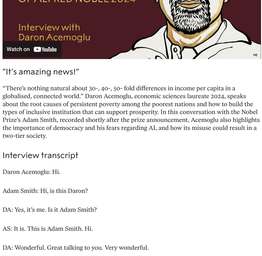
The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2024

Summary
Laureates
Daron Acemoglu
Facts
Interview
Other resources
Simon Johnson
James A. Robinson
Prize announcement
Press release
Popular information
Advanced information

Share this

Daron Acemoglu Interview

First reactions. Telephone interview, October 2024



"It's amazing news!"

"There's nothing natural about 30-, 40-, 50- fold differences in income per capita in a globalised, connected world," Daron Acemoglu, economic sciences laureate 2024, speaks about the root causes of persistent poverty among the poorest nations and how to build the types of inclusive institution that can support prosperity. In this conversation with the Nobel Prize's Adam Smith, recorded shortly after the prize announcement, Acemoglu also highlights the importance of democracy and his fears regarding AI, and how its misuse could result in a two-tier society.

Interview transcript

Daron Acemoglu: Hi.

Adam Smith: Hi, is this Daron?

DA: Yes, it's me. Is it Adam Smith?

AS: It is. This is Adam Smith. Hi.

DA: Wonderful. Great talking to you. Very wonderful.

AS: Many, many congratulations.

DA: Thank you. It's amazing news.

AS: I imagine that you are pretty busy most of the time, but today must be just extraordinary,

DA: A lot of phone calls, that's right.

AS: Where were you when the news reached you?

DA: I'm actually in Athens right now. I had just given a talk and I had some press interviews, and then I went to my hotel room. I was sitting on the balcony. Then I got an e-mail from Per Krusell asking for my phone number. So that's how I got some idea that whether this is about something, and then the office called me.

AS: Nice news, and I imagine a nice view to go along with it.

DA: Yes exactly. It was a great view of the Riviera, although by the time I was talking to them, I was inside my room, concentrating, and I was like, what are they gonna say?

AS: Who was the first person you told?

DA: I couldn't tell my wife, because she's asleep in Boston. I called her after the press conference, but she was still asleep. I just talked to her now.

AS: She must be happy.

DA: Yes, she's happy. Delighted.

AS: Of course. People have spoken about you being awarded the prize for quite a time, so, you must have thought this moment may come.

DA: You know, you never dream of such thing. Or you can dream, but you never expect such things, let's say. So it's a wonderful event.

AS: You have worked on the institutional drivers of prosperity and the differences between rich and poor nations, and that makes us stop and think about those differences. And are you amazed by just how large the difference is between the rich and poor nations?

DA: I am of course amazed. That's why I started working on these topics. Once I started looking at the data and reading what other social scientists were already working on in the 1990's, as I was finishing my dissertation at the LSE, I just got so interested in these topics because if a country is 50% richer than another one, you might say, well, perhaps that's natural. They have some resources or some other advantages, but there's nothing natural about 30-, 40-, 50- fold differences in income per capita in a globalised, connected world.

AS: Is there anything one can say about why some countries are trapped in poverty or seem to be trapped?

DA: Essentially, the way that in my work with Jim Robinson and with Simon Johnson, the way that I like to sort of break that down is we can try to understand that via sort of proximate causes of economic development. Differences in education, differences in efficiency with which you use things, differences in the amount of machinery you have and some other important factors, but then you go one layer down, and that's where we think that institutional factors are the most dominant. Of course, other things influence human capital, other things influence efficiency. But institutions, especially your broad institutional trajectory over time is a major determinant.

Then you of course have to ask about what is it that makes countries end up with bad versus good institutions, and why do they stick with those institutions? That's some of the issues that I try to explore in my work. Trying to model the choice of democracy and why dictatorships or other bad institutions survive, and also look in my work with Simon Johnson and Jim Robinson at the colonial origins of these institutional differences, because the colonial experiment, which started 500 years or so ago, was really a transformative one for about half of or more than half of the world. It really changed deeply their institutional trajectories.

Moreover, it's not just like one size fits all. There was so much variation within the colonial world and the types of institutions that took root for a variety of reasons. So we really wanted to understand and analyse these. The one factor that at first we focused on, although later we looked at other things like population density and other things.

