

Award Ceremony of Doctor Honoris Causa Santander Sept 27, 2025

Thank you, it's a real pleasure to accept the honor you've bestowed on me, partly because this event, this ceremony, is a symbol of the global nature of the community of scholars.

There's something so spiring about going to another university and finding another community who shares the same values, who devotes their lives to increasing our knowledge of the world and our understanding of our society, ensuring that our society works to the benefit of all.

And finally, finding another community dedicated to teaching our young people critical thinking skills and transmitting the knowledge that we've created. I believe very strongly that this mission is central to the maintenance and sustenance of a democratic society, which is why authoritarian regimes always attack and try to suppress universities.

Regrettably, that is what is happening in the United States today. And it obviously breaks my heart. I believe that the soft power of knowledge of our institutions, of our universities, is more important than American military power.

In the next few minutes I want to talk about two related issues. The first is the broader meaning of freedom, and the second is

the importance of *academic* freedom, because academic freedom is now under challenge in the United States and particularly at my own university, Columbia University. We are engaged in a very big battle. We hope, we believe, we will win, but the battle is just beginning.

So let me begin with the broader question of the meaning of freedom, which is the subject of my most recent book, *The Road to Freedom: Economics and the Good Society*.

The reason I wrote that book was that I wanted progressives to recapture the Freedom Agenda from the right. Those on the right in the United States have for years talked about freedom as if they owned it. But my argument is that they misunderstood what freedom is about, and in doing that were actually undermining freedom. Just to give you an example, the extreme right-wing caucus in the Republican Party in Congress is called the Freedom Caucus, but they don't know what they're talking about in choosing that name.

The title of my book, *The Road to Freedom*, is a riff off a book written by Friedrich Hayek called *The Road to Serfdom*. Hayek wrote the book in 1944, at the time when Keynesian economics had shown that government could make sure that the economy would not sink into the kind of depression that the world had just experienced beginning in 1929.

Keynes argued that there were actions the government could, and Franklin Roosevelt did, take that could bring the economy out of depression and ensure greater prosperity. It was also a time where, in Scandinavia and the UK, there was a beginning recognition of the role that government could play in social protection and broader improvements of societal welfare. Creating the National Health Service in the UK, for example, increased access to health care in a way that had never been possible before.

Hayek worried that this increased role of government was setting the Western democracies on the road to authoritarianism. He called it the road to serfdom. I argue in this book that he was 180 degrees wrong, that you don't see authoritarian populism in countries where the government has done too much. You don't see it in Scandinavia, but you do see it in countries where government has done too little, where it has not done enough to address societal divides, help those who have been left behind, help those without health care or education; in countries where government has done too little to promote inclusive growth.

To me, the meaning of freedom is partly a positive idea. The freedom to live up to your potential. Somebody who is at the point of starvation really doesn't have freedom. He does what he must to survive. One of the things we do in the university is

to enhance the capabilities of our young to live up to their potential.

In the university we are, in a sense, committed to enhancing the freedom of our students, to giving them greater ability to live up to their potential and to think critically, to free them from the shibboleths of the past and from ideas that may constrain them to think for themselves.

That, of course, is one of the reasons why those on the right often attack universities, because they don't want our young people to think for themselves. They don't want critical thinking. I'll come back to that in a few minutes.

There are two other ideas I want to talk about that are central to my book. The first is that there are, in talking about freedoms, few absolutes. One person's freedom is, in our integrated society, often at the expense of someone else's freedom. One person's freedom is another person's unfreedom. Or, as the great philosopher Isaiah Berlin of Oxford once put it, "Freedom for the wolves has often meant death for the sheep."

Freedom for the oil companies to pollute the environment has meant that the rest of us have lost our freedom in some more important ways: Our planet will lose the freedom to be free of global warming. Those who have asthma may lose the fundamental freedom to live. And we will be forced to spend

huge amounts of money to save our planet and to rebuild what climate change will destroy.

One of the reasons I was motivated to write the book came from the pandemic, which seems so long ago now. Many people resisted the notion to wear masks or get vaccinated. They were saying the requirement to wear a mask or to practice social distancing or to get vaccinated was taking away their freedom. But their freedom not to wear a mask or not to get vaccinated or not to maintain social distancing was putting at risk others' freedom to not get COVID-19, not to be hospitalized, or the most fundamental freedom, the freedom to live. Again, one person's freedom was impinging on another's.

Another example comes from right-wing US ideology. They say everybody should have the right to carry an AK-47 assault rifle. That it is a basic human right to walk around with a machine gun. Every day in America young children are trained in what to do when a gunman enters the classroom. When I was young, we had to worry about preparing for a nuclear war. We had to learn what to do when we heard warning sirens. But today it's about a gunman entering the classroom. Parents don't know whether their children will come home at the end of the day. Everyone has lost a freedom, the freedom from fear. That was one of the important freedoms that Franklin Roosevelt talked about when he gave his famous Four Freedoms speech.

So the freedom to carry an AK-47 has taken away the freedom to live and the freedom from fear.

