



VÍCTOR-M. AMELA ANA SANCHEZ LLUÍS AMIGUET

RAIMAT

Edmund Phelps, holder of the 2006 Nobel Prize in Economics

I am 83 years old. I was born in Chicago and I live in New York. I have a doctorate in economics from Yale and I am Professor of Political Economy at Columbia. I am married, and I have one son and five grandchildren. I believe in the good life, the fruit of Renaissance Humanism, the Enlightenment and personal growth.

“To prosper in a big way, you need to read the great authors”



LIBERT TEDIDO

When did you start aiming for the Nobel Prize?

I never had a vocation as such. My father said to me, “Study what you want, but do a course in economics first.”

Why was that?

I don’t know. He was an advertising man. But I couldn’t say no.

How did it go?

Two weeks in, and I was hooked.

What was it about economics that seduced you?

I discovered that an apparent surface rigour conceals forces of which we know almost nothing. And this is what encouraged me to carry on digging.

What did you find?

That all conclusions are merely apparent, and that we need to continue investigating forever.

And is that how things stand today?

I might nowadays dare to defend one conclusion, in that the science of economics brings you close to the phenomenon that is the prosperity of societies.

The Soviet approach failed.

All attempts at economic *dirigisme* and the centralised planning of human endeavour are destined to fail. Always.

Why?

Because individuals need room for manoeuvre; a space in which to try out things, make mistakes take risks, innovate and produce something different... In short, to imagine and create. And if this is restricted, everything stagnates and rots.

Do we have this room for manoeuvre nowadays?

We have had it, but we are losing it.

Why are we losing it?

Because of excessive and growing collusion between governments and the motors of the economy. It is an aspect of cronyism that jeopardises our future collective prosperity.

Can you explain that?

It is becoming increasingly difficult to try out anything new, as individuals feel more and more insignificant in the face of ever-more powerful institutional and corporate giants that enjoy protection. This is reducing mankind’s prospects.

Are we at the limits of our prosperity?

Yes, if we don’t do something to correct this drift. And this is sad, given that humanity has been capable of achieving unprecedented prosperity.

What do you understand by “prosperity”?

A combination of material and intangible well-being, based on the possibilities of imagination and the exploration of new horizons.

What has been humanity’s most prosperous period?

The first three decades of the nineteenth century until the last three of the twentieth. I can see it through the eyes of a young lawyer named Abraham Lincoln...

What did the young Lincoln see?

He travelled around the United States, in the hope of one day becoming president, and he was fascinated to discover the thrusting enthusiasm of the common people in their widespread and shared passion to try out things, invent, discover, innovate, explore and create.

Is that the key?

Without doubt. Society had never

Mass Flourishing

Edmund Phelps enjoys talking about economics, which is to him like conversing about “the good life”; a life worth living because it involves the pleasure of personal growth and the flourishing of all our power as individuals. It is for this reason that he defends the idea of a challenge, and of a daring exploration of the unknown. Sitting in the headquarters of the Royal European Academy of Doctors (RAED), of which he has just become a member, he recommends me to re-read the classics of western literature in order to understand better what we are capable of. He tells me this with the grin of a naughty child, as if these books might also contain the secret of his joviality and success. He explains it in his book *Mass Flourishing* (published in Spanish by RBA as *Una prosperidad inaudita*).

before seen so many members of the masses flourish so intensely. **Blessed are the great-great-grandparents.** They let us flourish in all aspects of life, in roads, railways, air travel, hospitals, schools, cars... Then there was Henry Ford, an incredible visionary. **Are there no people like that today?** Very few. **Why?**

We’ve spent the last two or three generations telling people to find the best-paid job, rather than to explore the unknown and risk losing everything as they experiment, innovate, test their mettle and create. **Are you asking for more dreamers?** I’m asking for an appreciation of life. An appreciation of life, where we cultivate our own individual existence - the good life - which is what makes us truly flourish. **And where do we find this life force?** In the essays of Montaigne. In the writings of Cervantes. In the works of Shakespeare. And in the stories and novels of Dickens. **So our prosperity can be traced back to them?** It can indeed. They were widely read and their spirit permeated the public conscience, influencing individual acts and general behaviour. **So we need to read in order to thrive?** Read Montaigne, Cervantes and Shakespeare, philosophise with Nietzsche and Kierkegaard... and be like children: obstinate and stubborn when they want something, like Captain Ahab in Melville’s *Moby Dick*. And above all, read Dickens!

Why? *Great Expectations* sets the tone, by creating a fascination for people who grow, flourish and eventually thrive. To prosper in a big way, you need to read the great authors. **I was not expecting a Nobel laureate to prescribe literature.** This is my prescription: let schools foster innovation, as we cut off the tentacles of power that hinder competition... And let us read the great authors. **Do you read the works of any Spanish economists?**

I’m not going to criticise my Spanish colleagues here. **Does anyone in Europe inspire you at the moment?** Only Macron. Let us hope that he can realise his dream. **What about Putin and Trump?**

Trump and Putin are two sides of the same disastrous coin: the coin of cronyism, the cursed currency of patronage. VÍCTOR-M. AMELA