

Rethinking Development

Conference on International Development
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The origins

- Development economics was part and parcel of mainstream economics in 1776.
- The great divergence of development economics from the mainstream occurred with the rise of neoclassical economics and the marginalist revolution of the late 19th century.
- 19 February 1860 may be treated as the birthday of modern economics.

19th February 1860

Stanley Jevons to his brother, 1 June 1860: He had recently stumbled upon “the true Theory of Economy.” So novel his thinking was that “I cannot now read other books on the subject without indignation.”

Diary entry on 19 February 1860: “At home all day and working chiefly at Economy, arriving I suppose at a true comprehension of *Value*.”

The marginalist school rises, and interest in development wanes.

Development economics, as an independent discipline, emerges in the mid-20th century, with the writings of Ragnar Nurkse, Paul Rosenstein-Rodan, Albert Hirschman and Arthur Lewis.

The immediate impetus was the end of colonialism.



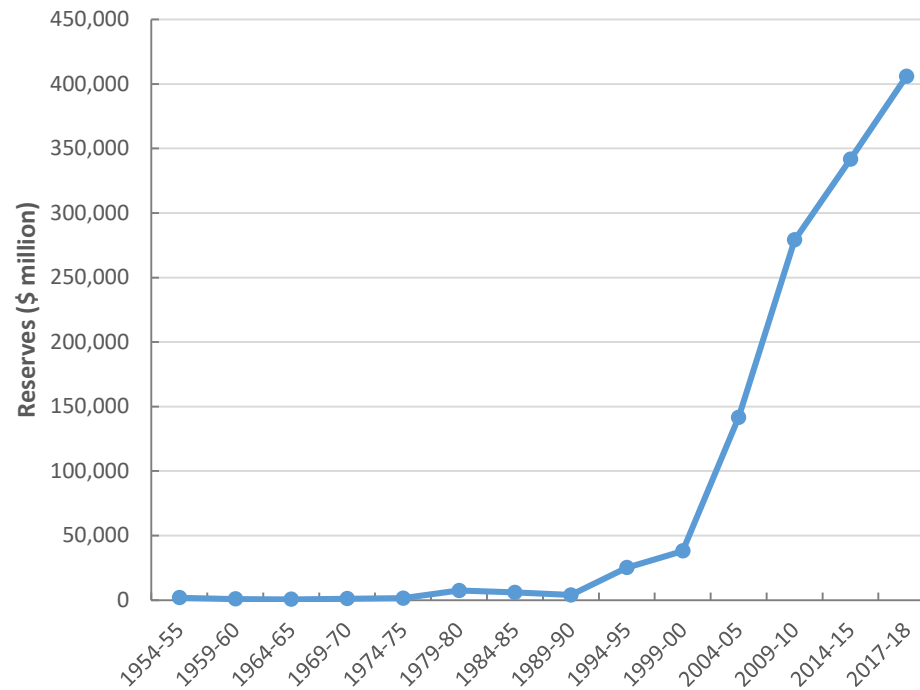


Learning development in the field

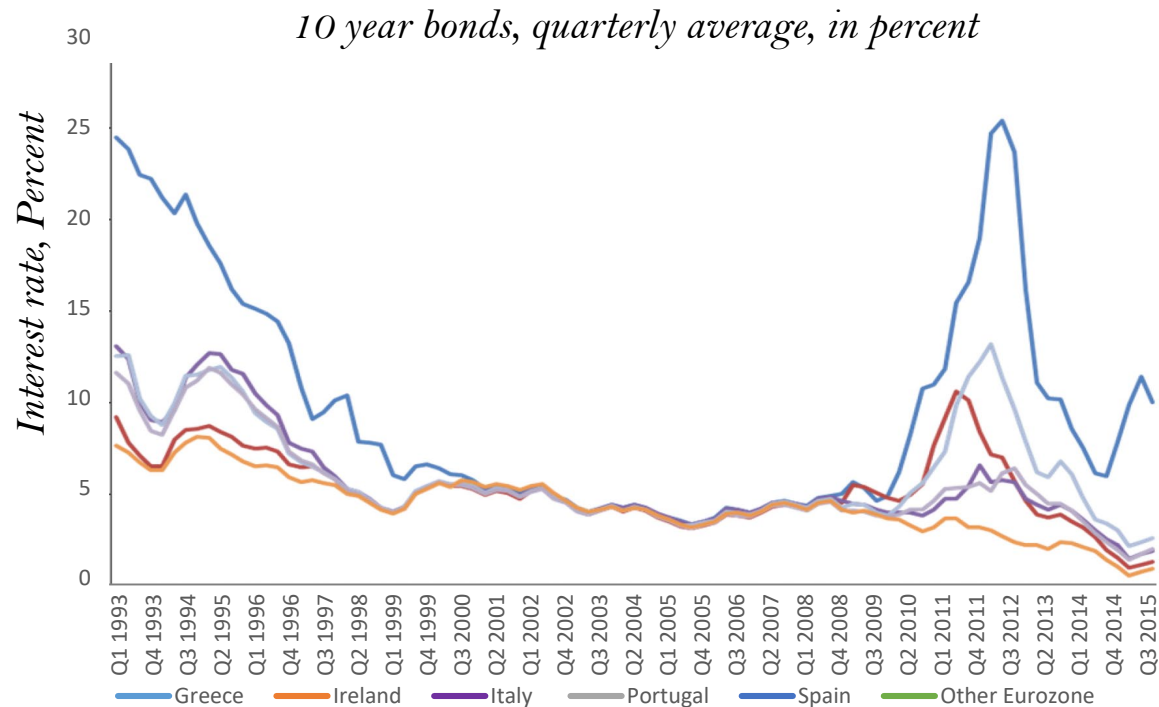
- Village conversations
- Policymaking in Delhi and Washington



The power of theory: India's Foreign Exchange Reserves



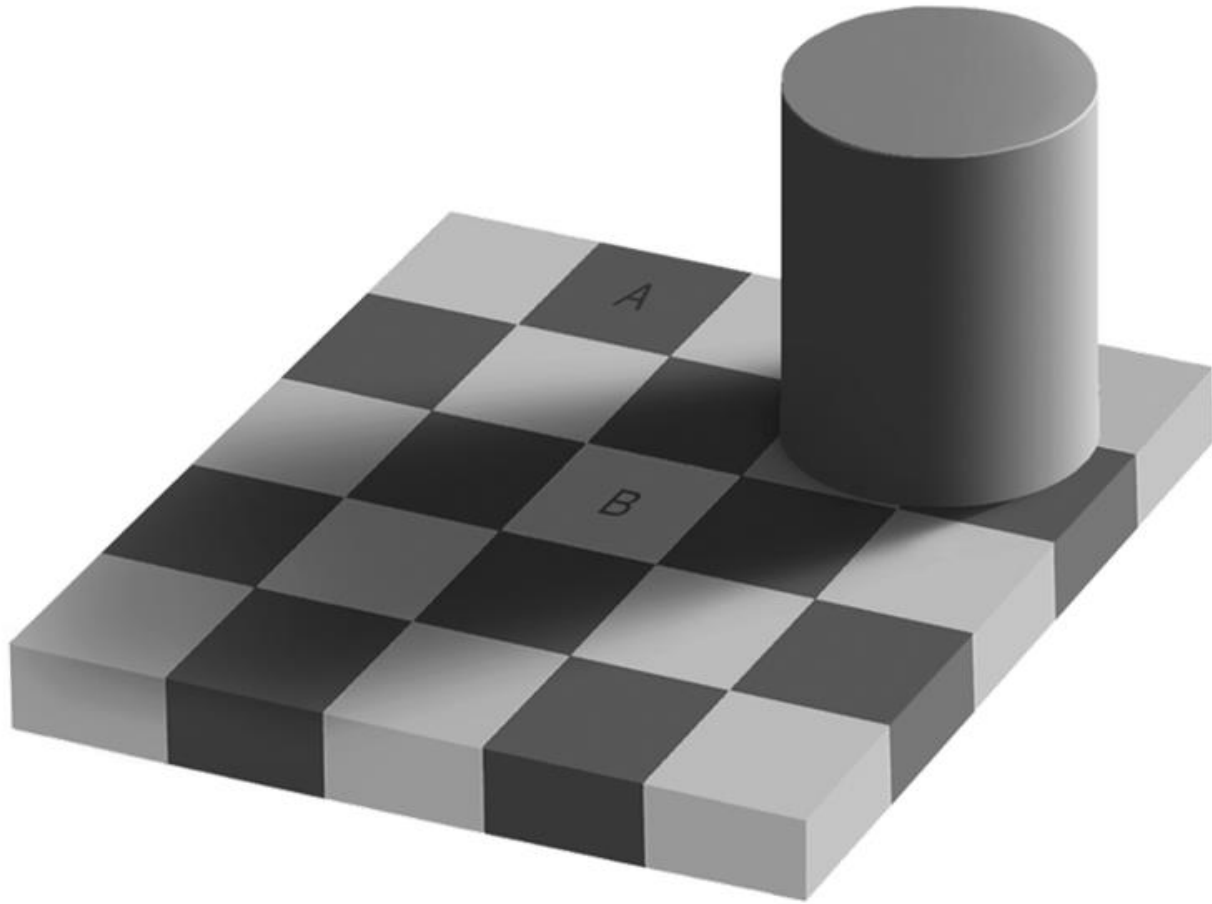
Globalization illustrated: Eurozone Bond Yields



