

Secretary General's Report to the Society 2015

I was appointed Secretary General of the Society in 2008 in succession to Richard Portes and so this is my seventh report to the membership. It is also my last report as I will be handing over the reins for running the Society to Denise Osborn at the end of June. I shall say a little more on that later.

This is an important anniversary year for the Society. Although it is only 113 years since we received our Royal Charter and became entitled to call ourselves the Royal Economic Society, it is 125 years since the Society's predecessor, British Economic Association¹ was founded and with it The Economic Journal established. I am particularly delighted that this year's Annual Conference has been built around the EJ's 125th anniversary – and in such a fascinating way – with fresh eyes looking at classic and path-breaking papers from that history and great praise is due to Rachel Griffith and the editorial team and to James Banks for putting all of this in place. Of course, 2015 also happens to be the 125th anniversary of the Forth Bridge and it is pure, but happy coincidence that our new President is based in Edinburgh.

In my report last year I drew attention to our Society's emblem, the honeybee, and described the Society as a hive. I can report that this is no grumbling hive but a happy and healthy one. It continues to thrive and the sound coming from it is one of buzzing contentment! Underneath our emblem is a Latin motto: *Amor urget habendi*. It comes from Virgil's Pastorals and its translation is the Love of Gain. If you go to the original, you will find it is a passage about the Greek honey bee. "... *Cecropias innatus apes amor urget habendi, munere quamque suo*". With a bit of licence, this might be paraphrased as the division of labour serving the growth of an economy. So, we might arguably push the origins of economics back a little further: to 50BC!

Let me now return to the matter of health and let me start with the health of the discipline in the UK. That seems to me to be robust and I have two recent pieces of evidence to back that up. The first comes from the continuing success of Economics in the allocation of ESRC studentships. As you will know, ESRC has set benchmark numbers for each of the disciplines that it covers. Economics continues to win more studentships than its benchmark. The second comes in the exercise that must have occupied so many of our waking hours over the last couple of years: the REF. Though seven fewer units submitted to the Economics and Econometrics panel 2014 than did so in 2008, the subject had the best overall quality profile in Main panel C and clearly dominated all the other units when it came to ranking of research output. Of particular note was the fact that all the institutions that submitted to the panel had some outputs that were judged to be world-leading, and in some high-scoring units, the performance was exceptional. Also, when looking across the areas, there was strength across the board. As the panel noted, "many outputs ... dealt with topics outside the traditional boundaries of economics. Typically these did not involve multidisciplinary per se, but rather the application of quantitative economic tools, both theoretical and empirical, to questions more usually studied by other social sciences.

¹ The Political Economy Club was founded by James Mill and a circle of friends in 1821. Its avowed purpose was to agree on the fundamental principles of political economy. Ricardo, Malthus (the only one holding an academic post at the time), and Torrens were among the original members. The club still exists today.

So much for disciplinary health: what about the Society's health? This is robust as the following indicators attest.

First, our ordinary membership. Efforts have been made across all of the Society's activities to encourage greater uptake of online membership and the use of direct debit payments. This has improved membership renewals and has also helped to increase membership. This has been on an upward trend since 2010. In 2012 it stood at 3179, rose to 3526 in 2013 and to 3741 at the end of 2014 – a net increase of 215. With this healthy picture for 2014, I would like to pay tribute here to the wonderful work that Kathy Crocker has done as Membership Secretary. Kathy, who retired in December, had been our Membership Secretary for 34 years! I know that all of you will join with me in wishing her a long and fulfilling retirement. Our publishers, Wiley, will continue to provide membership services and I know that Robin Naylor and Amanda Wilman will be undertaking an examination and review of membership marketing as part of their interaction with the publishers.

Second there is our online presence. Since 2012, the Society has invested heavily in developing its website and will continue to enhance it further. This offers many features designed to maximise its usage and readership, as well as to enhance the Society's external profile. For example, we have a library of webcasts from the Annual Conference, the annual Public Lecture and the Policy Lecture and we actively monitor traffic. There is also the 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. I will say more about communication and engagement later.

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. As to our financial resources, I will be fairly brief as the details are in the Treasurer's report. 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 4400 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 reveal that, in addition, the journals are currently available in some 4600 institutions in the developing world by way of various philanthropic initiatives. I mentioned above the level of online activity. The most recent data we have for the two journals shows that while full text downloads for the Economic Journal increased in 2014, they fell back somewhat for the Econometrics Journal after a period of substantial growth. I should add that, at the time of writing, we have only just received the annual report from Wiley and the editorial teams of both journals will be exploring with the publishers the whole set of publishing data as part of the routine meetings with them.

