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Anthony Barnes Atkinson

4 September 1944–1 January 2017

elected Fellow of the British Academy 1984

by

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TONY ATKINSON

photo Dorothy Hahn

Tony Atkinson died on 1 January 2017. He was one of the world's leading economists, an unrivalled scholar of inequality and poverty and among the founders of the modern study of public economics. His death was followed by an international outpouring of appreciation for both the man—one of the warmest, most generous, most decent of people—and his work, which forms part of the canon of social science.¹

The career

There are people who leave a lasting impact both on one's mind and one's heart. Tony Atkinson was one of them. (Nora Lustig)²

Tony was born the youngest of three sons in Caerleon, Wales, in 1944 and grew up in north Kent. He left school at seventeen and went to work for IBM, which he enjoyed, but within a year he moved to Hamburg—at the same time as the Beatles, he used to joke—to volunteer in a hospital in a deprived area for nine months, an experience which had an important impact on his outlook on life and its trajectory. He then went to Cambridge, to Churchill College, to study mathematics but had already decided to switch to economics after his first year. He had weekly supervisions in economics at first with Johannes Graaff and then with Frank Hahn. Not long ago, Tony wrote of Hahn, that '[t]he people who matter in one's intellectual development are those whose voices you hear in your head while doing your own research. Today I often hear Frank's voice as I work.'³ In his third year he met Joe Stiglitz, then a Fulbright scholar, with whom he would publish one of his first papers and later (as we recount below) key contributions to the study of taxation as well as a ground-breaking graduate textbook on public economics. Tony went to lectures, from James Meade, Dick Goodwin, Jim Mirrlees and Peter Diamond among others, training him in the core curriculum of 'economic principles' and 'economic problems'. He noted approvingly to us in a conversation in 2014 that there was no distinction then between macroeconomics and microeconomics and he was taught economics as an integrated system. Every student had to have a copy of the UK national accounts (the 'Blue Book'). Tony was never to lose his interest in national income accounting, a subject later to fall out of the standard undergraduate economics curriculum. Forty years later he wrote an innovative report for the Office for National Statistics on the measurement of government output

¹ Many of these tributes have been collected together on Tony's website www.tony-atkinson.com (accessed 13 August 2018), which also lists his voluminous output of books and scientific papers.

² See the personal tributes from current and past members of ECINEQ's Executive Committee and Council at <http://www.ecineq.org/image/TonyAtkinsonFinalVersion2.pdf> (accessed 13 August 2018).

³ This comment comes from Tony's contribution to an obituary of Frank Hahn in the 2012/13 *Economics Review* of the London School of Economics Department of Economics.

and productivity which has had considerable impact on the development of official statistics. He called for a ‘principled approach’—a leitmotiv of his own contributions—focusing on measuring directly the output of the public sector: ‘[w]e cannot simply assume that outputs equal inputs in such a major part of the economy. To fail to measure the output would be to miss the essential complementarity between public services and private economic growth’ (Atkinson, 2005, 182).

On graduating, Tony benefited from an exchange that Hahn had set up with the Massachusetts Institute of Technology and he went to spend a year in Cambridge, Massachusetts. He worked as a research assistant for Robert Solow and made lifelong connections with a range of young researchers, and was exposed to econometrics for the first time (he shared an office with Robert Hall, one of the original developers of the TSP econometric software package).

Tony did not go to the USA alone. He had met fellow student Judith Mandeville in Cambridge, England, and they married while still undergraduates. The partnership started with a shared interest: Tony and Judith met through a student society working for the benefit of the local community. They had three children, Richard, Sarah and Charles, and eight grandchildren (to whom Tony dedicated his final book: Atkinson, 2019). Tony and Judith celebrated their golden wedding anniversary in 2015.

Tony returned to the UK to a fellowship at St John’s College, Cambridge. He related to us how he had sat at the kitchen table and planned a PhD thesis in the area of development economics, aiming to study dual economy models of agriculture and manufacturing, influenced by the work of Dale Mortensen. But his wide interests led him in other directions instead and, as was common at the time in the UK, he never did a PhD.

