



Royal Economic Society

NEWSLETTER

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Old themes and a new look

The debate rumbles on; economics education is problematic. Alan Kirman's annual Letter from France reports on the recent outbreak of soul-searching by economists in France and some of our correspondents are still uneasy. Regular readers of the *Newsletter* might well wonder whether the suggestions recently made by Andrew Oswald in these pages (*Newsletter*, no. 110, July 2000) would not go a long way to satisfying the critics, in France at least. After all the anguish, it is something of a relief to read Bruno Frey's and Reiner Eichenberger's favourable report on the ability of UK economists to publish widely-cited research.

In this issue, the managing editors of the *Economic Journal* make their annual report. This suggests that the recent major changes to the design and content of the *Journal* have been judged with approval by members. And on the subject of journals, Manfredi la Manna is campaigning against the exceptionally high cost of institutional subscriptions to journals hosted and promoted by commercial publishers. His proposal for electronic journals, 'owned' by their editors, referees and contributors, is a bold one. Using the internet to by-pass the wicked world of conventional publishing is not new of course - and there have been a few high-profile failures. But this one might just make it. It has impressive backing and is clearly thought through. If you have not done so, visit the website and read the details.

In the last issue, we wondered what the response would be to the QAAHE programme of departmental visits. 'Mixed' would be a polite way of summarising the comments that have reached this office. CHUDE has the process under review and we will publish its considered reaction as soon as it is available.

Finally, readers will notice the change in the *Newsletter's* format, the first since 1991. Much of the change is cosmetic - we have reduced the number of font styles and range of headings in the search for a 'cleaner' appearance. But there are changes too to the production process which should reduce production time by two weeks. This, in turn, should enable us to carry some reports (the British Association Annual Conference and the Nobel Prize are examples) when they are still 'news'.

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Next issue

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

14 March 2001

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

16 March 2001

Contributions from readers

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

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

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The *Economic Journal* - Managing Editors' Report

The co-ordinating editor of the Economic Journal, Mike Wickens, presented the managing editors' annual report to the meeting of the Royal Economic Society's Council in April 2000. This summary is based upon that report.

THIS is the fourth annual report of the managing editors to Council.¹ It marks the completion of our first term of office. At the Council meeting in April 2000, the Editors were re-appointed for a second term of four years. We explain here, briefly, the changes made to the *Economic Journal* during our first term. We then comment on the last year in more detail, and then turn to possible future developments.

The main changes in the *Economic Journal*

The appointment four years ago of a team of managing editors instead of a single managing editor marked a break with past practice. It enabled the *Journal* to deal better with the increasing number, range and technicality of submissions. Members will be aware that a fundamental review led to the reorganisation of the *Journal* into three types of issue: 'Articles', 'Features' and the 'Conference Issue', the appointment of a fifth managing editor with special responsibility for 'Features', and an editorial board of associate editors. We have also introduced the 'Economic Journal Lecture' to be given at the annual conference and published, after refereeing, in the *Journal*. As a result of these changes, there is only one section editor - for book reviews. Changes have also been made to the *Journal's* editorial policy, its management and operation, its production, appearance and its marketing. The aim of these changes was to strengthen the international standing, provide added flexibility in its content and reduce costs.

The general response of readers has been very favourable. We welcome and invite members' comments and indeed any suggestions for further change. We also invite RES members to propose future 'Features' topics.

The agenda for our second term

In the next four years we shall continue to strengthen the international standing of the *Journal*. We shall maintain the tradition of publishing papers across the full spectrum of economics. Our editorial policy is to prefer papers written with a minimum of technical elaboration and with strong intuitive explanations. We have no preference for pure theory over applied papers, but where appropriate we like applied papers to address the relevant theory. In selecting papers for publication we give more weight to originality and less weight to work which is derivative. The agreement of two managing editors is a condition of publication.

Electronic access and pricing

Two areas to which the editors and the Society will need to give careful attention in future are those of electronic access and pricing. Electronic access to journals is increasing rapidly. These developments could have profound implications for the Society's future revenues. It is not even clear whether there will be a need for academic journals in future. The demand for hard copies may fall dramatically. Membership subscriptions may fall as access can be made from libraries. Once accepted for publication, articles could be put up on the web immediately, instead of being combined to form a single issue. A paper has been commissioned from Len Waverman (LBS) to look into some of these questions and, in particular, at how the *Journal* should be priced.

Electronic access to journals and research papers is increasing rapidly...It is not clear whether there will be a need for academic journals in future.

Another concern is the balance of subscriptions between personal and institutional membership. Given the increased access from libraries, it is more than likely that in the future personal membership will decline. This would suggest that it will be increasingly necessary to put the burden of financing the *Journal* and the

Society on institutional subscriptions. As a result, in the year 2000 the cost of personal membership was reduced, and was frozen at the same level in 2001, while institutional subscriptions have increased by 10 per cent each year.