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 depends heavily for its charitable activity on the surplus from its publishing activities. The bulk of these come from our two journals. We have always plan for a deficit for the Annual Conference, as it is one of our key charitable activities. The deficits in 2013 (£102K) and 2014 (£105K) are substantial but the Executive Committee considers that this level of subsidy is appropriate so that the cost of attending can be kept at a reasonable level for all those wish to do so. The Society's overall spending on projects and grants increased to £349K. An important element in that was the decision to expand the scale of the Junior Fellowship Scheme and fund 12 fellowships last year.

Governance

We will of course be welcoming new members to Council this year: Michele Belot, Wendy Carlin, Kevin O'Rourke, Robert Peston, Martin Weale and Frank Windmeijer. 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: Mark Armstrong, Paul Mason, Dave Ramsden, Lucrezia Reichlin and Paul Wallace. They have all contributed in a variety of ways and I would like to use this occasion to thank them publicly, particularly Mark for his work on journal editorial matters and Dave for the role he played in the review of the Society's strategy that was undertaken by a Council working party chaired by the President. Details of this are in my report last year.

Finally, this year I should like to welcome our new President, John Hardman Moore and say a sincere thank you to Charlie Bean who hands over the reins at this meeting and with whom I have enjoyed working on all matter of Society business. I have already mentioned that Denise Osborn will be replacing me as Secretary-General when I demit office in July 2015. I have worked closely with Denise on a range of Society and subject-related activities over the years – from our early work as chairs of CHUDE, through working together on the old RAE and a range of RES committee work. I am delighted that the running of the Society is going to be in such good hands and would like to thank Denise for stepping up to the plate.

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. He has played a crucial role in developing our communications strategy with oversight of web developments, media strategy and initiatives. I should also add that he has also been an important source of support in my role as Secretary General.

During 2014 he undertook an extensive review of existing membership procedures and benefits to improve payment methods (for example, the expansion of online membership, the provision of 24-hour telephone membership services and a rollout of the promotion of direct debit for all UK-based members).

On behalf of the Society he has been working closely with CHUDE to review the role of the Economics Network and to consider its potential role in teaching accreditation. An outcome of this is that the Executive Committee has approved a light touch endorsement by the Society of the EN training workshops that are mapped against the UK professional standards framework.

This year he will be working with various Council sub groups to strengthen further links with other learned societies and economists in public and private sectors beyond the narrowly-defined academic community. Filming and dissemination of our annual and conference lectures alongside the Conference Secretary is one possible vehicle for such enhanced linkage and possible sponsorships. I should also add that Robin will also providing such support as is necessary in the handover period from one Secretary General to another.

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. Let me briefly review these.

First, the Annual Conference, held, as this year, in Manchester. This was very successful with a strong programme and a large attendance. 435 delegates registered for all three days off the conference, 379 of whom were RES members. A further 127 delegates registered for a single day (93, of whom were RES members). In total there were 562 paying delegates, with a further 64 non-paying attendees. The conference saw a shift back towards more 3-day delegates and fewer one-day ones. There were 1,059 submissions (1,079 in 2013), with 434 papers finally presented (392 in 2013). 127 general parallel, 3 keynote, 2 plenary and 15 special sessions including one to showcase the RES Junior Fellowships. The Hahn Lecture was given by Sendhil Mullainathan (Harvard), the EJ Lecture by David Autor (MIT) and the Sargan Lecture by Helene Rey (London Business School). An innovation this year was that a number of keynote speakers and special session participants this year were invited to chair parallel sessions. This was designed to increase their involvement in the conference and appeared to be effective. EconFilms was asked to film a set of 10 conference vignettes while several sessions were filmed and live streamed. These roughly doubled the cost of filming compared to RES2013. The films and vignettes are available on the RES website.

The conference social programme was altered so that the Monday reception took place away from the main conference venue at the National Football Museum and this was a great success

As I write this report, we are just about to hold the 2015 Conference, again in Manchester. From the programme that I have seen, this is shaping up to be a very impressive affair with some distinguished speakers and very strong *Economic Journal* special session participants. Although we always have very strong participation in the conference by PhD students, this year, we are piloting an initiative as part of the 125th anniversary celebrations to encourage further PhD participation. This involves

offering free registration for this year's conference to PhD students in Year 2+ of their doctoral programmes and who are members of RES but not presenting papers.

