

SECRETARY-GENERAL'S ANNUAL REPORT 2014



I started my report last year by referring to the honeybee that is the Society's emblem and noted its origin in Bernard de Mandeville's 1705 poem *The Grumbling Hive*, an early "treatise" on economic affairs, cited with approval by both Keynes and Doctor Johnson. I am happy to be able to report that our hive, healthy last year, continues to thrive and the sound from it is one of buzzing contentment!

What are the key indicators of the Society's robust health?

First, our ordinary membership, 3179 at the end of 2012, stood at 3526 in December 2013 – a net increase of 347. This continues the upward trend that started in 2010 and we have seen an increase across the geographic spectrum. The other membership feature of note is that we have continued to see significant growth in online-only membership. The 2013 total for this class of service is 1996 with 680 of these being 3-year student deals, 176 1-year student deals and 1140 ordinary members. It is worth noting that while 61% of our paid membership is now in this form, 80% of our new members choose it.

Second there is our online presence. Since 2012, the Society has invested heavily in developing its website. This offers many features designed to maximise its usage and readership, as well as to enhance the Society's external profile. There has been a steady process of redesign and upgrade which has been running all through 2013 to ensure that via the website members are kept informed about news, events, grants and the new resources that have been introduced in the education, career and training sections. Of particular note is the work that has been done to integrate the Annual Conference website and the redesign of the online Newsletter and Conference Diary. Work is progressing on transferring archives of media briefings and past Conferences. For example, there is now a library of webcasts from the Annual Conference, the annual Public Lecture and the Policy Lecture and we actively monitor traffic. There is now an RES YouTube Channel with short clips that

promote Society events and we now have a policy of filming and offering access by live interactive link to all RES lectures.

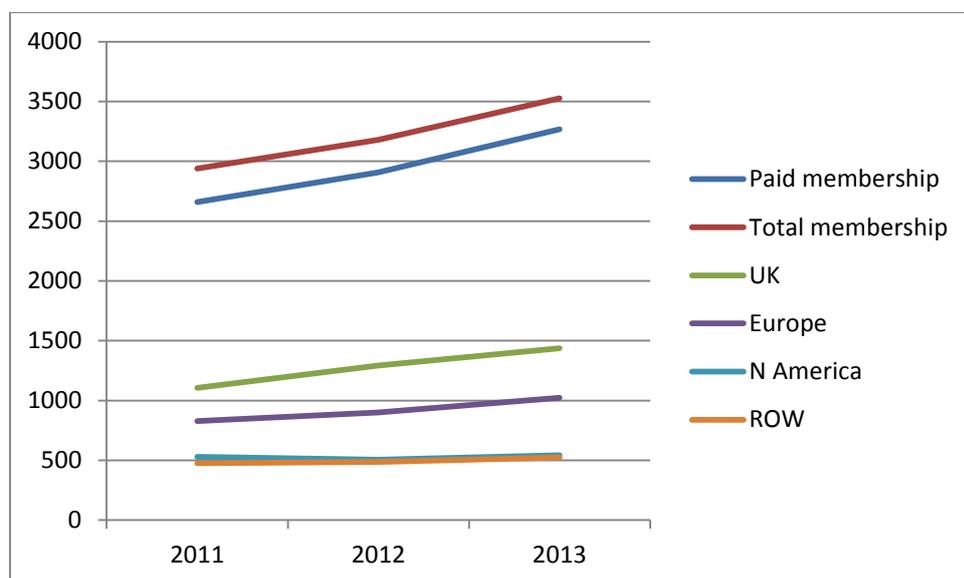
Third, are our assets - both human and financial. The Society could not function without the energy and goodwill of its officers and staff. I will be more specific about their contributions below but I think it is important that at the outset members are aware of how lucky the Society is to have such a dedicated and willing group of Council members, Officers and Support Staff. It is the energy that they put into the organisation and running of our activities and functions and the management of our journals and publications that enables me to report lots of healthy activity in the beehive. Let me also say a little about our financial resources, though I don't want to repeat what is in the Treasurer's report.

