

BIG AND SMALL IDEAS IN DEVELOPMENT ECONOMICS: THEORY, EVIDENCE AND PRACTICE

Researchers: Karthik Muralidharan and Kaushik Basu

Partner organisation: N/A



IN BRIEF

- » There have been a number of key developments in the field of development economics in recent years
- » The IGC and Ideas for India (I4I) hosted a lively discussion between Karthik Muralidharan and Kaushik Basu on these developments
- » A number of points were made during the discussion, including the idea that ideologically-rooted views that lack evidence are becoming weaker
- » The conversation gained wide-ranging media coverage and was quoted in the Upper House of Indian Parliament

The International Growth Centre (IGC) and I4I hosted a conversation between Karthik Muralidharan (Associate Professor of Economics, University of California, San Diego) and Kaushik Basu (Senior Vice President and Chief Economist, World Bank) on ‘Big and Small Ideas in Development Economics: Theory, Evidence and Practice’. The conversation was aired on the I4I website on 21 December 2014 and later posted on the IGC website in the form of a blog post which was viewed 516 times (as of August 2015).

In this wide-ranging conversation Kaushik Basu highlighted some key developments in the field of development economics. During the discussion, a number of interesting points were made. For example, it was argued that ideologically-rooted views that lack evidence are becoming weak and a vast majority of policy debates among economists are sharing common ideas. In addition, neighboring fields of study such as psychology and sociology are now being embraced by economics, leading to greater interdisciplinarity in monetary and fiscal policymaking. The conversation also highlighted that there is broad agreement that leaving everything to the free market does not work, but neither can the state do it all. This event got wide-ranging media coverage and part of the conversation was quoted in the Upper House of Indian Parliament.