

## Graduation 2012

### Acceptance Speech by Honorary Graduate Chris Pissarides

Chancellor, distinguished guests, dear students. I am truly humbled by this honour. For someone who spent his entire life in universities, my first university has a very special place in my heart: the place normally reserved for your first girlfriend, your first visit to the pub and your first kiss. And all these happened to me in one of these wonderful towers! For the biggest part of my life I was the proud owner of two degrees from the University of Essex, now I have three.

Many years ago I came from Cyprus to study economics and I came to Essex because I liked what I saw. I liked the green fields around it and strangely I also liked the architecture. But more to the point Essex was a new and ambitious place and this suited me down to the core. I learned a lot here, but in those early days of social revolution I also enjoyed my life enormously. I said many times that I owe to Essex that fact that I remained in this country for a PhD and I pursued an academic career. In my more cynical moods I say that the reason is that it was the only job that I could do after the education that I had received, but that is a little unfair. Essex taught me that learning is not about memorising but about questioning and inquiring; but it also taught me one great virtue: social awareness.

I had big teachers in economics, too many to mention, but I also had big teachers in sociology and politics, who taught me how to care about those less fortunate than us. I credit my interest in unemployment and poverty to the social attitudes that I found at Essex as a student. I decided to learn more about unemployment because I was unhappy with the way that economists taught it, especially as it related to the descriptions of the sociologists who studied the high-unemployment areas of East London, and the political scientists who studied how it influenced political outcomes.

At the end of my MA year I followed other members of the Essex community to the London School of Economics, not least my mentor at the time, Professor Michio Morishima. But Essex and the attitudes that it taught me have always remained with me, and I always remember fondly my time here. One of the nicest messages that I received after the award of the Nobel Prize in Economics for my work on unemployment was from Richard Lipsey, now in his 80s and still active in Canada but back then the driving force of economics at Essex. "Essex strikes again", he said. That is what Essex does to you: it makes you its own for ever.

Seeing you all graduands parade in front of us today reminds me how attitudes have changed since my days, when Essex was at the forefront of the political and social upheavals of the times. We went frequently to London to demonstrate outside embassies, and we actually thought that with our education we could make the world a better place. Of course, we know that good education makes the world a better place but then we believed it in a more direct way. How much money we made in the process did not come into it. But then came the oil crisis and de-industrialisation, the rise of unemployment, the winter of discontent and the Thatcher years, and our illusions were shattered. I wonder what is in the minds of most of you today. To go out there and make the world a better place? Are you lamenting the fact that the big bonuses in the banking industry have gone, or are you happy that inequities and greed have been exposed? Whatever it is, my recommendation is this: do whatever you wish with honesty and pride and you will make the world a better place.

Times have not been good for our economies in the last few years. Perhaps when I was at Essex we had too much faith in the things that governments could do with economic and social policy. Since then the role of government has been cut down and the economy left to function with Adam

Smith's invisible hand as its only protection. But the recent crisis has shown that the invisible hand does not do a good job in financial markets. There is too much information to absorb and some can hide bits of it for profit. The invisible hand does not work very well in labour markets either. Some workers fall through the net and waste themselves outside it forever. Governments need to act in both markets; in financial markets through more regulation, and in labour markets with more inclusive social and economic policies. These are bad times for those who suffered the loss of lifetime savings or the loss of a job. But they are challenging, and one might even dare say exciting times for you social scientists, who should put your knowledge to practice and design good policies for the future, be it for your company or your country.

Essex is a cosmopolitan place and this is something that you should value. In today's world we need more tolerance towards others, from different nationalities and social backgrounds. Acquiring this broad perspective is not easy, however open our societies have become. But it is important; and your education at Essex has given you a good start in this challenge. This is only the beginning.