Some two thirds of the Society's income comes from our publishing activities, mainly from The Economic and Econometrics Journals. As I indicated last year, we put our journal publishing activity out to tender. That resulted in us signing a new five-year contract with Wiley which started this year. Current data reveal that our journals are available via licence in over 3800 institutions worldwide. Of course, in these days of austerity in higher education, library budgets are inevitably under pressure and non-renewal is a threat we face. However, the most recent data we have show that the two journals achieved an overall renewal rate of 96.6% in 2013. This compares with 96% for Wiley's social science titles as a whole. In addition to these commercial licences, the Economic Journal and the Econometrics Journal are now available in over 5,200 institutions in the developing world by way of various philanthropic initiatives. I mentioned above the growth of online activity. The most recent data we have for the two journals shows that full text downloads for the Economic Journal increased by 26% and for the Econometrics Journal by 20% in 2013. In China, the readership of both journals increased by over 50% in 2013. In this context, if I may, I would like to return briefly to the honeybee.

Some of you will have read the recent UN IPCC report on climate change. What you will probably not have noticed in the report was the prediction that climate change would exacerbate the risk of extinction for bees and other pollinating insects. These are already under threat from pesticides and habitat loss. Since bees are particularly important for crop pollination, environmental campaigners have been arguing that steps need to be taken to reduce other stresses by ensuring that bees have plentiful and varied food sources and by helping farmers reduce their reliance on chemical pesticides. The UK Government is currently consulting on a National Pollinator Strategy. That will need to be strong enough to help bees survive in a changing climate risk. Well, the Society faces its own climate change threat in the form of open access and the likely erosion of licence income. I want assure you that your executive committee are well aware of the threat and are addressing it. While we don't yet have in place our own "national pollinator strategy", its development is part of our current strategic thinking, something that I shall say more about below.

Membership

As I mentioned earlier, the trend in membership has been positive. The chart below shows a positive trend over the last three years, both for membership as a whole and its distribution geographically.



As part of the benefit to members, it has been the conscious policy of the Executive Committee to deliberately set the membership subscription rates at a low level relative to that of most learned societies so as to encourage a broad base of membership. On the personnel side, Kathy Crocker, our membership secretary, has been working with Robin Naylor Amanda Wilman and with Wiley to review our membership offer and marketing so as to further improve engagement with our members. I would like to thank Kathy for her all her work for the Society.

Finance

As the Treasurer reports, the Society's finances continue to be sound, although there is some expected and continuing erosion of our publishing income. The Society plans a deficit for the Annual Conference, as it is a key element of our charitable activity. However, although successful as an event both in terms of the scale and quality of the programme and media coverage, the deficit on the Royal Holloway event was larger than expected as the total numbers attending were smaller than in 2012 but initial evidence on this year's conference in Manchester suggests that may have been a temporary blip. The Society's overall spending on projects and grants was more or less maintained this year. However there was a notable increases in awards under the Special Project Grant Scheme and we have also increased our investment in the Young Economist competition.

Governance

We will of course be welcoming new members to Council this year: James Banks, Diane Coyle, Amrita Dhillon, Stephen Machin, John Van Reenen and Silvano Tenreyro. However 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: Simon Burgess, Nick Crafts, Spencer Dale, David Miles, Margaret Stevens and Catherine Waddams. They have all contributed in a variety of ways and I would like to use this occasion to thank them publicly. Simon, David and Catherine have put in some hard work as assessors in the Junior Fellowship scheme and David has also been closely involved in the Policy Lecture series. This is also true of Nick Crafts but I would like to express particular thanks for his service on the Executive Committee.

A Council working party under the chairmanship of the President has undertaken a review of the Society's strategy with the aim of achieving a targeted improvement in the activities of the Society and in the deployment of its resources, including the potential role that could be played by Council members. It has suggested the following actions:

- Diversification of our income stream so that it becomes less dependent on journal revenue;
- Build on the Society's present offering to – predominantly academic – members by extending the services offered to members and increasing regular engagement with them;
- Without compromising the offering provided to the existing membership, develop the Society's links with economists in the public and private sector, with the aim of serving as an “umbrella” organisation for professional economists;
- Consistent with the above, develop the website as a forum for the exchange and promulgation of economic ideas to a broader audience, including schools and the general public;
- Exploit better the talents of Council members in the running of the Society.

