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His wo-
povety won him a Nobel. Over roasted
figs and egg biryani in Delhi, the
economist talks to *John Reed* about how his
discipline can communicate better, the
secret of Trump's appeal — and the
deadweight loss of unwanted rosé

arrive a few minutes late to my
lunch with Abhijit Banerjee, carry-
ing a bottle of chilled Indian rosé
and feeling a bit exiled.

Banerjee, an avid home cook
and keen observer of human behaviour, will
be sitting with me for that rare beast:
a Lunch with the FT in which the inter-
viewer cooks. One of the ironclad rules
of the column, I explain before we meet,
is that the FT pays. So throughout the
morning, my phone has been pinged
with invoices for ingredients: fresh
coconut, green grapes, radish, corri-
ander, tahini, which I promptly settle.

It feels wrong to be served home-
cooked food by an interview subject: an
upending of the power dynamic of what
most Indian media and my "morally indefen-
sible" profession, where any self-
respecting journalist pays his own way,
but always prevails by getting the last
word. So to level the playing field — and
in hope that some booze might loosen
my subject's tongue — I grab wine from
my fridge on the way out.

"There's plenty of food — dig in," says
Banerjee, professorial behind glasses.
The 65-year-old MIT economist flew in
the previous evening from Kolkata,
where he was working on a series of
economic-themed films for children,
called *Wata*. After that, he hoped to watch
him cook, but our meal is laid out on a
sideboard when I arrive at a house he
has borrowed in Nizamuddin East, a
south Delhi suburb favoured by journal-
ists and writers.

Banerjee, a native of Mumbai who
grew up in Kolkata but now lives in Bos-
ton and teaches at MIT, is one of the
world's leading development econo-
mists, nearly always mentioned in the
same breath as his colleague, wife and
former student Esther Duflo. The pair
transformed their field by using ran-
domised controlled trials to measure
the impact of small interventions on
policy outcomes for poor people, find-
ing for example in one 2004-07 study in
Rajasthan that providing a bag of lentils
to parents boosted their children's imma-
turation rates. They won the 2019 Nobel
Peace in economics with Harvard's
Michael Kremer.

Banerjee invites me to serve myself
from a plate of roasted figs and roasted
spiced potatoes with sesame seeds. "Do
you mind if I eat with my fingers?" he
asks. I invite him to, but too clumsy for
manicured table etiquette myself, I stick to
a knife and fork. Disappointingly, he
declines a glass of wine, so I abstain too.

Banerjee and Duflo, self-critical to a
fault about their field, have between them
written the textbook that has helped to
popularise it. Their first joint effort on
this front was *Poor Economics*, which won
the FT and Goldman Sachs Business
Book of the Year in 2011. "I think we have
had a somewhat mixed reception, but it
was too important to be left out of the
public discourse," Banerjee says about
the book. "There is a sense in which we
think economics does a disservice to
itself and the world by wrapping
ourselves in this omniscient jargon."

As we snack on our starters — which
are delicious — Banerjee deplores the
"bad analysis and unnecessary patri-
stude" of his profession. "We could have
more humility and be more effective."
"People don't trust us," he says, citing
surveys showing that doctors, weather
forecasters, even investment advisers
economists in the public's trust and their
jobs right.

Banerjee and I are plating slices of an
intriguing dish, which looks like a stack
of french fries, but are, in fact, potato
domains layered with *batagan bharta*
(grilled aubergine mash) and thickened
with tahini.

Banerjee's latest book is *Chhanku* (a
Hindi pun for spices flash-fried in oil
and stirred into a dish at the last
minute), a compendium of essays on
issues ranging from cultural capital to
gift-giving, about which he writes with
mercurial wit, as if he were a younger
version of his childhood. The recipes in
Chhanku, though largely Indian in ori-
gin, have fusion elements that reflect
Banerjee's own cosmopolitanism (he is a
US citizen and "overses chikn" cardholder)
and this might best be described as global comfort food.

Isn't the aubergine millefeuille a bit
like a tortilla casserole, I ask? "Yes,
exactly," he agrees. "This is the best
tortilla, but it's totally familiar," he says,
and brings the conversation back to his book.
"The idea is never to be deeply radical."

"The whole point of the essays" was
that they should be accessible and useful
to tell you," he says. "I do like the idea
that economics should eventually in-
fuse people's lives and make things
like that, but without the heaviness of
Christmas."

