Author's Preface

“I have a dream that my four little children will one day live in a nation where they will not be judged by the colour of their skin but by the content of their character.”
Martin Luther King, Jr., August 28, 1963

Since I was a child, my parents instilled in me the idea that no one deserves to be poor, and that the opportunities are what makes the difference and that I should be very grateful for the situation I was born in. Now, many years later, I still have my parents advising from a distance and always reminding me that I must be grateful for the life I live and the opportunities that others have probably deserved more than me.

Apart from my parents, there is another person who marked me deeply when I was 13 and began to be aware of the world around me. This friend I speak of is called Germán, who was at the time a boy of my age whose family was poor and ill-constituted. He passed by my house 2 or 3 times a week to beg, was always poorly dressed and wore broken shoes. My family, and in particular my mother, taught me to treat Germán with respect and even affection. Amongst other injustices, he had to leave school because he needed to go to work to help his younger sisters, who just like him suffered from their condition.

One day, I was in the centre of my city and I suddenly felt unwell; I wanted to go home soon but did not have the money to take a taxi. At that very moment, Germán showed up with his broken shoes as usual and seeing my situation offered me his help. He gave me the equivalent of about $20 to go home by taxi and told me not to worry about it. I promised to return the money the next time we met.

Even to this day, the actions of Germán bewilder me, and I am still unable to understand how someone with all the shortcomings that he has had throughout his life is able to help others with such generosity. Unfortunately, Germán was born to a poor family and never managed to finish his studies. He has sadly spent some time in prison, and as a result of this he now has difficulty finding adequate employment. These circumstances mean that Germán will live in poverty and vulnerability in the same way his children are likely to follow. It's a great shame that people, as a result of the misfortune of being born under certain conditions are convicted in advance despite how good they may be intrinsically.

The lack of opportunities excludes people, breeds violence and insecurity, weakens cultural development and causes unhappiness. Enough evidence already exists to not see that the fight against inequality as antagonistic to economic growth. A developed economy is necessarily a just economy and offers equal opportunities. The pursuit of economic and social development should
thus be based on the basis of equality of opportunity, a truly democratic and representative political system. These ideas stem from my life experience of knowing and living in countries where equity is understood as necessary and desirable. It also stems from having grown in an unequal country and highly tolerant of abuse showing a huge tolerance to the misfortune of people like Germán. Strangely, and unintending, my work focuses around the concept that a poor distribution of opportunities has a negative impact on development. It is thus very gratifying to see that the conclusions drawn from my life experience have finally found support in the findings of my doctoral dissertation.

During all this time spent writing my dissertation, I often felt that I could not progress and felt I was failing. In those moments, I thought many times of Germán and my parent’s efforts to educate me and support my decision to come to Germany. Living in the beautiful city of Goettingen, flooded by young people of all nationalities is the perfect climate to develop ideas and learn about life. This city, which has hosted more than forty Nobel Prizes, has been the perfect place to write my dissertation and this would not have been possible had it not been for the support of many people I want to thank.

First I want to thank my parents Marcos Villalobos and Vicky Barriá for the years of effort and support, my niece Camila Ignacia Villalobos Cisterna (a source of inspiration), my brothers Marcos and Rodrigo. Also to all those who, like Germán, had a word of encouragement when I felt alone or overwhelmed; to my friends of all nationalities; to those with whom I would talk about saving the planet. I would like to give my most sincere thanks to Leontina Steflic and Tessa Träger for their company, friendship and having always been there to help and listen.

I would also like to thank all those who are part of the Chair in Development Economics and Ibero-America Institute for Economic Research. In particular, I want to thank the director of both institutions who was also my professor, guide and mentor all this time, Prof. Dr. Stephan Klasen; thank you very much for having believed and trusted in me, and for giving me the opportunity to develop myself in a career I enjoy more and more. For giving me the freedom to develop my research and always being willing to listen and help me in everything I need. Thanks also for having facilitated my participation in more than fifteen international conferences that have shown me much of the world. Thanks professor, without you this would not have been possible.

I also thank the institutions that took care of me during long stays, such as the DIW-Berlin and UNU-WIDER in Helsinki. Thanks to all with whom I interacted in these institutions. Thank you for your hospitality and for giving me the opportunity to improve my skills as a researcher. I also thank Dr. Thomas Otter,
for having invited me to collaborate with his research and for giving me friendship and advice.

I would like to dedicate this last paragraph to my parents whom I love. Thank you very much for joining me in my quest, for showing me that happiness is not in material things but in cultivating a life in love, friendship and understanding. I want to thank my mother for instilling in me a love for my neighbour and my father for being the man that I aspire to be like.

Although I've been far away for too long, I have always carried you with me in my heart. Without you, I would have never made it, thank you very much.