



Profesor  
**ELHANAN  
HELPMAN**

**W**ybitny izraelsko-amerykański ekonomista, zajmujący się problematyką handlu międzynarodowego i wzrostu gospodarczego. Twórca wielu zasad i modeli nowej teorii handlu. Oryginalnym Jego wkładem do światowej ekonomii stało się połączenie rozważań nad nową teorią handlu z nowymi modelami wzrostu gospodarczego, opartymi na roli endogenicznych czynników zmian.

Związany z Uniwersytetem Tel Avivu i Uniwersytetem Harvarda.

Autor i współautor 18 książek i ponad 150 artykułów w prestiżowych czasopismach naukowych.

Pełnił ważne funkcje w instytucjach publicznych Izraela. Zaangażowany w odbudowę polsko-izraelskich stosunków dyplomatycznych i gospodarczych oraz transformację polskiej gospodarki w latach 90. XX wieku.

**P**rominent Israeli-American economist, dealing with the issues of international trade and economic growth. Creator of many principles and models of the new trade theory. His original contribution to the world economy has been a combination of the reflections on the new theory of trade with the new models of economic growth, based on the role of endogenous change factors.

Associated with the University of Tel Aviv and Harvard University.

Author and co-author of 18 books and over 150 articles in prestigious scientific journals.

He held important positions in the public institutions of Israel. He was engaged in the reconstruction of the Polish-Israeli diplomatic and economic relations and the transformation of the Polish economy in the 1990s.



Profesor  
**ELHANAN  
HELPMAN**



Profesor

ELHANAN  
HELPMAN

DHC

Doktorzy *Honoris Causa*  
Uniwersytetu  
Warszawskiego



Uroczystość wręczenia dyplomu  
doktora *honoris causa*

Uniwersytetu Warszawskiego

**Profesorowi**

**ELHANANOWI**

**HELPMANOWI**



Warszawa, 8 czerwca 2016 r.



The ceremony of awarding the title of  
Doctor *Honoris Causa*  
of the University of Warsaw  
to Professor  
ELHANAN  
HELPMAN



Warsaw, June 8, 2016.

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# PROGRAM UROCZYSTOŚCI

- \* *Hymn państwowy*
- \* Otwarcie uroczystości przez JM Rektora UW,  
prof. Marcina Pałysa
- \* Laudacja Promotora  
prof. Andrzeja Cieślika
- \* Wystąpienie Dziekana Wydziału Nauk  
Ekonomicznych UW, prof. Jana J. Michałka
- \* Wręczenie dyplomu doktora *honoris causa*
- \* *Gaude Mater Polonia*
- \* Wystąpienie prof. Elhanana Helpmana
- \* *Gaudeamus igitur*
- \* Zamknięcie uroczystości przez JM Rektora UW,  
prof. Marcina Pałysa



# PROGRAM OF THE CEREMONY

- \* *National Anthem*
- \* Opening address  
by the Rector of the University of Warsaw,  
Professor Marcin Pałys
- \* Promoter's Laudation -  
by Professor Andrzej Cieřlik
- \* Address by Dean of the Faculty of Economic  
Sciences UW, Professor Jan J. Michałek
- \* Presentation of the diploma  
of *honoris causa* doctorate
- \* *Gaude Mater Polonia*
- \* Address by Professor Elhanan Helpman
- \* *Gaudeamus igitur*
- \* Closing address  
by the Rector of the University of Warsaw,  
Professor Marcin Pałys





UNIwersYTET  
WARSAWski

**UCHWAŁA NR 464**  
**SENATU UNIwersYTETU WARSAWskiego**  
**z dnia 24 lutego 2016 r.**  
**w sprawie nadania**  
**prof. Elhananowi Helpmanowi**  
**tytułu doktora *honoris causa***  
**Uniwersytetu Warszawskiego**

Na podstawie art. 16 ustawy z dnia 27 lipca 2005 r. – Prawo o szkolnictwie wyższym (tekst jednolity: Dz. U. 2012 r. poz. 572 z późn. zm.) oraz § 8 Statutu Uniwersytetu Warszawskiego (tekst jednolity: Monitor UW z 2015 r., poz. 150 z późn. zm.), po zapoznaniu się z recenzjami: prof. Gene Grossmana – Princeton University; prof. Gianmarco Ottaviana – London School of Economics; prof. Anny Zielińskiej-Głębockiej – Uniwersytet Gdański, dotyczącymi dorobku prof. Elhana-na Helpmana – kandydata do tytułu doktora *honoris causa* Uniwersytetu Warszawskiego, Senat Uniwersytetu Warszawskiego postanawia, co następuje:

§ 1

Nadaje się prof. Elhananowi Helpmanowi tytuł doktora *honoris causa* Uniwersytetu Warszawskiego.

§ 2

Uchwała wchodzi w życie z dniem podjęcia.

Przewodniczący Senatu  
Uniwersytetu Warszawskiego  
Rektor  
dr hab. Marcin Pałys, prof. UW





UNIVERSITY  
OF WARSAW

**RESOLUTION NO. 464**  
**OF THE SENATE OF THE UNIVERSITY OF WARSAW**  
**of 24 February 2016**  
**on awarding**  
**Professor Elhanan Helpman**  
**the title of doctor *honoris causa***  
**of the University of Warsaw**

Based on Article 16 of the Law of 27 July 2005 - Law on Higher Education (Dz. U. 2012 item 572, as amended) and § 8 of the Statute of the University of Warsaw (unified text: Monitor UW of 2015, item 150, as amended), having heard the reviews of: Professor Gene Grossman of Princeton University, Professor Gianmarco Ottaviano of the London School of Economics, Professor Anna Zielińska-Głębocka of the University of Gdańsk, presenting the achievements of Professor Elhanan Helpman – the candidate for the degree of doctor *honoris causa* of the University of Warsaw, the University of Warsaw Senate resolves as follows:

§ 1

Professor Elhanan Helpman is hereby granted the degree of doctor *honoris causa* of the University of Warsaw.

§ 2

The Resolution shall enter into force as of the date of its adoption.

Chairman of the Senate  
of the University of Warsaw  
Rector  
Marcin Pałys, Ph.D., Professor of UW

PROFESSOR

GENE M. GROSSMAN

DEPARTMENT OF ECONOMICS  
PRINCETON UNIVERSITY

Scientific background on the nomination  
of Elhanan Helpman for an honorary degree  
(doctor *honoris causa*) by the University of Warsaw



Professor Helpman is the pre-eminent international trade economist in the world and has been so for many years! He has been internationally recognized with all sorts of prestigious honors and will (deservedly) continue to collect such prizes for years to come. I cannot think of another economist who is more worthy of the honor that your university is thinking of bestowing on him, and I urge you to proceed with the awarding of the honorary degree.

Professor Helpman's work is characterized by extraordinary clarity of thought and by its depth and care. Never satisfied with the "low lying fruit" he has always sought to understand the deep mechanisms that determine international trade patterns and their consequences and is not put off when those mechanisms are subtle and complicated. Yet, such is the clarity of his mind that even complicated mechanisms becomes transparent and informative in his able hands. Professor Helpman has touched almost every aspect of international trade theory, from competitive models to "new trade theory", from models with homogeneous firms to firm heterogeneity, from models with a known and stable environment to ones in which firms face uncertainty, from models with frictionless labor markets to ones with labor market imperfections that impede full employment and efficient allocations, from models with static incentives to those with endogenous innovation and growth. Moreover, his work has addressed the major positive and normative questions in international economics. It is impossible to teach a graduate course in international trade without including several of his papers in nearly every topic on the syllabus! And his extraordinary productivity continues unabated after many, many years!

Let me briefly summarize Professor Helpman's contributions to international trade theory while, of course, treading lightly on the work that we have conducted together, for the sake of modesty.

Professor Helpman, together with Assaf Razin, revolutionized thinking about the role of uncertainty in international trade theory. In a series of articles and a book they explicitly modeled the markets in which agents may protect themselves from risk and then sought to explain the pattern of trade in commodities and assets and the welfare consequences of trade. This work continues to be the very best on the topic more than 30 years after it was completed!

Professor Helpman, along with Paul Krugman, Avinash Dixit and Wilfred Ethier, was a pioneer in introducing differentiated products, scale economies, and monopolistic competition into trade theory. This was intended to bring more realism to trade theory and to offer an explanation for the large volume of trade between similar, industrialized countries. His 1981 article in the *Journal of International Economics* is arguable the very best at integrating the new theory with the old and in showing that "new" and "traditional" explanations of trade could co-exist and complement one another within a single, coherent model. Later papers added richness and texture to the theory; Professor Helpman's book with Paul Krugman remains a classic.

Recognizing that much trade is carried out by large, transnational firms, Professor Helpman sought to integrate multinational corporations into the theory of international trade. He rejected the traditional view of multinationals as vehicles for moving capital across borders.

Instead, he chose an industrial organization perspective and used it to develop a modern treatment of multinationals that has now displaced all previous approaches. Later, in work with Marc Melitz and Stephen Yeaple, he introduced firm heterogeneity into models of direct foreign investment and wrote a paper on multinationals that is cited often and included on virtually every graduate course reading list.



„This work continues to be the very best  
on the topic more than 30 years after it  
was completed!”

