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Some Issues in “Development Economics”

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Draft comments prepared for the discussion at the UNRISD meeting on
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Cape Town, South Africa.

Comments

1. I suspect that it may not be productive to try to resurrect the "grand theorizing" of the early "greats" (Lewis, Nurkse, Rosenstein-Rodan, Hirschman, etc.) in development economics or to try to build upon the "new growth" literature. This material is far too general to have much policy influence. In my postgraduate development economics reading list I used to incorporate it all under a heading of "What every student of development economics should know but is most unlikely ever to use"! My instinct is to try to build greater respect for and competence in applied economics - in a variety of fields (public finance, money, trade, open-economy-macro, health, etc.) - with particular reference to developing economies, in all their institutional, cultural, political and historical variety. Good "development economics" , in practice, is good applied economics in a variety of different specialisations and contexts. And recognition of and allowance for the variety of contexts is what distinguishes the good development economist from the weak one.
2. It seems to me that one needs to attack the current problem at its root -which is the traditional mainstream postgraduate economics programmes, which train the teachers and practitioners of most development economics today. I believe we must try to reduce the relative importance assigned in current mainstream postgraduate economics programmes to purely abstract reasoning; rebalance the core economic theory courses so as to place the traditional neoclassical assumptions into their appropriate context; restore economic history and history of economic thought to the core curriculum; and insist upon greater relative emphasis upon empirical and policy analysis in these programmes.
3. No less important, there must be conscious effort to win back the socially motivated students who are at present completely "turned off" by current postgraduate programmes. Current screening mechanisms for postgraduate studies in economics discourage many of those that the profession now most requires and attracts instead those with a predilection for abstract reasoning, mathematics, and avoidance of political or "value" judgments. Obviously, one cannot attract the "right kind" of student with the "wrong kind" of programme. This effort is therefore inextricably bound with the previous one.

4. This raises the question of whether, or where, a reformed economics programme - one that permits those with a development interest truly to pursue it - can be built; while at the same time "standards" and "prestige" are retained in the "job market". I suspect that current mainstream postgraduate economics programmes in North America and Europe are so solidly entrenched that, for the foreseeable future, they cannot be changed much. One might envisage a major effort to strengthen postgraduate programmes and/or schools of "public policy" or "policy analysis" or, conceivably even "development studies" (though I think the reputation problems would make this more difficult) instead. Another possibility is to try to build upon one or a few postgraduate programmes in the developing countries, trying to establish them as equally prestigious, but qualitatively different, centres of economics teaching and research; the Internet has reduced the seriousness of the previous problem of library access in such locations. Another possibility might involve the attempt to construct something de novo, hiring the most prestigious (and motivated!) of current applied and theoretical economists, paying them and otherwise supporting them well, and giving them full rein to develop an "alternative" postgraduate economics programme - perhaps beginning with a sabbatical year or two to permit them jointly to develop it. This would be expensive, ambitious and probably also best.

5. I append parts of a public lecture (no footnotes) given in Jamaica a couple of years ago in which I give vent to some of my problems with the current state of the economics world, in case it may be of interest or use.

(These points can be complemented with excerpts from a public address, G. Helleiner gave a couple of years ago at UWI, Mona, Jamaica.)