

EGC Voices in Development Podcast, Episode 1: Leonard Wantchekon

Why do some countries advance while others fall behind? Who benefits from economic growth and who doesn't? How do inequality and climate change affect individuals, especially people in marginalized groups? And what role can data play in answering questions like these and informing policies that promote economic justice? Let's find out on Voices in Development.

Hello and welcome to our podcast. I'm your host, Catherine Cheney. We're coming to you from the Economic Growth Center at Yale University, which is focused on economics and data driven insights for equitable development. Today, we're going to be speaking with Leonard Wantchekon. He's a Princeton University economist, former political activist in his home country of Benin in West Africa and the founder of the African School of Economics. It's a groundbreaking academic and research institution that is training the next generation of African economists and building connections to other universities around the world.

The goal is to help promote stronger collaborations between economists studying the causes and consequences of development and local researchers, institutions and policymakers who are working to turn those insights into action. But first, let's take a quick look at how international collaboration plays a critical role at research centers like EGC, where economists have spent the last six decades asking critical questions about development. While the EGC is based in New Haven, Connecticut, researchers are working around the world to form connections with local institutions and policymakers in the countries where they're working.

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Rohini Pande is EGC's director.

Pande: “Much of my research and that of my colleagues is with local partners to both understand what holds back development and to understand how economics can bring insights that can inform effective policy action.”

Yale economist Orazio Attanasio has been developing those local partnerships for more than two decades in his research into early childhood education, finding ways to promote interventions that help children get an early start on learning.

Attanasio: “One thing that I'm convinced of being extremely important is the ability to talk to policymakers in the right language, and especially to use the existing infrastructure, the existing social programs and welfare programs, and then use them as the vehicle through which you can deliver effectively and scale up interventions.”

Building on work on early childhood education in Colombia, Attanasio and his colleagues have since expanded to India and Ghana, and there's a new effort in Kenya underway. Their research is yielding valuable insights on ways to engage parents in teaching programs.

Attanasio: “You can see that the volunteers are part of the village and therefore they are recognized by the mothers, and when they try to deliver the message on appropriate behavior and useful behavior towards their children it's received much better because of the connections that already exist.”

For Attanasio, this lesson plays out time and again in decades of work turning research into action.

Attanasio: “You know, it's fine to run a randomized control trial and show that something works, but then the big challenge is how do you develop that at scale? You cannot send thousands of researchers to random interventions. So you need to use people that are there, that are part of the communities.”

You're listening to Voices in Development, a podcast from the Economic Growth Center at Yale University.

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Welcome back. I'm Catherine Cheney. Our guest today is working to build international collaboration among researchers by training a new generation of African economists. The goal is to create an academic institution that fosters world class, cutting edge economics research with a foundation built on Africa's unique culture and history. It's a bold idea put into action by Princeton economist Leonard Wantchekon when he founded the African School of Economics (ASE) in his home country of Benin in 2014.

Since then, ASE has been working with African officials to turn research insights into effective government policies and programs. One of those officials is Hamet Aguemon, the Minister of Investments for the Government of Benin. Aguemon studied traditional economics in the US at one of the world's top research universities. He says policymakers on the African continent are going to need new insights from the next generation of locally trained economists.

Aguemon: “I don't need people to come and tell me about Adam Smith or Keynes. They were great, and they were actually right. But what we need today is to take on the new challenges that didn't exist 30, 50 years ago.”

While ASE is based in Africa, Wantchekon is working to foster development research in countries around the world, including Mexico and Latin America. Julio Solis, now an economics Ph.D. candidate at Harvard, left home in Mexico in 2018 to study at the ASE campus in Benin. He believes that Latin American countries share many of the same development challenges and opportunities found in Africa. But some of the world's biggest development challenges, Solis said, are looming on the African continent.

Solis: “China and India (are) massively lifting people out of poverty. What it would mean is that most of the global poor will be geographically located in the African continent in the next 15, 20 years. So there's going to be a demand for people that actually have local expertise.”