One of the few books that Tony had taken to the USA was *The Poor and the Poorest* by Brian Abel-Smith and Peter Townsend, published on Christmas Eve 1965, just after he and Judith had married. This was a landmark study of poverty in post-war Britain but Tony felt that it did not address what to do about the problem. The result was his own book, *Poverty in Britain and the Reform of Social Security*, which appeared in 1969, the first of more than forty books published over the next fifty years as author, co-author, editor or co-editor. Poverty was not a fashionable subject for economists, but James Meade was interested in the book’s analysis and Tony described Brian Reddaway as being particularly encouraging and generous with his comments on a draft. Reddaway was a key early influence on Tony regarding the importance of taking data and data quality issues seriously, traits for which he became legendary.

At the same time as producing his empirical study of poverty and anti-poverty policy, Tony was working on the ideas set out in his enormously influential paper ‘On the measurement of inequality’, published in the *Journal of Economic Theory* in 1970—although he recalled to us that much of the paper itself was actually written

while sitting on a boat in Lake Ohrid in the former Yugoslavia. We return to this paper below when we discuss some of Tony's fundamental contributions to social science. The point to be made here is that the 1970 paper is largely theoretical (albeit with huge practical implications described below). Throughout his career Tony produced both cutting-edge theory and the finest empirical analysis of data and policies, a rare combination in any social scientist.

In addition to his college fellowship in Cambridge, Tony was appointed subsequently to a university lectureship. But, in 1971 and together with his friend Christopher Bliss, he moved to the economics department at Essex, both of them being appointed to full professorships. This is especially noteworthy because Tony was only twenty-seven, much younger than the age at which people were appointed to chairs then, and even today. Tony has told us there was 'more freedom to develop things' at Essex, notably teaching. He probably felt uneasy with the intellectual atmosphere of Cambridge: 'As a student in Cambridge, England, in the early 1960s,' he wrote in the preface to his Graz Schumpeter Lectures, 'I was taught by a number of people who held strong views, views that they expressed with great fervour and combative style. Perhaps as a reaction, perhaps as a matter of personal temperament, I have always regarded my views about economics—in contrast to my moral principles—as tentative and open to revision as I learned more and acquired more evidence' (Atkinson, 2014a, x).

At Essex, Tony was able to teach public finance at the graduate level, as well as a course on the economics of inequality which resulted in his very successful 1975 book of the same name (a second edition appearing in 1983). He was at Essex between 1971 and 1975 before moving to head the then-named Department of Political Economy at University College London (UCL) between 1976 and 1979. A tribute to Tony after his death from the now-named Department of Economics at UCL includes the comment that 'it is typical of Tony that as head of department he was equally popular with the non-academic staff as with his professional colleagues', a feeling undoubtedly shared in all the other institutions in which he worked.

Tony moved to the London School of Economics and Political Science (LSE) in January 1980. He was Tooke Professor of Economic Science and Statistics in the Economics Department, where he taught enthusiastically at both graduate and undergraduate level. A key additional role was in the newly created Suntory-Toyota International Centre for Economics and Related Disciplines (STICERD) where he soon took over the chairmanship from the founder, Michio Morishima. Tony also brought support from the Social Science Research Council (soon to be renamed the Economic and Social Research Council: ESRC) for a programme of research called 'Taxation, incentives and the distribution of income', which he co-directed with Nick Stern and Mervyn King, then at Warwick and Birmingham respectively but who soon joined

him at the LSE. This was one of the first times that the ESRC had funded a long multi-project programme rather than individual projects. The programme lasted twelve years. Nick Stern has said ‘they were special years’ and he has emphasised Tony’s role in building the programme and building STICERD.⁴

In 1992 Tony returned to Cambridge and Churchill College, where he had started his university career and where he had met Judith. He said he had gone back thinking he would eventually retire there. But he did not feel at home and left after two years when the opportunity arose to be the Warden of Nuffield College, Oxford, a post he held from 1994 to 2005. Tony had also been considered for the Presidency of the European University Institute in Florence, a role that would have suited him very well although he would probably have found less time for his research and teaching, which continued to flourish at Nuffield. On stepping down from the Wardenship, and after a year at the Paris School of Economics, Tony had a chair in Oxford for three years before, to his chagrin, being obliged to retire from the post at age sixty-five under the terms of the existing legislation. He continued to be an Honorary Fellow at Nuffield and part-time Centennial Professor at the LSE until his death.

