

Press release

Toulouse, November 17th 2022

Philippe Aghion laureate of the 2022 Jean-Jacques Laffont award

Celebrating his groundbreaking research on growth and innovation, this year's Jean-Jacques Laffont prize is awarded to economist Philippe Aghion, professor at Collège de France, INSEAD (European Institute of Business Administration), and London School of Economics.

The award ceremony will be held on **Tuesday December 6th 2022**, at Toulouse City Hall, in the presence of **Jean-Luc Moudenc**, mayor of Toulouse and president of Toulouse Métropole and **Christian Gollier**, executive director of TSE.



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Receiving the Jean-Jacques Laffont award is a great honor. Not only has Jean-Jacques Laffont been an incredible builder, shaping Toulouse as the flagship of economy in France and Europe. He was also a man of vision, whose contribution to economy was decisive, similarly to Jean Tirole's work, who was one of my mentors. This prize confers to me a responsibility, echoing with this heritage.

Philippe Aghion

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A glittering career

After graduating from L'Ecole Normale Supérieure de Cachan and Université Paris-1 Panthéon Sorbonne in Mathematical Economics, Philippe Aghion defended his thesis in Economics at Harvard University in 1987. He then became assistant professor at MIT, where he met Peter Howitt, with whom he developed the so-called Schumpeterian Growth paradigm.

Philippe Aghion is currently professor at the Collège de France, chairholder of "Institutions, Innovation and Growth", he also teaches at INSEAD and LSE, after being a professor at Harvard from 2000 to 2020. In 2001, he received the Yrjo Jahnsson Award, that honors the best European economist under the age of 45, he was then awarded the John Von Neumann Award in 2011, and the "BBVA Frontier of Research Award" in March 2020. Philippe Aghion is also a Fellow of the Société d'Econométrie, of the British Academy and of the American Academy of Arts and Sciences.

His work focuses on growth and innovation theory and also on knowledge economy. With Peter Howitt, he developed the Schumpeterian model of economic growth. He has also written *Endogenous Growth Theory* (MIT Press, 1998), *Competition and Growth* (MIT Press, 2006), *Inequality, Growth, and Globalization – Theory, History and Policy*, with Jeffrey Williamson (Cambridge University Press, 1999); *Education et Croissance*, with Elie Cohen (La Documentation française, 2004); *Les leviers de la croissance française*, with Gilbert Cette, Elie Cohen, and Jean Pisani (La Documentation française, 2007), *Repenser L'Etat*, with Alexandra Roulet (Seuil, 2011), *Changer de modèle*, with Gilbert Cette et Elie Cohen, *Repenser la croissance économique* (Fayard, 2016), and *Le pouvoir de la destruction créatrice*, with Céline Antonin and Simon Bunel (Odile Jacob, 2020).

A man of ideas

"My research deals with the theory of creative destruction: that is, the way a new innovation destroys an older one, making it obsolete," Philippe explains. "This mechanism drives capitalism and has allowed huge growth in our standards of living. We need to know how to deal with this power in order to steer it towards greener and fairer growth, for the common good. "However, this creative destruction process forces us to face a contradiction: we have to support businesses to preserve jobs and human resources, while encouraging new companies and activities that are more productive or better aligned with consumers' needs."

Three main actors are essential, says Philippe: companies, civil society and the state. "The latter has a particularly important role in redirecting technical change towards green innovation, to prevent an environmental catastrophe. For instance, if we look at the car industry, a carbon tax or a green innovation subsidy will make technological change less costly and redirect innovation towards electric engines. But consumers also play an important role in this equation."

About the Jean-Jacques Laffont prize

Since 2005, this prize has been awarded annually to a world-renowned economist whose research, in the legacy of Professor Jean-Jacques Laffont, combines robust theory with empirical application in the economic world.

Created by the city of Toulouse, in partnership with Toulouse School of Economics, this award has been given to : Peter A. Diamond, Daniel L. McFadden, Stephen A. Ross, Richard Blundell, Roger Myerson, Robert B. Wilson, Robert M. Townsend, Eric Maskin, Joseph Stiglitz, Elhanan Helpman, Susan Athey, Ariel Pakes, Daron Acemoglu, Marianne Bertrand, Matthew O. Jackson and Roland J. M. Bénabou.

Among them, several later received the Economics Nobel Prize. Philippe Aghion is the second french economist to be awarded.

About TSE

TSE is a world-renowned center for research and education hosting more than 150 international faculty including Jean Tirole, 2014 Nobel laureate in economics. Created in 1981 by French economist Jean-Jacques Laffont, it strives to provide solutions to today's key economic and social issues, promote excellence in research and higher education and connect research to policy in France, Europe and worldwide.

Over the past forty years, TSE has emerged as one of the best economics departments in Europe, ranked among the top three beneficiaries in economics of the prestigious European Research Council (ERC) grants. On the wider scale, TSE today ranks 9th economics department worldwide according to the RePEc ranking. TSE is particularly renowned for its scientific contributions in industrial economics, finance, energy and climate economics, and econometrics.

TSE also hosts an interdisciplinary research hub, the Institute for Advanced Study in Toulouse (IAST), whose cross-frontier scientific program brings together ten scientific disciplines in the social and behavioral sciences: anthropology, biology, economics, history, law, mathematics, philosophy, political science, psychology and sociology.

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