I've given some stark examples. In each of these cases, there are tradeoffs. But any rational society would come to the same conclusion. The freedom to live is more important than the freedom to carry an AK-47. The freedom to live is more important than the freedom not to wear a mask.

In other cases we may have more difficulties in balancing one person's freedom with that another person's . And that's where democratic dialogue becomes very important. We have to recognize there are tradeoffs and we have to discuss and try to come to a consensus in how we can balance these and maintain them the best we can. That's the first idea I wanted to get across.

The second idea is that through collective action we can sometimes expand the freedom of everybody. And a little bit of coercion can be freeing. That seems like a little bit of a conundrum but it's actually very easy to understand. Take a simple example, a traffic light. It takes away your freedom. You can't go through an intersection until the light turns green. So that red light restrains you. It's taking away your freedom to proceed. But if you live in a city like New York, without traffic lights no one could move, you would have endless gridlock. So

a simple constraint like a traffic light actually enhances everybody's freedom.

It's a way of coordinating, and by coordinating, expanding everybody's freedom. That's a simple metaphor for many things in our society. I talked a minute ago about the coronavirus pandemic. We're here today in part because of the vaccine that was developed against COVID-19. That didn't happen just by accident. It was a result of research conducted mostly at universities, research that first created the mRNA platform for vaccines and then, that platform was used very quickly to create a COVID-19 vaccine that was very effective against this pathogen.

But creating that platform and the vaccine required resources. Those resources were available because we have taxes. Taxes are coercion. We don't pay the taxes voluntarily. But that little bit of coercion, of paying the taxes to do the research that enabled us to develop the vaccine that enabled us to live, was clearly more valuable than the cost of the coercion. That tax coercion expanded our freedom to live. And which is more important, the little coercion of taxes or the freedom to live? Well, the answer is obvious. It was the case of freedom to live.

Now, in Europe you're facing another issue, an existential issue. Russia has violated the international rule of law and has invaded Ukraine. It's an existential issue for Europe whether

Russia will succeed. And if it were to succeed, there is no reason why it would stop in Ukraine and why it wouldn't go farther.

But for Europe to preserve its freedom, to help Ukraine in its fight against Russia, will require taxes, which are coercive; but those taxes are absolutely necessary to create a European defense force, which unfortunately is even more necessary today because the United States is not a reliable partner.

We elected Trump once, that was our mistake. That, some might say, was an “accident.” But twice, it's not an accident. And the lesson of that is you cannot rely on the United States. Europe has to rely on itself. And that means Europe has to pay for the defense that is necessary. I wish Russia weren't the way it is. It's part of the failed transition from communism. They did not create a democratic society. Their expansionist authoritarianism is a threat to Europe. And Europe now has to get together and raise the taxes to provide the defense of Europe against this authoritarianism.

Finally, let me talk for a few minutes about academic freedom. I'm going to begin with, in a sense, a very fundamental issue about the source of the wealth of nations. Those of you who studied economics know that the *Wealth of Nations* is the title of the book that Adam Smith wrote in 1776. In the Anglo-Saxon world, it is viewed as the founding document of modern

economics. But Adam Smith could not really have answered the question of the source of the wealth of nations because at the time he was writing there was no wealth, really, not as compared with today.

If you look at the data on per capita income and on life expectancy around the time he wrote his book, it was little different from what it was centuries earlier. For centuries there had been stagnation. But then these statistics started to improve enormously. And that uptick created the wealth that we can enjoy today. And so we naturally ask the question, what happened? What was the difference between the world before 1776 or 1800 and the world of the last two and half centuries? The answer, I argue, particularly in my book *Creating a Learning Society* (written with my Columbia colleague Bruce Greenwald) is a particular historical epoch called the Enlightenment. What were the basic ideas of the Enlightenment? It was first that progress was possible. Before that, people didn't think progress was possible.

And why was progress possible? Because of science. We were learning how to systematically understand nature, to do research, scientific research, experiments. And we began a systematic inquiry into how societies can function better. In primitive societies, you had farmers growing food alone, a little bit of commerce, people trading with each other. But it was not a modern economy as we know it.

To get the big advantages of a modern economy, Smith recognized that one needed cooperation, one needed trust, one needed a whole set of institutions that would enable and facilitate us working together. And that was the beginning of the study of what makes for a well-functioning society. It was a matter of scientific inquiry, rational thinking. We learned about the rule of law and about checks and balances--checks and balances not only within government, but within our society.

If you have any society where you have too much concentration of power, too much wealth in the hands of a few, they will use that wealth to advance their interest at the expense of the rest. So the agenda that I have often talked about of advancing equality and inclusion is not only something that is important as a matter of social justice; it is important for the economy and for the functioning of our society.

So it was this Enlightenment, with these principles, that made progress possible: Science, rational analysis of what makes for a good society, of how to cooperate, the rule of law, checks and balances, all of these are principles of social organization and are fundamental to the functioning of our society.