Tony’s public service and wider professional activities were wide-ranging and numerous and we list only a few here. In the 1970s he co-founded and edited a leading journal (*The Journal of Public Economics*, discussed further below) and he was a member of the Royal Commission on the Distribution of Income and Wealth. In the 1980s he was a specialist adviser to two House of Commons Select Committees. In the 1990s he was a member of the Conseil d’Analyse Economique, advising the French Prime Minister Lionel Jospin and he became a trustee of the Nuffield Foundation. From 2011 until his death he was president of the Luxembourg Income Study (the most comprehensive international database for cross-country comparisons of income and wealth). He was president at different times of all the leading UK and international economics societies: the Royal Economic Society (1995–98), the European Economic Association (1989), the Econometric Society (1988), and the International Economic Association (1989–92). Honours bestowed on him included some twenty honorary doctorates, his fellowships of the Econometric Society (1974) and of the British Academy (1984),⁵ foreign honorary memberships of the American Economic Association (1985) and American Academy of Arts and Sciences (1994), and the Dan David Prize (2016, joint with François Bourguignon and James Heckman). Tony was knighted in 2000 for his services to economics and made a Chevalier de la Légion d’Honneur in 2001.

⁴ See Stern’s introduction to his interview with Tony (Atkinson and Stern 2017).

⁵ Tony Atkinson served as a Vice-President of the British Academy, 1988–90.

The work

We have become too specialized, and people define themselves as being specialized economists [a labour economist, an IO—industrial organisation—economist etc.], whereas I just think of myself as an economist. (Tony speaking to Nick Stern in 2016—see Atkinson and Stern, 2017, 15)

Tony's research activities were wide-ranging, far broader than most other economists of his generation or of later cohorts. This breadth is highlighted by our article with fourteen other authors that reviews 'Tony Atkinson and his legacy'. As we write in the introduction, 'Tony was an economist in the classical sense, rejecting any label of a sub-field on his interests and expertise' (Aaberge et al., 2017, 421). For a proper appreciation of the range and depth of Tony's work and its influence, we point readers to that article and to another extended assessment of his contribution by Jenkins (2017). Here we aim only to give a flavour, focusing on a few of his most important writings.

Tony's 1970 *Journal of Economic Theory* paper radically changed the way that economists think about the measurement of inequality, providing the starting point for the modern analysis of the subject. The article made three crucial contributions. First, and in line with his firmly held view that economics is a moral science, he made clear that all measures of income inequality are underpinned by normative assumptions, which can be encapsulated in what economists call a social welfare function. There is no purely 'statistical' index of inequality (different indices give more weight to the top, middle or the bottom of the distribution of income, for example). Second, Tony showed that it is straightforward to check whether one distribution of income is more, or less, unequal than another (e.g. the UK in 2010 compared with the UK in 2000) according to all standard inequality indices regardless of the normative weights built into them: there is a simple comparison based on easily constructed graphs known as Lorenz curves. Third, he introduced a new family of inequality measures that makes different views about distributional justice explicit through a parameter capturing the 'inequality aversion' of the measurer—the now widely used Atkinson class of inequality indices.

Tony's insights stimulated a whole new field of research, and he accompanied it with original thinking about the reasons why inequality was changing within countries and between rich countries around the world, often rejecting conventional assumptions and models. The result was that Tony succeeded in '[b]ringing income distribution in from the cold', to use the title of his Presidential Address to the Royal Economic Society (Atkinson, 1997). The analysis of inequality is now more within the mainstream of economic analysis and perhaps even fashionable. Tony's insights on the measurement of inequality also cross-fertilised work on how to measure poverty. His Presidential Address to the Econometric Society, 'On the measurement of

poverty', was a fundamental contribution to this trend and has been very influential (Atkinson, 1987). Among Tony's Google Scholar citations (as at May 2018), the 1970 paper about inequality measurement tops the list but his 1987 paper on poverty measurement is number five.

