Royal Economic Society

NEWSLETTER

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ROYAL ECONOMIC SOCIETY

Raising the profile

As we go to press, the Society's Annual Conference at the University of Warwick has just drawn to a close. Our next issue, in July, will contain the Secretary-General's Annual Report, delivered to the AGM, and a review of the conference proceedings by Diane Coyle. As usual, several contributions aroused the attention of the press and broadcast media, ably encouraged by Romesh Vaitilingam and the Society's media office. At a time when enthusiasm for the study of economics, amongst UK students at least, is at a low ebb, the value of such opportunities in raising the profile of economists and their work cannot be overestimated. Two years ago, the Society established a subcommittee under Barry McCormick to look at this issue and we have a report of its activities on p.11. We hope also to introduce a regular feature in the *Newsletter* which will help bring the work of economists to the notice of their potential consumers. These are important steps if the decline in the public's confidence in and enthusiasm for economics is to be reversed. And all members can contribute. Our correspondence columns are open for suggestions.

Other items in this issue include another entertaining Letter from America by Angus Deaton. Angus is this year's President of Section F of the British Association. We also have the first in a regular series by Kanchan Chopra of the University of Delhi. From Andrew Sykes, Head of the Financial Services Authority's Risk and Research Department we have another article in the popular series about the work of economists in different organisations. Manfredi la Manna reports on the latest developments in his electronic journals project and Amanda Rowlett, soon to move to the Competition Commission, updates us on recent developments at the Office for National Statistics.

In this issue

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Next issue

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Articles, features, news items, letters, reports etc. should be sent to the Editor by:

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Items concerning conferences, visiting scholars and appointments should be sent to the Information Secretary by:

June 18 2002

Contributions from readers

The *Newsletter* is first and foremost a vehicle for the dissemination of news and comment of interest to its readers. Contributions from readers are always warmly welcomed. We are particularly interested to receive **letters** for our correspondence page, **reports of conferences and meetings**, and news of **major research projects** as well as **comment on recent events**.

Readers might also consider the *Newsletter* a timely outlet for comments upon issues raised in the *Features* section of *The Economic Journal*. We can normally get them into print within three months of receipt.

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Letter from America

Inequality in America

In his latest letter from America, Angus Deaton of Princeton University reflects on the various dimensions of inequality in the USA, including a new source of division which has emerged since September 11th 2001.

There is more income inequality in America than in any other major rich country, and it appears that Americans like it that way. Or if they don't like inequality for itself, and many prominent American economists argue that, indeed, inequality is of no importance in itself, they much dislike the government tax and transfer programs that would be required to reduce it. The current administration in Washington appears to subscribe to these views, believing in the general benefits of tax cuts even if, in the short run-and perhaps beyond that-they primarily benefit the well-off. Yet income inequality is perhaps not the most significant of the many inequalities that characterizes American life, and it is not the only kind of inequality that shows signs of increasing in the six months since September 11th.

Inequality of income

The consequences of income inequality have become a major focus of empirical research, not only among economists, but also among scholars in political science, sociology, and public health. One focus of interest is whether inequality is bad for your health. Across the states and cities of the United States, there is only a weak relationship between average income and mortality rates, in spite of the fact that data on individuals show that people in the top five percent of the income distribution have about 25 percent longer to live at all ages than those in the bottom five percent of the income distribution. Yet this relationship between income and mortality appears not to hold among the aggregate populations of cities or states. Instead, there is a strong correlation between income inequality and mortality, rather than between mean income and mortality. The southern states of the US - Louisiana, Mississippi, Alabama, Georgia, and South Carolina - are particularly dangerous places to live. Worst of all (even though it is not really a state) is the nation's capital, the District of Columbia, whose age-adjusted mortality rate is half again as high as that of (for example) Utah, a remarkably healthy state, populated to a large extent by teetotal, non-smoking, and caffeine-shunning Mormons. The District of Columbia has a more unequal distribution of income than any of the states, followed closely by Louisiana, Mississippi, and Texas. The southern states are also relatively poor. In the US, with weak social safety nets, poorer states are more unequal, something that is not true, for example, across the provinces of Canada, where a strong safety net generates a negative association between poverty and inequality. But it is their income inequality, not their levels of income, nor their poverty or unemployment rates, that is correlated with mortality rates.

...and between the races

Anyone who has been to DC, and seen its rich white northwestern segment surrounded by poor largely black neighborhoods that make up the rest of the central city, may suspect that the relationship between mortality and income has something to do with race, a suspicion that is reinforced by the peculiar status of the South. Inequality between the races has perhaps more to do with mortality than inequality in incomes. Indeed, this is an important part of the story. Blacks die younger than whites in the US, even when we control for differences in income and education. (Parenthetically, Hispanics live longer than either group, the so-called 'Hispanic paradox.') Indeed, there is a 20 year difference in life expectancy between whites in the richest counties of the US and blacks in the poorest counties. Because blacks also earn less than whites, places with a substantial black population are places with a high income inequality and with high mortality rates. But there is more to it than that. When we look at each race separately, both whites and blacks die younger in places where there is a larger fraction of blacks in the population. And once we allow for these additional effects of race, there is no longer any association between income inequality and mortality.

> *Under the USA Patriot Act of October 2001, the US authorities can detain indefinitely, without trial and without acknowledgment, anyone suspected of terrorism who is not an American citizen, including the 20 million or so...legal residents of the US.*

Apart from having replaced one kind of inequality for another, the mechanisms behind these correlations remain obscure. Perhaps, as is often claimed, the American health care system discriminates against blacks so that, for example, hospitals in predominantly black areas are of poorer quality. If so, not only do blacks die younger, but so do the whites who have a heart attack near a 'black' hospital. It is also possible that racial diversity poisons the atmosphere, inhibiting the production of local public goods, or more generally, limiting the formation of social capital. Indeed, standard indexes of social capital, which incorporate measures of trust, are negatively influenced by both income inequality and racial diversity, more so by the latter. If racial discrimination does indeed lie at the root of these findings, the inequalities that it engenders hurt not only those who are discriminated against, but also the discriminators.

Inequality of citizenship

Another form of discrimination, by citizenship rather than race, has sharply increased in the wake of the barbarities of September 11th. Under the USA Patriot Act of October 2001, the US authorities can detain indefinitely, without trial and without acknowledgment, anyone suspected of terrorism who is not an American citizen, including the 20 million or so people who are long-term, tax-paying, legal residents of the US. To take an example close to home, economics departments in the US are now heavily populated by non-Americans. In my own department at Princeton, half of the faculty were born outside in the US, and of the younger (untenured) faculty, more than three-quarters were born outside the US. Universities, as well as other employers, must now open their personnel files- or indeed 'any tangible things (including books, records, papers, documents, and other items' - on non-citizens to the FBI on request; they are not only not required to seek the target's permission, they are prohibited from doing so. Indeed, they are legally bound 'not to disclose to any other person that the FBI has sought or obtained tangible things under this section'. Such measures, as well as the suspension of habeas corpus for non-citizens, are widely supported among Americans, at least for the time being. Protests are dismissed as helping the enemy, and Attorney General John Ashcroft likes to say that terrorists deserve no protection. Such measures are certainly bad for the health of the economy, and of the academy, if not of the population as a whole.

Editor's Note: The issues discussed in this letter, and more broadly the effects of social and economic arrangements on health, will be discussed by a group of American and British economists and epidemiologists (Angus Deaton, Timothy Besley, Sir Michael Marmot, Andrew Oswald, James Smith, Adam Wagstaff, and Richard Wilkinson) at this year's Economics Section of the British Association's Festival of Science, to be held at Leicester University on September 12th (see page 10).

A memorial and celebration

Max Fry, lately Director of the Centre for Central Banking Studies at the Bank of England and Director of the International Finance Group in the Department of Accounting and Finance at The Birmingham Business School, died tragically young in February 2000. This year's Maxwell Fry memorial lecture is being given in association with the University Business School's centenary celebrations.

The third Maxwell Fry Memorial Lecture will be delivered at the University of Birmingham on Wednesday, 16 October at 16.45. The speaker will be:

Ronald I McKinnon (William D Eberle Professor of International Economics, Stanford University)
on
The World Dollar Standard and Emerging Markets

The lecture is supported by the Money, Macro and Finance Research Group and will be followed by a reception.

In the earlier part of the day the University of Birmingham's Global Finance Research Group, directed by Professor Andy Mullineux, will host a workshop on Financial Development in collaboration with the Money, Macroeconomics and Finance Research Group. The workshop and lecture will form part of The Birmingham Business School's Centenary celebrations.

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RAE 2001 results

The results of the 2001 Research Assessment Exercise were published as the January issue of the *Newsletter* was being printed. The results, by institution and by unit of assessment, are available at www.rae.ac.uk

41 departments submitted for assessment. This represented a reduction of nine on the 1996 number, itself a decline of 19 compared with the 1991 RAE. Part of the explanation lies in the growing trend of economics researchers to submit instead to the Business and Management Studies panel though it was notable that the declining number of units submitted contained a larger number of researchers than in 1991 and 1996. The Economics and Econometrics Panel was chaired by Professor David Greenaway, University of Nottingham.

Reporting on the process to the Royal Economic Society's Annual Conference at Warwick last month, David Greenaway explained that in the majority of submissions 100 per cent of outputs had been examined, substantially more than the proportion originally planned. He said that the panel had found it fairly easy to apply the criteria which were dominated by the proportion of work rated of national or international excellence, except at the borderline of the 4/5 grades where an international proportion of 11-50 per cent was consistent with a grade 5.

In response to criticisms that the Economics and Econometrics Panel had let down the profession by carrying out the assessment strictly according to the rules while other panels had presided over rampant grade inflation in order to raise the apparent standing of their discipline, Professor Greenaway stressed that his team had carried out a serious and methodical assessment of the quality of work submitted and described the results produced by some panels as implausible.

We hope to have further reports and discussion of the 2001 RAE in the July issue.

A Single Financial Regulator: a Good Thing for Markets

Andrew Sykes, Head of the Financial Services Authority (FSA)'s Risk and Research Department, writes about the FSA and its new responsibilities and the role his team of economists play in making sure the FSA meets those responsibilities.

PEOPLE OCCASIONALLY EXPRESS surprise that there are economists working at the FSA. They imagine former industry professionals and civil servants, and the less-polite might even suggest bureaucrats, but rarely do they think of economists.

The FSA does, however, have a small department, staffed largely by economists, that has helped to design, implement and operate the FSA's new approach to regulation. This new approach is different from that of any of the predecessor bodies and indeed many of our international counterparts. For an economist, being involved in the development and operation of that approach is both challenging and rewarding.

Our new approach is focused on the risk to the FSA's objectives arising from any source - individual institutions, trends in consumer behaviour, new sector-specific risks or macro-economic factors, for example.

This wider, and less firm-specific, approach requires a broader mix of staff than before, some with quite specific areas of economic expertise. I will explain further how our economists contribute to the FSA's work but first let me explain how we got here …..

