

Maverick who endured with ideas undimmed

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Wynne Godley, who has died at the age of 83, achieved fame for his stringent attacks on the monetarist doctrines of the Thatcherites – he once dismissed their policies as “a gigantic con trick”.

His dire warnings in the late 1970s that unemployment would rise to 3m in the 1980s earned him the title “Cassandra of the Fens” and were derided – until they came true.

Then, after years in the wilderness, with his research grant cut and academics giving him the cold shoulder, he returned to the establishment fold as one of the Treasury’s independent forecasters.

It was a tribute to his intellectual strength that he came through such setbacks to produce some of the most novel and insightful analysis of economies of his generation. What made his achievements all the more singular was that he had started his career as a professional musician.

Wynne Alexander Hugh Godley was born in 1926, the younger son of Lord Kilbracken, an Anglo-Irish peer. His grandfather, the first baron, had been private secretary to Gladstone before heading up the India Office at the height of empire. Educated at Rugby and New College, Oxford, where he was taught by Isaiah Berlin, he took a first in PPE before heading off to the Paris Conservatoire.

He became first oboist with the BBC Welsh Symphony Orchestra, but his musical career was cut short because of chronic stage fright. “The reason I stopped was terror,” he said. “I was plagued by nightmarish fears of letting everyone down.” Even as an academic, lecturing to large audiences was not his forte.

The arts continued to play an important part in his life. In 1955 he married Kathleen – Kitty – former wife of Lucian Freud and daughter of the sculptor Sir Jacob Epstein. Godley was the model for Epstein’s statue of St Michael at Coventry Cathedral.

Aged 27, Godley left the orchestra to become an analyst with Metal Box, before moving to the Treasury in 1956 as a forecaster. It was the high tide of Keynesianism and his work was described by Sir Claus Moser, then head of the Government Statistical Service, as “brilliant”. He became deputy director of the economics section before moving to the Department of Applied Economics at Cambridge in 1970, where he became a Fellow of King’s College and, in 1980, a professor.

Yet by now he was out of tune with the times. He was snubbed by the Thatcherite establishment, which took revenge for his criticisms by cutting his research grant. Such was his intellectual strength, however, that he came through it all with his ideas undimmed.

He divided his time between surveying the US, UK and global economic situation – of which he was a brilliant observer – and developing an alternative macroeconomic theory of how monetary economies function. Much of his analysis was based on stock/flow models of the US and UK economies. These are not forecasting models in the customary sense: rather, they are ways of tracking economies through the sectoral financial balance identities. He used these models to simulate a range of alternative futures, and then considered policies that might be appropriate over a medium-term horizon.

He also wrote, with Marc Lavoie of the University of Ottawa, a book on macroeconomics that aimed to revive the tradition practised by the original Cambridge Keynesians, notably Nicholas Kaldor, combined with the theory of asset allocation pioneered by James Tobin.

Godley had an extraordinary, powerful mind, but his lack of a strong formal training in economics bedevilled him throughout his professional life. Godley once described himself as having a sort of “verbal dyslexia” which caused him great difficulty in explaining to colleagues precisely what he thought, and was trying to do.

Yet he knew exactly. He would take a vast spreadsheet of numbers, study them for sometimes hours at a time and then pronounce: “That figure is wrong,” stabbing at it with an elegant oboist’s finger. He was invariably found to be right. How did he know? The explanation, via his econometrician colleague Hashem Pesaran, was that he had what amounted to a full macroeconomic model in his head, which, by some sort of subconscious process, he computed.

Wynne Godley is survived by his wife Kitty and their daughter.

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