Clive W. J. Granger [Ideological Profiles of the Economics Laureates]
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Abstract
Clive W. J. Granger is among the 71 individuals who were awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel between 1969 and 2012. This ideological profile is part of the project called “The Ideological Migration of the Economics Laureates,” which fills the September 2013 issue of Econ Journal Watch.

Keywords
Classical liberalism, economists, Nobel Prize in economics, ideology, ideological migration, intellectual biography.

JEL classification
A11, A13, B2, B3

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**Clive W. J. Granger**

by Daniel B. Klein, Ryan Daza, and Hannah Mead

Clive William John Granger (1934–2009) was born in Wales and raised in England. His grandfather was a cobbler and his father was a commercial traveller. His father served in the RAF during WWII in England and North Africa. During the War, Granger moved frequently. In primary school he found success in mathematics but “not much else” (Granger 2004). His father’s return from the war took the Granger family to Nottingham where Clive decided to concentrate on physics and pure and applied mathematics in the sixth-form at West Bridgford Grammar School. He applied to the University of Nottingham for its first intake of a joint degree program in mathematics and economics (ibid.).

Granger claimed that his two first-year courses in economics were the only formal training he ever received in economics. He switched to mathematics full-time and obtained his First in the subject (Granger 2009, 358). Granger then earned his Ph.D. in statistics in 1959 and spent a year at Princeton working on Oskar Morgenstern’s Time Series Project. That developed into a book, *Spectral Analysis of Economic Time Series* (1964), written with Michio Hatanaka (Granger 1997, 258-259).
Granger recalled an encounter between real-world politics and economic research:

One exciting period occurred in 1960, when Morgenstern was asked by President Eisenhower to very quickly produce a report on “bargaining.” The president had agreed to meet with the Russian premier for a debate, but he decided that he did not know how to bargain. All game theorists at Princeton and many others in the project dropped all work for a couple of weeks to consider the topic. We did find a few relevant ideas, but then the U-2 spy plane incident occurred, so the U.S.-Russian meeting was canceled. At least I discovered that economics could potentially be both very important and exciting when coupled with politics, but that eventually the political aspects of a situation would dominate. (Granger 2009, 359)

Granger became a junior lecturer in statistics in 1956 and was on the Nottingham faculty for two decades. In 1974 he moved to the University of California at San Diego (Granger 2004). With Robert Engle, Granger won the 2003 Nobel Prize in Economics “for methods of analyzing economic time series with common trends (cointegration).”

Timo Teräsvirta writes that Granger:

…contributed to many areas in econometrics. They include the analysis of non-stationary time series, causal relations between economic variables, long memory, nonlinearity, forecasting economic time series, modelling stock prices and volatility, and price formation. (Teräsvirta 2008)

Before beginning his Prize-winning work on cointegration, Granger defined causality in a specific way that is now known as Granger causality, under which a “time series is said to ‘Granger-cause’ another if its past values improve the prediction one would get just from the past values of the first time series” (Hoover 2008).

Granger has been described as a pragmatic Keynesian, “not hide-bound by theory or ideologies” (Casey 2008). In 2008, Granger commented on a number of policies in Ireland. He said that a short-term pay freeze could be helpful, although low-income individuals should be exempt and consumption should be stimulated; he also advocated low taxes and deficit finance to help stimulate the economy (ibid.). Granger signed a petition supporting an increase in the minimum wage in the United States (Hedengren et al. 2010).
References


**Trygve Haavelmo**

by Daniel B. Klein, Ryan Daza, and Hannah Mead

Trygve Haavelmo (1911–1999) was born in Skedsmo, Norway, and grew up in Stømmen. Haavelmo graduated from high school in 1930, during the Great Depression. He intended to pursue his university degree in philology or engineering but decided on economics (Bjerkholt 2006, 319).

Haavelmo earned his undergraduate degree in economics from the University of Oslo in 1933, studying under and greatly influenced by Ragnar Frisch. Haavelmo became a research assistant in Frisch’s Institute of Economics between 1933 to 1937. Over the following decade, Haavelmo had a variety of appointments and positions in Norway and the United States. Germany’s occupation of Norway kept Haavelmo in the United States longer than anticipated (Bjerkholt 2006).

Olav Bjerkholt suggests that Haavelmo worked to shore up ideas put forward by John Maynard Keynes: