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Trickle-down economics is not a tenable premise for development, leading economists argue in Stockholm Statement

Thirteen of the world's leading development economists* — including four former Chief economists of the World Bank and 10 prominent members of the UNU-WIDER global network — have released the Stockholm Statement, in which they summarize what they see as the core principles for development policy-making going forward. Traditional economic thinking no longer applies. Inequality within countries is threatening social cohesion and economic progress, and development needs to be seen in a broader perspective in order to achieve more equitable and sustainable results.

The Stockholm Statement is based on two days of intense discussions held in Stockholm to review and assess the challenges faced by today's economic policy makers. The meeting was hosted by the Swedish International Development Cooperation Agency (Sida) and the World Bank.

Socially and economically sustainable development is only possible through reducing inequality

The Statement emphasizes the importance of policies that tackle inequalities. GDP growth is needed as a means to grow the common economic pie and thus funding the achievement of social objectives — but ensuring this growth is inclusive requires a combination of policies. We need deliberate interventions to eradicate oppressive norms and discriminatory practices, as well as to attend to the impact of global technology on inequality.

Taking into account environmental sustainability and social norms is a requirement, not an option

The Statement is crystal clear on the importance of stepping up efforts globally and nationally for mitigation and adaptation to climate change. The 13 economists also emphasize the importance of incorporating social norms more consciously in policy-making and use their potential for curbing corruption.

Development assistance

The Statement underscores the importance of official development assistance and the role of the international community in advancing development opportunities for the world's poorest citizens. The international community has a responsibility to ensure that assistance is directed to

developing countries and marginalized groups within them, and that developing countries are better represented in the governance structures of international institutions.

Mapping the future of development economics

Of the economists behind the statement [Ravi Kanbur](#) is Chair and [Haroon Bhorat](#) is a Member of the WIDER Board, and [Finn Tarp](#) is the Director of UNU-WIDER; most of the 13 are working with UNU-WIDER on a variety of research projects, or have done so in the recent past.

Pranab Bardhan led the project [Land inequality and decentralized governance in LDCs](#). Kaushik Basu, who is a WIDER Annual Lecturer, has written several papers for UNU-WIDER over the years. Haroon Bhorat was a lead collaborator on the project on [Understanding the African lions - growth traps and opportunities in six dominant African economies](#). François Bourguignon played a key role in the [ReCom - research and communication on foreign aid](#) project. [Jean-Philippe Platteau](#) is currently leading our project on [Gender and development](#). Ravi Kanbur, who has been engaged with UNU-WIDER in a variety of capacities from its very early years, led the project [New approaches to measuring poverty and vulnerability](#). Justin Yifu Lin gave the [WIDER Annual Lecture](#) in 2011 and was involved in the project [New directions in development economics](#). Kalle Moene has actively contributed to our [Regional growth and development in Southern Africa](#) project. Joseph Stiglitz, who gave an influential [WIDER Annual Lecture](#) in 1998, has been a collaborator with UNU-WIDER for many years and is currently involved in our project [Development policy and practice: competing paradigms and approaches](#).

Bhorat, Kanbur, Lin, Platteau, Stiglitz, and Tarp also gave key presentations in the 2015 WIDER Development Conference [Mapping the Future of Development Economics](#). The conference reviewed 30 years of development economics research and policy-making in order to map a path for the future and it is reflected in many of the themes touched upon in the Stockholm Statement; inclusivity, sustainability, the need to balance the state and market, and macroeconomic stability. These themes are also at the core of UNU-WIDER's [2014-18 work programme on transformation, inclusion and sustainability](#).

* Professor Sabina Alkire (Oxford), Professor Pranab Bardhan (Berkeley), Professor and former Chief Economist of the WB Kaushik Basu (New York), Professor Haroon Bhorat (Cape Town), Professor and former Chief Economist of the WB Francois Bourguignon (Paris), Professor Ashwini Deshpande (Delhi), Professor Ravi Kanbur (Ithaca), Professor and former Chief Economist of the WB Justin Yifu Lin (Beijing), Professor Kalle Moene (Oslo), Professor Jean-Philippe Platteau (Namur), Professor Jaime Saavedra (Lima), Nobel Laureate Professor and former Chief Economist of the WB Joseph Stiglitz (New York), and Professor Finn Tarp (Helsinki and Copenhagen)

More

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The Stockholm Statement can be found on the [Sida website](#).

More information about [the event](#) that gave birth to the Statement can be found also on the Sida website.

More information on UNU-WIDER can be found at www.wider.unu.edu