Council has agreed that sub-groups of its membership should be formed to focus on running or developing areas identified as being of particular value to the Society and that these would work in conjunction with the relevant Society officers. The following groups are proposed: Strategy; Academic Affairs; Press and Media; Education and Schools; Links with Other Professional Groupings.

Finally, this year we will welcome a new President-elect, John Hardman Moore and, a task for the year ahead will be to search for and appoint someone to replace me as Secretary-General when I demit office in July 2015.

Communication and Engagement

This is an area where, working with Amanda Wilman and Romesh Vaitilingam, Robin Naylor, as Second Secretary has been in strategic control. His initial concern was to develop the website and he has put incredible energy into improving and increasing the potential of the website, particularly in relation to outreach through the filming and online streaming of Society events and webcasts from previous conferences. I was delighted that approval was given at the Executive Committee meeting

last October to extend Robin's term of office through to 2019 and he has already set himself an exciting agenda which should not only further our outreach activity but also bring on board new groupings and so hopefully expanding and broadening the Society's membership.

Review of the Society's Activities

Let me now turn to briefly 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

Although attendance at the 2013 Conference at Royal Holloway was somewhat lower than had been anticipated, it was nevertheless a successful event with a very full programme, with sessions well attended and prominently featured in the national media. Keynote speakers were Raquel Fernandez, Matthew Jackson, Charles Manski and Richard Blundell who, as outgoing President, gave his Presidential Address and all of these as well as the two plenary sessions on Macroprudential Policy and the Investing in Prosperity Report, as well as some special sessions can be found on the RES website and YouTube channel.

I would like to thank all those involved in the organisation and management of the conference: Neil Rickman as Conference Secretary, the highly capable local organising team of Philip Neary and his colleagues at Royal Holloway and the Programme Committee led by Imran Rasul .

The RES Conference will be held at Manchester both this year and in 2015. Oriana Bandiera and Ethan Izletski have headed the programme committee and Denise Osborn has led the local organising team. Denise has been assisted by Ralf Becker who will act as local organiser in 2015. The Society is extremely grateful to all four, along with their colleagues, for the hard and effective work they have put in to ensuring the Conference's success.

Journals

I have already mentioned a key point of note: going out to tender and the selection of Wiley at the end of that competition to continue to publish our journals. Using legal advice, we have drawn up and signed a new contract that started in January. 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 the data in the most recent Publisher's Report makes clear that they are among the most accessed journals they publish and the figures for online access have again increased in 2013. The

Econometrics Journal continues to be run from Cambridge by Richard Smith and The Economic Journal from The Institute for Fiscal Studies. Steve Machin has stepped down as one of the Managing Editors of the EJ and his place has been taken by Morten Ravn. Steve has had a particularly long involvement with the EJ and I would like to thank him very much for his outstanding and valued service. Members will be pleased to learn that submissions to the EJ have increased by 6%, turnaround times have fallen and the impact factor has risen. So, well done the editorial team (Martin Cripps, Andrea Galeotti, Rachel Griffith, Morten Ravn, Kjell Salvanes and Frederic Vermeulen, ably supported in the office by Stephanie Seavers, the Publishing Editor)!

Both journals award prizes for the best papers published in a particular year. The EJ has two (the RES and Austin Robinson Prizes) and the Econometrics Journal has one (the Dennis Sargan Prize). All three prizes will be awarded at key lectures at the conference in Manchester and have been publicised in the Conference Programme

There is one final, but important, thing to say on journals and that is that 2015 marks the 125th anniversary of both the EJ and the Royal Economic Society and plans are in place for a special issue of the Journal to mark this important date.

Publications

The Society has always had a commitment to publishing scholarly editions of classic works in Economics: Ricardo, Malthus, Marshall and Keynes. Members will recall that we agreed a new contract with CUP to publish a digital edition of the 30-volume Keynes writings. Online access to the collection was negotiated between the Society and CUP so that Society members can have free online access to the digital edition.

