

Memories of Jim Mirrlees

Patricia has asked us to contribute our personal memories of Jim. It is a privilege. He was by far the most important influence on my professional life. His guidance and friendship meant so much.

I met Jim in Cambridge in the summer of 1967, when I was seeking to study economics, just after graduating in mathematics. The splendid Dick Goodwin, the economics tutor at my undergraduate college Peterhouse, sent me to see Jim after the failure of his (kindly) attempt to dissuade me from turning to economics. Jim became a guide, mentor and friend for the next five decades. But let me focus the memories on the first of those five decades, from 1967-1977 when we were at the same university (Cambridge 1967/8 and Oxford 1968/77). We spoke several times a week, often several times a day. This was also the decade when Jim and Gill had their daughters Catrina and Fiona at home in their house in Field House Drive; very happy years of family life.

These were decades of extraordinary productivity for Jim. His work on growth, development economics and taxation all had a profound influence on the profession, even though it is his hugely important work on taxation that usually dominates attention. On growth, his paper (Review of Economic Studies, 1967) on “Optimum growth when technology is changing” was of real significance, including showing (by starting from scratch and integrating by parts) that the necessary Pontryagin (or Euler-Lagrange) conditions which so many used in a rather mechanical way were actually sufficient. He was the leading figure in the very important International Economics Association Jerusalem conference on growth in 1970 (the proceedings were edited by Jim and myself and published by Macmillan under the title “Models of Economic Growth”). It gathered together the leading researchers and was a landmark.

His research programme with Ian Little and Maurice Scott began in the late 1960s, on project evaluation and planning in developing countries and it was, rightly, very influential. Ian and Jim published their classic book on their method in 1974. They not only showed how shadow prices depend on constraints, imperfections and policies (misguided or otherwise), they also showed how to calculate them and put them into practice. The result was better projects and better policies.

These were also the years when he wrote the classic and Nobel-winning paper on optimum income taxation and the years of his crucial work with Peter Diamond on optimum commodity taxation. All this fundamentally important work in one decade, essentially his thirties.

Jim attracted an extraordinary group of graduate students and young researchers. In Oxford, just to focus on those arriving in the late 1960s or early 1970s, we saw future major figures including Avinash Dixit, Jerry Hausman, John Kay, Kevin Roberts, Jesus Seade and many others. And the “young” from elsewhere, including Angus Deaton and Peter Hammond from Cambridge and David Hendry and Steve Nickell from LSE would be regular visitors to our “invited” sessions too. These were people in their twenties gathering around the extraordinary, thirty something, Jim. He profoundly influenced our lives. That group was a source of life-time collaborations and friendships. Because we were enjoying ourselves so much in this bubbly and creative atmosphere, we probably did not realise how special that period was.

Further, Jim would work hard to introduce us to the great economists who would visit Oxford because of him, including Ken Arrow, Peter Diamond, Frank Hahn, Terence Gorman and Bob Solow.

On a personal level, Jim’s kindness and generosity were extraordinary. When my (soon-to-be) wife Sue and I visited Oxford (we were following Jim from Cambridge) in the summer of 1968 to look for a flat, Jim and Gill invited us to stay with them and even offered us a loan to tie us over the expenses of moving (which fortunately, in the end, we did not need). How many doctoral supervisors do that?

We stayed close friends and I continued learning from him in the subsequent four decades after I left Oxford. Many more stories to tell from those years. But let me confine these reminiscences to that first decade.

For Jim, fostering development and fighting poverty were at the core of his life. His morality and values were deep and strong but he was also warm and understanding. He could never behave like the narrowly self-interested individual maximisers portrayed in his models. Always modest in style and language. He was the finest and most decent of individuals as well as a brilliantly original thinker. It was an extraordinary privilege to have known him for fifty years.

Nicholas Stern
4 January 2018