**Tribute to Emmanuel Farhi**

*Jean Tirole, Econometric Society World Congress, August 20, 2020*

It is an honor for me to pay homage to Emmanuel Farhi, the scholar, the intellectual actively involved in public life, the teacher, and the friend. It is a challenge too, as in none of these dimensions will I be able to do justice to who he really was.

**Youth**. Emmanuel grew up in Paris. His father, André Farhi, was a development economist. Emmanuel’s family on the father side came from Alexandria. The Farhi family was a prominent Jewish family in Egypt, Lebanon and Syria. Emmanuel facetiously talked about his ancestor Haim Farhi, who was advisor of Ottoman Jazzar Pasha in Akko (Saint-Jean-d'Acre). Emmanuel’s mother, Danièle Debordeaux, is a social policy specialist.

He was an outstanding student. Ranked first at the age of 16 in the French high school competition in physics, he could have become a physicist. The assistant of Cédric Villani, 2010 Fields medalist, he could have become a top mathematician himself. I could equally have envisioned him a startupper or a top civil servant; indeed, he long hesitated to continue his career within the corps des Mines, the elite French civil-service corps. But reading Paul Samuelson’s text convinced him that economic ideas are an alternative route to making this world a better place, and so he opted to study for an economics PhD at MIT.

**Contribution to economics**. I will not review his contributions, clearly on the Nobel track, as doing so properly would require hours, probably days. Conferences will be organized to that purpose. Suffices it to say that Emmanuel transformed the theory of taxation, macroeconomics, and international finance. But I can share a few thoughts about his scientific approach, focusing on four traits.

Emmanuel was unabashed about being a theorist. While he welcomed the data revolution, he believed in the power of ideas. And the realm of ideas was his kingdom. He felt that, while facts are important, they need a framework to become compelling. Theory further supplies the normative structure, that enables the move to policy recommendations, which were central to his career choice. In this respect, as in many others, Emmanuel was the worthy heir of the founders of the *Econometric Society*: When in 1930 the likes of Irving Fischer, Ragnar Frisch, Joseph Schumpeter, Divisia, Roy, Hotelling or Keynes founded our society, they aimed at unifying theoretical and empirical approaches and at “creating a society for the advancement of economic theory in its relation to statistics and mathematics”.

Second, although Emmanuel loved mathematics and was as proficient at it as any in the profession, he was not blinded by the tool. The elegance of his models was at the service of making ideas accessible, not of demonstrating technical prowess.

The third permanent trait was doubt, the DNA behind his research. He was distrustful of fads, certainties and preachers. He wanted to avoid the mistakes of the true believers. He was agnostic and let his science take him wherever it would lead, perhaps in unexpected directions. As a macroeconomist, his work can probably be best described as Keynesian, although he did not really care about labels. Again, not by falling into the trap of thought-hindering prior beliefs, but by analyzing the conditions of Keynesian economics’ validity and its limits. His pathbreaking work made explicit the microeconomic imperfections at the root of macroeconomic failure, so as to build a normative analysis and thus formulate economic policy recommendations.

The fourth trait capturing Emmanuel’s research is patience. In an interview given in April, and taking his recent work on value chains with David Baqaee as an illustration, he emphasized that good research requires a sustained effort (he invited the French journalist to a rendezvous in a few years); and that communicating this research calls for being transparent on empirical uncertainty and candid about the limits of our knowledge.

His research notably focused on slow price adjustment, on the difficulty Central Banks face to bring nominal interest rates below zero when cash guarantees a steady nominal return, on the solvency constraints of banks and companies, on the liquidity available in the economy, on the constraints imposed by a monetary union on macro policy, and on economic agents’ behavioral anomalies. His work, which will continue to be central in the post-Covid economy, had a sole purpose: contributing to the common good by improving our economic policies.

When contemplating what he had already achieved by the age of 41, one cannot help experiencing a sense of huge scholarly loss, shuddering at the thought of the missing ground-breaking work that will never happen.

**Public service**. Today, we are honoring Emmanuel in his capacity as program Chair of the World Congress. More broadly, he was devoted to making valuable public service contributions. A Member of the French Government’s Council of Economic Advisors from 2010, he was deeply involved in French intellectual life. On the fatal day of July 23rd, four weeks ago today, a couple of hours before his death, he took part in a meeting of the French president’s “commission of experts on the major economic challenges", which Olivier Blanchard and I have the honor of chairing.

His intellectual qualities and his always well-argued dialogue made him a much sought-after advisor to public decision-makers worldwide. Always willing to help design and promote good economic ideas, he was a public intellectual. But not of the dogmatic kind. Always open-minded and in scientific doubt. Searching for the common good.

**A voice of conscience for our profession**. Emmanuel felt that he had chosen a wonderful occupation; he loved his work, his colleagues and his students. Yet, he thought we could do better collectively: take better care of students and junior faculty; be less competitive; listen more to others; show more respect and interest for those who work in different fields and with different approaches; restrain from using the media and the social networks to arouse interest in one’s work prior to peer validation. It is true that our desire for recognition, which is human and a key motivator for accomplishment, sometimes grows into narcissism and distracts us from what we are meant to serve, science.

We are all aware of our individual and collective shortcomings, but Emmanuel was more mindful than most of us about the need to strike the right balance between self interest and other-regarding behavior. With his meritocratic upbringing, he valued hard work and expressed outrage at the little arrangements and self-promotion that plague any profession, including ours.

Those reflexions about our scientific duties, which he shared amicably with his friends over dinner, were not meant to take the high moral ground; that was definitely not his style.

Most importantly, he implemented his standards as a colleague and a transmitter of knowledge. He could talk enthusiastically about his own work without ever overselling it, and only after listening to his colleagues’ own research. He was very kind to students and junior faculty. Nicolas Werquin, a young TSE researcher, accurately summed him up: “*Emmanuel was a real role model for me. I of course admired his extraordinary intelligence and his depth of mind whenever we talked about research, but also the attention he paid to young researchers, his humility, generosity and kindness.”*

**Human being**. Indeed, over the last four weeks, I have received many messages about Emmanuel from people from different horizons- economists, former classmates, childhood friends, other friends, students. These messages emphasized that with all his talent, Emmanuel could have been more than full of himself; and that instead he always remained modestly attentive to others.

“Farhi” in Arabic means “joy”. And, beyond the gentle melancholia that you can discern in some of the pictures, joyful he was; he could talk passionately for hours about politics, arts, literature, movies or good food. He was a sportsman, who had tremendous stamina when jogging, hiking or playing squash and tennis.

Emmanuel was a wonderful human being, and having friends like him is what gives us joy in our professional life beyond the sheer pleasure of research and teaching. For those of us who have had the privilege to have known him, it is hard to imagine a seminar or a conference without him, a dinner without his smile and laugh, and the loss of his support, insights, and friendship.

Let us do our best to keep his memory alive and to focus on remembering his talent, his intellectual legacy, his mentoring, and the good times spent with him.

So long, Emmanuel