ROYAL ECONOMIC SOCIETY

NEWSLETTER

Issue no. 145

April 2009

ROYAL ECONOMIC SOCIETY

The recession issue

Calling this *the* recession issue may be a hostage to fortune. Let us hope not. However, the extent to which the recession and economists' reactions to it have prompted contributions is remarkable. Angus Deaton's Letter from America shows very clearly how these reactions vary, especially in the USA. (In fact the editorial office has received a number of emails commenting on the 'gung-ho Keynesian' flavour of the January issue — some exaggeration surely? — so maybe the reactions in the UK are also more divergent than we think).

The South Sea Bubble, the Dutch Tulip Mania and now the Great Welsh Leek Bubble. Ray Rees (whose regular Letter from Germany feature in the July *Newsletter*) has researched a little-known bubble and crash from the nineteenth century in which, remarkably, a number of distinctly 21st-century products and practices appear to have played a part.

And following the RAE results (and the Helpman benchmarking exercise) Andrew Oswald does a bit of his own research assessment and comes to some interesting conclusions.

By the time this *Newsletter* is distributed the Society's Annual Conference in Guildford will be in full swing. We shall have the customary summary as well as the Secretary-General's Annual Report in the next issue.

In this issue —

ROYAL ECONOMIC SOCIETY

NEWSLETTER

Published quarterly in

January, April, July and October

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Newsletter - subscription rates

The *Newsletter* is distributed to members of the Society free of charge. Non-members may obtain copies at the following subscription rates:

- United Kingdom £5.00
- Europe (outside UK) £6.50
- Non-Europe (by airmail) £8.00

Designed by
Sarum Editorial Services
www.sarum-editorial.co.uk

Next issue

Newsletter No. 146 - July 2009

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

15 June 2009

Items concerning conferences, visiting scholars and appointments should be sent to the Administration Officer by:

16 June 2009

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.

Visit our website at:

www.res.org.uk

Letter from America —

Bankrupt!

In this Letter from America, Angus Deaton captures the contrasting reactions to the present crisis amongst US economists.

MAYHEM ASIDE, it's a privilege to live through a classical slump, rather than to read about it in a textbook. It feels like attending the premiere of a Shakespeare play, or meeting a dinosaur. The experience certainly helps understand the political and economic environment within which Keynesian policies must operate. As an undergraduate, my Cambridge teachers explained how the great depression need never have happened, if only the poor, unenlightened policy makers had understood Keynesian economics, just as diabetics need never have died if they had only known about insulin. As in too much of the economics we were taught, politics was neglected, and in the US, the politics has certainly come back to bite. The Republican party is unanimously anti-Keynesian and robustly challenges stimulus policies with talk of printing money, inflation, generational theft, and of the USSA —the first 'S' stands for socialist — and sinister purpose was even read into the visit to Washington of Britain's *socialist* prime minister.

"The Republican party is unanimously anti-Keynesian and robustly challenges stimulus policies with talk of printing money, inflation, generational theft, and of the USSA — the first "S" stands for socialist...."

This talk would not have been unfamiliar 80 years ago. Many politicians and much of the media take it as obvious that the stock-market is the measure of social welfare, and the fall in the market in the early days of the administration marks its policies as having failed. In spite of spreading stock market ownership, opinion polls show that most Americans do not share these views. The majority of American economists — including many who have advised and worked with Republican administrations — have not argued against stimulus spending in and of itself. Yet there has been no unanimity. Robert Barro of Harvard, writing about what he calls 'Voodoo multipliers', sounds a common theme, that current events 'do not invalidate everything we have learned about macroeconomics since 1936', for example that the multiplier is zero so that presumably people are saving—not because their wealth has fallen—but so that their great grandchildren will have enough to repay the loans for Obama's stimulus. Instead, he recommends that the elimination of the corporate income tax (which income is that?) as a 'brilliant' way to address the crisis. Ed Prescott of Arizona State notes that it is not true that all economists agree on the effectiveness of a fiscal stimulus though 'If you go down to the third-tier schools, yes, but they are not the people advancing the science.' The (libertarian) Cato Institute found 200 economists to sign a full-page advertisement stating that government expenditure has not stimulated economies in the past, and will not do so now. Prominently absent from the signatories are professors of economics at 'third-tier schools' such as Harvard, MIT, and Princeton, perhaps because so many of their faculty are in Washington, helping to construct the stimulus. It is not clear how many of the 200 signers actually endorse Ricardian equivalence or DSGE models, and many may simply be sceptical of large government programs under current American political conditions. Yet many economists do not appear to recognise that such programs might act differently in a slump than at full employment, nor would they learn such a thing in many modern graduate courses in macroeconomics.

In December, I attended a meeting to celebrate 30 years of research on economic development at the World Bank, followed quickly by the American Economic Association (AEA) meetings in San Francisco. At both, there was a feeling of crisis. At the Bank, it was clear that the model of development through concessionary lending is broken, and that the research agenda that supports those loans, and is financed out of them, is bankrupt both financially and intellectually. The atmosphere was dreary, the gloom unrelieved. The AEA meetings were not engineered to talk about crises in financial markets or in the profession, if only because the program was set nine months ahead. Yet much was arranged at the last minute, and instead of gloom and depression, there was a sense of invigoration, of a task to be done, and of the talent to deal with it. Over and again people happily argued that, at last, macroeconomics would change and that labour economics would have to be rewritten, with behavioural approaches the most promising candidates for a way forward. Something that is not often commented upon is that three-quarters of new PhDs in economics from American departments are now awarded to non-Americans, compared with about a quarter thirty years ago. The faculty of my own department is more than two-thirds foreign-born, with representatives from 21 different countries and five continents. These people grew up in political and intellectual environments that have not been well represented in American economics for much of its recent history, and perhaps the only parallel for their influence for change is the influx from Europe in the 1930s.

The stock-market is shaping the profession in another way. Most of the first-tier schools in the US—though not Arizona State — are private institutions whose operating budgets are shaped by their endowments typically according to a spending rule in the form of a fixed percentage with upper and lower limits, beyond which adjustments in spending are mandated. The dynamic programmers, who have derived optimal intertemporal spending rules for many kinds of agents, do not seem to have solved the corresponding rule for a private university, whose endowment is random and illiquid (but partly under its own control through fund-raising,) whose spending is hard to change in the short run, whose means-tested aid policies commit them to large spending increases at times of economic contraction, and whose fees are subject to intense political scrutiny. Indeed, the lack of a well-argued spending rule has caused embarrassment for universities in recent years as congressional scrutiny has sought justification for policies that seemed intended to create enormous endowments while simultaneously raising tuition fees (and faculty salaries) faster than the rate of inflation. Senator Charles Grassley has proposed that universities with more than $500 million be required to spend five percent of their endowments, a rule that currently governs charitable foundations. Universities have fought this legislation, but administrators have been pressured to spend more, which has made things much worse now, further exacerbated by some universities having been unable to resist the creative investment strategies of the last decade. Princeton, which has been relatively conservative in such matters, recently borrowed a billion dollars to support its operating budget; Harvard, which was less conservative (and larger), borrowed $2.5 billion in December. One economist quipped that the 'ivory tower' should be renamed the 'ivory towering inferno'. Many state universities are doing even worse, as state governments fight to stave off ruin. Arizona State, for example, has eliminated 500 jobs and will require all staff to take 10 to 15 days unpaid leave next year.

With their universities in flames, and their pension funds in ashes, academic economists are facing a new and less pleasant reality. Economists will no longer be able to hire as many new PhDs as they find intellectually interesting, but this may not matter, because no one — outside some of the state schools like Berkeley or Wisconsin, which have defined-benefit pension schemes — will be willing to retire as long as he or she can be wheeled into the classroom. There is a new advantage to European, central-government funded universities, at least in the Keynesian countries. As alternative opportunities dry up, we can expect working conditions to become harsher, at least relative to the current low teaching, high pay, and frequent absence equilibrium. In this world of increased personal insecurity, perhaps it may seem that voluntary leisure is a more accurate description of our own circumstances — at least up until now — than of those who are losing their jobs in the current maelstrom. It may even be possible, in another echo of the 1930s, that the science can be advanced in new and different directions.

Note: The discussions at the World Bank can be found in *Development economics through the decades: a critical look at thirty years of the World Development Report*, by Shahid Yusuf. Webcasts of several of the discussions of the crisis at the AEA meetings are available to members at http://www.aeaweb.org/webcasts/assa2009.php

Two trends in the *Economic Journal*

Kurt W Rothschild[1] documents two interesting trends in published economic research.

Economic research and the publication of economic research are a continuous process adding to our knowledge about real world economic facts, tendencies, and consequences. But the ways by which this knowledge is obtained are occasionally following for some time systematic tendencies in a certain direction. This note shows how in the past decades two well-known tendencies — the trend towards mathematical analysis and the shift from single-authored papers to multi-authored papers — are mirrored in the *EJ* in the period 1960 to 2008. The 1919 articles (39 per year on average) which appeared in these 49 years[2] were subdivided according to these two aspects and the results are shown in the accompanying diagrams.

Figure 1: *EJ* articles per year

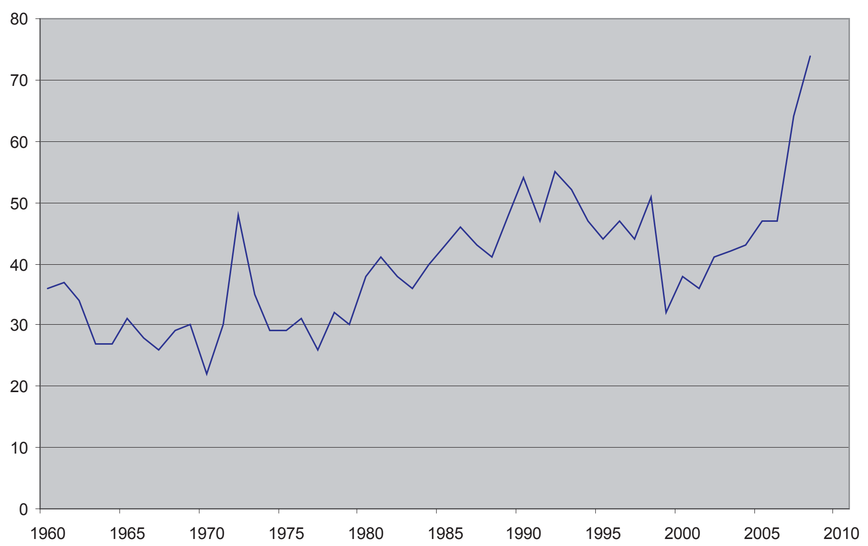


Figure 1 shows the number of articles per year. They follow a slightly rising trend which is however an understatement of the tendency because of the growing expansion of the special sections, which are not included here. The total picture would show a much steeper increase illustrating the expansion and proliferation of an increasingly differentiated economic science.

As far as the use of mathematical analysis is concerned we are not faced with a completely new issue. Ever since the middle of the 19th century economists have used mathematics as a decisive element in their studies with Walras as an early and lasting example. This tendency was fostered by a desire to orientate economics towards the attractive picture of physics (the 'exact sciences'). But it was kept within narrow limits partly because many economists doubted the adequacy of mathematical methods when dealing with the complexities of economics and the social sciences in general (with Galbraith as an important representative) and partly because many economists lacked a sufficient mathematical education for dealing with such methods.[3]

Both these limiting factors began to weaken round about the middle of the last century parallel with a renewed interest in Walrasian economics. A rapid turn towards the use of mathematical methods set in which soon became widespread. This rapid development was not always applauded. As early as 1969 an economically trained professional engineer, M J Foster, expressed his surprise that economic theory had turned to such an extent to mathematics, relying on it often more than engineers would do in their work. In his concluding remarks he wrote 'There is obviously a place for the rigorous mathematical analysis of measurable factors in economics and the other social sciences. But it is the immeasurability of so many of the determinants in the social sciences which is the most startling phenomenon to someone from the applied physical sciences' (Foster, 1969, p10. Italics in the original). And some twenty years later a well-known economist who is by no means opposed to the use of mathematics wrote in the centenary issue of the *EJ,* 'As one of those who worked with some determination to introduce some grounding in mathematics as a standard part of the postgraduate curriculum in several universities, it may be pardonable for me to suggest that things may have gone a bit far in the opposite direction.' (Baumol, 1991, p 2).

Figure 2 presents the annual percentages of predominantly mathematical articles.[4] It shows a strong positive trend rising from a level of 20 to 30 percent in the sixties of last century to 70 to 80 percent at the beginning of the nineties. Since then the situation has become stabilised. There is no indication of a return to earlier practices with lower rates but further increases are also unlikely since a ceiling for mathematical treatment may have been reached with a constant or rising share of studies in the fields of behavioural and experimental economics which often deal with models which cannot easily be based on mathematical foundations.

Figure 3, illustrating the shift from single- to multi-authored articles does not require much comment. There is a clear and constant upward trend from single-author dominance in the sixties (80 to 90 percent) to multi-author dominance after 2000 (70 to 80 percent). This trend which by now must be near its end can be regarded as a consequence of increasing cooperation of economists in view of a steadily growing differentiation of the research agendas and also (hopefully) because of extensions into interdisciplinary projects.

Figure 2: Math-Articles, % of total

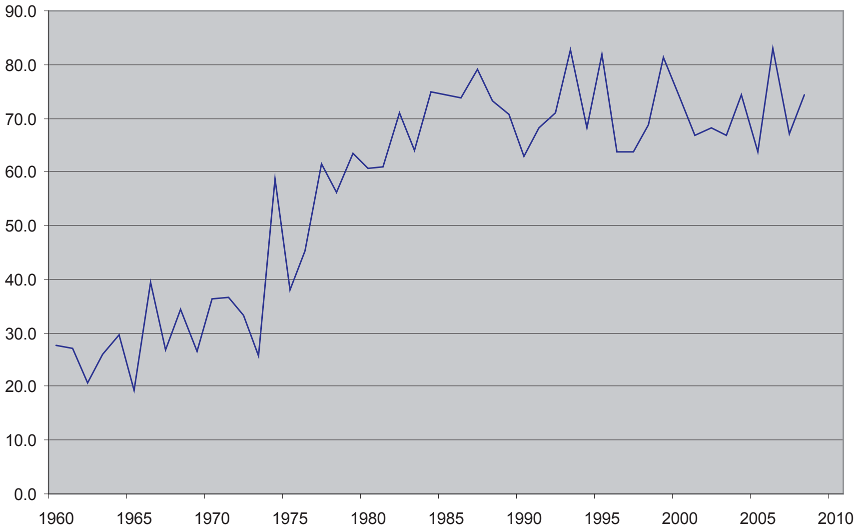
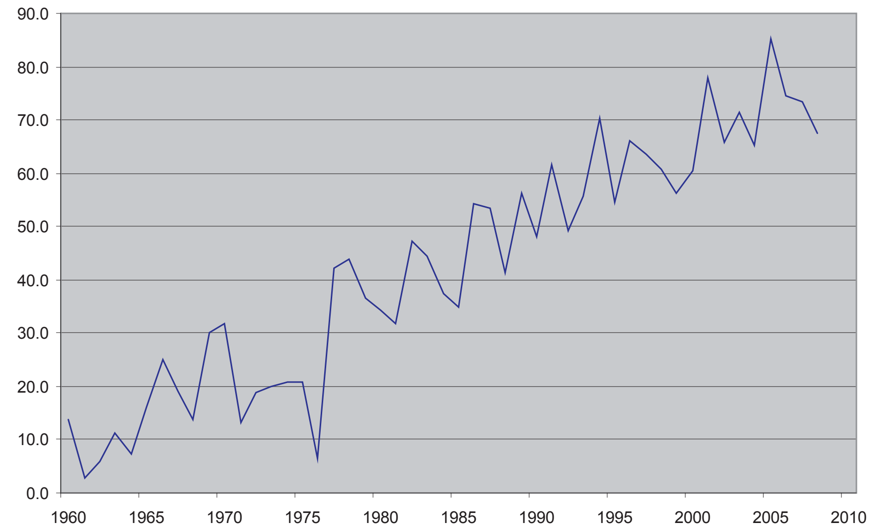


Figure 3: Multi-Authored Articles, % of total



Notes:

1. Professor emeritus University of Linz (Austria) and Österreichisches Institut für Wirtschaftsforschung (Vienna)

2. Included are only the articles in the 'Articles' section, i.e. excluding Notes and Special Sections (Short Papers, Conference Papers, Comments, Features, Policy Forum).

3. Marshall and Keynes had of course a sufficient mathematical training but used it only with reservations.

4. Articles were counted as 'mathematical' where algebraic methods play an important part in developing the economic argument. Not counted are articles where mathematical methods are used in connection with statistical aspects or when all the mathematics is moved to an appendix. The occasional use of one or a few equations in an article also does not make it 'mathematical'. There are of course some cases where the decision for inclusion or exclusion is debatable.

References:

M J Foster (1969), 'No more general theories?', *Economic Journal,* 79, p10.

W J Baumol (1991) 'Towards a newer economics: the future lies ahead', *Economic Journal*, 101, p 2

British Relative Economic Decline Revisited

The Economic History Society's Annual Conference took place from 3rd to 5th April at the University of Warwick. The programme included a large number of papers which, although focusing on earlier periods, would make interesting reading for students of the recent financial crisis.

The guest lecture was given by Professor Nick Crafts who warned of the dangers to competition and growth that could follow the current clamour for increased financial regulation. We print a summary of that lecture here with brief mention of some of other papers of relevance to the recent financial upheavals.

The British economy grew more slowly than other major European economies from the 1950s through the 1970s and was overtaken by them in terms of real GDP per person during that time. Subsequent performance has been better and, by 2007, Britain has caught up France and Germany.

The key point made in Prof Crafts' lecture is that weak competition in product markets was central to poor economic performance. Lack of competition was fundamentally to blame for the classic symptoms of the British disease, namely, inadequate management, inefficient use of resources, and debilitating industrial relations. Weak competition prevailed not simply because competition policy was inadequate but reflected protectionism, industrial policy, state ownership and excessive regulation. Since the 1970s these policies have been reversed and Britain now has markets that are highly competitive by OECD standards. This has been a major reason for relatively good British economic performance during the era of the ICT revolution.

The lecture concluded by reflecting on the lessons to take from this economic history in the context of the present economic crisis. It is surely important not to repeat the errors of the 1930s and 1940s which undermined competition and which, because they proved so difficult to reverse, set the scene for relative economic decline in the subsequent three decades. There is a strong case for much stricter financial regulation but this needs to be distinguished from a claim that a return to state interventionism is generally desirable — a return now to industrial policy and protectionism really would be a triumph for hope over experience.

Other papers of contemporary interest included:

The future of the housing market: lessons from the 1840s railway mania

Gareth Campbell (Queen's University Management School, Queen's University Belfast).
email: fcampbell09@qub.ac.uk

The Medieval Credit Crunch

Dr Adrian Bell, Professor Chris Brooks and Dr Tony Moore (ICMA Centre. University of Reading).
www.icmacentre.ac.uk/medievalcredit

'Between a rock and a hard place': British banks and working class customers, 1945-70

Alan Booth (University of Exeter) and Mark Billings (University of Nottingham). Email: a.e.booth@exeter.ac.uk

Spreading the net: distance, shareholding and the geography of risk in England and Wales 1870-1935

David Green (King's College London) & Janette Rutterford (Open University). Email: david.r.green@kcl.ac.uk

Predicting institutional collapse: stock markets, political violence and the Spanish Civil War, 1920-36

Stefan O Houpt & Stefano Battilossi (Universidad Carlos III, Madrid). Email: shoupt@clio.uc3m.es

Arbitrage and simple financial market efficiency during the South Sea Bubble: a comparative study of the Royal African and South Sea Companies' subscription share issues

Gary Shea (University of St Andrews). Email: gss2st-and.ac.uk

The Great Welsh Leek Bubble of 1876

Ray Rees, who writes a regular Letter from Germany in our July issue, reports here on a little known crisis in the Welsh leek market more than a century ago.

THE LEEK IS NOT ONLY A SPLENDID VEGETABLE, but, as I'm sure readers will know, it is the national emblem of Wales. The English have the rose, the Scots the thistle, and the Irish the shamrock, all worn on their respective national days. But the great advantage of the leek over these other rather fragile emblems is that it not only has much more of an impact when it is worn, both on the eye and on the nose, but it can also be eaten afterward. Nothing is wasted.

But readers probably have not heard of the Great Welsh Leek Bubble of 1876, though it deserves to stand up there with the Dutch Tulip Mania, the English South Sea Bubble, the French Mississippi Bubble, and more recent events in the US, from S&L's to Dotcom to Subprime, as a great case study in human folly and greed.

It began in the little town of Llareggub, made famous by our great poet Dylan Thomas in his radio play 'Under Milk Wood'. A local gardener named John P Morgan (Morgan, like Thomas, is a very common Welsh name) proudly announced one day that he had cultivated a wonderful new variety of leek, with a stem of a purer white, the leaves a deeper green, and a flavour more subtle but powerful, than any other leek in existence. Moreover it could be worn for three days without losing its flavour.

Demand for the new leek, which John Morgan christened the 'Prince of Wales', or simply 'The Prince', soon outstripped supply, the price rocketed to unheard of heights for such an ordinary vegetable, and soon John P Morgan, who was now a rich man, had sold all of his stock, both of leeks and of seed. This caused something of a panic, because St David's Day, the national day of Wales, was only a couple of months away. Everyone had to have a leek to wear on that day (even though today the effete practice of wearing a daffodil on St David's day has become widespread) and of course people did not want to be seen wearing anything but a Prince of Wales leek.

Then a local insurance agent named Arthur I Gee hit upon the clever idea of selling Prince of Wales leeks forward. For an immediate payment, he would issue a contract guaranteeing the delivery of a bundle of 10 Prince of Wales leeks on the day before St David's day. He of course knew very little about growing leeks, but assumed that all the seed that John Morgan had sold would be producing a bumper harvest by the time St David's day came around. At the same time he contracted with all the growers who had bought John Morgan's seed, giving him an exclusive right to buy their crops at the currently prevailing price, thus cornering the market.

The Forward Leek Contracts, or FLC's as they became known, issued by Arthur Gee, started to be traded on the Llareggub Prince of Wales Forward Leek Exchange and indeed sold like hot cakes, soon fetching huge prices. It became clear that a classic bubble was under way. People from as far away as London were buying FLC's not because they wanted to wear leeks on St David's day, but because they expected the price to go on rising, so they could resell their FLC's at a profit. So desperate were the people of Llareggub to profit from the price spiral that they sold their cows, pigs and sheep (to Arthur Gee) in order to put the money into FLC's. For a fee of 5%, he would also accept, as collateral for loans to buy more FLC's, already existing holdings of FLC's, which he immediately resold on the market. The price of an FLC soon reached the same level as the price of a small cottage or large pigshed.

“The Forward Leek Contracts, or FLC's as they became known, issued by Arthur Gee, started to be traded on the Llareggub Prince of Wales Forward Leek Exchange and indeed sold like hot cakes, soon fetching huge prices.”

Towards the end of February 1876, in order to stabilise the market, which was beginning to feel a little nervous, Arthur Gee offered insurance against the loss of value of FLC holdings, at a premium equal to 10% of their insured value. Many people bought this and felt reassured. When a reporter from the local newspaper asked Arthur whether he had the reserves to meet potential insurance claims, he carefully explained the sophisticated system of Credit Default Swaps (CDS's) that he had arranged with some big bankers in London. Since he explained all this to the reporter as he was cutting the impressive hedge of beech trees in front of his house, the reporter decided to call them 'Hedge Funds'. He also explained that the very reputable rating agency of Standard, Indigent and

Temperamental's had given him a triple A+ rating, which more than justified the large fee he had paid them to prepare it, as well as the even larger consultancy fee they had charged for the advice on how to structure the CDS's in such a way as to earn this rating.

Then an ugly rumour started to circulate. The same reporter had calculated that the total number of Prince of Wales leeks required to cover all the FLC's in circulation was about ten times as large as the number that could possibly be grown, in the time available, from the seed that John Morgan had sold. The only way that it would be possible to meet the contracts to supply all the bundles of leeks would be to mix inferior leeks in with the Prince of Wales leeks in a ratio of 9:1, thus creating what was known in the trade as a Toxic Leek Asset (TLA). This precipitated what was subsequently called the Sub-Prince Crisis.

The price of FLC's immediately plummeted, and did not stop until it reached the level of the cost of 9 ordinary leeks and 1 Prince of Wales leek, at the price at which John Morgan had originally introduced them.

Of course, all the holders of FLC's went bankrupt. Arthur Gee disappeared. John P Morgan, a much saddened man, gave up growing leeks, emigrated to America and opened a merchant bank. But his leek lives on and is still worn, and eaten, to this very day.

Queen Mary College
University of London

Summerschool in
Time Series Modelling and Analysis
with Prof Andrew Harvey (Cambridge)

London, 1-3 July 2009

The course will describe techniques for analysing and modelling time series in Finance and Economics. It is suitable for economists and statisticians with a basic background in time series or econometrics and it will also be useful for people working in other fields such as Geography, Engineering and Biology.

The course will provide understanding and insight into the methods used, as well as explaining the technical details. Statistical modelling will be demonstrated using the STAMP package http://www.stamp-software.com and participants will be given the opportunity to use the package in class.

Further details are at:
http://www.busman.qmul.ac.uk/cgr/cgr-summerschool/

ESRC and the recession

In the course of this year, the ESRC is hosting a series of events surrounding the global financial crisis. These include:

A public lecture series —

Recession, Health and Happiness
with contributions from Professors Sir Richard Layard, Mel Bartley and Andrew Oswald

Recession and Global Poverty
with contributions from Dr Peter Boone, Professor Tony Venables and Dr J Allister McGregor.

Recession and the Green Economy
with contributions from Dr Ralf Martin, Dr Alex Bowen and Professor Paul Ekins.

Excerpts from the first are available as MP3 files. Excerpts from the others will follow. The files and other details are available for download at:
http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/PO/briefings/Britain_and_the_Global_Financial_Crisis.aspx

A series of public policy seminars —

- What is the role for policing in securing economic and social well-being?
- Voluntary Action and the Economic Downturn: Threats and Opportunities
- Impact of personal budgets on third sector providers of social care

It has also published a list of recession-themed articles appearing in recent months on its website under the heading 'Recession, Research and Response'. The list (with links) can be seen at:

www.esrcsocietytoday.ac.uk/ESRCInfoCentre/about/CI/CP/Our_Society_Today/economists/RecessionResponseAndResearch.aspx

and includes:

The market road to recovery
Saving the economy - and the planet
Changing the global economy
Innovating in downturns
Losing work, losing health

The Higher Education Academy Economics Network

News from the Economics Network of the Higher Education Academy

Fifth International Conference in Developments in Economics Education Conference (DEE)
Wales Millennium Centre, Cardiff, UK
9-10 September 2009

Keynote Speakers:

Robert Chote (Director IFS)

Rachel Lomax (former Deputy Governor, Bank of England)

Vicky Pryce (Chief Economic Advisor & Director General Economics BERR and Joint Head GES)

The fifth international Developments in Economics Education Conference will present the latest developments in economics higher education. It will showcase activities and resources specifically developed to support economics teaching as well as present latest research into pedagogy in economics. The conference will also provide practical advice for lecturers and teaching assistants, guidance on balancing competing work interests and ideas for engaging students in the subject.

For more information and booking:
http://www.economicsnetwork.ac.uk/dee2009/

Key Contacts Conference
Wales Millennium Centre, Cardiff, UK
Tuesday 8th September 2009

The Economics Network has established a network of Key Contacts throughout UK Higher Education Institutions. Every economics department or business school that teaches courses with an element of economics has been invited to nominate a Key Contact. (Key Contacts typically have a keen interest in learning and teaching and often have a responsibility in this area). This one day conference is especially for Key Contacts or their representative, and is free of charge.

For more details including booking:
http://www.economicsnetwork.ac.uk/events/contacts0909.htm

"Wish I could do it again" - the thoughts of economics alumni

At the end of 2008 the Economics Network conducted its second Alumni Survey as part of the centre's research into teaching and learning Economics in HE UK. We'd like to thank CHUDE, GES, alumni associations and career services for their support of our survey.

We recognise that alumni can offer a unique perspective in evaluating the skills and knowledge developed on degree courses and their relation to the ones required in the workplace.

To obtain information on how degree programmes could be improved was one of main purposes of the survey. The other was the provision to future and current economics students, through our websites www.whystudyeconomics.ac.uk and www.studyeconomics.org.uk, the first-hand information of what an economics degree could do for them, what careers they could have, and what salaries they might expect to receive.

Among the questions in the survey was one asking the respondents to give advice to students. We shall be adding many of their responses to our sites. These include the following:

- 'Economics is both an art and a science. If all you can do is crunch numbers that's not enough; you need to understand what the numbers means.'
- 'Go for it! You won't regret it!! You'll see the world in a whole new light. You'll never again pick up a newspaper or listen to a debate without (unintentionally) picking out the holes in the arguments or reading between the lines of what's said, and instead being aware of what's not (whether intentionally or unintentionally omitted). The confidence you'll gain and your ability to critically analyse situations or events will impact all aspects of your life.'
- 'Every module and component of each module is geared towards developing skills of one kind or another, and as such each aspect of study is invaluable in helping you perform better; and achieve of your best. Even if you want to be an entrepreneur and run your own business you still have to be able to work with and get on with other people and communicate effectively i.e. with employees, clients/customers or suppliers. No aspect of study is therefore wasted'.
- 'Wish I could do it again'.

Graduate employability, especially in this time of financial turmoil, has become an important factor in the student's decision of what subject to study. As our National Economics Students Survey shows, the majority of students sees employability prospects as one of the best aspects of their Economics degree course.

The results of the Alumni Survey offer an impressive testimony to the value of an Economics degree. It is reflected in the variety of successful career paths chosen by the graduates and in their ability to get the job they really wanted across a wide range of professions, including economics, business, law and higher education. Then there is that positive perception of an Economics degree: looking back on their time as an undergraduate and knowing what they do now about the careers and the workplace an impressive 85.1 per cent said that they would still choose to study Economics at the degree level if they were starting out again.

The questionnaire used in the survey was similar to the one used in our first survey in 2004, with only a few questions changed. That has allowed us to compare the results of both surveys and find differences and/or similarities between them.

In 2004 we had replies from 138 graduates; in 2008 there were 611 respondents. Not only was this a large increase in respondents, but the number of institutions from which the respondents graduated has also increased — from 10 to 52.

The full report on the survey results will be available at: www.economicsnetwork.ac.uk/projects/surveys.htm

Summerschool
Time Series Modelling and Analysis

led by Professor Andrew Harvey (Cambridge)
London, 1-3 July 2009

The course will describe techniques for analysing and modelling time series in Finance and Economics. It is suitable for economists and statisticians with a basic background in time series or econometrics and it will also be useful for people working in other fields such as Geography, Engineering and Biology.

The course will provide understanding and insight into the methods used, as well as explaining the technical details. Statistical modelling will be demonstrated using the STAMP package http://www.stamp-software.com and participants will be given the opportunity to use the package in class.

The course begins on Wednesday, 1st at 9:00 for registration. The lectures will take place from 10.00 to 16.00, with a 20 minutes coffee-break at 11.30 and a 60 minute lunch at 13:00.

Fees: Public and private sector delegates: £750.00; HE delegates: £300.00; Students: £200.00.

Further information:
www.busman.qmul.ac.uk/cgr/cgr-summerschool/
This summerschool is organised by the Centre of Globalization Research – School of Business and Management, Queen Mary University of London.

Summerschools in Barcelona

Barcelona Banking Summer School

June 29 - July 12

Directed by Xavier Freixas, Professor in the Department of Economics and Business of the Universitat Pompeu Fabra and Barcelona GSE affiliated professor, and Moshe Kim, professor of economics at the University of Haifa and visiting professor at the Universitat Pompeu Fabra.

There is a call for papers for students who wish to present their work. If you are interested in submitting a paper for review, please make your submission at summerschool@barcelonagse.eu. (Please put "banking call for papers" in the subject line of your email.) More information on the schedule of the papers to be presented will be available soon. Please note that the deadline for submitting papers is **31 May 31**.

Application forms and further details are available at: www.barcelonagse.eu/Barcelona_Banking_Summer_School.html

Barcelona Microeconometrics Summer School

July 6 - July 17

directed by Sergi Jiménez-Martín, Professor of Economics at the Universitat Pompeu Fabra. Courses include ‘Dynamic Panel Data Models and non-linear Panel Data Models’, ‘Causal Inference and Program Evaluation’ and ‘Dynamic Micro Models and Policy Evaluation: Theory and Empirical Applications’.

The schedule of the Barcelona Microeconometrics Summer School is designed to allow students to participate in all the courses offered. However, courses can be taken individually.

Application forms and further details are available at:
http://www.barcelonagse.eu/BMiSS.html

Does Privatisation kill?

John Earle[1] takes a critical look at recent suggestions that the privatisation of health care in Eastern Europe has led to a rise in the adult mortality rate.

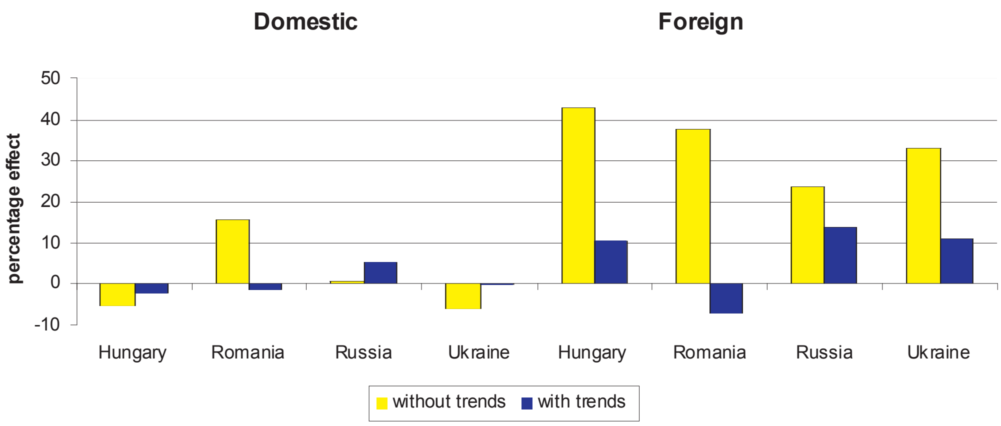
Was mass Privatisation responsible for the increased mortality in postcommunist societies during the 1990s? This claim appears in a recent article in the British medical journal *Lancet*, and has been subsequently reported in many newspapers.[2] The article documents a correlation between the extent of Privatisation and the adult male mortality rate using country-level data for about 24 economies of Eastern Europe and the former Soviet Union. A storm of controversy among defenders and attackers of 'shock therapy' policies has ensued. While much of the discussion is ideological, legitimate questions can be raised about various aspects of the methodology of the article, including the use of country-level data to study death and ownership — phenomena that are inherently micro. Related issues concern possible confounding effects — alternative explanations for the correlation — although the *Lancet* analysis does control for a large number of variables and considers a variety of statistical approaches.

What requires more attention is the question of causality: how could changing ownership from state to private have raised mortality? The *Lancet* authors theorise that privatized firms cut employment, and then refer to the extensive evidence on the negative impact of unemployment on health to link job loss to mortality. But is the first step valid, that is, does Privatisation systematically lead to substantial job loss? The *Lancet* article provides no evidence on this question.

In a recent study forthcoming in the *Economic Journal* (co-authored with David Brown and Almos Telegdy), we find that the answer is a clear 'no'.[3] Our analysis is not at the country level, as in the *Lancet* article. The problem with such aggregated data is that a variety of confounding influences may explain the results — just the sort of issues that have heated up the blogosphere, but that may never be resolved simply because they cannot be measured. Instead, our analysis uses data on nearly every manufacturing firm inherited from the socialist period in four major transition economies: Hungary, Romania, Russia, and Ukraine. The firm is the level at which decisions on employment are made, and with our data we directly observe ownership, employment, and many other variables. Equally important, we observe firms for many years (up to 20 years in these databases), so we can follow the path of employment and other variables for long periods both before and after Privatisation takes place. We also observe firms that are never privatized, which together with those that are not yet privatized (but will be) can form a control group in examining the effect of Privatisation on employment within a particular industry and year. The ability to compare firms within industries and years — apples with apples, rather than apples with oranges — is another benefit of analysing data at the level of the decision-maker, rather than the aggregate.

analysing these data with several statistical methods to control for possible biases due to selection of firms for Privatisation, we find no evidence that Privatisation systematically lowers firm-level employment. Figure 1 contains results with two alternative methods: one incorporates firm fixed effects to control for selection bias in the level of employment, and the other adds firm-specific trends to control for selection bias in the growth of employment (labelled 'without trends' and 'with trends' in the figure, respectively). The estimated effects of Privatisation to domestic owners are generally positive, and where they are negative the magnitudes are very small and usually statistically indistinguishable from zero. The estimated effects of foreign Privatisation are almost always positive, large, and statistically significant,

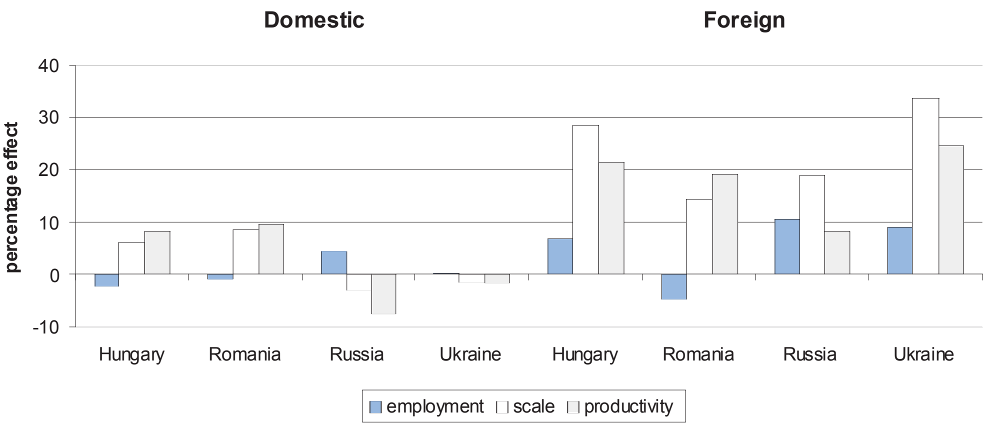
Figure 1: Estimated Privatization Effect on Employment



Source: J David Brown, John S Earle, and Almos Telegdy, 'Employment and Wage Effects of Privatisation: Evidence from Hungary, Romania, Russia, and Ukraine', forthcoming in *Economic Journal.*

generally implying a 10-30 per cent expansion of employment following the foreign acquisition. The estimated foreign Privatisation effect in Romania is the largest negative value, but it is only -7.1 per cent, and it statistically insignificantly different from zero. In the country with the most (in)famous mass Privatisation, Russia, the domestic Privatisation effects are positive, and when estimated with trends the effect is the largest of any of these four countries. Analysis of the long time series in data shows that the absence of negative employment effects of Privatisation is the consequence neither of delayed restructuring several years after Privatisation nor of pre-Privatisation downsizing, which is negligible in these economies.

Figure 2: Decomposition of the Employment Effect into Scale and Productivity Effects (estimates with trends)



These empirical results strongly contradict the notion, frequently assumed but little investigated, that large job cuts follow Privatisation. Why is this assumption empirically incorrect? One possibility is that Privatisation simply matters very little for firm behaviour: new private owners do not restructure and therefore do not lay off workers. Our research investigates this possibility by decomposing the employment effects of Privatisation into two components, which we label 'productivity' and 'scale' effects. Holding the firm's scale — its level of production — constant, an increase in productivity tends to lower employment. Holding constant the level of productivity, an increase in scale tends to raise it.

Our empirical analysis of these mechanisms finds that Privatisation tends to raise both productivity and scale; results are displayed in Figure 2. Both effects are much larger in firms privatized to foreign investors, with 10-25 per cent increases in productivity, and 15-40 per cent increases in scale. The dominance of the scale over the productivity effect implies the positive impact of Privatisation that we observe on employment. Privatisation to new domestic owners in Hungary and Romania also yields positive productivity and scale effects, but they are smaller (6-10 per cent) than the corresponding foreign effects, and the productivity effects slightly dominate the scale effects, resulting in the very small negative impacts of Privatisation on employment in these cases. The productivity and scale effects of domestic Privatisation are also positive but very small in Ukraine, and they nearly exactly cancel, leaving a tiny positive impact on employment. Domestic Privatisation in Russia is the outlier, with negative estimated effects on both productivity and scale, but the drop in productivity exceeds the fall in scale, resulting in a positive net employment impact.

In no case, therefore, do we observe substantial job cuts due to Privatisation. The causal link hypothesised in the Lancet article is not supported by the firm-level data. Nor is it supported by other studies we have carried out of layoffs and worker turnover in privatized firms.[4] Of course, it is possible that some other link, not suggested by the article and unrelated to employment outcomes, could explain the observed Privatisation-mortality correlation at the country level. Our analysis suggests that further progress on this question would benefit from analysis of data at the level where the action occurs: individual data in the case of death, and firm data in the case of Privatisation.

Notes:

1. Upjohn Institute for Employment Research and Central European University. earle@upjohn.org.

2. See David Stuckler, Lawrence King, and Martin McKee, 'Mass Privatisation and the Post-Communist Mortality Crisis: A Cross-National Analysis', *Lancet*, published online, January 15, 2009.

3. J David Brown, John S Earle, and Almos Telegdy, 'Employment and Wage Effects of Privatisation: Evidence from Hungary, Romania, Russia, and Ukraine', forthcoming in *Economic Journal.* Working paper version: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1267829. Also see J David Brown and John S Earle, 'Gross Job Flows in Russian Industry Before and After Reforms: Has Destruction Become More Creative?' *Journal of Comparative Economics*, Vol. 30 (1), 96-133, March 2002; J David Brown, John S Earle, and Almos Telegdy, 'The Productivity Effects of Privatisation: Longitudinal Estimates from Hungary, Romania, Russia, and Ukraine', *Journal of Political Economy*, Vol.114 (1), 61-99, February 2006; and J David Brown and John S Earle, 'Job Reallocation and Productivity Growth in the Ukrainian Transition', *Comparative Economic Studies*, Vol. 48 (2), 229-251, June 2006.

4. E.g., J David Brown, John S Earle, and Vladimir Vakhitov, 'Wages, Layoffs, and Privatisation: Evidence from Ukraine' *Journal of Comparative Economics*, Vol. 34 (2), 272-294, June 2006; J David Brown and John S Earle, 'The Reallocation of Workers and Jobs in Russian Industry: New Evidence on Measures and Determinants', *Economics of Transition*, Vol. 11 (2), 221-252, June 2003.

Objective Data on World-Leading Research

Following the conclusions of the recent Research Assessment Exercise, Andrew Oswald uses citations to judge the impact of UK economic research. He finds that the UK produced 10 per cent of the influential research in economics over the RAE period and some of this came from departments not normally thought of as amongst the elite.

'4 - Quality that is world-leading in terms of originality, significance and rigour…comparable to the best work in the field or sub-field whether conducted in the UK or elsewhere. Such work … has become, or is likely to become, a primary point of reference in its field or sub-field.'*

Research Assessment Exercise: RAE 2008 www.rae.ac.uk

Our discipline was ranked in the latest Research Assessment Exercise as the United Kingdom's best subject. However, journalists and others have asked me if the result is believable. This article is concerned with that issue.[1]

I believe that as academics we suffer from — and here I include myself — the following biases:

(i) we tend to overestimate the importance of our own department;

(ii) we tend to overestimate the importance of our own sub-field of economics;

(iii) we tend to be badly informed about how influential the articles can be from a range of journals (it has become common, in my 30-year professional lifetime, to hear people focus on a tiny number of journal 'labels' *per se*, and even sometimes to speak as though a publication in a place like the *American Economic Review* is an end in itself rather than mattering for its content or its contribution to human welfare);

(iv) we tend to be poorly informed about the latest flow of research and excessively influenced by out-of-date stock variables (such as, for example, the long-standing reputation of another department, or of a particular economist).

I therefore collected data on the world's most-cited articles over the period of the RAE, namely, from 2001-2008. My aim is to try to make operational the kind of 4* concept encapsulated in the quote at the beginning.

> "…outstanding work — a set of genuinely world-leading articles — comes from a wide range of sources (literally speaking, 21 different universities in Table 1) and thus by implication it might be a mistake to concentrate funding narrowly on a tiny number of universities."

The method

I use data from the ISI Web of Science. Citations are taken here as a proxy for the objective quality of an article — measured with the benefit of hindsight. See for instance Goodall (2009) and Hudson (2007).

This country has produced some of the most-cited articles in the world in a number of important field journals. It has also been the source of some of the most influential articles in the *AER*, *Review of Economic Studies*, and *Econometrica*. But it did not do well in certain other journals, especially the *Quarterly Journal of Economics* and *Journal of Political Economy*.

I take the journals listed by the Helpman Committee in the recent ESRC Benchmarking Report on Economics in the United Kingdom. There is little dispute that these are important journals. There are 22 of them. They are divided into 9 general journals and 13 field journals. I adopt this list simply because it is the one chosen by Helpman and thus for this particular study helps avoid suggestions that I was consciously or unconsciously biased in my selection.

For each journal, I searched on articles published between January 2001 and December 2008. I searched as carefully as possible by hand through the articles for the UK-based ones.[2] The problem with not doing this by hand is that any mechanical search on England will throw up articles that are not truly from England — such as those authored by Americans with an honorary affiliation to the CEPR in London.[3]

It is perhaps worth emphasising that there is evidence that early citation numbers to an article are a good indicator of long-run citations numbers. This is shown, for example, in Adams (2005). In other words, if an article acquires few citations early on it is extremely unusual — of course there are occasional exceptions — for it ever to acquire a high number.

Table 1: How Did UK Economics Do Over the Period 2001-8 if Judged Against the Most-Cited Articles Produced Around the World?

Journal [lower cut-off marginal # cites]	***Criterion: Appearing among the X most-cited articles in that journal where X here is the top:***	***Were there any UK papers within these top X articles?***	***Their positions in the world rank of these most-cited X***	***Which UK institutions were the source of these highly-ranked papers?***
AER *[55]*	50	Yes	12th; 32nd; 35th; 38th	Warwick+LSE; LSE; Cambridge; LSE
EJ *[41]*	10	Yes	5; 10	LSE+Oxford; Nottingham
REStud *[35]*	20	Yes	9; 11; 12; 13	UCL+Oxford+Cambridge; LBS; LSE; Cambridge
Econometrica *[32]*	50	Yes	11; 17; 19; 29; 36	Oxford; York; UCL; Warwick; Oxford
IER *[29]*	10	Yes	1	Warwick+Cardiff+Oxford
REStats *[39]*	20	Yes	13	Warwick
JEEA *[8]*	10	No		
JPE *[30]*	50	Yes	45	Essex
QJE *[45]*	50	Yes	40	UCL
JEconometrics *[39]*	20	Yes	1; 6; 10; 14; 15; 19	Cambridge+Edinburgh; Edinburgh+QMW; Kent+StAndrews; Lancaster+Strathclyde; IFS; Oxford
JPubEcon *[35]*	10	Yes	1; 5	Warwick; LSE
JDevEcon *[30]*	10	Yes	3; 7	Nottingham; Oxford
JHealthEcon *[36]*	10	Yes	2; 9	Sheffield; Leicester
JMonetaryEcon *[51]*	10	Yes	4; 7	Royal Holloway; Oxford
JIntEcon *[27]*	10	Yes	4; 5; 10	Warwick; LSE; LBS
JFinance *[51]*	50	Yes	41	Oxford
Rand Journal *[44]*	10	Yes	1; 6; 10	Oxford; LSE; Oxford
JUrbanEcon *[22]*	10	Yes	4; 7; 10	UCL+LSE; LSE; LSE
JOLE *[28]*	10	No		
JEnvEcon&Man*[36]*	10	Yes	3; 7	Strathclyde; UEA
JLaw&Econ *[22]*	10	No		
JET *[34]*	10	No		
Total # world-leading papers from the UK			*45*	

Notes to reading this table: the top row means that if we look at the 50 most-cited articles published by all countries in the American Economic Review over the 01-08 period then the UK was the source of the 12th most-cited, and of those ranked 32nd, the 35th, and the 38th. Moreover, these four articles came, respectively, from Warwick and LSE on the first, LSE on the second, Cambridge on the third, and LSE on the fourth.

Different journals are assigned different values of *X*, because some journals here are intrinsically more cited than others. The lower cut-off levels of cites are reported in square brackets in the first column. Hence the number 55 after *AER* means that the 50th most-cited paper in the *American Economic Review* attained 55 cites. The *Journal of the European Economic Association* has only recently started publishing papers so cannot be compared to others on cites. The citations totals were collected in December of 2008.

The key data are set out in Table 1. It tells us the influential recent articles from UK economics and, in particular, where they lie in a world-ranking of influence.

To try to adjust for the fact that some journals attract a particularly large quantity of good articles, I allow different journals to have different numbers of articles in the key table 50 for the *American Economic Review*, 10 for the *Economic Journal*, and so on. These cut-offs were chosen to try to be fair to the different journals. I attempted approximately to equalise the numbers of citations of the marginal excluded article.
All this is designed to get at the principle of '4*… a primary reference in its field'.

To read Table 1, the procedure is the following. Take the numbers in the top row as an example. These tell us that if we look at the 50 most-cited articles published by all countries in the American Economic Review over the 2001-2008 period then the UK was the source of four of these out of the fifty. The UK ones were the 12th most-cited article, the 32nd, 35th, and 38th. Moreover, these four articles came, respectively, from Warwick and LSE on the first, LSE on the second, Cambridge on the third, and LSE on the fourth. It can be seen from the table that the UK attained the top slot in the *Rand Journal*, the *International Economic Review*, *Journal of Econometrics*, and *Journal of Public Economics*; 2nd in the *Journal of Health Economics*; 3rd in the *Journal of Development Economics*; and 4th in the *Journal of International Economics*, the *Journal of Monetary Economics*, and the *Journal of Urban Economics*.

This is a substantial achievement for the United Kingdom. Nevertheless, although I do not report the full data, the UK numbers are far behind those for the (obviously much larger) United States.

It should be noted that my measure here assigns full weight to a jointly authored article, so that a tri-authored Article Y by economists from Universities A, B, C would see each of those universities credited above.

In the full version, Oswald (2009), I try to present various checks on the calculations, and some results for other European countries. I also attempt to do a simple cross-check against the quality of other disciplines.

Conclusions

The United Kingdom comes out reasonably well on my criterion. Over the RAE period, it produced 10 per cent of the influential research in economics.

As Table 1 reveals, one quarter of these objectively important UK articles emanate wholly or partly from departments of economics not normally considered to be in the top half-dozen in the country. Therefore, outstanding work — a set of genuinely world-leading articles — comes from a wide range of sources (literally speaking, 21 different universities in Table 1) and thus by implication it might be a mistake to concentrate funding narrowly[4] on a tiny number of universities.

Perhaps economists, whose discipline has long espoused competition and opposed monopolies, should not be surprised at the idea that pluralism can encourage iconoclasm. Perhaps economists should take a lead in UK academia in arguing against a growing modern concern with 'top' departments, 'top' journals, and other monopoly-creating devices.

Notes:

1. A longer version of this paper is available as Oswald (2009). Many economists kindly sent me suggestions on that work. I have deliberately not discussed these ideas with the Economics RAE Panel member from Warwick University, Steve Broadberry, and have no way of knowing if the Panel used data like mine.

2. It is possible that some errors of counting remain, but I hope they are slight enough not to lead to incorrect conclusions.

3. It has come to light recently that there are problems with the data from Evidence Ltd in their work for the Helpman Report (2008). Tables 1 and 2 of Helpman (2008) appear to overstate the true numbers of articles by UK authors. The main source of the error is that CEPR-affiliated Americans are wrongly classified as UK economists. Evidence Ltd has not released to me their data or work-sheets. Hence I cannot be sure about the size of the errors. But for the *Journal of Monetary Economics*, for example, the Helpman Report states that between 2002 and 2006 approximately 12 per cent of articles in *JME* came from UK authors. My own examination of the raw data, in so far as I can check their calculations independently, suggests that the true number for the *JME* is probably closer to 6 per cent.

4. Any economist, however, would argue that it is the marginal productivity of research funding that matters. Public discussion, by contrast, is almost always about average productivities.

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Obituaries

Sir Alan Walters

Alan Walters was an economist well known among the general public as Margaret Thatcher's personal economic adviser, a role which he performed successfully- almost uniquely in the history of such relationships with prime ministers in the UK or indeed heads of government anywhere for that matter. This made him of course controversial, and particularly among economists of different political persuasions.

Nevertheless his academic pedigree was unquestionable. He published influential papers on private and social cost functions in *Econometrica*, the *AER* and *REStats* in the early 1960s and these formed the basis of a large number of papers in applied microeconomics, especially in his main interest, transport economics. He edited the *Review of Economic Studies*, being regarded as one of the econometric stars of the generation that included Frank Hahn and Denis Sargan.

Perhaps surprisingly therefore it was in macroeconomics that he was best known popularly — especially as a 'monetarist'. While at Birmingham University he became interested in Milton Friedman's critique of monetary policy at Chicago. He decided to apply the analysis to UK monetary history in work from the mid 1960s that appeared in the *Oxford Bulletin*, *OEP*, *REStats* and the *JPE*; the analysis took the form of regressions of inflation and output on money supply growth- later it was all brought together in an influential IEA Hobart paper in 1971, *Money in Boom and Slump*. He argued that even under fixed exchange rates exchange controls gave the monetary authorities plenty of scope to control the money supply; and that they had used this scope to pursue Keynesian policies of demand expansion, which periodically alternated with bouts of demand contraction due to balance of payments deficits. While money supply growth was not deliberately targeted, it was a good indicator of the degree of monetary ease produced by deliberate manipulations of interest rates, which were therefore exogenous to some extent and otherwise predetermined, reacting to lagged outcomes. Hence he deployed good state of the arts econometrics at that time which indeed did show rather clearly that inflation and output fluctuations followed from monetary fluctuations. It needs to be remembered that in those days little use was made of systems estimators because of the slowness of computers. But in any case for his purposes it was enough to establish that there were effects from monetary policy variation- again we often forget how monetary policy was dismissed widely at the time as having small if any effect on the economy; many thought its role was purely in stabilising the balance of payments by attracting capital flows.

An interesting footnote to Walters' work on macro was his *EJ* article in 1971 on 'Consistent expectations'. This preemption of Lucas' early writings on rational expectations was nearly rejected by the *EJ*, not surprisingly given the prevalent Keynesian views of the time. Walters did not take his paper very seriously and seems to have written it mostly as an exercise in 'what if?' — according to one informal account he got the idea in the bath and partly wrote it up there! Like Milton Friedman he was most comfortable using the adaptive expectations model with 'long and variable lags' (the variability coming from the different patterns that monetary fluctuations could take).

His policy work on the micro side came in advising on transport, both here (most notably in the Roskill Third London Airport Inquiry) and at the World Bank. However it was of course in macro that he gained fame—-or notoriety according to one's viewpoint — first when he left as an economic adviser to Mr. Heath over his 'inflationary policies' (he maintained Heath sacked him, but Heath says he resigned), then later in Margaret Thatcher's first government when his main preoccupations were with monetary, fiscal and unemployment policy, and finally when he returned as her adviser in the late 1980s when the issue of the time was whether to join the European Monetary System and fix to the DM. The second episode included the budget of 1981 which 364 economists condemned. He was knighted in 1983 for his contributions over this critical period. The third episode culminated in the public row created by Nigel Lawson over Walters' anti-ERM advice, which resulted first in Lawson's resignation and, a few hours after, in his own, to protect Mrs. Thatcher.

This last episode illustrated much about Walters' personality and success as an adviser. He had an unusual capacity to condense and simplify arguments, drawing out their policy implications with brutal clarity and disregard for his own personal position. Thus over the EMS he explained the impotence this would bring to monetary policy; Lawson rejected the argument (wrongly), disliked the brutality and took it personally, which was far from Walters' intentions, while Mrs. Thatcher could easily grasp it and appreciated the personal loyalty. Nowadays the Treasury has become totally converted to the Walters argument (or 'critique' as it was sometimes called), witness its clear opposition to joining the euro.

Walters was born into a poor family and failed the eleven plus, but he nevertheless obtained a place at Alderman Newton's School in Leicester, whose Anglican endowment gave support to children from poor families. He left at 15 to work in a factory, as the family's means must have finally run out. After the war in which he fought as a private he returned to Leicester and sought the advice of his old teachers as to what he might do to improve his chances in life. As he knew nothing much in the academic line, the advice was to do economics; he pursued an external London degree from University College, Leicester and got the top first of his year. From then on opportunities opened up; he got a Nuffield postgraduate place and in 1951 at the age of 25 he became a lecturer at Birmingham. From Birmingham where he got the chair of econometrics in 1961, he went to LSE as Cassel Professor of Money and Banking in 1968. There he joined Harry Johnson who was commuting from Chicago and with other young staff there they created a stimulating environment for postgraduate work. He went to Johns Hopkins in 1976 where he was able to work conveniently also on transport economics at the World Bank. When he retired from these positions much later, he joined Putnam, Hayes and Bartlett, the Washington consulting firm, and helped them advise a variety of foreign governments; later he joined AIG Trading in London and helped build their varied financial operations.

Walters was always enjoyable company and had a good sense of humour; on his desk at Number 10 he had a coffee mug that said 'Quiet — genius at work'. Towards the end he was afflicted with Parkinson's disease which made not just movement but also communication difficult. But he bore it with cheerfulness and dignity. His is a remarkable story of rags to intellectual riches.

Patrick Minford
Cardiff Business School

A call for Chairs

A three day international conference on

New Directions in Welfare Economics

with theory (maths basically) and applied strands (particularly health, development, social policy, education/labour/demography and experimental work) is being held at St Catherine's College, Oxford 29 June - 1 July 2009.

The deadline for papers has passed but the organiser, Paul Anand, is inviting anyone with experience chairing applied papers and would like to participate to contact him (e-mail p.anand@open.ac.uk).

Recession to end sooner than we think?

A key source of today's economic weakness is uncertainty that led firms to postpone investment and hiring decisions. As a result of research recently carried out at the Centre for Economic Performance, Nick Bloom reports that key measures of uncertainty have dropped so rapidly that growth will resume in late 2009.

Bloom who, long before the financial market turmoil of last autumn suggested that the rise in uncertainty since August 2007 would lead to a significant slowdown, now claims the recession will be over sooner than we think. He says that delaying economic stimulus to the summer may mean the medicine is administered just as the patient is leaving hospital.

This work is reported in the March issue of *CentrePiece*, the magazine of the Centre for Economic Performance, at LSE.

In the same issue Daniel Kahneman is interviewed by the RES's media consultant, Romesh Vaitilingam, how we should go about understanding happiness as an indicator of social progress. In the course of the interview, Kahneman clarifies a number of concepts that have guided his work on 'happiness research' and explains how we should go about understanding happiness (or 'subjective well-being') as an indicator of social progress.

The interview can be heard by visiting www.voxeu.eu/index.php?q=node/2581

In many walks of life, 'success' is a matter of relative (rather than absolute) performance. One thinks of fund managers trying to head the league table, drug companies striving to get the first patent. In situations like this where rewards are fixed in advance, concentrated at the top and based on relative rather than absolute performance economic analysis tells us what to expect: firstly, the bigger the prize for victory, the more effort the competitors put in; and secondly, in settings where there is a single winning prize, the prize awarded to the winner increases with the number of competitors. But in practice, it is not just the amount of effort that competitors choose to put in — they also have a choice about the riskiness of the strategy they adopt. And here, economic theory is ambiguous in its predictions.

To shed some light on this strategy selection, Christos Genakos and Mario Pagliero looked at at non-experimental data from weightlifting competitions to examine professional athletes' choices about effort and risk-taking in a tournament setting. Their results show that such incentives can encourage individuals who are low in the rankings to take on additional risk. However, while this may be good for spectator sports, it may not be so desirable within firms.

For further details on this and other research at CEP, go to: http://cep.lse.ac.uk/centrepiece/

Academics surveyed on University-Industry Knowledge Exchange

As part of its wider initiative on the impact of higher education institutions on regional economies, the ESRC is funding a project titled 'University-Industry Knowledge Exchange: Demand Pull, Supply Push and the Public Space Role of Higher Education Institutions in the UK Regions'.

The proposed research will address the following questions:

- What are the processes by which opportunities for knowledge exchange are recognised by businesses and academics?
- What are the key motivations and objectives of the parties to the knowledge exchange and their implications for the incidence and effectiveness of the exchange process?
- What factors affect the choice of modes of knowledge exchange?
- How do the parties to knowledge exchange measure success?
- How do businesses assess the impact of knowledge exchange upon their innovative activity and value added?
- What factors affect the geographical location of partners to knowledge exchange and the consequent potential impact upon the regional and sub-regional economy of the exchange process?
- What factors affect differences across regions and sub-regions in the incidence, form, perceived success and impact of exchange interactions?

Based in the Centre for Business Research at the University of Cambridge and led by Michael Kitson at the Judge Business School, the project includes a large-scale survey of academics' views.

Further details are at:
http://www.cbr.cam.ac.uk/research/programme1/project1-17.htm.

The survey can be taken at:
http://cambridge.qualtrics.com///WRQualtricsSurveyEngine?SSID=SS_5uu3wgl8jlTwgfy&SVID=Prod.

Workshop on Asset Prices, Consumption and Monetary Policy

University of Nottingham
21 May 2009

Sponsored by the Centre for Finance and Credit Markets, Nottingham and Money, Macro and Finance Research Group

Morning session includes:

'Real Time' Early Warning Indicators for Costly Asset Price Boom/Bust Cycles: A Role for Global Liquidity
Lucia Alessi and Carsten Detken (ECB)

Liquidity, Inflation and Asset Prices in a Time-Varying Framework for the Euro Area
Christiane Baumeister, Eveline Durinck and Gert Peersman (Ghent University)

Afternoon sessions include:

Household External Finance and Consumption *Timothy Besley, Neil Meads and Paolo Surico (Bank of England)*

House Price Shocks, Negative Equity and Household Consumption in the United Kingdom
Richard Disney (University of Nottingham), John Gathergood (University of Nottingham) and Andrew Henley (University of Wales, Swansea)

Financial Structure and the Impact of Monetary Policy on Asset Prices
Stefan Gerlach (Goethe University, Frankfurt) and Katrin Assenmacher-Wesche (Swiss National Bank)

Household Debt in the Consumer Age: Source of Growth-Risk of Collapse
Barry Cynamon (University of Chicago) and Steven Fazzari (Washington University, St Louis)

Organiser: Paul Mizen, Paul.Mizen@nottingham.ac.uk

News from CEPR

Members of CEPR —

• Simon Evenett, co-director of CEPR's ITRE Programme, and Robin Mason, a Fellow in the CEPR Industrial Organization Programme, have been appointed to the UK Competition Commission to serve for a period of eight years.

Simon Evenett is Professor of International Trade and Economic Development at the University of St. Gallen, Switzerland, and Co-Director of the CEPR Programme in International Trade and Regional Economics.

Robin Mason is currently the Eric Roll Professor of Economics and Head of Economics at the University of Southampton,

• Anne Sibert, a CEPR Research Fellow, has been appointed as a member of the Monetary Policy Committee of the Central Bank of Iceland. She is Professor and Head of the School of Economics, Mathematics and Statistics at Birkbeck College.

• Karolina Ekholm, a CEPR Research Affiliate, has been appointed Deputy Governor of the Sveriges Riksbank. Karolina is an Associate Professor at Stockholm University and a member of the Swedish Government's Fiscal Policy Council

• Armin Falk has been awarded the Gottfried Wilhelm Leibniz-Preis by the central public funding organization for academic research in Germany for his outstanding work in the field of behavioural economics and economics.

Analysing the current crisis

Within the last year, a number of publications in the CEPR's 'Policy Insight' series have addressed aspects of the present financial crisis and recession. These include:

The Icelandic banking crisis and what to do about it (no. 26) by Willem Buiter and Anne Sibert

Crisis Management in the European Union (no. 27) by Sylvester Eijffinger

The crisis of 2008: Structural lessons for and from economics (no. 28) by Daron Acemoglu

Two systemic problems (no. 29) by Axel Leijonhufvud

Reforming financial supervision and the role of central banks: a review of global trends, causes and effects (1998-2008) (no.30) by Donato Masciandaro and Marc Quintyn

Liquidity insurance for systemic crises (no.31) by.Enrico Perotti and Javier Suarez

Incentive roots of the securitisation crisis and its early mismanagement (no. 32) by Edward J Kane

These can all be downloaded free of charge at:
www.cepr.org/default_static.htm

In January (after we had gone to press) the CEPR joined with the Bank of England, H M Treasury and the Reinventing Bretton Woods Committee to organise a seminar for deputies to the recent G20 summit, together with academics and private sector participants.

The papers presented at that seminar have been been brought together as an e-book, edited by Mathias Dewatripont, Xavier Freixas and Richard Portes.

The editors stress above all the short-run policy imperative. Neither monetary nor fiscal policies will work unless and until the blockages in the supply of credit are resolved. Financial intermediation and the structure supporting it must be restored to near-normal conditions to stop the accelerating decline.

Amongst the numerous specific proposals:

- Use macroeconomic policy to meet any threat of deflation promptly, with a zero interest rate policy and quantitative easing;
- Create a centralised clearing counterparty for CDS trades without further delay;
- Sever the link between credit rating agencies (CRAs) and issuers;
- Establish a harmonised bankruptcy regime for banks, based on US-style 'promptcorrective action', giving the supervisor strong powers over bank managers and shareholders before the bank is technically insolvent.
- Address global imbalances by creating credible insurance mechanisms for countries that forego reserve accumulation and stimulate domestic expansion.

The book is available to download free of charge at www.VoxEU.org

Correspondence

Krugman on Samuelson on Keynes

Sir,

It is surprising that Paul Krugman writes in his Introduction to the new edition of Keynes's *General Theory* (extract in *Newsletter*, January 2009) that 'it is hard to see any significant difference' between Keynes's depiction of the determination of the level of income and employment in chapter 3 of the *General Theory* and Paul Samuelson's 45-degree line diagram. There is a crucial difference. In Keynes's model, unlike Samuelson's, there is an aggregate supply curve (or necessary receipts schedule) which can shift upwards in periods of cost (wage) inflation, causing 'stagflation'. The reason why the new classical macroeconomists of the 1970s and 1980s claimed that Keynesian economics could not explain 'stagflation' in these years could only be because they learnt their Keynesian economics from Samuelson's textbook, and not from the *General Theory* itself.

A P Thirlwall
Department of Economics,
University of Kent

Neo-Schumpeterian Economics 09: An Agenda for the 21st Century

In 2006, a first conference entitled 'Neo-Schumpeterian Economics: An Agenda for the 21st Century' took place in Trešt, Czech Republic. Trešt is Joseph A Schumpeter's birthplace. The aim of this conference was the investigation of the significance of Neo-Schumpeterian Economics as a guideline for contemporary economic policy and its challenges.

The next conference entitled 'Neo-Schumpeterian Economics 09: An Agenda for the 21st Century' will take place from **June 10th to June 12th, 2009**, in Trešt. It will jointly be organised by the J A Schumpeter Endowment Fund, by the Community of Trešt, and by scholars of Schumpeterian Economics. The venues of the conference will be Trešt Castle Hotel and the Schumpeter family home. Trešt can easily be reached from Prague either by a conference shuttle or by bus.

The deadline for registration is **May 25th, 2009.**

For further information consult the conference website: www.schumpeter.cz

Prescription for Financial crises

Sir,

When a financial crisis occurs, there is no shortage of reports indicating the causes of the crisis and possible solutions. When the problem surfaces, then a reaction occurs to solve it but it may be too little too late. For example, in a presentation that Dr. Bernanke (Chairman of the Board of Governors of the Federal Reserve System) gave at the London School of Economics on January 13, 2009, he stated that 'These policy actions helped to support employment and incomes during the first year of the crisis. Unfortunately, the intensification of the financial turbulence last fall led to further deterioration in the economic outlook.' And, of course, we see the financial crisis that we have today.

On the other hand, the best prescription for handling a financial crisis is to avoid one, or at least to lessen it, in the first place. As the adage states: 'an ounce of prevention is worth a pound of cure.' In other words, a financial crisis does not occur overnight-there are warning signs. It is apparent that we should carefully monitor these warning signs and take the appropriate action(s) in the early stages-we need to be proactive and not reactive.

Once again, I refer to Dr. Bernanke when he stated '…we also owe the public near-term, concrete actions to limit the probability and severity of future crises. We need stronger supervisory and regulatory systems…The supervisory authorities should develop the capacity for increased surveillance of the financial system as a whole…and we should revisit capital regulations, accounting rules, and other aspects of the regulatory regime to ensure that they do not induce excessive pro-cyclicality in the financial system and the economy." 'How true these statements are. This is exactly the prescription we need to avoid or lessen financial crises. Our main financial objective needs to be directed towards prevention. We can learn a lesson from the medical field. Medicine is not only concerned with curing diseases but also preventing them. Therefore, why shouldn't the same goal apply to the economy?

George Walendowski
Los Angeles City College

RES news items

One year junior fellowship awards

The Society is offering up to 6 one-year junior fellowships tenable at Universities in the United Kingdom from 1 October 2009. The amount of the fellowship will be £8,000 (£11,000 in London) in 2009/10. This sum will be paid to the Universities, which will make appropriate arrangements for paying the recipients of the fellowship awards at regular intervals.

- Candidates should have completed at least two years' work towards a doctoral thesis when they take up an award. Those who have already completed their doctorates may also be considered.
- Those awarded Fellowships must undertake a minimum of 60 hours teaching, plus 15 hours preparation time, in the academic year. The maximum amount of teaching (including tutorials/supervisions undertaken for Colleges) is 80 hours, excluding 20 hours preparation time.
- Students who already have full financial support for the academic year 2009/10 are not eligible for a fellowship award.
- Applications must be submitted by the candidate's Head of Department. Heads of Departments have been circulated with the list of documents that should accompany an application. **Students should not make direct application to the Society**.
- Those awarded Fellowships must submit a report to the Secretary-General of the Society at the end of the academic year (June/July).

Closing date for applications: 8 May 2009

Changing your address?

Newsletters and the *Economic Journal* continue to be returned by the postal authorities marked 'Gone away', 'not known at this address' etc. If you are going to change your address shortly, please remember to advise the Society.

The information should be sent to the Membership Secretary, Katherine Crocker, Department of Economics and Related Studies, University of York, Heslington, York YO1 5DD. E-mail: kc6@york.ac.uk

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
30 September

each year in respect of conferences which take place in the ensuing four months.

Please note that the awards under the conference grant scheme are highly competitive, and selection will be based on the following criteria. These criteria should be addressed by the Head of Department in his/her supporting statement on the application form:

- Preference will be given to applicants who are new entrants to the profession.
- Preference will be given for attendance at high-impact international conferences.
- Preference will be given to applicants whose attendance cannot ordinarily be funded from other sources, such as existing research grants.

Please note that no awards will be made to any applicant who has received an RES grant (under the Conference Grant or Support for Small Academic Expenses schemes) in the 3 previous years.

Application forms and further particulars may be obtained from either:

http://www.res.org.uk/society/grants_fellowships.asp or

Professor Anton Muscatelli, Principal and Vice-Chancellor, Heriot-Watt University, Edinburgh, EH14 4AS.
Fax: + 44 (0) 131 451 3330
E-mail: j.stewart@hw.ac.uk

The Royal Economic Society Publications

Members Discounts

Members of the Royal Economic Society may order one of each of the Society'' publications for their personal use at the special price to members. Applications should be made to the Royal Economic Society offices at the following address:

Amanda Wilman, RES Administrator,
The Royal Economic Society,
School of Economics & Finance,
University of St Andrews, Fife, KY16 9AL UK

Payment, in sterling, must accompany the order either by cheque or international bankers draft made payable to the Royal Economic Society. Direct payment may be made to our bank from overseas accounts if you contact the Administrator for details. Credit cards cannot be accepted.

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For enquiries about rights, permissions and initiatives relating to editions and other scholarly works sponsored by the Society, please contact The Publications Secretary c/o The Royal Economic Society office.

Published by Cambridge U P	Published price, £	Members' price, £
The Works of Ricardo (hb), Ed P Sraffa		
Vol VI -X* each	56.00	45.00
Vol XI index	45.00	36.00
*Vols I-V out of print		
Paperback editions (not discounted) are available directly from the Liberty Fund or Amazon books in Europe		
An Essay on the Principle of Population — T R Malthus (2 Vols. hb). Ed Patricia James	110.00	88.00
Principles of Political Economy — T R Malthus (2 Vols. pb). Ed John Pullen	65.00	52.00
Centenary Essays on Alfred Marshall (hb). Ed John K Whitaker	70.00	56.00
The Correspondence of Alfred Marshall, Economist (pb). Ed. John K Whitaker		
Vol I	43.00	35.00
Vol II & Vol III each	50.00	40.00
Official Papers of Alfred Marshall, A Supplement (hb). Ed. Peter Groenewegen	70.00	56.00
The Economic Advisory Council: A Study of Economic Advice During Depression and Recovery 1930-1939 (pb). Susan K Howson and Donald Winch	38.00	30.50

Published by Palgrave Macmillan	Published price, £	Members' price, £
The Collected Writings of John Maynard Keynes (hb). Ed Sir Austen Robinson, Elizabeth Johnson and Donald Moggridge		
All the following listed volumes (each):	68.00	51.00
I, II, III		
V,VI,VII,VIII		
X, XII, XIII,		
XVI, XVII		
XXI, XXII, XXIII, XXIV		
Volume XIX (two volumes)	130.00	67.50
All other volumes out of print		
Memorial set of all 30 volumes is now out of print.		
Available in paperback:		
XIV, XXIX each	19.99	15.00
Keynes Lectures, 1932-35. Ed Thomas K Rymes	40.00	30.00
J M Keynes, *The General Theory of Employment, Interest and Money* (with an introduction by P Krugman)	19.99	15.00

Published by Oxford U P		
F Y Edgeworth's Mathematical Psychics and Further Papers on Political Economy. Ed Peter Newman	116.00	90.00

Support for small academic expenses

The Society is able to offer financial support to members who require small sums for unexpected expenditures. Please note that the awards under the conference grant scheme are highly competitive, and selection will be based on the following criteria. These criteria should be addressed in the letter of application:

- Preference will be given for initiatives which are for the benefit of new entrants to the profession.
- Preference will be given to initiatives which cannot ordinarily be funded from other sources, such as existing research grants.

Please note that no awards will be made to any applicant who has received an RES grant (under the Conference Grant or Support for Small Academic Expenses schemes) in the 3 previous years. The closing dates for applications are:

31 January **31 May** **30 September**

each year and applications will only be considered at these times. Applications, in the form of a letter and stating the purpose for which a small grant (maximum £600) is required, should be sent to:

Professor Anton Muscatelli, Principal and Vice-Chancellor,
Heriot-Watt University, Edinburgh, EH14 4AS.
Fax: + 44 (0) 131 451 3330
E-mail: j.stewart@hw.ac.uk

Conference Diary

2009

april

April 24-26 *Prague,Czech Republic*

Conference on **Political Economy**.