Professor Helpman has also written several important papers and a monograph (again with Paul Krugman) on trade in oligopolistic markets. In one important paper (joint with Shmuel Ben Zvi), he considered how firms interact with one another when they compete simultaneously in several different markets. In another (joint with Harry Flam), he investigated the welfare effects of industrial policies in monopolistically competitive industries. The monograph with Krugman offers a beautiful synthesis of the literature, and it too has become popular in graduate courses.

I am not the right person to evaluate Professor Helpman's joint work with me on endogenous innovation and trade, on the political economy of trade policy, or on international outsourcing. Suffice it to say that these areas have become some of the most active research areas in the field in recent years. As usual, the work that has followed shows the stamp of Professor Helpman's influence.

Recently, in work with Oleg Itskhoki and Stephen Redding, Professor Helpman has been interested in the interaction between labor market and search frictions and international trade. He has developed models in which structural unemployment persists in the long run and has used them to study the effects of trade on employment and on the efficiency of operation of imperfect labor markets.

Besides his pre-eminence on the trade side of the international field, Professor Helpman has also been an important contributor to international macroeconomics. He and Assaf Razin have written a series of influential papers on exchange rate determination and the choice of an exchange rate regime. He and Leo Leiderman have studied the behavior of the Israeli Shekel (and other currencies) within its exchange rate band. Professor Helpman has produced two elegant and useful papers that evaluate popular proposals for debt reduction and debt-equity swaps. And he has written a number of interesting papers on the dynamics of macroeconomic stabilization.

Altogether, Professor Helpman has written eight books (and edited ten more) and has published more than 100 articles in the profession's leading refereed journals. His productivity, and his ongoing energy, are nothing short of remarkable. Google Scholar reports more than 71,000 citations to his work.

Let me end on a personal note. Through my collaboration with Professor Helpman, I have had a chance to observe close up how he works and how he thinks. Professor Helpman is a scholar in the truest and best sense of the word. He loves research. He loves formulating and solving a problem. He takes his economics serious-

ly, believing deeply that models and theories can make a difference and that by working hard, we can come to understand something as complex as the economy. It has been truly inspiring for me to see a great mind at work and, especially, to see his total dedication and true love of the subject.

Professor Helpman richly deserves the honor and recognition that the profession has been bestowing on him. Given his ties to Poland, I know that an honorary degree from the University of Warsaw would hold special meaning for him. And it would reflect well on your university to honor such an exceptionally worthy recipient.



PROFESSOR

GIANMARCO  
I.P. OTTAVIANO

DEPARTMENT OF ECONOMICS  
LONDON SCHOOL OF ECONOMICS

Scientific background on the nomination  
of Elhanan Helpman for an honorary degree  
(doctor *honoris causa*) by the University of Warsaw





**I**nternational trade has always been at the forefront of economic thought and policy debates. Even today, free trade, protectionism and globalization rank high in the policy agenda as well as in scholarly analyses. Against this background, there is no doubt that, in his four decades of dedicated research, Elhanan Helpman has really changed the way economists nowadays understand these issues.

In this respect Elhanan Helpman is a giant and his intellectual primacy in the field of international trade can be rivalled only by the 2008 Nobel Laureate Paul Krugman. In comparing them, it is important to stress the fact that Paul Krugman received his Nobel Prize mainly for his contribution to rethinking the links between trade and geography through the lenses of economies of scale, product differentiation and transport costs. Differently, though through similar lenses, Elhanan Helpman has explored the links between trade, foreign direct investment (FDI), economic growth and political economy. In those parallel but different directions, the outstanding intellectual achievements of Paul Krugman and Elhanan Helpman stand on equal grounds.

To appreciate the importance of Elhanan Helpman's contributions, a possibly ideal point of departure is precisely the Scientific background on the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2008 ("Trade and Geography – Economies of Scale, Differentiated Products and Transport Costs") compiled by the Prize Committee of the Royal Swedish Academy of Sciences (pp.1 2):

*"As of the mid 1970s, trade theory was based on the notion of comparative advantage. Countries were assumed to trade*

*with each other because of differences in some respect – either in terms of technology, as assumed by David Ricardo in the early 19th century, or in terms of factor endowments, according to the Heckscher Ohlin theory developed in the 1920s. The latter was expounded by Bertil Ohlin in his 1933 monograph *Interregional and International Trade*; Ohlin was awarded the 1977 Economics Prize for his contributions to trade theory.*



**„Today, most trade takes place between countries with similar technologies and similar factor proportions (...)”**

*These theories provided good explanations of the trade patterns in the first half of the 20th century. But as many researchers began to observe, comparative advantage seemed less relevant in the modern world. Today, most trade takes place between countries with similar technologies and similar factor proportions; quite similar goods are often both exported and imported by the same country. At least among the richer countries, intra industry trade – whereby, for instance, a country both exports and imports textiles – came to dominate relative to inter industry trade – whereby, for instance, a country exports textiles and imports agricultural products. Under such circumstances, how could intra industry trade be explained? The traditional view, that a given country would have a comparative advantage in terms of technology or factor endowments when producing a particular type of textile, seems farfetched as an explanation.*

*Many trade theorists came up with interpretations of the observed patterns of intra industry trade by referring to economies of scale. In an influential book, Grubel and Lloyd*

*(1975) documented the large amount of intra industry trade and argued that it could be explained by economies of scale. If the average cost of producing a given good (for instance, a particular make of car) would decline with total production, then it could be optimal to split up production so that countries specialize in different makes of cars. Such specialization would make sense even without differences in factor proportions and technology. This idea was however not entirely new in 1975; in fact, the role of economies of scale in explaining trade patterns already been recognized by Ohlin (...)*

*It was not until the late 1970s, with the development of what is now known as the new trade theory, that these insights were integrated into a stringent and unified theoretical framework. Such a framework is a prerequisite for systematic empirical work, in turn necessary for studying the relative importance of different determinants of trade, as well as for systematic evaluation of policy proposals.”*

Paul Krugman “most clearly and forcefully articulated the revolutionary nature of this new approach for the theory of international trade” (ib., p. 4) in his seminal papers of 1979 and 1980.<sup>1</sup> However, the way in which the new approach could be interacted with the traditional factor proportions mechanism to generate a new synthesis was shown by Elhanan Helpman in 1981.<sup>2</sup> Afterwards the two scholars joined forces to produce in

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1 P. Krugman, Increasing returns, monopolistic competition and international trade, *Journal of International Economics*, 9: 469 479, 1979. P. Krugman, Scale economies, product differentiation, and the pattern of trade, *American Economic Review*, 70: 950 959, 1980.

2 E. Helpman, International trade in the presence of product differentiation, economies of scale, and monopolistic competition: A Chamberlin Heckscher Ohlin Approach, *Journal of International Economics*, 11: 305 340, 1981.

1985 the single most important book in international trade theory since Ohlin's monograph.<sup>3</sup>

The integration of new and traditional trade theories was a watershed between two eras, with long lasting consequences on the subsequent development of economic thought on international trade issues and beyond. In 1989 Elhanan Helpman and Paul Krugman together spelled out the implications of new trade theory for trade policy.<sup>4</sup> In 1991 Paul Krugman applied the new approach to economic geography and to the analysis of the location of economic activity in general equilibrium, "giving precision to the verbal analyses of earlier researchers and adding important new insights" (ib. p.3) and eventually gaining his Nobel Prize.<sup>5</sup> Elhanan Helpman devoted his efforts to investigating the implications of the new approach in two main directions: FDI and economic growth. He also deepened the analysis of the political economy of trade policy. In collaboration with Gene Grossman, he made a huge impact not only inside but, most notably, also outside the field of international trade through the design of theoretical models with a wide range of potential applications.

Elhanan Helpman's investigation of FDI represents an ongoing endeavour, ranging from the modelling of multinational firms within the traditional factor proportions model of international trade to recent analyses of the various modes of firm internationalization within

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3 E. Helpman, P. Krugman, *Market Structure and Foreign Trade* (Cambridge, MA: The MIT Press), 1985.

4 E. Helpman, P. Krugman, *Trade Policy and Market Structure* (Cambridge, MA: The MIT Press), 1989.

5 P. Krugman, Increasing returns and economic geography, *Journal of Political Economy*, 99: 483-499, 1991.

the framework of the theory of the firm under contractual incompleteness.<sup>6</sup> It is, however, his work on technological progress and economic growth that had an enormous lasting impact beyond the boundaries of trade theory, by casting industrial innovation as the engine of long run growth and studying the evolution of technology as the result of investments made by profit maximizing forward looking agents.<sup>7</sup>



„The integration of new and traditional trade theories was a watershed between two eras, with long lasting consequences on the subsequent development of economic thought on international trade issues and beyond.”

As in the case of Paul Krugman’s contribution to economic geography, the novelty of Elhanan Helpman’s works with Gene Grossman was to give “precision to the verbal analyses of earlier researchers and adding important new insights”.

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6 E. Helpman, A simple theory of international trade with multinational corporations, *Journal of Political Economy* 94, 451 471. G. Grossman, E. Helpman, Integration versus outsourcing in industry equilibrium, *Quarterly Journal of Economics* 117: 85 120, 2002.