Blackwell, our publisher, tells us that libraries are not sensitive to price, partly because they bulk-buy journals from a distributor and are therefore not aware of the cost of individual journals. This may be why there is such a contrast between the attitudes of libraries to taking on new subscriptions and cancelling old ones. In recent years, however, while personal membership levels have been broadly maintained, there has been a small fall in institutional subscriptions.

A related issue is the emergence of library consortia that would like to buy all of Blackwell's journals at a discounted price for each journal with an option to print. These consortia are at present mainly in North America. The state university system of California already has a contract with Blackwell to supply every state university library. Ohio is seeking a similar contract and so too are the Canadian and Norwegian university systems. An attraction of this is that it could widen access to the *Economic Journal* to smaller universities and retain revenue by avoiding cancellations. The concerns are that joining a consortium would limit the freedom to choose the level of the

institutional subscription as revenues would be, more or less, a fixed proportion of total revenue for all of the journals in the package. Also, as the *Economic Journal* is already widely taken, there would probably be only a small increase in market penetration.

The managing editors' current thinking on these issues is that the Society should consider moving towards charging members the marginal cost of receiving a hard copy of the *Journal* plus the average cost of processing submissions. The latter cost would enable members of the Society to have free submission. The alternative, which we do not favour, would be to charge a submission fee to members. This would imply that everyone pays marginal cost. The effect of this change would be to reduce membership subscriptions to about two-thirds of the current level. To retain current revenue, institutional subscriptions would need to be raised by about 20 per cent. If the *Journal* were to be increasingly marketed through library consortia, then, given the problem of receiving a fixed proportion of total revenue, it would be necessary to implement this pricing strategy fairly rapidly. These numbers are approximate and would need more careful calculation with the publisher.

Electronic editing

The growth of electronic access is likely to affect the process of editing. The editors are examining the feasibility of electronic submissions, and the greater use of electronic communication in the refereeing and editing process. Discussions with Blackwell suggest that software developments may make this possible in the near future. A concern will be not to jeopardize the confidentiality of referees.

Double-blind refereeing

A complaint sometimes made is that, unlike many other journals, the *Economic Journal* does not use double-blind refereeing. We have therefore decided to conduct an experiment to assess its effect. From September 2000, half of the papers received will be selected at random to be blind refereed. In the experiment, we shall attempt also to see whether there might be any biases.

Editorial appointments

As noted earlier, at the April meeting of Council, the Society re-appointed the current team of managing editors for a further four-year term, until July 2004. It was decided to continue with the idea of a team, rather than have staggered appointments, in order to facilitate fundamental re-thinks of the *Journal* from time to time. The expectation is that this team will retire at the end of its second term.

The terms of two of our section editors have recently been completed: Roger Backhouse (book review editor) and Guy Judge (software review editor) have both retired. The managing editors are very grateful indeed for all the hard work and time that both have put in over many years. Roger has been book review editor for eleven years, from 1989. Book reviews have been, and will continue to be, a key element of the *Economic Journal*, offering a service to members on a scale almost without rival in the economics world. Roger's task has been particularly onerous. During his eleven years he has received nearly 10,000 books and commissioned about 4,500

reviews and book notes. He has had to run what amounts almost to a duplicate operation to that of the main *journal*. This is a major undertaking and we speak for the whole Society in thanking him for his work and congratulating him on the achievement. Jayasri Dutta has been appointed by Council as Roger's successor.

Guy Judge has been the software editor since the post was first introduced under John Hey's editorship. He has had to invent the role as he went along and has made a great success of doing so. With the completion of the software editor's contract, we have decided to broaden the coverage of software topics beyond just econometric software issues but, due to the pressure for space in 'Features', to publish these less frequently than in the past. We are very grateful to Guy for his editorship, and thank him most warmly.

One of the first changes introduced by the managing editors after our initial appointment four years ago was to form an editorial board. Previous editors managed everything on their own. We then appointed a team of associate editors to serve on the board during the period of our tenure, the end of June 2000. The managing editors would like to express their thanks to our associate editors for helping to guide them through this period of change to the *Economic Journal* and for their editorial advice. The standing of the *Journal* depends on its editorial judgments, and thanks in large part to their efforts, the *Journal* has improved its international standing considerably in the last four years. Conscious of not wishing to exploit their goodwill further, we will be appointing a new team of associate editors for our second term of office.