Note: "Other Eurozone" is a simple average of the bond yields of Austria, Belgium, Finland, France, Germany, Luxembourg, Malta, Netherlands, Slovak Republic, and Slovenia. Data for Estonia and Latvia are not available.

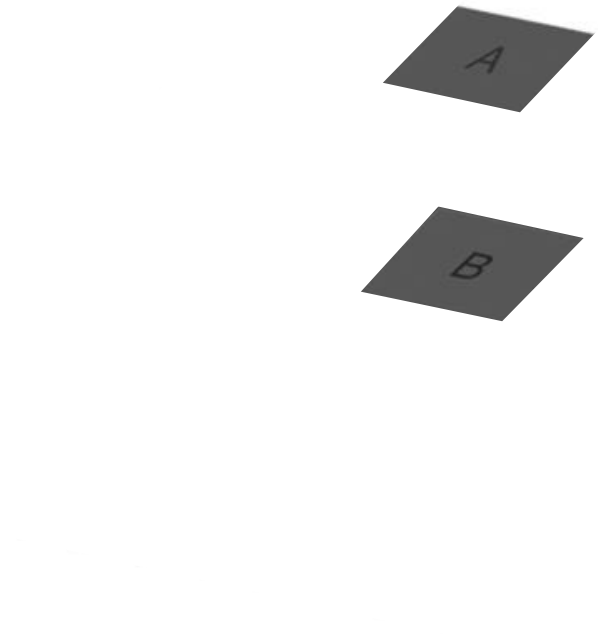
Source: International Financial Statistics.

Social Norms and Development



Here is one example of a frame.