That local expertise will be critical in developing new solutions to 21st century problems. But a range of perspectives will be needed to tackle the development challenges facing the African continent in the next 30 years, says Ibrahim Mayaki, the CEO of the African Union Development Agency.

Mayaki: “Africa is extremely important for the future of the world because we'll double our population between now and 2050. So if Africa goes well, the rest of the world can go well. But if Africa doesn't go well, the rest of the world cannot go well. So we cannot count only on young African academics. We need academics from the US, from Canada, from Australia, from Malaysia, from India.”

Those academics will face a number of challenges in helping to shape Africa's future. But they're already seeing a wide range of opportunities, according to Johan Fourie, an economics professor at Stellenbosch University in South Africa.

Fourie: “There is a lot of innovation in all kinds of technology, from Bitcoin and crypto to mobile phones to CRISPR and the benefits of vaccines for humans and new crops and these kinds of things. That is incredibly exciting — and to bring economic thinking, which is very much created for a very formal, you know, Western, US economy into this very tumultuous, informal world where there's lots of kinds of diversity; cultural, language diversity, but also institutional diversity — that's not an easy thing to do.”

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It may not be easy, but a new approach to economic research is what our next guest is working to achieve by building the African School of Economics as a bridge between Western economic institutions and a new generation of African economists.

Cheney: Leonard Wantchekon, welcome to Voices in Development. Thanks so much for joining us today.

Wantchekon: My pleasure.

Cheney: So we just heard a little bit about the African School of Economics. And I know that one of the reasons you are so passionate about the need for this school is you've said that when you train people, you allow them to turn their personal motivation into advanced economic research. And that's been true in your own life. So I wonder if you can talk about how this has happened in your own life and why you want to create more stories like that through the African School of Economics.

Wantchekon: So in my personal experience, whether it's political economic research, whether it's my research and education, there is always as a starting point, something that either bothers me that I want to find out or something that gets me really excited — for me not only to understand better, you know, as a way of self-discovery, but also to share this experience with others so that they can learn from my own experience.

Cheney: And that's played out in so many ways in your research. I wonder if you can expand on one example. You had an observation in terms of your mother's village and where your mother grew up. Can you tell us a little bit more about where you grew up and how that perspective led to research that another economist not from Benin could never have come up with?

Wantchekon: So I grew up in central Benin in a district called Zagnanado in 2009. I have been back for the first time after maybe 20 years, and I was shocked by the level of poverty.

My mother's village was very prosperous, was the food basket of the whole region when I was growing up. So I was trying to figure out why, why this? It didn't take me a long time to realize that what happened was that the bridge connecting that village to a market had collapsed and was never repaired. So immediately I set out to understand how one of the mechanisms by which lack of market access in conditions of high level of land fertility can actually make people poorer.

The worst combination possible is to have the highest level of land fertility in conditions of non-existent or very low market access. So I was basically pressured to come up with an answer. Besides that, I also felt pressured to do something about it. You know, so when you have this personal motivation to better understand the phenomenon that bothers you, it gets you to do your very best, not only to come up with research that is publishable, but also research that has very important actionable policy implications.

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Cheney: Another very important piece of research you've contributed is this work on the link between the slave trade and low levels of trust. And what I've read most recently is that this is in the top 1% of the most cited economics papers. But it results from an insight that again comes from your upbringing and the people you grew up with. So can you tell us a little bit more about that?

Wantchekon: In fact, I was having a conversation with my wife. She was like, this friend from fourth grade — when she wanted to refer to a friend that's not trustworthy — that friend will say, 'She is going to sell you. She's going to make you disappear.' And I was like, wait a minute, why? Why does not trusting someone mean that that person can make you disappear? So from then, I started thinking about the possible correlation between trust and experience to slave exports.

And when I had the first opportunity to study this question, when my colleague from Harvard University, Nathan Nunn, who has data on slave export, came to me and I said, 'Can we try this?' And then bingo. My initial intuition that I had was confirmed. And then after that, I became more convinced because I realized that there is a culture of mistrust that you can sense from songs and sayings that help to maintain and sustain this mistrust. So many songs that I grew up with, many popular songs that I grew up with when I was young. I could link it, you know, link those songs, the lyrics of the song to this phenomenon.