Table 1:
Geographical Breakdown of Submissions, 1997-1999

	1999	1998	1997
<i>UK</i>	90 (20%)	115 (26%)	140 (28%)
<i>USA & Canada</i>	139 (31%)	133 (31%)	158 (32%)
USA	125	118	142
Canada	14	15	16
<i>Europe</i>	145 (33%)	125 (29%)	124 (25%)
Belgium	5	10	10
France	13	4	16
Germany	26	22	16
Italy	17	18	18
Netherlands	19	10	21
Scandinavia	40	24	18
Spain	9	11	10
Other	16	26	15
<i>Other</i>	69 (16%)	63 (14%)	71 (15%)
Australia	17	22	25
Hong Kong	7	1	3
India	2	2	3
Israel	10	6	7
Japan	8	13	12
Other	25	19	21
<i>Total</i>	443	436	493

The Economic Journal Lecture

The *Economic Journal* lecture at the Society's 2000 Annual Conference was given by Avner Greif of Stanford University. In 2001 the lecturer will be the Nobel Laureate James Heckman of the University of Chicago (see p.6).

Submissions and publications

The characteristics of submissions in 1999, the last year for which full information exists, are similar to those of 1998. Total submissions were 443, compared with 436 in 1998. The trend towards greater internationalisation of submissions continues.

Table 1 shows that UK submissions account for 20 per cent of the total compared with 26 per cent in 1998 and 28 per cent in 1997. European submissions have increased, with the largest increase coming from Germany and Scandinavia, while submissions from North America have held steady.

Table 2:
Subject Breakdown of Submissions, 1997-1999

	1999	1998	1997
General economics and teaching	4	8	2
Methodology/ History of thought	10	3	15
Mathematical and quantitative methods	21	22	19
Microeconomics	96	†73	70
Macro and monetary economics	68	51	77
International economics	44	51	‡70
Financial economics	23	24	17
Public economics	26	26	25
Health, education and welfare	9	5	14
Labour and demographic economics	58	*84	78
Law and economics	3	3	5
Industrial organisation	25	25	28
Business economics	-	1	2
Economic history	2	4	2
Economic development	35	32	54
Economic systems	4	6	2
Agricultural/natural resources	10	11	5
Urban, rural and regional economics	5	5	4
Other topics	-	2	4
Total	443	436	493

† This figure includes two papers originally submitted under John Hey's editorship, subsequently revised and resubmitted in 1998.

* This figure includes 12 papers for the symposium 'Job Tenure and Labour Reallocation'.

‡ This figure includes 11 papers for two symposia 'The Origins and Management of Financial Crisis' and 'Growth, Trade and the Labour Market'.

Table 2 gives a subject breakdown. Microeconomics has now emerged as the largest subject area. Having grown in each of the last three years it now provides 22 per cent of submissions compared with 14 per cent in 1997. Labour and development economics have shown the largest decline. Macro and monetary economics have recovered from their temporary dip in 1998.

Of the 443 submissions in 1999, 18 per cent were rejected without being sent to referees. 360 papers were sent to referees, compared with 294 in 1998. 1069 referees' reports were sought and 892 (83 per cent) were obtained. Software improvements have enabled us to collect data just for those papers sent to referees. On this basis, 79 per cent of the reports were received within three months and the average response time was 10 weeks. On the previous accounting basis the average response time would have been eight weeks, the same as in 1998. After the first round of refereeing, 333 (75 per cent of the total and 93 per cent of submissions sent to referees) were rejected and 99 (22 per cent of total submissions and 28 per cent of those refereed) were invited to revise and resubmit. Of those invited to resubmit, 34 per cent were informed within six months of initial submission. In comparison, 77 per cent of the papers rejected had decisions made within six months. This suggests that it is easier to reach a judgement on a rejection.

Of the fees paid for refereeing, 56 per cent of payments went to referees themselves, 10 per cent were made in the form of RES membership vouchers and 34 per cent were paid to nominated charities, of which Amnesty International and Oxfam were the major beneficiaries.

Table 3:
Payments to Referees, September 1999 - August 2000

	£
Paid to referees	5,300.00
RES membership vouchers	980.50
Paid to charities	3,245.00
<i>of which</i>	£
Amnesty International	875
OXFAM	650
Save the Children Fund	525
Cancer Research	300
Greenpeace	100
Mind	50
Others	745
Total	9525.50

Circulation

For the year up to September 2000, total membership was down by 0.3 per cent on the same period last year. The fall is almost entirely in members' subscriptions. Those in the UK and the rest of the world had the largest falls, and those in Europe and the US had the greatest increases. Total institutional subscriptions were almost unchanged - despite the rate increase. The decline in the UK figure and the increase in the Japan and rest of the world figures is due to a re-classification of subscriptions. Foreign subscriptions via agencies were reported as part of the UK figure, and are now assigned to the country of origin.

Note:

1. The managing editors are Mike Wickens (co-ordinating managing editor), Christopher Bliss, David de Meza, Steve Machin and Costas Meghir.

