



David Michael Garrood Newbery (1943-)

EPRG Working Paper EPRG2409

Cambridge Working Paper in Economics CWPE2422

Michael G. Pollitt

David Newbery has made many contributions to economics over the years, in development economics, public economics, industrial organization, economic regulation, transport and energy economics. He has published over one hundred academic papers and been co-author or co-editor of eight books. This makes summarising his work rather challenging! I am however grateful to the guidance given by Richard Gilbert in his short (but very informative) tribute to David in the special issue of *The Energy Journal* that Richard Green and I edited in 2008 to celebrate David's 65th birthday (Gilbert 2008). In this issue, Stephen Littlechild also makes the point that as Professor of *Applied Economics* David listed *economic theory* at the beginning of his (long) list of interests, emphasising that David's micro-foundations are at the root of all his work.

David is a Cambridge economist through and through having studied Economics at Cambridge and spent all of his working life as a member of the Faculty of Economics between 1966 and his formal retirement in 2010. Since then he has continued to serve as Director of the university's Energy Policy Research Group and continues to have his main office in the Faculty of Economics. His intellectual inspiration at Cambridge was undoubtedly the great economic theorist Frank Hahn – they were both fellows of Churchill College – of whom he wrote an affectionate obituary (Newbery 2013). However, Frank remained somewhat surprised by David's development from a theorist into an applied economist!

It is difficult to categorise David's contributions to the literature, but I have divided this

review into three parts. The first focuses on his early work, partly arising out of his ODI

www.jbs.cam.ac.uk/centres/energy-policy-research-group



Fellowship in Tanzania and culminating with his period in Washington at the World Bank. This includes his work with Joe Stiglitz on commodity price stabilisation, with Richard Gilbert on patenting and with Nicholas Stern on taxation in developing countries. The second looks at his work on the pricing of transport and energy, particularly with respect to efficient road pricing and optimal energy taxation. This includes work with Eric Maskin and Larry Karp. The final part reviews his work on electricity market design, both in terms of the operation of wholesale electricity markets and the regulation of network monopolies. This includes significant work with Richard Gilbert and work arising from his leadership of research projects at the Department of Applied Economics (DAE) at Cambridge. I don't aim to be comprehensive (I ignore David's work on Hungarian transition and his recent interest in the economics of wind farms!). I do aim to give a flavour of the significance of David's thinking in these areas highlighted by his citation counts.

Contact m.pollitt@jbs.cam.ac.uk
Publication July 2024
Financial Support EPRG