5 James Meade, 1907–

DAVID GREENAWAY

The author wishes to acknowledge perceptive comments on an earlier draft of this paper by Mark Blaug and Robert Solow. All remaining errors and misinterpretations are the author’s sole responsibility.

Introduction – biographia

James Edward Meade was born in Swanage on 23 June 1907. He was educated at Malvern College, to which he won an open scholarship in classics. His university education took him to Oxford where he took a first in Moderns (1928), and a first in PPE (1930). His first academic appointment was at Hertford College, Oxford, where he was a Fellow and Lecturer in Economics (1930–7). During the Second World War, and in the few years before and after the war, he held a series of advisory posts at the League of Nations in Geneva (1938–40) and in the Economic Section of the Cabinet Office (1940–7). In 1947 he returned to academic life taking up the Chair in Commerce at the LSE. In 1957 he moved to Cambridge to take up the Chair in Political Economy which he held until his retirement (from academic life) in 1968. He has held a number of distinguished posts and been honoured with doctorates from the Universities of Basel, Bath, Essex, Hull and Oxford. He has been a Fellow of the British Academy since 1951 and in 1977 was awarded the Nobel Prize in Economics. He now lives with his wife Margaret, whom he married in 1933, in Little Shelford, near Cambridge.

Major contributions

Meade’s work spans over half a century. During that time he has published extensively on many aspects of economic theory and policy and, to a far lesser degree, applied economics. The unifying theme in this massive amount of work is a belief in the usefulness of economic theory by way of enlightening the discussion of policy, and guiding policy makers. For Meade economic theory has never been an end in
itself or an exercise in mental callisthenics, but rather a means to an end, that end being better formulated and executed policy.

It is probable that Meade's 'major contribution' will always be regarded as his work on international economic policy in general, and his three volumes which go under that title in particular. This is the work for which he was honoured with a Nobel Prize and it stands above all his other work in terms of its stimulus to subsequent developments. Volume I published in 1951 is concerned with adjustment systems and problems of payments imbalance. It is here that his pioneering work on internal/external balance is most clearly articulated. Volume II (1955) is directed at the theory of protection and deploys the embryonic theory of second best to evaluate various arguments for intervention. These volumes are complemented by *A Geometry of International Trade* (1952), *Problems of Economic Union* (1953) and *The Theory of Customs Unions* (1955). The first of these is a brief but masterly overview of basic trade theory (which was given a quite stunning review by Shackle in 1956), and provides a formal superstructure for much of the analysis in *The Theory of International Economic Policy*. They lack some of the originality of his magnum opus and fail to exploit fully contemporaneous theoretical developments.

Meade has continued to retain an interest in international trade theory and open economy macroeconomics since this work in the 1950s (see for example, Meade, 1984a, 1984b). In the 1960s and 1970s he was, however, more preoccupied with problems of domestic stabilisation policy. To some extent this can be viewed as quite natural. In reading Meade's books it is clear that he always intended to prepare a 'Theory of Domestic Economic Policy' which would be as comprehensive as the *Theory of International Economic Policy*. As the economic environment altered, however, his own interests changed somewhat and his concern with domestic economic policy found expression in a series of books, most notably the four-volume *Principles of Political Economy* (Meade, 1965, 1968, 1972, 1976), *The Intelligent Radical's Guide to Economic Policy* (1975) and the Stagflation series (Meade, 1982; Meade et al. 1983). In addition a string of articles and pamphlets addressed stabilisation issues including, interestingly, his Nobel lecture (Meade 1978).

Although we can identify Meade's major contributions as being in the analysis of policy, one other theme which has transcended most, if not all of his work, is the tension between efficiency and equity. His work was very much in the utilitarian tradition and always exhibited a deep concern for, and interest in questions related to, equity. This is