Democracy is an important part of our system of checks and balances. When you have an authoritarian leader, whatever ideas go through their mind become what society does. And

you experienced that, I'm afraid, to a great greater extent than many other countries during the era of your dictatorship.

But we are now beginning to experience the craziness of Trump's tariffs, his attacks on the press, on academia, on the legal profession—every day there is some new breaking of norms and laws--wielded by a would-be authoritarian leader without Congress providing the checks they ought to. Trump is violating the rule of law time and time again, with the courts only slowly beginning to check his power. We hope the courts will eventually provide that check, but so far, it's been limited.

It is because we realized there have to be these checks that we in the United States adopted the basic principles of human rights: Freedom of press, freedom of expression, freedom of religion.

All these freedoms were fundamental as part of the checks and balances, limitations on the power that any authoritarian leader might want to have.

But among the freedoms, not in our Constitution but in our norms and practices, is academic freedom. And why is academic such a crucial part of this system of checks and balances? Because the universities are the place where one does critical research analyzing what governments can do and what they should do, what they have done and what the consequences are, serving as critics in small matters and big.

At some level, you can say tariffs are a small matter, but they're a big matter, too, a big matter for those afflicted by tariffs. It is at the universities where the analytic work that might constrain the whims of authoritarian leaders gets done, in which economists say, "Here are the consequences of your absurd measures, and there will be suffering as a result of that. And there may be a grain of truth in this part of your argument or that part of your argument, but the way you're doing it is wrong." Universities are where that kind of thinking must be done, and it's where people have the time to do it.

People in business are in the job of doing business. Their job is to produce things, to provide employment. But we in academia have a special privilege, and it is a real privilege to be able to spend your life thinking. And you have to ask, why would society give us this enormous privilege? And part of the reason is because it is essential for the transmission of knowledge from one generation to another and for the functioning of our society.

But it's also essential as part of our system of checks and balances. That's why universities give tenure. Tenure is important because it gives us the freedom to criticize. When I was at the World Bank I felt free to criticize what my government was doing and what other governments were doing. A lot of people didn't understand: How could I be so outspoken? And my answer was very simple. If they fired me, I

would go back to the best job in the world, which was being a professor. I loved the job that I was doing, being chief economist of the World Bank. It was exciting. I thought I was making a contribution. But I still recognized being a professor was a better job. And so there was no threat from being fired. But for most academics, with less economic independence, tenure is important.

Tenure is important, but more than tenure is required. We have to have broad freedom to teach what we want to teach, and for the vast majority of academics, dependent on their income from teaching, they have to have economic security. The art of authoritarianism is playing within the rules but breaking the norms. Here, it might entail not firing a teacher, but reducing pay and taking away the classes that she's taught without cause and due process.

I had a freedom that most other people don't have. And I especially do because of my age—being forced to retire would not be a terrible outcome, given that most of my age cohort has already chosen to do so. But with that freedom, I believe, comes an obligation. That freedom means that we have an obligation to speak out when we see something not going the way we think it should, especially when it comes to our society.

We may be right, we may be wrong, but at least we should be able to have a rational discourse over whether what our government is doing is right or wrong and how to improve matters. We need to be able to discuss any possible malfunctions in societies, the multitudes of inequities, their origins, possibly in bad policies, and cures, possibly in good policies. So that, to me, is why academic freedom is not just a matter of a privilege that is given to a particular segment of society, to our universities. It is an essential part of what you might call the control mechanism for our society. We've recognized that as a society it is important to have a group within our society analyze, criticize, and discuss what we as a society are doing, what particular individuals or groups of individuals are doing and the likely consequences.

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The press is another important part of that system, a critical part of the system of checks and balances within our society, which is necessary for the functioning of democracy and, I would argue, necessary for our long-term prosperity.

What we are seeing right now in the attack on our universities in America is a country shooting itself in the foot, and doubly so. We lose a central part of our “control system.” The press is critical in investigative reporting and dissemination. The academy is critical in deep research into how each of our systems functions, detecting dysfunctions, hopefully with early warning, and proposing resolutions.

America's comparative advantage has been based on our technological advantage. The superiority, the strength of our universities was to a very large extent created as a result of the failures in Europe. It was in the years before World War II, with the growth of fascism and authoritarianism, that so many academics migrated to the United States as they saw the loss of academic freedom in Europe. And it was that migration that really changed American academia and made us, I believe, the best in the world.

We are now, I'm afraid, as I said, shooting ourselves in the foot. And when I say we, I mean the Trump administration. We in academia are going to resist it. We're going to fight it. I believe we will succeed. But we should see this attack at Columbia University, at Harvard, in a way like the canary in the coal mine. A canary in a coal mine is how you see whether methane is present. This canary in the coal mine should be alerting us to the march of authoritarianism in our society and should be a warning for what may be coming. So we will fight this growth in authoritarianism at Columbia. We will fight for our academic freedom. We will fight for ourselves and for our principles, but we will also fight for our entire society.

And having a community of scholars around the world who have been fighting this fight for centuries is important. That

kind of solidarity gives us the strength to continue our fight for freedom in the United States.

Thank you.