7 G. Grossman, E.Helpman, Product development and international trade, *Journal of Political Economy*, 97: 1261 1283, 1989.  
G. Grossman, E.Helpman, Comparative advantage and long run growth, *American Economic Review*, 80: 796 815, 1990.  
G.Grossman and E.Helman, *Innovation and Growth in the Global Economy* (Cambridge, MA: The MIT Press), 1991.

The third and last main direction of Elhanan Helpman's research activity is the modelling of political processes in terms of decisions made again by profit-maximizing forward looking agents. The general focus is on the role that special interest groups play in democratic politics with a number of insightful applications to (but not only to) the political economy of trade policies.<sup>8</sup> The previous political economics literature had typically struggled to solve the tradeoff between hypertrophic political models of atrophic economies and atrophic political models of hypertrophic economies. The novelty of Elhanan Helpman's works with Gene Grossman was to show that balancing the economics and politics components was possible and yielded important new insights on how policies are decided under the far reaching influence of special interests.

Last but not least, differently from Paul Krugman and several other celebrated economists in his cohort, Elhanan Helpman is still very active at the frontier of research. Along the years, he has developed fruitful collaborations with some of the leading figures of the new generations of world class trade economists, remaining a point of reference for all of them. His recent works on FDI and the labour market implications of globalization are good examples in this vein.<sup>9</sup>

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<sup>8</sup> G. Grossman, E. Helpman, Protection for sale, *American Economic Review*, 84: 833 850, 1994. G. Grossman, E. Helpman, *Special Interest Politics* (Cambridge, MA: The MIT Press), 2001.

<sup>9</sup> E Helpman, M. Melitz, S. Yeaple, Export versus FDI with heterogeneous firms, *American Economic Review* 94: 300 316, 2004. P.Antràs, E.Helpman, Global sourcing, *Journal of Political Economy* 112: 552 580, 2004. E.Helpman, O.Itskhoki, S. Redding, Inequality and unemployment in a global economy, *Econometrica* 78: 1239 1283, 2010.

## CONCLUSION



By having integrated economies of scale into explicit general equilibrium models together with Paul Krugman, Elhanan Helpman has deepened our understanding of the determinants of trade, FDI, innovation and growth in the global economy. His seminal papers published in 1981 and 1984 were instrumental to the development of a synthesis between the new trade theory and the traditional theory of factor proportions. His works with Gene Grossman in 1989 and 1990 inspired a new approach to the study of innovation and growth while their work in 1994 inspired a new approach to the study of the economic implications of special interest politics. His monographs, co authored with Paul Krugman and with Gene Grossman, demonstrate the richness of Elhanan Helpman's contribution to pushing back the frontier of economic thought.

PROF. DR HAB.

ANNA ZIELIŃSKA-  
GŁĘBOCKA

UNIWERSYTET GDAŃSKI

Opinia  
dla Senatu Uniwersytetu Warszawskiego  
w związku z nadaniem tytułu  
doktora *honoris causa*





## I. ŻYCIORYS NAUKOWY I ORGANIZACYJNY PROFESORA



**P**rofesor Elhanan Helpman urodził się 30 marca 1946 roku w miejscowości Dżalalabad na terenie byłego Związku Radzieckiego (obecnie Kirgistan) w rodzinie pochodzącej z Polski, która znalazła się tam podczas II wojny światowej. Lata 1946-1957 spędził w Szczecinie, obecnie posiada obywatelstwo Izraela. Studia pierwszego stopnia (BA degree) w zakresie ekonomii i statystyki oraz studia magisterskie w zakresie ekonomii (MA degree) ukończył na Uniwersytecie w Tel Awiwie. Doktoryzował się w latach 1971-1974 na Uniwersytecie Harwardzkim. W 1974 r. Profesor E. Helpman rozpoczął pracę naukowo-dydaktyczną na Uniwersytecie w Tel Awiwie, gdzie pełnił wiele funkcji, m.in. dyrektora Departamentu Ekonomii, dyrektora The Sapir Center for Development, dyrektora The Foerder Institute for Economic Research oraz The Sackler Institute for Economic Studies. Od 2004 r. jest emerytowanym profesorem Tel Aviv University. Rok 1997 to początek pracy akademickiej Profesora E. Helpmana na Uniwersytecie Harvarda, od 2002 r. pracuje na stanowisku Galen L. Stone Professor of International Trade oraz od 2003 r. na stanowisku Faculty Associate in The Institute for Quantitative Social Science. Już na początku lat 90. Profesor E. Helpman związał się także z The Canadian Institute for Advanced Research, gdzie od 2004 r. pełni funkcję dyrektora Program on Institutions, Organizations and Growth.

Profesor E. Helpman posiada ogromny dorobek jako profesor wizytujący, m.in. w Massachusetts Institute of Technology, The Hebrew University of Jerusalem oraz licznych uczelniach europejskich, azjatyckich i australijskich. Wygłosił kilkadziesiąt renomowanych *invited lectures*, m.in. the Frank Graham Memorial Lecture at Princeton University, the Schumpeter Lecture of the European Economic Association, the Walras-Bowley and Frisch Lecturers of the Econometric Society and the Ohlin Lectures at the Stockholm School of Economics. Profesor E. Helpman jest członkiem wielu międzynarodowych komitetów i rad naukowych, pełnił też funkcję redaktora takich czasopism jak *Journal of International Economics*, *European Economic Review* czy *Quarterly Journal of Economics*. Posiada członkostwo w renomowanych stowarzyszeniach naukowych; jest członkiem the Israeli Academy of Sciences and Humanities, Foreign Honorary Member of the American Academy of Arts and Sciences, the European Academy of Sciences and Arts, Corresponding Fellow of the British Academy oraz Distinguished Fellow of the American Economic Association. W 2010 r. Katolicki Uniwersytet w Louvain przyznał Profesorowi tytuł doktora honorowego. W czasie swojej kariery naukowej Pan Profesor został uhonorowany licznymi nagrodami, m.in. Bernhard-Harms Prize, The Kiel Institute for World Economics, Erwin Plein Nemmers Prize in Economics, Northwestern University, Onassis Prize in International Trade, London, EMET Prize, The A.M.N. Foundation for the Advancement of Science, Art and Culture i inne.

Profesor E. Helpman jest wybitnym naukowcem, który angażuje się nie tylko w działalność naukową, badawczą, dydaktyczną, edytorską, lecz także w życie publiczne. Pełnił ważne funkcje w instytucjach publicznych Izraela, m.in. jako członek Advisory Board of the

Bank of Israel, the Council for National Planning oraz the National Counsel for Research and Development rządu Izraela.

Na podkreślenie zasługuje także zaangażowanie Profesora w relacje między Izraelem a Polską oraz w polską transformację. W 1990 roku był członkiem delegacji gospodarczej, która przybyła z izraelskim ministrem spraw zagranicznych w celu odnowienia stosunków dyplomatycznych między Izraelem a Polską. Profesor E. Helpman złożył wtedy wizytę w polskim banku centralnym, w ministerstwie finansów, w ministerstwie gospodarki, spotkał się także z premierem i członkami parlamentu. W kolejnych latach, w czasie gdy prezesem NBP był prof. Leszek Balcerowicz, Profesor E. Helpman był członkiem delegacji, która wizytowała NBP w ramach programu szkoleniowego, organizowanego z Międzynarodowym Funduszem Walutowym dla ważnych funkcjonariuszy rządowych (*top government officials*) z krajów Europy Wschodniej.

## II. OSIĄGNIĘCIA NAUKOWE



Profesor Elhanan Helpman należy do grona najwybitniejszych na świecie naukowców zajmujących się szeroką paletą problemów handlu międzynarodowego i wzrostu gospodarczego. Posiada ogromny dorobek naukowy klasy światowej, jest autorem i współautorem 18 książek i ponad 150 artykułów w renomowanych czasopismach międzynarodowych. Publikacje Profesora wniosły oryginalny wkład do nowego spojrzenia na źródła i przyczyny handlu międzynarodowego w warunkach występowania korzyści skali i niedoskonałej konkurencji. Dzięki tym publikacjom

Profesor E. Helpman stał się twórcą wielu zasad i modeli nowej teorii handlu, które całkowicie zmieniły tradycyjne podejście do źródeł i korzyści z handlu opartych na korzyściach komparatywnych (typu Ricardo i Heckschera-Ohlina). Już w latach 80. ubiegłego wieku opublikował samodzielnie (Helpman 1981) i we współautorstwie (Helpman i Krugman 1985) prace, które integrowały neoklasyczne modele proporcji czynników produkcji z koncepcjami handlu wewnątrzgałęziowego w warunkach konkurencji monopolistycznej. Analiza nowych teorii handlu, uwzględniająca rosnące przychody skali, niedoskonałą konkurencję, zmianę technologiczną oraz międzynarodowy transfer wiedzy, została pogłębiona w kolejnych publikacjach z lat 90. (m.in. Grossman, Helpman 1997, 1998, Helpman 1998, 1999). Nowa teoria handlu została włączona do głównego nurtu ekonomii międzynarodowej, w czym należy upatrywać ogromnej zasługi Profesora E. Helpmana.