A single regulator

On 30 November 2001 the Financial Services and Markets Act (FSM Act) came into force in the United Kingdom, almost exactly four and a half years after Gordon Brown's announcement of our creation. The Financial Services Authority is now operating under its full powers as the single UK regulator on the basis of a completely updated and integrated system of financial regulatory law.

Whereas before there were 10 regulatory bodies, 8 ombudsmen and 5 compensation schemes, there is now one regulatory authority, the FSA; one compensation scheme, the Financial Services Compensation Scheme; and one ombudsman, the Financial Ombudsman Service. This means we have gone from one of the most complex regulatory structures in the world to one of unique simplicity. This is what firms and consumers asked for, and what the Government and we have now delivered.

Our objectives

The FSM Act requires the FSA to pursue four objectives:
• to maintain confidence in the UK financial system;
• to promote public understanding of the financial system;
• to secure an appropriate degree of protection for consumers whilst recognising their own responsibilities; and
• to reduce the scope for financial crime.

In pursuing these objectives we are required by the FSM Act to have regard to certain 'principles of good regulation', including economy and efficiency in the use of our resources, the responsibility of senior management of firms and the need to be proportionate in regulatory requirements we make on firms. We are also required to facilitate innovation and avoid unnecessarily distorting or impeding competition. Innovation and competition considerations also play a key role in our cost benefit analysis (CBA) work. Our new approach to regulation is being designed to ensure that we apply our resources to deliver the most effective regulatory action within these parameters.

The new approach

The administrative and legal shake-up associated with setting up a single regulator enabled us to conduct a fundamental review of our whole approach to regulation.

The outcome of this review is our new risk-based approach based on a clear statement of the realistic aims and limits of regulation. Equally important, it recognises the proper responsibilities of consumers and of firms' own management, as well as the impossibility and undesirability of removing all risk and failure from the financial system.

The FSA's challenge is to identify, prioritise and address risks and opportunities which are relevant to our four statutory objectives. Our approach is designed to provide a strategic planning framework to answer the basic questions: 'What developments, events or issues pose significant risks or opportunities to achieving our objectives? Which of these matter most? And how can we best deploy our resources to address them?'

The regulatory toolkit

Once we have assessed and prioritised the risks, the key question is how to tackle and mitigate them. In the past, regulatory effort has generally been focused on the individual firm. But experience suggests that this may not always be the most effective solution. In particular, it has often resulted in regulators only reacting to events in firms and financial sectors, when our powers under the FSM Act give us opportunities to be much more proactive and forward-looking. The key point is to decide what is the most effective part of the 'regulatory toolkit' to address the risks.

The toolkit is broad. Tools can be focused on specific firms, for example on-site visits or disciplinary actions; or on consumer and industry wide issues, such as disclosure, industry training or consumer alerts. We are also introducing a more 'thematic' approach to regulation — where we examine and respond to issues which are not firm specific but which may affect our ability to meet our objectives such as those arising from particular markets, sectors, products or the external environment. Recent examples of this include analysis of the implications of a low inflation environment for our objectives and current work examining the effects of an ageing population.

Finetuning in the Risk Assessment Division

It is in our Risk Assessment Division (RAD) that we fine-tune the risk model to what we call 'environmental risks'. The work done by RAD allows us to form a consistent view on how developments in the wider world could affect the work we do to meet our four statutory objectives. Given the unusual breadth of our responsibilities, we are required to consider issues ranging from the effects of long term demographic change to alterations to accounting standards or changes in the dynamics of the international capital markets.

This is clearly a very broad spectrum of work and to do it we employ economists from a wide range of backgrounds.

Risk and Research Department - FSA's Economists

My department, the Risk and Research Department, is part of RAD and it is the area with the highest concentration of economists in the FSA. Its role is to provide information and analysis to support the FSA in the identification and monitoring of those environmental risks we face in meeting our four statutory objectives and in having regard to the seven principles of good regulation. The department focuses on a wide range of potential environmental risks: macro developments (including political, demographic, technological and economic); developments in financial sectors and markets; the risks faced by consumers of financial services and risks arising from the wider regulatory environment

The department is split into six teams:

• *Consumer and retail products*: This team focuses on environmental surveillance of issues that will impact on consumers, for example, as a result of labour market developments, social policy change, demographic movement, changes in family composition and new technologies. Economists working in the team have recently been examining risks associated with rising household indebtedness. They also manage the huge range of consumer and market research that the FSA conducts to inform its policy development.

• *Economics of financial regulation*: The team includes micro-economics, finance, econometrics and actuarial expertise. The team helps those developing policy understand and meet their legal and other requirements for CBA and competition analysis when new rules or guidance are being considered. The team also undertakes in-depth research and analysis of the structure and behaviour of markets for financial services. We publish a series of 'Occasional Papers' using economic analysis to explore key research priorities affecting financial regulation (examples include an examination of the persistency of past performance of mutual funds).

• *Macro and non-financial sectors*: The team is responsible for surveillance of global and UK macro-economic developments and assessing how these may influence the risks faced by FSA regulated financial institutions. Examples include macroeconomic developments in Japan and the US and their impact on FSA objectives and imbalances in the UK economy. They are also responsible for analysis of non-financial sector issues and their impact on our objectives.

• *The markets and sectors team* is responsible for assessments of environmental conditions, structural developments and key risks in the UK and overseas financial sectors. Recent analysis has covered risks from hedge funds and 'highly leveraged institutions' and assessments of the impact of the national and global credit environment on the firms we supervise.

• *Regulatory environment*: The role of this team is to monitor, highlight and suggest mitigating action in respect of external regulatory, legislative, accounting, legal and financial crime developments that have implications for the FSA's statutory objectives or principles of good regulation. As part of this work, it maintains the FSA's understanding of overseas regulatory agencies.

• *The risk aggregation and scenario team* is responsible for developing and maintaining a core set of environmental assumptions and risks to support the strategic planning process. These are published in the Financial Risk Outlook, which the team brings together.

This is clearly a very broad spectrum of work and to do it we employ economists from a wide range of backgrounds. This includes new graduates with both first and second degrees in economics, experienced economists from the private/public sectors, finance specialists and macro and micro-economists.

After identifying and classifying the risks, the next task is to assess and prioritise them. Here we use the concept of probability to assess how likely a risk to our objectives is to crystallise. But this is not the only relevant measure. We must also answer the question 'How important is it for us'? It is this indicator of impact which helps us to prioritise in allocating our resources.

To conclude

Our arrival as a single regulator has received a broad welcome and there is great interest around the world in how we are undertaking our wide and challenging remit. We believe our risk-based approach is producing better and more focused regulation. We also believe that our focused team of economists is playing a critical role in helping to deliver this. So far the signs are encouraging that we are on the right path.

A perspective on India

Continuities and Discontinuities: Economic and Social...and a Point of View

In the first of a regular series of comments on contemporary developments in India, Professor Kanchan Chopra of the Institute of Economic Growth at the University of Delhi looks at how India's tradition of democratic politics handled recent attempts at environmental protection in Delhi and notes some disturbing developments at odds with those traditions.

INDIA HAS SEEN more than fifty years as an independent nation. It is now a country of over one billion people, split vertically and horizontally into classes, religions and communities, yet striving to align itself with the emerging global village within the framework of a democratic polity. The outlook from within the country has changed substantially, in particular in the last ten years or so. Politically, the notion of a benevolent state of the earlier era, has progressively become less relevant. Lessons on rent-seeking by governments constitute essential ingredients of social science courses and we know that dispensation of governance (whether economic or political) by an abstract state is just not how the real world functions. On the economic scene, the public sector has long since been dislodged from its ‘commanding heights’. Most of its units, maligned and indicted for inefficiency and non-performance are up for the taking under the name of dis-investment and the race towards privatisation seems to beckon all. We are looking out for foreign investment in large measure too. When looked at from the perspective of the 21st century, the much regretted brain-drain of the period following independence is a thing of the past. The Indian diaspora now defines the extended frontiers of our relationship with the rest of the world.

Through this period of redefinition of the Indian identity ... the trappings of a democratic structure have been zealously guarded and adhered to.

Indian democracy and economic progress

Through this period of redefinition of the Indian identity with respect to the rest of the world, the trappings of a democratic structure have been zealously guarded and adhered to. We have had our elections, governments have been put together, brought down and reinstated, sometimes as coalitions. All this is promising even though confused: it provides space for multiple expressions of development as freedom. The same, however, cannot be said of the parallel re-emergence of a sinister form of religious fundamentalism. Whereas the educated, upwardly mobile, in the earlier era of liberalism relegated religion to the personal domain, today’s youth of all creeds seem to flaunt an aggressive brand of fundamentalism. How does this heady mix of conflicting institutions of social, economic and political governance, struggling to solve problems of poverty alleviation, development and environmental degradation, function? Does it provide the hope of a continued search for better solutions to societal issues within the framework of democracy?

The macro achievements, though not too impressive, are often flaunted. As reflected in growth rates of GNP, now between 5 to 6 per cent p.a., increasing literacy rates at 65.39 per cent, life expectancy at 61.1 per cent and proportions of population in poverty at 26.1 per cent (according to one much contested estimate), they do not count for much in a relative sense. However, an evolution of the institutions of economic, political and social governance as they function in the framework of sectarian interests and stakeholders is evident. This may be of some interest to the rest of the world. To illustrate, I shall use the recent example of the approach of civil society to environmental policy with respect to air pollution in the city of Delhi. It provides interesting insights into the interacting and somewhat befuddled nature of issues with respect to development and may teach us something at the larger global level.

Recognising the environmental costs

As in other developing countries, the prolonged focus on growth, development and more lately on trade and globalisation in India, leaves very little space in public discourse for environmental policy. This is a continuing fact even though air pollution and water scarcity continue to erode the quality of life in our major cities. In the last few years however it seemed as though an active NGO movement and a supportive judiciary led to some action and the citizens of the Indian capital woke up one morning to find that a deadline had been announced for conversion of public transport vehicles to a reportedly clean fuel ‘CNG’. In a flurry of activity, the media raised a number of questions:

- Where was the supply of the fuel to come from?
- What would be the additional cost to vehicle owners and operators? And to commuters?
- Would they be able to cope with a reduction in the number of buses plying on the roads?

Wise journalists asked more basic questions: how do we know any way that CNG is less polluting than diesel? And by what parameters?

Special interests - Indian style

Battle lines seemed to be drawn up. In popular debate these were identified as, 'the harassed commuters' and 'the elitist environmentalists'. It did not take long for conflicting research findings to be dug up by either side to justify its case. And the pundits were arguing about the pros and cons of the nature of different fuels. Between the lines, more often than not, their pronouncements reflected the interests of different corporate groups.

Meanwhile, the anger of the commuting public at the decreased availability of vehicles caused by the mismatch between supply and demand of CNG increased and found vent in public demonstrations.

