

Capitalism and Society

Volume 17, Issue 1

2023

Article 7

In Memory of Jean-Paul Fitoussi

**Luigi Bonatti, Luigi Paganetto, Edmund Phelps, Francesco Saraceno,
Giovanni Tria**

*University of Trento, Tor Vergata University of Rome, Columbia University, Sciences Po,
ENEA Tech and Biomedical*

Note: Jean-Paul Fitoussi, the distinguished French economist, was a member and great friend of the Center on Capitalism and Society. He died on April 15, 2022, at age 79. In this issue of the journal, we present a selection of tributes that were delivered on September 30, 2022, at the center's 19th annual conference. (The original presentations have been edited lightly for publication.)

Keywords: Jean-Paul Fitoussi, economic thought, remembrances.

In Memory of Jean-Paul Fitoussi

Luigi Bonatti

Let me skip years of encounters with Jean-Paul and go straight to the first months of 2022, when I was organizing the Festival of the Economy. The four-day event in Trento featured economists, managers, and politicians speaking to nonspecialists. Jean-Paul provided me with suggestions on what issues to address and which speakers to invite, all conveyed to me with his deep and many intellectual passions. In this circumstance, I appreciated Jean-Paul's usual irony, acute but benevolent, and never malignant.

Jean-Paul wanted to organize a panel on a controversial issue: so-called fiscal money. Even if I think that its introduction into eurozone countries such as Italy would be detrimental, I liked the idea of discussing it. We disagreed, however, on whom to invite. In addition to well-known figures, like the former Greek finance minister Yanis Varoufakis and Keynes's biographer Robert Skidelsky, Jean-Paul insisted on inviting some noneconomists who were close to the Italian populist Five Star Movement—I thought these guys had no reputation for competence. Now, I recognize that Jean-Paul was right: it is always preferable for responsible economists to openly discuss issues with those advocating ideas that appear extravagant and heretical, especially when these people have many followers, rather than despising them and avoiding face-to-face conversation. This lesson of mental and intellectual openness has very much to do, I think, with what Jean-Paul wrote in his last essay for this journal, "Newspeak and Economic Theory": "When the grown-up economists abandon their responsibilities, kooks take the stage with fantastical theories under pretentious names (e.g., the government can print unlimited amounts of money with no risk to inflation or financial stability)."

This attitude of not being prisoner to professional biases and jargon and this message of intellectual freedom and responsibility are some of Jean-Paul's important legacies.

Luigi Paganetto

Jean-Paul Fitoussi is gone. He will be greatly missed. Not only for his extraordinary ability to reason about economics without ever forgetting society and equality, but also for his continuous looking ahead in search of the new. And then for his great ability to establish personal relationships in which his natural sympathy would transform academic discussion into long-lasting friendship and solidarity.

Jean-Paul's curiosity toward the new and the search for different paths was a way of being. This was true for his work as a professor at Sciences Po and in the direction of OFCE (French Economic Observatory) as well as in his research activities around the world, which saw in Ned Phelps and Columbia University the main reference point.

Emblematic of his attitude was his commitment, together with Nobel Prize winners Joseph Stiglitz and Amartya Sen in the Commission for Economic Performance and Social Progress, toward a review of indicators that would be most suitable for defining the level of well-being of populations going beyond GDP. The same applies to his commitment as a staunch European but one who was critical of a Europe that was barely able to integrate monetary policy at the macroeconomic level with a fiscal policy capable of shaping development or to provide citizens with the public goods necessary to improve their well-being.

For this reason, and not only because he was a convinced Keynesian, he was a staunch opponent of austerity policies. He saw their limits, later confirmed by their own supporters, starting with the International Monetary Fund and the World Bank. His great attention to social outcomes made him observe that the current inflation may risk bursting the social peace bubble. And that is why, in the face of growing inequalities, a great redistributive policy capable of shifting resources from the rich to the poor is needed.