Cheney: You've mentioned both of your parents. I know that your parents did not go to school, but that it was important to them that you did go to school, and you had a unique opportunity in your hometown. My understanding is this was one of the first schools set up by missionaries.

Wantchekon: Yeah.

Cheney: So can you tell me a little bit more about why it was so important to your parents that you get an education, what that looked like for you as a child? And how did your own education

lead you to become so passionate about education as an issue and eventually lead to the founding of the African School of Economics.

Wantchekon: So my parents, particularly my mother, were so driven by sending her kids to school. I remember that my older brother quit school for seven years and then got a job to be a Nursing Aid. He was 22 and he left school when he was in sixth grade. My mother said, 'No way, you know, you are not taking that job. You're going back to school.' So this poor guy went to seventh grade when he was 23. You know, now he's an engineer. So it just indicates that for my mother and my parents in general, education is far more than just getting a job. And this really stayed with me. It stayed with me not only throughout my, you know, academic career, but also in my experience in creating the African School of Economics. So when it comes to education, I'm not just a pragmatist, you know, somebody who says, okay, learn something, a couple of things, and then we will get you a job somewhere.

It's really important to realize that people like my mother do exist in Africa. You know, not everyone is in survival mode. So there are people who value education highly, highly, highly and are willing to push their kids to the highest possible achievement. And we need to find a way to nurture that demand. One of the reasons why my mother was so determined was because of my uncle, who in third grade was so bright that he got a job as a teacher in the local school. I think it was in 1913 or something like that.

So he became a rural railroad manager in the thirties and forties. So his ascension and the way he conducted himself is something that inspired my parents so highly that they wanted their kids to look like him. One of my mother's motivations was that after going to school, I could become a lantern. Someone who can shed light on part of your life that we do not understand. I will be the one who can help them communicate with the current administration. We become, to some degree, their voice. And so for them, it goes way beyond earning something, and coming back to help them. And they are willing to make a lot of sacrifice for this to happen.

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Cheney: So I want to hear more about the African School of Economics, and I'd love to start by just framing the problem; So most research on Africa is done by academics who are not from the continent. And I'd love to hear, in your words, why is this so problematic and why is it so critical that people from Africa are involved in tackling development challenges facing the continent?

Wantchekon: Yeah, I mean, in general, students who grew up in Africa, they have insight. And then second, it's also about motivation. For me it is not just about figuring out more clarity on some questions. It's about doing something — doing something for myself, doing something for my parents, doing something for where I grew up, you know? And that's that's very, very powerful, you know? And also, I mean, you want to talk to policymakers, you'd want to talk to an entrepreneur, and it helps that you can speak their language, it helps that you grew up with them. You know, the problem we have is an imbalance. If you take ten very active, productive economists that work in West Africa, maybe 8 to 9 are non-Africans. So I have to create conditions under which I can train a large number of people and design a curriculum that will help them to accelerate.

You know, with this kind of knowledge that we kind of carry, and to stay very motivated, and that's why, for instance, the teaching of African history is very important, because I strongly believe that when the teaching of economics includes elements from economic history, it gets people to connect their personal experience to the past and will get them even more motivated, to study economics, and also in a way that's very, very insightful.

Cheney: Your work, as I mentioned earlier, really bridges these gaps that often exist between economics and political science, and that's a really rare combination. So I wonder if you can speak to: Why is political economy with a historical lens, as you just mentioned, so critical to making progress on development goals?

Wantchekon: So from the beginning, you know, I became a political activist so that I can understand political phenomena and how they shape social life and economic outcome in Africa, but also political economy as a solution. I was not just denouncing oppression, you know, we were always proposing ways university councils would be organized so that we could reduce corruption, so that we can empower, you know, the population, empower the students, you know.