As expected, politicians with their sights honed on vote-banks, seemed to relish the conflicting views on the impact of different fuels and the undercurrent of dissatisfaction with 'elitist environmental groups'. And the oft-repeated statement that 'employment and livelihoods must take precedence over the luxury of a clean environment' came in handy . Deadlines were rolled back and a gradual return to business as usual could be noticed. Somewhere along the line, people had forgotten that an improved state of health was an indispensable component of well-being.

The denouement came with the Finance Minister announcing in his Budget speech that the excise duty on the clean fuel had been raised by 16 per cent. At the same time, diesel was to cost less following the oil sector being freed from pricing and distribution controls. This, when his speech also lamented the 'sad plight of most of our towns and cities and the need to provide a healthy environment to our citizens'. Further, the increased excise will net a meagre amount for the exchequer as CNG use is limited mainly to the two large cities, Mumbai and Delhi and natural gas used by industry and power plants was not to be subject to the increase. The signal was loud and clear. All the right noises were being made but decision making on the ground was the consequence of an iterative exchange between interest groups. It made use of imperfect knowledge and limited transparency in a very selective fashion.

However, it did not escape the attention of the optimists amongst us that a large part of the fleet of public vehicles had converted to CNG, found it to be cost-effective and that the suppliers of the fuel had seen an opportunity and tried to move in to reduce shortages. The market would have stepped in to find a solution provided it had been given time and the intermediate stage properly anticipated and managed. More importantly, a continuously iterative process of decision making which brought the judiciary, civil society, the market and the government together whether in conflict or to generate synergy was of the essence. One could take comfort in the fact that a space existed for dialogue howsoever limited. The institutions of civil society only needed to be improved over time to reflect and internalize the different preferences and perceptions of stakeholders. And the resilient nature of our social fabric would help us to achieve these improvements.

More sinister traditions

The larger question however is: how resilient is the social framework within which these debates on policy are nested? And a set of events in the Western part of India in late February (at about the same time as the budgetary policy was being articulated) suggested in a tragic fashion that this resilience of the social system is indeed at the brink of a major unsettling discontinuity. The sporadic but repeated rise of communal violence witnessed there can undo the economic progress of years. Means of livelihood for large sections of the community were destroyed, property rights were flagrantly violated and calls for economic disempowerment of sections of the population issued by politically interested groups. This took place even when it was widely known that the economic and social interdependencies between the communities went back hundreds of years. This indeed is the dilemma and the concern. A social system on the brink of such a disintegrating discontinuity cannot think in terms of well-being defined in any way other than the capability to function as human beings. The Indian polity has to find a way out of these happenings. As far as I can see, as a nation, we see no way out of this larger malaise. And so, even while we congratulate ourselves on the multiple world views that our political system allows, there is a nagging feeling that we are not moving in the right direction in the larger social context. There are elements here that can corrode all progress, even as our young take pride in emerging as global managers and we pride ourselves on the thriving civil society institutions that we nurture.

Treasury website wins award

The UK Treasury website has been voted the best departmental website at the 2002 Government Internet Forum Awards. From its clearly designed home page, two drop-down menus give access to 'documents':

International issues
UK economy
Taxation, work and welfare
Financial service
The Euro
Enterprise and productivity
Public spending and services

and to 'topics':

Savings
Environment
Debt relief
Euro
Family issues
Pensioners

Users can also download copies (in EXCEL and hardcopy) of the Treasury's 'Pocket data book'. This is a collection of 28 tables relating to the UK and world economies, updated weekly. It also contains a section advising readers of information to be published in the month ahead.

The site can be found at: www.hmt.gov.uk

Developments in

The Office for National Statistics

This is the second in a series of periodic articles providing general information on the UK Office for National Statistics (ONS) and its programme of methodological developments. Amanda Rowlatt, the Chief Economist at the ONS, provides an overview of some of the areas of work of interest to economists.

ONS HAS A vast number of development programmes in hand, in addition to producing the regular statistics, so this article highlights a few of particular interest to economists. Cutting across all the work areas is the current drive to invest in ONS' infrastructure. The other topics mentioned here all involve new areas of work reflecting economic change or topical policy issues: measuring the 'new economy'; the new Time Use Survey and the associated Household Accounts; measuring social capital; and chain-linking the National Accounts. Feedback on this work is welcome.

As indicated in the last article, the top priority across ONS is to improve the statistical infrastructure, to deliver better data collection, processing and analysis systems. As part of this, ONS is currently undertaking scoping studies of the costs and benefits of redeveloping three of its major systems: National Accounts, labour market systems, and population estimates and projections. While this work is under way existing systems business is being conducted as usual and existing products and outputs will not be changed or jeopardised in any way. If the scoping studies suggest the projects should be taken further users will be fully consulted about their requirements for the nature of outputs from the systems. The National Statistics web site (www.statistics.gov.uk) is also being re-engineered, starting with a new look and due to be launched in July 2002.

ONS is engaged in a wide range of work to improve measurement of the 'new economy', notably the information, communication technologies (ICT). This has three main elements:

- new economy infrastructure - the measurement of ICT assets is being improved, including software, and in parallel ONS is developing an index of capital services;
- measuring ICT outputs and prices - monthly series for the output of computer services and telecommunications are being developed as part of the Index of Services work programme, and ONS' prices team are investigating the use of hedonic techniques to adjust for quality changes in high technology goods, notably computers; and
- the impact of the internet - data from business and household surveys are being brought together with other micro-level information to investigate the impact of the internet on economic and social activity.

ONS is hosting the bi-annual conference of the International Association of Official Statisticians (IAOS) in London on August 27 to 29 2002, and the topic this year is official statistics and the new economy. This will bring together top international statisticians, policy makers and business people to discuss the implications of the new economy and the range of emerging statistical needs. Further detail is at www.statistics.gov.uk/iaoslondon2002/ and early registration is encouraged. In the run up to the IAOS conference, ONS is hosting a workshop in April to present ONS work on the new economy. Papers will be available on www.statistics.gov.uk/economists.

On 25 April, ONS plans to launch the results of the new Time Use Survey and the Household Accounts. The UK 2000 Time Use Survey measures the amount of time spent by the UK population on various activities. It is the first time that a major survey of this type has been conducted in the UK and will inform a range of policy areas as well as being of interest to academia, social research centres and the advertising and retail sector. Further detail at www.statistics.gov.uk/themes/social_finances/timeusesurvey.

The Household Accounts aim to value the unpaid work done in the home. They are based on a valuation of the outputs produced by households - the first time an official statistical institute has used this method. This is compared with a valuation of the inputs used to the produce the outputs, with the labour inputs based on the Time Use Survey. Further detail at www.statistics.gov.uk/hhsa.

ONS work to date on social capital has included a review of the literature and a matrix showing which surveys contain questions with social capital elements. A workshop, co-hosted with the Home Office, has also been held to explore Government Departments' conceptualisation, utilisation and understanding of social capital. Future work includes development of an operational definition of social capital for use across government and a harmonised set of core questions, building on the work done in developing the General Household Survey social capital module for the Health Development Agency. We are also working with the OECD and other countries to improve the international comparability of measures of social capital. Further detail at http://www.statistics.gov.uk/socialcapital

Progress has also been made on chain-linking the National Accounts, and a paper in the April *Economic Trends* examines how chain-linking affects the contribution of different industries to economic growth. ONS is currently consulting users on the work programme and how chained volume measures should be presented. A seminar geared specifically for economists will be held at ONS's London office on 22 May , and a public seminar will be held at the Royal Statistical Society on 17th June. If you would be interested in attending either please e-mail mark.fraenkel@ons.gov.uk for details.

ONS welcomes constructive feedback from users of our data. Statisticians can be contacted through the National Statistics web site, via the 'your views' or 'contacts and consultation' areas of each National Statistics 'theme'. More general enquiries can be sent to eas.division@ons.gov.uk.

Leverhulme Centre for Research in Globalisation and Economic Policy, University of Nottingham

David Greenaway fills in the details of the newly-established Leverhulme Centre for Research in Globalisation and Economic Policy.

The Leverhulme Centre for Research in Globalisation and Economic Policy (GEP) was established in the School of Economics in 2001. It subsumes the research programmes and activities of its predecessor, the Centre for Research on Globalisation and Labour Markets.

The Centre's funding derives from two Programme Grants to the value of over £3m awarded by The Leverhulme Trust. Researchers in GEP have also received funding from the ESRC, European Union and British Academy. The Centre is under the Directorship of Professor David Greenaway.

GEP's research and dissemination activities are structured around three Research Programmes, linked by the common focus of economic aspects of the globalisation process. These are:

• Globalisation and Labour Markets, with work currently underway on: sectoral and occupational adjustment; international comparisons of education and training; globalisation, unions and labour markets.

• The Internationalisation of Economic Policy, with current work on: international environmental regulation; rules of origin and trade impediments; tariffs, quotas and mergers; integration and FDI.

• Globalisation, Productivity and Technology, where current work includes: productivity and exporting; spillovers from FDI; foreign acquisition and firm performance; exports spillovers and multinationals.

The Centre supports both basic scientific and policy focused research. Its core staff now comprises 20 Research Fellows based at Nottingham, some of whom are full-time researchers and some are tenured staff in the School of Economics. It also has a network of 20 External Fellows based at a range of Universities in Western Europe, North America and Australia and a network of Policy Associates from Government Departments and international organisations.

GEP has its own dedicated Research Papers series, which can be accessed on-line. The Centre sponsors a weekly workshop programme for visiting speakers, a quarterly Globalisation Lecture and hosts two major Conferences each year. It also supports a group of PhD students working on a range of trade, FDI and productivity related topics.

Full information on the Centre's research and dissemination activities can be accessed from its website at www.nottingham.ac.uk/economics/leverhulme.

British Association for the Advancement of Science - Section F

We have regularly reported the proceedings of the economic science section of the British Association's annual meetings (see Newsletter no. 115). We break with precedent this year by announcing some details in advance. Readers will be interested to see that Angus Deaton, a regular contributor the Newsletter is the President of this year's meetings.

SECTION F (economics) of the British Association for the Advancement of Science is one of the oldest economics societies and longest running conference series.

Conferences are organised around themes chosen by annually elected presidents. In 1999/2000, the Nobel Prize Winner, Professor Amartya Sen, served as President. In 2001/02 the President was Professor Stephen Nickell, now a member of the Monetary Policy Committee. Previous Presidents include Alfred Marshall (1890), William Beveridge (1923), Nobel Laureates Sir John Hicks (1955) and James Meade (1957), Nicholas Kaldor (1970), Roy Jenkins (1982), Samuel Brittan (1993) and David Hendry (1999).

This year's conference is to be held at the University of Leicester on September 12th, the President is Angus Deaton, Dwight D Eisenhower Professor of International Affairs and Professor of Economics, Princeton University and the topic is

Wealth Health and Wellbeing

Key Speakers:

Professor Angus Deaton
(Princeton, Section F President 2002)
Professor Richard Wilkinson (Nottingham),
Professor Michael Marmot (UCL)
Dr James Smith (RAND Corporation)
Dr Adam Wagstaff (The World Bank)
Professor Andrew Oswald (Warwick)
Professor Tim Beasley (ILS)

Date: Thursday, 12th September 2002

Time: 09.30 to 17.00

Location: Ken Edwards -Lecture Theatre 2, University of Leicester

Organiser and source of further information about the programme and the Section F dinner:

Professor Andy Mullineux (Section F Recorder)
A.W. Mullineux@bham.ac.uk
0121-414-6642 (xt8561)

Stephen Wheatley-Price (Section F Local Secretary)
SP2@leicester.ac.uk 0116-2525645

To Register for the Conference please contact:
Joanne.Coleman@the-ba.net or
www.britassoc.org.uk

Committee on the Public Profile of the Economics Profession

Barry McCormick, University of Southampton, chairs the Society's committee looking at ways of enhancing the public's perception of the economics profession. In the last Newsletter *we reported the very successful launch of the Society's Annual Lecture. In this article, Barry explains the thinking behind that initiative and others which the Committee is promoting.*

THE WORK OF this group began a little over 2 years ago and is concerned with raising the profile of our work in the public mind, and especially in the perceptions of those young people that might consider becoming economists. We have explored a wide range of possibilities, some of which we have discarded, some of which have failed to convince the RES executive — this is not an area in which there is uniformity of outlook — but we have developed four undertakings to which others will be gradually added. Administratively, we aim to establish the viability of an activity before passing the continuing responsibility to the RES executive.

RES Open day at the Treasury and the Bank of England

The idea behind the Open Day is to provide to our most outstanding students a stimulating introduction to our profession from academic, GES and Bank of England economists in a way that is welcoming and supportive, and set in the exciting environs of two of the largest employers of economists. There have been two Open Days — attended by 82 and 100 students respectively — and both have been funded by the Treasury. A third is arranged for November 22nd 2002.

We want the students to understand that we exist as a coherent profession, that we have interesting jobs in many different industries, and that some of these jobs are very well paid. Tim Besley and one of the senior GES economists provide the keynote talks in the morning session explaining how to take the first steps to becoming economists as well as summarizing 'what economists do'. We encourage questions. After lunch, and a further questions session, the students go to the Bank where Mervyn King and his colleagues provide an outline of work done by economists in their own and other financial institutions.

The Annual lecture

Much of the work done by economists on the major policy issues is invisible to the general public. To increase public awareness of our contributions we have instituted an annual public lecture on a topic of broad interest. Our thinking was that economies of scale in the preparation of the lecture might be exploited by requesting that the lecture be given at 2 or 3 locations spread across the regions. This lecture series was initiated by John Sutton who presented his talk at Edinburgh and the Royal Institution in London. Thanks to excellent organizational leadership from Paul Seabright and Eleanor Burke, and to a splendid presentation from John Sutton these occasions, attended by over 800 persons, were a great success. Those of us who had the pleasure of attending the Lecture in the historic theatre at the Royal Institution were offered a tour de force by John that established that economists can be thrilling as well as useful.

The 2002 Annual Lecture will be given by Nicholas Crafts at the Royal Institution in November and in 1 or 2 regional locations.

Teaching materials

The committee was persuaded that one of the reasons for disinterest in economics at A-level is that textbooks and other teaching materials in competitive subjects have become more user-friendly, and that we suffer from a relative lack of appropriate teaching materials.

To meet this need, we have commissioned two projects which involve both school teachers and academic economists to develop teaching materials. One study is led by Professor Chatterji and the other by Dr Ghosal. The former will focus on an applied topic and the latter on how game theory tools can be leafed into the teaching of various contemporary issues rather than taught as a separate topic, perhaps occupying a separate chapter of a text. These projects are beginning this Spring.

Student survey

Andrew Oswald, and I have explored student preferences towards taking further degrees and the strategies that we may adopt towards encouraging them. Richard Jackman is collecting evidence at the LSE. We will distribute the results later in the Spring.

Other issues presently being pursued by the committee include a comparative study of Italian/French/German student financial support for post-graduate work; the implications of a small country (non-US) bias towards theory that may reduce certain students' interest in economics; and the extension of the list of journals that are reviewed for press attention by the Royal Economic Society.

ESRC news

New funding initiatives

The ESRC has recently announced funding for four recently established research groups and centres. In all cases the funding lasts until 2004 or beyond. Further information about these and other activities can be found at: www.esrc.ac.uk

Cultures of consumption

£5m has been allocated to the 'cultures of consumption' research programme based at Birkbeck College. Its six main research areas are:

- knowledge and the consumer
- consumption, power and citizenship
- internet commerce and the media
- local, metropolitan and transnational consumer cultures
- domestic consumption and the media
- alternative consumption

The Arts and Humanities Research Board (AHRB) is contributing £1m of the £5m total.

The context for this research is partly the increasing importance of consumption in modern life, but also the growing influence of consumer lobbies on issues such as food quality, genetic modification, BSE and so on. 'Our interest lies in how this convergence of interest in consumer issues and consumption has come about, what the dynamics behind it are, and what the consequences will be', says the programme director Dr Frank Trentmann.

Business relationships, accountability, sustainability and responsibility

The Centre for Business Relationships, Accountability, Sustainability and Responsibility (BRASS) was established at Cardiff University in October 2001 (see *Newsletter* no. 115, October 2001) and focuses on the social, environmental and ethical impacts of business. It is no longer sufficient that business provides marketable goods and services, makes a profit and stays within the law. People are increasingly concerned about *how* production takes place and what the long-term implications may be. Issues like over-fishing, climate change, environmental pollution and food quality (again) have led to growing concern that traditional notions of 'efficient production' may not prove an adequate aspiration for successful firms.

BRASS currently has 15 research projects underway or about to begin, including: lessons for the food industry to be learnt from the foot and mouth crisis; the difference to firm behaviour that ethical codes can make; how institutional investment and consumer pressure can influence the social and environmental performance of firms. The ESRC has awarded the Centre £3.1m.

Care, values and the future of welfare

Based at Leeds University, the Research Group for the Study of Care, Values and the Funding of Welfare (CAVA) is supported by £1.3m of ESRC Funding. The research is concerned with the way in which we try to fulfil our various family responsibilities and how policy can help. It looks at the different values, beliefs and moral frameworks that we use to deal with such common dilemmas as how to organise childcare, caring for relatives, negotiating separation etc. Nothing of this kind has been done since the 1940s when Beveridge based his welfare state proposals on the then state of knowledge of these things. That suggested that people would marry in their early twenties and women would leave the labour market and stay at home in a primarily child rearing role. The family's financial security would be provided by the man's contribution to the insurance-based benefit system. Few if any, of these presuppositions survive.

Science in society

The ESRC has allocated £4.5m to its new Science in Society Research programme, led by Professor Steve Rayner at the Said Business School, University of Oxford. While most scientific activity is uncontroversial, recent public concern over public health, food risks and biotechnology suggests that science is not always able to provide an uncontrovertible and objective means of resolving public policy dilemmas. The challenge to social scientists is to design a new framework within which scientific knowledge can be brought to bear upon policy in a way that is acceptable to all stakeholders.

Work on the first round of the Programme's research projects is due to begin in June 2002 and the Programme is expected to run until 2006/07. Research will be conducted in four main areas: science and governance, science and communication, science and the economy and science and globalisation. Participation in the programme is to be encouraged by a fast-track small grants scheme for awards of under £40,000.

...continued on p.18

Obituaries

James Tobin*

James Tobin, the winner of the 1981 Nobel Memorial Prize for Economics, died on March 11th aged 84. He was born on March 5 1918 in Champaign-Urbana, Illinois, the home of Illinois University.

He was educated initially at a school connected to the University's Education Department and from there won a scholarship to Harvard in 1935 where he completed his BA in 1939. He saw war service in the US navy before returning to Harvard to finish a PhD dissertation on the consumption function in 1947. He then spent a year at Cambridge (England) before returning to the US to take up a post as associate professor in economics at Yale. A full professorship followed in 1955 and in 1957 he was appointed Sterling Professor of Economics at Yale, a post which he held until retirement in 1988.

Amongst economists, Tobin will probably be best remembered as a leading figure in the second generation of 'Keynesian' converts. This is not altogether surprising given his background and the composition of the Harvard faculty of the time. His father had been a journalist before taking up a post in sports administration at the University of Illinois while his mother was a social worker. Together they created what Tobin himself described as a literate, informed and critical home environment and through his mother in particular Tobin came into contact with the human suffering caused by unemployment. He was inspired by the spirit of the New Deal and took up economics, as did many of his generation, precisely because he thought it had the capacity to improve the lot of people in general. At Harvard he was taught by Alvin Hansen, a leading first generation US Keynesian, at a time when Paul Samuelson and J K Galbraith were in Harvard's graduate school.

Unlike many UK Keynesians of the period, however, Tobin took the roles of monetary policy very seriously. This led him to detailed thinking about the transmission of monetary effects and from there he came to to two insights which probably mark his major (if not his best known) contributions to economics. The first of these was Tobin's '*Q*', a measure of the ratio of a company's stock market valuation to its net worth. In principle, the net worth of a firm represents the replacement cost of its existing capital. A value of *Q* greater than one suggests that the market values the firm at above its capital replacement cost and this should induce competitors to replicate the behaviour of the $Q > 1$ firm. Under the pressure from new entrants, the value of *Q* falls and must, in the long-run, tend towards one. Tobin's *Q* is thus one way of interpreting the stock market valuations of a firm (one which incidentally suggests that stock prices are overvalued even at their present levels).

The second was his work on portfolio theory where he developed a coherent account of how risk-averse households would allocate their wealth across a whole range of assets, trading-off risk against return in the process. In so doing, he also produced a rather fuller and (for some) a more plausible account of how people would balance holdings of money against non-money interest-bearing assets than Keynes had provided in the *General Theory*. This was a vital link in the transmission mechanism from monetary policy shocks (as they would now be called) and the real economy.

It was for his work on financial markets and how their behaviour might affect decisions to consume and to produce that Tobin was awarded the Nobel Memorial prize in 1981.

These achievements notwithstanding, Tobin will probably be best remembered (certainly amongst non-economists) for an idea that he developed in 1972, when the Bretton Woods system of fixed exchange rates was breaking up amidst a deluge of currency speculation. The 'Tobin tax' as it became known, was to be levied on foreign exchange transactions in order to limit speculative flows and to stabilise exchange rates. Whether such a tax (especially at the rates of 0.1-0.5 per cent that Tobin envisaged) would have had much stabilising effect and what would be the effect more generally of introducing such deliberate market imperfections was briefly the subject of much informed debate. In more recent years, however, it has been taken up by anti-globalisation campaigners as part of a programme to restrict free trade (a restriction which Tobin deplored) and to raise funds for redistribution to developing countries (a proposal which he also opposed.).

Like most Keynesians, he was something of a market sceptic , while recognising the enormous capacity of the market system for creating wealth and raising living standards. He knew that unlimited free trade could bring victims but the answer was not to restrict trade but to provide help for the losers to switch to more profitable activities. He rejected with scorn the supply side nostrum of lower taxes to stimulate enterprise, regarding it as thinly disguised special pleading by the rich. He was likewise dismissive of the policy ineffectiveness propositions that flowed from combining rational explanations with universal market-clearing, knowing that in many markets prices were sticky for reasons that were perfectly rational. In his view, the Phillips curve was downward sloping for quite long enough for policy to have real and worthwhile effects.

In his private life, though there was little enough of this, he was interested in the arts (jazz in particular) and in sports. In 1946 he married Betty Ringo and after his appointment to Yale they moved to New Haven, Connecticut. There they kept virtual open house for colleagues and students. He was a generous and enthusiastic teacher and many of those who were fortunate to study with him developed lifelong friendships with Jim and his wife.

He is survived by Betty and by three sons and a daughter.

The following is an extract from a lecture given on 20 March by Dr Walter Heering at Brighton Business School.

Tobin began studying economics in 1935 at Harvard University. In his first year one of his academic tutors took his attention to a brand new book by an economist at the University of Cambridge. Of course, it was J M Keynes's *General Theory of Employment, Interest and Money*, which just had been published. In Tobin's words, 'I was hooked'.

Tobin earned his three academic degrees from Harvard: his bachelor's in 1939, his master's in 1940, and his PhD in 1947, after wartime service. In 1950 he left Harvard for the post of an associate professor in economics at Yale University where he stayed for the rest of his academic life. He received a full professorship in 1955, and was named the Sterling Professor of Economics in 1957. When the influential Cowles Foundation for Research in Economics, privately established by Alfred Cowles in 1932, moved from the University of Chicago to Yale in 1955, Tobin became its first director there. He held the position between 1955 and 1961 and again from 1964 to 1965. In 1960 James Tobin was offered a place on the President's Council of Economic Advisers by John F. Kennedy. It is reported that Tobin first resisted, identifying himself as an 'ivory tower economist'. 'That's all right, professor', Kennedy is said to have replied, 'I am what you might call an ivory tower president'.

After a year and a half in the Kennedy-administration, Tobin returned to Yale, but never lost touch with the field of public affairs and politics. He strongly supported Goldwater's presidential campaign and, a decade later, joined George McGovern's campaign as an adviser. Tobin launched several influential economic reform initiatives: in the 1960s he espoused the negative income tax as an incentive-compatible scheme of taxation, and in 1971 proposed the 'Tobin tax' as a device to help stabilise exchange rates. He was always a leading critic of monetarism and the academic adversary of Milton Friedman.

His original interest in portfolio theory had never been an understanding of financial markets as such, as it was in much of the US-based literature starting with Henry Markowitz in 1952. Rather it was aimed at linking financial markets to employment and economic growth, and therefore, in a Keynesian tradition, to money. His first contribution to the field was a refinement of William Baumol's inventory-theoretic approach to Keynes's transaction demand for money (Baumol 1952; Tobin 1956). In 1958 his famous 'Liquidity Preference as Behavior towards Risk' was published, in which he applied portfolio theory to Keynes's precautionary and speculative motive for holding money (Tobin 1958). Tobin further extended and generalised his theory of portfolio selection in the early 1960s (Tobin 1965), in retrospect describing it as simply an analytical framework for the study of 'not putting all your eggs in one basket'.

Tobin's main problem with Keynes's demand for money was its inability to explain asset diversification. It was in order to rescue this feature that he proposed his own theory of precautionary demand for money. Precautionary money demand as such, however, cannot explain the 'liquidity trap', which was one of Keynes's most original inventions. A liquidity trap occurs, according to Keynes, when the rate of interest has already fallen to such low a level that virtually no investor expects a further decrease in the future. If this happens, then any wealth-owner would be ready to exchange all his bonds against money without requiring a higher bond price, severely limiting a monetary policy aimed at establishing a lower rate of interest in favour of investment. Keynes himself apparently had little confidence in the empirical relevance of such a situation, and this too seems to have been the attitude of the profession. (However, this 'limiting case' has suddenly become topical in view of Japan's predicament). But even if a liquidity trap were only a theoretical possibility it might be argued that the theory should be able to deal with it). In a risk-return framework a liquidity trap becomes perfectly plausible. Thus it can easily be shown to be one of the cases which are possible in Tobin's general model, i.e. a theory of speculative money holding is already implicit in the model.

Notes:

* A fuller appreciation of James Tobin and his work will appear shortly in the *Economic Journal.* Details of Tobin's life and career can be read at www.yale.edu/opa/

Baumol W J (1952) 'The Transaction Demand for Cash. An Inventory-Theoretic Approach', *Quarterly Journal of Economics,* Vol. 66, 545-556.

Tobin J (1956) 'The Interest-Elasticity of Transaction Demand for Cash', *Review of Economics and Statistics,* Vol. 38, 241-247.

Tobin J (1958) 'Liquidity Preference as Behavior towards Risk', *Review of Economic Studies,* Vol. 25/26, 65-86.

Tobin J (1965) 'The Theory of Portfolio Selection', in Hahn F H and Frank P R (eds.) *The Theory of Interest Rates* (London and New York) 3-51.

Jack Gilbert

Jack Gilbert, Professor of Economics at the University of Sheffield from 1957-73 and a member of staff from 1948, died on 26 February 2000, aged 91. He was a distinguished economist and an extremely conscientious and dedicated university teacher.

Born in Wanstead, London, he was educated at Bancroft's School, from where he went to LSE to read Economics, graduating in 1929. After spending a year in Germany as the Sir Ernest Cassel Travelling Scholar, he was appointed a Teaching Assistant at LSE with the princely salary of £250 per annum.

In 1931 he was offered the Chair of Economics at the University of Rangoon, and at the sane time a lectureship at the newly-created School of Economic Studies in Dundee. When he chose the latter, he became a founder member of staff of that unique institution, along with others who also made their names as economic theorists, namely Professor R H Coase and Professor Duncan Black.

Jack Gilbert left Dundee in 1941 to become a Statistical Officer in the Home Timber Division of the Ministry of Supply. At the end of the war he resurrected his academic career by joining the Economics Department of the University of Manchester under the aegis of Sir John Hicks. Shortly afterwards, in 1948, he moved to the University of Sheffield. For the ensuing twenty-five years, Economics at Sheffield and Jack Gilbert were one and indivisible. He not only guided the destiny of the Department of Economics - which grew from seven members of staff in 1948 to 35 in 1973 - but was the principal architect of the present Faculty of Social Sciences, being its first Dean from 1959 to 1962.

The prosaic details of his career barely provide the reader with a real appreciation of the flavour of the man. Only those who had the privilege of close contact with him over the years could really appreciate his qualities. Above all we will remember his constancy and stability in an era of bewildering and rapid change, for he was the true custodian of eternal values. Like Henry Francis Lyle who wrote: ‘Change and decay in all around I see’ I suspect that Jack Gilbert subscribed to the doctrine that most change was for the worst. Certainly his sartorial behaviour suggested it. The university campus has not been the same without that well-known figure strolling purposefully around it with the Gilbertian version of the Holy Trinity - his felt hat, raincoat and umbrella crooked over his arm.

We shall recall with gratitude his qualities as a teacher and a scholar. His first duty was always to his students, whose interests he loyally served. Patience, the ability to be tolerant of foolish misunderstandings, compassion and clarity of expression were qualities which they appreciated most. Moreover, he never yielded to the temptation to neglect the interests of the less gifted, and was a fearless and obstinate defender of their cause.

As a scholar he made noteworthy contributions to the literature of monetary theory — a life-long interest. Although he was excessively cautious in committing his ideas to print, what he did publish represented a significant embellishment of the literature, in particular, his article ‘The demand for money: the development of a concept’ (*Journal of Political Economy*, 1953), written when the subject was out of fashion, has a deserving and lasting impact. In his book, *Keynes’ Impact on Monetary Economics*, published after his retirement, he showed his capacity for bridging the gap between Keynesians and monetarists, and providing unusual insights into the theoretical controversies of the 1930s.

As a teacher he had the capacity to guide students to the heart of the matter. His pedagogic skills did not really lie in lecturing to large classes but in guiding small groups in the analytical methods essential for reaching the core of economic problems. He will also be remembered as a stimulator of fellow scholars at every level over a long career, as a helpful supervisor of research, and as a trusted and co-operative colleague. His friends and colleagues will think of him also as an individual, a true gentleman in the best sense of that old-fashioned word - a man of gigantic integrity with a true generosity of spirit, I have never known anyone who was so completely devoid of malice towards his fellow human being.

Professor George Clayton,
University of Sheffield

Peter Newman

Peter Newman, co-editor of *The New Palgrave Dictionary of Economics* and its companion volumes, died on 6 November 2001 in Hamilton, New Zealand at the age of 73. He was Professor of Political Economy at Johns Hopkins University from 1966 until his retirement in 1990. During this retirement, in Dorset, Newman continued working. In this staggeringly active period, he produced *The New Palgrave Dictionary of Money and Finance* and *The New Palgrave Dictionary of Economics and the Law*. These works, and the 1987 original *New Palgrave* from which they sprang, were widely conceded to be landmarks in the literature of economics. Taken as a whole, they cemented his reputation in the history of economics — a subject for which, somewhat unfashionably, he was a tireless champion.

In the dictionaries there is clear evidence of Newman’s scholarship, encyclopaedic knowledge, and wit. The whole conception and execution of the dictionaries testifies to these characteristics — as do his own many contributions to them, especially his great entries on Edgeworth and Ramsay. Anyone wishing to see the whimsical side of his character, should contemplate his entry on Wordsworth Donnisthorpe.

Although from a prosperous and middle-class background, Peter Newman was the first in his family to attend university — he would have gone into the family business, but his father wouldn’t hear of it. His father, Charles Francis, was one of six brothers to survive the First World War who then entered the family grocery-store business — owning several shops in South London, which were eventually sold to Tesco. Peter Newman’s mother, Harriet, came from a Derbyshire family of miners and foundry workers. Peter Newman had one older brother, George, who died some four years ago.

Born in Mitcham in Surrey on 5 October 1928, Newman attended the University of London, obtaining his first degree in 1949. After working on a series of research projects (with the Oxford Institute of Statistics, the United Kingdom government, and the United Nations), Newman moved to the United States and took up a Chair in Economics at the University of Michigan in 1959. This move began his connection with the North American branch of the economics profession — a connection which continued until his retirement in 1990.

Newman’s early work ranged from issues surrounding the post-war reconstruction of the British clothing industry, to problems of the Sri Lankan balance of trade, the economic prospects of British Guiana (in the early 1960s), and the relationship between malaria eradication and population growth in areas where that disease was endemic. Newman always took his economics very seriously, and these contributions are a measure of how effectively he applied it to questions of immediate social significance.

The 1960s saw Newman’s attention return to pure theory, and to the theory of value in particular. His contributions to the study of optimisation and stability problems were significant and profound. His mathematical exposition of the work of Sraffa, remains definitive. In 1965 he published *The Theory of Exchange*; a uniquely challenging and insightful account of what we know (and what we do not know) about price determination. It was these contributions to the mathematical theory of value that clinched his reputation. Newman was fond of remarking that the great achievement of mathematical developments in general equilibrium theory was that they forced theorists to say exactly what they meant — so that, at least in this one area economics, it was rather more common for economists to know what they were talking about than in others.

Peter Newman was a quite modest man and, to those who knew him, a great and liberal-minded man. He was a scholar and a bibliophile who worked tirelessly for the discipline simply because he regarded it as important to the betterment of people's lives. He held that economic research could sometimes contribute sharp and fresh understandings of many social problems; and he both practised and preached this opinion whenever he had the opportunity. Until near the end of his life, Peter Newman was working on the definitive edition of Edgeworth's *Mathematical Psychics* for the Royal Economic Society.

Murray Milgate
University of Cambridge

Christopher Saunders

Christopher Saunders's distinguished professional life covered a wide field as a statistician, economist, civil servant, international civil servant and academic. He was born in Birmingham in 1907 and died in Edinburgh on 13 January 2000. He was the son of Thomas Bekenn Avening Saunders, Clerk in Holy Orders and Canon residentiary of Carlisle Cathedral whose mother was the daughter of a German Protestant clergyman named Bekenn from Bremen.

He was educated at the Craig School, Windermere, and at St. Edward's School, Oxford. He went up to Christ Church, Oxford in 1926 to read philosophy, politics and economics, obtaining his BA (Oxon) in 1929 and his MA in 1932. His left-wing political leanings and closeness to the Fabian Society were well established during his Oxford years, and with M.P. Ashley he published in 1930 (second edition 1933) a historical study of socialism in the University of Oxford entitled *Red Oxford*. His formative years coincided with the Great Depression of the 1930s and he remained a lifelong member of the Labour Party.

After leaving Oxford, Christopher Saunders was engaged in the Social Survey of Merseyside at Liverpool University from 1930-33. He then joined the Economic Research Department at Manchester University from 1933-35, the Joint Committee of Cotton Trade Organisations in Manchester from1935-40 and the Government Cotton Control from 1940-44. There followed a post at the Combined Production and Resources Board in Washington for the rest of the war, a task that met his interest in international affairs to which he returned later in his career.

Four subsequent phases in his career covered (i) his civil service career from 1945 to 1957, first with the Ministry of Labour (1945-47) then with the Central Statistical Office (CSO) (1947-57), (ii) his Directorship of the National Institute of Economic and Social Research (1957-65), (iii) his role as an international civil servant as Director of the Economic Analysis Division of the UN Economic Commission for Europe (ECE) in Geneva (1965-73), and (iv) his Professorial Fellowship in the former Centre for Contemporary European Studies at the Sussex University (1973-84), his Honorary Fellowship of the Science Policy Research Unit, at Sussex, (1984-2000) and his extensive consultancy and freelance work for various international bodies.

In the civil service from 1947 to 1957 Christopher Saunders was a key figure among the staff who provided the expert underpinning, economic and statistical, for the macroeconomic and planning policies of the time.

There was growing use in Whitehall of national income data for both policy work and for the operation of some of the economic controls. The CSO produced the calculations of realized national income, but what most of the operators wanted was trend analysis and forecasts. During 1949, Christopher Dow of the Economic Section suggested to Christopher Saunders and to Douglas Allen (later Lord Croham) (then in the Central Economic Planning Staff under Sir Edwin Plowden) that there ought to be a formally constituted committee to sytematise the work on forecasts. Dow sold the idea to Robert Hall (later Lord Roberthall) (Head of the Economic Section), Saunders sold it to Harry Campion (Head of the CSO) and Allen sold it to Plowden. The National Income Forecasts Working Party was set up with Christopher Saunders as its first Chairman. It was a key body in relation particularly to the budget policies in those years and provided material used by Robert Hall and others in advice to Chancellors of the Exchequer. It was also the basis for the annual *Economic Surveys* published at that time.

An important aspect of the work was putting together information about prospective outputs from the Departments with production responsibilities, such as the Ministry of Supply and the Board of Trade, information about the labour supply from the Ministry of Labour and reconciling these with central departments' views about the expected course of aggregate demand. The role of Christopher Saunders as Chairman of the Working Party was a crucial one. He operated not merely as a statistician but as an applied economist. He in fact chaired the Working Party until he left the CSO, of which he was Deputy Director, for the Directorship of the National Institute. His government services were recognised by the award of the Companion of the Order of St. Michael and St. George in 1953.

Christopher Saunders was also the Chairman of the 'Committee of Four', advising the official Inter-Departmental Programme Committee responsible for import programming on the relationship between the forecasts and the import requirements of the key industries. In 1950-1 he worked on the effects of shortages of raw materials and of diversion of resources to defence production during the Korean War.

Indeed, he played a great part in the European response to General Marshall's Speech in 1947. Britain took the lead under Ernest Bevin, the Foreign Secretary, in organising Europe's reaction to the Marshall Plan. This produced a vast mass of statistical material of varying quality to be put together on an uniform basis — an immense undertaking that was masterminded by Saunders in Paris. It resulted in a formidable document for submission to the US Government and Congress which was taken to the United States by a delegation led by Sir Oliver Franks (later Lord Franks) to be ultimately accepted by the US Administration as the European Recovery Programme (ERP), one of the most important strategic events of the last century. In those days Christopher Saunders was a close assistant of

Eric Roll (later Lord Roll) who described him as not only an outstanding statistician with a sound knowledge of economics, but as someone with a fine feeling for practical operational needs. One of the tasks related to the distribution of US aid under the Marshall Plan he was involved in with Eric Roll was the 'Consumption Levels enquiry', which tried to demonstrate the justification of British claims. This was a first-rate statistical piece of work, and an important diplomatic document.

In 1957 he was seconded by the CSO to take over the Directorship of the National Institute, which he held until 1965. The new appointment fell into a period when the Governing Body of the National Institute had just accepted the plan for embarking on the activity of a '*Konjunktur* institute' to publish economic forecasts and report periodically on national economic trends and prospects in a new journal: the *National Institute Economic Review*. This scheme had been formulated in 1953-4 by Christopher Dow, with the support of the then Institute Director, Bryan Hopkin, and, although being a rival to the Treasury, with the full backing, too, of Sir Robert Hall, Economic Adviser to the Government. The main responsibility for overseeing the crucial step of planning and producing the first issue in January 1959, with Robert Neild as the first Editor, fell on Christopher Saunders. The activities surrounding the *Review* went hand-in-hand with the launching of longer-term projects on economic growth and on selected long-range policy issues in the economic and social fields.

When Christopher Saunders left NIESR in 1965, at the age of 58, its reputation for quality research had been greatly enhanced. To everybody's surprise, he declined among others both the offer of a further term of office at the National Institute, as well as an informal offer of the Directorship of the CSO by Harold Wilson, to return to his deep interests in international economic affairs. He had always been a prominent figure in economic and statistical circles internationally and participated in the International Association for Research in Income and Wealth, becoming Chairman in 1959 and Editor (together with Raymond Goldsmith) of its Income and Wealth Series VIII on *The Measurement of National Wealth*.

Joining the ECE in Geneva at this stage of his career seemed just right for him. The Cold War was still on and the ECE was the only body where economists from both East and West worked closely together on vital issues concerning both sides. In his work as Director of the Economic Analysis Division he managed a multinational research team and maintained the tradition of independent, even-handed research established by Gunnar Myrdal and the Division's first Director, Nicky (later Lord) Kaldor. His work with the ECE also led subsequently to his association with the Vienna Institute for Comparative Economic Studies, also one of the important bridges during the Cold War for East-West economic relations. As a member of this Institute's Steering Committee he cooperated in the organisation of fifteen Workshops held in various parts of East and West Europe between 1975 and 1993, attended by six hundred high-level representatives from business, science and government from various parts of the world. On Christopher's departure from the ECE, its executive secretary, Janez Stanovik said of him:

> I feel bound to put on record that it has been for me personally a very great privilege to work over several years with Christopher Saunders. I admire him in every respect. His productivity is extraordinary, his punctuality in meeting agreed deadline is exceptional, and his intellectual leadership is so stimulating that he has commanded universal respect and authority in the Secretariat and among the delegations. It is a credit to the UN that the Organisation was able to attract a man like him into our ranks. His departure from the Organisation will be a great loss which it will be very difficult to overcome.

When he returned to Britain in 1972, settling in Hove, retirement seemed to produce no great change in his life. In 1973 he accepted the appointment as Professorial Fellow in the former Centre for Contemporary European Studies at Sussex University and also became an Honorary Fellow in the Social Policy Research Unit. His unique knowledge of the principal issues and problems concerning East and West European economies greatly invigorated the research activities in this field at Sussex University, where he was a greatly appreciated and much admired supervisor of PhD theses.

What stands out among his wide-ranging and fundamental publications is his clarity of thought and the precise style in which they are presented. Most of his work as a civil servant and with the UN appeared under the auspices of the authorities involved. This includes the monumental volume on *National Income Statistics: Sources and Methods*, 'intended to tell the user of the statistics as much as possible about the statistical background of the figures and about the conventions of measurement underlying the tables' (Saunders, 1957). It was largely thanks to Christopher Saunders that this work could finally be published by the CSO in 1956. Signed publications appeared mainly during the 1930s including his study of the relative importance of seasonal movements as a cause of unemployment entitled *Seasonal Variations in Employment* (1936) and from the time he joined the National Institute in 1957.

Despite his outstanding achievements as statistician, economist and administrator, Christopher Saunders was genuinely modest, fair and humane in dealing with others, but above all a person of utmost integrity. One could not have wished for a more loyal, trustworthy and helpful colleague and friend.

*Professor Stephen Frowen,**
St. Edmund's College, Cambridge

Editor's notes:

Saunders, C T (1957), 'The Development of National Income Statistics', in SF Frowen and HC Hillmann (eds) *Economic Issues: A Financial and Economic Debate in the Critical Years, 1954-57* (London: Waterlow & Sons) pp. 43-8.

*****Professor Frowen is the editor of *Controlling Industrial Economies. Essays in Honour of Christopher Thomas Saunders* (London: Macmillan, 1983). He wishes to thank Lord Croham, Dr Ingrid Gazzari, Sir Samuel Goldman, Sir Bryan Hopkin, Mrs Kit Jones, Professor R L Marris, Mr P B W Rayment, Lord Roll of Ipsden and Mrs Cora Saunders for helpful suggestions.

