THE GAVIN CAMERON MEMORIAL PRIZE IN ECONOMETRICS
Honoring Gavin Cameron: Economist and Econometrician

On the tenth anniversary of Gavin Cameron’s untimely death in 2007, to perpetuate his memory and give inspiration to others from his achievements and courage, it was decided to create a prize for the best student in the undergraduate final year econometrics paper. Gavin was an outstanding applied econometrician who believed deeply in evidence-based economics. This makes it especially appropriate to award an econometrics prize in his honour. The tribute below by Jonathan Temple and David Myatt, published in the Royal Economic Society Newsletter of January 2008, explains why Gavin was held in such esteem. It is followed by John Muellbauer’s reflections on his collaboration with Gavin.

GAVIN CAMERON
(From the RES Newsletter, January 2008, no. 140)

Gavin Cameron, Reader in Macroeconomics at Oxford University and Fellow of Lady Margaret Hall, was one of the most talented economists of his generation. His research contributed to a remarkable number of economic fields; his teaching inspired many cohorts of students; his wisdom and advice were valued by those in business and government; and, perhaps most importantly, his love and friendship were cherished by his family and friends, his coauthors and colleagues, and his students and supervisees. Gavin was born in Amersham on 3rd April, 1969. He was fiercely proud of his Scottish ancestry, prompting many of his friends to refer to Amersham as the ‘Highlands of Buckinghamshire.’ His academic success began with a hard-won scholarship place at Merchant Taylors’ School. He subsequently graduated, at an early age of only 20, with a first-class Bachelor’s degree from Lancaster University, before going on to gain a Master’s degree in Economics from Bristol University.

Rather than move immediately into academic research, Gavin first worked as a Government economist. His practical interests in policy-relevant economics were established and he retained those interests when he returned to academia, two years later, to Nuffield College, Oxford. He combined his own work toward his doctorate with his duties as a Research Officer on a major ESRC research project, and began long and productive research collaborations with many colleagues, notably John Muellbauer. Gavin completed his doctoral thesis on productivity growth, research and development, and the open economy, in 1996. He continued as a Research Fellow at Nuffield before becoming, in 2000, a University Lecturer at Oxford and a Fellow of Lady Margaret Hall. In 2006 he proudly became University Reader in Macroeconomics.
Gavin’s research interests spanned the economics of innovation and productivity; macroeconomics and growth economics; and the applied econometric modelling of consumption, housing, labour markets, and regional economies. He was an ‘all rounder’ to an extent that is now somewhat unusual. His research papers reflect a sophisticated knowledge and understanding of macroeconomics and econometrics, as well as other fields of economics, and are distinguished by a painstaking and rigorous approach to data and empirical analysis. He published in a wide variety of internationally recognized journals, including the Economic Journal, European Economic Review, Journal of Applied Econometrics, and the Journal of Economic Growth.

His paper in the December 2005 issue of the Journal of Economic Growth is, in many ways, representative of Gavin’s work. The paper examines convergence between productivity levels in Japan and the USA, and the shifting balance between imitation and innovation as Japan approached the technological frontier. The analysis examines these questions using flexible econometric models applied to industry-level data, and shows the care and attention to detail that characterized all of Gavin’s work. At the time of his death, Gavin was extending his research interests further, to investigate issues that included unemployment in European regions and the possible bubble in UK house prices. As these projects indicate, he was attracted to research questions that had immediate relevance and lessons for policy. He was committed to the idea that economic analysis should play a central role in government policy, and that economists should seek to engage and communicate with policy-makers and the wider public. He devoted considerable time and effort to this, partly through journalism (including his celebrated appearance as ‘Dr Doom of the Housing Market’ in ‘Tonight with Trevor McDonald’) and partly by taking on a number of advisory roles. These included his service as a special advisor to the House of Commons Select Committee on Trade and Industry, as a member of the Academic Panel for the DTI Innovation Review academic panel, taking part in the preparation of substantial material.

Gavin’s desire to engage and communicate extended naturally to high-quality teaching: he was one of the best lecturers in the business. Each audience member in his lectures felt part of a personal conversation with him. Unlike many modern lecturers, he was at his best when equipped only with a blackboard and chalk. Although he used them with skill, he had no need to rely on modern visual aids. Despite his illness, he was at the height of his lecturing skills shortly before his death. During the 2007 Summer School of the Oxford’s Business Economics Programme (an institution which delighted Gavin by allowing him to educate highflying members of the business community) many of the delegates were struggling with concepts from short-run macroeconomics. Gavin stepped in, backed by only a blank flipchart, and gave what can only be described as a masterclass in macroeconomics. Every member of a tough audience (including Gavin’s colleagues) walked out enlightened.