As already mentioned, the EJ anniversary special sessions will consider the legacy of classic papers that have appeared in the journal over its history and relate their seminal contributions to current work in a number of important fields of economic analysis and policy. I expect that my successor will wish to report on these in her report next year.

Secondly, there are our two journals. These continue to be acknowledged as leading international journals in economics and you will recall that when we put our publishing contract out to tender in 2013 there was substantial publisher interest. Data provided in the annual Publisher's Report indicates that their impact factors are rising and they are among the most accessed journals that Wiley publish. The figures of article downloads from in the EJ, for example, have increased again in 2014, to over 900 thousand. In addition, the editors report increasing submissions, noting that the biggest increases were from the US and China. This has gone hand in hand with a fall in the average turnaround time and so shows not only that we have excellent editorial teams, but also that they have assembled an effective and efficient panel of referees.

Both of our journals award prizes for the best papers published in a particular year. The Economic Journal has two: the RES Prize and the Austin Robinson Prize and The Econometrics Journal has one, the Dennis Sargan prize. Details of all prizewinners are in the Conference Programme.

Events

This year's Public Lecture was again a great success. It was given by Stephanie Flanders award-winning BBC journalist and Economics Editor and now chief market strategist for the UK and Europe at J.P. Morgan Asset Management. She spoke to audiences of sixth form students at the Royal Institution in London and in Liverpool. The Society 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.

The Policy Lecture series is intended as an opportunity for leading economists to speak to academics, policymakers and others interested in the development of economic policy. The events are open to the public and media are often in attendance. At the beginning of 2014 Vince Cable talked on the subject of 'The shape of the Economic Recovery' at the Bank of England and earlier this year, the fourth RES Policy lecture speaker was The Chancellor of the Exchequer, The Rt Hon George Osborne MP who spoke on what he saw as the economic agenda that would face the next Parliament. RES members were offered preferential places and the lectures were streamed live online and are available on the RES website.

The Young Economist Essay Competition is a key activity for the Society. The number of entrants to this competition rose again from 1150 in 2013 to 1610 in 2014, with applications from nearly 600 schools. An online process for applications was used, managed by our partners Tutor2U. I would like to record my thanks to them for their cooperation. The judges considered the standard to be extremely high and awarded the following prizes:

First Place went to Kartik Vira (Hills Road VI Form College, Cambridge) for an ‘outstanding’ essay on the topic, “*Are the advanced economies in for a long period of economic stagnation*” backed up by judicious reference to data and arguments in literature and notable for including an extended discussion of possible policy responses. In second place was Jessica Zeng (Withington Girls’ School, Manchester), and in joint third Place were Viva Avasthi (King Edward VI Handsworth School for Girls, Birmingham), David Bullen (Manchester Grammar School) and Hannah Dudley (Toot Hill College, Nottingham).

An important activity for the Society early in each New Year is the Postgraduate Conference and Job Market. University College London was the location for both the 2014 and 2015 meetings. These were organised by Martin Cripps and Sarah Smith and I would like to record my thanks to both of them for the excellence of the events. The meetings included a keynote talk, a poster display and a networking 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. More than 100 PhD students from the UK, rest of Europe and the US presented their papers over the weekend and were available for formal and informal interviews. This annual meeting has grown to be a successful event, well supported by both students and recruiters. It provides an opportunity for UK and European academic and non-academic recruiters to interview potential candidates and these interviews are an important focus for the event. The PhD students really value the opportunity to present their work and to attend plenary sessions that provide practical advice e.g. ‘on getting published’.

The Easter Schools continue to provide an invaluable training opportunity for young research scholars. In 2014 Easter School was held at Lucas House in the University of Birmingham between the 13th and 15th of April. The subject was ‘New Thinking in Macroeconomics and Finance’. The instructors were Professor Nobuhiro Kiyotaki of Princeton University, and Professor Martin Ellison of the University of Oxford. There were twenty three university-based attendees from seventeen UK universities, two from Toulouse, one from Zurich, seven from the Bank of England and three from HM Treasury. In addition there was an eleventh public sector economist, from the Central Bank of Turkey. This total of seventeen UK universities is the largest the Easter School has ever had, and helps to ensure one of our key objectives, the wide dissemination of outstanding current research across the British university sector.

The Society should like to record its gratitude to Professor Kiyotaki and Ellison who continued a superb tradition of outstanding, lively, lucid tours of the frontiers of Economics given in these schools for almost a quarter of a century, and which has greatly enriched the research and advanced teaching potential of countless UK universities and scholars.