Events

Public Lectures

This year's lecture was again a great success. Tim Harford spoke to large audiences in London and Sheffield on *How to Run - or ruin- an economy*. For the first time the RES widened its outreach of this popular event by offering registration to school groups to participate in the London lecture by a remote interactive link. This allowed school groups or individuals to watch the event live, connect with others in the audience and engage with the topics being addressed by the speaker. A report on this initiative was featured in the Newsletter.

The public policy lecture series, started in 2011 by David Miles, and taken on by Nick Crafts in 2012 has continued with the 2013 lecture being given (at the beginning of 2014) by the Secretary of State for Business, Innovation and Skills. Vince Cable talked on the subject of *The shape of the Economic*

recovery' at the Bank of England and the RES again offered live online access to this event via its website.

Young Economist Essay Competition

This ever popular competition received applications from 1150 entrants from nearly 300 schools via online applications managed by our partners Tutor2U. First place was awarded to Ellie Heatherill of Runshaw College, Leyland, Lancashire for her essay "Does the international mobility of talent make it impossible to tax the rich?" Tom Rutter of Bishop Wordsworth's School, Salisbury, Wiltshire was second with his essay on "Must quantitative easing end in inflation?" Third place was shared by Georgina Evans (Perse School Cambridge) and Holly Metcalf (St Paul's Girls School, London) both of whom addressed the question "Should the experience of China silence those who think democracy is good for growth".

This competition tries to encourage students to avoid the strait-jacketed techniques best suited to exam-style questions. It was a delight to see in 2013 that many of our young economists were happy to choose this route and thanks should be given to their teachers for their support and encouragement.

Postgraduate Conference

Since 2006, the postgraduate conference has been held annually in January at a London university. 2014 RES Postgraduate Presentation Meeting & Job Market took place on 10-11 January 2014 at University College London. The meetings, organised by Martin Cripps, included a keynote talk given by Imran Rasul (UCL), followed by a drinks reception attended by the Government Economic Service, the Bank of England, the Institute for Fiscal Studies, the National Institute of Economic and Social Research, and Frontier Economics. 100+ PhD students from the UK, rest of Europe and the US presented their papers over the weekend. This annual meeting has grown to be a successful event and provides an important networking opportunity for students and potential employers, both academic and non-academic. In addition to the opportunity for PhD students to present their work, conference also provided them with the opportunity to attend plenary sessions covering practical advice e.g. 'on getting published'. Next year's conference will build on this year's success and will again be held at UCL (9-10 January 2015).

Funding

RES Training Schools

The 2013 Easter school took place in April last year at the University of Birmingham. The subject of the school was *DSGE Modelling and Financial Frictions*. The lecturers were Mike Wickens (Cardiff University, University of York and CEPR) and Paul Levine (University of Surrey), with Cristiano Cantore (University of Surrey) and Joe Pearlman (City University). The 2014 Easter School will take

place at the University of Birmingham between 13-16 April and will be led this year by Martin Ellison (Oxford) and Nobuhiro Kiyotaki (Princeton). The topic is *New Thinking in Macroeconomics and Finance*.

The future funding of the schools by the ESRC and RES is secure until 2019 but we will be moving them from Birmingham to another location and Professor Peter Sinclair is looking for another organiser to work with him in 2015 prior to taking over the running of the Schools from 2016 to 2019. The Society would like to record its appreciation to Peter Sinclair who, with his colleague Nick Horsewood, has done so much to ensure the success of these events.

Junior Fellowship Scheme

The scope and range of the scheme has been increased with up to ten fellowships being awarded each year. This expansion has required greater resourcing of the assessment of candidates and I am grateful to the five Council members who take on this responsibility. In 2013 the assessors were Simon Burgess, Paul Grout, Jonathan Haskel, Kim Scharf and Peter Sinclair. Fellowships were awarded to Saleem Bahaj (Cambridge), Georg Graetz (LSE), Reka Juhasz (LSE), James Lomas (York), Giulia Lotti (Warwick), Daniel Martins (Bristol), Eleanor Sanderson (Bristol) and Jonathan Timmis (Nottingham).

