most “interesting” email you ever got from a student?

5. I received a postcard with greetings from a sunny beach as an explanation of absence from classes.

How can cooperation between researchers and development practitioners be improved?

6. Organize and participate in joint events.

Which economic question would be best answered by other disciplines?

7. Is there an equilibrium?

If you were not in academia, which organization would you like to work with?

8. I would open my own pottery studio.

Which economist would you like to have dinner with?

9. Andrew E. Clark.

Development economics is missing new theories – true?

10. True, by definition.

Is “developing country” an appropriate term?

11. Ummm, no better suggestion.

Any better suggestions?

Suggest one economic policy to fight gender inequality.

12. It depends on the country; for developing countries I would suggest education.

Does aid conditionality contradict democracy?

13. No.
Which economist has inspired you most? 14 Tony Atkinson.
We need more development economics research on...? 15 ...individual well-being.
Name a topic you have never worked on, but would like to in the future. 16 Misery.
If you had to decide on one indicator: what is your proposed measure of development? 17 Quality of life.
Where and when do you work best? 18 In the afternoon in my office.
Do you have a clean or messy office? 19 Very clean.
Which of your own articles do you like best? 20 Measuring Economic Insecurity.
Which economist should win the next Nobel Prize in economics? 21 Tony Atkinson.
Is the outsourcing of bilateral aid implementation to private companies good or bad? 22 Pass.
Suggest one economic policy to fight climate change. 23 Full adoption of renewable energy.
Do we need more data, better data, better questions, or better methods for research? 24 Better data: longitudinal and register data.
What is the role of international private companies and private foundations in development? 25 To donate money.
Would you advise your friends to buy Fair Trade products? 26 Yes, most of the time.
Have you had any career outside of academia, and if so, why did you stop? 27 No.
Big data – big opportunity or data mining? 28 Big opportunity.
What are the three most important challenges of international development policy?

• Terrorism;
• Migration;
• Climate change.

What is the worst assumption you have come across in an economic model by an economist?

Unemployed representative agent.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Capacity building.

Are new bilateral development aid providers better or worse than traditional OECD donors?

Pass.

Which policy maker would you like to have dinner with?

Donald Trump [president-elect, United States of America].

What was the biggest failure in your career?

Some rejections, even in the second round (for spurious reasons, of course).

What makes a successful development economist?

Passion.

Which of your policy recommendations has had the biggest impact?

None.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Not a good idea – the rich should donate much more.

Which economics paper or book has influenced your thinking most over the last year?


How much time do you spend “in the field” per year?

Not much.

Why did you decide to become a development economist?

I am not one … yet.

What is the most important unsolved question in development economics?

What is the recipe for fast and long-lasting development?

A Treatise of Human Nature by Hume.
What should be taxed most and what least? 43
The luxury items (such as yachts, jets, speedy cars) bought by the super-rich should be taxed the most, food should be taxed the least.

Is a global tax on capital utopia or could it actually work? 44
Utopia; “they” will always find a way to elude it.

What will development cooperation look like in 2030? 45
Same as now.

What is the impact of development aid? 46
Helps some, not all.

What are the three most important global challenges for the next 50 years? 47
Sustainable development as described in the SDGs.

What was the most important step in your career? 48
My PhD at New York University (NYU).

Gross Domestic Product or Gross Domestic Happiness? 49
GDH.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps? 50
Stephan, what would you say here?
1. What is the impact of development aid? One of the most exciting questions for a development economist – particularly for me, being involved in the evaluation of development projects. Unfortunately, at the same time, it belongs to the set of questions that are most difficult to answer.

2. If you were not in academia, which organization would you like to work with? I found my “dream occupation” as an evaluator in development cooperation. It is a great complement to academic work. I like to see myself as somebody contributing to building strong bridges between academia and development practice. I believe that both can learn a lot from each other.

3. What is the responsibility of a development economist? Speaking the truth about what s/he learned and knows, in a modest way that animates others to listen, discuss, present their own views, and learn.

4. Is the outsourcing of bilateral aid implementation to private companies good or bad? It depends. Certainly, private companies sometimes can offer expert knowledge that is not found in such depth in public implementing entities. The important question is not who implements, but rather what is implemented.

5. If you had to spend USD $1 billion to found an NGO, what would it work on? I am glad that I am not in a position to ever have to decide on such a matter.

6. Which economist has inspired you most? Joseph Stiglitz (there are more).

7. Do you have any hidden talents? I can knit.

8. Why did you decide to become a development economist? I never decided on it; it just happened. I actually studied business administration.

9. What is the role of international private companies and private foundations in development? The roles are too numerous and too heterogeneous for me to be able to answer this question in a short and meaningful way.
Which economist should win the next Nobel Prize in economics?

No particular preference, as long as the person had a path-breaking idea.

What is the worst assumption you have come across in an economic model by an economist?

Contracted interest rates as the price of credit. In other words: ignoring default risk.

Which questions would be best answered by collaborations between economics and other disciplines?

Questions which involve psychology.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Wouldn’t that be harsh on the poor?

Suggest one economic policy to fight corruption.

No possibility for (re)election in any public position after being caught.

What was the most important step in your career?

Getting in touch with development economists.

Suggest one economic policy to fight climate change.

Restrictions on private driving combined with improved and cheaper public transport.

Unconditional cash transfers – more or less?

More!

What will development cooperation look like in 2030?

Hopefully, not such a great need for support in fragile contexts anymore.

Is there anything you are afraid of?

The political instability we see nowadays, without any convincing solution in sight…

What was the biggest failure in your career?

Acting too risk averse in order to avoid failure, which added up to not using my full potential.

Suggest one policy to fight poverty.

Creating stability, but I do not know how to achieve that.

Are new bilateral development aid providers better or worse than traditional OECD donors?

They are different.
Since I started working in the evaluation of development projects, I have been in the lucky (or unlucky) position to be able to get in contact with such a broad range of topics (energy, health, education, climate, agriculture …) that I just cannot think of anything else.

We need more skill in selecting the most relevant questions and adapting methods and – if appropriate – data accordingly.

I do not really like my own work.

Sometimes. It can have a touch of “we know best.”

I would agree, although case studies can be very helpful.

Making everybody aware and improving the harmonization of efforts.

Happiness is probably more important, but not totally independent from economic development.

Fragility, fragility, fragility.

Equal access to education is important, but not a panacea.

… too many things to enumerate.

A relevant question with relevant results.

Might work in some sectors, but never everywhere. Particularly not in non-revenue generating areas, like basic health care, basic education, etc., in very poor countries.

Fragility, refugees, and climate change (not totally independent of each other).

It could only work if everybody in power wanted it … so it sounds more like utopia.
What is your favorite place in the world?

37 Home.

Which economics paper or book has influenced your thinking most over the last year?

38 My work is too close to development practice to give a worthwhile answer.

How do you get or develop new research ideas?

39 Evaluation reports can be very inspiring.

How can cooperation between researchers and development practitioners be improved?

40 Having more people who understand the language, the possibilities, and the restrictions of both worlds.

How much time do you spend “in the field” per year?

41 No more than about three weeks, unfortunately.

What is the most effective development policy?

42 Can one single approach alone be effective? In my view, even budget support needs to be combined with support of know-how improvement on the ground.

What makes a successful development economist?

43 A feeling for relevant questions, broad tacit knowledge, good academic skills, and modesty.

What is the most “interesting” email you ever got from a student?

44 It has nothing to do with emails, but years ago some students presented me with about 50 water balls, which I had to deflate before I could transport them home.

Do you have a clean or messy office?

45 More on the messy side, but hopefully not too bad.

Suggest one economic policy to fight national income inequalities.

46 After 45 questions, I have just run out of ideas.

Is “developing country” an appropriate term? Any better suggestions?

47 It would be great if at least some of these countries became upcoming stars in the future.

Which policy maker would you like to have dinner with?

48 A policy maker who has got something to decide in development policy.

Should development cooperation focus on poor countries or poor people?

49 Depends on the development approach.

What is the most important unsolved question in development economics?

50 For the most important unsolved questions (like the question of how to erase poverty, but there are more: see question number 1), it is very likely that there are no good answers which a researcher could give.
Why did you decide to become a development economist?

Because this was a field in which the techniques of economics can be combined with interesting social issues.

What makes you angry?

The narrow-mindedness of the criteria that form the basis of scientific judgement in the economics discipline and the lack of attention to wisdom, as well as to the quality of basic data used.

We need more development economics research on...

...the political economy of institutions.

Unconditional cash transfers – more or less?

Fine as it is.

What is the role of international private companies and private foundations in development?

The latter provide important funds for innovative research.

Which economics paper or book has influenced your thinking most over the last year?

There is no such thing as a piece that influenced me most. Several papers and books have had a great influence. I have been particularly impressed by the quality of books written by social scientists, historians, and political scientists, in particular.

What makes a successful development economist?

An ability to bridge theory and thorough knowledge of facts. Plus, being open to other disciplines, social sciences in particular.

Which economic question would best be answered by other disciplines?

Many economic questions would benefit from insights brought by other social sciences.

Too many detailed questions and not enough big picture in recent years in research?

There is actually quite a lot of big picture research that is fashionable, but much of this research remains too superficial in terms of understanding and attention to detail.

How much time do you spend “in the field” per year?

Nowadays, not much: perhaps a week or so. But I spent more before I became emeritus.
How many emails per day do you get? How many do you answer?

11 Around 20–30.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

12 The idea is neither realistic nor wise given the short time period considered. Yet, it is a challenging and thought-provoking question that needs careful reflection, even though it is not new (look at Bauer and Yamey from the London School of Economics in the 1960s).

More development aid or more impact evaluations?

13 More careful evaluation and thinking in aid provision.

Is “developing country” an appropriate term? Any better suggestions?

14 No better suggestion.

Which of your own articles do you like best?

15 An old paper on Rwanda co-written with Catherine André.

What is the impact of development aid?

16 Ambiguous, at best.

How can cooperation between researchers and development practitioners be improved?

17 By more strenuous efforts to link research explicitly with actions in the field undertaken by development organisations.

Which subject other than economics would you like to study?

18 History.

What should be taxed most and what least?

19 Wealth bequeathed and rental incomes should be taxed most. Labour effort should be taxed least.

Are new bilateral development aid providers better or worse than traditional OECD donors?

20 Probably better, but not as much as they themselves imagine.

If you had to spend USD $1 billion to found an NGO, what would it work on?

21 On the struggle against oppressive social norms.

Does aid conditionality contradict democracy?

22 Not at all.

What is the worst assumption you have come across in an economic model by an economist?

23 The assumption of utility transferability. May be useful as a benchmark, though.

What are the three most important global challenges for the next 50 years?

24 Environment, inequality, and democracy.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

No. Too mechanistic.

Which economist should win the next Nobel Prize in economics?

No name stands out clearly.

Which economist has inspired you most?

John Stuart Mill.

What are the three most important challenges of international development policy?

Weak states; protectionist trends; and aid fatigue.

What is the most effective development policy?

There is no such thing and there is no one-size-fits-all solution.

What is the role of a development economist?

To have a thorough knowledge of a situation before making prescriptions.

What is the most important unsolved question in development economics?

The question of the appropriate institutions for development.

Gross Domestic Product or Gross Domestic Happiness?

The latter.

Suggest one economic policy to fight national income inequalities.

Fight tax evasion.

Suggest one economic policy to fight gender inequality.

Promote women-focused entrepreneurship training programmes.

Which economist would you like to have dinner with?

George Akerlof.

How do you get or develop new research ideas?

–

Does development cooperation focus too much on small-scale interventions?

Yes.

If you had to decide on one indicator: what is your proposed measure of development?

Life expectancy at birth.

Is a global tax on capital utopia or could it actually work?

Still a utopia today, but may not be so tomorrow.
Which questions would be best answered by collaborations between economics and other disciplines?

All issues pertaining to institutions, social norms, and culture.

Is there anything you are afraid of?

The increasing trend of publish-or-perish logic in the discipline, with all its distortionary effects, especially on the young generations of economists.

If you were not in academia, which organization would you like to work with?

The NGO sector.

Have you had any career outside of academia, and if so, why did you stop?

I did work a lot with development NGOs as a complementary activity.

Which policy maker would you like to have dinner with?

No idea.

If you were stranded on a deserted island, which economics book would you want with you?

TC Smith, 1959, The Agrarian Origins of Modern Japan, Yale UP.

What is your favorite place in the world?

High mountains, wherever they are.

Big data – big opportunity or data mining?

Both. A new opportunity always requires the setting of proper safeguards.

Which of your policy recommendations has had the biggest impact?

Gradual and sequential privatization programmes (for Romanian agriculture in the late 1980s).

What will development cooperation look like in 2030?

No idea. The present world is too volatile to make reliable predictions.

Should development cooperation focus on poor countries or poor people?

On poor people.
Do we need more data, better data, better questions, or better methods for research?

We have fairly good methods, models, and data, but we would do well to integrate them more and bridge the current divide between theory and empirics by better informing empirical work with theoretical insights.

Which economist would you like to have dinner with?

Thomas Schelling.

How can cooperation between researchers and development practitioners be improved?

By having more conversations and more flexibility in our conceptions of what counts as research and policy. It also helps when economists, either during or outside work, engage with institutions that are trying to make a difference on the ground.

Where and when do you work best?

At home, early in the morning, when co-authors visit, and occasionally, when I have a deadline.

Is there anything you are afraid of?

So many things, I would not know where to start.

Would you advise your friends to buy Fair Trade products?

No. I think we should all have the option of deciding what is fair. The only kind of labelling I like is that which is not loaded with value judgement. Ingredients, place of manufacture, manufacturer, price – all those are very informative.

Why did you decide to become a development economist?

Mostly drifted into being one by default.

Suggest one economic policy to fight climate change.

The policy that requires the least adjustment is reducing packaging and not using plastic bags. Others that require more money and thought are extensive public transportation, and being “local” in terms of where we work and what we consume.

Which of your own articles do you like best?

I like two: “Inequality and Segregation” and “A Simple Model of Voice.”

What is the responsibility of a development economist?

This is the same as for any economist. Answering socially relevant questions to the best of our ability.
If you were stranded on a deserted island, which economics book would you want with you? 

11 Micromotives and Macrobehavior.

Name a topic you have never worked on, but would like to in the future.

12 The role of intrinsic motivation and social preferences in economic outcomes.

What makes a good research paper?

13 Care and insight.

How can the SDGs be useful?

14 Mainly by stating what is uncontroversial and having some benchmark for measuring how countries are doing.

What should be taxed most and what least?

15 Things that we don't really care about having, but have big social costs should be taxed heavily or made difficult to do in other ways and so should "bads" that are difficult to avoid by individual action – ugly buildings, plastic packaging, loudspeakers. All the usual stuff we talk about in public economics. The problem is collectively deciding on what these things are and putting them on a political and policy agenda.

We need more development economics research on…?

16 …linking the normative and the positive and understanding aggregate, as opposed to individual, responses to policy.

Which economic question would be best answered by other disciplines?

17 It is fine that we work on questions that are at the heart of other disciplines, such as happiness, social networks, and conflict. What we need to do more of is make sure not to neglect the knowledge generated in those disciplines. We often do this in a cursory manner.

If you had to decide on one indicator: what is your proposed measure of development?

18 Some combination of the level of crime, conflict, and incarceration, especially across social groups.

How much time do you spend “in the field” per year?

19 These days, about a week.

What is the impact of development aid?

20 Really depends on who gives, to whom, and what the contract looks like.

Is a global tax on capital utopia or could it actually work?

21 The politics and logistics of this are hard. May be better to focus our energies elsewhere.

Are new bilateral development aid providers better or worse than traditional OECD donors?

22 Depends on the context.
Universal access to education, health care, and social insurance.

Huge and under-exploited. The recent Corporate Social Responsibility legislation in India has got companies involved in development and some are enthusiastic about innovative ideas. Many managers would like to contribute to society and we should think of ways in which to facilitate this for organizations rather than just individuals.

Still waiting for an interesting one.

Lots of events that seemed to be failures led to good things, so don’t really believe there has been one.

Happiness, if one could only measure it.

How to build effective and aesthetic local communities.

About 20 a day that need attention.

Hard to say without knowing who the actors are.

High-quality public education.

Depends on how long I have to stay. If forever, then Delhi.

Angela Merkel [Chancellor, Germany] (if politicians are included).

What should be inside a utility function?

Yes, perhaps.

Better child care and schooling, as well as starting school early.

Campaign financing reform that uses taxes to fund elections.
Does aid conditionality contradict democracy? 38 No, not given the intensity of global interactions.

What will development cooperation look like in 2030? 39 Hopefully better than today.

Do you have a clean or messy office? 40 Mostly clean.

What are the three most important global challenges for the next 50 years? 41 Climate, conflict, and inequality.

Which economist has inspired you most? 42 Albert Hirschman and Thomas Schelling.

Which questions would be best answered by collaborations between economics and other disciplines? 43 Collective action, social interactions, discrimination and ethnic bias, conflict …

More development aid or more impact evaluations? 44 Neither seem to be a great use of time and money.

How do you get or develop new research ideas? 45 They are all over the place, staring us in the face.

Should development cooperation focus on poor countries or poor people? 46 Either is fine.

What are the three most important challenges of international development policy? 47 Climate, conflict, and inequality.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org). 48 Giving is best when connected with what we care about. With greater engagement with organizations on the ground, we are more likely to give our time, money, and ideas, all of which are important. And there are many worthwhile causes apart from poverty.

Which economics paper or book has influenced your thinking most over the last year? 49 “Imagined Communities,” by Benedict Anderson.

Does development cooperation focus too much on small-scale interventions? 50 No, I think the small-scale is crucial in informing larger policies and keeping us grounded. However, I do think development research focuses too much on small-scale interventions.
It should focus on both!

He/she should promote both economic and social well-being and also consider environmental effects.

One that is holistic and strives for participation of the population.

With Gregor Gysi [Member of the German Parliament, The Left]. I like his way of analyzing policy issues!

Instantaneous reaction of labor.

They are useful for shaping societies that are sustainable from an economic, a social, and an environmental point of view.

Taxation of emissions.

I don’t know… not if these little things are important.

Pointing to the problem of real exchange rate appreciations.


Economic policy cannot do it!

Empirically, there was not much of a difference, if I remember right.

Working for your predecessor.
Do you have a clean or messy office? 14
Quite messy.

Which questions would be best answered by collaborations between economics and other disciplines? 15
All the social and environmental issues.

Why did you decide to become a development economist? 16
I did not actively decide; it just became a logical thing to do.

What is the impact of development aid? 17
At the macro level, not much; at the project level, it certainly varies from high impact to zero impact.

If you had to decide on one indicator: what is your proposed measure of development? 18
The HDI.

Suggest one economic policy to fight gender inequality. 19
Provide child care in developed countries; provide education and equal rights in developing countries.

Suggest one economic policy to fight national income inequalities. 20
Taxation of wealth.

How do you get or develop new research ideas? 21
By talking to colleagues and attending conferences.

What should be taxed most and what least? 22
Wealth should be taxed most, income of the poorer quantiles should be taxed least.

How can cooperation between researchers and development practitioners be improved? 23
By including both parties in the decision process on projects.

Is there anything you are afraid of? 24
Serious diseases.

Which economist has inspired you most? 25
Ronald McKinnon.

