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“Productive harmonization” to bring about a future of prosperity for all

ESCP Impact Paper No.2026-32-ENG

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[“Productive harmonization” to bring about a future of prosperity for all

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Abstract

In a Spanish context marked by stagnant wages, limited access to housing, and a worrying decline in the birth rate, this paper is proposing a new economic and social program with a comprehensive approach to address the structural challenges affecting Spanish society. Instead of the “Work-Life balance” trap, an approach centered on mere conciliation and redistribution of scarce time, a new concept is proposed, that of “Productive Harmonization.” It aims to expand the total capacity of individuals and families to thrive in both domains (professional and personal) simultaneously and offer a sustainable way of breaking out of the cycle of stagnation. Sourcing from modern management practices, this paper elaborates an ambitious and innovative roadmap to unlock the country's economic and social growth.

Keywords: total leadership, work-life balance, macroeconomics and housing market.

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“Productive harmonization” to bring about a future of prosperity for all

Bad times for lyricism

The phrase “*Malos tiempos para la lírica*” (“Bad times for lyricism”), popularized by the Spanish band Golpes Bajos in 1984, has become a cultural reference to periods of crisis, uncertainty, and collective disillusionment. Today, more than four decades later, these words resonate with force in Spain. The three authors of this paper are deeply concerned about the growing sense of economic and social pessimism, driven by institutional instability, restrictive regulatory frameworks, particularly in the housing and labor markets, deteriorating public finances, rising national polarization, and widespread loss of confidence in the future.

On Thursday, March 12th, the authors met at the ESCP Business School Madrid campus with Marcos Ondarra, a talented young journalist from the leading digital outlet *The Objective*. That conversation led to a prominent article published on March 16th, which presented our economic proposals inspired by Stewart D. Friedman’s model [1].

The present paper is the formal and expanded continuation of those ideas. Its purpose is to contribute constructively to the public debate with concrete, viable proposals grounded in economic freedom, individual responsibility, and the pursuit of sustained growth.

Context and scope

Europe’s current economic and social malaise stems, to a significant extent, from a profound intellectual exhaustion: the apparent absence of bold, innovative ideas capable of restoring sustained prosperity and dynamism to the continent. Decades after the Washington Consensus shaped much of global economic policy, a new generation of influential economists — many linked to the London School of Economics — has sought to articulate what some have termed a “London Consensus” [2]. This emerging framework is a reaction against the perceived limitations of the earlier paradigm. Rather than further market liberalization, it calls for a more active and expansive role for government across economic, social, and trade domains.

However, this approach is not new since it advocates for greater public intervention to steer innovation, stronger industrial policies, and a renewed prominence for trade unions and social dialogue. While presented as pragmatic adaptation to 21st-century challenges, this intellectual manifesto risks entrenching an intervention-intensive model, which has contributed to Europe’s sluggish productivity growth, fiscal fragility, and loss of competitiveness.

In Europe today, and particularly in Spain, stagnant real wages, soaring housing costs, and a sharp decline in fertility rates are not isolated symptoms but interconnected manifestations of a deeper structural crisis. We propose a comprehensive program around “A Future of Prosperity for All,” which offers an ambitious and coherent roadmap to unlock the country’s economic potential and restore social dynamism.

For instance, access to affordable housing for the country's working class has never been so difficult. The Bank of Spain and other international institutions estimate the housing shortage between 700,000 and 1,000,000 houses. The cost to construct the housing needed is approximately 250 billion euros. Under the current regulatory framework, it is not conceivable to attract this amount of capital. A good example of this is the rent control regulation, first introduced in Catalonia in 2020 and then expanded by the national government to the rest of the country in 2024, which has significantly reduced the supply of rental housing by 40% and impoverished a large majority of the working class [3]. International and domestic investors divested from these regulated areas, adding to the lack of capital problem in the Spanish sector of affordable housing. The Spanish housing market is structurally constrained. When public policy makers are unable to implement the right policies to address the housing units affordability crisis, our best hope is to rely on individuals to increase their productivity.

Our diagnosis is unequivocal: the root cause lies in persistently low labor productivity growth. This fundamental weakness sets in motion a self-reinforcing vicious cycle. When productivity growth falters, real wage increases become limited, eroding households' purchasing power. Stagnant wages, combined with a heavily regulated housing market, make access to stable and affordable housing increasingly difficult for young people and the working class. Delayed homeownership postpones family formation and childbearing decisions. The resulting decline in birth rates accelerates population aging, increasing dependency ratios and exerting further pressure on the pension and healthcare systems. This closes the vicious circle.

