

Vice Rector, Dean, Chair of the Department of Economics, fellow faculty members, students, ladies and gentlemen, dear James Galbraith,

Today we are not merely honouring an exceptional economist, a man, a colleague, and a friend to many of us gathered in this hall. By conferring an honorary degree on James Galbraith, we are also indirectly honouring our University itself, which, from the day of its founding in 1837, established a permanent chair, not in Economics, but in Political Economy – 26 years before the prestigious University of Cambridge in England established a similar chair.

And it is not only the early adoption of Political Economy by our University that deserves mention. During the 20<sup>th</sup> century, especially in the postwar period, and even more intensely since the late 1970s, economic science began to loosen its links with Political Economy, striving to transform itself into a branch of mathematics, with the result that its credibility was damaged so much so that it compelled Nobel laureate in Economics Ronald Coase to say, sarcastically, that the greatest contribution of economic science turned out to be this: to give us, the teachers, the opportunity to fill a blackboard with equations without saying anything of note about the real economy.

This is where the paths of James Galbraith and our University's Department of Economics converge.

- Our Department has fought hard to keep the tradition of Political Economy alive, and thus defend the credibility of economic science. Indeed, we are one of the very few Economics Departments that maintain Political Economy as a required course in the first year.
- Galbraith has fought, and continues to fight daily, similar battles to ensure that our science remains useful to society, rather than filling blackboards with equations that are aesthetically pleasing but terribly misleading as guides to economic policy.

Perhaps, however, the best way to describe Galbraith—to summarize his work, his ethos, and his life—is with the words John Maynard Keynes used to describe the ideal economist:

“The master-economist must possess a rare combination of gifts. He must reach a high standard in several different directions and must combine talents not often found together. He must be mathematician, historian, statesman, philosopher—in some degree. He must understand symbols and speak in words. He must contemplate the particular in terms of the general, and touch abstract and concrete in the same flight of thought. He must study the present in the light of the past for the purposes of the future. No part of man's nature or his institutions must lie entirely outside his regard. He must be purposeful and disinterested in a simultaneous mood; as aloof and incorruptible as an artist, yet some-times as near the earth as a politician.”

James Galbraith is all of these things. He was born in Massachusetts in 1952. His father was perhaps the greatest American economist of the 20<sup>th</sup> century, who not only opened our eyes to how capitalism really works, with landmark books such as *The Affluent Society* and *The New Industrial State*, but also the man to whom President Roosevelt entrusted the difficult task during World War II of preventing the monster of inflation from undermining the war effort—thus earning him the unofficial title of Price Czar. Growing up alongside, or in the shadow

of, such a giant, it is very easy for a young person to be overshadowed. Not so for James, who achieved something rare: both honouring his father's work and creating his own scientific legacy.

He studied at Harvard, where he graduated *magna cum laude* in Social Studies in 1974. In 1974, he won a Marshall Scholarship, which took him to King's College, Cambridge to study economics. In 1977, he earned a Master's degree in Economics from Yale, which, in 1981, awarded him a Ph.D. in Economics for his dissertation entitled *A Theory of the Government Budget Process*.

During the period 1974–1985, James Galbraith gained insight into how political power shapes, or distorts, economic policy while serving on the Staff of the United States Congress, including his tenure as Executive Director of the Joint Economic Committee of the Senate and House of Representatives in 1981-82.

With this experience under his belt, he was appointed to the faculty of the Lyndon Baines Johnson School of Public Affairs and the Department of Government at The University of Texas at Austin in 1985, rising in 2001 to hold the “Lloyd M. Bentsen Jr. Chair in Government/Business Relations” at the LBJ School. He continues to hold these positions at The University of Texas at Austin to this day.

In 1985, he was invited to the Brookings Institution as a visiting fellow, and from 1996 to 2016 he served as Chairman of the Board of Directors of the historic organization *Economists for Peace and Security*. He has consistently directed the *University of Texas Inequality Project* and was for fifteen years a managing editor of the journal *Structural Change and Economic Dynamics*. He is also a lifetime member of the *Council on Foreign Relations* and the *Texas Philosophical Society*, and a member since 2017 of the *Free Economic Society*, an organization founded by Catherine the Great in Russia in 1765.

From the moment he transitioned from Congress to academia, the breadth of his contributions to both scholarly discourse and the public sphere has been nothing short of impressive. In 1990, he published a book titled *Balancing Acts: Technology, Finance, and the Future of America*, in which he predicted that the Fed's high-interest-rate policy, with the exclusive aim of combating inflation, would have the negative effect of not only causing the U.S. to outsource the production of lower-capital-intensive goods to the Far East but also to lose the ability to produce advanced products, such as microchips.

His books *Created Unequal: The Crisis in American Pay* (1998) and *Inequality and Instability: A Study of the World Economy Just Before the Great Crisis* (2012) changed the way we talk today about inequality, its causes, and its nature. In these two books, his theoretical analyses are grounded in systematic empirical measurements from the University of Texas Inequality Project, which Galbraith has directed for three consecutive decades. Notably, the late Robert Skidelsky referred to Galbraith as “a pioneer in the measurement of inequality” and the man who convinced many scholars of inequality to reject the established but problematic Gini coefficient, replacing it with other indices that help compare inequality across groups, regions, and countries.