One piece that doesn't have much eco-
nomics in it, Banerjee says — although it
namesakes economist Joe Waldgrove's
famous essay "The Dads and the Dads
of Christmas" — is the chapter about gift-
giving. I ask him to explain the econom-
ics of my having brought a bottle of wine



Lunch with the FT Abhijit Banerjee

'Good storytellers are very powerful'

PRIVATE HOUSE

Jaipur estate, Nizamuddin
East, New DelhiGrove Reserve
collection rosé R276

Roasted figs

Roasted potatoes

Aubergine millefeuille
with papadDakon and
flaxseed chutneyRoasted grape
chutney

Egg biryani

Panna cotta with
fruit compote

Cost of ingredients

R2,359/70

Total R52,944/70 (535.65)

that is now sitting unopened in the
fridge — a glaring deadweight loss.

"Forgive me for being presumptuous
for saying it," he says. "I think you
bring it because it's the norm" —
though not in India, where a lunch or
dinner guest would bring along sweets.
"You could have brought some
sweets or flowers that would have
been more normal," he says. I feel a
bit deflated.

W epit to the economics
of this autumn's big
political story — the
re-election of Donald
Trump. "People who
are good storytellers are very powerful,"
he says. "Trump, in the end, is a very
good storyteller, and that's power."

And what is Trump's story that
swayed a majority of American voters? I
ask. "The physiocratic story of 'I have
something and others are taking it away,
and we should just keep it to ourselves'.
It's a very natural story."

The word, which sends my econo-
mists need to counter claims
advantage — the notion that nations can
prosper by producing what they can
most efficiently — and, like Trump,
makes no allowance for them.
"He just strips it out — it's almost
physical," Banerjee says of the presi-
dent-elect's rhetoric on trade. "Your
body, they're taking your blood out."
Economists need to counter claims
like these by telling their own, better
stories. "To make a world where good
ideas win, we have to tell them in ways
that are intelligible."

I ask whether he thinks Trump voters
are economically illiterate, but Banerjee
resists the label. "At some deep level it's
rational," he says, speaking about the
stagnation of real wages for many work-
ers since the early 1970s, despite a more
than doubling in GDP. He lays much of
the blame on the Reagan revolution.

"Where your workers used to be paid
one-60th of the boss and now they're
paid one-60,000th of the boss," he says.
"There were norms in society about
what's reasonable and what is not... I
think there was a shift in norms."

I ask Banerjee whether he considers
himself a leftist. Given the political
tensions in both Narendra Modi's India
and on US campuses recently, I am

expecting an equivocal reply, and so am
surprised when he replies with a blunt
affirmative: "Yes."

We are now spooning out the main
course, a biryani with boiled eggs and a
topping of sweet caramelised onions.
There are two chutneys, one made from
daikon and flaxseeds, the other from
roasted grapes and walnuts.

Banerjee grew up in Kolkata, the son
of London School of Economics gradu-
ates. His mother Nirmala Banerjee was
a prominent feminist whose research
included work on women's labour-force
participation and who he says was
"very blunt about male Indian feelings",
"Depressed and interesting". Baner-
jee recalls when he asks to evoke West
Bengal in the 1970s: "The economy was
shaking and falling."

Bengal has been home to some of
India's finest thinkers, from the poly-
math bard Rabindranath Tagore to
Nobel-winning economist Amartya
Sen. It is also ground zero for some of
India's most economic policy-making,
stunted by decades of Communist gov-
ernments and today run by a Congress
party minister headed by leftist popu-
list chief minister Mamata Banerjee
(no relation), India's most powerful
female politician.

But Kolkata's plight at the time was
typical of "old industrial cities" world-
wide, Banerjee insists. "I think it's easy
to blame the left for it, and I have no par-
ticular reason to defend the Communist
party in West Bengal," he says. "But if
you think about what was happening in
Manchester or Milan at the same time,
it's not that different."

Conversation around the Banerjees'
dinner table was "about everything under
the sun," he says. "And food, we
would talk a lot about food."
I remark on the biryani, which is deli-
cious. Banerjee politely planned a menu
for me around the fact that I avoid meat.
But Bengalis are famous omnivores and,
unlike most northern Indians, widely eat
beef. Was his Hindu family veg or non-
veg? "Totally non-veg," Banerjee replies.
"We ate beef; we ate everything."

Turning to diet is my oblique way of
asking Banerjee for an opinion on the
state of India under Narendra Modi —
himself a strict vegetarian — where food
can be a source of conflict, even death.

In the decade since Modi took power,
there have been frequent lynchings by
Hindu extremists of lower-caste Dalits
and Muslims discovered transporting, or
even suspected of transporting, beef.

Meat eating flares up as a frequent
source of ugly, caste-tinged conflict in
places such as housing estates and elite
university dining halls.