The 2015 Easter School was held at Brasenose College Oxford on 22nd-25th March with Vince Crawford and Colin Camerer as the instructors. The subject of the School was “Behavioural Economics”. Fuller details will be provided in the Secretary General’s report next year. Peter Sinclair has decided to step down as Director of the Easter Schools. His replacement is Eric Smith and the

location of the School will move to the University of Essex in 2016. To ensure a smooth transition, Eric has been working with Peter on this year's Oxford event.

Peter was the founding Director and inspiration behind the Easter School concept and the fact that his now such a well-established and successful annual event is the result of his vision and his inspiring leadership and the Society owes a vote of thanks to him for his work. However that gratitude should also extend to Nick Horsewood who worked in partnership with Peter at Birmingham as Assistant Director.

Junior Fellowship Scheme Report for 2014: the Junior Fellowship Scheme provides a highly valued bridge between the PhD and an academic career, especially since the ESRC no longer provides formal post-doctoral awards. In 2014 we received thirty three applications twelve universities. Jonathan Haskel, David Miles, Simon Burgess, Kimberley Scharf and Peter Sinclair comprised the panel of referees and each application was assessed by two referees. I would like to express my gratitude to the referees for their work on this important scheme.

The original budget this year was for up to ten awards but, given the strength of the field, it was subsequently agreed that this could be increased and eleven awards were made. This year's Fellows are:

Rocco D'Este (University of Warwick): *Empirical Microeconomics*

Ryoko Ito (University of Cambridge): *Dynamic conditional score: asymptotic inference and application to high-frequency financial data*

Samuel Marden (London School of Economics): *Essays in Economic Development*

Laura-Lucia Richter (University of Cambridge): *Econometric analyses of the diffusion of micro-generation technologies and their impact on electricity load curves*

Christiern Rose (University of Bristol): *Identification of peer effects*

Jacob Seifert (University of St Andrews): *Essays on competition policy, innovation and banking regulation*

Pedro de Souza (London School of Economics): *Estimating networks without network data: Adolescent behaviour and peer effects*

Spyridon Terevitis (University of Warwick): *Topics in information economics*

Stephen Thiele (University of Cambridge): *Essays in Time varying parameter models*

Giulio Trigilia (University of Warwick): *Essays in finance theory*

Andreas Tischbirek (University of Oxford): *Essays on unconventional monetary policy*

A Junior Fellowship Network was successfully launched this year by two of the 2012-13 cohort, Theo Koutmeridis and Dan Rogger, who wanted to encourage interaction between Junior Fellowship recipients, greater awareness of the Fellowship awards and the work of those receiving them and to provide the RES with support from and access to early career economists. This built on the success of the RES Junior Fellowship session at the RES Conference and the hope is that it will provide an increased presence by young academic economists at our meetings and events. All previous recipients have been contacted to inform them of the development and the JFN hope to receive support from senior academics whose careers were supported in earlier times by a Junior Fellowship award.

An RES short film was created around the Junior Fellowship award scheme this year and has been posted on the website and the office is working with both Theo and Dan to provide emails and work on building a web page for the JF Network activities.

We continue to run a number of other schemes to support research and scholarship: the Special Projects Grants Scheme, the Visiting Lecturer Scheme, the Conference Grant Scheme and the Small Academic Expenditure Scheme. These last two schemes are administered on behalf of the Society by Professor Muscatelli at the University of Glasgow and I would like to express my gratitude for his effective and efficient running of both. In view of the significant excess demand for the funds available, the budget for both of these schemes has been raised to £17,500.

Finally, and although I have mentioned it earlier, I would also like to formally note 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.

Acknowledgments

I would like this report to end with a special “thank you” to those with whom I have worked so 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 and, in my seven years in post, I have greatly enjoyed working with those who have been President: Partha Dasgupta, John Vickers and Richard Blundell. I also want to say thanks to all those Councillors who have given their time to serve on the various Society committees, to Eric Pentecost and Daniel Zizzo for their work on CHUDE, to Karen Mumford and her colleagues on the Women’s Committee, to Peter Howells for his work as Newsletter Editor and to Romesh Vaitilingam for the excellent work he does as our Media Consultant. 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, my life as Secretary General would be immeasurably harder: Amanda Wilman, the Society’s Administrative Officer and Cheryl Dochard, Administrative Assistant. I am sure that members will be delighted to learn that they will continue to provide sterling administrative support to the Society from St Andrews under Denise’s stewardship.