But what has always struck me in him, at the many occasions of exchange we had, was his way of looking at the world through a keyhole, in an original and different way. Just think of his book on “the lamppost theorem” (*Le théorème du lampadaire*, 2013), which says a lot about his personality as a man and as a scholar. Welfare and sustainability rather than austerity policies, Jean-Paul said, should be at the top of policymakers’ agenda. The drunk trying to find the keys that have fallen out of his pocket under the streetlight will not find them if the streetlight does not illuminate the area where they have fallen.

It is therefore necessary to focus the light of the lamppost on the right issues if one wants to respond to the challenges facing the world today. This is an important legacy of Jean-Paul, with which he admonishes us not to be slaves to preestablished ideas, and is combined with the great openness of his character and his readiness to interact with everyone with extraordinary intelligence and cordiality.

Goodbye Jean-Paul.

Edmund Phelps

I first met Jean-Paul 40 years ago. My wife, Viviana, and I were at the European University Institute in Fiesole near Florence. I had never had a brother, but Jean-Paul became my brother. He gave me the nickname Il Nedino. Viviana and I were the oldest members of the family of Jean-Paul and Annie, his wife.

We attended big family celebrations like his daughter Lisa’s wedding and were delighted to feel the warmth of friendship as I had never felt in my life before.

The four of us loved Rome and dreamed of creating a research center. We drove around Parioli and other posh neighborhoods to find the right villa. We tried but did not succeed.

Jean-Paul changed my professional life. Some of our memorable times together were our trip to Moscow with Philippe Aghion and my many visits to Sciences Po in Paris. We also wrote a book together: *The Slump in Europe*, published in 1988.

I remember the time he invited me to give a talk about capitalism at the Sorbonne. The audience consisted of Jean-Paul, Viviana, and four others. Two years later, I got a similar invitation from him and that time the room was full.

There was no honor that Jean-Paul could not think to arrange for me to receive. A touching moment was when I received the Legion d’honneur. At the end of the ceremony we exchanged the red pin.

So many years, so many beautiful memories that we shared time and again when in Italy with our Italian friends: Luigi and Stefania Paganetto, Giovanni and Maristella Tria, Lucio and Giuliana Scandizzo, Stefano and Daniela Micossi . . . and the list goes on.

What a generous and loving person he was. I am infinitely grateful to Jean-Paul for the friendship we shared. I will miss him always.

Francesco Saraceno

Jean-Paul Fitoussi was above all a brilliant economist. In 1973, his thesis, *Inflation, équilibre, et chômage* (Inflation, equilibrium, and unemployment), contained an analysis of the roots of inflation that went far beyond the monetarist controversy of the time, and whose relevance couldn't be clearer today. He is also one of the few non-Anglo-Saxon economists who in the 1970s joined the debate on the microeconomic foundations of macroeconomics, contributing to the evolution of Keynesian theory after the rational-expectations revolution. Despite the promise of a brilliant academic career, though, Jean-Paul quickly decided to step out of the ivory tower and become the engaged intellectual we all knew.

A convinced European, Jean-Paul was, nevertheless, a fierce critic of the neoliberal structure of European integration from the beginning. The theme is at the heart of one of his finest books, *Le débat interdit* (1996; The forbidden debate); there, Jean-Paul argued that self-censorship of intellectuals gradually narrowed the public discourse to a *pensée unique*, a single thought. This single thought eventually left no alternative on the institutions to endow the single currency with, precisely at a time when the debate on the form to be given to Europe should have been in full swing. He closed the circle elegantly by taking up the issue of the asphyxiation of public debate with his last book, first published in Italian (*La neolingua dell'economia*, 2019 [The newspeak of economics], summarized in his very last publication, a working paper for the Center for Capitalism and Society). This late work, unfortunately, lacks the pugnacity of *Le débat interdit* and is permeated with pessimism about the future. Jean-Paul's work on Europe, which I have often had the honor of coauthoring, has repeatedly emphasized the fundamentally deflationary (and yet avoidable) characteristics of the single currency. I can't help think of how much suffering the European people could have been spared in the recent past, if only his words had been taken more seriously.

