

## SECRETARY-GENERAL'S ANNUAL REPORT 2013

I would like to start my report this year by paying tribute to Frank Hahn who died on January 29 at the age of 87. An economist of international stature, Frank was a former President of the Society. I think it is particularly appropriate that I am able to pay this tribute at our Annual Conference because, as President, Frank played the key role in bringing together the Royal Economic Society and the Association of University Teachers of Economics (AUTE). Before the "union", the annual conference, then as now in the spring, was run by the AUTE while the Society followed its AGM, usually in June, with a lecture, typically by the President. It was through Frank's efforts that we are now a unified learned society and professional body and of course we have the AGM and the President's lecture as an integral part of the conference, and Frank's memory is there in the annual Hahn Lecture.



Our Society's emblem is the honey bee. It originates from Bernard de Mandeville's 1714 book, ***The Fable of The Bees: or, Private Vices, Public Benefits***. The book consists of his 1705 poem *The Grumbling Hive: or, Knaves turn'd Honest* and prose discussion of it. The poem suggests many key principles of economic thought, including the division of labour and the invisible hand, some seventy years before Adam Smith's more thorough elucidation. Keynes cited Mandeville to show it was "no new thing ... to ascribe the evils of unemployment to ... the insufficiency of the propensity to consume", a condition also known as the paradox of thrift, and central to his own theory of effective demand.

Now 2012 was a bad year for actual bees and were this to be a talk about beekeeping, I would have shown the bee above with a sad face. However, the smiley face is appropriate in our case since I can report that the hive I identified as healthy in my 2012 report continues to be so in 2013. I will now explain why.

### **Membership**

The trend in membership has been positive. At the end of 2012 this stood at 3179. While ordinary membership has gone up by 5%, the notable figure is the 28% jump in online membership, no doubt the result of extending its availability. At its meeting in June, the Executive Committee agreed to hold membership rates constant and also to extend the online option to all categories of membership. Because of the lower costs of delivery, this option is to the benefit of both members and the Society. For example, the three-year online rate for students is just £17.

Kathy Crocker, our membership secretary, has been working with Robin Naylor and with Wiley-Blackwell to engage new areas of membership, in particular the link between school and undergraduate students through our work with the Economics Network. I would like to thank Kathy for all she has done on this front.

### ***Finance***

As the Treasurer has reported, the Society's finances continue to be sound, although there is a potential threat on the horizon to our publishing income, in particular to our journal income posed by the new RCUK policy on open access. However, for 2012, we substantially increased our charitable expenditure on projects and grants from £240K to £370K. Significant elements in that were the increased funding for Junior Fellowships, support for a larger number of special projects, increased expenditure on the Young Economist competition and our commitment to provide a significant level of support to the Economics Network.

### ***Governance***

On governance, I will mention three things.

Firstly, Sarah Smith and Paul Johnson have joined the Executive Committee this year. Members will recall that 2012 was the first year in which we operated under our revised Royal Charter with the Executive Committee comprising the set of trustees.

Secondly, I would like to express my thanks and also the Society's, to those members of Council whose terms of office come to an end at this meeting: Chris Giles, Paul Grout, Guy Laroque, Hélène Rey, David Webb and Peyton Young. They have all contributed in a variety of ways and I would like to use this occasion to thank them publicly. However I would like to make special mention of Paul Grout and David Webb. David and Paul have both put in some hard work as assessors in the Junior Fellowship scheme, and Paul has been a much valued member of the Executive Committee.

The third thing I will mention is that, at its meeting in November, Council agreed to set up a working party under the chairmanship of the incoming President to consider the future strategic direction that the Society might take. The group has only recently had its first meeting and intends to bring a report to the meeting of Council in November for discussion.

### ***Communication and Engagement***

I hope that members will be familiar now with our new website with a whole range of valuable features. When he became President, Richard Blundell set it as his aim to develop significantly the Society's communication activities. This strategic development, which was initiated in 2011, has continued to develop strongly in 2012. Robin Naylor, the Second Secretary, has been instrumental in this development and working in tandem with colleagues in the Society and with the web development team at Wiley-Blackwell, has greatly enhanced the appearance and navigability of the RES website.