What are the three most important challenges of international development policy? 26
Efficiency, equity, and participation.

Big data – big opportunity or data mining? 27
Big data are a big opportunity if one is unbiased.

Blogs, working papers, books, or journals to follow research? 28
Dave Gile’s blog, NBER working papers.
What makes a good research paper? An important idea and a good concept.

Is a global tax on capital utopia or could it actually work? It could work in modern societies.

Name a topic you have never worked on, but would like to in the future. Modernization of societies and its implications for economic policy making.

If you were not in academia, which organization would you like to work with? Deutsches Institut für Wirtschaftsforschung (DIW), Deutsches Institut für Entwicklungspolitik (DIE), Leibniz-Institut für Wirtschaftsforschung (ifo) – or something similar.

Do you have any hidden talents? I can sense how people feel.

What was the most important step in your career? Becoming J-Prof at the Free University of Berlin.


Which economist would you like to have dinner with? Yanis Varoufakis. He is no bore!

Is the outsourcing of bilateral aid implementation to private companies good or bad? It can be good or bad. It depends on their commitment to development.

What will development cooperation look like in 2030? It will be more participatory, I guess.

What are the three most important global challenges for the next 50 years? Overcoming the mechanisms and structures that are responsible for inequality and inequity.

If you had to spend USD $1 billion to found an NGO, what would it work on? Basic things, like sanitation, clean water, economic infrastructure…

We need more development economics research on…? …how to improve not only education and training, but also how to generate productive employment.

How much time do you spend “in the field” per year? None.

Development economics is missing new theories – true? I would not call them theories; new concepts are certainly needed.
Gross Domestic Product or Gross Domestic Happiness?

Unconditional cash transfers—more or less?

Which subject other than economics would you like to study?

Which economics paper or book has influenced your thinking most over the last year?

What is the most important unsolved question in development economics?

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

What is the role of international private companies and private foundations in development?

GDH is unrealistic.

Less.

Civil engineering/architecture.

Bietenbeck et al. (2015): Africa’s Skill Tragedy: Does Teachers’ Lack of Knowledge Lead to Low Student Performance?

How to combine equity with efficiency in developing countries without overthrowing national/local governments.

Not very realistic.

They could play an important role, but one should apply surveillance of some form to guarantee that they (also) benefit the local population.
If you were not in academia, which organization would you like to work with?

1. An international organization, but actually, I like my job in academia.

What is the most “interesting” email you ever got from a student?

2. In my function as a faculty coordinator of international affairs, I received an email from one of our students spending an exchange semester in California, USA. She asked whether one of the twelve credits needed for the learning agreement could be earned by participating in a surf course.

Which of your policy recommendations has had the biggest impact?

3. The recommendation that we should change our consumption pattern to reduce our ecological footprint might have had potentially the greatest impact for me, but I doubt that its impact on others is measurable.

Which economist has inspired you most?

4. Maybe Elinor Ostrom, but I also had a chance to attend an inspiring lecture by Douglass North in the past…

Which economics paper or book has influenced your thinking most over the last year?

5. The book on *Vulnerability to poverty in South-East Asia* by Klasen and Waibel, 2015?

Gross Domestic Product or Gross Domestic Happiness?

6. Plan to travel to Bhutan to find out…

Suggest one policy to fight poverty.

7. Promote the availability of and access to social sector services, such as education and health care!

Which of your own articles do you like best?

8. My empirical papers on the impact of social and eco-labeling of products, such as coffee or carpets, on producers in developing countries.
Do we need more data, better data, better questions, or better methods for research?

More long-term and high-quality data – have a look at the German Research Foundation (DFG)-funded long-term research project on “Poverty dynamics and sustainable development: A long term panel project in Thailand and Vietnam, 2015–2024,” coordinated by a team from the Universities of Hannover and Göttingen. The data is available to all researchers interested in working on the dynamics of income and poverty and on urban-rural linkages in Thailand and Vietnam.

Suggest one economic policy to fight corruption.

Increase transparency and increase the involvement and participation of local people – it is a promising approach as long as there is no greedy, local elite present.

Where and when do you work best?

Depends on day, time, and deadlines – and also the type of work and my mood. Sometimes, I prefer my office at the university – especially if I work with colleagues on common papers or in the evenings, but my home office also works for me.

If you were stranded on a deserted island, which economics book would you want with you?

If I were to be stranded within the next few days, I would choose the new one from Eugenio Diáz-Bonilla on “Macroeconomics, agriculture and food security.” It is more than 500 pages long and I agreed to write a review on it.

What will development cooperation look like in 2030?

That is only 14 years from now – so, not much different from now, I am afraid. But I would be curious whether new technologies, such as 3D-printing, will play any role in development cooperation in the future.

More development aid or more impact evaluations?

It is advisable to base development aid on meaningful impact evaluations, but nevertheless, I would go for both. Development aid can still support many projects for which we have sufficient evidence that they will work.

Have you had any career outside of academia, and if so, why did you stop?

Yes, I did work at two international organizations before coming back to academia – I quit my job at OECD in Paris to join the Asian Development Bank in Manila; I was curious about living in Asia and wanted to work in development. After some time at ADB, I took leave to join the Center for Development Research in Bonn – and I have stayed in academia ever since … without any regrets.
What is the role of international private companies and private foundations in development?

16 Private foundations may support independent research and conferences on development issues. International private companies promote practical cooperation and exchange with other development partners in the context of public-private partnership projects. So, in general, I would say that their roles are very important! They provide funds and may even set new trends and offer great opportunities.

What is the worst assumption you have come across in an economic model by an economist?

17 I remember interesting model specifications from a student who had decided to throw out all insignificant variables from the model – precisely because they were not significant.

What was the biggest failure in your career?

18 I don’t know. This does not mean that there were no failures in my career, but maybe I was successful in forgetting about them.

Suggest one economic policy to fight national income inequalities.

19 Integration and education of the disadvantaged.

Would you advise your friends to buy Fair Trade products?

20 Fair Trade coffee? – “no,” I prefer Kimbo or Segafredo coffee. Fair Trade bananas? – “yes,” I also buy them, although I am not convinced that small-scale producers really benefit significantly.

What is the most important unsolved question in development economics?

21 For me, the ones I am working on…

What are the three most important challenges of international development policy?

22 Corruption; policy incoherence (e.g., between development and agricultural policies); poor sustainability of project initiatives.

What are the three most important global challenges for the next 50 years?

23 Corruption; wars and conflicts; water shortage and general environmental deterioration worldwide, including climate change.

What is the impact of development aid?

24 If implemented successfully: increasing rates of return, and hopefully, more equality and positive synergy effects.

What is the most effective development policy?

25 Promotion of R&D, but social sector interventions and even infrastructure projects are also expected to result in high returns.
Does development cooperation focus too much on small-scale interventions? 26 Maybe. But sometimes, it is good to start with small-scale interventions and scale up later on…

Big data – big opportunity or data mining? 27 Big data also means risks and dangers.

Suggest one economic policy to fight gender inequality. 28 Adjust legal frameworks to strengthen the rights of women and promote access to schooling for girls.

We need more development economics research on…? 29 …the topics I am currently working on, such as migration, social and environmental standards in the context of trade, and rural crime.

Is there anything you are afraid of? 30 No, not particularly, or? Maybe wars, increasing social conflicts, and disasters…

Is “developing country” an appropriate term? Any better suggestions? 31 It sometimes helps to simplify by distinguishing between developed and developing countries. But there is the choice – and often the need – to take the heterogeneity of developing countries into account by classifying them into high-, middle-, and low-income countries, or into net food importing or exporting countries, etc.

Which questions would be best answered by collaborations between economics and other disciplines? 32 Research on, for example, sustainability, food security and safety, migration, or climate change may greatly benefit from complementary inputs from natural scientists, geographers, land use planners, lawyers, or medical doctors.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps? 33 Own financing of development projects helps and might even have some positive aspects, such as avoiding corruption, but I do not think that it is sufficient to substitute for development cooperation – and international financial markets also bear some risks.

Which economist would you like to have dinner with? 34 Any economist who likes good food and wine and who can also chat about non-economic things. For more serious conversation on economics, I prefer another format of get-together.

How do you get or develop new research ideas? 35 In the morning, under the shower.

How many emails per day do you get? How many do you answer? 36 I get too many and I try to answer the most important ones – the good news is that some of the ones which I don’t answer straight away sometimes resolve themselves.
Unconditional cash transfers – more or less? 37
Cash transfers are often first best options. Making them unconditional provides more choices to people in need.

If you had to decide on one indicator: what is your proposed measure of development? 38
Human Development Index.

Which policy maker would you like to have dinner with? 39
I had the opportunity to attend the lecture by Barack Obama [President, United States of America] on the 25th of April 2016 in Hannover and regret very much that I did not have a chance to invite him for dinner afterwards.

Name a topic you have never worked on, but would like to in the future. 40
For many years, I had planned to work on rural crime in developing countries. I managed to start realizing this project. A first Center for Development Research (ZEF) working paper titled, “Rural Crime in Developing Countries: Theoretical Framework, Empirical Findings, Research Needs,” was published in March 2016.

How much time do you spend “in the field” per year? 41
Enough time to get motivated and inspired for my work.

Does aid conditionality contradict democracy? 42
Aid conditionality has the potential to promote better control of corruption and provide incentives to governments to reform their policies towards more democracy. But it depends on the conditions: inadequate conditions might be worse than none – and if there are too many, I am afraid, they can reduce the ownership of reforms.

Why did you decide to become a development economist? 43
I was always interested in traveling around, meeting other people, and learning about other cultures. I also got inspired by my teachers and was fascinated about many development topics.

If you had to spend USD $1 billion to found an NGO, what would it work on? 44
Its research may focus on sustainability issues in international trade, maybe combined with a training and education program related to sustainability.

Suggest one economic policy to fight climate change. 45
International consent and endeavors to reduce CO₂ and other greenhouse gas emissions at the global level.

How can cooperation between researchers and development practitioners be improved? 46
Through common research projects.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>What makes a successful development economist?</td>
<td>Good understanding of development problems in the field, excellent training in economics, and a good deal of common sense.</td>
</tr>
<tr>
<td>Is the outsourcing of bilateral aid implementation to private companies good or bad?</td>
<td>Under certain circumstances, it might work very well, but not in general and not for all kinds of projects.</td>
</tr>
<tr>
<td>What should be taxed most and what least?</td>
<td>Well, a question on subsidies would be easier to answer. With respect to taxing, a higher tax on polluters would help to internalize environmental costs. Infant industries should be taxed least.</td>
</tr>
<tr>
<td>What makes a good research paper?</td>
<td>A great idea, high-quality data, and a clear writing style. It goes without saying that a proper literature review and framework are the basis for a good paper, along with a sound application of robust methods and estimation techniques.</td>
</tr>
</tbody>
</table>
Rolf Kappel
NADEL Center for Development and Cooperation,
ETH Zürich

Which economist has inspired you most?
1 Mancur Olson.

How do you get or develop new research ideas?
2 That varies. From reading research papers and books; from detecting weaknesses in my own research (ex-post); from following wandering thoughts; from simply “looking around,” particularly “in the field.”

What will development cooperation look like in 2030?
3 In the worst case, development cooperation has lost its focus on poverty reduction because of the “Sustainable Development Goals” (SDGs). The SDGs notwithstanding, there will be poor people in low- and middle-income countries calling for external support, and there will be countries and people who need humanitarian aid. In the best case, development cooperation will focus more on promoting policy and institutional changes than it does today.

What should be taxed most and what least?
4 Emissions of greenhouse gases should be taxed most, consumption least.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?
5 The rate of interest to be paid for these bonds would be the highest for the countries that need aid most. For these countries, the instrument would not be a useful substitute for aid. Even in the longer run, the presumed incentive to discipline politicians towards more effective policies for growth and poverty reduction would, in many countries, not work: politicians are too self-centered.

Suggest one economic policy to fight national income inequalities.
6 Strengthen income tax collection and spend the additional revenues on education and vocational training.

Does development cooperation focus too much on small-scale interventions?
7 Yes. In many countries, I would like to see more attempts to influence macro policies, structural policies, and institutions to fight poverty.

If you had to spend USD $1 billion to found an NGO, what would it work on?
8 Promoting youth employment.
Putting a price tag on the emission of greenhouse gases (includes, of course, cutting existing subsidies of fossil fuel consumption).

Stopping the request of a bilateral donor to accumulate counterpart funds by governments receiving financial assistance. An empirical analysis showed that counterpart funds were hardly accumulated or misused, and that transaction costs were high. This policy recommendation was immediately implemented.

On poor people, but countries with high or rapidly growing incomes (higher potential to mobilize public resources) should receive less and less aid. Following that rule, risk-averse aid agencies may prefer countries with a strong performance in poverty reduction, agencies with a higher readiness to assume risks may prefer countries with a weak performance in poverty reduction.

Governments in developing countries and donors and aid agencies should separate quantitative targets for (multi-dimensional) poverty reduction from the rest of the SDGs and set up a sort of "MDG-initiative reloaded." The rest of the SDGs will probably not trigger additional action at the global level. SDGs for the protection of global goods are purely repetitive and already taken care of in other global fora. Many goals and targets for industrial countries are national by nature and will benefit hardly or not at all from being part of a global agenda.

Demography.

As a journalist for a good newspaper.

Possible contributions of new information and communication technologies to poverty reduction.

No. I would recommend donating the equivalent of price mark-ups to reputable NGOs.

"I will be sick tomorrow, so I cannot come to the exam."
What is your favorite place in the world? 18 Marine beaches.

Big data – big opportunity or data mining? 19 In some cases, data mining may offer opportunities for interesting research.

Which economics paper or book has influenced your thinking most over the last year? 20 Angus Deaton: “Health, Wealth, and the Origins of Inequality.”

Development economics is missing new theories – true? 21 A lot of current development research focuses on empirical microeconomic analyses, where many things are highly context specific. That is indeed not helpful for generating new theories claiming more general validity.

If you were stranded on a deserted island, which economics book would you want with you? 22 None. I would enjoy the island and the sea!

Too many detailed questions and not enough big picture in recent years in research? 23 Yes. There should be more research on the driving forces and interactions of macroeconomic developments.

Which economic question would be best answered by other disciplines? 24 Why and how do people change their preferences?

Have you had any career outside of academia, and if so, why did you stop? 25 During my time as a master’s student and PhD student I worked in software development.

Why did you decide to become a development economist? 26 Many economic problems in industrial countries are “luxury problems” compared to those in developing countries. Focusing on problems of poor countries is, for me, more intellectually challenging and more satisfying than working on many other economic issues.

What was the biggest failure in your career? 27 Trying to teach development practitioners the use of cost-benefit analysis and multi-criteria analysis: courses were evaluated very positively, but methods were never applied.

Do you have a clean or messy office? 28 Since I retired, the cycles of a messy and clean desk have become flatter.

Where and when do you work best? 29 Wherever no emails reach me and whenever I get enough sleep.

Which economist would you like to have dinner with? 30 Dani Rodrik.
Which policy maker would you like to have dinner with?
Joschka Fischer, former German Minister of Foreign Affairs.

More development aid or more impact evaluations?
More impact evaluations – and then more effective, efficient, and sustainable aid.

What makes a good research paper?
Research off the beaten track.

Suggest one policy to fight poverty.
Conditional cash transfers – under certain circumstances a good combination of constraints and freedoms.

What is the impact of development aid?
Improvement of living conditions of many disadvantaged people (often to a lesser extent than desired) and a few privileged people (more than desired).

Which economist should win the next Nobel Prize in economics?
Robert Barro.

What is the worst assumption you have come across in an economic model by an economist?
The assumption of complete information, still found in textbook models for beginners.

How can cooperation between researchers and development practitioners be improved?
Practitioners should take more time to read scientific publications; researchers should take more time to understand the pressing problems of practitioners; both should take more time for the exchange of thoughts.

We need more development economics research on...
... the political economy of institutional and policy reforms.

What is the role of international private companies and private foundations in development?
International companies should obey official rules and regulations in their home and host countries as well as self-declared standards of operation. Private foundations should invest substantial shares of their funds in (risky) interventions that government and non-government agencies tend to neglect.

Does aid conditionality contradict democracy?
Not if it results from fair negotiations between donor and recipient.

Suggest one policy to reduce corruption.
Free and fair elections, because “the fish stinks from the head.” Without support from the top ranks of politicians, instruments to fight corruption have virtually no impact.

How much time do you spend “in the field” per year?
Before retirement: on average, one to two months.
China follows to some extent the aid concept of DAC-countries in the 1960s: similarly frustrating experiences are in the making.

Becoming a professor at ETH Zurich.

Making the same error twice – or even more often.

Some people think that I am a decent photographer.

Both.

1. To keep the focus on poverty reduction;
2. To increase aid efficiency;
3. To increase the sustainability of aid.

No. But I see no alternative term within the boundaries of political correctness.
What is the most important unsolved question in development economics?

1. “Why do some countries produce so much more output per worker than others?”

Development economics is missing new theories – true?

2. Partly true, partly false (as always in economics). We have made a lot of progress in developing a better understanding of the role of institutions for economic development, but there is still a long way to go.

Which of your own articles do you like best?


Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

4. No. If everybody donated 10% the resulting sum to distribute would be enormous. People would devote a lot of resources, energy, and violence to grabbing a piece of such an immense cake, and this would eventually be counterproductive.

Suggest one economic policy to fight corruption.

5. Raise civil servants’ salaries and allow people to monitor their decisions.

Are new bilateral development aid providers better or worse than traditional OECD donors?

6. It depends on who you compare with whom.

How can the SDGs be useful?

7. In defining the goals – even if it is unlikely that they will be achieved.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

8. Bad. Aid is supposed to address some type of market failure. Why should profit-maximizing companies be interested in raising social welfare?

Which economist should win the next Nobel Prize in economics?


Do we need more data, better data, better questions, or better methods for research?

10. All of these (apologies for such a lukewarm answer).

Which economist has inspired you most?

11. Robert King.
How can cooperation between researchers and development practitioners be improved?

By enhancing mutual respect and understanding: development practice without a scientific base is clueless, academic research without a link to practical questions is pointless. Stephan Klasen has contributed substantially to bridging the gap and to fostering such an exchange.

Is a global tax on capital utopia or could it actually work?

This depends on the goal you want to achieve: a global tax on capital might contribute to distributional fairness. However, to enforce it, one would need an amount of supervision and control that would eventually conflict with basic principles of liberty and privacy.

Why did you decide to become a development economist?

I did when deciding to become an economist.

Have you had any career outside of academia, and if so, why did you stop?

I never had.

Gross Domestic Product or Gross Domestic Happiness?

Let economists worry about GDP and mankind worry about GDH.

If you were stranded on a deserted island, which economics book would you want with you?


What is the responsibility of a development economist?

To see that development is a multi-faceted phenomenon.

What makes a successful development economist?

These days: to focus on only one facet.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Enhancing women’s rights.

What is the most “interesting” email you ever got from a student?

Email request to provide a personalized, short summary of a 1-semester/4-hours per week lecture course 10 hours before the exam.

Which subject other than economics would you like to study?

If I had more time: Slavonic studies. If I had more brains: physics.

What are the three most important global challenges for the next 50 years?

Saving the environment/Preserving social cohesion/Enhancing global equality.

Which economics paper or book has influenced your thinking most over the last year?

