

UNIVERSITY OF ROME “TOR VERGATA”

FONDAZIONE TOR VERGATA

*Villa Mondragone Economic Development Association*

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*In Memoriam*

## **Edmund S. “Ned” Phelps**

*Nobel Laureate in Economics, 2006*

1933 – 2026

**Edmund Phelps** has been an economist and a great thinker. His journey as a scholar, spanning more than six decades, recapitulates the very trajectory of modern economics: from moral science to disciplinary specialization, and then back, in his late and most ambitious work, to moral science again. Few scholars of his generation have travelled so wide an arc; fewer still have travelled it with such intellectual coherence, and with such generosity toward those who walked alongside them.

In the course of this journey, Ned initiated and promoted a vast movement of ideas on a moral form of capitalism and on the search for a good society. He did so not as a solitary thinker, but as the leading scholar and the natural point of reference of an epistemic community whose two main cultural hubs were his Center on Capitalism and Society at Columbia University and our Villa Mondragone Economic Development Association. For more than three decades, in the International Villa Mondragone Seminar, organized every year, often with his presence and always with his direct and passionate contribution, a true community of inquiry has grown around him, marked, accompanied and inspired by his own intellectual transition from the more narrowly defined core themes of macroeconomics to the wider structural questions that address the very substance of economic thought.

As for many great thinkers, the genealogy of Phelps’s contribution cannot be confined to a single disciplinary field. It extends to many related social disciplines, to cultural and historical foundations, and ultimately to philosophy. His search for the principles of a “good society” emerged gradually from within his work as a growing and underlying attention to the intersection of socioeconomic organization and the realization of individual potential and identity through economic action. The early papers on the Golden Rule of accumulation already carried, beneath the formal apparatus, a moral question about justice between generations. The micro foundational revolution of the late 1960s: the body of work for which he was awarded the Nobel Prize, placed at the center of macroeconomics agents who were not automata but persons: improvising, forming expectations, acting under genuine uncertainty. The structuralist macroeconomics of the 1980s and 1990s widened the frame further, asking why some societies generate good jobs and dynamic labor markets while others do not. And finally, in his book on “Mass Flourishing” and in the writings that followed, the philosophical horizon became explicit: the goal of an economy, Ned insisted, is not output but human flourishing, the eudaimonia of an Aristotelian tradition he was unafraid to claim.

“What is a good society?” has been, directly or indirectly, the theme of several Villa Mondragone meetings and has inspired a wealth of papers, books and conversations. More importantly, it has generated wider interest, ever more precious in these difficult times, in the capacity of markets and free exchange to promote and enhance individual capabilities through self-realization and dynamic interaction. The question is no longer merely how to allocate resources efficiently, but how to design economic and institutional arrangements that allow ordinary people to imagine, to try, to create, and in doing so to give meaning to their working lives. This is, in the end, an anthropological question as much as an economic one, and it is the question to which Ned’s mature work returned with growing insistence.

Why do some societies prosper and grow while others experience hardship and lag behind? This is the great theme of our days, and the humanistic conception that Phelps evoked in his return to the principles and the achievements of the Renaissance suggests a research path that is at once promising and challenging. It is a path that locates the sources of dynamism not principally in capital, technology or institutions narrowly understood, but in a culture of innovation, exploration and dignified work, a culture in which creativity is widely distributed, and in which the individual is recognized as the protagonist of economic life. It is a vision that connects Ned to a long lineage of economists who refused the disciplinary border: from Smith to Mill, from Keynes to Hirschman, from Sen to those who, today, continue to insist that economics must answer to a richer account of what it is for a human life to go well.

For all of us who have had the privilege of working with him: at Villa Mondragone, in our seminars, in the long correspondences and the longer conversations, Ned was something more than a great economist. He was a master in the older sense of the word: a teacher of method and of attitude, a colleague who listened to the youngest scholar in the room as attentively as to the most senior, an interlocutor whose questions were always sharper than one’s answers. His ironic gentleness, his deep affection for Italy and for our community, his ability to make every meeting feel like the continuation of a single, lifelong conversation, these are the things we will most miss, and the things hardest to put into a few lines of writing.

To his family, to his colleagues at the Center on Capitalism and Society and at Columbia University, and to the international community of scholars who have grown around his work, we send our most heartfelt condolences. We will honor his memory in the way he himself would have preferred: by continuing the work he began, by keeping alive the community of thoughts and friendship he helped to build, and by carrying forward, with the same seriousness and the same warmth, his lifelong search for the good economy and the good society.

**Luigi Bonatti, Stefano Micossi, Luigi Paganetto, Pasquale Lucio Scandizzo, Giovanni Tria**

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