Oryginalnym wkładem Profesora do światowej ekonomii stało się także połączenie rozważań nad nową teorią handlu z nowymi modelami wzrostu gospodarczego, opartymi na roli endogenicznych czynników zmian. Za pionierskie prace w tej dziedzinie należy uznać publikacje E. Helpmana pt. *Growth and Foreign Trade* z 1989 i 1991 r. oraz *Endogenous macroeconomic growth theory* z 1992 r. Problematyce wzrostu endogenicznego, relacji między handlem zagranicznym, innowacjami i wzrostem gospodarczym poświęcone są liczne autorskie i współautorskie z G. Grossmanem publikacje z lat 90. XX wieku oraz z pierwszej dekady obecnego wieku. Na szczególne podkreślenie zasługuje prezentowana w tych publikacjach analiza roli endogenicznych innowacji, drabiny jakości i endogenicznego cyklu życia produktu w procesie wzrostu, a także powiązanie tych zjawisk wymianą międzynarodową.

Problematykę handlu i wzrostu Profesor E. Helpman umiejętnie połączył z analizą z zakresu ekonomii politycznej i społecznej. Chodzi o relacje między *rent seeking*, interesami grupowymi a handlem międzynarodowym, analizowane w takich pracach jak: *Special Interest Politics*, czy *Interest Groups and Trade Policy* (razem z G. Grossmanem), a także o badanie problematyki rynku pracy, bezrobocia i nierówności płacowych w kontekście otwartych gospodarek. Profesor słusznie zauważył w artykule z 2013 r., że „*rates of unemployment vary across countries and in a trading world they are interdependent*”.



„Oryginalnym wkładem Profesora do światowej ekonomii stało się także połączenie rozważań nad nową teorią handlu z nowymi modelami wzrostu gospodarczego, opartymi na roli endogenicznych czynników zmian”.

*In particular, a country's rate of unemployment depends on the labor market frictions of its trade partners in addition to its own labor market frictions. Because such frictions make room for rent-sharing between employers and employees, they also impact wages and inequality of earnings” (Foreign Trade and Investment: Firm-Level Perspectives, Harvard University and CIFAR, May 10, 2013). Problematyce relacji między handlem a nierównościami są poświęcone liczne prace, w tym aktualne z 2014 r. tj.: I. Oleg, E. Helpman *The Dynamic Adjustment of Firms and Workers to Foreign Trade*, PDF; G. Grossman, E. Helpman *Growth, Trade and Inequality*, NBER WP 20502; E. Helpman et.al. *Trade and Inequality: From Theory to Estimation*.*

W pracach na temat nowej teorii handlu Profesor E. Helpman zwrócił uwagę na to, że modele handlu z konkurencją monopolistyczną, w odróżnieniu od modeli neoklasycznych, przypisują kluczową rolę indywidualnym firmom, a nie całym krajom. To stwierdzenie skłoniło E. Helpmana do podążania ścieżką wytyczoną przez rewolucyjny model teorii handlu Marca Melitza, oparty na założeniu heterogeniczności firm. W tym modelu przyjmuje się, że firma może eksportować tylko wtedy, gdy jej operacyjne zyski na rynku zagranicznym są wystarczająco duże, aby pokryć koszty stałe eksportowania. Model heterogeniczności firm został przez E. Helpmana wykorzystany do bardzo szerokich badań nad znaczeniem specyfiki firm nie tylko dla eksportu, lecz także dla zatrudnienia, płac i nierówności dochodowych. W tym nurcie mieszczą się także jego badania nad korporacjami transnarodowymi, handlem intra-firm, outsourcingiem i różnymi alternatywnymi formami organizacyjnymi firm, opartymi na zróżnicowaniu całkowitej produktywności czynników (*total factor productivity TFP*).



### III. WNIOSEK KOŃCOWY

Przebieg kariery zawodowej oraz dorobek naukowy Profesora Elhanana Helpmana pokazuje, iż jest On nie tylko wybitnym naukowcem, lecz także wybitną osobistością, wrażliwą na sprawy publiczne Izraela i krajów Europy Wschodniej. Jako światowej klasy naukowiec, autor oryginalnych opracowań na temat handlu międzynarodowego, wzrostu gospodarczego i ekonomii politycznej, **dokonał przełomu w myśleniu o relacjach między handlem międzynarodowym i wzrostem gospodarczym**. Wykazał, że w globalizującej się gospodarce rośnie

rola endogenicznych czynników wzrostu, jak innowacje, postęp techniczny, cykl życia produktu, otwartość gospodarek na wymianę międzynarodową. Podkreślił także, iż dominacja konkurencji monopolistycznej na rynkach międzynarodowych przesunęła ciężar zainteresowania teorii handlu z relacji między krajami na analizę potencjału eksportowego heterogenicznych pod względem produktywności firm. Osiągnięciem Pana Profesora jest także: ogromne zaangażowanie w międzynarodową współpracę naukową, czego przejawem jest działalność akademicka w uczelniach Izraela, Stanów Zjednoczonych i Kanady; znacząca liczba wizyt studyjnych w różnych krajach Europy, Azji, Australii; członkostwo w amerykańskich i europejskich stowarzyszeniach i radach naukowych; liczne międzynarodowe nagrody za pracę naukową i działalność publiczną; działalność doradcza w zagranicznych instytucjach naukowych, m.in. w Advisory Board, Institute for International Economic Studies, University of Stockholm, czy w International Scientific Advisory Board, The Vienna Institute for Comparative Economic Studies WIIW; działalność edytorska w renomowanych międzynarodowych czasopismach naukowych.

Profesor Elhanan Helpman angażuje się także w sprawy publiczne. Pełnił ważne funkcje w instytucjach publicznych Izraela, m.in. jako członek Advisory Board of the Bank of Israel, the Council for National Planning oraz the National Counsel for Research and Development rządu Izraela. Warto podkreślić, iż Pana Profesora łączą więzi z Polską – w latach 1946-1957 mieszkał z rodziną w Szczecinie, a po przełomie ustrojowym w latach 90. przyjeżdżał do Polski jako członek oficjalnej delegacji Izraela oraz z grupą doradców Międzynarodowego Funduszu Walutowego. Zaangażował się w odbudowę polsko-izraelskich stosunków dyplomatycznych i gospo-

darczych oraz transformację polskiej gospodarki na początku lat 90. XX wieku. Podczas tych wizyt Profesor spotykał się z przedstawicielami polskiego rządu oraz Narodowego Banku Polskiego, brał także udział w szkoleniu wysokich rangą funkcjonariuszy rządu Polski i innych krajów Europy Wschodniej.

Stwierdzam z dużą satysfakcją, iż Profesor Elhanan Helpman, ze względu na wybitne osiągnięcia naukowe, zaangażowanie w międzynarodową współpracę naukową oraz w działalność publiczną w Izraelu i na rzecz polskiej transformacji, w pełni zasługuje na uhonorowanie najwyższą godnością akademicką, jaką jest tytuł doktora *honoris causa*. Z tego względu w pełni popieram wniosek Wydziału Nauk Ekonomicznych Uniwersytetu Warszawskiego o przeprowadzenie procedury przyznania Profesorowi Elhananowi Helpmanowi doktoratu honorowego tej uczelni.





PROFESSOR  
**ANNA ZIELIŃSKA-  
GŁĘBOCKA**

PH.D. UNIVERSITY OF GDAŃSK

Scientific background on the nomination  
of Elhanan Helpman for an honorary degree  
(doctor *honoris causa*) by the University of Warsaw



## I. PROFESSOR'S SCIENTIFIC AND ORGANIZATIONAL LIFE HISTORY



**P**rofessor Elhanan Helpman was born on March 30, 1946 in a village of Jalal-Abad in the former Soviet Union (now Kyrgyzstan) in a family coming from Poland, which was there during World War II. He spent the years 1946-1957 in Szczecin, currently he has an Israeli citizenship. He completed his first degree studies (BA degree) in economics and statistics and a master's degree studies in economics (MA degree) at the University of Tel Aviv. He studied for his doctorate in the years 1971-1974 at Harvard University. In 1974, Professor E. Helpman started his scientific research and teaching work at the University of Tel Aviv, where he held a number of functions, including Director of the Department of Economics, Director of The Sapir Center for Development, Director of the Foerder Institute for Economic Research and The Sackler Institute for Economic Studies. Since 2004, he has been professor emeritus at Tel Aviv University. The year 1997 marks the beginning of Professor E. Helpman's academic work at Harvard University, since 2002 he has worked in the post of Galen L. Stone Professor of International Trade, and since 2003 he has served as the Faculty Associate at The Institute for Quantitative Social Science. Already in the early 1990s, Professor E. Helpman was also associated with The Canadian Institute for Advanced Research, where since 2004, he has served as director of the Program on Institutions, Organizations and Growth.

Professor E. Helpman has a huge legacy as a visiting professor, among others at the Massachusetts Institute of Technology, The Hebrew University of Jerusalem and numerous European, Asian and Australian universities. He gave dozens of renowned invited lectures, among others, the Frank Graham Memorial Lecture at Princeton University, the Schumpeter Lecture of the European Economic Association, the Walras-Bowley and Frisch Lecturers of the Econometric Society and the Ohlin Lectures at the Stockholm School of Economics.