Last year: don’t remember. Last years: Daron Acemoğlu and Fabrizio Zilibotti, “Was Prometheus unbound by chance?” (JPE 1997).
How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

Provocative, but pointless: aid is a means to overcome market failures. Private capital flows are supposed to increase owners’ returns, not social welfare.

Suggest one economic policy to fight climate change.

Start an ad campaign that publicly ridicules drivers of SUVs.

Does development cooperation focus too much on small-scale interventions?

No. Large-scale interventions are likely to fail big time. The sum of small-scale interventions is likely to result in large-scale change.

Big data – big opportunity or data mining?

Depends on how you use it.

Unconditional cash transfers – more or less?

Less.

What is the most effective development policy?

Contribute to children’s education and enhance women’s rights.

Do you have any hidden talents?

First-class violinist (a talent hidden to myself).

Which economist would you like to have dinner with?

John Hardman Moore.

Suggest one economic policy to fight gender inequality.

Enhance women’s access to education.

More development aid or more impact evaluations?

More development aid through measures whose positive impact is supported by robust evidence.

Would you advise your friends to buy Fair Trade products?

Yes.

We need more development economics research on…?

…globalization and development.

What was the biggest failure in your career?

Dancing in too many weddings, or – put more positively – being interested in too many different things.

What will development cooperation look like in 2030?

Different, since different countries (“emerging market donors”) will be involved.

What is the worst assumption you have come across in an economic model by an economist?

Complete markets.
What is the impact of development aid? If applied carefully, it makes the world a better place for some people. If applied thoughtlessly, it makes a bad situation worse.

Too many detailed questions and not enough big picture in recent years in research? No.

What makes a good research paper? It offers an intellectual surprise, making a point that is obscure ex-ante, but obvious ex-post.

What should be taxed most and what least? Most: dirty energy. Least: clean energy.

Should development cooperation focus on poor countries or poor people? Poor people in poor countries.

What are the three most important challenges of international development policy? • How to enhance prosperity without creating inequalities; • How to enhance economic progress without destroying the environment; • How to modernize societies without ruining culture.

What makes you angry? Hypocrisy.

Suggest one economic policy to fight national income inequalities. Guarantee broad access to high-quality education.

Which policy maker would you like to have dinner with? Barack Obama [President, United States of America].

Which questions would be best answered by collaborations between economics and other disciplines? How do implicit norms that sustain a peaceful and productive coexistence emerge and how do they become sustainable (political science/sociology/psychology)?

Which of your policy recommendations has had the biggest impact? None.
Axel Dreher
Alfred-Weber-Institute for Economics,
Universität Heidelberg

If you were stranded on a deserted island, which economics book would you want with you?

1. My own – just in case there are any natives to impress.

Which economics paper or book has influenced your thinking most over the last year?


Which economist has inspired you most?


Suggest one policy to fight poverty.

4. Reduce corruption.

How many emails per day do you get? How many do you answer?

5. Get 80, answer 30.

If you had to spend USD $1 billion to found an NGO, what would it work on?


What will development cooperation look like in 2030?

7. Very much like today.

We need more development economics research on…?

8. …nothing. There is too much research on almost everything.

Development economics is missing new theories – true?

9. No.

How can cooperation between researchers and development practitioners be improved?

10. Researchers need incentives to be interested in such cooperation.

What is the most important unsolved question in development economics?

11. How to effectively fight poverty.

Is “developing country” an appropriate term? Any better suggestions?

12. Yes.
Working papers and journals.

Political donors’ motives, lack of incentives, and lack of knowledge of “what works.”

Impact.

They can’t. There are too many and responsibilities are hardly defined.

Poor countries. Rich countries have the means to deal with poor people by themselves. Intervening in these countries prevents change.

Clean and messy.

Better on some dimensions, worse on others. A “rogue aid” characterization finds little support in the empirical literature.

Maybe the World Bank.

In macroeconomics: more data, better data, better methods. In microeconomics: better questions.

None.

None.

None.

Introduce gender quotas for secretaries and hair cutters.

Increase salaries.

From reading journals, newspapers, and discussions.
Is a global tax on capital utopia or could it actually work?

28 This would be a disaster, but is fortunately out of reach.

If you had to decide on one indicator: what is your proposed measure of development?

29 GDP per capita.

Suggest one economic policy to fight national income inequalities.

30 Substantially increase inheritance tax.

More development aid or more impact evaluations?

31 More impact evaluations.

Unconditional cash transfers – more or less?

32 More, but only to democracies.

What makes a good research paper?

33 Important question combined with rigorous analysis and clear writing.

What makes you angry?

34 Referee reports.

Does development cooperation focus too much on small-scale interventions?

35 Yes. Implementation should be entirely in the hands of private companies. Recipient governments should be in charge.

What should be taxed most and what least?

36 Most: inheritances. Least: no idea.

What is the most “interesting” email you ever got from a student?

37 “I could not submit my seminar thesis on time because I have been on holiday.”

What is the impact of development aid?

38 No one knows. Those who claim otherwise belong to ideological camps with very strong convictions.

What are the three most important global challenges for the next 50 years?

39 Environmental damage, terrorism, and increasing nationalism.

Which questions would be best answered by collaborations between economics and other disciplines?

40 –

How viable is Dambisa Moyo’s proposal to phase out aid in five years and rely on the international bond market for financing gaps?

41 I would go over 15–20 years instead.

Which economist would you like to have dinner with?

42 None.
What is the responsibility of a development economist?

These questions get tougher at the end. To interpret their results in a balanced way and avoid giving the impression of knowledge where none exists.

How much time do you spend “in the field” per year?

None, mostly.

Gross Domestic Product or Gross Domestic Happiness?

GDP.

Does aid conditionality contradict democracy?

Yes.

What is your favorite place in the world?

Home.

What was the most important step in your career?

Göttingen – my first tenured position.

Too many detailed questions and not enough big picture in recent years in research?

Certainly. Important questions are traded off against rigorous methods.

Why did you decide to become a development economist?

This was by accident, rather than choice. I became one without even noticing.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Ideally, people would donate more than they do to help people in need, but I think it is unrealistic to think people will do so. I believe the money to help the poor in society should primarily be raised through taxation and there should be increased efforts to ensure that the money actually reaches the poor for whom it is intended.

Which economics paper or book has influenced your thinking most over the last year?

Jim Heckman’s recent work combining psychology and economics has led me to start working on some topics related to personality factors and how they affect education and employment decisions.

More development aid or more impact evaluations?

Ideally, development aid along with impact evaluations to maximize its effectiveness.

What will development cooperation look like in 2030?

Perhaps the aid efforts will be better coordinated across countries.

Which of your own articles do you like best?

“Assessing the impact of a school subsidy program in Mexico: Using a Social Experiment to Validate a Dynamic Behavioral Model of Child Schooling and Fertility,” (with Ken Wolpin) published in the AER.

Have you had any career outside of academia, and if so, why did you stop?

I was a mortgage loan processor over the summers while I was an undergraduate, but I have not had any other career experiences outside of academia.

Suggest one policy to fight poverty.

Having done a lot of research on conditional cash transfer programs, I think these types of programs are very effective. I especially like how most of these programs transfer resources directly into the bank accounts of poor families, which minimizes the chance for leakage, as often happens with anti-poverty programs.

Unconditional cash transfers – more or less?

Conditional programs are more effective in most contexts. The amount of the transfer needs to be tailored to the local context.

Big data – big opportunity or data mining?

The increase in data availability is a big opportunity.
Suggest one economic policy to fight climate change.

Provide more and cheaper options for public transportation to reduce the number of cars in high-population countries such as India and China.

If you were stranded on a deserted island, which economics book would you want with you?

I find that I spend a lot of time with econometrics textbooks, but maybe that's because I mainly teach graduate and undergraduate econometrics (where we have teaching needs). Probably, if I were on an island, I would try to write my own book.

Which policy maker would you like to have dinner with?

It would be interesting to have dinner with Michelle Bachelet, second-time president of Chile.

What is the most effective development policy?

Programs that increase education and health, such as conditional cash transfer (CCT) programs.

Why did you decide to become a development economist?

I think the goal of economics should be to achieve more resources and better allocation of resources so as to alleviate poverty and human suffering. Development economists seem most directly connected with this goal.

Is there anything you are afraid of?

I am afraid of the spread of terrorism that seems closely tied with lack of employment opportunities for youth.

What are the three most important challenges of international development policy?

• Increasing life expectancy in countries where it is still quite low, whether due to high infant mortality or diseases, such as HIV.
• Increasing opportunities for girls to develop themselves to their fullest capacity in countries where they do not have the same opportunities as men.
• Reducing the harmful effects of conflict.

How much time do you spend “in the field” per year?

Not that much – maybe 2-3 weeks. Most of my work is analyzing data in my office. However, I sometimes go to various places around the world to teach short courses on program evaluation topics.

Which of your policy recommendations has had the biggest impact?

My research (joint with Jere Behrman, Susan Parker, and Ken Wolpin) showing that the Progresa CCT program in Mexico was very effective in increasing schooling progression and years of schooling probably had the largest impact. These programs have since been expanded to 28 other countries.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

I don’t know.
Should development cooperation focus on poor countries or poor people?  
I would focus more on poor people, as some countries have a lot of resources, but the distribution is very unequal.

Name a topic you have never worked on, but would like to in the future.  
I am currently starting to work on topics related to the influence of personality on education, occupation, and health decisions.

Are new bilateral development aid providers better or worse than traditional OECD donors?  
It probably depends heavily on the organization. Some of the agencies are particularly enthusiastic about providing particular forms of support, which may not have documented effectiveness.

If you had to decide on one indicator: what is your proposed measure of development?  
Education, especially for women.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?  
She does not seem to be against development aid in general – she seems to advocate aid programs that create good incentives, such as CCT programs that provide incentives to go to school and to get children vaccinated. She advocates more capitalist-oriented policies.

What is the impact of development aid?  
It has had an effect, particularly on increasing education and improving health in many countries. But the effect is not as great as it should be.

If you had to spend USD $1 billion to found an NGO, what would it work on?  
I would work to improve access to quality education and to make opportunities for women equal to those of men.

Do we need more data, better data, better questions, or better methods for research?  
We can definitely use better data, especially more longitudinal survey data for developing countries.

What is the responsibility of a development economist?  
To work on problems that will alleviate poverty, reduce cases of extreme inequality, and foster development in terms of physical and human capital.

What is your favorite place in the world?  
My favorite vacation was when I spent a week with my husband traveling in Egypt. But my favorite place, where I feel most relaxed, is home.

Do you have any hidden talents?  
Ballroom dancing. I travel around competing. It’s a lot of fun and uses a different part of my brain.
Development economics is missing new theories – true?

31 True. I think almost all fields in economics can use more theories. Economics is a relatively new science.

How can cooperation between researchers and development practitioners be improved?

32 I think there is a tendency for researchers to implement small-scale experiments in countries and then leave, and the local country gets very little benefit from that. Ideally, I think there should be collaboration with local researchers so that there can be human capital spillovers, as well.

Is “developing country” an appropriate term? Any better suggestions?

33 I think it is appropriate — it does not have negative connotations at least in my mind. It is better than saying “not-developing country!”

Is a global tax on capital utopia or could it actually work?

34 Don’t think it would be possible.

What is the most important unsolved question in development economics?

35 If I knew, I would be working on it.

Suggest one economic policy to fight national income inequalities.

36 I think the earned income tax credit in the US, which subsidizes wages for people who work a lot of hours at a low wage, is a good policy.

Does aid conditionality contradict democracy?

37 No.

Which economist has inspired you most?

38 James Heckman, my graduate advisor.

Blogs, working papers, books, or journals to follow research?

39 Mainly working papers.

Gross Domestic Product or Gross Domestic Happiness?

40 I am a bit skeptical of the reliability of happiness indices. GDP is probably more reliable.

What are the three most important global challenges for the next 50 years?

41 Achieving gender equity in education and employment in countries where women are not considered to be equal, improving access to services, such as water, sanitation, and schooling through secondary school, and pollution.

If you were not in academia, which organization would you like to work with?

42 Probably the World Bank.

What should be taxed most and what least?

43 I think value-added tax (VAT) is a good form of taxation and that the earnings of low-wage workers should not be taxed.
I think economics gives tools that provide valuable insights into many different kinds of questions, but sometimes I think economists might work together with scientists from other disciplines when they are addressing particular kinds of questions, like causes of climate change.

Information in developing countries is often transmitted through networks and I think we need new tools to analyze how social and business networks affect program effectiveness.

I think they could give a Nobel Prize for the early work on estimating dynamic discrete choice models. Major contributors include people like John Rust, Ken Wolpin, Ariel Pakes, and Robert Miller.

No, not after I saw a paper by de Janvry, McIntosh, and Sadoulet (2015) showing that Fair Trade does not provide much benefit to the farmers.

A little bit messy, but it’s not that bad.

When countries do not provide services or protections for disabled persons or for persons with mental or psychiatric disorders. I think a civilized society should take care of people who are not able to care for themselves.

I have written papers that did not get published in as prestigious a journal as I would have liked and I have submitted several unsuccessful grant applications. Failure is always frustrating, but my attitude towards failure is like the quote from Ralph Waldo Emerson, “The greatest glory in living lies not in never failing, but in rising up every time we fail.” I think the challenge to us, as human beings, is to overcome the adversity that we sometimes face, not only professionally, but also personally.
1. Should development cooperation focus on poor countries or poor people?

2. What are the three most important challenges of international development policy?

3. Is a global tax on capital utopia or could it actually work?

4. Unconditional cash transfers – more or less?

5. Why did you decide to become a development economist?

6. What will development cooperation look like in 2030?

7. If you were stranded on a deserted island, which economics book would you want with you?

8. What is the impact of development aid?

9. If you had to decide on one indicator: what is your proposed measure of development?

10. If you had to spend USD $1 billion to found an NGO, what would it work on?

11. Which economist has inspired you most?

12. Do you have a clean or messy office?

The people (though it is hard to understand why aid is called cooperation).

Corruption, inefficiency, kleptocracy.

Utopia.

For whom?

It was no decision; it evolved.

Like today, perhaps a few more countries will have taken off to modern growth.


On what?

GDP per capita.

Secular education.

Gary Becker.

I would say clean, compared to further down the corridor.
What is the most important unsolved question in development economics?  13 How to get rid of religious fundamentalism and conflict.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).  14 And then?

Which economics paper or book has influenced your thinking most over the last year?  15 Drew Fudenberg, David K. Levine: A Dual-Self Model of Impulse Control.

Which subject other than economics would you like to study?  16 If I were 20 again? Social Anthropology.

Gross Domestic Product or Gross Domestic Happiness?  17 GDP.

What was the biggest failure in your career?  18 I wasn’t aware of the power of a US degree from a good institution.

Suggest one economic policy to fight gender inequality.  19 Education.

Which of your own articles do you like best?  20 Always the most recent ones (until they get rejected).

Name a topic you have never worked on, but would like to in the future.  21 Renewable resource use.

How can the SDGs be useful?  22 Perhaps they help decision makers consider environmental issues.

Blogs, working papers, books, or journals to follow research?  23 Working papers (and books and blogs for fun).

What was the most important step in your career?  24 Not leaving university after my doctorate.

What is the most effective development policy?  25 I still believe it’s education.

How do you get or develop new research ideas?  26 Reading new research in the natural sciences and humanities.

Do you have any hidden talents?  27 No.
Which policy maker would you like to have dinner with?

28 Sahra Wagenknecht [Leader of the Opposition, German Parliament; Party: The Left].

Are new bilateral development aid providers better or worse than traditional OECD donors?

29 Next question.

We need more development economics research on…?

30 …religion.

If you were not in academia, which organization would you like to work with?

31 Self-employed (perhaps a boat rental at the Adriatic coast).

What are the three most important global challenges for the next 50 years?

32 Religious fundamentalism.

Does aid conditionality contradict democracy?

33 No.

Would you advise your friends to buy Fair Trade products?

34 Perhaps.

Suggest one economic policy to fight corruption.

35 Fewer licenses and procedures to get things done.

Does development cooperation focus too much on small-scale interventions?

36 No.

More development aid or more impact evaluations?

37 Why “or?”

Which economic question would be best answered by other disciplines?

38 Economic questions should be answered by economists.

Do we need more data, better data, better questions, or better methods for research?

39 I go for all four.

How many emails per day do you get? How many do you answer?

40 Excluding spam and visit requests from Pakistani students, on average, about 15.

What should be taxed most and what least?


What is the responsibility of a development economist?

42 Honest research.
What is the role of international private companies and private foundations in development?

They push it.

Suggest one economic policy to fight national income inequalities.

Inheritance tax.

Have you had any career outside of academia, and if so, why did you stop?

No, only a long sequence of lousy jobs.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?


What makes a good research paper?

A clever research question, interesting results, and a concise write up.

Is “developing country” an appropriate term? Any better suggestions?

Yes, no.

Which questions would be best answered by collaborations between economics and other disciplines?

Oh, there are so many: fertility, health, institutions and law, environmental issues …

Which economist should win the next Nobel Prize in economics?

Paul Romer (perhaps shared with Philippe Aghion).
What is the most important unsolved question in development economics?

1 The relationship between economic growth and income inequality still seems to be controversial.

How can the SDGs be useful?

2 The SDGs are useful because they are about ending poverty, fighting inequality and injustice, and tackling climate change. They are the comprehensive “to do” list of the most important development goals discussed and agreed on by the whole world, complemented with clearly specified targets, and with agreed upon indicators for monitoring the progress. The SDGs provide a good platform for channeling international aid and for holding the governing national and international structures responsible and accountable for development.

Do you have a clean or messy office?

3 I think that my office is reasonably tidy. My desk is in “in complete disarray” according to independent opinions, but everything still serves the purpose.

What is the responsibility of a development economist?

4 The responsibility of a development economist is to identify and elaborate laws of economic development and to use them to explain complex economic reality. The responsibilities include proposals of development policies based on a good understanding of how the laws apply in the real context. Although the projections and predictions for future development became an important part of the research work of development economists, they should not become part of his/her core responsibilities.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

In the extremely unequal world today, donations wisely used to support programmes for poverty reduction are important. However, transfers of donations should be accompanied with control mechanisms in place and with well-defined responsibility and accountability of all parties involved. A big issue of the perceived inefficiency of the “transfer” persists (i.e., the so-called “leaky bucket” phenomenon) – one donates $10, but a poor person receives only $2, with the remaining $8 leaked out as a cost of transfer. With the improved efficiency of the “transfer” more people would be willing to donate – even as high as 10% of their personal income.

I am not sure if it is the worst, but economists commit a frequent fallacy when interpreting statistical data where inference about the individuals is deduced from inference for the groups to which those individuals belong. From the fact that life expectancy is longer in countries with higher GDP per capita, it is too often concluded that rich people live longer, on average. While this may be true, it cannot be inferred from the country-level data.

I think that the most important step in my career as a statistician was when I focused on statistics of international development.

I don’t have one favorite place. I have a few of them, depending on what I would like to do or be – Belgrade, Serbia, for socializing; New York, USA, for cosmopolitism, culture, and food; Montenegro for leisure and spiritual recovery …

A good research paper has a well-formulated research problem, research hypothesis, concise literature review, an appropriate choice of methodology (methods, models), sufficiently high-quality data to sustain the inference and findings beyond a conjecture, well-interpreted results, and conclusions.

