

Economics Department, Presidency University



DIPAK BANERJEE MEMORIAL LECTURE 2021

THE CHALLENGE OF MORALITY IN ECONOMICS

**22 December 2021: 8.00 P.M. IST
via Google Meet**

Kaushik Basu

Professor of Economics and Carl Marks
Professor, Cornell University



**CHAIR: ABHIRUP SARKAR,
PROFESSOR (RETIRED) , ECONOMIC RESEARCH UNIT,
INDIAN STATISTICAL INSTITUTE KOLKATA**



The Challenge of Morality in Economics

Much of traditional economics makes no reference to morals. Yet we know from our experience, even if not from our textbooks, that morals matter, affecting not just social and political outcomes, but economic growth and welfare. The lecture will delve into this subject, showing that the connection between moral behavior and economic outcomes is more complex than may appear at first sight. It will be shown that, in strategic environments with many individuals, having the moral intention may not be sufficient. In fact, it can backfire, causing a deterioration in overall welfare. The lecture will delve into questions of how we can solve this challenge of morality, answering some questions but also leaving some open ones for the future.

Kaushik Basu is Professor of Economics and the Carl Marks Professor of International Studies at Cornell University. He is currently President of the International Economic Association, serving a term 2017-2020. He was formerly Senior Vice President and Chief Economist of the World Bank, 2012-16, and, prior to that, Chief Economic Adviser to the Indian Government, 2009-2012.

Kaushik Basu has held visiting positions at the Institute for Advanced Study, Princeton, and the London School of Economics, Harvard University, Princeton University and M.I.T. He was Professor of Economics at the Delhi School of Economics, where in 1992 he founded the Centre for Development Economics and was its first Executive Director. He is also a founding member of the Madras School of Economics.

Basu received his PhD and M.Sc (Econ) from the London School of Economics and BA (Hons) from St. Stephen's College, Delhi.

Kaushik Basu has published widely in the areas of Development Economics, Industrial Organization, Game Theory and Welfare Economics. He has been awarded the Alexander Humboldt Prize in 2021, and the Padma Bhushan in 2008.

Dipak Banerjee

Dipak Banerjee is one of the legendary teachers of economics at Presidency College, Calcutta. He graduated from the London School of Economics with, as Lord Lionel Robbins wrote, "an unbroken string of A's". Although he was offered a good graduate-school fellowship to do his PhD, and perhaps an assistant lectureship later at London School of Economics, Dipak Banerjee chose to come to Presidency College as Assistant Professor.

He subsequently returned to London School of Economics for a brief period, and also spent a year at Berkeley. Apart from these two stints, he remained in Economics Department, Presidency College for over four decades, starting from the late 1950s, where he produced one brilliant economist after another for the rest of his life. It was here that legends started accumulating this charismatic teacher to create the myth of "DB", as his students used to call him.

After his expiry in 23rd January 2007, a memorial lecture was initiated from 2007. Earlier lectures have been given by eminent economists like Debraj Ray, Maitreesh Ghatak, Amit Bhaduri, Joseph Stiglitz, Amartya Sen, Dilip Mookerjee, Raghuram Rajan, Jean Tirole and Esther Dufflo.