

## Laudatio for Mr Martin Wolf

Delivered in Leuven on 2 February 2018 by Professor André Decoster  
*nominator of the doctor honoris causa*

Video-link on: <https://youtu.be/MqOe9iX1rJQ?t=4288>

Honourable Rector,  
Your Excellencies,  
Dear Colleagues,  
Ladies and Gentlemen,  
Dear Students,

‘Without fear and without favour’: that is the motto of Martin Wolf’s current employer, the *Financial Times*. As a student, however, you don’t usually start reading the *Financial Times* without fear. After all, there are easier things to read. But once you’ve overcome your initial hesitation, the reading really *does* come with a ‘favour’: every Wednesday, and on many Fridays as well, you get a piece written by Martin Wolf – Chief Economics Commentator since 1987. Only then do you truly feel that the motto ‘without fear and without favour’ is no idle talk. In addition to his stylistic clarity and the solid underpinning of his reasoning, Martin Wolf’s independence and candour are the main reasons he became one of the most authoritative columnists and respected journalists in the world.

The keywords to describe the foundation on which this authority is based are: critical and independent thinking, erudition, and argumentation. Of course, defending a certain point of view with ‘erudition’ and ‘argumentation’ is hardly remarkable for someone who studied at Nuffield College in Oxford and has, since then, remained in very close contact with the academia through his dozens of friends – professors, Nobel Prize winners, or executives of important research institutions. What *is* remarkable, though, is that Martin Wolf himself also reflects on where the economic models developed by the academic world are wrong or inadequate. We cannot overestimate the impact of vulgarising reflections, in which often presumptuous and sometimes ideologically biased academics are encouraged to explore new frontiers. Precisely because it is so difficult to bridge the gap between academic research and the public debate, statements such as the following are of great importance: “the [financial] crisis happened partly because the economic models of the mainstream rendered that outcome ostensibly so unlikely in theory that they ended up making it far more likely in practice.”

Over the course of 50 years – years that have led him past the World Bank and the Trade Policy Research Centre think tank to the *Financial Times* in 1987 – Martin Wolf has adjusted his points of view, at least superficially speaking. He makes no secret of that himself in his latest book *The Shifts and Shocks*, where he writes: “Over the subsequent forty-five years I have learned a great deal and, unsurprisingly, changed my mind from time to time”. For one thing, he learned that the liberalisation of the 70s and 80s “had brought forth a monster: a financial

sector able to devour economies from within.” Today, economist Martin Wolf is one of the major critics of the banking world. And alongside his belief in a bigger role for the free market, there’s now a passionate plea to invest more in public goods and the world’s ultimate public good: the climate.

Although he has adjusted or abandoned some of his views under the influence of a changing world, the same does not apply to his values. Those are still the same. Or, as Martin Wolf puts it, “it is helpful to separate my opinions about how the world works, which do change, from my values, which have remained unaltered.” His values come down to this: liberal democracy, which in his own words is essentially “a marriage between market and state” – is in his view “incomparably the best way to manage a society.” Martin Wolf has often reminded his readers that this is not an economic insight, but rather an intellectual and moral legacy that he cherishes and preserves. He owes it to his two Jewish parents. His father, in particular – an Austrian playwright who fled Vienna because of Hitler even before the Second World War – was a passionate defender of liberal democracy because it combined the values of the Enlightenment, “tempered by appreciation of the frailties of humanity”. His mother, a Jewish woman from the Netherlands, lost dozens of family members in the Shoah. So for Martin Wolf, who was born in 1946, the Nazi horrors have always been a tangible past. This partly explains why, ever since he was a child, he’s been very much aware of the totalitarian danger and why he was – and *is* – such a fervent opponent of imperialism, fascism and communism. It’s for good reason that he called the implosion of the Soviet union the “most pleasurable surprise of his life.”

Reflecting about these historical events is also what made him realise early on, that an adequate economic policy can stem the tide of detrimental ideologies. When the economy fails, political stability and social harmony are in great danger. In the aftermath of the biggest financial-economic crisis since the thirties, this conviction is more relevant than ever. In the *Shifts and the Shocks* he wrote: “Today, then, the threats to liberal democracy [...] come not from communism, socialism, labour militancy, soaring inflation, or a collapse in business profitability, as was the case in the 1970s, but from financial and economic instability, high unemployment and soaring inequality. The balance needs to be shifted again.” As he clearly explained in his lecture last night, he explicitly points the finger at elites around the world for their short-sightedness, which is part of the explanation for the rise of populism, for the electoral success of individuals such as Donald Trump, Marine Le Pen or Geert Wilders, and for the “ruinous break” and the “spectacular mess” that the Brexiteers have brought upon his country – “with no knowledge of the complexities.” In any case, with Brexit, the EU stands to lose one of its most eminent members.

In the populist wave that is engulfing the world today, Martin Wolf is a bastion of reason. With his clear arguments, he exposes demagogues’ simple answers to complex questions. Time and time again, he uses his thorough knowledge and helicopter view of politics and economics to

explain and interpret the impact of certain policy choices on the prosperity of all global citizens. And all the while, he continues to believe that – and this is my final quote – “[e]conomics [is] about far more than prosperity [...]. It [is] also important if we [are] to sustain civilization. Once people are deprived of hope of a better life for themselves and their children, societies based on consent are likely to founder.”

Precisely **Honourable Rector**, because his erudite voice is such an enrichment to the public debate,

**I ask you, on the recommendation of the Academic Council, to confer the honorary doctorate of KU Leuven on Martin Wolf.**