Here are just a few examples:

- Because the Society now actively manages the content on the site, we are able to keep members up-to-date with the latest RES news and media briefings.
- The new site identifies the specific types of educational and career support and engagement that are available by category of individual – from school students, through undergraduate and postgraduate students to academic and professional economist.
- This year's Annual Conference has been integrated into the RES website with online access to the Conference programme.
- Easier access to membership information allowed the Society to run the 2012 Council elections online in 2012, with postal backup for the few members who do not have e-mail. This led to a doubling of the numbers of ballots cast. As this worked effectively and was cost-efficient, we will use this format for the forthcoming 2013 election and, as part of that process, we are looking to improve the membership database and website registration systems, to maximise our contact with members.
- As part of his future development strategy Robin has been working with Romesh Vaitilingam, our media consultant and the Editors of the EJ on two projects:
  - The provision of enhanced journal section features and functionality;
  - A test project using social media.

## **Review of the Society's Activities**

Let me now turn to a review of the activities of the Society in pursuit of its charitable objectives. The Royal Charter of 1902 established the Society to promote and foster the study of economic science and its application. To help to achieve its charitable objectives, the Society has established a number of vehicles: publications, conferences, lectures, workshops, and a variety of grants and projects.

### Annual Conference

Our 2012 Conference, held at Robinson College Cambridge at the end of March, was a great success with record numbers of attendees who enjoyed excellent weather. The programme was put together by a strong committee ably led by Francesco Caselli and Chryssi Giannitsarou and the local organisers were Pramila Krishnan and Solomos Solomou. I am grateful to all of them for the hard work that they put in.

This year has seen Neil Rickman take over as Conference Secretary from Gareth Myles. Gareth had to relinquish the post in the summer because of increased work commitments and the Society is particularly grateful to Neil for taking on the responsibility of overseeing the organisation of this year's conference, while at the same time combining it until the end of December with his chairmanship of CHUDE. The local organisation of the 2013 Conference has been in the very capable hands of Philip Neary and his colleagues at Royal Holloway and the Programme Committee under Imran Rasul has put together a wide-ranging and intriguing agenda.

### Journals

A key point of note this year is that the current contract with Wiley-Blackwell to publish our journals ends in December 2013. A clause in the contract requires us to give 12-months' notice if we intend to terminate, otherwise the contract rolls over for a further five-year period. The Executive Committee decided that it wished to put the journal publishing contract out to tender and so due notice was given to Wiley-Blackwell in December 2011.

Three publishers, including Wiley-Blackwell, were invited to tender and a sub-committee was formed to evaluate these tenders when they were submitted in June. This review identified two publishers who were then invited to make formal presentations to and answer questions from the sub-committee in September. On the basis of these the Executive Committee accepted the sub-committee's recommendation that Wiley-Blackwell be offered the contract. Since then we have been busy, with the help of our lawyer, drawing up a new contract to start in January 2014. Progress on that has been good and I hope to be able by the end of April to sign on behalf of the Society.

While there are a number of changes in the new contract, a key element is recognition of the increased importance that we attach to the hosting and development of the RES website.

The journals themselves continue to be acknowledged as leading international journals in economics and this was reflected in the interest received from quite a number of publishers when it was learned that we were to go out to tender. Indeed, we know from the data provided in the annual Publisher's Report that they are among the most accessed journals they publish. While the editorial office of The Econometrics Journal remains in Cambridge, the EJ editorial office has moved from the London Business School to The Institute for Fiscal Studies and Stephanie Seavers has taken over from Heather Daly as the Publishing Editor. I would like to thank Heather for her many years of excellent service and for her assistance in what has been a pretty seamless transfer of the office from Regent's Park to Bloomsbury.