Humanism and the fight against technocracy is the thread that links Jean-Paul's entire intellectual trajectory. Over the years, he enriched the debate on the tension between democracy and the market and on the need for the state to rediscover the role it once had: that of regulator and intermediary between the people and economic powers. Inequality and its effect on growth and efficiency and macroeconomic imbalances have always been at the center of his concerns. These topics eventually converged in the work of the Stiglitz-Sen-Fitoussi Commission on the measurement of well-being beyond GDP—a work that Jean-Paul never interpreted as a plea for degrowth but rather as the imperative to put well-being and income distribution back at the heart of public policies. As multiple crises challenge the single thought, against which Jean-Paul fought all his life, the thousand insights given by his work will be invaluable.

Nevertheless, for me Jean-Paul was more than this. He was a master, a colleague, and, above all, a friend. He welcomed me to Sciences Po in 2002, and then honored me with a trust that was the foundation of a collaboration that lasted to his last day. In his office, amid perpetual clouds of cigarettes, we discussed and wrote about Europe, economic theory, inequality, and democracy. While always rigorous in his analyses, Jean-Paul never concealed his beliefs in a supposed scientific objectivity. I learned day after day that rigor and independence are the only paths to authoritativeness in an increasingly discredited profession. It is not surprising that he was one of the most consulted intellectuals (although,

unfortunately, rarely heard) by politicians of all sides, despite his well-known positions. This is probably Jean-Paul's most important lesson: talk to everybody, be enlisted by no one.

Giovanni Tria

We miss Jean-Paul Fitoussi. Fitoussi—as an economist, academic, and rigorous and passionate intellectual—has been and remains the voice of a free man who was looking in his research for the truth. Not for its own sake but to serve as a guide to improving society.

In all his books, written alone or in collaboration with the greatest economists of our time, and in countless articles and public interventions, Fitoussi addressed fundamental economic policy issues that have a direct impact on society. A convinced but not dogmatic Keynesian, he looked with clarity and concern at the growing inequalities even in our rich societies, and at the dangers that these inequalities entail for democracy, even for our Western democracies. Although a respected advisor of governments and international institutions, he continuously denounced the shortsightedness and indifference of these same governments and institutions. His denunciation went to the roots of economic policy errors, that is, to the lack of knowledge and understanding of the true economic and social dynamics from which those errors derive.

In a book of some years ago, titled *Le théorème du lampadaire* (2013; *The lamppost theorem*), Fitoussi denounced how often economists engage in the study of what is easy, of what is under the light, but not of what is in the shadows and therefore more difficult to grasp. He argued that we cannot look at the crisis of our societies with our eyes turned to the cone of light that comes from the past, from economic theories now falsified.

It's the same approach that inspired his last book (*La neolingua dell'economia*, 2019). Its theme was the newspeak of economics—or how to tell a sick person that he's in good health. It is a book in which he denounces the misleading words used today in the policy debate as being misleading, words that hinder an understanding of the real world, and thus the adoption of sound economic policies that would enhance the well-being of all citizens.

Again, in his last edited book, *Measuring What Counts: The Global Movement for Well-Being* (with Joseph Stiglitz and Martine Durand), he resumes the discourse begun in 2009 on the limits of Gross Domestic Product as a measure of welfare, a measure that we scrutinize every day for the slightest variations without examining the content of what we produce and its distribution in society. That, Fitoussi believed, is what really matters for social welfare and quality of life.

Jean-Paul Fitoussi was present in the economic policy debate even in Italy, a country he loved and whose language he knew perfectly. No stranger to the establishments of the academy, of business, and of institutions, he was always a part of them with a strong civil passion. It was this passion that made him a sought-after and respected interlocutor for policymakers of various political orientations, even if he was certainly a man of the left.

Now we have his method: iconoclastic, ironic, but always based on a rigorous logic. Let's make the best use of it.