Professor E. Helpman is a member of many international committees and scientific boards, he has also served as editor of magazines such as the *Journal of International Economics*, *European Economic Review*, and the *Quarterly Journal of Economics*. He is a member of prestigious scientific associations - the Israeli Academy of Sciences and Humanities, Foreign Honorary Member of the American Academy of Arts and Sciences; a member of the European Academy of Sciences and Arts; a Corresponding Fellow of the British Academy, and Distinguished Fellow of the American Economic Association. In 2010, he was awarded the title of honorary doctor by the Catholic University of Louvain. During his academic career, the Professor has been honoured with numerous awards, including the Bernhard-Harms Prize, the Kiel Institute for World Economics; Erwin Plein Nemmers Prize in Economics, Northwestern University, Onassis Prize in International Trade, London; EMET Prize, The A.M.N. Foundation for the Advancement of Science, Art and Culture and many more.

Professor E. Helpman is a distinguished scientist, who is involved not only in the scientific, research, educational, editorial activity, but also in public life. He held impor-

tant positions in the public institutions of Israel, among others, as a member of the Advisory Board of the Bank of Israel, the National Council for Planning and the National Council for Research and Development of the government of Israel.

Professor's involvement in the relations between Israel and Poland, as well as in the Polish transformation are also worth emphasising. In 1990, he was a member of the economic delegation, which arrived with the Israeli Foreign Minister to renew the diplomatic relations between Israel and Poland. At the time, Professor E. Helpman made a visit to the Polish central bank, the Ministry of Finance, and the Ministry of Economic Affairs; he also met the Prime Minister and members of parliament. In the subsequent years, when Professor Leszek Balcerowicz headed the NBP, Professor E. Helpman was a member of the delegation which visited the NBP within the framework of a training programme, organised in cooperation with the International Monetary Fund for the key government officials (*top government officials*) from the Eastern European countries.

## II. SCIENTIFIC ACHIEVEMENTS



Professor Elhanan Helpman is one of the most eminent scientists in the world, dealing with a wide array of issues in international trade and economic growth. He has huge, world-class scientific achievements, he is the author and co-author of 18 books and over 150 articles in renowned international journals. Professor's publications have made an original contribution to the

new perception of the sources and causes of international trade in the conditions of economies of scale and imperfect competition. Owing to these publications, Professor E. Helpman became the creator of many principles and models of the new trade theory, which have completely changed the traditional approach to the sources and benefits of trade, based on comparative advantages (such as Ricardo's and Heckscher-Ohlin's). Already in the 1980s, he published alone (Helpman 1981) and co-authored (Helpman and Krugman 1985) the works, which integrated the neoclassical models of the proportion of production factors with the concepts of intra-industry trade in the conditions of monopolistic competition. The analysis of the new trade theory, taking into account the increasing returns to scale, imperfect competition, technological change, and the international transfer of knowledge, was deepened in the subsequent publications from the 1990s (e.g. Grossman, Helpman 1997, 1998, Helpman 1998, 1999). The new trade theory has been incorporated into the mainstream of international economy, which should be regarded as Professor E. Helpman's immense merit.

The Professor's original contribution into the world economy is also manifested through a combination of reflection on the new trade theory with the new models of economic growth, based on the role of endogenous change factors. E. Helpman's publications, entitled *Growth and Foreign Trade* of 1989 and 1991, as well as *Endogenous and Macroeconomic Growth Theory* of 1992, should be recognised as his pioneering work in this area. The numerous works of 1990s and the first decade of this century, authored by the Professor himself or in joint authorship with G. Grossman, were devoted to the problem of endogenous growth, relationship between foreign

trade, innovation and economic growth. Particular emphasis should be placed on the analysis of the role of endogenous innovation, quality ladders and endogenous product life cycle in the growth process, as well as, on linking these phenomena with international exchanges, presented in these publications.

Professor E. Helpman skilfully combined the issues of trade and growth with the analysis of the political and social economy. Here, I am referring to the relationship between rent seeking, group interests and international trade, analysed in the works such as: *Special Interest Politics or Interest Groups and Trade Policy* (together with G. Grossman), as well as the study of the problems of the labour market, unemployment and wage inequalities in the context of open economies. In the article from 2013, the Professor rightly pointed out, that the “rates of unemployment vary across countries and in a trading world they are interdependent. In particular, a country’s rate of unemployment depends on the labour market frictions of its trade partners in addition to its own labour market frictions. Because such frictions make room for rent-sharing between employers and employees, they also impact wages and inequality of earnings” (*Foreign Trade and Investment: Firm-Level Perspectives*, Harvard University and CIFAR, May 10, 2013). Numerous works, including the one of 2014, are devoted to the problem of a relationship between trade and inequality, i.e.: I. Oleg, E. Helpman *The Dynamic Adjustment of Firms and Workers to Foreign Trade*, PDF; G. Grossman, E. Helpman: *Growth, Trade and Inequality*, NBER WP 20502; E. Helpman et.al. *Trade and Inequality: From Theory to Estimation*.

In the works on the new trade theory, Professor E. Helpman drew attention to the fact that the business models of monopolistic competition, in contrast to the

neoclassical models, attribute the key role to individual companies rather than to entire countries. This statement led E. Helpman to choosing the path marked by Marc Melitz's revolutionary model of trade theory, based on the assumption of heterogeneity of the companies. In this model, it is assumed that the company can export only if its operating profits on the foreign market are large enough to cover the fixed costs of exporting. The model of the companies' heterogeneity was used by E. Helpman in very extensive research on the significance of the companies' specificity, not only for exports but also for employment, wages and income inequality. Also his research on transnational corporations, intra-firm trade, outsourcing and various alternative organisational forms of companies, based on the diversity of the total productivity of factors (total factor productivity TFP), is this trend.



### III. CONCLUSION

Professor Elhanan Helpman's career and scientific achievements show that he is not only an outstanding scientist, but also an outstanding personality, sensitive to the public affairs of Israel and the countries of Eastern Europe. As a world-class scientist, an author of original papers on international trade, economic growth and political economy, he **made a breakthrough in the thinking about the relationship between international trade and economic growth**. He showed a growing role of endogenous growth factors, such as innovation, technological progress, product life cycle, the openness of economies to international trade in a globalising economy. He also stressed that the dominance



of monopolistic competition in international markets shifts the burden of interest in the theory of trade relations between countries onto the analysis of export potential of the companies, which are heterogeneous in terms of productivity. Professor's another achievement is also his huge commitment to international scientific cooperation, which is reflected in his academic activities in the universities of Israel, the United States and Canada; a significant number of study visits to various countries in Europe, Asia, Australia; his membership in the American and European associations and scientific boards; his numerous international awards for scientific work and public activity; for his advisory activities in foreign scientific institutions, including the Advisory Board, Institute for International Economic Studies, University of Stockholm; or the International Scientific Advisory Board, The Vienna Institute for Comparative Economic Studies WIIW; as well as his editorial activities in renowned international journals.

Professor Elhanan Helpman has also been involved in public affairs. He held important positions in the public institutions of Israel, among others, as a member of the Advisory Board of the Bank of Israel, the National Council for Planning and the National Counsel for Research and Development of the government of Israel. It is worth noting that Professor has ties with Poland – in the years 1946-1957, he and his family lived in Szczecin, and after the turn of the political system in the 1990s, he visited Poland as a member of an official delegation of Israel and a group of advisers of the International Monetary Fund. He was engaged in the reconstruction of the Polish-Israeli diplomatic and economic relations and the transformation of the Polish economy in the early 1990s. During these visits, the Professor met with the

PROFESSOR ANNA ZIELIŃSKA-GŁĘBOCKA

representatives of the Polish government and the Polish National Bank, he also participated in the training of high-ranking government officials of Poland and other Eastern European countries.

I declare, with great satisfaction that Professor Elhanan Helpman, due to his outstanding scientific achievements, involvement in international scientific cooperation, and public activity in Israel and in favour of the Polish transformation, fully deserves to be honoured with the highest academic dignity, which is the title of doctor *honoris causa*. For this reason, I fully support the request of the Faculty of Economic Sciences to carry out the procedure of granting Professor Elhanan Helpman the honorary doctorate of this university.





„(...) Professor Elhanan Helpman (...)  
fully deserves to be honoured with  
the highest academic dignity, which is  
the title of doctor *honoris causa*”.

Uroczystość wręczenia dyplomu doktora *honoris causa*  
Uniwersytetu Warszawskiego prof. Elhananowi Helpmanowi



Tuż przed uroczystością, w gabinecie rektora UW. Od lewej stoją:  
prof. Andrzej Cieślak, promotor, prof. Jan Jakub Michałek, dziekan  
Wydziału Nauk Ekonomicznych UW, prof. Marcin Pałys, rektor UW,  
prof. Elhanan Helpman, prof. Gene M. Grossman, recenzent





Just before the ceremony, in the office of the rector of the University of Warsaw. From left: Professor Andrzej Cieřlik, a promoter, Professor Jan Jakub Michalek, Dean of the Faculty of Economic Sciences, Professor Marcin Palys, rector of the University, Professor Elhanan Helpman, Professor Gene M. Grossman, reviewer

Uroczystość wręczenia dyplomu doktora *honoris causa*  
Uniwersytetu Warszawskiego prof. Elhananowi Helpmanowi



Otwarcie uroczystości. Od lewej:  
prof. Jan Jakub Michałek, prof. Elhanan Helpman,  
prof. Marcin Pałys, prof. Andrzej Cieślik  
Opening the ceremony. From left: Professor Jan Jakub  
Michalek, Professor Elhanan Helpman, Professor Marcin  
Pałys, Professor Andrzej Cieślik

Laudację wygłasza promotor, prof. Andrzej Cieślik  
Laudation speech delivered by promotor,  
Professor Andrzej Cieślik





The ceremony of awarding the title of doctor *honoris causa* to professor Elhanan Helpman > 51 <



Przemawia dziekan Wydziału Nauk Ekonomicznych UW,  
prof. Jan Jakub Michałek  
Speech of Dean of the Faculty of Economic Sciences,  
Professor Jan Jakub Michałek

Wręczenie dyplomu doktora *honoris causa* Uniwersytetu  
Warszawskiego prof. Elhananowi Helpmanowi  
Presentation of the University of Warsaw's *honoris causa* diploma to  
Professor Elhanan Helpman

Uroczystość wręczenia dyplomu doktora *honoris causa*  
Uniwersytetu Warszawskiego prof. Elhananowi Helpmanowi



Przemawia Doktor *honoris causa*  
Uniwersytetu Warszawskiego,  
prof. Elhanan Helpman

Speech of Doctor *honoris causa*  
of the University of Warsaw,  
Professor Elhanan Helpman

Rektor UW, prof. Marcin Pałys  
wręcza prof. Elhananowi Helpmanowi  
Medal Uniwersytetu Warszawskiego

Rector of the University of Warsaw,  
Professor Marcin Pałys hands  
Professor Elhanan Helpman  
Medal of the University of Warsaw



Q. F. F.



F. Q. S.

*Summis Auspiciis*  
**SERENISSIMAE REI PUBLICAE POLONORUM**

*Nos*  
*Martinus Patys*

*scientiarum chemicarum doctor habilitatus,*  
*in Facultate Chimiae Professor,*  
*h.t. Rector Magnificus,*

*Ioannes Iacobus Michatek*

*scientiarum oeconomicarum doctor habilitatus,*  
*in Facultate Scientiarum Oeconomicarum Professor,*  
*h.t. Decanus Spectabilis,*

*Andreas Cieslik*

*scientiarum oeconomicarum doctor habilitatus,*  
*in Facultate Scientiarum Oeconomicarum Professor,*  
*Promotor rite constitutus,*

*Senatus Universitatis Varsoviensis auctoritate*  
*die XXIV mensis Februarii anno MCMVI*

*in Virum Clarissimum*

**ELHANAN HELPMAN**

*scientiarum oeconomicarum doctorem,*  
*Universitatis Urbis Vemicollis Professorem emeritum, excellentem*  
*virum doctum scientiarum oeconomicarum peritissimum,*

*qui de disciplinae oeconomicae internationalis progressu optime*  
*meruit, qui de problematis commercii internationalis sagacissime*  
*disceptabat, qui Polonis viris doctis disciplinae oeconomicae deditis*  
*sociam operam navabat, qui iuventibus erudiendis libentissime*  
*se dabat, virum egregium, qui ad variorum commentariorum*  
*scientificorum editorum coetus pertinet, plurimorum librorum*  
*et articulorum auctorem locupletissimum, virum doctissimum,*  
*qui multis praemiis et insignibus decoris ornatus est,*

**DOCTORIS HONORIS CAUSA**  
**SCIENTIARUM OECONOMICARUM**

**NOMEN ET HONORES. IURA ET PRIVILEGIA CONTULIMUS**  
**IN EIUSQUE REI FIDEM PERPETUAMQUE MEMORIAM HOC DIPLOMA SIGILLO**

**UNIVERSITATIS VARSOVIENSIS**  
**SANCIENDUM CURAVIMUS.**

**DATUM VARSOVIAE, DIE VIII MENSIS IUNII ANNO MMXVI**

*h.t. Decanus Spectabilis*

*h.t. Rector Magnificus*

*Promotor rite constitutus*

*Ioannes Iacobus Michatek*

*Martinus Patys*

*Andreas Cieslik*



Uroczystość wręczenia dyplomu doktora *honoris causa*  
Uniwersytetu Warszawskiego prof. Elhananowi Helpmanowi



Profesor Elhanan Helpman przyjmuje gratulacje





Professor Elhanan Helpman accepts congratulations

PROFESSOR  
**ANDRZEJ CIEŚLIK**

HONORARY PROMOTER  
FACULTY OF ECONOMIC SCIENCES  
UNIVERSITY OF WARSAW

LAUDATION SPEECH



*Honourable Rector, Distinguished Professor receiving the honorary degree of doctor honoris causa of the University of Warsaw,  
Members of the Senate,  
Dean,  
Ladies and Gentlemen,*

**I**t is a great privilege and honor for me to deliver today a laudation conferring the honorary degree of doctor *honoris causa* upon Professor Elhanan Helpman from Harvard University. The institutions of higher education bestow this degree upon those who have contributed in an outstanding way to reaching the aims they serve. Broadly speaking, these aims amount to the discovery and dissemination of new knowledge and its use for the benefit of societies. Professor Helpman meets these criteria perfectly.

Professor Helpman has a very impressive research cv. Like many of the other great economists, he has worked in many areas of economics including open economy macroeconomics, trade under uncertainty, new international trade theory, endogenous growth theory, and political economy to mention just the most important examples. His colleagues in academia often call him ‘a researcher in transition’ who is constantly redefining his fields of interests by altering the questions asked and the techniques used. His most important contributions to the field of economics include the following areas: the theory of international trade under imperfect competition (i.e. intra-industry trade), the theory of multinational firm, the relationship between innovation and trade as well as firm heterogeneity and international trade.



Professor Elhanan Helpman was born on the 30th of March 1946 in Jalal-Abad located in the southern part of the former USSR, presently Kyrgyzstan. His family shared the fate of many Polish families which used to live in the former Polish eastern territories which were annexed by the Soviet Union in September 1939 as a result of the Ribbentrop-Molotov Pact. Eventually, he and his family managed to return to new Poland which itself turned out to be under the communist rule. Until eleven years of age he lived and attended primary school in Szczecin before the Helpman family left for Israel in 1957.

His subsequent education as well as his future academic career have been closely associated with two renowned academic institutions, namely Tel Aviv University in Israel and Harvard University in the United States of America. First, he received his Bachelor of Arts degree with distinction (*cum laude*) in the field of economics and statistics from Tel Aviv University in 1969. Two years later he earned the degree of Master of Arts in Economics also with distinction (*summa cum laude*) from Tel Aviv University. In 1971 he went to the United States to continue his studies at the doctoral level. He received his Ph.D. degree from Harvard University in 1974. Immediately after receiving his PhD degree he returned to Israel to become a lecturer at Tel Aviv University. In 1976 he returned to the US as a visiting lecturer at the department of economics at the University of California in Berkeley. After completing his stay in the US he returned to Tel Aviv and was promoted to a senior lecturer.

Professor Helpman took his first sabbatical between 1977 and 1979 and visited the department of economics at the University of Rochester where he stayed for

two years. While in Rochester he started thinking about expanding neoclassical trade theory by introducing the elements of imperfect competition to take account of intra-industry trade – an important feature of contemporary international trade patterns which is especially important in the context of North-North trade among developed countries. In 1978 he was promoted to Associate Professor and in 1981 to Professor of Economics at Tel Aviv University. From 1981 to 1982 he served as Chairman of the Department of Economics in Tel Aviv. Having completed his term as Chairman in Tel Aviv in 1982 he went on leave, first visiting Harvard University and later MIT. During his stay at Harvard he started working on the integration of multinational corporations into international trade theory. When he moved to MIT in 1983 he started research collaboration with Paul Krugman. They initially intended to write a series of papers on trade theory under imperfect competition. However, their cooperation eventually resulted in their first famous and widely cited monography entitled *Market Structure and Foreign Trade: Increasing Returns, Imperfect Competition, and the International Economy* which has still been used as a graduate textbook. According to Google Scholar this book has been cited over 7000 times.

Professor Elhanan Helpman returned from the US to Tel Aviv in 1984 and in 1985 he became the director of the Sapir Center for Development. He visited MIT in 1987 and the Department of Economics at Harvard University in 1988. During this time he started his long-term and highly productive cooperation with another famous professor – Gene Grossman from Princeton University who is also here with us today. This cooperation resulted in a number of highly cited papers on the relationship between international trade and economic

PROFESSOR ANDRZEJ CIEŚLIK

growth. In addition, they wrote their famous and widely cited monography entitled *Innovation and Growth in the Global Economy* which has also been used as a graduate textbook. According to Google Scholar this book has been cited almost 13,000 times.



„(...) Professor Elhanan Helpman has gained unquestioned international recognition for his theoretical and empirical work in the discipline of international economics.”

Upon returning to Tel Aviv in 1988 Professor Helpman was appointed the Archie Sherman Professor of International Economic Relations. He remained in this position until his retirement from Tel Aviv University in 2004. In the meantime he was also the director of the Foerder Institute for Economic Research between 1990 and 1992 and the director of the Sackler Institute for Economic Studies. Professor Elhanan Helpman visited Harvard University again in 1991-1992 and 1996-1997. In 1997 he was appointed Professor of Economics there and in 2002 he became the Galen L. Stone Professor of International Trade, a position he currently holds.

Professor Elhanan Helpman has lectured at many top foreign academic institutions. This list includes the European University Institute, the London School of Economics, Oxford University, Princeton University, the Stockholm School of Economics, as well as the universities of Illinois, Michigan, Rochester, Toronto, and Warsaw, as well as many other top institutions too numerous to list here



Professor Elhanan Helpman has gained unquestioned international recognition for his theoretical and empirical work in the discipline of international economics. Professor Helpman's scholarly achievements embrace over 150 publications in renown international journals, most of which have become part of the canonical literature in international economics and have been widely cited by many researchers in this field. Some of Professor Helpman's papers were written together with many other very well-known economists such as: Gene Grossman, Paul Krugman, Daron Acemoglu, Phillipe Aghion, Paul Antras, Avinash Dixit, Marc Melitz, Paul Neary, Daniel Trefler, Stephen Yeaple and more recently also Oleg Itskhoki.

His fundamental contributions to the literature include many studies dealing with various research aspects of international economics. It is not possible to even enumerate and briefly discuss all of them in this short laudation speech. Therefore, let me focus on a few of the areas, in which Professor Helpman is intensively cited worldwide and commonly regarded as being among those economists who made seminal contributions to their development. These areas include the so-called new international trade theory, the theory of multinational enterprise, the theory of endogenous growth and, most recently, trade and foreign direct investment with heterogeneous firms. The pioneering significance of Professor Helpman's contributions in all these areas was emphasized unanimously by all three external reviewers whose opinions served as the foundation for the decision of the Senate of the University of Warsaw to confer the honorary degree of doctor *honoris causa* upon professor Elhanan Helpman today.

With respect to the new international trade theory, Professor Helpman's original contribution is his single-authored theoretical study on product differentiation and international trade entitled *International trade in the presence of product differentiation, economies of scale and monopolistic competition: a Chamberlin-Heckscher-Ohlin approach* published in the Journal of International Economics in 1981. This paper, cited more than 1300 times according to Google Scholar, integrated the new and the old explanations for international trade into a single unified two-sector general equilibrium framework called the Chamberlin-Heckscher-Ohlin (CHO) model. This allowed him to demonstrate that the standard neoclassical Heckscher-Ohlin model could be regarded as a special case of the more general CHO framework. In addition, he demonstrated that in the CHO model two different types of trade – intra-industry and inter-industry trade between countries – can coexist and their shares are determined by the similarity in their relative factor endowments. This seminal paper paved the way for subsequent research in the area of new international trade theory that was summarized in his chapter on economies of scale and imperfect competition published in the 1984 Handbook of International Economics, as well as in his 1985 book *Market Structure and Foreign Trade: increasing returns, imperfect competition, and the international economy* coauthored with Paul Krugman. These two very important publications reviewed the current state of knowledge in the new international trade theory at that time, and were essential readings for trade economists as well as graduate students who worked in this field.

With regard to the theory of multinational enterprise, Professor Helpman's original contribution is his single-authored theoretical study on the vertically integrated

multinational enterprise entitled *A simple theory of international trade with multinational corporations* published in the Journal of Political Economy in 1984. This paper examined the nexus between trade and foreign direct investment, an important issue as multinational enterprises are not only very large foreign investors but also play a very important role in determination of international trade flows. This paper aimed at building a theory of the multinational enterprise that could be easily integrated into the new trade theory in a way that would shed light on the volume of trade, the share of intra-industry trade, and the share of intra-firm trade. This paper was the first general equilibrium model of multinational enterprise that already in the early 1980s studied the reasons for, and the consequences of, international fragmentation of production done within the firm. This fragmentation was achieved through splitting the value chain and locating particular stages of the production process that differed in terms of factor intensity in different countries that differed in terms of their relative factor endowments. This paper paved the way for the subsequent MNE general equilibrium models authored by Professor Helpman as well as his followers. This seminal paper received so far over 2300 citations according to Google Scholar.

With respect to the endogenous growth theory Professor Helpman first attempted to develop a dynamic model that would trace out the shifts in comparative advantage over time. Not pleased with their results, in 1986 he decided to combine efforts with professor Gene Grossman from Princeton University who also became interested in the topic at that time. This was the beginning of their long term friendship and very productive research cooperation. First, they published the paper entitled *Product development and international trade*

in the Journal of Political Economy in 1989. This paper developed a multi-country, dynamic general equilibrium model of product innovation and international trade to study the creation of comparative advantage through research and development and the evolution of world trade over time. This seminal paper was a natural extension of the static CHO model of international trade with differentiated products to which the R&D sector was added. In this model innovative firms hired skilled workers to invent new products and they covered the costs of the R&D activity with future profits. The model predicted the emergence of multinational cor-



„Many of his works were of a pioneering nature, significantly contributing to the development of both the theory as well as empirical research in the field of international economics.”

porations and showed that the extent of multinational activity would be increasing over time. This seminal paper received over 600 citations according to Google Scholar. While this is somewhat lower as compared to other papers on trade and growth they wrote together a few years later, it must be remembered that it was the research experience accumulated during their joint work on this seminal model that allowed them to write many other papers devoted to studying the interactions between international trade and economic growth. These were later published in the American Economic Review, the Economic Journal, the Review of Economic Studies,

and the Quarterly Journal of Economics, as well as their widely cited book entitled *Innovation and Growth in the Global Economy*.

More recent research interests of Professor Helpman moved toward empirical studies including international knowledge spillovers as well as firm heterogeneity. Unfortunately, due to the time constraints I am not be able to discuss all these lines of research even very briefly. Nevertheless, even this very limited survey of the scientific achievements of Professor Helpman clearly shows that he is a world class scholar with international esteem. Many of his works were of a pioneering nature, significantly contributing to the development of both the theory as well as empirical research in the field of international economics. For his contributions to economics he received a large number of prestigious awards. These include Yavor Prize (1989), Mahalanobis Memorial Medal (1990), Israel Prize (1991), Feher Prize (1995), Bernhard-Harms Prize (1998), Rotschild Prize (2002), EMET Prize (2002), William H. Riker Award (2002), Erwin Plein Nemmers Prize (2010), and Onassis Prize (2012). He is also a holder of Doctor Honoris Causa degree awarded by the Catholic University of Louvain in Louvain-la-Neuve in Belgium (2010).

Further proof of Professor Helpman academic position lies in his editorial activity in numerous leading scientific journals in the field of economics. He was or currently is an editor or member of the editorial boards of the following journals: the Annual Review of Economics, the Bank of Israel Economic Review, the Economic Quarterly, Economics Letters, Economic Policy, Empirica, the European Economic Review, the International Journal of Finance and Economics, the Journal of Economic Integration, the

Journal of the European Economic Association, the Journal of International Economics, the Journal of the Japanese and International Economies, the Quarterly Journal of Economics, the Review of International Economics, Regional Science and Urban Economics, the Review of the World Economics, Studies in International Economics and Institutions, and the World Economy.

In addition to being a great scientist Professor Helpman has an extensive non-academic experience. In particular, he has often acted as a policy advisor in various public institutions in Israel. In particular, he was a member of the advisory board and advisory committee of the Bank of Israel, a member of the Council for National Planning at Israel's Ministry of the Economy and Planning, a member of the Committee for the Development of Scientific and Technological Infrastructure, a member of the National Council for Research and Development, as well as many other institutions. He contributed to the re-establishment of political and economic ties between Israel and Poland in the beginning of the 1990s, immediately after the beginning of political and economic transition in Poland. In particular, he accompanied the Minister of Foreign Affairs of Israel during his visit to Poland in 1990. Since then he was a frequent visitor to Poland. In particular, he was a member of the team of experts who visited the National Bank of Poland to provide training to Polish economists and government officials. This was a time when many teams of experts from various countries arrived in Poland with various offers of assistance or simply to examine the situation. In order for this transformation to succeed, the involvement and support of developed countries was essential. However, it was not only financial aid, indispensable in creating the material foundations for economic activity, but of even

greater importance was the assistance with the formation of human capital and the diffusion of knowledge of modern economics.

Professor Helpman visited the University of Warsaw several times in the years 2004-2014 and gave invited lectures on recent developments in the theory of international trade to graduate students enrolled at the prestigious and highly selective International Economics program. He also contributed to the development of the Warsaw International Economic Meeting (WIEM) conference, probably the best conference in the region of Central and Eastern Europe, at which he was a keynote speaker.

To end this laudation, I would like once again to express my great joy and satisfaction that the University of Warsaw has included an economist, one of the most prominent world-class scholars, and our friend, among those outstanding individuals honored with the degree of doctor *honoris causa*. Let me close this laudation speech by saying that in addition to his great scientific achievements I have always admired his kindness and modesty. For me personally Professor Elhanan Helpman has always been a role model, and I hope that the next generations of international economists will take you as an example as well.

Thank you very much for your attention.



ADDRESS BY DEAN  
OF THE FACULTY OF ECONOMIC SCIENCES,  
UNIVERSITY OF WARSAW

PROF. DR. HAB.