So political economy for me should be not driven by simply understanding current political phenomena, but derive practical institutional features that will help solve problems. So take girl education. You know, let's say in northern Nigeria, the issue is not that people do not necessarily understand the value of educating girls. It's because there are gatekeepers, you know, traditional rulers or religious chiefs and leaders.

As a government, you will not only have to set the goal of getting girls to school, but you also have to find a way to go after those gatekeepers. And that may mean, for instance, you sit down with them and say, what is the deal? You know, I'm going to give you this. Let's say I'm reaching the curriculum to include local culture. Get us that. Please let the girls go to school, you know? And then here are some incentives for you to do exactly that.

Cheney: Another way I've heard you put this and I wonder if you can expand on it a bit, is you've called for a less personality-centric, more institutional-centric approach to researching how politics can improve development. So I wonder, what do you mean by that? And how would that shift in approach really change research outcomes and policy outcomes?

Wantchekon: So yeah, I mean, I don't want politics to be just about getting lucky. When you see political outcomes in the lens of good or bad politicians and corrupt and non-corrupt politicians, it doesn't get you very far. But what could be is how you want to design governments. How do you run public administration? How do you want to design elections so that you are far, far more likely to get good politicians than bad politicians? Even when you've got bad politicians, how do you constrain the political environment in such a way that they cannot be as bad? You know, so, I think political economy should be driven not by personalities, but driven in part by how we set up institutions in government, elections, etc., so that we can constrain bad politicians and make it more likely that good politicians will arise.

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Cheney: I wonder if you can provide some more specific examples in terms of institutional reforms that can, as you put it before, curb political distortions, improve economic outcomes, and create conditions for good leaders to arise. And I wonder, are there places we can look and learn from and point to officials and say, this is what you could do?

Wantchekon: Yeah. I mean, for instance, currently there is e-governance, there is use of I.T. information technology to make governments more transparent. Those are practical things that are happening in India, in Africa to help curb corruption. Something that I'm working on is what I call public reason and social contract. The principle there is that as much as possible, policies have to be grounded on reason, on evidence, and it has to generate some kind of social contract between the providers and the suppliers and the recipient so that they can have some kind of mutual commitment.

How does this happen? Townhall Debate Summit. I'm experimenting with something like that in Nigeria currently with the hope that this approach can be institutionalized. In Africa in particular, there is a culture of consensus building or town hall meeting that has yet to be integrated in the working of governments. You know, that's an example, for instance, of an approach that can be used.

Cheney: So you mentioned that you're working on an experiment when it comes to community ownership of policy in Nigeria. Can you tell us a little bit more about that as a window into some of the questions you're exploring? My understanding is that it has to do with education, right?

Wantchekon: Yeah, exactly. So basically, it's about design for education reform. So three steps; First step, we collect data on priorities and issues. Second step, we have a summit involving parents, teachers, traditional chiefs and governments. And we have one day, full day debates about those priorities. And then at the end of that meeting, we have a document called Social Contract, so that they have in writing what the issues are and what they have decided to do together.

Now, once the government reacts in terms of budgeting to that contract, then we take it to the schools to explain to the parents, to explain to the teachers, everyone, to say, this is what we are going to be doing. Okay, now do your part. So it's a four or five years plan for education reform. But the response we have so far, not only from the government but from teachers, from parents, and so on, make me extremely hopeful that in fact, it's very much in the right direction.

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Cheney: We talked a little bit about what the African School of Economics is and a little bit about why it needs to exist. But I want to move from the what to the how. So can you take us through establishing ASE in Benin in 2014? What was the approach you took?

Wantchekon: At the beginning, it was basically as a resource center plus, you know, because funding came from research projects plus a master's program to help us, for instance, to train students, but also send them to grad school so that we can have a pipeline of researchers going. And originally it was Benin, then it became extended to Cote d'Ivoire. Now we are also planning to open a campus in Nigeria, and we have partners in New York and South Africa, because first

we want the institution to be Pan-African. You know, that's one. I also want it to be open to African diaspora in general, and also I thought that it's really important to give opportunity for students to travel, to be mobile, to go to Europe, to go to the US. So having a small campus in New York or a presence in New York and Princeton, obviously, it's really critical. And this model has worked very well. You know, we place very well, extremely well, in fact. So about 34 PhD students over six years. That's a great number. And we have students in place at the IMF and World Bank, you know, governments, advisors and so on. Now we just need to expand and then to improve quality.