I have never lived in another country,
I remark, where vegetarianism — often
seen as a virtuous choice by liberal west-
erners — can be oppressive, even mili-
tantly rightwing. What does he think
about the notion of using food to put
people down? "I find it very disturbing,
and everybody should find it disturbing,
but particularly it's so much about
caste," he says. Most Indians, he cor-
rectly notes, are not vegetarian. How-
ever, "lots of people don't eat meat at
home, partly because their neighbours
complain, and go out to eat."

The idea that if you stop eating meat
"we will elevate you a little," he says.
"There's something really manipulative
about it."

B anejee arrived at Harvard to
begin his PhD in 1985, at the
height of Reaganism. Eco-
nomic nation then
was focused on the importance of
incentives in the form of policies such as
tax breaks, and the conservative trope
of the disincentive method of ques-
tioning. "It was a real obsession," Banerjee
says.
He thought back to his childhood
home neighbouring a slum, and felt a
disconnect. "I knew a lot of kids I could
play with, who were from very poor
families," he says. "I didn't think that
they were poor because they were
lazy and stupid — none of that added
up for me."

Development economics at the
time was, he recalls, stuck in the
workings and "there wasn't
much excitement about it."

Banerjee quickly made his
mark with two papers: "A Simple
Model of Herd Behaviour"
in 1992, then the following year
"Occupational Choice and the
Process of Development" with
Andrew F Newman. He secured jobs
teaching development economics at
the PhD level, first at Harvard, then at
MIT in the 1990s, where he met Duflo. In
2003 the pair founded — alongside Sen-
dil Mullaianathan — the Abdul Latif
Jamel Poverty Action Lab (J-Pal).

Duflo was a student in Banerjee's
development economics PhD class at
MIT in the 1990s, but he puts the start of
their relationship "much later, after
2010" — when she was already a tenured
professor. In a Lunch with the FT in
2012, Duflo made one of the couple's
first public avowals of her relationship
when she described him as "father of
the child" (they now have two).

The maid has brought in our dessert,
the one dish Banerjee himself did not
cook: panna cotta with fruit compote,
ordered in from a local patisserie. Shanti,
the dog of the house, is hovering greed-
ily, her muzzle dangerously near my
dessert plate.

Our conversation is drifting back
towards India. I ask him whether he
thinks Modi is doing poverty alleviation
right; his ministers boast of having
resisted the urge to spend lavishly on
stimulus during the pandemic, although
the government did extend a free
foodgrains giveaway programme to
more than 800m people.

"I would say one thing that is striking
about Modi's economic policy, and I've
said this before, is how much continuity
there is with the previous governments
since the 1990s: a combination of macro-
economic stability combined with
somebody using a different method — ob-
servations Banerjee accepts. "I think it's
the tall wagging the dog," he says. "Meaning
that the whole price infrastructure gets
maintained because of the food."
He decided to press his case in one of
his public interventions in India that stirred
controversy: a 2012 column in which he
defended Mamata Banerjee for suggest-
ing that a series of rape cases had some-
thing to do with public displays of affec-
tion. The West Bengal chief minister had
observed that "boys and girls interact
more freely now", and likened the free
exchange between the sexes to an "open
market with open options".

Abhijit Banerjee began the piece in
the *Hindustan Times* with a recollection
of having first "let the full force of sex-
ual jealousy" at age 14, when he beheld
a girl he had a crush on lean over to take
a bit of her boyfriend's ice-cream. He
then linked male desire to inequality.

'I knew a lot of kids from
poor families. I didn't think
they were poor because
they were lazy and stupid
— none of that added up'

and criticised PDAs. "Having that
inequality being thrown at your face, day
in and day out, by a language of the body
that leaves little to the imagination, can-
not possibly be pleasant if you happen to be
on the wrong side of that divide." He
did add the caveat that "none of this
should be read as a defence of rape."

Banerjee now acknowledges he
"wrote it badly", but stands by his point.
"We need to understand the connection
between young unemployed men and
sexual violence," he says. He notes that
one of Trump's sources of support is
"men who are frustrated with their
lives, and with their sex lives".

With our meal drawing to a close, I
decide to ask Banerjee a question that
recurs in almost every conversation
about India: is the nation on an upward
trajectory, as the Modi government
insists, or weighed down by legacy
issues such as poverty and inequality?

Banerjee remarks that there is "a lot
of energy, optimism and enterpris-
e" around, but adds that the past few years
"have not been great for the non-rich".
"If we become an economy where,
unless one is very rich, one is not able to
succeed, then I think it's going to be a
huge problem. I think mobility is at the
heart of any market-driven develop-
ment project."

"This kind of growth is partly driven
by hope, and that's only possible when
there is some actual mobility. If it
doesn't happen, we'll have a crisis."

John Reed is the FT's South Asia bureau chief

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