All of these are important communication materials aimed at not necessarily the same audience. They contribute to better understanding, deeper scrutiny, and enriched knowledge.
Development economics is missing new theories – true?  

As a science, development economics is in the process of continuous evolution, so there is always a need for new theories.

If you were not in academia, which organization would you like to work with?  

In my career as a statistician, I worked in academia and I worked in the public sector – the national government and the United Nations. I think that academia and the public sector are good alternatives – they complement each other nicely.

Which economist has inspired you most?  

I think that the writings of Amartya Sen have inspired me the most.

Which subject other than economics would you like to study?  

I was trained as a mathematician and a statistician. My knowledge of development economics came from my work in the Human Development Report Office of the UNDP. So, I guess, I would not be wrong if I say – I would like to study economics.

Which economist should win the next Nobel Prize in economics?  

Sir Tony B. Atkinson.

Which of your policy recommendations has had the biggest impact?  

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We need more development economics research on…?  

–

What makes a successful development economist?  

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Do you have any hidden talents?  

Haven’t had a chance to discover any yet.

Suggest one economic policy to fight national income inequalities.  

Increase the minimum wage, have reasonable tax laws, abolish tax havens.

Should development cooperation focus on poor countries or poor people?  

Ideally it should be both. In poor countries it can be a two-phase approach – first, helping countries implement sustainable development programs and then helping countries identify the neediest and to focus on trying to lift them out of poverty. There is a large number of poor people in the medium-income countries, as well, and they need international aid, too, through close cooperation with national governments.

Why did you decide to become a development economist?  

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What are the three most important global challenges for the next 50 years?

Environment, water, food.

Does development cooperation focus too much on small-scale interventions?

What is the most effective development policy?

Too many detailed questions and not enough big picture in recent years in research?

More development aid or more impact evaluations?

These are not alternatives; they have to go together. More development aid and more impact evaluations.

What is the role of international private companies and private foundations in development?

What are the three most important challenges of international development policy?

Response to climate change by mitigation, adaptation, and protecting the environment; building an international financial system that can fairly and universally support the sustainable development goals; adequate education and skills.

If you had to decide on one indicator: what is your proposed measure of development?

As one ‘simple’ indicator, I would propose life expectancy; as one composite index, I would propose the inequality-adjusted Human Development Index.

What is the most “interesting” email you ever got from a student?

How do you get or develop new research ideas?

Which economist would you like to have dinner with?

Perhaps, John Roemer.

Is “developing country” an appropriate term? Any better suggestions?

I think it is a good term, with the focus on the positive.

Unconditional cash transfers – more or less?

A combination of unconditional cash transfers and conditional cash transfers might be more efficient than either of the two applied separately.

If you had to spend USD $1 billion to found an NGO, what would it work on?

It would work on improving the quality of “human development” by improving the quality of education, quality of health care services, and improving people’s standard of living – housing, water and sanitation, and internet access.
Is the outsourcing of bilateral aid implementation to private companies good or bad?  

Do we need more data, better data, better questions, or better methods for research?  

What will development cooperation look like in 2030?  

Are new bilateral development aid providers better or worse than traditional OECD donors?  

Which policy maker would you like to have dinner with?  

Suggest one economic policy to fight gender inequality.  

Does aid conditionality contradict democracy?  

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We need more and better of both, data and methods for analysis and inference. In many developing countries, important data are collected, but have never been analyzed beyond the basic descriptive summaries; these data need to be “liberated” and available to researchers for research and study. On the other hand, so called “big data” generated by social networks, satellites, etc., need new methods for quality assessment and analysis.

I don’t think that there will be a big difference in development cooperation in 2030 from development cooperation today – it will be a similar mixture of multilateral and bilateral development support with a bit higher South-South cooperation.

New bilateral development aid providers (e.g., South-South cooperation) are important additions to the traditional Official Development Assistance (ODA) by OECD. With economic slow-downs in the developed world, developing countries are increasingly looking towards other developing economies for greater trade, investments, and development cooperation.


Gender inequality is a complex social, economic, and political phenomenon and should be addressed jointly. Looking only at the economic policies would not resolve the problem. Generally, the involvement of women in the economy is a proven engine for growth and also reduces gender inequality. Extending corporate responsibility to include gender equality issues throughout supply chains seems to be important.

Political conditionality which makes development aid conditional on the implementation of political reforms in the recipient countries may contradict democracy if it goes beyond the promotion and fulfillment of human rights and democracy and if rights to govern responsibly and accountably are infringed upon by the imposed conditions.
How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

I think that Moyo’s proposal is viable, but the real question is rather whether it would produce the desirable results. In that sense, I don’t see the international capital markets and direct foreign investments as alternatives, but rather as an addition to the current development aid strategies.

How can cooperation between researchers and development practitioners be improved?

Inequality: What can be done? by Anthony Atkinson.

Which economics paper or book has influenced your thinking most over the last year?

Which economic question would be best answered by other disciplines?

What should be taxed most and what least?

It is only natural to tax more those that have more – more income and more assets – and tax less those that have less and to exempt those that don’t have enough. The inheritance tax should be abolished universally. Tax havens should be abolished.

How much time do you spend “in the field” per year?

Suggest one economic policy to fight climate change.
**What is the impact of development aid?**

I feel like this is a huge question. It’s like asking, “What is the impact of rain?” I’m no specialist, but even so, I can see that there are myriad effects. It adds income to a country, but doesn’t necessarily lower income inequality. Further, the fight for those limited funds can create strife within and between recipient countries. Nevertheless, there’s no denying the lives development aid has helped. So it’s good, bad, and so complex that it takes decades to really understand.

**What is the most effective development policy?**

The credible establishment of enforceable property rights. Without property rights, there is no incentive to invest in capital (physical or human) or to create new intellectual property. Without those, there is no growth. On top of that, if property rights can’t be enforced, resources are wasted on protecting oneself from theft. This includes the theft and destruction of supposedly public goods, eroding and preventing investment in infrastructure. I think any attempt at development must begin with establishing property rights and creating a culture that respects and believes in them. I think that one place to begin is to encourage exchanges that allow future leaders in developing countries to spend time in nations where such cultures exist.

**Suggest one policy to fight poverty.**

I would implement a hefty inheritance tax on inheritances over a certain level (say 10 times the local annual average income). These revenues would then go into a global fund to be used to fund education and infrastructure in less developed areas.
Suggest one economic policy to fight climate change.

A tax on meat. The production and transportation of meat has massive environmental consequences. Restricting that practice would reduce greenhouse gas emissions, reduce the use of pesticides in growing food for the animals, and free up resources that can be used to reduce hunger. In addition, relative to a tax on petrol, for example, this would not have as large an impact on the economy, since meat is not an input into other industries.

What is the responsibility of a development economist?

The responsibility of a development economist is much like that of anyone else, academic or not: to develop insight and share it with others. Within research, to do this right requires one to be very critical – particularly of your own work. It is often necessary to build up an idea, tear it down, build it again, and repeat until you find something stable and robust (both intuitively and with respect to the data). Sometimes, this means admitting you were wrong, other times it means sticking to an unpopular opinion until the tide turns. Then comes the second part – sharing that insight. This requires a wholly different set of skills, especially compassion. Whereas the research phase is critical, the dissemination phase requires you to be patient and kind. It’s not easy or fun to have the same argument again and again, but sometimes that is what is necessary. Balancing the critical eye needed to really push the research, the human side to patiently help others understand how you arrived at an opinion after years of effort, and the humility to accept that not every idea works and that the learning process never ends – that’s the responsibility of all researchers.

Are new bilateral development aid providers better or worse than traditional OECD donors?

More development aid or more impact evaluations?

Impact evaluations. I say that as they are necessary both to figure out what works as well as limit corruption and wasted funds. At the moment, I think the marginal benefits of better understanding and greater policing still exceed the opportunity cost of less aid.
What was the most important step in your career?

I invited Assaf Razin to come give a talk when I was at Oregon. He introduced me to Peter Birch Sørensen in Copenhagen, who invited me to come for a visit. This started a ball of international travel rolling that so fundamentally changed my approach to economics and life, resulting in me moving to Ireland from the US. That network of connections gave me links to a broad set of ideas, questions, approaches, and data. Without that one invitation, I know I wouldn’t be where I am now.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Development economics is missing new theories – true?

It sounds great, but it’s doomed to failure. People don’t pay the taxes they’re legally obligated to so expecting them to voluntarily pay is unrealistic.

To suggest that the field is missing new theories is to suggest that it is missing the target. Within development economics, this seems particularly apt since global poverty is still a huge problem. That said, I don’t know that new theories are the shortcoming – the first-order determinants of poverty are pretty clear and understood. We have a decent idea of what policies are needed to achieve change. The big question is how to implement the suite of policies needed to overhaul an economy while simultaneously achieving the seismic change in culture so that people work with the policies rather than seeking to circumvent them. We can postulate all the new economic theories we want, but that doesn’t change the fundamental problem of how to change culture, something that may be outside of both economics and reality.

Which questions would be best answered by collaborations between economics and other disciplines?

I think that there does need to be more work with those who study culture. The big challenge isn’t dreaming up a policy to achieve an objective, it’s in changing the *culture* in which the policy operates. Fundamental mistrust of institutions, lack of patience, tribalism – all of these are cultural phenomena that hamstring economic efforts. In order to achieve meaningful change, it’s not even enough to tailor a policy to a culture, the underlying culture has to be transformed.

What is your favorite place in the world?

In my wife’s arms. I’ve hiked and dived many wonderful places, had plenty of astounding meals, enjoyed a pint in some of the greatest pubs on earth, but at the end of the day, it’s all about people. And she’s my favorite person.
It's a dream. Every time we dream up a policy to tax what is, in essence, a highly mobile intangible, investors will find a work-around. Eventually, we will see financial centres in space where, by international agreement, no nation has jurisdiction. If there's enough money to be saved, somebody will find a way to do it.

My advisor, Tom Gresik. Tom's not the best-known economist, he'll never win a Nobel Prize, and, to be honest, I find a lot of his research kind of boring. But he taught me that the biggest place you can make an impact is by supporting those coming behind you. I put a lot of time and effort into young economists because of what I learned from his example. Long after my papers have stopped being cited, my role in establishing a culture of support and encouragement (while maintaining quality) will continue to have an effect.

I don't consider myself a development economist. As a trade economist, I've necessarily touched on certain issues that relate to development, including the effects of foreign direct investment (FDI) on wages and child labour. However, I'd never be so bold as to claim any in-depth knowledge on development. That's a big part of why I like co-authorship; the ability to exploit comparative advantages and achieve in partnership what I wouldn't be able to do on my own.

Sad to say, I've never really been “in the field.” That said, every experience – with students, wandering around Dublin, meeting with policy makers in Geneva, hiking in South Africa, and so on – all of these inform my understanding of the world and how people interact. So, in that way, I could say I'm in the field 24 hours a day.

Of course. Thousands of things terrify me; fear for my friends, family, the planet, and when I really get going, the eventual entropy or reverse Big Bang or whatever is coming for the universe. I think this comes with age. “Pharmacists and terrorists hiding underneath your bed; I tell you son that middle age does a number on your head.”
Suggest one economic policy to fight national income inequalities.

Which of your policy recommendations has had the biggest impact?

How do you get or develop new research ideas?

Is “developing country” an appropriate term? Any better suggestions?

What is the worst assumption you have come across in an economic model by an economist?

What makes you angry?

If you had to decide on one indicator: what is your proposed measure of development?

What will development cooperation look like in 2030?

Unconditional cash transfers – more or less?

That we get a coffee machine for the Economics office.

Probably the most important factor is beer. Seriously – so many good ideas happen just by drinking a pint with an old friend, a colleague at a conference, or a grad student after a seminar. That ability to listen to what interests someone, riff and bounce ideas off of each other, and get the excitement flowing, that’s my biggest inspiration.

If we’re going to call Europe “developed” I think it works fine. But I do wonder whether this terminology falsely creates the expectation that eventually a country will arrive. There is no end to development, so we’re all developing. In addition, this notion suggests that poor countries will someday catch up to the rich ones, something that does not seem to be happening. Thus, my issue is less with “developing,” and more with “developed.”

I remember refereeing a paper that had a partial equilibrium section and a general equilibrium section. The partial equilibrium one consisted of a linear demand curve for a single good. The general equilibrium one added a linear supply curve to it. That was pretty awful.

I have always been especially rankled when someone in power, someone untouchable, exploits others without any concern of reprisal. That notion of such a big gap between those with power and those without feels so unfair. That feeling has almost ruined books and movies for me. In particular, I spent all of Harry Potter and the Order of the Phoenix raging about Dolores Umbridge.

Happiness.
Blogs, working papers, books, or journals to follow research?

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

What makes a good research paper?

I hate to say it, but the only stuff I read is what gets sent to me to referee or edit.

There are two tips I give students about writing a paper. First, make it easy on the reader. Call profits $\pi$, not $\alpha$. Put *s on significant coefficients. Call your variables real things like “home GDP” not “gdp_hm.” Have a sentence that says “This paper contributes by…” somewhere on the first page. If you can make the paper easier to read, you’ll make the results more convincing. Second, make a fish hook out of the paper. You should have one big idea – the main hook – but be sure to have (at least) one more idea which becomes the barb to keep the reader on the hook.

Should development cooperation focus on poor countries or poor people?

People, all the way. Countries are people in the aggregate and if you focus on improving the country this may well happen by hurting significant numbers of people. But if you focus on helping the people, the country’s numbers will always reflect that.

If you were stranded on a deserted island, which economics book would you want with you?

Andreu Mas-Colell, Michael Whinston, and Jerry Green’s “Microeconomics.” It’s huge. I could use it as a weapon or, with its many pages, have enough toilet paper to last a good year.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Clean energy. If we could develop something real, particularly something small and mobile, it would create industry and spur growth, reduce environmental degradation, and shift power away from the oil-rich countries who, if we’re going to be honest, are not bastions of human potential.

Which economic question would be best answered by other disciplines?

What are the three most important challenges of international development policy?
I think the three biggest challenges are inequality, climate change, and radical extremism. Inequality is the particular problem since climate change is going to affect different countries and classes differently. In addition, the raging inequality, even within OECD countries, significantly contributes to extremism.

William Greene’s 2004 Economic Journal paper showing that you cannot include too many dummy variables in a probit regression. You wouldn’t believe how much trouble that’s caused me.

I think the biggest unsolved question is how to achieve a cultural shift in a short period of time. I believe that the development of a society has multiple equilibria, some of which create a standard in which people simply expect that their property and personal rights will be upheld, leading towards a valuation of the societal good, and some of which do not. We can apply every policy we want, but until we alter the underlying culture of the economy, we cannot achieve sustainable improvements. Unfortunately, there does not seem to be a silver bullet for moving a society from one equilibrium to another, but if we can find it, then I think great things can be achieved.

To be honest, I don’t really know what big data is. Isn’t data data? Is it being used in a different way? What makes it big? It’s like when my daughter talks about Snapchat – I kind of know what it is, but don’t get why it’s different or better than using a phone to actually TALK.

Absolutely. I think that such labelling schemes can actually help the local producers, but for that to work there needs to be credible enforcement and strong property rights so that the rents generated stay with the little guy. As it’s currently set up, I don’t know how effective they really are. But if, for the moment, buying Fair Trade does nothing but signal consumer support for the local producers, that in and of itself, I think, is worth paying for.
Which policy maker would you like to have dinner with?

I’d rather have dinner with a societal visionary like Elon Musk [Entrepreneur, Innovator and Investor, USA]. I think that the efforts of people like him are where the really innovative things will happen. Policy makers are bogged down in the political mire in which they work; entrepreneurs operate in parallel to that and can therefore think big. Actually, what I’d really want is to have Elon Musk sit down to dinner with the leaders of the OECD and tell them about his vision and convince them of the potential of humanity. I’ll just sit in the back of the room and sip a glass of wine.

How can cooperation between researchers and development practitioners be improved?

Have you had any career outside of academia, and if so, why did you stop?

I was lucky enough to work in McDonald’s when I was in college for a summer. I say lucky because that fully convinced me that I never, ever wanted to work in the real world. It gave me the motivation to study, ultimately leading to where I am now.

How many emails per day do you get? How many do you answer?

Maybe 80? But of those, half get one word answers, with “yes,” “no,” “cool,” and “WTF” being the most common.

Does development cooperation focus too much on small-scale interventions?

–

We need more development economics research on…?

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Suggest one economic policy to fight gender inequality.

An economic policy suggests that gender economic inequality is the problem. Instead, I suggest that income inequality is just a symptom of the underlying sexism in society. Women are expected to want to stay home with babies, a man can choose to. A physically attractive woman is desired, a comparable man is powerful. A woman should defer, a man should lead. These differences put women at a disadvantage in schools and the workplace and that is what causes the economic inequality. I don’t think an economic policy can fix that issue unless you can come up with a tax on being a jerk.
Suggest one economic policy to fight corruption.

Again, I think enforcement of property rights is an important pillar in development. Corruption happens when someone with a bit of power doesn't see a reason not to exploit that. If the grabbing hand can be made to see the value in a well-operating system and that such a system creates opportunities that raises all boats, this, combined with a legitimate social condemnation of corruption, would stop a good portion of the practice. True, some people are just jerks and will exploit their power no matter what, but I think that a lot of corruption takes place because of the belief that everyone else does it too, so what does it matter if I do it?

If you were not in academia, which organization would you like to work with?

I'd like to have a record store. The only downside is I also like to earn a living. I think those two are mutually exclusive.

What makes a successful development economist?

Not a clue. But I hope it requires being an open, supportive mentor who approaches research as a cooperative endeavor rather than as a competitive one.
What is the most important unsolved question in development economics? 1
Why inequality really matters.

Do we need more data, better data, better questions, or better methods for research? 2
Better data.

Which economist would you like to have dinner with? 3
Josef Stiglitz.

What makes you angry? 4
Non-economists trying to reinvent economics.

How much time do you spend “in the field” per year? 5
4 to 5 months.

What is the impact of development aid? 6
Make development happen faster than it would happen anyway.

Which policy maker would you like to have dinner with? 7
Aung San Suu Kyi [Leader of the National League for Democracy, Burma].

Is there anything you are afraid of? 8
Angry Asian women.

If you were stranded on a deserted island, which economics book would you want with you? 9
Poor Economics.

What should be taxed most and what least? 10
Cars and motorcycles most, bicycles least.

Too many detailed questions and not enough big picture in recent years in research? 11
It’s not a matter of too detailed questions, there is a need for more good detailed questions.

Does aid conditionality contradict democracy? 12
I don’t think so; there isn’t just “one democracy.”

What are the three most important challenges of international development policy? 13
1) Corruption
2) Donor biases
3) Short duration of projects
What is the worst assumption you have come across in an economic model by an economist?

Income measures cannot be used for subsistence farming, therefore proxies, like land, must be used.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Orphanage care and education.

Does development cooperation focus too much on small-scale interventions?

I don’t think so.

If you had to decide on one indicator: what is your proposed measure of development?

HDI.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

I take her point of criticizing policies of major donors, but I think her analysis is emotional and not fact-based.

What is your favorite place in the world?

Xishuangbanna in Southern China.

Do you have any hidden talents?

I don’t know because they are hidden.

What is the role of international private companies and private foundations in development?

Recently, a growing share in official development aid (ODA), but perhaps not always for the common good (companies) or too naïve (foundations).

