

James Mirrlees (1936-2018)

Sir James Mirrlees, President of the Econometric Society in 1982, has died at the age of eighty-two.

Jim was born in 1936 in the village of Minnigaff in the south-west of Scotland. As an undergraduate, he studied mathematics, first at Edinburgh then at Trinity College in Cambridge. He then changed subject 'because poverty in what were then called the underdeveloped countries seemed to me what really mattered, and that meant economics'.¹ Supervised by Richard Stone, who had introduced him to Ramsey's growth theory, Jim worked on optimal saving under uncertainty. There followed an improbable collaboration with Nicholas Kaldor, before a summer at MIT then a year in India at the initiative of Amartya Sen.

By the mid-1960s, Jim 'thought increasingly about general welfare economics, conceived as a general theory of economic policy'. His work with Ian Little on investment appraisal in developing countries can be seen in that light. So too, of course, the great work with Peter Diamond on optimal taxation and public production, including their efficiency theorem. The formulation and analysis of the optimal (nonlinear) income tax problem under asymmetric information – a step 'towards a more general conception of relationships between principal and agent in economic contracts' – required the invention of new methods. It was for their fundamental contributions to the economic theory of incentives under asymmetric information that Mirrlees and Vickrey were awarded the Nobel Prize in 1996.

Jim had moved from Cambridge to Oxford in 1968, at the age of thirty-two, to take up the Edgeworth Professorship. For twenty-seven years, from his base at Nuffield College, he inspired and nurtured a relatively successful era of Economics at Oxford. Perhaps an austere figure to those who did not know the personal kindness and gently dry humour, Jim's expressive silences could be as eloquent as his crisp utterances. The example he set was moral as well as intellectual. His former students, who populate international organizations as well as leading economics departments across the world, are legion.

Jim returned to Cambridge in 1995 to succeed Tony Atkinson, who had become Warden of Nuffield, as Professor of Political Economy. After retiring from Cambridge, he became founding Master of Morningside College at the Chinese University of Hong Kong. He led the Mirrlees Review of the UK tax system by the Institute of Fiscal Studies, which was published in 2010-11.

Among many honours, Jim was President of the Royal Economic Society 1989-1992 and of the European Economic Association in 2000.

John Vickers, University of Oxford.

¹ All quotations are from <https://www.nobelprize.org/prizes/economics/1996/mirrlees/autobiography/>.