

Why Dean Karlan, chief economist of USAID, resigned on Tuesday. By Beth Rooney for NPR, 26 Feb 2025

In November 2022, [Dean Karlan](#) was hired to be the first Chief Economist at USAID. His role and that of his 30-plus staff was to help design more cost-effective programs and to help the agency produce more evidence to guide future policies.

As he puts it: "I came to help choose effective programs to get more bang for our buck." After more than two years on the job, Karlan resigned yesterday. "I literally just emailed USAID and told them, 'I hereby cancel the contract,'" he explained to NPR. "And that was it. No fanfare."

Karlan, a professor of economics at Northwestern and the founder of [Innovations for Poverty Action](#), spoke with NPR about his tenure at the embattled agency and his decision to leave. The following interview has been edited for length and clarity.

You've held a variety of other roles in the development space. Why did you take on this position at USAID?

Two reasons.

I worked in development in the early '90s and I found myself asking again and again: Is this working? Why are we doing it this way and not that way? How can we make this better? And I was struck by the lack of evidence, frankly, in the way development was done. And this very much inspired me to get a Ph.D. in economics and do research on understanding what works and what doesn't, all with the mindset of trying to influence policy. So I would have been the world's biggest hypocrite if USAID knocked on my door and said, "Would you like to come help improve the way we use evidence to guide our decision making?" And I said, "Yeah, no thanks."

The second answer is just the basic math. When I think about my time and what I do professionally, sure, I've produced less research for the past two and a half years. But what is the impact of that research relative to the number of dollars that we could move toward more effective programs?

There's no way my individual research papers have that much influence.

Did USAID evaluate its programs before hiring you?

Yes, historically, USAID has evaluated its programs based on accountability. That is, did the thousand people intended to receive a program actually get it? That's a very different question than: Did the program work? Did it actually change lives? That's more complicated. But that's what we were trying to champion because that's ultimately what we care about.

What was it like when you took on this new kind of job for USAID?

I was greeted by many talented people who were enthusiastic about the kinds of changes that I was hoping to help lead. And there's no way we would have accomplished what we did without their collaboration and support.

For a long while, the field of foreign aid and development didn't have the evidence it needed to understand how to inform programs and make them more cost effective. But the world has changed a lot in the past 20 years and we've seen a huge increase in the quantity of careful program evaluations.

Now we have a great deal more evidence to know what works and what doesn't to fight poverty. And while USAID was using that evidence when I arrived, there's a lot of areas where it could improve its program design by doing a better job at synthesizing what's out there. That was my job.

And when we took that approach, we had already begun moving the needle in how programs were designed to follow more tightly the evidence and produce more evidence on cost effectiveness.

For instance, we were working on a set of resilience awards for rural areas in sub-Saharan Africa where households are particularly prone to the vulnerabilities of drought or flood. The awards, totaling about half a billion dollars, help these individuals develop their own income-generating activity, which contributes to local economic development. This program has been evaluated repeatedly by me and others with very strong results in terms of household income, food security, and it actually reduces the need for future humanitarian support. Our office had been working with Uganda and Ethiopia to help build out these programs and take them to new places.

The second thing I came to do was to help build a discipline of transparency and documentation of impact so that USAID could learn how to improve over time by learning from its own programs — both its successes and failures — to understand more about what's working and what's not.

In your view, what makes for a healthy USAID?

The dream way it gets organized is that you are rewarded for carefully learning, sharing that learning, not repeating bad things, scaling up the good and helping others learn from you. And there was a lot of movement and effort to do that.

But that might be just too large of an ask of an aid program that is inevitably baked into a political process.

Once the new administration took over, when did you start to get a sinking feeling about the fate of USAID?

It became clear to me that something big was happening a week after the inauguration when a large swath of 58 senior people at USAID, including me, were all put on administrative leave. Initially, there was no reason given. But even when a reason did

surface the next day, it made no sense. No one I knew was doing anything in violation of the executive order. So there was a lot of bewilderment that the stated reason for the administrative leave was likely false.

How were you feeling during this period?

I recognized that we were likely witnessing a blueprint for how to dismantle an agency — and USAID was the first to go. Why USAID? One argument is that the advantages of USAID aren't seen by most of America.

The benefits are there, of course. But it is true there's a lot of people in America who don't see that benefit day to day. And so that makes it easier pickings to test the waters. And that was our first thinking — this is DOGE figuring out how to dismantle an agency, and they're using USAID as the guinea pig to figure that out.

My feeling of puzzlement then turned into devastation and horror.

Can you unpack those words?

We're watching psychological warfare against a workforce that has been committed to furthering the lives of other people. This was a career choice they made to help others even if they disagreed about how to improve USAID.

If you want to reform foreign aid, this isn't the way to do it. This approach is going to radically increase the cost of all future foreign aid. That's because if you want to work with anybody in the future and you tell them, "No, no, no, this time we're here. We're not going to fold on you," how are you going to convince them of that? When you can't trust someone, it makes you reluctant to make agreements with them. And that means doing less good with more money to have the same positive impact as we were having before.

There's a lot of good that USAID has done across the board in terms of health, education, helping farmers, and helping people in crisis.

Now, there are people who are going to be radically worse off and sick and not educated in the same way because of what's happened. Literally taking people who are in hospitals and stopping treatments because the money is not there.

And not just that — people are going to die. A lot of people.

So we now have a million tragedies that could have been avoided.

How did you arrive at the decision to resign?

When I first heard that Senator Rubio was nominated to be Secretary of State, I saw that as really good news. He has a long track record of recognizing the value of foreign aid, both for the sake of the humanitarian benefits but also for furthering foreign policy in the United States.

In fact, Rubio has [a tweet from a few years ago](#) that says, "Foreign Aid is not charity. We must make sure it is well spent, but it is less than 1% of budget & critical to our national security."

And so that's where I was upon his nomination, waiting to see who he would bring in to help put in place actual changes at USAID and hoping that it would align with what he had been saying for the past ten years.

I know that there was a disconnect with the process that was actually undertaken, including a complete stoppage of work and payments. Categorically getting rid of thousands and thousands of people without thinking about their function — just mass layoffs across the entire agency. I was sad and frustrated for the thousands of people who have been stripped of a career dedicated to serving others. How they were demonized. All of it was harming our ability to use foreign aid as a tool for foreign policy. My hope was that maybe there would be a point where Rubio recognized this is too far and stops the carnage.

And you thought you might be able to help somehow?

I'm not saying that I saw great signs of hope based on what was happening on the human resources side in terms of dismantling the workforce. But one of the stated criteria in the executive order is to select programs that are cost effective. That's why I joined. So I made several overtures to say, "Hey, I'm here to help."

I was ready to rebuild from wherever we ended up to identify the most effective programs, figure out how to get them back in place, and to recommend new awards.

But I received no response. Zero engagement.