How can the SDGs be useful?

Give responsibility to individual development organizations.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

Not a good idea! Why should they do it better than GIZ, etc.?

We need more development economics research on...?

…inequality and multi-dimensional poverty.

Unconditional cash transfers – more or less?

More, but well targeted.

Suggest one policy to fight poverty.

Better quality rural education.

Development economics is missing new theories – true?

Not sure!

Is “developing country” an appropriate term? Any better suggestions?

Not a good term; better say what it really is: underdeveloped!
How many emails per day do you get? How many do you answer?

29 Not too many!

Which subject other than economics would you like to study?

30 Psychology.

More development aid or more impact evaluations?

31 Both.

Which of your own articles do you like best?

32 None.

What is the most effective development policy?

33 Investment in education.

Why did you decide to become a development economist?

34 My grandfather said I am too stupid to be a farmer.

If you were not in academia, which organization would you like to work with?

35 Save the Children.

How do you get or develop new research ideas?

36 In the plane, because I fly high.

Should development cooperation focus on poor countries or poor people?

37 Poor people.

Suggest one economic policy to fight national income inequalities.

38 Fairer access to resources and public services.

Which economic question would be best answered by other disciplines?

39 Do people change risk attitudes and why?

What was the biggest failure in your career?

40 I stopped trying to become a professional cyclist.

Which of your policy recommendations has had the biggest impact?

41 Don't think there is any!

Are new bilateral development aid providers better or worse than traditional OECD donors?

42 After some time, they will be the same.

Suggest one economic policy to fight corruption.

43 That’s a contradiction! You can’t out the devil with the “Beelzebub.”

What makes a successful development economist?

44 Depends on your definition of success.
What will development cooperation look like in 2030?

Environment and food policy.

Which economist has inspired you most?

Hans Ruthenberg, during my student time.

Suggest one economic policy to fight climate change.

Higher taxes on energy.

Do you have a clean or messy office?

Office compost.

Gross Domestic Product or Gross Domestic Happiness?

GDP.

Which economics paper or book has influenced your thinking most over the last year?

What was the biggest failure in your career?

1. My biggest failure seems to me to be that I have not submitted many papers because I keep thinking I will wait to find a time to make them stronger. I am sure that there are more important failures, such as failure to recognize the right question.

Suggest one economic policy to fight climate change.

2. Plant trees.

Development economics is missing new theories – true?

3. No. To take one example, there are new psychological theories of poverty.

Suggest one economic policy to fight corruption.

4. Increase the share of women in government.

Does development cooperation focus too much on small-scale interventions?

5. No. In any case, the optimal scale of an intervention will tend to depend on what sort of intervention it is and the capacity, competence, and commitment of whoever is in charge of implementing it.

Are new bilateral development aid providers better or worse than traditional OECD donors?

6. I have not studied the evidence. In principle, new bilateral aid providers may be able to tailor their interventions to the particular needs of a country at a particular time.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?

7. I have not studied the proposals, but they sound innovative and plausible to me.

If you had to decide on one indicator: what is your proposed measure of development?

8. Health and survival have evident intrinsic value and there is increasing evidence of their functional significance. Infant mortality is commonly used as a marker for population health in developing countries, since it is sensitive to infection and nutrition. While levels of infant mortality are still unnecessarily high, they have exhibited a secular decline and awareness of the need to effect further decline is fairly widespread. If I had to choose one indicator, I would therefore choose maternal mortality. For decades, there were no dedicated efforts to measure or monitor maternal mortality. While it has declined in the last decade and a half, there is huge potential for further decline.
The question of whether unconditional cash transfers are effective is best considered relative to alternatives. Is the alternative a conditional cash transfer or improvements in school quality or immunization? Moreover, are unconditional cash transfers sustainable? In principle, income support programs can be run from tax revenues, but in practice, if support is fragile, it can be difficult to withdraw transfers, especially if recipients expect them to be permanent.

I think it could work. We need global cooperation on climate change and human rights, two issues that cross national boundaries. We have the institutional infrastructure for such cooperation, making the management of a global tax feasible. In terms of whether it is “fair,” if it is fair that capital (and goods) flow across national borders, for example, via multinationals, it seems fair that there is a global capital tax.

Why democratization combined with increasing health and literacy has made relatively little difference for poverty.

There is a media revolution making it possible to disseminate research findings through all of these channels.


Angus Deaton. I am also very impressed by Tim Besley. Both have incredible intuition, breadth, versatility, and, of course, talent. Importantly, both are genuinely interested in solving problems.

I don’t think there is a single most effective policy, but I would like to highlight provision of clean water. This is not costly and has immediate and large impacts on health.

Again, I don’t think it makes sense, ad hoc, to isolate one policy, but as this is neglected and my research often converges upon it, I would vote for the empowerment of women.
What makes a successful development economist?

A natural interest in the world around her, an understanding of markets, governments, and institutions, a curiosity about history, an imagination, a flair for looking at big questions, and strong statistical skills, particularly, an intuition for data. I think Stephan Klasen, for whom we are writing this book, fulfills all of these criteria.

How do you get or develop new research ideas?

By reading and by looking at the world around me. But often, one thing leads to another, so one paper suggests the next.

How much time do you spend “in the field” per year?

I spend very little time doing field work as an economist. At this time, I am involved in the follow-up of two randomized controlled trials, but we have very good field teams in both cases. I’d find it hard to go away for any length of time, as I have full charge of my daughter and her school schedule.

Should development cooperation focus on poor countries or poor people?

If forced to say, I would of course say poor people. However, one might argue that the structural causes of poverty are associated with the way the country works and is governed. This may not be something that development cooperation can change, but if it can, then the country may be a way in to the people.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

I am inclined to say yes, but I am currently not doing this so I feel I have no right to say yes. For now, I have assigned a substantial fraction to charity in my will.

Do you have a clean or messy office?

Messy – not as in dirty, but as in full and untidy.

Which subject other than economics would you like to study?

English literature and physics (if I am allowed two). I knew this before I started university and my preferences have not changed. It was my father, not I, who decided I would do economics.

If you were not in academia, which organization would you like to work with?

An NGO.

What makes a good research paper?

A good story, clear presentation, unassailable evidence, a thoughtful discussion of the meaning of the question and the answer, and alternative interpretations.

Too many detailed questions and not enough big picture in recent years in research?

Possibly.
We need more development economics research on...?

Which of your own articles do you like best?

A paper called “Shadows of the Captain of the Men of Death: Early Life Health Interventions, Human Capital Investments, and Institutions,” co-authored with Atheendar Venkataramani. It is set in 1930s America, when pneumonia was the main cause of death for children, as is the case in developing countries today. Pneumonia was coined, “the captain of the men of death,” by physician William Osler, using a phrase that John Bunyan coined for tuberculosis. The introduction of antibiotics made a dramatic difference to disease and death. We show that the first antibiotics, which became available in 1937, led to sharp reductions in pneumonia among children and that these children grew up to have higher education, employment and income, and lower rates of disability than children of pre-antibiotic cohorts. In an important extension of this result, we show that while white men benefited similarly, no matter where they lived, black men in the more segregated Southern states gained very little. We reject the hypothesis that this is because they did not access the new drugs, arguing that their childhood health did improve, but they did not make subsequent investments in human capital because the returns to human capital were capped by segregation. I am interested in health, race, and history, so I enjoyed writing this paper.

Have you had any career outside of academia, and if so, why did you stop?

The career I have outside of academia is being a mother and it has not stopped. I think it never does.

Why did you decide to become a development economist?

I think that this is where analysis has the most potential to make a difference. It is also where there are some big puzzles.

Which policy maker would you like to have dinner with?

I don’t know. Just one who is interested in having dinner with an academic, someone from whom I may learn something, and someone who might also make me laugh.

What is the most “interesting” email you ever got from a student?

“I’m sorry I could not come to see you. I have been very busy.”

Suggest one economic policy to fight national income inequalities.

Equal opportunities, starting early in life with preschool, school, and childhood health.
How can the SDGs be useful? 35 They can be useful in raising awareness and the profile of development problems in the wider population, and in motivating national and international policy makers to develop strategies and targets. Importantly, there is measurement and monitoring. All of this also stimulates research.

What are the three most important challenges of international development policy? 36 Sustainability, managing corruption, keeping abreast of and open to new research.

How can cooperation between researchers and development practitioners be improved? 37 I think this is terribly important for both parties. Funders are forcing some cooperation, but it is seldom solid. I think the incentives in universities and in the organizations where development practitioners work need to be strengthened. I think a major problem is that practitioners have short time horizons.

Is “developing country” an appropriate term? Any better suggestions? 38 I prefer low-income country because it is really only income that defines their status. They may, for example, be culturally highly developed.

Which economics paper or book has influenced your thinking most over the last year? 39 I wish I had more time to read books. I cannot think of a single paper that has had a disproportionate influence on me, although I have very clear views on whether the papers I read are good or not!

Does aid conditionality contradict democracy? 40 Not necessarily. For example, the conditions may be that a democratically elected government attaches more weight to the environment. It may be that the people most affected by environmental degradation (the poor) do not turn out to vote as much as the rich and their preferences are under-represented in the democracy.

Name a topic you have never worked on, but would like to in the future. 41 When I am a bit older and can find some respite from research commitments, I would like to directly influence policy and if that doesn’t work, to work with an NGO, so that my career as a researcher makes a difference.

Suggest one economic policy to fight gender inequality. 42 Women’s education has been much discussed, as has access to contraception. I think educating men, early on, and attempting to change norms to make various forms of gender inequality unacceptable may make an additional difference.

What is the role of international private companies and private foundations in development? 43 To increase financing of development initiatives.
I don’t see this as one or the other. I have some reservations about both, or at least about the way in which both are currently done.

Yes, for sure.

Difficult one. I’d be biased by my own research interests.

I like to think big opportunity. I always believe in the potential to expand knowledge, though I appreciate that this often needs regulation. While economists worry about data mining, lawyers and human rights activists worry about threats to privacy and security.

I don’t think any of my recommendations has changed policy, unfortunately. I haven't directly worked with policy makers yet. UNESCO, however, in preparing its Global Monitoring Report a couple of years ago, seemed excited about a paper I wrote with Damian Clarke showing that women’s education is as important for maternal mortality as income or skilled attendance at birth (in standardized units of change). I was an early contributor, with Chris Heady, to empirical economics research on child labour and these papers were quite widely discussed and cited, in particular, the finding that land-owning (and hence richer) households were more likely to use child labour and less likely to send their children to school. This confirms behavioural predictions of economic models and makes us think about consequences of, for example, land reform. I am hoping that my papers that show the dynamic long-run gains to treating pneumonia and diarrhea in children will have an impact, and similarly, my current research on maternal depression.

Maternal and child health.

To be honest, to communicate, to train the next generation … not so different from the responsibilities of other academics, I suppose.
We need more development economics research on...? 1 ...almost everything that calls for replication in a different context.

Which subject other than economics would you like to study? 2 Audio engineering, psychology.

What was the biggest failure in your career? 3 Not being brave enough in some instances.

Which policy maker would you like to have dinner with? 4 Not sure whether he can be considered a policy maker, but if so, I’d like to have dinner with the Dalai Lama.

Is the outsourcing of bilateral aid implementation to private companies good or bad? 5 I think it depends very much on the sector. With respect to communication, it appears that the poor are benefitting. With respect to other sectors, such as microfinance, I have doubts whether the focus of many microfinance institutions (MFIs) on financial sustainability leads to a greater inclusion of the poor and widespread financial deepening.

Big data – big opportunity or data mining? 6 I guess it has something of both, though I prefer to first pose the question and then collect the data needed.

What makes a good research paper? 7 The right question answered with the right data using the right method. And please, not always a focus on new and fancy questions to be published in the highest ranking journals, but also on deepening the understanding of existing research results, in the sense of replicating studies using different data.

What is the most important unsolved question in development economics? 8 How to get people to lead a peaceful and happy life.

How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps? 9 In the long run, international financial markets are inevitable for government finance. I, however, doubt whether developing countries, on average, offer sufficient incentives and securities to attract investors such that interest rates can be kept at a manageable level.
Good question that depends again on the conditions found in a particular country. I think the best development policy is the one where, (1) development agents really know what they are doing, (2) satisfying political interests, unrelated to the target group, is not the primary goal, and (3) development agents are willing to change the design of the program as soon as it turns out that it is not delivering the expected results.

Such big chunks of money overwhelm me and I would rather hire a consultant to coach me a little. But if I had to, I may start something new and help people to improve communication with each other, such as poor with non-poor, women with men, Muslims with Christians, and so forth.

It will be driven even more by political motives.

I’m an untidy guy. I tried to change it, but somehow I always had other things to do…

It probably could work, but more scandals may be needed.

Depends very much on the sector and the country. At least aid contributes to raising awareness to the situation in developing countries.

They should probably not only talk to each other, but also listen. In my view, researchers should not exclusively focus on whether an idea is new or publishable in a high ranking journal. Researchers should consider doing more replications of studies to render results more reliable. Practitioners, on the other hand, should allow for more transparency with regard to their projects and impacts and allow researchers to access and analyze their projects. Also, quick delivery of results may not always lead to the expected results, which could probably be changed, if researchers were allowed to contribute to the design of projects in such a way that learning could really be possible.
Have you had any career outside of academia, and if so, why did you stop?

I used to work at the German Development Bank (KfW), which was really interesting. After a while, I didn't like the food served at lunch any more. In addition, I found that there are so many interesting questions out there in the world and I wanted to spend more time trying to answer these. I also wanted to teach, which I find very inspiring since students want to know why they should learn the stuff I am trying to convey.

Should development cooperation focus on poor countries or poor people?

Well, given that more and more poor people live in emerging economies, development cooperation, understood in a broader context as development and economic cooperation, should focus on the poor in these countries, too.

Which economist has inspired you most?

Amartya Sen, Christopher Udry, Esther Duflo and – really true! – Stephan Klasen. Also, the many friends and colleagues during my PhD who were pursuing their own PhDs, and the endless discussions on the state of the world and on flexible production functions, in particular.

Which economic question would be best answered by other disciplines?

What is utility?

Blogs, working papers, books, or journals to follow research?

Project Syndicate, VoxEU.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Sounds good to me.

Why did you decide to become a development economist?

I always wanted to travel, but when I arrived in Asia for the first time I felt nothing more pressing and, at the same time, more exciting than working on poverty reduction.

Which questions would be best answered by collaborations between economics and other disciplines?

What is development?

What should be taxed most and what least?

Most: environmentally damaging goods; least: necessities, such as food.

If you were not in academia, which organization would you like to work with?

International Fund for Agricultural Development (IFAD), Gates Foundation, Abbey Road Studios.
27 What are the three most important global challenges for the next 50 years?

Peace, equity, environment.

28 Is “developing country” an appropriate term? Any better suggestions?

Hm, for me it is just a word. However, since development is a continuous process, it would perhaps be more appropriate to call developing countries “low-income countries.” In the future, there will probably be other terms.

29 What is your favorite place in the world?

Himalayas, Vancouver Island.

30 Gross Domestic Product or Gross Domestic Happiness?

Gross Domestic Product while considering equity and the environment. Happiness is certainly a very relevant goal, but I deem it difficult to achieve by policy makers who (1) may be unhappy themselves and (2) may misuse the happiness of their citizens. Can people be made happy by declaring war on another country and thereby improving trust and solidarity among citizens? Not sure whether that works, but if so, then happiness carries some pitfalls when declared as a primary policy goal.

31 More development aid or more impact evaluations?

More impact evaluations, in case they help to better design aid.

32 How can the SDGs be useful?

As a lobbying and awareness instrument, they work quite well. Apart from that, I have my doubts whether the SDGs can be useful at all: too many goals carries the risk of rendering the agenda irrelevant due to contradicting goals (growth and environment) and arbitrary selection of political priorities, while too few goals carries the risk of neglecting important dimensions of development. In principle, I would say that to improve the SDGs, donor countries need to get involved beyond spending money by helping to create a global economy that promotes environmental and equity goals.

33 Suggest one economic policy to fight national income inequalities.

Free and high-quality education.

34 If you were stranded on a deserted island, which economics book would you want with you?

I haven’t read it yet, but I would want the book Caring Economics from Matthieu Ricard and Tania Singer. To keep my synapses alive, I would probably take Microeconomic Theory from Mas-Colell, Whinston, and Green and solve the end-of-chapter problems.
What is the responsibility of a development economist? Answering relevant questions and contributing to the awareness and relevance of development.

What are the three most important challenges of international development policy? Peace, equity, environment.

What was the most important step in your career? Asking Stephan Klasen to become my PhD supervisor.

How much time do you spend “in the field” per year? None at the moment, as I have to develop my teachings before I can do research again.

What makes you angry? I don’t like aggressive behavior.

Development economics is missing new theories – true? Development economics is currently reflecting the trend that the focus is more on empirical results and less on theory. For the time being, I think this is the right approach, as one needs empirical results to get inspired to develop a theory. Armchair economics is often in danger of posing questions that are only relevant to theorists and of not answering real-world problems.

Does development cooperation focus too much on small-scale interventions? I don’t think so.

Suggest one economic policy to fight corruption. Inspire people by being a role model and by not being corrupt.

Which of your own articles do you like best? I am lagging somewhat behind in terms of publications, so there is not much that I can find best.

Which economist should win the next Nobel Prize in economics? Esther Duflo, for making experimental and behavioral approaches popular in development economics.

Suggest one policy to fight poverty. I don’t think that there is the one policy to fight poverty. If I really had to focus on only one policy, I would perhaps choose to improve education, as I think that high-quality education is a door opener for many income-generating activities, though of course not the only one. With education, though, at least migrating and finding a job elsewhere may become easier.

Does aid conditionality contradict democracy? I don’t think so, even though I think that donors should not overdo it with conditions imposed.
Which economics paper or book has influenced your thinking most over the last year?

If you had to decide on one indicator: what is your proposed measure of development?

If really only one, then my choice would probably be happiness (somewhat contradictory to what I have said above), even though I do not find it necessarily useful as a policy goal for reasons noted above. The reason why I am choosing it here is that happiness is probably the indicator which is most closely related to welfare. Nevertheless, happiness as an indicator does not imply anything about how to achieve it. In principle, I favor a dashboard approach to describe levels of development including many dimensions while not necessarily aggregating all information into a single indicator.

How many emails per day do you get? How many do you answer?

Not sooo many, and I love it. Maybe 10–20 per day; much of it is informative, so that I have to respond to about half of it.

Unconditional cash transfers – more or less?

More.
Which of your policy recommendations has had the biggest impact?

My work on the impact of mobile phones on agricultural markets has had the biggest impact, although unfortunately, the policy has somewhat interpreted my research in a way that it wasn’t intended.

We need more development economics research on…?

…agriculture and the environment.

What makes a good research paper?

A clear research question that is both economically and policy-relevant, that is innovative, and uses data (or theory) in a convincing – yet humble – way.

Which questions would be best answered by collaborations between economics and other disciplines?

All of them.

Is a global tax on capital utopia or could it actually work?

Unfortunately, I am not well versed on this to answer the question.

What was the most important step in your career?

To leave my NGO job and get a PhD.

Do you have a clean or messy office?

Clean.

Too many detailed questions and not enough big picture in recent years in research?

I think the balance has been fine.

Does aid conditionality contradict democracy?