And this will come. The next big thing is to establish a research program, to build a reputation for excellence and for cutting edge research in key areas, and to train the students in a way that makes them more successful to succeed in academia. Because, I mean, we cannot do everything, so we can be very good in a couple of things. And then the student, I mean from ASE can have a solid foundation. We can build based on where we are.

Cheney: So one more question on that. If ASE is one approach to addressing the problem we were discussing earlier, most research about the African continent is not conducted by people from the African continent, and this hinders progress on development, ASE is part of the solution. It's working at one solution. But what more is needed?

Wantchekon: Yeah, I think what more is needed clearly is to connect this knowledge that we are developing to entrepreneurship and to government. We will be a platform through which the best African scientists can connect with the most ambitious African entrepreneurs. So we have an MBA program that can help achieve that. And we are also planning to create a Master's in Public Administration through which we can also get the brightest of the brightest working in the government as policymakers. So the program, as it is now, is very academic. But those connections to government and to entrepreneurship, to the private sector are really essential.

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Cheney: We talked a little bit about the role history plays in your work. But you've also mentioned that history is important, but it isn't everything. And expanding on that, you said 'We should know where we want to be and describe how far we are from there. But then we need to think about how to fix it'. Can you expand on what you mean by that and how you hope to see that perspective infused in more research?

Wantchekon: Yeah. So I remember growing up as a leftist activist. You know, everything in Africa happened because of slavery, because of colonialism. And I was a bit uncomfortable with this kind of historical determinism that just attributes the past to every dysfunction that we observe today. So currently, you can quantify that in my paper, for instance, on slavery and trust, we find that 15 to 25% is explained by slave trade.

That's big. That's massive. But 75% is not explained by that, you know? So it's really, really, really important, you know, to know history because it's big, but not to think of history as the only variable, not to explain the present. That's one. But what is also interesting about history, it's also self-discovery. You know, it's not like whether the slave trade explains this or not, whether colonialism explains this or not, yeah that's important. But knowing where my grandparents

were, what they were doing, you know, knowing, for instance, policies that the king of Dahomey from when I grew up, the policy he had put in place creating all female army units. You know what? Have these models today or not, that's important. But knowing that it's happened, you know, it's something which gets me to be more knowledgeable, and also I can learn from that experience. To see if something like that had been possible then, it should be possible today. Why is it not being done? So that I can do something, you know?

So I'm passionate about history. I want history to be present everywhere. But I do not want us to be deterministic about explaining everything by the past. We can overcome history, you know. So the same way past 1975, to a large degree China overcame history, by policy, by reform, they want to erase the legacy of the Cultural Revolution and authoritarianism before the Communists came in. You know, so it's not over yet, obviously, but it shows that agency, you know, and the sense that we are in control, that's super important. And that's why research that helps us not only to understand what's happening, but to prescribe how these things, dysfunction, distortion can be fixed. It's absolutely important.

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Cheney: Well, coming out of this conversation, I'm struck by what a unique path you have had to the work you do today, but also how valuable it is that you bring the perspective you do to this work. And now, as not only a researcher, but an academic entrepreneur, I hope and expect that part of what you might accomplish is to create pathways for more people like you who bring these perspectives to the world.

Wantchekon: Absolutely.

Cheney: Thank you so much for your time.

Wantchekon: Thank you for the opportunity. Thanks so much.

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That's all we have time for in this episode of Voices in Development. If you'd like to learn more about the Economic Growth Center, visit the website at www.egc.yale.edu. And look for the next installment of Voices in Development on EGC's website or on Apple Podcasts, Spotify, or wherever you get your podcasts.

I'm Catherine Cheney.