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Hans Theil: Producer, Marketer, and Consumer Extraordinaires

Kenneth W. Clements

As someone who wrote 17 books and over 250 articles, Hans Theil surely had extraordinary abilities as a scholar. And the quality of this research output makes the achievement all the more unusual. Although I do not know what the key to Hans' incredible abilities to produce original and influential research was, I can reveal a couple of interesting ways in which he worked. First, at any given time he would concentrate, with great intensity, exclusively on the topic he was working on, and nothing else—sometimes to the bemusement of colleagues. Second, he would show great attention to the data he was using and insist on writing out by hand all tables, as this would help him know the numbers more intimately. Hans' papers were a model of clarity, which reflected his style of "elegant simplicity"; he would say that things should be written in a way "to reveal, not conceal" what had been done. Hans was accordingly very critical of those who did not follow this approach and omitted sufficient information to facilitate an in-depth understanding of the research. Third, in contrast to much of the profession, Hans liked to write books (as well as journal articles). He had a "power law," which said that the amount of work involved in producing a book was proportional to the cube (I think) of the number of pages. When I once told him that I had devoted considerable time to reading the two volumes of his book, *Theory and Measurement of Consumer Demand*, Hans reminded me of the time that he spent writing that work.

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Hans claimed to emphasize production at the expense of the marketing function. It was true that he was not an avid conference participant, and he certainly disliked blatant marketing ploys. But he was still an effective, sophisticated marketer of his ideas. This included his ability to simplify the exposition of complex ideas and his flare and originality. Who else but Hans could come up with the suggestion (in *Principles of Econometrics*, p. 33) of using the traffic sign—No U-Turn Anytime—as a easy way to remember the result from matrix algebra $\partial a^{ij} / \partial a_{hk} = -a^{ih} a^{kj}$, where a^{ij} is the (i, j) th element of the matrix A^{-1} and a_{hk} is the (h, k) th element of A ? Another example of this sort of flair is from *Economics and Information Theory* (p. 277), where observed goods are transformed into more basic constructs that are preference independent in the consumer's utility function: The observed goods bread and cheese thus become "breese and chead." In a similar vein, a catchy, but highly insightful, piece of advice from Hans, from the Preface of *Principles*, was that "models are to be used but not to be believed." This sort of creative marketing (a term used in its best sense), coupled of course with his tremendous originality and powers of exposition, helped Hans become one of the world's most cited scholars in any area.

It is probably not well known the extent to which Hans was also a great consumer of the research of others. An example of this was his excitement in the late 1970s when he discovered the cross-country consumption data produced by Irving Kravis and others at The University of Pennsylvania. This immediately stimulated a burst of activity by Hans and his

students and colleagues that involved modifications of the Rotterdam demand model so that it could be applied to these cross-country data. As discussed in my paper with Ye Qiang in this volume, this led to many influential publications over the next 20 years that revolved around estimating a system of demand equations for all countries simultaneously.