



What is the Impact of Economics?

Roland Hodler, professor of economics, teaches and does research in economic development, political economics and public finance. He won this year's HSG Impact Award. What is the impact of economists? Is the university striking the right balance between research, teaching and social impact?



You were rewarded with this year's HSG impact price. Do economists have impact?

What is exactly the impact that economists – students and professors – should hope for?

I think economists have substantial impact in policy debates. Reasons are twofold: First, their experience with formal theoretical models allows them to develop internally consistent arguments. I know that sounds easy, but many people from other disciplines seem to lack this basic skill. Second, thanks to their ability to handle and analyze data, economists are much more inclined to base their statements on sound empirical evidence than scholars from other discipline. Personally, I think it is hard to overestimate the importance of such “factful” contributions to policy debates.

You are engaged a lot at our university, in teaching, in the HSG research commission and in the department of economics. Is the university striking the right balance between research, teaching and social relevance?

Let me focus on the department of economics rather than the university as a whole. The department strikes a good balance in more than one respect. First, there is a good balance between research and teaching, which ensures that the best researchers teach core courses in our programs – unlike in the programs of some of our competitors. Second, taking the university's slogan from “insight to impact,” I find that the department of economics also strikes the right balance between academic insight and social impact.

You are teaching in economic development, public finance and political economy. What are the key challenges?

In my courses, I aim at giving the students a broad overview of the relevant topics and concepts. At the same time, I want them to understand the research of the leading scholars in these fields. This leads to an obvious trade-off between breadth and depth. I go for the former in my Bachelor courses, but try a balancing act in my Master courses. So far, I think the students liked my balancing acts, in particular in my Master course “Political Economics.”



What is your most important research lately? How is it relevant for society and economic policy?

I got this year's HSG impact award for my research on the health effects of oil spills in the Niger Delta. This research, which was published in a leading journal, received a low of media coverage and was cited by Transparency International and other NGOs. In my view, the question of how sustainable development can be made possible in regions "cursed" by natural resource extraction is of great economic and social relevance. In another recent research project, we analyzed self-collected data on Chinese aid projects in Africa. Understanding the role China plays in Africa is important for those who care about reducing poverty as well as for those who care about "civil liberties" around the world. I happen to do both.

Are you applying good economics also in your personal life?

I am not sure. I like the predictive power of our theoretical models, but I try to be different – hopefully nicer – than the agents in our models. What I certainly try to apply is the evidence-based, "factful" mindset of a 21st century economist.

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