



Members of the School of Economics & Finance were recently saddened to hear news of the passing of Professor Andrew (Andy) Hughes-Hallett, on 31 December 2019: a macroeconomist of great international distinction. After a long illness, fought bravely, he died at home in the USA, on Hogmanay, surrounded by family. Andy is survived by his wife of nearly forty years, Claudia, his children David, Jim, Nicola, and his sister Deborah, to whom, and their partners, the School offer our sincere condolences. A man of luminous talent as an economist, as happy developing and applying new economic theories, as tussling with Westminster politicians and Whitehall mandarins on applied policy matters, he always brought courtesy and finesse to any discourse. In embracing mainstream macroeconomics, including its modern microeconomic foundations, he was one of the first to add the strategic role of the government, conceived as ‘playing a game’ – in the technical game-theoretic sense, as originated by John von Neumann (1944) and developed by John Nash (1950). Andy was made a Fellow of the Royal Society of Edinburgh in 2000.

In one of Andy’s earlier paper, published in the top generalist economics research journal in the world, the *American Economic Review* (1992), he looked at international macroeconomic policy coordination, when policy makers in different economic entities do not agree on the ‘true’ economic model. His analytical work here is highly technical, yet its implications have resonances today, when he considers bargains between the USA and Europe. His broad policy prescription is to attenuate risk by improving information, yet not to suppress, or attempt to eliminate, differences in views.

On a more personal note, Andy was Professor of Economics here in our School of Economics and Finance, for nine years (2007-16). During this time, as well as teaching, and continuing with top-rank academic publishing, Andy was a major policy figure on the Scottish scene (e.g. as Member of the Council of Economic Advisors to the Scottish Government, 2007-15), which provided an exemplar of outreach and impact. Andy also was a Commissioner of the Scottish Fiscal Commission (2014-16) and played a large role in the Sustainable Growth Commission (2016-19) which was



tasked to design a feasible economic framework for Scotland were it to become independent, for which Andy contributed to the transition plan for currency and public finance.

The son of a Vice-Admiral, Andy had a brief encounter with the navy initially, before choosing an academic career. Andy graduated with a First-Class Honours BSc in Economics from Warwick University (1969), took an MSc at the London School of Economics (1971), and finally was awarded a DPhil at Oxford (1976). His first posts were in Bristol University (briefly), then Erasmus Rotterdam University (1977-85), where he was greatly influenced by the Dutch strategic economic policy agenda, associated with the work of Henri Theil and Jan Tinbergen. Major themes in his life's work were established there. He then achieved a full, tenured, named chair (David Dale Professor of Economics) at Newcastle University (1985-89) after just eight years as an academic. From these early days, Andy achieved a great reputation with students, especially graduate students.

Andy subsequently held senior professorial posts throughout the world. He had a particular affection for Scotland, and his first post in the land of whisky was as Jean Monnet Professor of Economics in Strathclyde University's large Department of Economics (1989-2001). He also liked, and thrived in, the USA and held posts in Vanderbilt University (2001-6) and George Mason University (2006-18), as well as visiting posts in Princeton University (Fulbright Scholar, 1992-94), and Harvard University (2012-13). Though loving the USA as he did, the rest of the world was not neglected, and Andy also held visiting university posts in Rome Sapienza (1986-7), Paris X (2002), Frankfurt (2006) and Berlin Free (2005). He relished the diversity of culture in Europe and made many lifelong friends in its universities.

As an economist, Andy's watchword was 'theories have to be tested empirically'. This was exemplified by his most cited paper (*Economic Journal*, 1999) which looked at the impact (at the macroeconomic level) of exchange rate uncertainty on the aggregate level of investment, using real options reasoning. The scope of Andy's life's work was perfectly epitomised by the Festschrift *Essays in Honour of Andrews Hughes-Hallett* edited by Neck, Richter and Mooslechner (2008), on the occasion of his 60th birthday. There the full range of his talents was set out, from the theory of quantitative economic policy (e.g. building on Frisch, Theil and Tinbergen), through fiscal policy (e.g. fiscal federalism, European business cycles) to monetary policy (e.g. liquidity, monetary transmission, exchange rate correlation) and much more beside. There he is appropriately characterised as an open-minded academic who interacted with a wide range of fields. A nice summary of Andy's approach was: "model-based, empirically oriented, and pragmatic on policy and institutions".

Andy produced five books and over 200 research papers in his career. Of these, the first, perhaps the most transformative for him, was his *Quantitative Economic Policies and Interactive Planning* (1983) with Hedley Rees of Bristol University. In this book, which is a work of technical virtuosity, he developed methods for determining quantitative policies that embrace uncertainties, dynamic economic responses,



exogeneity, and policy preferences. The book recognises that emergent policies derive from an interaction between decision makers. A key quote from this book would be: “our aim is to provide techniques for making rational policy choices, consistent with the degree of uncertainty and the variations in individual preferences, expectations or information sets, found in social systems”. Through all the complexity of Andy’s rich and diverse career, this aim remained unchanged, and to a remarkable degree was achieved.

During his time with us in St Andrews (2007-16), Andy was phenomenally productive, producing several books, and dozens of research papers, many in respected macroeconomics journals, like the *Journal of Macroeconomics*, and *Macroeconomic Dynamics*, and in more general journals, like the *Canadian Journal of Economics*, and *World Economy*.

Andy continued to be in contact with us, as Honorary Professor until his death, and it was always a pleasure to welcome him to the Professorial Room at the top floor of Castlecliffe, The Scores, St Andrews. His humility was appreciated and admired. By staff in our reception office, he was described as ‘a true gentleman’. By our senior professor he was noted as ‘always encouraging and supportive’. Andy was brilliantly clever, charming, very good company, and a great citizen of the world. He will be greatly missed.

References

Audio-clip (2010) of Andrew Hughes-Hallett on the economics of Scottish fiscal autonomy <https://www.youtube.com/watch?v=sbUZkKD-jrY>

Andrew Hughes-Hallett and Hedley Rees (1983) *Quantitative Economic Policies and Interactive Planning: a reconstruction of the theory of economic policy*, Cambridge University Press.

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