Correspondence

Dealing with journal submissions

Sir,

I am writing regarding the report of the Managing Editors of the *Economic Journal* in the January 2002 *Newsletter*.

I see that the average time to make a decision to reject in 2000 was 18 weeks, compared with 28 weeks for a paper that we offered a revision. I wonder if I might compare this with my own recent experience of journals outside of economics? I think this might help to expand the set of information available to agents. This is not a criticism of the editors of the *EJ*, but the profession in general should be aware that others deal with submissions much faster.

During the past 18 months, I have submitted five articles to physics journals and two to mathematical finance journals. The journals, such as *Physica A*, are all world-class journals and so are comparable in quality in their own fields to the *EJ*. As it happens, six out of the seven have been accepted, which on the logic of the *Economic Journal* report ought to increase the time to decision.

Yet the average time to decision, from the date of submission, was only four and half weeks, with the longest being eight weeks. From discussions with people who have submitted regularly to such journals over the years, this experience is entirely typical, and is not simply a matter of small sample bias.

Can economic theory help us to explain this very substantial difference in elapsed time from submission to decision? Or do we need to fall back on 'cultural' explanations?

Yours sincerely

Paul Ormerod

Coming soon...

...continued from p.12

The ESRC has recently agreed to fund the following research projects.

Adult learning at home (Cardiff University). A survey based examination of adult use of information and communications technology in domestic and community settings.

Environmental action at household level (University of Exeter). An examination of factors that affect the attitudes and behaviour of people towards saving energy, conserving water, managing waste etc.

Consumption patterns in young people (University of Birmingham). An examination of how young people's views on consumption and youth identities affect their negotiations with parents over household resources.

Policy and the poor

Sir,

The incisive study of 'True World Income Distribution, 1988 and 1993' by Branko Milanovic of the World Bank (*The Economic Journal*, January 2002, Vol 112 No 476 pp. 51-92) raises a question about the legitimacy of economic policies pursued by many countries under the umbrella of LPG (Liberalisation, Privatisation and Globalisation) during the last two decades or so, namely 'Liberalisation for Whom: Rich or Poor?'

In terms of this study based on household surveys, China and India were '[t]he largest between-country contributors' to inequality in 1993 with a total of 18.9 Gini Points (GPs) in juxtaposition to the United States, Japan, Germany, France and the United Kingdom. The worst sufferers were rural China (7.8 GPs) and rural India (6.2 GPs), followed by urban China (2.7 GPs) and urban India (2.2 GPs). While the United States enjoyed 29 per cent of world income with only 5.6 per cent of world population, rural China was left with only 5 per cent of world $PPP income for its 18.5 per cent of world population. The ratio between average income of world top 5 per cent and world bottom 5 per cent increased from 78:1 in 1988 to 114:1 in 1993. Fewer than 50 million income-richest people received as much as 2,700 million poor.

George Fernandes, Cabinet Minister in the Government of India, claimed in 1988 that 520 million people (a little more than half of India's population at that time) were living on just ten Rupees (approximately US$0.25 in terms of the official exchange rate then prevailing) a day. According to him, 260 million people, within this group of poor, were still poorer with only five Rupees per day. As such, it is high time for the developing world to deliberate upon the impact of the LPG doctrine as currently operated.

Professor Om Prakash
Fellow Emeritus and former
Vice-Chancellor, University of Rajasthan

Editor's note: Dr Milanovic has indicated that he wishes to make no reply to this letter.

ELSSS: what's happening?

Manfredi La Manna, Reader in Economics at the University of St Andrews and the organiser of the ELSSS project reports on the latest situation.

Readers of the *Newsletter* will remember that ELSSS, the ELectronic Society for Social Scientists, was launched back in November 2000 with the aim of mobilising economists worldwide into providing new solutions to the problem of scholarly communication. Much has happened since. Over 1,000 economists from over 30 countries have registered their commitment to submit, referee, and provide editorial services to the new journals that ELSSS will launch shortly for the benefit of the economics profession and the public at large. There is no prestigious economics department anywhere on the planet that does not include ELSSS supporters.

Gathering academic support turned out to be the easy part. Putting ELSSS on a sound economic footing proved more problematic, but generous support from the Royal Economic Society, the University of St Andrews and Scottish Enterprise Fife has enabled ELSSS to hire first-class computing staff and to embark on the ambitious plan to develop a state-of-the-art software package that will produce the modestly named 'perfect economics journal'. RES members and other interested academics soon will have the opportunity to contribute to this exciting development, by providing feedback on the working prototype of the ELSSS Publishing Template.

On the editorial front, by the time this piece is published, the Charitable Trust that oversees ELSSS activities will have been formally constituted and editorial boards of the first batch of new journals will be appointed soon thereafter. And not a moment too soon! If anything, in the last few months the state of the academic journal market has worsened. In spite of the unanimous condemnation by UK librarians of the proposed merger between Reed Elsevier and Harcourt (which includes Academic Press, the publisher of, among others, *JET*, *JEEM*, *Games & Economic Behavior*, etc.), the Competition Commission in May 2001 allowed the merger to proceed, the negative consequences of which are beginning to be felt by libraries and academics worldwide.

One positive development of the otherwise depressing failure of the UK government to act for the public interest has been the decision by the OFT to investigate the market for scientific journals. The RES and ELSSS have presented a joint submission to the OFT and pointed out that the presence of strong local monopolies in academic journals as well as some openly anticompetitive practices suggest a very powerful *prima facie* case for forceful regulation and liberalisation in this market.

The increased awareness of economists and their associations to the issue of efficient and fair scholarly communication is beginning to have practical effects: although specific details are not available at the time of writing, it looks as if a major Association may be breaking its link with a leading commercial publisher and will be producing a new (and cheaper!) journal quite soon.

At a more general level, the Soros-funded Open Society Institute has committed $3m over the next three years to support the aims promulgated in the Budapest Open Access Initiative. ELSSS attended the workshop that hatched the BOAI, but unfortunately the two main strategies advocated by the BOAI to promote open access to the refereed literature (self-archiving and journals funded through author charges) are not relevant to economics.

Another encouraging long-term development is the increasing realisation by libraries associations all over the world that the current system of academic publishing is deeply flawed and that the solution lies in a new partnership between academics and librarians. Perhaps it is no coincidence that ELSSS has been invited to present its case to library-related conferences in London, Oslo, Glasgow, Edinburgh, Malmö, etc.

The next few months are going to be crucial to the success of the ELSSS project: RES members can make a substantial difference by adding their names to the already impressive list of ELSSS supporters, by contributing their ideas and suggestions, and by convincing sceptical colleagues that there is a simple, viable, and credible alternative to the *status quo*. The newly redesigned ELSSS website (www.elsss.org.uk), which has already received hundreds of thousands of hits, is the place to visit to get updates and to communicate with the ELSSS team.

Editor's note:
Further information is available by E-mail from: mlm@elsss.org.uk.

Honours, awards, appointments

Professor Leonard Waverman, Professor of Economics at the London Business School has been appointed Director of the new ESRC E-Society Research Programme.

Professor Jim Rollo, Professor of European Economic Integration at the University of Sussex and Co-Director of the Sussex European Institute, has been appointed as the Director of the ESRC's One Europe or Several Research Programme.

Professor Heather Joshi, FBA, Professor of Economic and Developmental Demography in Education at the Institute of Education, University of London was made an Officer of the Order of the British Empire in the 2002 New Year Honours List. She is Deputy Director of the Centre for Longitudinal Studies and chairs the Royal Economic Society's Committee on Women in the Economics Profession.

Dr DeAnne Julius was made a Commander of the Order of the British Empire in the 2002 New Year Honours list. Dr Julius was formerly a member of the Bank of England monetary policy committee.

RES News Items

New Council Members

At the Annual General Meeting of the Society held on 26 March 2002 at the University of Warwick, the following were elected to Council to hold office for five years from 2002-2007:

Creon Butler, Foreign and Commonwealth Office
Alan Carruth, University of Kent
Vicky Pryce, London Economics
Anton Muscatelli, University of Glasgow
Anne Sibert, Birkbeck College
Mark Taylor, University of Warwick

To fill a vacancy arising from the resignation of a member of Council, Ian Jewitt, University of Oxford was elected to hold office from 2002-2004.

Visiting lectureships

The Society funds annually up to five short visiting lectureships which allow a distinguished academic to visit a university in the UK for a period of one week, meet with staff and students, and give a short series of lectures.

Departments wishing to nominate academics for such a visit should write to the Secretary-General, Professor Richard Portes, Department of Economics, London Business School, Sussex Place, Regent's Park, London NW1 4SA. The dates of the proposed visit should be specified together with details of the arrangements for the programme of lectures and seminars. Applications are considered in **February**, **June** and **October** each year.

Support for small academic expenses

The Society is able to offer financial support to members who require small sums for unexpected expenditures - including travel expenses in connection with independent research work, the purchase of a piece of software, expenses for a speaker at a conference being organised by the applicant's University or Institute, etc.

Applications, in the form of a letter and stating the purpose for which a small grant (maximum £600) is required, should be sent to Dr Jane Humphries, c/o Eleanor Burke at London Business School.

NOTE This scheme does NOT cover assistance to members to go to a conference at which they will be presenting papers or acting as discussants. A separate fund - the Conference Grant Fund - has been set up for this purpose. Details are given below.

2003 ANNUAL CONFERENCE

The 2003 Annual Conference will be held at the

University of Warwick

Monday 24 to Wednesday 26 March.

Further details will follow in the July issue of the *Newsletter* together with the Secretary-General's Annual Report and the report on this year's Annual Conference.

Conference grant fund

The Society's Conference Grant Fund is available to members who are presenting a paper, or acting as a principal discussant at a conference; support of up to £500 is available. Awards are made three times a year. The closing dates for applications are **31 January, 31 May, and 30 September** each year in respect of conferences which take place in the ensuing four months. Application forms and further particulars may be obtained from: Professor C Milner, Department of Economics, University of Nottingham, Nottingham NG7 2RD. Fax: 0115 951 4159.

Conference Diary

2002

may

23 May — *Nottingham*

Post-graduate conference organized by the Leverhulme Centre for Research on **Globalisation and Economic Policy** to be held at the University of Nottingham.

Further information from: Dr Jo Lindley, University of Nottingham, University Park, Nottingham NG7 2RD.
E-mail: joanne.lindley@nottingham.ac.uk

june

5-7 June — *Wageningen, The Netherlands*

International conference on **Risk and Uncertainty in Environmental Economics.**

Further information from: Dr H.-P. Weikard.
E-mail: hans.peter.weikard@alg.shhk.wag-ur.nl
Internet: www.sls.wau.nl/enr/conference/index.htm

13-15 June — *Bilbao, Spain*

Sixteenth annual conference of the **European Society for Population Economics.** Keynote lectures will be given by: David Laibson (Harvard University) and Charles Manski (Northwestern University).