Yes.

What is your favorite place in the world?

Wherever my family and friends are.

What are the three most important challenges of international development policy?

Coordination, developing aid priorities from the “top down,” and politics.

Suggest one economic policy to fight corruption.

Policy or intervention? A potential intervention is the use of hotlines, but with a civic education partner on the other end to follow through. Information on corruption in the absence of follow-through is useful.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>What makes a successful development economist?</td>
<td>A person who is thoughtful, empathetic, and interested in rigor and practice.</td>
</tr>
<tr>
<td>What are the three most important global challenges for the next 50 years?</td>
<td>Climate change and environmental degradation, security, and population density.</td>
</tr>
<tr>
<td>Which policy maker would you like to have dinner with?</td>
<td>Obama [President, United States of America].</td>
</tr>
<tr>
<td>If you were stranded on a deserted island, which economics book would you want with you?</td>
<td>Hmmm … that is tough. I can’t choose.</td>
</tr>
<tr>
<td>Have you had any career outside of academia, and if so, why did you stop?</td>
<td>Yes, I worked for an NGO in West and Central Africa. I loved my career and the work, but I also felt that I needed greater expertise to do my job well.</td>
</tr>
<tr>
<td>Suggest one economic policy to fight gender inequality.</td>
<td>Effective and engaging adult education programs for men and women.</td>
</tr>
<tr>
<td>Which subject other than economics would you like to study?</td>
<td>Medicine. Agronomy.</td>
</tr>
<tr>
<td>What will development cooperation look like in 2030?</td>
<td>—</td>
</tr>
<tr>
<td>How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?</td>
<td>Not very.</td>
</tr>
<tr>
<td>What was the biggest failure in your career?</td>
<td>Working on a project and a paper that I wasn’t proud of.</td>
</tr>
<tr>
<td>How can the SDGs be useful?</td>
<td>By encouraging development actors from different countries and institutions to focus on similar goals.</td>
</tr>
<tr>
<td>Should development cooperation focus on poor countries or poor people?</td>
<td>Both.</td>
</tr>
<tr>
<td>Which of your own articles do you like best?</td>
<td>My article on the impact of mobile phones on adult learning.</td>
</tr>
<tr>
<td>Unconditional cash transfers – more or less?</td>
<td>In general, I think that we need to be more thoughtful in understanding how unconditional cash transfers compare with other interventions. As of now, we seem to be jumping on the “unconditional cash transfer bandwagon,” without comparing unconditional cash transfers with alternative forms of aid.</td>
</tr>
</tbody>
</table>
If you had to spend USD $1 billion to found an NGO, what would it work on?

Agricultural adaptation to climate change in Africa.

How can cooperation between researchers and development practitioners be improved?

A meeting where expectations and approaches are discussed, and funding that is conditional upon collaboration.

What makes you angry?

Injustice. Lack of empathy.

Is "developing country" an appropriate term? Any better suggestions?

Developing sounds condescending and seems to be a loaded term. Low-income?

What is the impact of development aid?

Who knows?

Does development cooperation focus too much on small-scale interventions?

No.

If you were not in academia, which organization would you like to work with?

I have worked with several development organizations, and enjoyed them all for different reasons. Academia is the right fit for me at this point in time – but I could also see returning to my NGO life at some point.

Gross Domestic Product or Gross Domestic Happiness?

GDH.

More development aid or more impact evaluations?

Can we have more of both, but not equally?

What is the most important unsolved question in development economics?

What are the pathways out of poverty?

I worked in West and Central Africa for a long time, and a key role was monitoring and evaluation and agricultural marketing. I felt that, while we were doing "good" work, doing good wasn't good enough, and we needed to be more circumspect about our successes. I also felt as if I didn't have the necessary skill set to contribute to many of the challenges that we observed.

Which economics paper or book has influenced your thinking most over the last year?


Suggest one economic policy to fight national income inequalities.

Direct income support for the poor from donations from the wealthiest population. Which won't happen without high levels of taxation.
Suggest one economic policy to fight climate change.

Subsidies for investing in renewable energy grids for industry in high- and low-income countries. (But you should probably ask an environmental economist who works on this and is better informed than I am!)

Would you advise your friends to buy Fair Trade products?

It depends upon the product and its track record.

Development economics is missing new theories – true?

No.

Which economist has inspired you most?

Pascaline Dupas.

What is the most effective development policy?

There is never a single bullet in development policy.

What is the worst assumption you have come across in an economic model by an economist?

I am less worried about assumptions made in formal economic models, and more worried about assumptions often made about the constraints and capacities of poor households in developing countries.

Suggest one policy to fight poverty.

Only one? There are no silver bullets – so the policies to tackle poverty will depend upon the local context, those market failures, and existing interventions. (Yes, I am taking the easy way out by not actually answering this question, but this is what I believe).

Name a topic you have never worked on, but would like to in the future?

Climate change.

Which economic question would be best answered by other disciplines?

I believe that most questions related to the relationship between culture, behavior, and public goods can and should be answered in collaboration with sociologists and anthropologists. In this case, it shouldn't be an "either/or" but rather a partnership.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Those above a certain income level should.

Do we need more data, better data, better questions, or better methods for research?

Better data and better questions. As for methodology, more cross-disciplinary sharing would be best.
How many emails per day do you get? How many do you answer?

1 About 20. I answer 5-10%.

What will development cooperation look like in 2030?

2 Only people living in 2030 will be able to answer this question. I hope they will experience more "cooperation" than conflict.

More development aid or more impact evaluations?

3 False alternative.

Which policy maker would you like to have dinner with?

4 Wolfgang Schäuble [Minister of Finance, Germany].

Why did you decide to become a development economist?

5 Originally, it was an ethical motivation: What can be done to overcome poverty in the “South?”

Is a global tax on capital utopia or could it actually work?

6 Not only tax policy, but every global policy (in the strict sense of the word) is “utopia.”

What are the three most important global challenges for the next 50 years?

7 Climate change, international migration, transforming power conflicts.

Suggest one economic policy to fight gender inequality.

8 Education for girls – not without making them aware of the nonsense of some aspects of “genderism.”

What makes a good research paper?

9 Its focus on real-life questions.

Gross Domestic Product or Gross Domestic Happiness?

10 A typical question of economic technocrats. You cannot measure the happiness of people.

How much time do you spend “in the field” per year?

11 As a retired member of the faculty, my time of “field work” has passed.

Which subject other than economics would you like to study?

12 Philosophy.

What is the most “interesting” email you ever got from a student?

13 “Can you send me a list of relevant literature for my masterthesis?”
Suggest one economic policy to fight climate change.  

A tax on CO₂-emissions.

If you had to decide on one indicator: what is your proposed measure of development?  

HDI.

Which questions would be best answered by collaborations between economics and other disciplines?  

How to establish the “rule of law,” how to educate people about techniques and in the responsible application of those techniques.

How can cooperation between researchers and development practitioners be improved?  

By changing, from time to time, from one position to the other.

What is the responsibility of a development economist?  

To be aware of the non-economic factors of economic performance.

Unconditional cash transfers – more or less?  

Every transfer is bound by some conditions. “Unconditional” transfers are irresponsible.

Is the outsourcing of bilateral aid implementation to private companies good or bad for development?  

It can be good, given a clear framework for this outsourcing.

What is your favorite place in the world?  

The place where I live.

How do you get or develop new research ideas?  

Through discussions with people working in the same field and through confrontations with unsolved social and economic problems.

Do we need more data, better data, better questions, or better methods for research?  

All of them.

Have you had any career outside of academia, and if so, why did you stop?  

I could have had a career in business administration, but the longer I worked in this field, the lower was my interest to make a career there.

Name a topic you have never worked on, but would like to in the future.  

My future is limited, but I would like to work on the ethical foundations of sustainable development.

How can the SDGs be useful?  

Through public pressure on every country to realize them.

What should be taxed most and what least?  

Natural resources, labour.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Which economist should win the next Nobel Prize in economics?</td>
<td>I am not well acquainted with the community of potential candidates.</td>
</tr>
<tr>
<td>Suggest one policy to fight poverty.</td>
<td>Education.</td>
</tr>
<tr>
<td>If you were not in academia, which organization would you like to work with?</td>
<td>With some NGO in development cooperation.</td>
</tr>
<tr>
<td>Suggest one economic policy to fight national income inequalities.</td>
<td>Wage subsidies for low-skilled workers.</td>
</tr>
<tr>
<td>We need more development economics research on ...?</td>
<td>... the determinants of national initiatives in developing countries (DCs).</td>
</tr>
<tr>
<td>What is the role of international private companies and private foundations in development?</td>
<td>Transfer technologies.</td>
</tr>
<tr>
<td>Big data – big opportunity or data mining?</td>
<td>Big opportunity.</td>
</tr>
<tr>
<td>If you had to spend USD $1 billion to found an NGO, what would it work on?</td>
<td>Improvement of primary education in DCs.</td>
</tr>
<tr>
<td>Should development cooperation focus on poor countries or poor people?</td>
<td>Poor people.</td>
</tr>
<tr>
<td>What was the most important step in your career?</td>
<td>Going to Göttingen.</td>
</tr>
<tr>
<td>What is the most effective development policy?</td>
<td>Educational policy.</td>
</tr>
<tr>
<td>Which of your own articles do you like best?</td>
<td>An article on “economic cynicism.”</td>
</tr>
<tr>
<td>What makes you angry?</td>
<td>A handbook on financial markets containing 1,300 pages without a single word on the ethics of financial transactions.</td>
</tr>
<tr>
<td>Too many detailed questions and not enough big picture in recent years in research?</td>
<td>Yes.</td>
</tr>
<tr>
<td>Which economics paper or book has influenced your thinking most over the last year?</td>
<td>Anat Admati, Martin Hellwig: “The Bankers’ New Clothes.”</td>
</tr>
</tbody>
</table>
Are new bilateral development aid providers better or worse than traditional OECD donors?

Some are better.

Which economist would you like to have dinner with?

Otmar Issing.

What is the impact of development aid?

In the best cases, it stimulates the receivers' own initiatives.

How viable is Dambisa Moyo's proposal to phase out aid and rely on the international bond market for financing gaps?

Some gaps will be closed, but not all needs are equivalent to financial gaps.

What are the three most important challenges of international development policy?

To find alternative ways of development compatible with global natural restrictions; to strengthen the "rule of law"; to improve the educational level in DCs.

What is the most important unsolved question in development economics?

How to avoid the sustainability "trilemma."

Which economist has inspired you most?

Helmut Hesse.

Suggest one economic policy to fight corruption.

Adequate payment for government employees.
Manoel Bittencourt  
Department of Economics, University of Pretoria

1. What is your favorite place in the world?  
Noorhoek.

2. What are the three most important challenges of international development policy?  
To avoid messing with developing countries.

3. Too many detailed questions and not enough big picture in recent years in research?  
No picture (not even small).

4. What is the responsibility of a development economist?  
To let people from developing countries be themselves.

5. Development economics is missing new theories – true?  
Not at all, we have enough already.

6. Which economist would you like to have dinner with?  
Robert J. Barro.

7. What is the most effective development policy?  
Allow people to do what they want.

8. Blogs, working papers, books, or journals to follow research?  
Working papers and journals.

9. How viable is Dambisa Moyo’s proposal to phase out aid and rely on the international bond market for financing gaps?  
–

10. Which economist should win the next Nobel Prize in economics?  
Robert J. Barro.

11. How can cooperation between researchers and development practitioners be improved?  
Practitioners must study economics.

12. What is the worst assumption you have come across in an economic model by an economist?  
That people from developing countries need our help.
What is the most important unsolved question in development economics?

Why so many people are doing development from Paris.

We need more development economics research on...?

...how to avoid mistakes.

What is the role of international private companies and private foundations in development?

To invest.

Is “developing country” an appropriate term? Any better suggestions?

No, no.

Do you have any hidden talents?

I don’t know, they are hidden.

What are the three most important global challenges for the next 50 years?

Ideology and terrorism.

What makes a good research paper?

A good question.

Suggest one economic policy to fight climate change.

Better technologies.

How many emails per day do you get? How many do you answer?

30 per day, reply to 3.

What was the biggest failure in your career?

Not having more students motivated to do growth.

Should development cooperation focus on poor countries or poor people?

Neither.

Suggest one economic policy to fight national income inequalities.

Control inflation.

Which economist has inspired you most?

Robert J. Barro and William Easterly.

Which economics paper or book has influenced your thinking most over the last year?

The elusive quest for growth, by William Easterly.

Are new bilateral development aid providers better or worse than traditional OECD donors?

No difference.

Does aid conditionality contradict democracy?

How come?
<table>
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</thead>
<tbody>
<tr>
<td>Which policy maker would you like to have dinner with?</td>
<td>None.</td>
</tr>
<tr>
<td>Have you had any career outside of academia, and if so, why did you stop?</td>
<td>No.</td>
</tr>
<tr>
<td>Big data – big opportunity or data mining?</td>
<td>Opportunity.</td>
</tr>
<tr>
<td>If you had to spend USD $1 billion to found an NGO, what would it work on?</td>
<td>I would never put money in an NGO.</td>
</tr>
<tr>
<td>What should be taxed most and what least?</td>
<td>Most: the UN and the World Bank, least: beer.</td>
</tr>
<tr>
<td>What was the most important step in your career?</td>
<td>Moving to Africa.</td>
</tr>
<tr>
<td>Which of your policy recommendations has had the biggest impact?</td>
<td>None.</td>
</tr>
<tr>
<td>If you had to decide on one indicator: what is your proposed measure of development?</td>
<td>Income.</td>
</tr>
<tr>
<td>How much time do you spend “in the field” per year?</td>
<td>All my life.</td>
</tr>
<tr>
<td>Gross Domestic Product or Gross Domestic Happiness?</td>
<td>People are happy in different ways.</td>
</tr>
<tr>
<td>What is the impact of development aid?</td>
<td>Which impact?</td>
</tr>
<tr>
<td>What makes a successful development economist?</td>
<td>Going for a walk in Africa.</td>
</tr>
<tr>
<td>If you were not in academia, which organization would you like to work with?</td>
<td>I am in academia.</td>
</tr>
<tr>
<td>Which economic question would be best answered by other disciplines?</td>
<td>Are there other disciplines?</td>
</tr>
<tr>
<td>What will development cooperation look like in 2030?</td>
<td>No idea.</td>
</tr>
<tr>
<td>Why did you decide to become a development economist?</td>
<td>To improve my income.</td>
</tr>
</tbody>
</table>
Name a topic you have never worked on, but would like to in the future.

Inequality convergence.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Suggest one economic policy to fight corruption.

Technology.

Is a global tax on capital utopia or could it actually work?

Utopia.

Unconditional cash transfers – more or less?

Less.

How can the SDGs be useful?

Totally useless.
What was the biggest failure in your career?  
Not having pushed harder for more research time. Not having stayed longer in the US.

Which economics paper or book has influenced your thinking most over the last year?  
Acemoğlu and Robinson, Why Nations Fail.

Which questions would be best answered by collaborations between economics and other disciplines?  
Why do people not have access to clean water? (Hydrologists); What are the effects of environmental degradation on migration, development, and conflict? (Natural scientists from all disciplines).

How do you get or develop new research ideas?  
Talk, listen, think, read, think, and talk. Be well rested and alert.

Which of your policy recommendations has had the biggest impact?  
Let others be the judge of that.

Gross Domestic Product or Gross Domestic Happiness?  
Both concepts are flawed. Why choose one and forget the other? I am more skeptical about happiness measurement, though.

If you were stranded on a deserted island, which economics book would you want with you?  

Would you advise your friends to buy Fair Trade products?  
I would advise them to buy the products they like and donate money for a good cause.

Why did you decide to become a development economist?  
Probably like 95% of all development economists: to make the world a better place. And because economic expertise might be needed more in developing countries.

What will development cooperation look like in 2030?  
It will be motivated, even more, by the goal to prevent mass migration and to reduce conflict that might affect the Western world.

Development economics is missing new theories – true?  
Always. Never be satisfied.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Even if we all gave only three percent, life would be much better for many – provided the right governance. That’s the crux – money is often not the real bottleneck.

Are new bilateral development aid providers better or worse than traditional OECD donors?

How can we answer this in an across-the-board fashion? Some are, some are not. Some start out very well and lose effectiveness/integrity along the way.

Which economic question would be best answered by other disciplines?

Why are many people greedy and what can we do to be satisfied with limited resources?

What makes a good research paper?

A relevant research question and a novel answer that, if adopted, makes real people better off.

Which policy maker would you like to have dinner with?

Jokowi [Indonesian Entrepreneur and Politician], Obama [President, United States of America].

Should development cooperation focus on poor countries or poor people?

Poor people in poor countries. Poor people in rich countries should be taken care of predominantly by their respective governments.

Big data – big opportunity or data mining?

Some of both.

Is “developing country” an appropriate term? Any better suggestions?

Of course, every country is developing, and thus the term is inappropriate. But we know what is meant and rather than spending time on inventing new terms we should think about better solutions.

Which subject other than economics would you like to study?


What makes you angry?


Is the outsourcing of bilateral aid implementation to private companies good or bad?

X-inefficiency against profit motive? Not a settled issue. Depends on governance structure.

Which economist should win the next Nobel Prize in economics?

–

What is the impact of development aid?

Very varied. Often a number of good projects, some of which are successful beyond the official end date. Often also an entry point for rent-seeking.
What is the worst assumption you have come across in an economic model by an economist?

That corruption makes all people better off since it greases the wheels of the economy.

More development aid or more impact evaluations?

Why is this an antithesis? More aid requires more evaluations.

We need more development economics research on...

... the economics of water and sanitation provision.

What are the three most important challenges of international development policy?

How to end war. How to improve governance. How to educate people effectively. All in a sustained fashion.

Is a global tax on capital utopia or could it actually work?

Dream on! As long as there are Panamas, British Virgin Islands, Niues, etc. who make tax evasion part of their business model there will be effectively zero rates for many.

Does development cooperation focus too much on small-scale interventions?

Yes.

Does aid conditionality contradict democracy?

No. Aid is given voluntarily and accepted voluntarily. Conditionality may be inefficient, but it is not undemocratic.

How viable is Dambisa Moyo's proposal to phase out aid and rely on the international bond market for financing gaps?

Not viable at all.

What is the role of international private companies and private foundations in development?

The best development agents are profitable private firms employing local people. Private foundations? Very helpful.

Is there anything you are afraid of?

Of course. But fear is not a good guide.

If you had to spend USD $1 billion to found an NGO, what would it work on?

Providing clean water and good sanitation to eradicate water-related diseases. Family planning.

Which economist has inspired you most?

Puh. That's very hard to say. Hayek? Sen?

What is the responsibility of a development economist?

To be relevant. To be honest. To be helpful.

What is the most effective development policy?

Educate people.
If you had to decide on one indicator: what is your proposed measure of development?

39 HDI.

If you were not in academia, which organization would you like to work with?


How many emails per day do you get? How many do you answer?

41 Too many. Many.

What is the most important unsolved question in development economics?

42 What makes countries develop? Haha.

What are the three most important global challenges for the next 50 years?

43 Avoid violent conflicts, bring global warming to a halt, reduce world population.

Suggest one economic policy to fight national income inequalities.

44 Education. Education. Education.

Unconditional cash transfers – more or less?

45 More.

Which economist would you like to have dinner with?