Both of our journals award prizes for the best papers published in a particular year. The EJ has two: the RES Prize and the Austin Robinson Prize. The RES Prize is awarded to the best paper published in the EJ in a year. In 2012 this went to Michael A Clemens, Steven Radelet, Rikhil R Bharvani and Samuel Bazzi for their paper, "Counting Chickens when they Hatch: Timing and the Effects of Aid on Growth". The Austin Robinson Prize is awarded to the best non-solicited paper by an author or team of authors within five years of receiving their PhD. The winner this year was Wen-Tai Hsu (NUS) for his paper, "Central Place Theory and City Size Distribution". In addition, continuing the success of the introduction in 2010 of the EJ Referee prize, 10 prizes of £500 each are awarded to those whom the Editors consider to have made an outstanding contribution in this field. Details of the winners are provided on the website.

The Econometrics Journal has instituted awards the Dennis Sargan prize of £1000 for the best (unsolicited) article published in the journal in the previous year by anyone who is within five years of being awarded their doctorate. The editorial board are currently considering who should be awarded the prize for 2012 and it is expected that will be announced shortly.

### Publications

The Society has always had a commitment to publishing scholarly editions of classic works in Economics: Ricardo, Malthus, Marshall and Keynes. In my last report I announced that a contract to publish a digital edition of the 30-volume Keynes writings had been signed with CUP. That was formally launched at an event in King's College and is available at special discount rates to members.

As an added benefit to members, the Society has agreed with CUP that Society members can have free online access to the digital edition.

### Events

#### Public Lectures

This year's lecture was again a great success with a buoyant demand for tickets. As always, it was held in two venues and this year these were in London (at The Royal Institution) and In York (at the university). The 2012 speaker was Chris Pissarides, the 2010 Nobel Prize Winner, whose topic was "Unemployment and Recession". I am delighted to be able to report that the 2013 lecture will be given by Tim Harford in late November. Again there will be two locations: London and Sheffield.

The public policy lecture series, started last year, has continued this year with Nick Crafts speaking on "Returning to Growth: Lessons from History."

#### Young Economist Essay Competition

This annual competition has seen a rise in the number of applications every year. This year the number was 750. It was won by Calum You whose essay titled "Lamentations of a Chancellor: Is there a better way out of the debt crisis than austerity?" was considered by the judges to be a brilliantly crafted essay that played close attention to recent debates over austerity and growth and also offered a careful assessment of the various arguments for fiscal austerity. He received an engraved trophy and a winner's cheque (for £1K) at the annual public lecture. The three runners-up received £1000 between them.

The 2013 competition is already under way. Competitors have been asked to submit their essay on one of six topics by the end of June. As ever, the Society wishes to acknowledge the help of Tutor2U in the organisation of this competition and, in particular, the assistance they provide in drawing up the shortlist from which the judging panel chaired by the President will choose a winner.

#### Postgraduate Conference

Started in 2006, the postgraduate conference has been held annually in January at a London university. In 2012 and 2013 Queen Mary hosted this and the Society is grateful to them for doing so. In 2012, 257 participants attended and 195 made presentations, either formally or as posters. A

review of the conference is currently being undertaken by Sarah Smith in order to ensure that we are doing all we can to engage with this vital group.

## ***Funding***

### *RES Training Schools*

The RES Training Schools at Birmingham have been one of our most valuable investments over the last two decades and in mounting these we have benefitted from the partnership of the Government Economic Service, the Bank of England and the ESRC (through its Researcher Development Initiative). Two schools were held in 2012. In Spring there was one on “New Developments in International Trade and Macroeconomics” led by Francesco Caselli and Peter Neary. The Autumn School was on “The Economics and Econometrics of Forecasting” and was led by Mike Clements, Jennifer Castle and Jim Stock. Feedback from participants on both was highly favourable and indicates how well organised these are. So, once again, thanks are due to the organising team at Birmingham: Peter Sinclair, Nick Horsewood and Lisa Docker – and to all the course leaders.

The next School will be held in April. The topic for this is “DSGE Modelling and Financial Frictions” and there are four course leaders: Mike Wickens, Paul Levine, Cristiano Cantore and Joe Pearlman.

