

Professor Anne O KRUEGER

Citation

In today's increasingly globalized economy, who can give us good advice on how different international trade and capital flow policies affect the development of a country, or why certain possibly well-intended policies can induce wasteful activities? Professor Anne Krueger of the International Monetary Fund, whom we honor today, is one of the very few people who can give truly authoritative analyses on these important issues. Moreover, she has been one of the key economists to provide an intellectual foundation for the dramatic trade liberalization undertaken by many developing economies since the end of the 1980s.

After receiving her PhD from the University of Wisconsin at the age of 24, Professor Krueger began a long and distinguished career at the University of Minnesota, where she attained her full professorship in 1966. In 1982, she became Vice President and Chief Economist of the World Bank. She later moved to Duke University, where she was the Arts and Science Professor of Economics. In 1993, Professor Krueger joined Stanford University, where she was the Herald L and Caroline L Ritch Professor of Humanities and Social Sciences, Director of the Center for Research on Economic Development and Policy Reform, and a Senior Fellow of the Hoover Institution. Last year she was appointed First Deputy Managing Director of the International Monetary Fund.

Professor Krueger's outstanding contributions to economic science have earned her numerous honors and awards. She was President of the American Economic Association in 1996, and was honored as a Distinguished Fellow of the Association in the subsequent year. She has been a Fellow of the Econometric Society since 1981,

and a Fellow of the American Academy of Arts and Sciences since 1983. In 1984, she was awarded the Robertson Prize by the National Academy of Science, of which she has been a member since 1995. Other awards include the Bernhard-Harms Prize from the Kiel Institute of World Economics, the Kenan Enterprise Award, and the Seidman Prize. Professor Krueger has also received honorary doctoral degrees from several universities. She has served on the editorial boards of 11 scholarly journals, including the *Science* magazine.

Professor Krueger is a prolific economist. Her publications include 47 books and more than 300 articles and reviews. Her main research areas are in policy reform in developing countries, the role of multilateral institutions in the international economy and the political economy of trade policy. In her Presidential Address delivered to members of the American Economic Association, she identified six widely but uncritically accepted premises on trade and development theories and policies. She has been one of the most important scholars to dismantle them and shape the direction of new research in these areas. Through her research on the effects of protectionism and trade liberalization and her advice to government officials, Professor Krueger is influential in removing trade barriers in developing countries.

Professor Krueger's most cited work is her groundbreaking paper on what are now known as "rent-seeking" activities. She shows, in theory and with evidence, that the social losses created by protectionist trade policies are much bigger than earlier estimates had indicated. Beneficiaries of these policies, for example, have an incentive to lobby for import licenses,

thereby using up real resources and incurring deadweight costs. This paper has stimulated a whole new line of research, which has resulted in much better understanding of the political economy of many kinds of protectionist policies. The analytics of “rent-seeking” developed by her have become a standard tool of the economics profession. As an indication of its significance, this paper has been selected into both the *International Library of Critical Writings in Economics*, and *The Foundations of 20th Century Economics: Landmark Papers Selected by Nobel Laureates*.

Professor Krueger is no stranger to Hong Kong or our University. In recent years, East Asia was lucky enough to attract her attention. Under her guidance, 12 volumes of studies on East Asian economies have been or will soon be published. Two of these volumes were based on seminars held in Hong Kong and hosted by our University. During her last two visits to Hong Kong she met not only academics, but also top government officials. She is also an advisor to the Center for Economic Development of HKUST.

Mr Pro-Chancellor, I have the honor to present to you, on behalf of the University, Professor Anne O Krueger, world renowned scholar, academician, and First Deputy Managing Director of the International Monetary Fund, for the degree of Doctor of Social Sciences *honoris causa*.

Written by Professors Francis T Lui and Leonard K H Cheng.