At a time when globalization, neoliberalism, and financialization were taking hold both in the public sphere and in economics departments, Galbraith's contributions were not limited to academic texts and publications. In parallel, he contributed articles to *The New York Times*,

*Washington Post, Boston Globe, The Texas Observer, The Nation, The American Prospect, Mother Jones, The Progressive, and Project Syndicate.*

From 1993 to 1997, Galbraith served as chief technical advisor for macroeconomic reform at the State Planning Commission of the People's Republic of China. Furthermore, he has emerged as one of the most compelling speakers at major forums, having influenced public discourse with landmark speeches, such as in March 2008, months before the collapse of Lehman Brothers, when he delivered the 25th Annual Lecture at Marietta College in honour of Milton Friedman. In that lecture, Galbraith launched a sweeping critique of the so-called 'Washington Consensus' and, in particular, of austerity policies for the majority at a time when bankers and financiers were being rewarded with unbridled leniency. The *Financial Times* referred to that speech as an intervention that led to the "dramatic reversal of the orthodoxy of recent decades."

Shortly after that fateful year—the 1929 of our generation, 2008—Galbraith's engagement with Greece began, specifically with our University's UADPhilEcon doctoral program, within the framework of which he taught, met with students, and participated in joint policy proposals concerning how the fiscal and monetary institutional framework of the eurozone could and should be reformed—the *Modest Proposal for Reforming the Eurozone*.

That same year, 2008, his next landmark book, *The Predator State*, which became, internationally, a central point of reference in contemporary political economy regarding the way we think about the relationship between the state and the private sector, capital and labour. According to Galbraith,

“Today, the essence of modern American capitalism is neither healthy competition, nor class struggle, nor the middle class standing between big capital and wage labour. Instead, plunder has become the dominant feature—a system in which the rich are stripping away the decaying structures that were once created for the benefit of the middle class. The predatory class is a subset of the plutocrats—some of whom oppose it despite their similar wealth. Yet this predatory class is the defining feature, the dominant force in society. As for its representatives, they have complete control of the government under which we live.”

In 2010, he was elected a member of the Accademia Nazionale dei Lincei. In 2014, he was a co-winner of the Leontief Prize for advancing the frontiers of economic science. That same year, he published *The End of Normal: The Great Crisis and the Future of Growth*. In this work, another landmark book in international political economy, Galbraith analyses the ongoing crisis that followed the collapse of the financial system in 2008, combining a philosophical critique of economists' methods with a new approach to capitalism that does not shy away from taking seriously the role of corruption among bankers and financiers and the collusion between those in power and the predatory class—a perspective he introduced to us in *The Predator State*.

Developing a scathing critique of the notion of a stable 'normal' capitalism, he argues that both the Right and the Left have failed to understand the institutional structural changes that financialization has wrought upon capitalism. The result is that economists remain trapped in irrelevant debates (e.g., the Keynesian proposal for expansionary fiscal policy versus the monetarist or neoliberal commitment to austerity or the need to limit the growth of the money

supply). Since ‘normality’ has expired once and for all, he concludes, a bottom-up reconstruction of the entire industrial-economic system is required.

In 2015, as is well known, Galbraith came to Athens during the first half of the year as an unpaid associate and advisor to the Ministry of Finance, becoming an eyewitness to the events that took place in Athens and Brussels during those days. A year later, in 2016, he published a book on the subject titled *Welcome to the Poisoned Chalice: The Destruction of Greece and the Future of Europe*.

In 2020, Galbraith won the Veblen-Commons Award from the Association For Evolutionary Economics; in 2022 he was elected a member of the Russian Academy of Sciences and in 2023 a member of the Lisbon Academy of Sciences.

Less than a year ago, following the decision by the General Assembly of our Department of Economic Sciences to award him an honorary doctorate, James K. Galbraith, together with Jing Chen, published a book titled *Entropy Economics*. This is a bold attempt to re-found economic theory on the basis of the laws of thermodynamics and biology—rather than the mechanistic conception of equilibrium to which economic science remains beholden.

The central argument in this new book is that economies are not disciplined, self-stabilizing systems, but dynamic, unstable processes subject to natural constraints. Consequently, state planning and the imposition of limits through political processes are indispensable for the sustainability of an economy. In the light of *Entropy Economics*, government interventions perform the same function as a cell membrane: they create and maintain the conditions that prevent a complex system from descending into chaos.

In the longer term, Galbraith and Chen argue that, since production relies on finite natural resources, the current form of industrial growth is not sustainable. So, if humanity continues as it does today, given these natural constraints, in the long run we will end up with smaller populations, shorter lifespans, and growing inequality.

As I said at the beginning, tonight, in honouring James K. Galbraith, we are also honouring the entire tradition of Political Economy of which our University has been, at least until now, an integral part. I believe I speak for everyone when I say that we are indebted to James Galbraith, who is here with us—and not just tonight—and that we look forward to hearing him speak to us about “The End of Hegemony and the Ends of Economics.”

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Remarks by Yanis Varoufakis, Chair in Political Economy, The University of Athens, June 8, 2026. Translated from the Greek.