46 Daron Acemoğlu, Jim Robinson, Stephan Klasen.

How can cooperation between researchers and development practitioners be improved?

47 Allow career paths to cross from one side to the other and back. Create joint teams in the design, implementation, and evaluation phases.

What is your favorite place in the world?

48 Home. In the tropics at the sea.

Suggest one economic policy to fight corruption.

49 Transparent, clean law enforcement and a free press.

Do we need more data, better data, better questions, or better methods for research?

50 Of course, all of that, but mostly better questions.
Which policy maker would you like to have dinner with?

I would like to have dinner with President Obama [President, United States of America].

What are the three most important challenges of international development policy?

International tax cooperation, climate change, and migration.

What is the impact of development aid?

Not as positive as it could potentially be.

What should be taxed most and what least?

Taxed most: carbon emissions; Taxed least: food and medicines.

What is the most effective development policy?

One that unleashes and promotes the productive potential of the country’s population and takes into account country specificities and context. While some fundamentals need to be observed (for example, avoiding macroeconomic imbalances), there is no silver bullet and no one-size-fits-all.

If you were not in academia, which organization would you like to work with?

Having worked for the United Nations for 33 years, I have never been in academia, but if I were to work somewhere else, I would have liked to work for Médecins Sans Frontières.

What makes a good research paper?

An innovative, balanced, and comprehensive approach, which generates sound conclusions that can support practical and credible policy recommendations.

Is “developing country” an appropriate term? Any better suggestions?

To me, the term is actually a bit condescending, but I have no better alternative.

Suggest one economic policy to fight national income inequalities.

I would say improved and greater access to quality education.

Have you had any career outside of academia, and if so, why did you stop?

Please see answer to question #6.
What is the worst assumption you have come across in an economic model by an economist?

Perfect competition!

We need more development economics research on...?

...the generation of productive employment.

How do you get or develop new research ideas?

I cannot claim to have been a researcher at all, but the ideas for my work at the UN (beyond the mandates given by member states) came from specific questions or sheer curiosity I had about certain issues and a desire to understand them better.

Is a global tax on capital utopia or could it actually work?

It could work if it were not a utopia.

Big data – big opportunity or data mining?

Big headache!

Would you advise your friends to buy Fair Trade products?

Yes!

What is the role of international private companies and private foundations in development?

Well, I think international private companies have a dual role. They have a primary role as agents of development through the economic activities they undertake in developing countries (and here we can evoke all sorts of corporate social, economic, fiscal, and environmental responsibilities that should be observed when conducting these business activities). Private companies have a secondary role in development when they support or contribute to “development cooperation”-type activities not falling under their normal business operations. Private foundations and companies are among the largest providers of development assistance. While philanthropic organizations can contribute to development, their participation is not free from challenges, particularly when there is little coordination with other donors and their interventions are not fully aligned with the development objectives and strategies of recipient countries. Additionally, many philanthropic organizations suffer from accountability deficits. They often under-invest in learning and evaluation, lack transparency, and avoid public scrutiny.
If you were stranded on a deserted island, which economics book would you want with you?


Suggest one policy to fight poverty.

19 The promotion of gender equality.

What was the most important step in your career?

20 Joining the UN.

Is the outsourcing of bilateral aid implementation to private companies good or bad?

21 It can be a good thing, provided the right checks and balances are in place.

What are the three most important global challenges for the next 50 years?

22 Climate change, peace and security, ensuring the separation between church and state, and addressing religious fundamentalism.

Which of your own articles do you like best?


What is the responsibility of a development economist?

24 To understand the forces and the process of economic structural transformation and income growth.

Do we need more data, better data, better questions, or better methods for research?

25 All of the above.

Which economist has inspired you most?

26 Amartya Sen.

Suggest one economic policy to fight climate change.

27 The introduction of a carbon tax.

Which economist would you like to have dinner with?

28 Dani Rodrik.

Which questions would be best answered by collaborations between economics and other disciplines?

29 –

Which economics paper or book has influenced your thinking most over the last year?

30 The Ancient Greek Hero in 24 hours, by Gregory Nagy; not an economics book or paper though …

Is there anything you are afraid of?

31 On a public level, YES: Trump [president-elect, United States of America] as president.

Does aid conditionality contradict democracy?

32 Yes, I think it does, to some extent, in recipient countries, but it does not in donor countries.
Why did you decide to become a development economist?

I have always been intrigued by the process of structural transformation of economies, technological progress, and change. Moreover, I was also attracted by the global political economy factors that impact development at the local/national level. The global economic system is not particularly fair or necessarily enabling for most developing economies. There is no level playing field.

Suggest one economic policy to fight gender inequality.

Equal pay for equal work.

What is the most important unsolved question in development economics?

I think development economics is still at odds on how development can be replicated in developing countries.

What will development cooperation look like in 2030?

Most likely, it will be very different from what we know currently, as the importance of traditional donors declines vis-à-vis new players (emerging economies, private foundations, charities, etc.) and other sources of development finance emerge.

Gross Domestic Product or Gross Domestic Happiness?

Can we actually accurately measure either one?

What was the biggest failure in your career?

Well … I plead the Fifth!

If you had to spend USD $1 billion to found an NGO, what would it work on?

Women’s health (particularly dealing with reproductive health and maternal mortality in low-income countries).

Development economics is missing new theories – true?

I would say that there is a need to address and/or incorporate current and emerging global trends. Although much of the core remains the same, the economic environment has changed and the world today is a different world from when the main theories of development were put forward.

Are new bilateral development aid providers better or worse than traditional OECD donors?

I would say they are the same …

How can cooperation between researchers and development practitioners be improved?

There is certainly need for more dialogue, exchange of ideas, joint projects (joint papers, testing of hypotheses, etc.), and activities.

Name a topic you have never worked on, but would like to in the future.

I would like to work on technology transfer.
Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

I do not think so; poverty requires systematic solutions and interventions that address its causes and what perpetuates its existence. These interventions need to be coordinated and coherent. I also think they need to be organized by the state which, ultimately, is the entity responsible for ensuring the welfare of the population.

Which of your policy recommendations has had the biggest impact?

I plead the Fifth (again …).

Does development cooperation focus too much on small-scale interventions?

I do not think so. At the recipient country level, one may see small projects and interventions, but these are also the outcomes of strategies and policies developed to address “big-scale” problems and constraints to development.

Suggest one economic policy to fight corruption.

Much improved education about civic duties, responsibilities, and rights to contribute to the creation of societies that are less tolerant of corruption. This is particularly true for developing countries. For developed countries, there is need for greater control and surveillance of transnational corporations abroad; existing codes of conduct are not being properly enforced.

How many emails per day do you get? How many do you answer?

I receive some 50 to 60 emails per day. Those where I am the main addressee (not copied) are always answered.

Do you have a clean or messy office?

I have a reasonably organized office.

How can the SDGs be useful?

I think the SDGs can be useful to attract the attention of policy makers and development practitioners to certain issues that need to be urgently addressed.
Is a global tax on capital utopia or could it actually work?

I think it could work – we’re already moving in the direction of greater international cooperation between tax authorities, so with enough pressure on the politicians this could actually happen. It’s entirely a matter of political will.

Should development cooperation focus on poor countries or poor people?

Can’t it do both?

Do you have a clean or messy office?

Messy, but with good intentions to tidy it. Soon.

Individuals in high-income countries should donate 10% of their personal income for poverty reduction (www.givingwhatwecan.org).

Sure, 10% is a nice number. But giving is deeply personal and I’m not sure that one should be quite so prescriptive as to how much and to whom.

Suggest one economic policy to fight national income inequalities.

A Basic Income Grant.

Is “developing country” an appropriate term? Any better suggestions?

I think it’s ok.

What is the most “interesting” email you ever got from a student?

The cat peed on my essay.

Does development cooperation focus too much on small-scale interventions?

No, I don’t think so. There needs to be experimentation and this is one way for that to happen.

Suggest one economic policy to fight climate change.

Higher fuel taxes.

Which subject other than economics would you like to study?

Labour law.

What is the most important unsolved question in development economics?

Why does inequality persist?

Which policy maker would you like to have dinner with?

Narendra Modi [Prime Minister, India].
Blogs, working papers, books, or journals to follow research?

They all have their place, but blogs are a nice, quick way to keep up to date.

Which economic question would be best answered by other disciplines?

What will everyone do once robots take over the workplace?

What is your favorite place in the world?

The Drakensberg mountains.

Name a topic you have never worked on, but would like to in the future.

Wealth taxation.

What makes a successful development economist?

Curiosity and a commitment to social justice.

Which economist has inspired you most?

Anthony Atkinson.

Why did you decide to become a development economist?

I think I stumbled into it rather than “decided.” Stephan made me do it!

What was the biggest failure in your career?

Trying to be a macro forecaster.

How viable is Dambisa Moyo’s proposal to phase out aid in five years and rely on the international bond market for financing gaps?

Not in five years…

What are the three most important challenges of international development policy?

–

Which of your own articles do you like best?


What will development cooperation look like in 2030?

Sadly, I think there will be less money and more bureaucracy.

Where and when do you work best?

Alone, at 2 am.

Does aid conditionality contradict democracy?

No.

How much time do you spend “in the field” per year?

Too little.

Too many detailed questions and not enough big picture in recent years in research?

Maybe, but the tide is turning again and I think most people can see the need for both.
Which economics paper or book has influenced your thinking most over the last year? 29 “Inequality: What Can Be Done?” by Anthony Atkinson.

What is the role of international private companies and private foundations in development? 30 They clearly have a role to play – they have money to spend and the agility to experiment and move into new areas.

What is the most effective development policy? 31 Education for women.

Would you advise your friends to buy Fair Trade products? 32 Yes.

What are the three most important global challenges for the next 50 years? 33 Corruption, inequality, conflict.

How can the SDGs be useful? 34 They encourage monitoring; they make governments more accountable.

How do you get or develop new research ideas? 35 Speaking to students about their own experiences.

What makes a good research paper? 36 Careful empirical work that seeks to answer a question that matters.

What is the worst assumption you have come across in an economic model by an economist? 37 Fertility is exogenous.

What is the responsibility of a development economist? 38 To start with a good question rather than a good technique.

Which of your policy recommendations has had the biggest impact? 39 My work with Jorge Aguero and Michael Carter, which found that the South African Child Support Grant has a positive impact on child nutrition, was instrumental in the expansion of the programme (even if we never published the paper!).

Unconditional cash transfers – more or less? 40 More… and more conditional cash transfers, too, if that’s what voters will go for.

What should be taxed most and what least? 41 As with everything – it depends… context matters.

What was the most important step in your career? 42 Getting to work on South Africa’s first national household survey (and learning Stata) in 1994.
Improving teacher quality.

...improving the quality of public services.

Sadly, the statistical evidence is inconclusive.

Equal education.

Better quality education.

GDP.

We need more development aid that takes account of the existing impact evaluation evidence. There is so much new work going on, but too little time spent synthesizing the lessons. We need impact evaluation, but not every PhD student needs to be doing their own survey. I worry that we're spending too much money on field experiments aimed at answering very narrow questions.

True. There are too few development economists doing any theorizing.
What was the most important step in your career?

1. Starting my PhD with Stephan Klasen. (MG, SV, IG, KH)

What is the most important unsolved question in development economics?

2. How to achieve sustainable growth. (MG)

How do you get or develop new research ideas?

3. Usually the ideas just come by observing the world or talking to people. (SV)

What is the most effective development policy?

4. Obviously there is not only one, but I would rate health or education as the areas in which international development policies are most effective (as of today), and improved governance interventions as the policies (if we had any) that would be most effective in accelerating development. (IG)

Is “developing country” an appropriate term? Any better suggestions?

5. I prefer the World Bank country classification of low-, lower-middle, and upper-middle income country. (KH)

What is the responsibility of a development economist?

6. To educate students and to help make a difference in the world by learning what is important to people and how they can achieve their goals. (SV)

What is your favorite place in the world?

7. Now: being with my son. Before his birth: any metropolitan city – the worst and best mankind can offer. (IG)

What is the most “interesting” email you ever got from a student?

8. “I could not find the document online because the documents were not sorted alphabetically.” (MG)

What makes you angry?

9. Ignorance, intolerance, and arrogance (unfortunately the three are often highly correlated). (IG)

What are the three most important challenges of international development policy?

10. Understanding the local context, taking ownership seriously, and including environmental issues. (MG)
I think that previous financial crises provided some evidence that a pure market solution is not necessarily the best and most sustainable solution to close financing gaps. (KH)

My mom should probably not see it. (IG)

Neither. (SV)

I prefer journal articles and books. (KH)

Philosophy or Physics. (IG)

I decided to switch from mathematics to economics because I enjoyed working as a student assistant for Stephan Klasen and I found the research questions in development economics more relevant and interesting than those I was working on in mathematics. (SV)

Piketty’s “Capital in the Twenty-First Century.” (KH)

Aren’t we missing answers…? (MG)

UN Development Programme (UNDP) or the World Health Organization (WHO). (KH)

I would like to see some more diversity, so maybe not someone who is male and white (in that order). (MG)

For most low-income countries, equal access to (higher) education would be a big step forward; for high-income countries, we have to coordinate internationally to raise taxes on capital. But, in general, I am more concerned about global inequalities. (IG)

On average, about one month, though last year it was a bit more. (SV)

It should be made much easier to switch between academia and politics over the course of one’s lifetime. (IG)
Vladimir Putin [President of Russia] and Gerhard Schröder [former Chancellor of Germany]. (SV)

Since 2030 is soon, and development cooperation has been ongoing for decades (having created its own world), I would say: the same. (MG)

I think we need more and better data to address all the good questions we have and to apply all the good methods we have. (KH)

• ¼ to raise more funds.
• ¼ to inform the public about and lobby for the global poor in Europe (not limited to aid policies).
• ¼ to identify and invest in the many good projects that other NGOs are already implementing (there are already too many NGOs involved in poverty reduction for me to found another NGO).
• ¼ to support universities in sub-Saharan Africa (not because I think this is the most effective policy, but because I think tertiary education in developing countries does not receive enough international support and because I have the feeling that this is a sector I know a bit about). (IG)

Some are better and some are worse. (SV)

More cash transfers, in general. (MG)

War. In my daily life: stray dogs. (KH)

The older I get, the more I believe that quotas at all levels are needed until norms and policies have changed and quotas become unnecessary. (IG)

Impact evaluations can help to spend the existing resources in a better way, particularly in global health, where there are still many low-hanging fruits. (SV)

To provide financial resources (to finance data collection). (KH)
<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
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<tbody>
<tr>
<td>Does development cooperation focus too much on small-scale interventions?</td>
<td>I think it is fine to focus on the things that we understand, but at the same time, we should keep the bigger picture in mind. (SV)</td>
</tr>
<tr>
<td>What makes a successful development economist?</td>
<td>For an empirical development economist: being both considerate and brave in defining questions, being patient and careful during the analysis, and being both modest and inspiring in communication. And maybe: succeeding, at least once, in transforming knowledge into policy. (IG)</td>
</tr>
<tr>
<td>Suggest one policy to fight poverty.</td>
<td>Provide sufficient, high-quality nutrition to children. (SV)</td>
</tr>
<tr>
<td>Too many detailed questions and not enough big picture in recent years in research?</td>
<td>No, I think we need even more case studies. (KH)</td>
</tr>
<tr>
<td>What makes a good research paper?</td>
<td>That it is as technical as necessary, but as simple as possible to understand. (MG)</td>
</tr>
<tr>
<td>How can the SDGs be useful?</td>
<td>If high-income countries start to seriously think about the impact of any of their national policies on the poor and on the planet. (IG)</td>
</tr>
<tr>
<td>We need more development economics research on...?</td>
<td>...global health. (SV)</td>
</tr>
<tr>
<td>Do you have any hidden talents?</td>
<td>Comedian maybe, but women might have an even harder time in comedy than in academia… (MG)</td>
</tr>
<tr>
<td>Name a topic you have never worked on, but would like to in the future.</td>
<td>Economics of sustainable fisheries. (KH)</td>
</tr>
<tr>
<td>If you were stranded on a deserted island, which economics book would you want with you?</td>
<td>For joy: The Worldly Philosophers, by Robert Heilbroner. To keep me occupied: Econometric Analysis, by William Greene. (IG)</td>
</tr>
<tr>
<td>What is the impact of development aid?</td>
<td>“Das Gegenteil von gut ist gut gemeint.” (Kurt Tucholsky and Kettcar). (MG)</td>
</tr>
<tr>
<td>What is the worst assumption you have come across in an economic model by an economist?</td>
<td>Perfect competition and complete information. (KH)</td>
</tr>
<tr>
<td>Should development cooperation focus on poor countries or poor people?</td>
<td>Poor people. (MG)</td>
</tr>
</tbody>
</table>
Would you advise your friends to buy Fair Trade products? 47 Given that this is a decision most people I know can make on a daily basis (with a possible positive impact on the poor), development economists conduct surprisingly little research on this question. So my answer is: I do not know yet. (IG)

If you had to decide on one indicator: what is your proposed measure of development? 48 GDP per capita. (KH)

Which economic question would be best answered by other disciplines? 49 I think that interdisciplinary work is the future and do not believe in the concept of “economic questions.” I therefore think that most questions would benefit from the insights of other disciplines. (SV)

Which economist has inspired you most? 50 Stephan Klasen – both academically and personally. (MG, SV, IG, KH)
Economists
(Stockholm contenders, inspirational thinkers, or fascinating dinner companions mentioned in the interviews)

Acemoğlu, Daron, Professor of Economics, Massachusetts Institute of Technology. Fields of research: political economy, economic development, economic growth, economic theory, income and wage inequality, human capital and training, labor economics, and network economics. He is the co-author of the book “Why Nations Fail.”

Aghion, Philippe, Professor of Economics, Harvard University. Field of research: economics of growth. With Peter Howitt, he pioneered the so-called Schumpeterian growth paradigm, which was subsequently used to analyze the design of growth policies and the role of the state in the growth process. He is the co-author of the books “Endogenous Growth Theory” and “The Economics of Growth.”

Akerlof, George, Professor Emeritus of Economics, University of California, Berkeley. Fields of research: sociology and economics, theory of unemployment, asymmetric information, staggered contract theory, money demand, labor market flows, theory of business cycles, economics of social customs, measurement of unemployment, and the economics of discrimination. He was awarded the Nobel Memorial Prize in Economic Sciences in 2001.

Arrow, Kenneth, Professor Emeritus of Economics, University of Stanford. Fields of research: measurement of welfare changes in a dynamic economy, collective decision making, and the role of networks in the labor market. His most significant works are his contributions to social choice theory, notably “Arrow’s impossibility theorem,” and his work on general equilibrium analysis. He was awarded the Nobel Memorial Prize in Economic Sciences in 1972.

Atkinson, Sir Anthony (4 September 1944 – 1 January 2017), Professor of Economics, London School of Economics and Fellow of Nuffield College, Oxford. Fields of research: economics of income distribution and poverty, social justice, and the design of public policy. He developed the Atkinson inequality measure. His latest work focused on top incomes, contributing to the World Top Incomes Database, and on monitoring rising inequality across the world. He is the author of the book “Inequality – What can be done?”