There is now an invited session at each Conference in which a selection of Junior Fellows present their research and we have also considering the establishment an alumnus network for past, current and future Junior Fellows with its own a webpage on the RES site. This year the RES Fellows session will be chaired by Oriana Bandiera and those presenting are Emanuele Ciani (Bank of Italy), Daniel Rogger (UCL), Claudia Steinwender (LSE) and Theo Koutmeridis (St Andrews).

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 (12) and the Visiting Lecturer Scheme (2 - Prof Shimer at LSE and Prof Meyer at Strathclyde).

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). The Conference Grant Scheme received 42 applications in 2013 – an increase of 27% from 2012 (33 applications were received in 2012). A total of £11,200 was awarded to conference grants, with the remaining allocated to small academic expenses. Out of the 42 applications made 38 applications were successful, the vast majority of successful applicants being early career economists, at Ph.D or early post-doctoral level. 11 Small academic expenditure grants were

awarded for an average amount of £395, and the majority of the applications came from the UK. As in previous years there was significant excess demand for the funds available and the RES has raised the budget slightly to reflect the increase in travel costs for applicants. These two schemes have been administered by Professor Muscatelli (University of Glasgow) for nine years 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 based at the University of Bristol. It is recognised to be an important national resource for the study and teaching of economics. As a result of the successful funding of the Economics Network through CHUDE departments and other partners, it will remain fully funded through 2015. The RES has committed to continue its financial support in 2016 and work to develop further areas of mutual benefit is managed through its Management Board representation (Eric Pentecost and Robin Naylor). All the EN's major activities have been maintained on a greatly reduced budget including GTA workshops, New Lecturer workshops, a Developments in Economics Education conference, the EN website and a research project on student expectations in conjunction with 22 universities. The EN is now prioritising the "Why Study Economics" website to help entice more young people into the subject and profession.

Other Activities

Peter Howells has been reappointed as editor of the Newsletter for a final term until June 2018. The RES Newsletter continues to be published and distributed to all members quarterly providing a forum for discussion of economic issues and events as well as news about the Society and its activities. Peter has now added the facility of an online Newsletter and Conference Diary to link content from different sections of the RES website. There is also now an online archive of previous issues providing correspondence, discussion, features and obituaries and obituaries.

Our media consultant Romesh Vaitilingam continues to ensure that the profile of economics as a discipline remains in the public eye and in the last year he has also moderated our new live online streaming of RES public and policy lectures, the Festival of Economics in Bristol and is running a team of expert moderators at this Conference. His main focus continues to be the provision of media briefings summarising new economic research findings presented at our annual conference and published in each issue of The Economic Journal. A library of these useful briefings can be found on our website and we look forward to the work he will do next year in connection with the special 125th Anniversary issue of the Economic Journal.

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. In the past year there have, as usual, been two full meetings (in November and at the Conference in April) and two Steering Group (SG) meetings in the spring and autumn. Three items have dominated CHUDE's agenda this year: REF 2014; The Economics Network; and Open Access. In addition, advice has been given to all three A-level boards on the restructuring of Advanced level Economics. In response to a call for new members to join the Steering Committee for 2014-2016, five new members have now been recruited. Eric Pentecost and Daniel Zizzo have taken up the reins from Neil Rickman and Tim Worrall and the Society is grateful for the all work that they and their colleagues on the Steering Committee do.

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 monitor the position of women in economics and to establish networks, with an especial concern for career entrants. An online election for new members was held this year Lyn Gambin, Ulrike Hotopp and Annina Kaltenbrunner join Bronwyn Curtis as members until 2017. Its current membership can be found on the dedicated pages of the RES website.

Acknowledgments

I would not like this report to end without saying a special thank you to those with whom I have worked most closely on Society business. On the Executive Committee, Charlie Bean, Mark Robson and Robin Naylor have been outstanding colleagues and a first-class set of counsellors. However, I want to say a special word of thanks to my two colleagues here in the Office at St Andrews. Without their energy, support and good humour, life as Secretary-General would be immeasurably harder: Amanda Wilman, the Society's Administrative Officer and Cheryl Dochard, Administrative Assistant.

John Beath, St. Andrews, April 2014