



Robert M. Townsend

Robert M. Townsend is the Elizabeth and James Killian Professor of Economics in the Department of Economics at MIT. Prior to that, he was the Charles E. Merriam Distinguished Service Professor in the Department of Economics at the University of Chicago, where he remains a Research Professor.

Townsend is an American economist whose recent work focuses on analyzing the role and contributions of financial systems on developing economies by studying applied dynamic general equilibrium models and contract theory. His contributions in economic theory include the role of financial intermediaries in general equilibrium Arrow-Debreu models, the revelation principle, the costly state verification approach, optimal multi-period contracts, decentralization of economies with private information, money with spatially separated agents, financial institutions and economic growth, and forecasting the forecasts of others. His contributions in econometrics include the study of risk and insurance in developing countries, and his work on village India was awarded the Frisch Medal in 1998.

Since 1997, Townsend has undertaken large scale village surveys in Thailand to analyze the interaction between household decisions and community behavior at different levels of aggregation including families, villages, regions, and country-wide. The Townsend Thai study was the first of its kind and has been the stepping stone for many other applied and theoretical projects in economic development and contract theory. Townsend's work has demonstrated innovation in the combination of theory and data, as well as the ability to work across various sub-fields.

Townsend is currently a fellow of the American Academy of Arts and Sciences and the Econometric Society, as well as an Elected Member of the National Academy of Sciences. He was the recipient of the Jean-Jacques Laffont Prize in 2011, and a second Frisch Medal in 2012 for the structural evaluation of a large-scale microfinance program in Thailand.