But the one factor was the disease environment, because that was rather exogenous to Europeans and rather stark because they did not have immunity to some diseases. And we tried to explore the pathways that went from the disease environment facing Europeans to how that affected their early colonization efforts, and how that ended, that led to very different institutional trajectories, which then persisted and shaped a variety of economic incentives throughout the 19th and 20th centuries.

AS: It's a natural experiment, which proved to be such fruitful territory to explore, didn't it?

DA: Thank you, thank you for saying that.

AS: One crucial thing that comes out of it, and which you've very much worked on, is how institution building can function most efficiently.

DA: Correct.

AS: The conclusion one would like to draw, especially in today's world where democracy is talked about so much, is that democracy is an absolutely key thing to institute. But it's obviously a bit simplistic.

DA: It is simplistic in the following sense that you cannot institute democracy from above. It's a very difficult process. And democracy is not the only dimension of institutions that matters. Although my work does emphasize that democracy by itself matters as well. But the problem is really alive today in the industrialised world, where you would think, and many political scientists have claimed that democracy is safe and secure and would never be under threat. It is under threat. Support for democracy is at an all time low, not just in the US, although really jarringly in the US but not just in the US, throughout the western world.

So democracy is not easy to make work because democracy is about democratic citizenship. It's about consensus, it's about communication. It's about accepting defeat, making compromises, talking and understanding the other side. All of those things are always difficult. They become more difficult during times of turbulence, which, you know, we are living through and they become harder when the infrastructure, for example, the communication infrastructure, makes this sort of democratic citizenship harder, which I think is not the only factor. But social media has certainly played that role.

AS: Yes. Your recent work, especially with Simon Johnson on the role of technology, who controls it, who benefits from what it brings, plays into this absolutely. Picking up on a theme that came up with last week's prizes, on Geoff Hinton in particular, his fears of AI: what's your greatest fear?

DA: I have so many, but I definitely fear for democracy. Because I am convinced that democracy is a pretty good system, considering the alternative, as Winston Churchill said, it is the best one that equips us to deal with the turbulent times. I am really worried about support for democracy and often I view it as a self-inflicted pain, that democracy and democratic parties have not always delivered on the promises of democracy, especially in terms of inclusivity, in terms of clean government, in terms of shared prosperity.

But I do also worry about AI, not in the way that Geoff Hinton does, not worried at all about super intelligent AI. I'm worried about dumb AI because I think there is great potential there. And if we don't use it or if we use it in the wrong way, I think a) it will be lost potential. But even more importantly, I think if used the wrong way, it will be a major contributor to further inequality, further weakening of democracy with data collection and manipulation by some actors. And it would really contribute to, the emergence of a two-tier society, which I think we are already starting to suffer from.

AS: Thank you very much indeed. We will get to talk about all this greater length, once everything has died down a bit. I just wanted to close by asking about, you know, you work on the difference between different nations and you yourself are sort of concatenation of different nations.

DA: I am indeed.

AS: Armenian heritage, Turkish born now living in the States.

DA: Also educated in the UK, so quite a bit of mixture there.

AS: A lovely mix.

DA: I'm proud of all my heritages, and I'm delighted that I have been able to learn from many different experiences.

AS: Do you think you'll get a chance to celebrate, or is it just going to be phone calls all day?

DA: Of course. I'm right now in Athens, I'll be on my way to Boston tomorrow morning and I'll celebrate with my family tomorrow evening.

AS: Lovely. Thank you very much indeed. Lovely speaking to you.

DA: Thank you. Bye, bye.

AS: Thank you, Daron. Bye, bye.

Daron Acemoglu on the balcony of the hotel room in Athens, Greece, where he learnt about his prize.
Photo: Daron Acemoglu

Did you find any typos in this text? We would appreciate your assistance in identifying any errors and to let us know. Thank you for taking the time to report the errors by sending us an e-mail.

To cite this section
MLA style: Daron Acemoglu – Interview. NobelPrize.org. Nobel Prize Outreach AB 2024. Thu. 7 Nov 2024. <https://www.nobelprize.org/prizes/economic-sciences/2024/acemoglu/interview/>.

Back to top