

James Tobin (1918-2002)

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Description James Tobin (1918-2002) was Sterling Professor of Economics at Yale University, where he had taught since 1950. He retired in 1988. Recipient of the John Bates Clark Medal (given to an economist under the age of 40) in 1955 and the Nobel Prize in Economics in 1981, Tobin was a prominent economist who wrote for both academic and non-academic audiences. From 1961-62, Tobin was a member of President Kennedy's Council of Economic Advisors.

Tobin wrote papers and books dealing with a range of topics in economics, including consumption and saving, public finance, and econometrics. He is best known for his attempts to elaborate and develop Keynesian economics, especially in the areas of macroeconomics and monetary theory. His prominence in recent debates over globalization is due to an idea for a currency transaction tax that he first proposed in the 1970s. The aim of what has come to be known as the "Tobin Tax" is to manage and limit global financial volatility arising from speculative foreign exchange transactions by means of an international tax on such transactions. The string of global financial crises in the 1990s and their effects on developing economies in particular gave new life to Tobin's tax proposal. Advocates of the Tobin Tax include the group ATTAC (Association for the Taxation of Financial Transactions for the Aid of Citizens) and the Tobin Tax Network, both of which have devoted themselves to bringing the Tobin Tax into force.