

Insights from EMBank Chairperson Ekmel Çilingir: The Lessons Behind the Nobel Prize in Economic Sciences

Innovation, Growth and the Lessons Behind the Nobel Prize in Economic Sciences: Insights from EMBank Chairperson Ekmel Çilingir

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/EINPresswire.com/ -- The 2025 Nobel Prize in Economic Sciences has sparked a renewed global conversation about what truly drives long-term prosperity.

For Ekmel Çilingir, Chairperson of European Merchant Bank (EMBank), the prize does more than honour academic achievement. It offers a timely reminder that sustainable

growth is shaped by innovation, competition and the institutions that allow new ideas to thrive.

In his recent analysis, Çilingir notes that the prize arrives at a moment when economies are grappling with rapid technological change, shifting demographics and widespread uncertainty. Against this backdrop, the work of laureates Joel Mokyr, Philippe Aghion and Peter Howitt provides a framework for understanding why some societies continue to grow while others stall. Çilingir emphasises that their research helps answer two central questions: Is growth meant to last? And if so, how?

A major theme in the article is Mokyr's argument that innovation alone does not guarantee economic transformation. Civilisations have long demonstrated technical brilliance, but only in the past few centuries has innovation translated into sustained productivity gains. Mokyr attributes this shift to what he calls an "Industrial Enlightenment"—a unique moment when scientific understanding and practical know-how began reinforcing one another. According to Çilingir, this clarity around why technologies work enabled faster adaptation, replication and progress.

Equally influential is the contribution of Aghion and Howitt, whose "creative destruction" model



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explains how economic growth persists even as firms rise and fall. Their framework shows that competition and innovation are deeply connected: firms invest in research not only to advance, but also to overtake incumbents. This churn, while disruptive, forms the backbone of long-run growth. Çilingir highlights that the model's strength lies in connecting micro-level incentives with macro-level outcomes.

He also points out that the model brings important policy implications. Growth is not automatically efficient, and decentralised markets may either underinvest or overinvest in innovation. Moreover, creative destruction can impose real costs on workers and regions. Çilingir stresses that social insurance, reskilling programmes and well-calibrated innovation incentives are essential for maintaining broad support for a dynamic economy.

Looking ahead, Çilingir draws attention to the Nobel Committee's warning: productivity growth has slowed across advanced economies, accompanied by declining business dynamism. Fewer firm entries, lower job reallocation and reduced competitive pressures all point to weakened creative destruction. In his view, reigniting growth will require deliberate choices—investing in science and technical skills, encouraging fair competition and designing policies that allow both new entrants and established firms to innovate.

He concludes with a clear message: innovation-led growth is neither automatic nor guaranteed. Societies shape it through cultural openness, institutional strength and the willingness to adapt. The lessons of the Industrial Revolution, he argues, remain highly relevant as artificial intelligence and emerging technologies redefine the economy once again.

Ekmel Çilingir's full article, "The Nobel Prize for Economics Spotlights Exactly How Innovation Sustains Growth," is available here:

<https://www.linkedin.com/pulse/nobel-prize-economics-spotlights-exactly-how-sustains-ekmel-cilingir-hmtyf/>

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