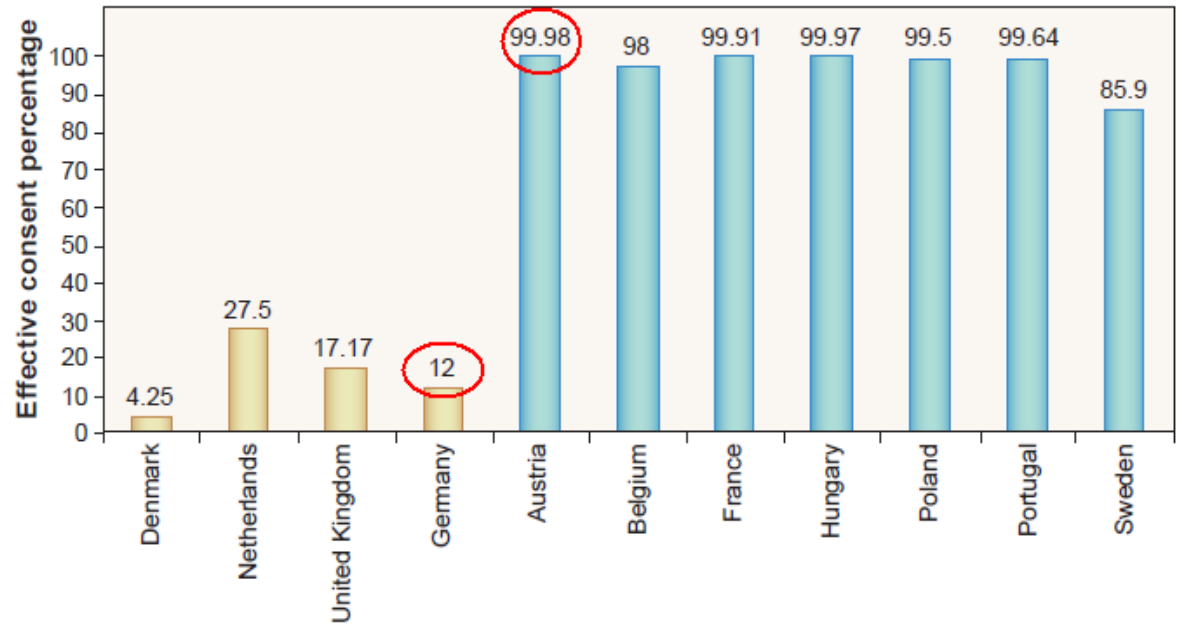
Social Norms and Development



Here is one example of a frame.

Organ Donation:

The Importance of the Default Option

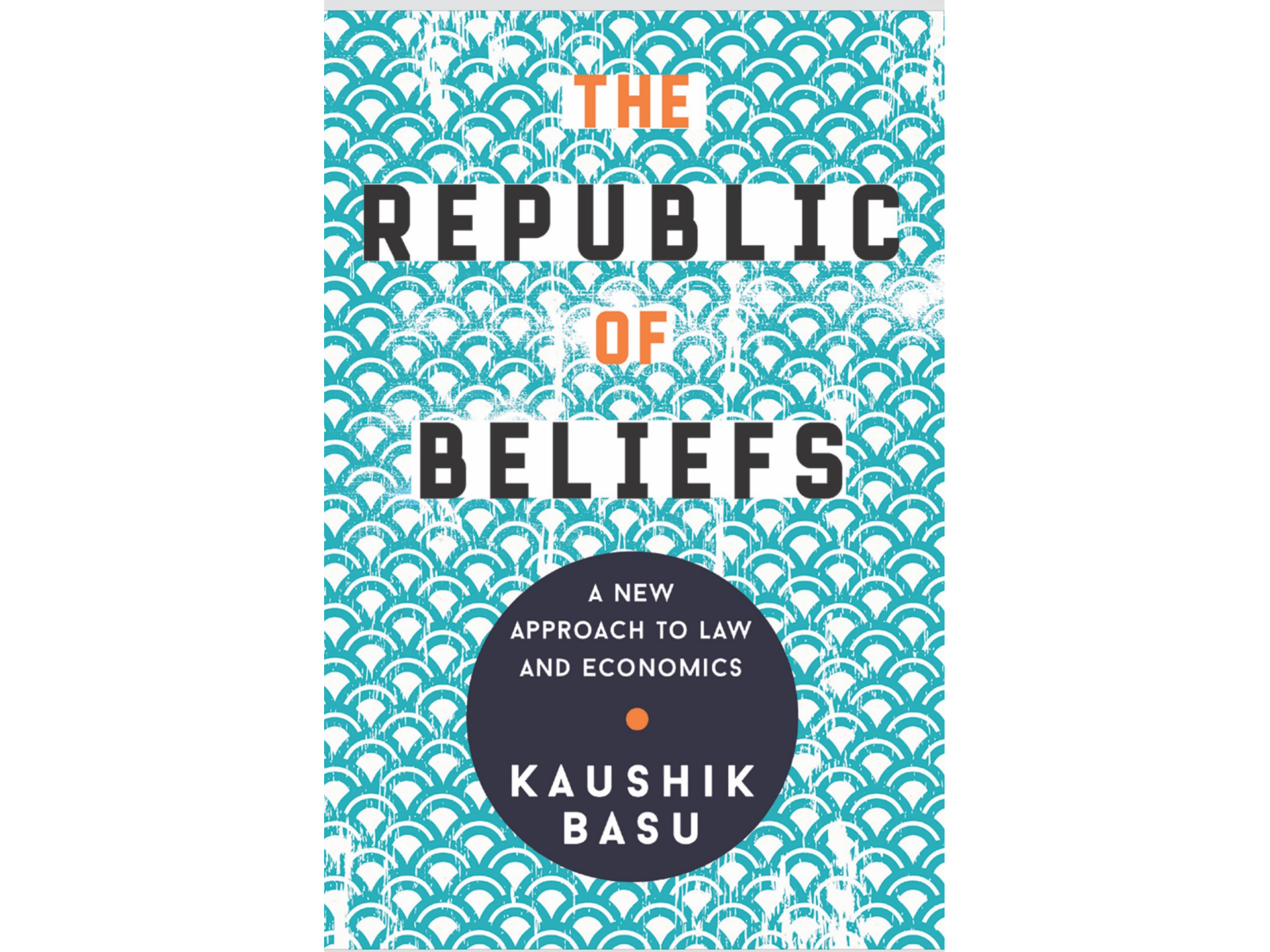


Effective consent rates, by country. Explicit consent (opt-in, gold) and presumed consent (opt-out, blue)

Source: Johnson & Goldstein (2003)

Corruption control

- Fines and punishment as game changers
- But who enforces the law and why?
- Pervasive corruption and corruption control as political instrument
- Modeling The Republic of Beliefs

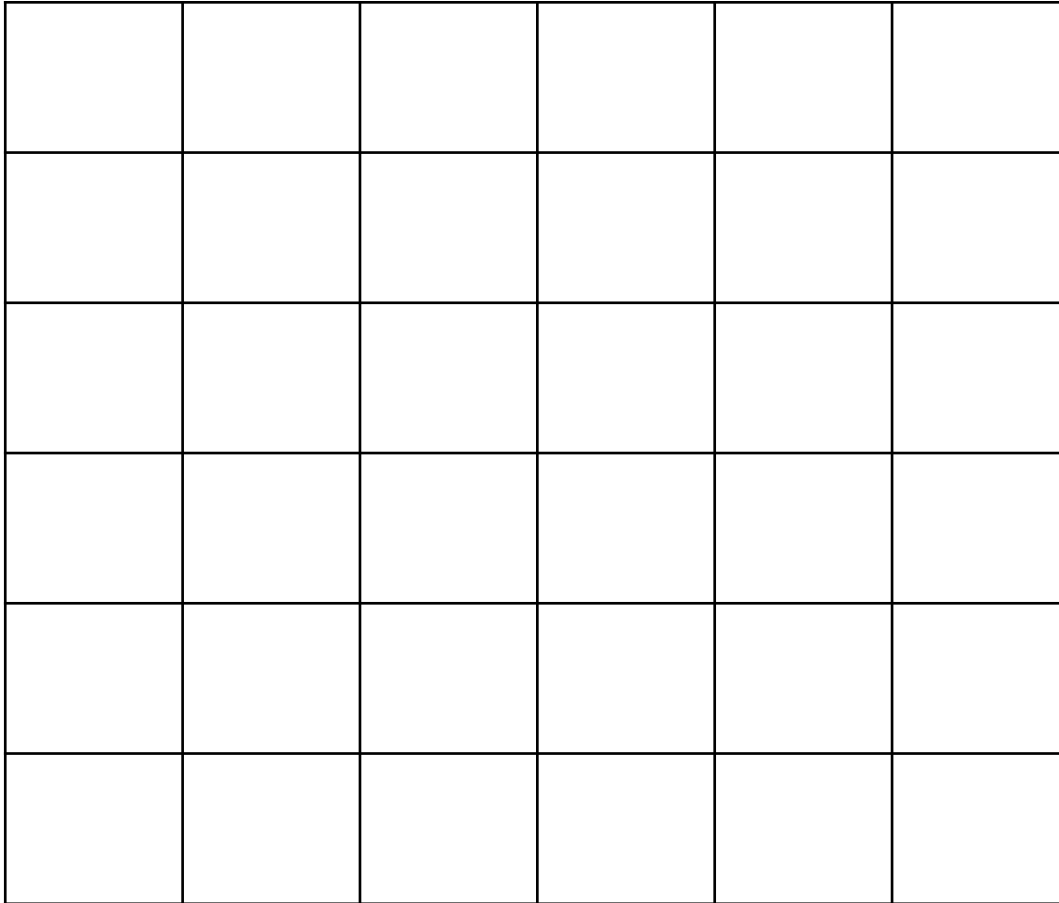


THE REPUBLIC OF BELIEFS

A NEW
APPROACH TO LAW
AND ECONOMICS

KAUSHIK
BASU

The Squares Game



The Squares Game