### *Junior Fellowship Scheme*

This continues to attract a significant number of applicants and I am particularly grateful to those members of Council who act as assessors. In 2012 the assessors were Keith Blackburn, Hashem Pesaran and Catherine Waddams. In a strong and highly competitive field, Fellowships were awarded to the following ten candidates: E Ciani (Essex), F Costa (LSE), A Iaria (Warwick), T Koutmeridis (Warwick), C Krestel (UCL), O Latham (Cambridge), D Rogger (UCL), C Steinwender (LSE), B Tarbush (Oxford) and A Walter (Cambridge). A new feature of the conference this year is a session in which the fellows present their research results.

### *Other Schemes*

We continue to run a number of other schemes. A number of grants and awards were made under the two that are administered from the Office: the Special Projects Grants Scheme (ten) and the Visiting Lecturer Scheme (one).

In addition through our Conference Grant Fund we support members who are presenting a paper, or acting as a principal discussant at a conference (up to £500). The Society is also able to offer financial support to members who require assistance for unexpected Small Academic Expenditure (up to £600). These two schemes, amongst our longest running, are administered by Professor Muscatelli (University of Glasgow) and I would like to record my gratitude for the effective and efficient running of both.

Finally, I should mention the support provided by the Society to the Economics Network . In view of the importance of the Network as a national resource for the study and teaching of economics, the Executive Committee agreed to continue to support the Network, which is based at the University of Bristol, for a further two academic years (i.e. until July 2014). To ensure good governance, the Society has two members on the Network's management committee: myself and Neil Rickman. I consider that RES support has been an important factor in enabling the Network to leverage additional funding.

### ***Other Activities***

For many members, one of the highlights of the year is receiving the quarterly *Newsletter*. This provides members with all the news about the Society and its activities, more general information about economic issues and events, and of course the ever-readable "Letter from .." feature. Peter Howells continues to edit that with great skill and the Society is grateful for all the work that he puts into it.

I have already mentioned some of the work that our media consultant Romesh Vaitilingam has done. Effective dissemination of economic ideas and research results is a central concern of the Society. In Romesh we are lucky to have someone who is so well-networked to the media and who ensures wide coverage for the material that appears in our journals as well as the papers that are presented at the Annual Conference.

### ***RES Committees***

CHUDE continues to play a key role in the link between the Society and UK Departments of Economics and in interaction between the discipline and the ESRC and the Funding Councils. Neil Rickman and Tim Worrall have provided great leadership of the committee and I would like them to know how much the Society appreciates the work that they have done during their time in office.

The Society is also grateful to their colleagues on the Steering Committee. However, Neil and Tim have now handed over the CHUDE reins to Eric Pentecost (Loughborough) and Daniel Zizzo (East Anglia). I would like to welcome both on board and to say how much I look forward to working with them.

I would also like to record the Society's thanks to Karen Mumford and her colleagues on the Women's Committee. The role of the Committee is to promote the role of women in the UK economics profession, to understand the position of women in economics and to establish networks, with an especial concern for career entrants. In addition to their biennial survey on gender balance in academic economics in the UK, particular mention should be made of the work that they do on mentoring. This project was launched at an inaugural event in York in July 2012 and involves thirteen female Economics professors from across the UK working with twenty junior academics who are within five years of having completed their PhD.

### ***Acknowledgments***

I would not like this report to end without saying a special thank you to those with whom I have worked closely on Society business. On the Executive Committee, Mark Robson has been a first-class counsellor on a range of issues, not least over the matter of our publishing contracts. I would like to pay a very special tribute to Richard Blundell whose Presidency ends with our AGM this year. When Richard took over the Presidency from John Vickers, he made communication a central plank of his term of office. As I have indicated throughout this report, this initiative has already borne fruit and it will be a permanent legacy of his Presidency.

There is of course one person whose support to me and the Society over the year has been quite crucial: Amanda Wilman, the Society's Administrative Officer.

*John Beath, St. Andrews, March 2013*