JAN J. MICHAŁEK





*Professor Elhanan Helpman  
and the Faculty of Economic Sciences, UW*

I would like to congratulate Professor Elhanan Helpman on this honorable award that he has received today from the University of Warsaw. As the Dean of the Faculty of Economic Sciences I would like to congratulate you personally and on behalf of my colleagues – those who attend today’s ceremony and those who could not be here with us. I am especially pleased that the timing of this ceremony coincides with the 200<sup>th</sup> anniversary of the University of Warsaw, which is probably the best university in Poland. I am also happy that Professor Elhanan Helpman visited our University several times and has a very close relationship with Poland.

Professor Elhanan Helpman is certainly one of the best known contemporary economists, especially amongst trade economists. A formal indication of his status is reflected by his presence in world literature. In May 2016 Google Scholar indicated more than 82 thousand citations and references of his works. It is also worth mentioning that amongst the top 50 best economists in the world – according to the ideas ranking – 10 of them are from Harvard University – like Professor Elhanan Helpman.

Let me cite here Professor GianMarco Ottaviano, who reviewed the achievements of our honorary doctor. Professor “Elhanan Helpman has explored the links between trade, foreign direct investment, economic growth and political economy.” And those intellectual achievements of Elhanan Helpman are outstanding.

I will not spend more time on a detailed description of all the achievements of professor Helpman, which have already been presented by Professor Cieřlik. Here I would like to enumerate only five of the most frequently cited works by Professor Elhanan Helpman, which perfectly reflect the broad spectrum of his interests and major contributions to contemporary economic literature.

The most frequently cited book is entitled: *Innovation and growth in the global economy* – written jointly with Professor Gene Grossman – which was published in 1991, by MIT Press. This book has more than 12.5 thousand references and citations. The second one is the book: *Market structure and foreign trade: increasing returns, imperfect competition, and the international economy*, written jointly with Professor Paul Krugman and published in 1985 by Cambridge UP. The third one is the paper *International R&D spillovers*, published jointly with Professor David Coe in the *European Economic Review* in 1995. The fourth best known text is entitled: *Protection for sale*, which was published in the *American Economic Review* in 1994. Finally, number five on the list is the paper *Export versus FDI with heterogeneous firms*, written jointly with Marc Melitz and Stephen Yeaple and published in the *American Economic Review* in 2004. It must be said that all of these texts have been used in the majority of renowned universities as standard literature for graduate and Ph.D. students specializing in international economics and other areas.

I would like to refer to one specific text, cited by the majority of trade policy economists, which is especially important for me. The paper *Protection for sale* was published in the *American Economic Review* in 1994, and co-authored with Professor Gene Grossman, sitting with

us today. This text has been referenced more than 4,5 thousand times in world literature and is probably the best known paper in the area of the political economy of trade policy.

This model of political economy assumes that the government's objective function considers the trade-off between the benefits to special interest groups, resulting from trade protection, and the welfare of all consumers, which can be maximized under free trade. The interest groups, represented by lobbyists, pay financial contributions which are desired by governments in order to win electoral campaigns. On the other hand the chances of winning elections depend on the overall number of voters and their social welfare. Thus, the model explains why governments are sometimes tempted to protect some interest groups in exchange for pecuniary benefits. I have to apologize to both professors for over simplifying the conclusions of this quite sophisticated model. It is worth mentioning that the model was empirically tested for the American economy by Goldberg and Maggi and revealed that the US government attaches about 90 times higher value to social welfare in comparison to sectoral interest groups.

This model of political economy was especially important for me for a couple of reasons. First, it enables me to explain to our students why governments so frequently apply different forms of protectionism, despite the general argument in favor of liberal international trade. Second, it explains the role of international trade agreements, committing governments to liberalize their trade policies and not increase sectoral protection. Third, it provoked a number of country studies, testing empirically the goals of governments. We also tested the

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Grossman-Helpman model for Poland with early nineties data and confirmed that at that time the government was attaching much higher values to general social welfare. Finally, this model of political economy should be treated as guideline for every government willing to win elections. It should attach much higher value to the social welfare of the whole society and not to particular interest groups. I do believe that this guideline is universal for every government, including the Polish one as well.

Dear Professor Helpman! Dear Elhanan! Let me congratulate you once again on behalf of all the members of our Faculty and wish you all the best for your future career and your private life. I want to pass my best wishes to Mrs. Ruth Helpman as well.





„We also tested the Grossman-Helpman model for Poland with early nineties data and confirmed that at that time the government was attaching much higher values to general social welfare.”

ADDRESS BY  
DOCTOR HONORIS CAUSA  
OF THE UNIVERSITY OF WARSAW

PROFESSOR

ELHANAN  
HELPMAN



Czuję się niezmiernie zaszczycony że otrzymuję tytuł doktora *honoris causa* Uniwersytetu Warszawskiego, znakomitej dwusetletniej instytucji, która jest najważniejszym centrum badań i edukacji w Polsce. Dla mnie osobiście, być uhonorowanym w ten sposób jest szczególnie znaczące, ponieważ spędziłem pierwsze jedenaście lat mojego życia w Polsce, więc to wydarzenie jest dla mnie w pewnym sensie powrotem do domu. Niestety, moja znajomość języka polskiego jest zbyt ograniczona, aby kontynuować to przemówienie w języku polskim. Dlatego teraz przejdę na angielski, który, choć nie jest moim językiem ojczystym, jest moim językiem zawodowym od ponad czterdziestu lat.

I have been a scholar of economics for most of my adult life. During this prolonged time span I have been lucky in at least two respects. First, I have had wonderful collaborators for my research projects, including Assaf Razin, Paul Krugman, Marc Melitz, and Pol Antràs, but especially Gene Grossman, who has been my close friend and co-author for the last 30 years. Gene is an economist of great distinction, whose inspiration, penetrating insights, and good sense have been indispensable in our work. Second, my professional life has overlapped with an extraordinary period in the evolution of economic research, during which entire fields – such as macroeconomics, public economics, and industrial organization have been fundamentally transformed. Although over the years I worked in a number of fields, my main focus has been on foreign trade, political economy and economic growth. Each one of these areas has truly been revolutionized during my professional lifetime and in the case of foreign trade more than once. Just witnessing and closely following these developments has been an intel-

lectual feast, while actively participating in their shaping and molding has been a tremendous privilege indeed.

Our understanding of the complex forces that shape trade and foreign direct investment has improved immensely over the years. Because the world economy has been changing, however, it has been repeatedly necessary to reexamine existing beliefs, to modify analytical frameworks in view of new evidence, and to devise imaginative ways for empirically studying insights that emerged from the theory. This research enterprise has entailed a continuous race between a changing world economy and the adaptation of scholarship to ever-new circumstances.

While the traditional approach to foreign trade was adequate for explaining the first wave of globalization that began in the last quarter of the 19<sup>th</sup> century and ended with World War I, it proved inadequate for explaining the second wave of globalization that began after World War II. To understand the latter, it has been necessary to depart from a sectoral view of trade flows and to highlight the role of business firms in designing products, developing technologies, and making strategic business decisions concerning foreign trade and investment. Of particular interest are their choices involving countries from which to source inputs and services and countries in which to sell their products. Novel analytical frameworks that explicitly account for these activities have been developed, delivering important insights about specialization patterns in the world economy and the role of multinational corporations in global supply chains. On the empirical side, novel data sets and quantitative methods have been developed, making effective use of these theoretical understandings. This work has been instrumental, for example, in designing reliable



estimates of the impact of trade liberalization on productivity, wages, and inequality, outcomes about which we care deeply.

The same applies to the analysis of economic growth, and particularly to the impact of globalization on growth trajectories of rich and poor countries, and the interdependence between them. During our lifetime economic growth has lifted hundreds of millions of people out of extreme poverty. Yet, while inequality in income per capita has declined across countries, it has increased within countries. How important has globalization been in shaping these outcomes? Does trade integration speed up economic growth? Does it adversely affect particular segments of society? Answering questions of this type has been a major challenge for our profession. And while we cannot claim victory yet, we can claim with a high degree of confidence that the research in which we have been privileged to participate has contributed to a much-improved understanding of the functioning of our ever-changing world economy.

When Gene Grossman and I started our research on sources of economic growth about 30 years ago, we emphasized the role of innovators who develop products and technologies, but also the impact of international trade on the incentives to invest in research and development. As it happens, foreign competition affects these incentives – and thereby growth – through multiple channels, including technological imitation by less-developed countries. Foreign competition of this type affects innovation and growth in every rich country. This combination produces important interactions between the growth of advanced economies and the growth of less developed-countries, mediated by international trade.

More recently, we have examined how capacities to innovate, which vary across countries, shape wage inequality, how wage inequality depends on foreign trade, and how inequality correlates with economic growth. Remarkably, this research program, by integrating a variety of diverse elements into a single coherent framework, has been able to shed light on a host of issues that are of major concern. For example, international knowledge spillovers that accelerate growth contribute to higher wage inequality. As a result, international integration is good for growth but bad for the equality of income distribution.

I accept with gratitude this honorary degree. I have had the pleasure of visiting the University of Warsaw on several occasions, participating in seminars and conferences. Professors Andrzej Cieřlik and Jan Michaćek, who have done important research on international trade and foreign direct investment, have been generous hosts during those visits. I very much appreciate their efforts on my behalf.

Thank you very much. Dziękuję Wam bardzo.