Designing a new framework

The trap of work-life balance

A significant obstacle to breaking this vicious cycle stems from the prevailing policy mindset of recent years. Current policies are grounded in an ill-conceived and antagonistic vision of human life that systematically frames work and family, productivity and well-being, as zero-sum trade-offs. This adversarial framing has given rise to what we term the "work-life balance trap" — a policy approach centered on mere conciliation and redistribution of scarce time, rather than on expanding the total capacity of individuals and families to thrive in both domains simultaneously.

The Spanish government has repeatedly chosen policies that relied on statutory mandates and rigid laws, rather than empowering individuals. Such measures strip away the agency and flexibility that capable, responsible individuals need to craft their own productive integration between professional and family life. No bureaucratic, one-size-fits-all legal imposition can adequately serve a diverse population.

We strongly dispute this pessimistic and reductionist which currently dominates policy-making. Ample evidence and practical methodologies now demonstrate that it is possible — and indeed preferable — to pursue the ambitious goal that we term "productive harmonization." Through better organization of work, human capital development, technological leverage, and institutional reforms that reward effort and results, individuals and households can achieve higher productivity, higher incomes, and greater material prosperity while simultaneously enjoying richer family lives and personal well-being.

Work-life harmonization to increase Spain's productivity

Overcoming the limitations detailed above requires a fundamental shift in mindset. Rather than accepting the prevailing antagonistic and state-driven conception of work-life balance, we must embrace a new culture of intelligent integration between professional achievement and personal flourishing.

This vision is neither just theoretical nor too idealistic or ideological: Professor Stewart D. Friedman from the Wharton School of Business, creator of the Total Leadership model, has demonstrated for years that genuine progress arises not from mechanically dividing time between work and life, but from the intelligent harmonization of the different domains of life. Professor Friedman has demonstrated with ample evidence from real business cases that, pursuing what he coined as “4-Way Wins” it is possible to create work-life synergies through life harmonization. This proven methodology is built around three steps: Be Real, Act with Authenticity; Be Whole, Act with Integrity; and Be Innovative, Act with Creativity. In summary, it is possible to “Be a Better Leader and Have a Richer Life.”

We do not deny the important role of public policy. However, we conceive public policy not as a tool to micromanage human action from above, but as an enabling framework that creates the conditions for individuals and organizations to thrive.

Conclusion and recommendations

This program goes beyond technical measures. It is grounded in a broader social vision: the construction of a better-educated, freer, more productive, and more prosperous society, where starting a family, caring for others, or pursuing a meaningful life project is not treated as a luxury, but as an essential component of economic progress and human flourishing.

And we want this prosperity for all. Looking for harmony instead of conflict, building bridges instead of walls, emphasizing common human values instead of differences in political ideologies.

Our initial priority is to improve the lives of the working majority — those who face the greatest difficulties in harmonizing their personal and professional lives with greater prosperity. But also, society needs to recognize and appreciate the essential contribution of higher-income citizens, who already shoulder a disproportionate share of the tax burden. Far from being the cause of poverty, as some narratives mischaracterize, the most successful are a primary source of wealth creation, innovation, and economic opportunity for society. Their higher contributions make possible greater social mobility and public goods that benefit everyone. At the same time, the wealthiest also stand to gain significantly from this transformation. They will live in a more peaceful, cohesive, and dynamic society — one with reduced social tensions and higher overall prosperity. In the end, this is true prosperity for all.

The next steps should be to translate this conceptual framework into concrete proposals around the lines discussed in this paper, such as:

- **Increasing productivity while improving workers' lives.** We have developed a tool [4] that combines Professor Friedman's methodology [1] with artificial intelligence to help redesign the relationship between work, personal life, family/home, and social impact. This tool is ready to be used not only as an assistant for policy design, but also as a laboratory for imagining, testing, and developing new laws and legal frameworks. Its purpose is to

identify institutional arrangements that can raise labor productivity while enabling workers to enjoy richer, more fulfilling lives.

- **Improving access to affordable housing.** This requires the optimal design of public-private intervention mechanisms, based on well-structured fiscal programs and reforms of land-use regulation, aimed at encouraging private capital to invest in affordable housing. It also requires urban and rural spaces to be redesigned to leverage the increase in productivity generated by the Spanish society's adoption of the work-life harmonization model.

We call on citizens to take part in this transformation. Change will not come from above alone. It requires the commitment of all to build a more ambitious, more productive, and more humane country.

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