



## IN MEMORIAM

Bent Hansen  
Professor of Economics, Emeritus  
Berkeley  
1920 — 2002

On April 15, 2002, Bent Hansen, professor emeritus at the University of California, Berkeley, died of gastric hemorrhage complicated by numerous other health problems in Alexandria, Egypt. This ended a long and successful life, not unmarked by tragedies as well as triumphs. He led at least four different lives, corresponding to four different countries: Denmark, where he grew up; Sweden, where he obtained his professional education and his first professional work experience; Egypt, where he became the leading economic expert; and America, which he made his scholarly haven from his other past existences.

Hansen was born in Denmark to a solidly middle-class family. The few facts we know of his early life suggest a picture of his youth. His father was the equivalent, from what we have been told, of the local high school principal, and Bent appears to have been a robust young lad, as suggested by the 600 to 800 mile bicycle trek that he took with a friend. Consistent with his later character they did not choose the nearby Netherlands for their journey, but instead went to much hillier Norway.

His natural progress along the customary path of high school and college was interrupted by the Nazi invasion of Denmark. For Bent this did not have the usual problems involved in five years of alien regime, because, as he relates it, in the very first days of occupation he met a young German soldier (perhaps a sailor?), guarding the local beach. Making friends with this young man, and also being of the view that any sensible person would be as naturally appalled by the Nazis as himself, Bent urged him to defect. Upon realizing the potential error of this assumption, he decided to flee. He packed his bags immediately and took a boat to Sweden.

Thus begins the second of Bent's four lives. We cannot trace together the exact details of his early life there. We do know that during World War II he was involved in the rescue of Jews and others by small boat from Denmark to Sweden.

We also know that his first professional appointment was as secretary of the employment commission of the Danish government in Stockholm in 1946; and that in the same year he completed the baccalaureate (cand. pol.) degree from the University of Copenhagen that he had begun before the war. He then went on to obtain his professional training at Uppsala University, from which he obtained his doctorate in 1951. He turned his thesis into the classic work, *A Study in the Theory of Inflation*. The great innovation of Hansen's approach is that his theory viewed inflation as a general equilibrium phenomenon. Previous work on inflation had in an ad hoc fashion relegated the causes of inflation to a single cause, like union wage increases, called supply push, or like excess aggregate demand, called demand pull. In contrast Hansen's theory was more true, because it was more evenhanded. Inflation, insofar as it occurred, was due to all the factors in the economy. This theory was a major step in the evolution of the theory of inflation to its current form, in which inflation occurs, with only some amendment for the addition of inflationary expectations, also as a general equilibrium phenomenon.

With the publication of *A Study in the Theory of Inflation* Hansen's career in Sweden proceeded rapidly as he advanced from assistant professor to associate professor at Uppsala, and then was made professor and chief of the Konjunkturinstitut (the national institute for economic research) in Stockholm. He headed the institute from 1955 to 1962. In this period he produced many different volumes, but especially *The Economic Theory of Fiscal Policy*. This period of his life produced two tragic events, perhaps both related to his extreme dedication and hard work. He relates that he was a very heavy smoker, of cigars, and in this period under the workload he took upon himself he literally poisoned his system from excess smoke. Yet more difficult, his marriage dissolved, ending the life with his wife and three young children.

These tragic events in Stockholm, however, led to the third stage of his life. During the period shortly after the breakup he gave some lectures in Cairo, later published in a book on trade credit. At a dinner there he met So'ad Zaklama, who became the love of his life. Bent and So'ad were married, and in 1962 he moved to Cairo, officially in the position of advisor at the Institute of Planning. During this period he produced the classic work on Egyptian economics (with G. Marzouk), *Development and Economic Policy in the U.A.R.* This is a seminal book not just on Egyptian economics, but on economic development more generally. Prior to this time development economics was characterized by loose theorizing based on unsubstantiated fact. Hansen's work on Egypt treated it like any modern macroeconomy and analyzed its macroeconomic characteristics. It suitably adapted the same types of tools and analysis that were then being used for modern economies to the Egyptian situation. This work was a tour de force, first in its insightful analysis of Egypt, second, in its seminal treatment of macroeconomics of an underdeveloped economy, and third, in its standard for use of data and analysis in an underdeveloped country. The three years from 1962 to 1965 in Egypt were for Hansen the equivalent of Darwin's voyage on the *Beagle*. The work of the rest of his life was rooted in that experience.

After three years in Egypt, Hansen entertained the idea of returning to the West. He briefly accepted a professorship at the University of Stockholm, but then was recruited to Berkeley. At Berkeley he solidified his eminence in development studies with continuing work on Egypt, such as an examination of what Egyptian laborers do with their spare time (to dispel the surplus labor argument), a reexamination of Egypt's historical terms of trade, and a calculation of the rate of return on the Suez Canal. Bent and his students built "small models" for other countries, including Afghanistan, Morocco, Bangladesh and Pakistan. His last project was a continuing study of the economic history of the Ottoman Empire.

Bent's life was marked by both his high standards for himself and also his kindness to others. This was reflected in many different ways. Most notable was the love between himself and his wife So'ad. They were opposites in perhaps almost every way: religious, irreligious; quiet and withdrawn, outgoing and talkative; Scandinavian, Egyptian. Yet each admired each other for his/ her kindness and dedication.

Bent showed this same dedication in assuming for eight years the chairmanship of Berkeley's Department of Economics. It was a tough and demanding task made more difficult by the budgetary stringencies of the time. The confluence of his kindness and his high standards were exemplified in numerous tenure cases, in which the candidates initially failed to meet the standards of the department for tenure. Hansen's remedy was to give the candidate an extra year to meet the standards that he thought should be appropriate. Most candidates did not view this option as a kindness, but, remarkably, in most cases in due course tenure was received. Hansen had the same attitude toward the countries that he inhabited. He would describe with wry humor the many ways that behavior in these countries failed to live up to his high standards. But he also took it upon himself to do his best to improve the situation, wherever he went. As we have seen, this included Denmark, Sweden, Egypt, and the United States, but, also as a consultant to many other countries and international agencies, he took on this personal responsibility yet more generally.

He retired from the department in June 1987. He continued work, but then suffered from Alzheimer's. He first moved to Switzerland, cared for by So'ad's daughter Eglal Zaklama, but then moved to Egypt, cared for by his other stepdaughter Magiha Wahba after So'ad had suffered a stroke. So'ad survives him, as does his son Simon Hansen of Denmark and two daughters from his previous marriage.

In summary, it is with great admiration that we recall the life of this man, who pursued a uniquely independent and dedicated course through life. Always doing his duty, working to the ultimate, treating colleagues, friends, and all mankind with kindness and respect, and producing scholarship of the very first order, he has brought great honor upon himself, our economics department, and our University.

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