I once listened to a debate between a representative of the Cato Institute and an ecological economist, and came away convinced that both were wrong; one thought that, since governments are useless, everything should be left up to the market, while the other wholly distrusted markets and would rely on government for all important outcomes.

The proper balance, and the proper relationships, between markets and states are topics that are rising to the fore under the pressure of the current economic crisis. It is healthy to have a vigorous reassessment of credos that have directed economic policy in many parts of the world, and in international negotiations, since the early 1980s. Indeed, we have seen strong statements about the need for such a reassessment from previous Leontief Prize winners.

To mention just a few of the past awardees: In 2002 the Leontief Prize was given to Alice Amsden and Dani Rodrik, who made a number of trenchant observations about the Washington Consensus – defined by Rodrik as a combination of a number of factors, including fiscal discipline, tax reform, financial liberalization, trade liberalization, privatization, and deregulation. Rodrik commented that “no country in the world has actually developed following these principles.” We heard more about this topic from Ha-Joon Chang when he received the 2005 Leontief Prize. Our distinguished speakers today will continue this thread of re-thinking the neoliberal assumptions about the role of the market and the state.

I will first introduce Jose’ Antonio Ocampo; we will hear his talk, and then I will introduce Robert Wade, and give the floor to him.

Dr. Ocampo has theoretically and empirically examined the macroeconomics of Latin America during its “lost decade” of the 1980s, during the Washington Consensus decade of the 1990s, and during the recent years of the commodities boom. Such insight has poised him to be one of the foremost thinkers on the design of a new financial architecture in the wake of the financial crisis.

He has extensively drawn on Latin American examples to evaluate how policies, especially those based on the assumptions associated with the Washington Consensus, have affected economic and social outcomes. Since I am among those economists who feel considerable frustration about the gap between the abstractions of standard macroeconomic theory and the startling realities of the 21st century, I am especially grateful for Ocampo’s careful and fresh examination of macroeconomic realities, and their effects on human experience. He is noteworthy for warning about the exuberance of financial markets and the potential of the international financial markets to deliver shocks.
Jose´ Antonio Ocampo is the unofficial “Dean” of the Latin American economies. Perhaps more than any other economist from the region, has made significant contributions to understanding Latin American economic development at both the scholarly and policy level. Indeed, his scholarly insight made him such a sought-after advisor to policymakers that he became one himself. To mention just a few of his positions in the Government of Colombia: he was Minister of Finance and Public Credit; Chairman of the Board of the Central Bank of Colombia; Director of the National Planning Department; and Minister of Agriculture and Rural Development. Dr. Ocampo also served as Executive Secretary of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), and United Nations Under-Secretary-General for Economic and Social Affairs.

Maintaining the dual roles of scholar and policy maker – perhaps the closest modern equivalent to Plato’s philosopher-king – Dr. Ocampo has held professorships at Cambridge University, Universidad de los Andes, and the National University of Colombia. His recent books include: *Growth Divergences: Explaining Differences in Economic Performance*  
*Towards Full and Decent Employment*  
*International Finance and Development*  
*Ageing and Development* and  
*Policy Matters: Economic and Social Policies to Sustain Equitable Development*

Jose´ Antonio Ocampo is at this time Professor in the Ph.D. program in Sustainable Development at Columbia University, where he is also co-director, with Joseph Stiglitz, of the Initiative for Policy Dialogue. He is in the midst of co-editing numerous books with Stiglitz, following on their jointly authored *Stability with Growth: Macroeconomics, Liberalization and Development*, published by Oxford University Press in 2006.

Robert Wade is a rare and extremely valuable combination: an individual who can see the world through the dual perspectives of anthropologist and economist. From his early, renowned writings on collective action, through his trenchant anthropological study of the workings of the World Bank, through his numerous fine-grain analyses of how economic development happens, including the role of governments and markets in determining trading relations, Robert has offered sophisticated, nuanced descriptions of what happens in the real world, with implications for how various kinds of policies can bring about various kinds of results. An early book, *Village Republics: Economic Conditions for Collective Action in South India*, is still seen as the core underpinning for household surveys and farm surveys on poverty and development. It shows how collective action confronts traditional economic theories of individual households or farms seeking to maximize incomes. In relation to environmental issues, he has shown where it is inappropriate to apply the lesson of the tragedy of the commons – where cooperation in rural communities is a core economic as well as social value.
Wade’s 1990 book, *Governing the Market*, which won the American Political Science Association's award of Best Book in Political Economy, 1992, remains the classic empirical examination of the East Asian miracle that showed to the West that the state played a key role in economic development there. The book has been widely translated and is now serving as a guidebook for policymakers in China and elsewhere.

Originally from New Zealand, Robert Wade is now a Professor of Political Economy and Development, at the London School of Economics. He has worked at the Institute of Development Studies, at Sussex, the World Bank, and several U.S. universities, and did fieldwork in Pitcairn Island, Italy, India, Korea, and Taiwan.