



Cornell University

If I Could Start Anew: Some Reflections of A Development Economist



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Why do we become development economists?

- Fame?
- Power?
- Money?
- Exotic travel?

Probably not!

Probably more:

- intellectual stimulation (i.e., tackle interesting problems)
- the opportunity to have an **impact** (i.e., tackle important problems)

“Most of the people in the world are poor, so if we knew the economics of being poor we would know much of the **economics that really matters.”**

- Theodore W. Schultz

Opening sentences of 1979 Nobel Prize in Economics lecture





So how are we most likely to achieve impact?

Must identify/relax 1st binding constraints:

- Knowledge
- Time
- Access



Development Economics Today

- Heavy emphasis on reduced form empirical work with 'clean' causal identification .. Premium on survey and experimental design skills, econometrics
- Increasing georeferencing of data. GIS skills at a growing premium; spatial econometrics too.
- Growing appreciation of the whole human, drawing on psychology, sociology, anthropology to embrace – rather than minimize – the richness of humanness (e.g., Wydick, Haushofer, Mullainathan)
- Increased recognition of the poor's intimate relationship with the natural environment (health, livelihoods, etc.) – learn the relevant (soil, climate, crop, fisheries, etc.) science



Development Economics Tomorrow

- More structural work; greater emphasis on computational methods to get at causal mechanisms; more attention to ORV not just endogeneity bias
- As markets grow in importance, greater integration with IO and business disciplines (McKenzie, Woodruff, Machiavello, etc.)
- Greater emphasis on improved measurement and addressing non-classical measurement error problems.
- More predictive work; machine learning and other high-skill forecasting tools at a premium

$$\frac{d\pi(X_0, Y)}{dX_0} = \frac{\partial \pi}{\partial X_0} \underbrace{(Y)}_{\text{prediction}} + \frac{\partial \pi}{\partial Y} \underbrace{\frac{\partial Y}{\partial X_0}}_{\text{causation}}.$$

Kleinberg et al. (2015 *AER P&P*)

- Ensures intellectual stimulation, plus novelty of contribution.



How to relax time constraints

- Develop good time management skills ... rocks, jar and cup of coffee parable
- Make good use of students ... not just as RAs/TAs, but as the next generation who can take your ideas to the world. And improve on them! It's never too early (work with undergrads as your RAs now!).
- Our greatest impacts typically come not from our contributions of ideas but from our contributions to the development of others ... our students, our children.

So invest accordingly!



- Focus on communicating beyond just journal publications ... at least post-tenure.
 - Blog (Marc Bellemare, Chris Blattman, ETRM, Vox Dev)
 - Write columns (Bruce Wydick)

Focus on clear communication for bright laypeople.

- Seek out opportunities to work with developing country firms, NGOs or government agencies you believe in and find out what *they* feel they need to learn (not what *you* think they need to learn). **Respect those who do (not just scholars).**
- Accept that most important questions are fundamentally normative and therefore heavily value-laden.
- Real world decision makers will listen if and only if it's clear that you will learn their language too and that you respect them. **Don't be the ugly economist!**



I would:

1. Remind myself daily why I chose development economics
2. 'Tech up' on IO, structural estimation, machine learning, state-of-the-art measurement methods
3. Develop close working relationships with colleagues in sister sciences and humanities
4. Spend more time with students
5. Spend more time on clear public communications and with real decision-makers
6. Spend less time trying to impress my fellow economists



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Good luck and Godspeed!