Advancing the analysis of inequality and poverty is not only a matter of theory. Proper attention needs to be paid to the data used: their characteristics and fitness-for-purpose, and their limitations whenever they are only a proxy for the ideal theoretical concept. We have already referred to Tony's 1969 book on poverty as exhibiting this care. Throughout his career, in paper after paper, in monographs, in reports and in edited volumes, Tony demonstrated the same qualities—in work on the UK, on Europe, on the advanced industrialised countries of the Organisation for Economic Co-operation and Development, and at the global level. We pick out just two recent examples, both written after the onset of the illness that led to his death.

Our first example is Tony's 2015 magnum opus *Inequality: What Can Be Done?* (Atkinson, 2015), now translated into some fifteen other languages. An early version of the book's ideas was published in the *British Journal of Sociology* (Atkinson, 2014b); Tony was no hidebound economist—he was always appreciative of the contributions from other disciplines. He was very appreciative of the work of the French economist Thomas Piketty, whom he had mentored and collaborated with on the measurement of trends in top incomes (e.g. Atkinson and Piketty, 2007, 2010). Piketty's bestselling 2014 book, *Capital in the Twenty-First Century*, did much to draw popular attention to long-run trends in income inequality in the Western world. But Tony wanted to go further and show how inequality could actually be reduced in practice. Tony's book, as ever elegant, clearly written, full of knowledge of historical precedent and earlier literature, offers fifteen proposals for altering the distribution of income, through changes in the labour market and capital market as well as through taxation and social benefits.

Our second example is Tony's work on global poverty, specifically the report he wrote for the World Bank advising on its measurement (Atkinson, 2017) and a book building on his report which is to be published fifty years after his first (Atkinson, 2019). In his report, Tony dissected the World Bank's approach to measuring 'extreme poverty', assessed using the \$1.90-per-day poverty line fixed in terms of international dollars (US dollars adjusted for differences in purchasing power across countries). This line is used to formulate a key target in the first of the United Nations' Sustainable Development Goals to which world leaders committed themselves in 2015. Tony's report highlights various problems with the World Bank's approach, though he recommended maintaining the \$1.90 poverty line because it 'has acquired an independent political status' (Atkinson, 2017, 30). Tony observes that a truly global approach must also cover high income countries, and he recommends that a broader set of

complementary indicators be used. The World Bank has committed to implement many of Tony's recommendations.

In contrast with the 2017 report, in his 2019 book Tony starts from first principles, discussing how to measure poverty across the world, in both rich and poor countries. These foundational principles are translated into concrete measures, and Tony then analyses the available data to which the measures can be applied, dealing with measurement based on both low income or expenditure (as in the World Bank's focus) and on non-monetary indicators of deprivation that have gained increasing attention in recent years in countries at all levels of development. Critically, the book bridges international organisations' measurement of poverty with national analyses produced within countries, an important innovation.

To this point we have focused on Tony's work on inequality and poverty. But he also made huge contributions to the study of public economics. This 'is an exciting topic. It deals with key issues facing governments all round the world. The subject matter—taxes, government spending, and the national debt—is very much in the minds of citizens and their elected representatives. What is more, it draws on the whole range of economics. To understand public policy, it is necessary to consider how households and firms make decisions, how they interact in a market economy, and how the economy develops over time' (Atkinson and Stiglitz, 2015, xi). Tony's co-author from the first decades of his career, Nobel laureate Joe Stiglitz, has written that 'Tony's work in public economics changed forever the field ... so much so that it is hard to even recognise the subject as it previously existed' (Aaberge et al., 2017, 428).

Tony's contributions came in three ways. First, he produced seminal papers, many of which underlined the positive role that the state can play in the economy, especially the welfare state, or which demonstrated that existing views of the state's role were too simple. In this connection, we mention only two journal articles written early in his career jointly with Stiglitz, one on the theory of optimal taxation—how best to design taxes to raise a given amount of revenue in a world where individuals differ (economic models too often still assume that they do not)—and another on where the balance between direct and indirect taxation needs to be considered (Atkinson and Stiglitz, 1972, 1976). Second, again with Stiglitz, Tony wrote a landmark graduate textbook, *Lectures on Public Economics*, published in 1980, that for decades has been essential reading for master and doctoral students around the world. It was re-published in 2015 at a time when a second-hand copy could fetch a three-figure sum (the definition of public economics above comes from the introduction to this second edition). This was one of those few books you simply *had* to read when entering the world of graduate study in economics. Third, Tony founded in 1971 and then co-edited for the next quarter century a new journal, the *Journal of Public Economics*, which quickly established itself as the leading journal in the field.

Tony was no ivory tower academic in his work on policy. He was also heavily involved as a policy advisor nationally and internationally, and distinctive among economists worldwide in also making huge contributions to the development of the statistical monitoring systems required to accompany effective policy analysis. For example, the European Union's indicators for monitoring social inclusion are largely due to Tony's work with collaborators (see inter alia Atkinson et al., 2002).

No account of Tony's work could finish without explicit reference to his teaching. He was a dedicated teacher, both in the lecture theatre and in one-to-one graduate student supervision. His lecturing dovetailed with his writing. *Lectures on Public Economics* and *The Economics of Inequality*, products of his teaching, are numbers two and three in his Google Scholar citations. We do not know precisely how many PhD students Tony formally supervised but, as of 2007, it was at least sixty and in addition there are many other younger scholars whom he influenced directly through his collaboration on joint research projects. Tony was a great believer in collaborative work and he nurtured many careers as a result—he placed great store on bringing on the next generation of researchers. He was patient, encouraging and always available. His guidance was 'ever present but never irksome' as one of us wrote in the acknowledgements to his PhD thesis.

The man

Tony was one of the most decent, kindest people I have ever met. (Jane Dickson, his secretary for many years at the LSE)⁶

In writing about Tony's career and work we have already implied much about the man—someone held in the highest regard for his human qualities as well as for his intellect and output. He brought out the best in people, always able to engage with people as he found them and to listen with respect to their point of view.

Although this memoir is mostly about Tony and economics, we must emphasise that he had many interests outside economics and his work. He was a passionate sailor and owned a succession of different boats. Much of Tony's sailing was done single-handed in the tidal waters off the Essex coast and the reliance on his physical abilities and judgement that this required brought him a great deal of satisfaction. He shared with Judith a love of literature and of walking—together they walked the Pennine Way, part of the pilgrim route to Santiago de Compostela, and across Normandy, an area of France to which Tony was deeply attached.

⁶See the LSE's virtual memory wall for Tony at <http://sticerd.lse.ac.uk/atkinson/default.asp> (accessed 13 August 2018).

To some people, Tony was an archetypal Englishman, with his modest and unassuming manner. Yet he was an internationalist in outlook, including being a passionate European. His engagement with people around the world not only gave him enjoyment but had substantial effects on the work that he did and on the people he met face to face, whom he lectured to, and who read his articles and books. Tony acknowledged the many social challenges of the twenty-first century, including population ageing, climate change and global imbalances. But rather than being pessimistic about the prospects for social progress, Tony made a convincing and profoundly inspirational case that there are ‘grounds for optimism’ and that ‘the solutions to these problems lie in our own hands’ (Atkinson, 2015, 308). Tony leaves a huge legacy of work that is stimulating new generations of researchers and there are many people worldwide who remember fondly how they were touched by his humanity. In these senses, Tony lives on.

Acknowledgements

We have drawn on a conversation with Tony in Oxford in November 2014 during which he discussed with us his early career and especially his time in Cambridge.

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