Paul Romer is the bank's new chief economist

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It has been a while since a chief economist of the World Bank attracted much attention. In the 1990s, when Larry Summers and Joseph Stiglitz held the job, those occupying the position were often at the centre of heated debates on economic policy. Mr Stiglitz, a fierce critic of the conditions imposed by international organisations like the International Monetary Fund on countries affected by the crises of the late 1990s, was dismissed from the position for his heresies. Since then chief economists have been less outspoken.

Mr Romer made a name for himself in the 1980s and 1990s, when the hottest topic in macroeconomics was growth—in particular, why some countries managed it while others did not. Prevailing models of growth assigned an important role to technological change, but lacked a convincing explanation for how it came about. Instead, the models treated new ideas a bit like manna from heaven, arriving in a mysterious and unpredictable manner.

Mr Romer sought to change that. His work made the development of new ideas "endogenous", meaning that it sought to account for them, rather than writing them off as "exogenous" surprises. In his "endogenous growth" theory, new ideas materialise as firms invest in physical capital or research and development, creating knowledge that spills over to the rest of the economy. That suggests that open economies, with institutions that encourage investment in physical and human capital, ought to do best.

The importance of the quality of institutions and of the dissemination of innovation led Mr Romer to focus on urban areas, which are often hotbeds for the creation and transmission of ideas. That focus, in turn, sparked a radical notion of economic development oriented around "charter cities". Poor countries, he argued, should create new cities and give them leeway to experiment with daring economic and political reforms. Such reforms should be easier to implement on the relatively blank slate of a charter city than in existing population centres. Such new cities might then follow the model of Hong Kong or Shenzhen, becoming economic powerhouses in their own right, as well as proof for the rest of the economy of the benefits of economic reform.

Mr Romer has sought to interest governments in the idea, so far without much success. He ended his involvement with an experiment in Honduras over worries about accountability within the proposed charter city. His new platform at the World Bank will presumably give the idea a boost.

More recently Mr Romer has upbraided his fellow economists. He criticises the growing taste for obscure prose and "mathiness"—arcane equations in economic papers that are so hard to follow they allow their authors to avoid close scrutiny. If economics is to benefit society, he argues, researchers need to make arguments which are clear enough to be understood, tested and disproved.

Many question the relevance of the World Bank in a world in which China, which has long defied the World Bank's prescriptions, is the poster child for development and is building an alternative set of development institutions. The sort of bold and challenging ideas for which Mr Romer is known might be just what it needs.