

Jonathan Wadsworth

Remembering our friend and colleague **David Metcalf**

A widely admired economist whose work on labour markets led to a number of high-profile roles in public life



Professor Sir David Metcalf
Economist and public servant
Born 15 May 1942; died 5 February 2026

I was flying through the air upside down the first time I met the great David Metcalf. I'd just been scythed down by him in my first ever LSE five-a-side football game, a sporting introduction I have since learned was granted to many.

David studied at the University of Manchester, before joining LSE's economics department in the 1960s. He later helped to establish the economics department at the University of Kent before returning to LSE as professor of industrial relations. His contribution to public life cannot be overstated: among other roles, he was architect of the Low Pay Commission (LPC), founding chair of the Migration Advisory Committee (MAC) and an economic adviser to the Labour government of the 1970s.

As the first MAC chair, he established the committee's way of working and set the standard of how to chair, devoting virtually all of his time to what was supposed to be a two-days-a-week job. He put a lot into public life, and we (collectively) got a great deal out, much more than if he hadn't been involved.

This tribute combines stories from several people who knew David to try and give a broader

picture of why he meant so much to so many people in academia, public policy and beyond.

My connection with David began before I was born. When David went to Manchester to study economics in 1961, he was in the same economics class and hall as Robert Godber, the man who was to become the headmaster at my secondary school some years after I had left. Robert and David bonded (across a small political divide) and became lifelong friends.

David also had a connection with our LSE colleague Alan Manning's school because he renovated their chemistry block when working as a builder's mate during his summer holidays. With the money he earned, he bought a bubble car that he took back to Manchester. A few weeks later, he was driving Robert round Manchester, and they got embroiled in a near collision with a double decker bus and a heated argument with the giant of a driver, which David of course won. Robert thinks the bus incident "typified David's ability to marshal and deploy an argument with force and conviction".

Tim Butcher, LPC chief economist and deputy secretary, tells of the time when David had just come back from a convivial lunch to attend a meeting with the head of the Office for National

David had an effortless charm and ability to talk to politicians, students and the media

Statistics (ONS). The ONS man was explaining how to estimate median earnings by drawing on two different sources – the Labour Force Survey and the new earnings survey, both with their ensuing problems about measuring pay accurately. Channelling the comedians Morecambe and Wise, David told the chief statistician that “the average of two wrong numbers does not make a right number” – and after that, things got sorted out.

David’s academic achievements are notable. He was a founding member of the LSE’s Centre for Labour Economics with Richard Layard and Stephen Nickell, which subsequently became CEP. David was deputy director of the Centre, working alongside colleagues such as Richard Jackman, Christopher Pissarides, Mark Stewart and Sushil Wadhvani, plus Alan Carruth and Richard Disney at Kent, all of whom have nothing but fond memories of mutual tapping on blackboards learning from each other.

David once told me that he “didn’t like writing by committee”, which meant he liked to do the first draft and others followed. He wrote more than 100 academic papers.

There is his fantastic “proto-monopsonistic” paper “Pay dispersion, information and returns to search in a professional labour market” on the existence of wage distributions among homogeneous workers – in this case, university lecturers.

Another of my favourites is “Are Kellogg’s cornflakes overpriced?”, his *Economic Journal* paper with Stephen Nickell where they compare the prices of own-brand cornflakes and branded ones to gauge the size of price mark-ups. Pre-empting data scraping by 40 years, Stephen says that the fieldwork for that paper was done at the Holloway Road Tesco – where they both scurried around with clipboards comparing prices. This attracted the attention of the manager, but David put him at ease by explaining that they were writing an article about what good value Tesco’s own-brand ranges were and promised to send him a copy – it may well still be hanging in that shop.

David took pride in the many students who passed under his tutelage, several of whom went on to have careers in academia and government

David put a lot into public life, and we (collectively) got a great deal out, much more than if he hadn’t been involved

There is also the neatly-titled study “It’s not what you pay, it’s the way that you pay it and that’s what gets results”. This paper with Sue Fernie examines the effects of incentive pay on jockey performance, beautifully informed by David’s love of racing. One of the great things that he enthused about in that paper was that the analysis could be done using “jockey fixed effects” – same horse, same track, two different jockeys, which helps to identify true jockey performance.

David also took pride in the many students who passed under his tutelage, several of whom went on to have careers in academia and government. There are too many to list, but I’ll use Paul Gregg as an exemplar.

David always liked to tell the story of the first time Paul sauntered into his labour economics seminar at Kent, fresh from his time on the Vauxhall production line in Luton. Paul put his Doc Martens on the table and colourfully expressed his disagreement at something David had said. Rather than admonish him, David asked Paul why he’d said it and Paul gave back some insight that David immediately could see had merit. After that, David nurtured Paul into an academic career. Paul says there is no way he would have become an academic if it hadn’t been for David.

Stephen Machin says that when he was an upcoming PhD student at Warwick, David contacted him after learning about a paper on unions and productivity that Stephen was writing. David really liked it and subsequently used it in his lectures saying: “This is a fantastic paper and the kid who wrote it is only 16.” If he saw something in you, he encouraged you and introduced you to an academic world of which many of us had no inkling. He would gladly read a paper on a topic that interested him, and give reams

of comments, all generally aimed at getting across the big picture.

I remember the first time I was in his palatial office in LSE’s Connaught House, which had a big chaise longue. We were working on our “Do strikes pay?” paper (the answer is yes, if it’s less than three days) and there was a phone call. It was Tony Blair, then shadow employment secretary. David quickly brought him up to speed on labour and industrial relations matters, and I remember thinking: “Blimey, this bloke’s connected – and he can talk.”

It struck me then and many times subsequently that he had an effortless charm and ability to talk to politicians, the media and students. I used to watch him at MAC press conferences – where his expressed aim was “think of three things to say and just keep saying them” until he got his point across.

He had an impish sense of humour and wasn’t at all precious so he could always tell stories against himself. Sue Fernie tells of a lecture he gave on strikes when he was asked by the students to put his academic knowledge to address a current strike. Frustrated by his answer, Sue and colleagues bought him a subscription to *Socialist Worker* so he could keep abreast of current disputes. Sometime later, he wrote a paper showing that unions reduced firm profits. *Socialist Worker* reviewed this paper, and its summary headline was “Professor Numbskull”. For years he kept the headline on his office door, he loved that. If only they’d known he had a subscription.

Another of his favourite aphorisms was: “we’re underpaid so you have to adjust your labour supply” – so he often did at Lord’s or the races or his beloved Spurs or down at the cottage in Kent. David’s enthusiasm for LSE five-a-side football was remarkable. He kept playing well into his sixties and I’ve lost count of the number of people who played with him who look fondly back on their time with him – bruises or not – and inevitably afterwards in a nearby pub talking things through.

Dan Hamermesh – who overlapped with David at Princeton – says: “he was a darned good economist, and a real mensch.” I had to look that up. The Oxford English Dictionary definition of mensch is: “A person of integrity and honour, a good person who stands up for what is right.”

This article is adapted from the eulogy given by Jonathan Wadsworth at Professor Sir David Metcalf’s funeral.

Jonathan Wadsworth is a professor of economics at Royal Holloway College, University of London and a research associate in CEP’s labour programme.