Gavin was also a natural in Oxford’s tutorial environment, in which he developed lifelong friendships with his students. In recent years he conducted tutorials from his living room in Oxford, which enabled him to combine some of his favourite activities: talking about economics while taking afternoon tea. As well as contributing to Oxford University and Lady Margaret Hall in many capacities, Gavin also gave time to serve the economics profession. He refereed for dozens of journals and publishing houses, served on editorial boards, and was a co-editor of the Oxford Bulletin of Economics and Statistics. For the Royal Economic Society he was an innovative and effective programme chair for the 2006 conference, despite battling with many hospital visits at the time.
On a personal level, Gavin was an unusually popular figure, with a gift for friendship. He had an easy warmth and decency that were obvious on first meeting him, along with a mischievous sense of humour that was never far from the surface. He was not only good company, but also generous and principled. His friends and colleagues were often attracted by his modesty, which revealed itself over time as something that ran deep, and that formed a natural counterpart to his principles. Having lost his parents at an early age, he cherished his remaining family, particularly his wife Julia, whom he married in 2006, and his sister Birgita. Perhaps less obviously to all but a few, he showed great courage in overcoming the problems imposed by life-long cystic fibrosis; his courage was recognized in 1997 when he won the Cystic Fibrosis Trust Academic Achiever of the Year award. He tended to conceal his health problems or make light of them, and lived an unusually full life with enthusiasm and good humour.

Gavin died on 9th September 2007 while waiting for a lung transplant. His memorial service, held at the University Church in Oxford, was attended by many friends, aware they had lost someone special. It is not an exaggeration to say that, among the many people who knew him well, he was not only respected but loved. To his family and friends, his co-authors and colleagues, his students and supervisees, Gavin represented, and will continue to represent, the things that are really important: the learning and wisdom that is prized by all in academia, and that the friendship and love that is prized by everyone. We miss him.

--- Jonathan Temple, University of Bristol & David P Myatt, University of Oxford

---

When David Hendry and I interviewed Gavin in 1992 for a research officer position on a large ESRC-financed research project, we were immediately struck by his sheer intelligence, the rounded nature of his interests and his personal charm. Gavin was one of the cleverest people I have ever met; it was a privilege to work with him in a joint voyage of discovery, learning from data, re-thinking theory and formulating new hypotheses to test. The British are much preoccupied with housing issues – no economics topic features more in private conversations or in the media. In 1992, the UK was experiencing its most severe housing crisis since the war, with mounting arrears and repossessions. Yet at the time many economists had regarded housing and the fluctuations in house prices as a mere side-show that could be ignored. We thought the deep linkages of housing with labour markets, migration, consumer spending, growth and monetary policy were little-explored topics that deserved serious study. One of our first papers was a study for the Council of Mortgage Lenders in 1997 to elucidate the drivers of housing repossessions, using regional data on court orders for repossessions.
In 1998, our paper on regional migration and commuting revealed the multiple influences of the housing market. Earlier research which ignored the role of housing found remarkably small effects of earnings and unemployment differentials on migration in the UK. However, when including the effect of housing cost differentials and expectations of relative appreciation, the conventional economic effects – relative real earnings and unemployment rates - became far more relevant. Thinking about these issues, made us wonder about the ‘regional evolutions’ which Blanchard and Katz, in a famous 1992 paper, had suggested needed to be analysed in a general equilibrium system. One step in this direction was taken in our 2001 paper, which examined the determination of regional unemployment and earnings differentials, revealing the heterogeneous influence of house prices on different types of employment in the UK and throwing doubt on the Oswald thesis that owner-occupation causes unemployment. Gavin’s creative thinking about these issues, and his programming skills, made an immense contribution to this work. A further step towards a system analysis was our 2006 paper with Anthony Murphy on the determination of regional house prices. The influences of housing on regional migration and commuting provided an economic rationale for our estimated spill-overs of house price changes between regions, the ‘ripple effect’. We were able to distinguish the ‘ripple effect’ emanating from London from other common shocks affecting all regions. We showed that house prices in London were far more sensitive to interest rates than in other regions. We also documented for the UK, the important effects of liberalising credit markets.

This research was a key input into the then Government’s Housing Affordability Study, for which the main elements of a general equilibrium model were assembled. This allowed simulations, for example of the impact of earnings growth on regional housing affordability, taking into account feedbacks via migration and commuting. It demonstrated a substantial impact on national house prices from the location of additional housing supply. Our paper showed, among other things, that UK house prices were not significantly overvalued in 2003. However, Gavin became increasingly concerned from 2006 about easy credit and over-optimistic expectations in the UK, hence the ‘Dr. Doom of the Housing Market’ appearance mentioned in the RES newsletter. In the event, Gavin was proved right when the US subprime crisis in 2008 triggered a crisis in the UK housing market, which was stabilized eventually only after the most drastic policy interventions.

Gavin co-founded the website Housingoutlook.co.uk, widely read in his lifetime, and published many shorter policy pieces and articles for newspapers and magazines.

---- John Muellbauer, Nuffield College, University of Oxford
In memory of Gavin Cameron, 1969-2007