Further information at: http://pcpe.libinst.cz/pcpe09/

April 24-26 *Cork, Ireland*

23rd Annual Conference of the **Irish Economic Association.**

Further information at: www.iea.ie

may

May 5 *Keele*

Distinguished Lecture in Economics. At the University of Keele, Chris Giles (Economics Editor, *Financial Times*) will speak on **'Bank of England independence - is it over?'**

16:30pm-18:00pm (Room CBA0.060).

14-15 May *Birmingham*

Conference on **Finance and Development,** in honour of the late Maxwell Fry, organised by the Money, Macro Finance Research Group and Birmingham Business School. The keynote speaker will be Stijn Claessens (IMF and University of Amsterdam).

Further information:
www.essex.ac.uk/afm/MMF/meetings.htm

May 24 *Bradford*

Conference on **China and the World Economy**

Further information:
www.brad.ac.uk/acad/bcid/research/China/index.php

May 27-30 *Kastoria, Greece*

International Conference on **Applied Economics 2009** (ICOAE 2009). The aim of the conference is to bring together economists from different fields of Applied Economic Research in order to share methods and ideas.

Further information: icoae@kastoria.teikoz.gr or
http://kastoria.teikoz.gr/icoae
Contact name: Prof. Nicholas Tsounis

june

June 4-5 *Helsinki, Finland*

SUERF / Bank of Finland Conference: **Housing markets - a shelter from the storm.**

Further information:
www.suerf.org/download/helsinki09/cfp.pdf

June 4-6 *Madrid, Spain*

2009 Applied Economics Meeting. .

Further information: www.alde.es/encuentros

June 4-7 *Warsaw, Poland*

The 8th EEFS Conference: **Current Challenges in the Global Economy** at the University of Warsaw.

Further information: www.eefs2009.pl/

9-11 June (and 28-31 July) *York*

ESRC Summer School on **Complex Systems**. The School is fully-funded, in that accommodation and catering are free and travel grants are available.

Further information: www.york.ac.uk/management/complexity/

June 10 - 12 *Trešt, Czech Republic*

Conference on **Neo-Schumpeterian Economics 09: An Agenda for the 21st Century**. The focus will be the significance of Neo-Schumpeterian Economics as a guideline for contemporary economic policy and its challenges.

Further details from: www.schumpeter.cz

June 10-12 *Santiago, Chile*

Twelfth Annual Conference on **Global Economic Analysis.**

Further information:
www.gtap.agecon.purdue.edu/events/Conferences/2009

June 11-12 *Namur, Belgium*

New Challenges to Central Banking in the Global Financial System.

Further information:
http://perso.fundp.ac.be/~noisetb/CeReFiM.pdf

June 11-13 *Bari, Italy*

12th Uddevalla Symposium 2009 on **The Geography of Innovation & Entrepreneurshi.**

Further information: www.symposium.hv.se

June 14-16 *Tallinn, Estonia*

Economies of Central and Eastern Europe: Convergence, Opportunities and Challenges

Further information: http://tseba.ttu.ee/ECEE/

June, 15-16 *Marseille, France*

The 8th Journées Louis-André Gérard-Varet Conference in **Public Economics**, organised by Institut D'Économie Publique — IDEP / Institute for Public Economics.

http://www.vcharite.univ-mrs.fr/idep/index_en.php?

June 17-19 *Glasgow, Scotland*

7th Triple Helix Conference on **University-Industry-Government Relations.**

Further information: www.triple-helix-7.org

June 18-20 *Galway, Ireland*

Tenth international meeting of the Association for Public Economic Theory (APET) at the National University of Ireland, Galway (beginning with a welcoming reception on the evening of June 17th).

Further information: www.apet.org.

June 18-20 *Berkeley, USA*

13th Conference of **The International Society for New Institutional Economics**.

Further information: http://call.isnie.org/

June 18-20 *Vienna, Austria*

Econometrics, Time Series Analysis and Systems Theory — A Conference in Honor of Manfred Deistler. A celebration of Manfred Deistler's scientific achievements over a lifetime devoted to academic research and teaching at the occasion of his retirement from the University of Technology Vienna.

Further information: http://www.ihs.ac.at/etsast

June 22-24 *Lyon, France*

APET is sponsoring a small workshop on **Public Economics: Theoretical and Experimental Approaches**. A selection of the papers presented will form a special issue of JPET edited by Charles Plott, Jean-Louis Rullière and Marie Claire Villeval.

Further information:
//www.accessecon.com/pubs/PETLyon09/

22-24 June *Maastricht, Netherlands*

Conference on Economic Design (SED 2009).

Further information:
http://www.fdewb.unimaas.nl/SED2009/

24-26 June *Ankara, Turkey*

3rd International Conference on **Innovation, Technology and Knowledge Economics** Deadline for paper submissions: 18. May 2009.

Further information: http://conf09.metu.edu.tr

july

1-3 July *London*

Summerschool on **Time Series Modelling and Analysis.** Led by Prof Andrew Harvey (Cambridge). The course will describe techniques for analysing and modelling time series in Finance and Economics. Statistical modelling will be demonstrated using the STAMP package.

Further information from:
www.busman.qmul.ac.uk/cgr/cgr-summerschool/sspages/Home.html

9-11 July *Colchester*

Conference on the **British Household Panel Survey** to be held at the University of Essex. This is one of the major regular opportunities in Europe for the discussion and dissemination of panel research.

Further information: www.iser.essex.ac.uk/events/conferences/bhps-2009-conference/overview
or email: bhps-2009@isermail.essex.ac.uk

13-15 July *Nottingham*

CALL FOR PAPERS

Annual conference of the WPEG will be held at the University of Nottingham. The Programme Committee invites submissions of papers from academic, government, and business economists in any field of labour economics and related research areas (including pensions, poverty, housing, welfare-to-work, skills, disability, extending working lives, discrimination etc). Papers should be submitted by **1st May 2009**.

Further information from:
wpeg.group.shef.ac.uk/callforpapers.htm

31 July - 1 August *Oxford*

Fourth Annual Conference of the Green Economics Institute at Mansfield College on **Green Procurement and the Greening of Business** (and other issues).

Further information:
greeneconomicsevents@yahoo.co.uk

august

August 3-6 *Athens, Greece*

4th International Symposium on **Economic Theory, Policy and Applications.**

Further information:
http://www.atiner.gr/docs/Economics.htm

september

September 14-15 *London*

CALL FOR PAPERS

7th OxMetrics User Conference to be held at Cass Business School. The conference aims to provide a forum for the presentation and exchange of research results and practical experiences within the fields of computational and financial econometrics, empirical economics, time-series and cross-section statistics and applied mathematics. Abstracts (100-200 word) should be sent by e-mail by **31th May 2009** to Giovanni Urga (g.urga@city.ac.uk).

Further information: www.cass.city.ac.uk/conferences/oxmetrics2009/index.html

September 24-26 — *Kathmandu, Nepal*

IARIW-SAIM Conference: **Measuring the Informal Economy in Developing Countries.**

Further information: www.iariw.org/call2009.asp

2-4 September — *Limerick, Ireland*

39th Annual Conference of the **Regional Science Association International: British and Irish Section.**

Further information from: Don.Webber@uwe.ac.uk.

october

8-9 October — *Ancona, Italy*

CALL FOR PAPERS

Conference on: **The Changing Geography of Money, Banking and Finance in a Post-Crisis World.** Deadline for paper submission: **6.June 2009**. JEL classifications: E, F, G

Further information: www.mofir.univpm.it

8-9 October — *Warsaw, Poland*

CALL FOR PAPERS

Conference on: **Regions, Firms and Institutions in the World Economy.** Deadline for paper submission: **30 June 2009.** JEL classifications: F

Further information:
http://akson.sgh.waw.pl/~trusek/rfi/index.php

9-10 October — *Frankfurt, Germany*

CALL FOR PAPERS

16th Annual Meeting of the **German finance Association (DGF).** Deadline for paper submission: **3 May 2009**.JEL classifications: G

Further information: www.wiwi.uni-frankfurt.de/Professoren/schlag/dgf2009/index.html

9-10 October — *Sofia, Bulgaria*

CALL FOR PAPERS

Conference on: **Regional Discrepancies in Economic and Social Development in Europe**. Deadline for paper submission: **31 August 2009**. JEL classifications: B, D, H, L, N, O, Q, R, Z

Further information: http://conference.feb.uni-sofia.bg/

28-29 October — *Ostravice, Czech Republic*

CALL FOR PAPERS

12th International Conference on **Finance and Banking**
Deadline for paper submission: **27 October 2009**
JEL classifications: C, D, E, F, G, H, M

Further information:
www.vsss.cz/pb2000/en/index.html

30 - 31 October — *Berlin*

CALL FOR PAPERS

Thirteenth conference of The Research Network Macroeconomics and Macroeconomic Policies on **The World Economy in Crisis - The Return of Keynesianism?** The deadline for paper proposals is **30 June 2009.** Please send an abstract (one page) to Susanne Stöger (susanne-stoeger@boeckler.de). Decisions will be made by mid-August.

Further information from:
www.boeckler.de/91434_36330.html

29-31 October — *Limassol, Cyprus*

CALL FOR PAPERS

3rd International Conference on **Computational and Financial Econometrics (CFE'09).** Deadline for paper submission: **1 June 2009**. JEL classifications: C, G, Z

Further information: www.dcs.bbk.ac.uk/cfe09/

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, eight times a year.

The *Economic Journal* is one of the oldest and most distinguished of the economic journals and a key source for professional economists in higher education, business, government service and the financial sector. It represents unbeatable value for those who want to keep abreast of current thinking in economics. Issues are divided into those containing 'Articles' — the best new refereed work in the discipline — and 'Features' including symposia and regular features on data, policy and technology.

• 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.

Details and application form are available from:
The Membership Secretary, Royal Economic Society, University of York, Heslington, York, YO10 5DD.

Membership rates for

2009 are £48 ($77, €68)*

There is a reduced rate of £24 ($39, €34) for members who reside in developing countries (with *per capita* incomes below US$500) and for retired members. 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 between 2009 and 2011.

* All customers in the UK should add 7.5 per cent VAT to these prices or provide a VAT registration number or evidence of entitlement to exemption. Canadian customers please add 5 per cent GST or provide evidence of exemption. For EU mem,bers, please add VAT at the appropriate rate.

Ordinary UK member: £48 + £3.60 = £51.60
Ordinary EU member: €72 + appropriate rate
Ordinary Canadian member $77 + $3.85 = $80.85
Reduced rate members: $40.95/£25.80

If you would like to join the Society, 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 2009.

Name:

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Address:

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Occupation...

Date.............