Further information from:
E-mail: espe2002@eco.rug.nl
Internet: www.espe.org

14-15 June — *Berlin, Germany*

Conference on **The Economic Consequences of Global Terrorism.**

Further information from: DIW Berlin, Königin-Luise-Str. 5, 14195 Berlin, Germany. Tel: 49 30 89789 259 Fax: 49 30 89789 119 Email: consequences@diw.de
Internet: www.diw.de/consequences

15-18 June — *Sigtuna, Sweden*

International seminar on **Pension Reform** organised by the Foundation for International Studies on Social Security to be held at the Sjudarhöjden, Sigtuna near Stockholm. Keynote speakers to include: Richard Blundell (USC), Nicholas Barr (LSE) and Andrew Samwick (NBER).

Further information from: Sir Ian Byatt, 34 Frederick Road, Birmingham B15 1JN, UK. Tel: 44 121 689 7946, Fax: 44 121 454 6438. Email: fiss@blueyonder.co.uk
Internet: www.inter.nl.net/users/fiss

17 June - 3 July — *Kansas, USA*

Seventh annual **Post Keynesian Workshop**. The workshop consists of a Post Keynesian Summer School (17-29 June), open to graduate students and junior professors, and a Post Keynesian Conference (29 June - 3 July). The program, organised by Paul Davidson and Jan A Kregel will provide a rigorous discussion in both theoretical and applied aspects of Post Keynesian economic theory and meaningful prescriptive policies relevant to real world phenomena.

Further information from: Pavlina R Tcherneva, Centre for Full Employment and Price Stability, UMKC-Economics, 5100 Rockhill Road, Kansas City, MO 64110, USA. Tel: 818 235 5835. E-mail: tchernevap@umkc.edu

20-21 June — *Manchester*

Second conference of the **Centre for Growth and Business Cycle Research** to be held at the University of Manchester. The theme will be 'Growth and Business Cycles in Theory and Practice'.

Further information from: Dr Marianne Sensier, School of Economic Studies, University of Manchester, Oxford Road, Manchester M13 9PL. Internet: www.ses.man.ac.uk/cgbcr/latest.htm77

20-23 June — *Heilbronn, Germany*

Fifteenth symposium in **Economics and the Social Sciences** will be devoted to literature on 'The Social Question'.

Further information from: Professor Dr Jurgen G Backhaus, University of Erfurt, Nordhauser Strasse 63, 99089 Erfurt, Germany. E-mail: juergen.backhaus@uni-erfurt.de

22 June — *York*

Annual meeting in **Econometrics** to be held at the University of York.

Further information from: www-users.york.ac.uk/~gt4/conference.htm

23-26 June — *Dublin, Ireland*

International symposium on **Forecasting** organised by the International Institute of Forecasters to be held at Trinity College Dublin. Keynote speakers to include: Professor David Hendry (Oxford University) and Dr Bill Swan (Boeing Commercial Airplane Group).

Further information from: Professor John Haslett, Department of Statistics, Trinity College, Dublin 2, Ireland. Tel: 353 1 6081114 Fax: 353 1 6615046 E-mail: john.haslett@tcd.ie Internet: www.isf2001.org/

27-29 June — *Nottingham*

Conference on **Adjusting to Globalisation** hosted by the Leverhulme Centre for Research on Globalisation and Economic Policy. Speakers include Carl Davidson (Michigan State), Steve Matusz (Michigan State), Matt Slaughter (Dartmouth), Wilhelm Kohler (Linz), Jonathan Haskel (QMW), and Amy Glass (Texas).

Further information from: Sue Berry, Leverhulme Research Centre, University of Nottingham, Nottingham NG7 2RD. E-mail: sub.berry@nottingham.ac.uk

27-29 June — *Erfurt, Germany*

Annual meeting of the **German Association for Political Economy** to be held at Erfurt University. The theme of the meeting will be 'Rediscovering the Historical Schools'.

Further information from: Professor Dr Jurgen G Backhaus, University of Erfurt, Nordhauser Strasse 63, 99089 Erfurt, Germany. E-mail: jurgen.backhaus@uni-erfurt.de

july

5-6 July — *Berlin, Germany*

Tenth international conference on **Panel Data** to be held at the Academy of Science, Berlin. The aim of the conference is to bring together economists, econometricians, statisticians and social scientists who are interested in or are working on panel data issues.

Further information from: Internet: www.diw.de/soep/panel2002

5-6 July — *California, USA*

Annual conference of the **History of Economics Society** to be held at the University of California, Davis. Proposals for papers or sessions on all aspects of the history of economic thought are welcome.

Further information from: Professor Kevin D Hoover, Department of Economics, 1 Shields Avenue, University of California, Davis, CA 95616-8578. E-mail:kdhoover@ucdavis.edu Fax: 530 752 9382 Internet: www.eh.net/he/hisecsoc

7-10 July — *Brisbane, Australia*

Annual Conference of the **Australasian Econometrics Society** will be hosted by the School of Economics and Finance at QUT in Brisbane. Keynote speakers include: John Campbell (Harvard), Larry Christiano (Northwestern), James Hamilton (California, San Diego) David Hendry (Oxford University), Ken Judd (Stanford) University, Paul Klemperer (Oxford).

Further information from: the conference website www.bus.qut.edu.au/esam02

8-10 July — *Paris, France*

Fourth conference on **Health Economics** organised by the French Health Economists Association (Collège des Economistes de la Santé) to be held at University of Paris 5.

Further information from: Secrétariat du Collège des Economistes de la Santé, 7 rue de Citeaux, 75012 Paris, France. E-mail: ces2@wanadoo.fr

august

27-29 August — *London*

Bi-annual meeting of the **International Association of Official Statisticians** on Official Statistics and the New Economy, to be held at Church House Conference Centre, London. The four main themes will be: what do we mean by the new economy; policy implications and their statistical needs; business transformations and the consequences for official statistics; and structural implications.

Further information from: James O'Leary (james.o'leary@ons.gov.uk). Tel: 0207 533 6203 Internet: http://www.statistics.gov.uk/iaoslondon2002/

september

1-2 September — *Stirling, Scotland*

Biennial conference of the **International Network on Economic Method** to be held at the University of Stirling.

Further information from: Sheila Dow (s.c.dow@stir.ac.uk). Internet: www.econmethodology.org

1-5 September *Karrebaeksminde, Denmark*

Conference on **Vertical Markets and Cooperative Hierarchies: The Role of Cooperatives in the International Agri-Food Industry**, run by the European Science Foundation.

Further information from: EURESCO website at: www.esf.org/euresco

2-4 September *Stirling, Scotland*

Annual conference on the **History of Economic Thought** to be held at the University of Stirling.

Further information from: Sheila Dow (s.c.dow@stir.ac.uk). Internet: www.ecn.bris.ac.uk/2002/call.htm

5-8 September *Madrid, Spain*

Annual conference of the **European Association for Research in Industrial Economics (EARIE)** to be held at the Universidad Carlos III de Madrid.

Further information from: www.fundacion.uc3m.es/earie2002/

9-13 September *Lisbon, Portugal*

13th World Congress of the **International Economic Association. Congress** days will be devoted to invited lectures on the main themes and to parallel sessions of contributed papers.

Further information from: www.iea-world.org
E-mail: ordemeconomistas@mail.telepac.pt

19-21 September *Ljubljana, Slovenia*

CALL FOR PAPERS

Tenth annual conference of the **European Association of Development Research and Training Institutes (EADI)**. The theme will be 'EU Enlargement in a Changing World'.

Further information from: EADI Secretariat, Kaiser-Fredrich-Strasse 11, D-53113 Bonn, Germany.
E-mail: postmaster@eadi.org Internet: www.eadi.org

19-22 September *Paris, France*

Annual conference of **EALE** to be held at the University of Paris 1.

Further information from: EALE Secretariat, ROA, Maastricht University, PO Box 616, NL-6200 MD Maastricht, The Netherlands. E-mail: eale@roa.unimaas.nl
Internet: www.eale.nl/pages2/call2002.htm

21-25 September *Seefeld in Tirol, Austria*

Conference on **European Societies or European Society**? Organized by the European Science Foundation.

Further information from: EURESCO website at: www.esf.org/euresco

21-26 September *Acquafredda di Maratea, Italy*

Conference on **European Integration** run by the European Science Foundation.

Further information from: EURESCO website at: www.esf.org/euresco

october

10-15 October *Montreal, Canada*

CALL FOR PAPERS

Fourteenth international conference on **Input-Output Techniques** to be held at the Universite du Quebec a Montreal.

Further information from: Erik Dietzenbacher, Head of the Scientific Program Committee, Faculty of Economics, University of Groningen, PO Box 800, 9700 AV Groningen, The Netherlands. Tel: 31 50 363 3813 Fax: 31 50 363 733
E-mail:e.dietzenbacher@eco.rug.nl

december

6-7 December *London*

International conference on **Modelling Structural Breaks, Long Memory and Stock Market Volatility** to be held at City University Business School.

Further information from: Dr Giovanni Urga, City University Business School, Frobisher Crescent, Barbican Centre, London EC2Y 8HB. Tel: 020 7040 8698 Fax: 020 7040 8881
E-mail: g.urga@city.ac.uk
Internet: www.business.city.ac.uk/irmi/giovanni_urga.html

Membership of the

Royal Economic Society

Membership is open to anyone with an active interest in economic matters. The benefits of membership include:

• Copies of the *Economic Journal*, the journal of the society, six times a year.

The *Economic Journal* is one of the oldest and most distinguished of the economic journals. As well as important articles by leading economists, it includes a substantial section on book reviews and notes, a regular software review section, a section on policy - the Policy Forum - and a recently introduced section dealing with current controversies in economics.

• On-line access to *The Econometrics Journal*, a new electronic journal published by the Royal Economic Society and Blackwell Publishers. The journal seeks particularly to encourage reporting of new developments in the context of important applied problems and to promote a focus for debate about alternative approaches.

• Copies of the Society's *Newsletter*. This is published four times a year and offers an invaluable information service on conferences, visiting scholars, and other professional news as well as feature articles, letters and reports.

• The right to submit articles to the *Economic Journal* without payment of a submission fee.

• Discounts on registration fees for the Society's annual conference.

• Discounted prices for copies (for personal use only) of scholarly publications.

• The opportunity to take advantage of the grants, bursaries and scholarships offered to members of the Society.

Membership rates for

2002 are £45 ($72)

There is a reduced rate of £22.50 ($36) for members who reside in developing countries (with per capita incomes below US$500). A special offer of three years membership for the price of one at this reduced rate is available to full-time students who join the Society for the first time in 2002. Details and application form are available from:

The Membership Secretary, Royal Economic Society, University of York, Heslington, York, YO10 5DD.

If you would like to join the Society (at the normal rate), complete the adjacent application form and return it to the Membership Secretary at the address above.

Please enter my name as an applicant for membership of the Royal Economic Society. I enclose a cheque for

.... in payment of my subscription for 2002.

Name:

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Address:

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