Remarks by Steven A. Block, Professor of International Economics, at the Convocation of The Fletcher School of Law and Diplomacy

Friday, September 9, 2011

Dean Bosworth, Dean Krogh, honored guests, (everyone else…)

It’s my honor, on behalf of the faculty, to welcome everyone to the new school year. I extend a special welcome to the incoming students, the Fletcher class of 2013. We look forward to getting to know you and work together with you. I also want to extend the warmest welcome our three new faculty members, Professors Aptel, Bulutgil, Tanaka, and wish them all long and successful careers here at Fletcher. And, sadly, I’m sure I speak for all my colleagues in expressing our sincerest concern for Professor Alan Wachman, whose talents and collegiality we will all miss this year.

That part was on behalf of the faculty. From here on, it’s just me.

The Fletcher community is defined by our common yet diverse interests and involvement in world affairs. So I thought it appropriate to start by giving you my quick take on some recent development in international affairs, but with one important caveat: I’m a development economist—what do I know about international affairs?

It’s certainly trite to say, but we live in a scary world. A decade since September 11 Al Qaeda is still a destructive force, currently, it seems, intent on toppling the government of Pakistan. Pakistan strikes me as a particularly scary place, with a highly unstable and unpopular government that has 100 nuclear weapons (I know this top secret number from Wikipedia). These weapons could potentially fall into very hostile hands if the government fell. But even with the government in place, it turns out that they’re good at sharing.
So the nuclear trail leads directly from Pakistan to North Korea, which also strikes me as a scary place, despite Dean Bosworth’s best efforts as envoy.

For most people in the world, the scariest event of the past year was probably something most of us hardly noticed. Between summer 2010 and summer 2011, world wheat prices nearly doubled and world corn prices more than doubled—pushing perhaps tens of millions into poverty and malnutrition.

But not all the scary stuff is so far from home. In many ways, the US has become a pretty scary place. More than a few people here think the most powerful person in the world should be Michele Bachmann. But far be it from me to abuse this ceremony with partisan rhetoric. So I won't mention any names or specific political parties. Yet as an economist, I can’t help observing that this past summer, a large group of congressmen from one party, and several of their presidential candidates, thought it would be a great idea to detonate the US economy to make a point. And, what was their point??

They stated a concern for high unemployment as their reason for extending tax breaks to the ultra-rich, yet insisted on a hugely contractionary fiscal policy—even at the potential expense of forcing the US Government into default—an event that surely would have increased unemployment even more. Don’t expect anything you learn in an economics class here to help you make sense of this. Kind of makes you wonder if they really want to see unemployment fall before, say, November 2012.

But not all recent world events are scary. There have also been hopeful developments. In addition to the Arab Spring, this summer the world community welcomed a new country, South Sudan, born of hope for a first experience of peace and security for millions, many of who walked for weeks across the desert to become citizens.

I’m not sure who’s in charge of flags in the Hall of Flags, but I hereby propose that we add the flag of South Sudan ASAP. All in favor say, “Aye.”
But enough about world events and policy. My summer vacation itself was very “Fletcheresque.”

I spent most of the summer living in Switzerland. In true Fletcher spirit, while living in Switzerland I made a point of learning as many words as possible in Swiss. And I conducted extensive field research to determine the between a latte and a cappuccino. But it was also a summer of contrasts for me.

I traveled from Switzerland to Tanzania. Switzerland’s GDP per capita is just over $67,000; Tanzania’s is just over $525. Switzerland’s GDP per capita is over 125 times greater than Tanzania’s. Life expectancy in Switzerland is eighty-two years; in Tanzania, it’s fifty-six years. I could go on. Suffice it to say, the contrasts were stark.

Going from one of the richest to one of the poorest countries embodies the Fletcher global perspective and invites the kind of enquiry that brings us together: Why are some countries so rich, and others so poor? Why do these differences persist, and even grow over time? What, if any, responsibility do countries like Switzerland or the US have towards countries like Tanzania?

I’d like nothing more than to convey to you the image that I was in Tanzania, huddled for long hours with government officials, working on new strategies to alleviate poverty. But the truth is that I was invited to Tanzania to speak at a conference held at a luxury beach resort in Zanzibar (which I recommend). And—if you have lingering doubts about studying development economics—the following week, I took my family on safari in the Serengeti.

As I was bounding across the Serengeti Plain, looking at the amazing abundance of wildlife, it struck me that life in the Serengeti is not so different from academia. You want to be a lion. Lions are like the full professors of the savanna: they're hard to find...often napping when you do find them....and they have no natural predators.

A few final words about interdisciplinarity—a much heralded idea at Fletcher.
Here’s a challenge to you students: don’t be like your professors. We see things from a disciplinary perspective. But most problems and events are too complex for such artificial simplification. Examples abound. Think again about this new country of South Sudan and the myriad challenges it confronts. As a development economist, I might wonder about currency creation or food production. But this is a country that emerged from endemic humanitarian crisis and war.

Different courses or faculty might look at this new country’s challenge of massive immigration and refugee repatriation. Or, its need for a new constitution. It needs to mediate ethnic tensions; and it confronts huge national security risks. The country’s economy will live or die based on how it manages its oil reserves. What’s the appropriate energy trade strategy? How should international organizations be involved? How should this country interact with China? All these problems need answers at the same time, and the answer to any one of them likely depends on answers to the others.

As much as we talk about interdisciplinarity, no one on the faculty and no single class is going to integrate all these issues for you. That’s your challenge.

Thanks again for this opportunity to speak, and have a great year.