Banerjee, Abhijit, Professor of Economics, Massachusetts Institute of Technology. Fields of research: economic development, information theory, and theory of income distribution. He is the co-author of the book “Poor Economics” and co-founder of the Abdul Latif Jameel Poverty Action Lab (J-PAL).
Barro, Robert, Professor of Economics, Harvard University. Fields of research: empirical determinants of economic growth, economic effects of public debt and budget deficits, and the formation of monetary policy. He is the co-author of the book “Economic Growth.”


Brown, Gardner, Professor Emeritus of Economics, University of Washington. Field of research: environmental economics. He developed evaluation methods such as the travel cost method and the hedonic method.

Clark, Andrew, Professor of Economics, Paris School of Economics. Fields of research: applied microeconomics, social interactions and social learning, job quality, and the economic analysis of drug markets and cigarette consumption.


Drèze, Jean, Professor of Economics, Delhi School of Economics. Fields of research: rural development, social inequality, elementary education, child nutrition, health care, and food security. He has been working for years with Amartya Sen and plays a vital role in Indian economic policy making. He is the co-author of the book “Hunger and Public Action.”

Duflo, Esther, Professor of Poverty Alleviation and Development Economics, Massachusetts Institute of Technology. Field of research: understanding the economic lives of the poor, with the aim to help design and evaluate social policies. She has worked on health, education, financial inclusion, environment, and governance. She is the co-author of the book “Poor Economics” and co-founder of the Abdul Latif Jameel Poverty Action Lab (J-PAL).

Easterly, William, Professor of Economics, New York University. Fields of research: economic development and growth, political economy, individual rights and development, Africa, and foreign aid. He is the author of the books “The White Man’s Burden” and “The Elusive Quest for Growth.”
**Elson, Diane**, Professor Emeritus of Sociology, University of Essex. Fields of research: fiscal policy, gender inequality, and economic and social rights.

**Engels, Friedrich** (28 November 1820 – 5 August 1895), Philosopher, Social Scientist, Journalist, and Businessman. He was the founder of Marxist theory together with Karl Marx. In 1848, he co-authored “Das Kommunistische Manifest” with Karl Marx.

**Fafchamps, Marcel**, Professor of Economics, Stanford University. Fields of research: social networks, intra-household allocation, risk-coping strategies, and poverty. He is the author of the book “Market Institutions in Sub-Saharan Africa”.

**Frankel, Jeffrey**, Professor of Economics, Harvard University. Fields of research: international finance, monetary and fiscal policy, commodities, regional blocs, and global environmental issues. He was a member of the Council of Economic Advisers under US President Bill Clinton.

**Galor, Oded**, Professor of Economics, Brown University. Fields of research: growth and development, population economics, and macroeconomics. He has made significant contributions to the study of income distribution and economic growth and the transition from stagnation to growth. He is the author of the book “Unified Growth Theory.”

**Giersch, Herbert** (11 May 1921 – 22 July 2010), Professor of Economics, Kiel University and Kiel Institute for the World Economy. Originally adherent to Keynesian economics in the 1950s and 1960s, he gradually became an advocate of supply-side economics in his later years. He was one of the initial members of the German Council of Economic Experts in 1964.

**Gresik, Thomas**, Professor of Economics, University of Notre Dame. Fields of research: microeconomic theory and mechanism design. In particular, he studies the effect of private information on the performance of markets and regulations and the economics of multinational corporations and international tax competition.

**Hanushek, Eric**, Senior Fellow, Stanford University. Field of research: economic analysis of educational issues. He introduced the idea of measuring teacher quality through the growth in student achievement. His contributions form the basis for the development of value-added measures for teachers and schools.

**Hayek, Friedrich** (8 May 1899 – 23 March 1992), Economist and Philosopher. He spent most of his academic life at the London School of Economics, the University of Chicago, and the University of Freiburg. He was one of the most influential economists of the 20th century. He is best known for his defense of classical liberalism and as an intellectual opponent of John Maynard Keynes. He was awarded the Nobel Memorial Prize in Economic Sciences in 1974.
Heckman, James, Professor of Economics, University of Chicago. Fields of research: understanding the origins of major social and economic problems related to inequality, social mobility, discrimination, skill formation and regulation, and devising and evaluating alternative strategies for addressing these problems. He was awarded the Nobel Memorial Prize in Economic Sciences in 2000.

Hesse, Helmut (28 June 1934 – 16 April 2016), Professor of Economics, University of Göttingen. Field of research: ethical aspects of the economy. From 1985 to 1988, he was a member of the German Council of Economic Experts.

Hirschman, Albert (7 April 1915 – 10 December 2012), Economist, Harvard University and Institute for Advanced Studies, Princeton. He influenced development economics through his emphasis on unbalanced growth. He also developed the “Herfindahl-Hirschman Index,” which is a market concentration index.

Howitt, Peter, Professor Emeritus of Social Sciences and of Economics, Brown University. Fields of research: macroeconomics, monetary economics, and the theory of economic growth. With Philippe Aghion, he pioneered the so-called Schumpeterian Growth paradigm which was subsequently used to analyze the design of growth policies and the role of the state in the growth process.

Humphries, Jane, Professor of Economic History, Oxford University. Fields of research: labor markets, industrialization, the links between the family and the economy, and causes and consequences of economic growth and structural change. She has also published on gender, the family, and the history of women’s work.

Issing, Otmar, Economist. He is the former Chief Economist and Member of the Board of the European Central Bank (ECB). He developed the “two pillar” approach to monetary policy decision making adopted by the ECB.

Keynes, John Maynard (5 June 1883 – 21 April 1946), Economist. He was the founder of Keynesian economics, challenging the ideas of classical economics. His ideas fundamentally changed the theory and practice of macroeconomics and the economic policies of governments. Keynes advocated the use of fiscal and monetary policies to mitigate the adverse effects of economic recessions and depressions.

King, Robert, Professor of Economics, Boston University. Fields of research: macroeconomics, monetary economics, and economic growth.

Kiyotaki, Nobuhiro, Professor of Economics, Princeton University. Fields of research: microeconomic foundations for macroeconomic models and monetary theory. He is known for the Kiyotaki-Moore model of credit cycles.
Klasen, Stephan, Professor of Economics, Göttingen University. Fields of research: poverty, inequality, environment, and gender. He is a member of the UN Committee on Development Policy, the European Development Research Network, and worked on the 5th Assessment Report as a member of the Intergovernmental Panel on Climate Change.

Kremer, Michael, Professor of Developing Societies, Harvard University. Fields of research: education, health, water, and agriculture in developing countries. He created the well-known economic theory linking skill complementarities and development, called “Kremer’s O-Ring Theory of Economic Development.”

Landsburg, Steven, Professor of Economics, University of Rochester. Field of research: quantum game theory. He is the author of "The Armchair Economist," "Fair Play," "More Sex is Safer Sex," and "The Big Questions."

Marx, Karl (5 May 1818 – 14 March 1883), Philosopher, Economist, Sociologist, and Journalist. Founder of Marxist theory, together with Friedrich Engels. His most well-known publication is the 1848 pamphlet “Das Kommunistische Manifest.” His work on his theory of “Marxism” has since influenced subsequent intellectual, economic, and political history.


Miguel, Edward, Professor of Environmental and Resource Economics, University of California, Berkeley. Fields of research: African economic development, including work on the economic causes and consequences of violence; the impact of ethnic divisions on local collective action; interactions between health, education, environment, and productivity of the poor; and methods for transparency in social science research.

Mill, John Stuart (20 May 1806 – 8 May 1873), Economist and Philosopher. Mill contributed widely to social theory, political theory, and political economy. Among his philosophical achievements, he was a proponent of utilitarianism. Mill’s conception of liberty emphasized the freedom of the individual, especially in relation to government intervention and authority.

Miller, Robert, Professor of Economics and Strategy, Carnegie Mellon University. Field of research: applied microeconomics. He is perhaps best known for his work on the development and application of tools for estimating discrete-choice dynamic programming models.
**Mirrlees, Sir James**, Professor Emeritus of Political Economy, University of Cambridge. Fields of research: economic modeling of asymmetrical information, moral hazard, and optimal income taxation. He was awarded the Nobel Memorial Prize in Economic Sciences in 1996.

**Moore, John**, Professor of Economics, University of Edinburgh. Fields of research: economic theory, nature of contracts, and the aggregate economy. He is an economic theorist with an interest in the nature of contracts and the interplay between financial markets and the rest of the economy.

**Mullainathan, Sendhil**, Professor of Economics, Harvard University. Fields of research: poverty and behavioral economics. He is co-founder of the Abdul Latif Jameel Poverty Action Lab (J-PAL). He is the co-author of the book “Scarcity: Why Having too Little Means so Much.”

**North, Douglass** (5 November 1920 – 23 November 2015), Professor of Law and Liberty, Washington University in St. Louis. He focused on the application of economic theory and statistical methods to the study of economic and institutional change. He was co-founder of “New Institutional Economics.” He was awarded the Nobel Memorial Prize in Economic Sciences in 1993.

**Olson, Mancur** (22 January 1932 – 19 February 1998), Professor of Economics, University of Maryland. His most influential contributions were in institutional economics, and in the roles which private property, taxation, public goods, collective action, and contract rights play in economic development.

**Ostrom, Elinor** (7 August 1933 – 12 June 2012), Professor of Political Sciences, Indiana University. Her work was associated with New Institutional Economics and the resurgence of political economy. For her work on common resources, she was awarded the Nobel Memorial Prize in Economic Sciences in 2009.

**Oswald, Andrew**, Professor of Economics, University of Warwick. His work lies mainly at the border between economics and behavioral science, and includes the empirical study of human happiness.

**Pakes, Ariel**, Professor of Economics, Harvard University. Fields of research: industrial organization, the economics of technological change, and econometric theory. Recently, he focuses on the analysis of equilibrium responses to policy and environmental changes.

**Pasinetti, Luigi**, Professor Emeritus of Economics, University Cattolica del Sacro Cuore, Milan. Fields of research: analytical foundations of Neo-Ricardian economics, as well as work in the line of the Kaldorian theory of growth. He is the author of the book “Keynes and the Cambridge Keynesians – A ‘Revolution in Economics’ to be Accomplished.”
Pearson, Ruth, Professor Emeritus of Development Studies, University of Leeds. Fields of research: gender and development policy, global economy, migrant workers and identity, microcredit, and community currencies. She is involved with a number of international (UN), bilateral, and national development agencies and NGOs.

Piketty, Thomas, Professor of Economics, Paris School of Economics. Field of research: historical and theoretical work on the interplay between economic development and the distribution of income and wealth. He is the author of the book “Capital in the 21st Century.”

Pritchett, Lant, Professor of the Practice of International Development, Harvard University. Fields of research: state capability, labor mobility, fertility, and education. He was the lead economist in the Social Development Group of the South Asia region of the World Bank.

Rabin, Matthew, Professor of Behavioral Economics, Harvard University. Fields of research: errors in statistical reasoning and the evolution of beliefs, effects of choice context on exhibited preferences, reference-dependent preferences, and errors of inference in market and learning settings. His research focuses primarily on incorporating psychologically realistic assumptions into empirically applicable formal economic theory. He is the co-author of the book “Advances in Behavioral Economics.”

Ravallion, Martin, Professor of Economics, Georgetown University. Previously he was the Director of the Development Research Group at the World Bank. He is best known for his work on measuring global poverty and evaluating the impact of economic policies on poor people’s lives. He is the author of the book “The Economics of Poverty: History, Measurement and Policy.”

Robinson, James, University Professor at the Harris School of Public Policy at the University of Chicago. Fields of research: political economy, comparative politics, and economic development. He is the co-author of the book “Why Nations Fail.”

Robinson, Joan (31 October 1903 – 5 August 1983), Professor of Economics, Girton College. She was a post-Keynesian economist well known for her work on monetary economics and her wide-ranging contributions to economic theory. She is the author of the book “The Economics of Imperfect Competition.”

Rodrik, Dani, Professor of Economics, Harvard University. Fields of research: globalization, economic growth, and political economy. The question of what constitutes good economic policy and why some governments are more successful than others at adopting it, is at the center of his research. He is the author of the book “Economics Rules: The Rights and Wrongs of the Dismal Science.”

Romer, Paul, Professor of Economics, New York University. He is Chief Economist at the World Bank since 2016. Fields of research: economic growth and urbanization. His latest work has focused on the success of charter cities and their potential as drivers of economic growth in developing countries.

Rust, John, Professor of Economics, Georgetown University. Fields of research: social security, retirement, disability insurance, nuclear power industry, real estate economics, rental car industry, auction markets, and dynamic games. He is perhaps best known as one of the founding fathers of the structural estimation of dynamic discrete choice models.

Ruthenberg, Hans (19 March 1928 – 19 July 1980), Professor of Agricultural Economics, University of Hohenheim. Ruthenberg was a German agronomist with a research focus on tropical and subtropical agriculture. His most famous work is “Farming Systems in the Tropics.”

Sachs, Jeffrey, Professor of Economics, Columbia University. Fields of research: economic development, global macroeconomics, and the fight against poverty. He is the author of the book “The End of Poverty.” He was head of the United Nations Millennium Project from 2002-2006. He is the founder of the Earth Institute and developed the idea of the Millennium Villages Project.

Schelling, Thomas, Professor of Economics, University of Maryland. Field of research: the application of game theory to cases in which adversaries must repeatedly interact, especially in international trade, treaties, and conflicts. He was awarded the Nobel Memorial Prize in Economic Sciences in 2005.

Schultz, Theodore (30 April 1902 – 26 February 1998), Professor of Economics, University of Chicago. Fields of research: human capital theory, economic development, and agriculture. He was awarded the Nobel Memorial Prize in Economic Sciences in 1979.

Schumpeter, Joseph (8 February 1883 – 8 January 1950), Professor of Economics, Harvard University. One of the most influential economists of the 20th century, Schumpeter popularized the term “creative destruction” in economics.

Sen, Amartya, Professor of Economics and Philosophy, Harvard University. Fields of research: social choice theory, economic theory, ethics and political philosophy, welfare economics, theory of measurement, decision theory, development economics, public health, and gender studies. He is the author of the book “Development as Freedom.” He was awarded the Nobel Memorial Prize in Economic Sciences in 1998.


**Sen, Gita**, Professor of Public Policy, Indian Institute of Management. Fields of research: research and policy advocacy on the gender dimensions of population policies, and the equity dimensions of health.

**Shikwati, James**, Economist. He is a critic of development aid; instead he promotes freedom of trade as the best solution to poverty in Africa. He is the founder of the Inter Region Economic Network.

**Shiller, Robert**, Professor of Economics, Yale University. Fields of research: financial markets, financial innovation, behavioral finance, real estate, and public attitudes and moral judgments regarding markets. He was awarded the Nobel Memorial Prize in Economic Sciences in 2013.

**Solow, Robert**, Professor of Economics, Massachusetts Institute of Technology. Field of research: theory of economic growth. He is particularly known for his work on the theory of economic growth that culminated in the exogenous growth model named after him. He is the author of the book “Growth Theory: An Exposition.” He was awarded the Nobel Memorial Prize in Economic Sciences in 1987.

**Stiglitz, Joseph**, Professor of Economics, Columbia University. Fields of research: macroeconomics, monetary theory, and inequality. He helped create the “The Economics of Information,” exploring the consequences of information asymmetries and pioneering such pivotal concepts as adverse selection and moral hazard. He is the author of the book “Price of Inequality: How Today’s Divided Society Endangers Our Future.” He was awarded the Nobel Memorial Prize in Economic Sciences in 2001.

**Thaler, Richard**, Professor of Economics, University of Chicago. Fields of research: behavioral economics and finance, as well as the psychology of decision making. He investigates the implications of relaxing the standard economic assumption that everyone in the economy is rational and selfish. He is the co-author of the book “Nudge: Improving Decisions About Health, Wealth and Happiness.”

**Tobin, James** (5 March 1918 – 11 March 2002), Professor of Economics, Yale University. His academic work included pioneering contributions to the study of investment, monetary and fiscal policy, and financial markets. He is known for the “Tobit model”, an econometric model in which the range of the dependent variable is constrained. He was awarded the Nobel Memorial Prize in Economic Sciences in 1981.

**Udry, Christopher**, Professor of Economics, Yale University. Fields of research: economic development and microeconomics of development in Africa. He is the co-author of the book “Development Microeconomics.”

**Vaubel, Roland**, Professor Emeritus of Economics and Political Economics, University of Mannheim. Fields of research: international monetary policy, the political economy of central banks and international organizations, and the philosophy of science.

**Veblen, Thorstein** (30 July 1857 – 3 August 1929), Economist and Sociologist. He was famous for the idea of “conspicuous consumption.” Conspicuous consumption, along with “conspicuous leisure,” is performed to demonstrate wealth or mark social status. Veblen explains the concept in his book, “The Theory of the Leisure Class.” He was famous as a critic of capitalism.

**Weitzman, Martin**, Professor of Economics, Harvard University. Fields of research: environmental economics, including climate change, the economics of catastrophes, long-run discounting, green accounting, and comparison of alternative instruments for controlling pollution. He is the co-author of the book “Climate Shock: The Economic Consequences of a Hotter Planet.”

**Wolpin, Kenneth**, Professor of Economics, Rice University. Fields of research: labor economics, economic demography, development economics, health economics, and empirical methodology. He is perhaps best known for his work on the development and application of tools for estimating discrete-choice dynamic programming models.


**Zilberman, David**, Professor of Agricultural and Resource Economics, University of California, Berkeley. Fields of research: agricultural and environmental policy, the economics of innovation, risk and marketing, pest control, biotechnology, and climate change. His work served as the basis for several projects on the adoption of modern irrigation technology and computers in California agriculture.


Curriculum Vitae

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Education


Teaching and Research

Professor of Economics (senior chair), University of Göttingen. From September 2003. Senior chair in economics, with a focus on development economics, and director of the Ibero-America Institute for Economic Research; and speaker for the Courant Research Center ‘Poverty, equity, and growth in developing and transition countries.’


**Economic Policy Advise (selection)**


Consultant, OECD Development Center, 2008–2009. Led team to develop Social Institutions and Gender Index (SIGI) to empirically examine the institutional basis of gender inequality.


Consultant, German Ministry of Economic Cooperation and Development, 2007. Led team to investigate empirical impact of German bilateral aid on exports and employment in Germany.

Consultant, UNDP Human Development Report Office, 2005–2010. Led team to reform UNDP’s gender related indicators und to propose method to generate a Human Development Index by income quintiles, by migration status, and a HDI at the household level.


International and National Academic Activities


Appointed Member, UN Committee on Development Policy. Advises UN System on economic development issues. Appointment by the Secretary General of the United Nations. 2013–2018.


Research Professor, ifo Institute for Economic Research. Duties include advising international section of institute on research and funding issues. 2006–2015.

Member, Scientific Advisory Board of the German Ministry for International Cooperation and Development. This scientific advisory board advises the government on policy issues regarding international development. Membership is by appointment of the Minister. 2004–2009.


Member, Scientific Advisory Council, Climate Change and Justice, Potsdam Institute for Climate Impact Research and Institute for Social and Development Studies, Munich. 2007–2009.


Research Fellow, ZEF center for development research, IZA research centre in labor economics, CESifo research network.

**Refereed Journal and Book Publications**


Books


Der Kelch
Wlosw Trinkus
Ein scheues, elshähnliches Wüstentier.

Alles
Gute und viel Glück wird sich Dir zum Geburtstag froh!