The Nobel Prize in Economics

While our October issue was on its way to members, the Royal Swedish Academy of Sciences announced the award of the 2000 Prize in Economic Sciences to James J Heckman (University of Chicago) and Daniel L McFadden (University of California) for their work in the field of microeconometrics. Further details on this award, and on previous laureates, can be found at www.kva.se

How do economic incentives affect choices of education, occupation and place of residence? What determines whether an individual decides to work and, if so, for how many hours? These are typical of the questions tackled by microeconometrics, a field to which James Heckman and Daniel McFadden have made the notable contributions which won them this year's Nobel Prize in Economics.

As its name implies, microeconometrics is preoccupied with the behaviour of households, individuals and firms. Furthermore, much work in microeconometrics involves the use of cross-section and/or panel data, rather than the time series data which tend to dominate macroeconometrics. Both the focus of attention and the nature of the data give rise to methodological problems which Heckman and McFadden have helped to overcome.

Take, for example, the problem of 'self-selection bias' in samples. This arises when the sample available to investigators is not truly random or representative of the underlying population: earnings and qualifications can only be studied for those who have chosen to work, for example. Let e denote education and w denote wages. With w on the vertical and e on the horizontal axes, a scatter diagram will show a positive association that can be estimated in the normal way. The problem is that the points in the scatter will represent only those individuals who choose to work. Given this positive relationship, it seems likely that there people in the (true) population who will have enjoyed little education and have poor earnings prospects. Economic theory suggests (the concept of the 'reservation wage') that some of these people will decline employment and be missing from our sample, depriving us of observations that would be plotted near the origin in our diagram if we did but have the data. The true scatter should be steeper than our data suggest and estimations based upon the available observations will lead us to a flatter (weaker) association between earnings and education.

Among Heckman's contributions to microeconometrics were methods to deal with self selection bias. The best-known, and easiest to use, is probably Heckman's two-stage or 'lambda' method. Staying with our example, the bias can be overcome if, in the first stage, the investigator formulates a model based on economic theory for the probability of working. Statistical estimation of the model will then yield results which can be used to predict the probability for each individual. In the second stage, these probabilities are incorporated as a further explanatory variable which can be added to the estimation in the normal way.

Clearly, the problem of self-selection bias is potentially widespread and Heckman's methods have been widely adopted

throughout the social sciences. Much of his own empirical work has concentrated on the evaluation of active labour market programmes, where selection problems also arise. If the question is 'how does participation in a programme affect individual earnings?', the answer must be based upon some understanding of the situation had the individual not participated: but the individual cannot be observed in both situations simultaneously.

James J Heckman was born in Chicago in 1944. He majored in Mathematics at Colorado College and studied graduate economics, and received his PhD (in 1971), at Princeton University. He is currently Henry Schultz Distinguished Professor of Economics at the University of Chicago.

McFadden's contribution also involves the development of empirical methods to study choice. Suppose that each member of a population faces a choice between N alternatives. Each of which has a range of characteristics, X attached. Z are the (observable) characteristics of individuals making the choice. The problem is that unobservable characteristics will also play some part in the choice decision. McFadden's contribution is to treat these unobserved characteristics as error terms which follow a particular statistical distribution (an 'extreme value distribution'). Let P be the probability that any alternative N will be chosen by individual i . Then this probability is given by:

$$P_{ij} = \frac{e^{X_{ij}\beta + Z_j\delta_j}}{\sum_{k=1}^N e^{X_{ik}\beta + Z_i\delta_k}}$$

where β and δ are parameters which can be estimated by normal methods, while e is the base of the natural log. X , Z and the choice N , are all observations recorded by the observer. Logit models are not new, but this 'multinomial logit model' represents a major breakthrough.

McFadden's application of the methodology has been to the demand for housing (particularly for the elderly), for telephone services and for residential energy. But the methods have been most widely applied in transport planning where they can explain the likely outcome of changes in price, demographics, accessibility etc. Most recently, McFadden has made influential contributions to environmental economics, developing contingent-valuation methods for estimating the value of natural resources.

Daniel L McFadden was born in 1937, in Raleigh, North Carolina. He studied as an undergraduate at the University of Minnesota. Switching from physics to graduate studies in economics, he got his PhD in 1962. He is currently E Morris Cox Professor of Economics at the University of California, Berkeley.

Letter from France

The Teaching of Economics : Signes d'Alarme

In his latest Letter from France, Alan Kirman, Université d'Aix Marseille III, reports on an issue which has been raised frequently here but has now made it in France to the front pages of Le Monde.

IN THE last few months, many pages of *Le Monde* have been occupied with a debate on a subject which in other countries does not ever reach the newspapers. The basic issue is how economics is taught, whether the way in which it is taught is appropriate and to what extent mathematics is over- or under-used in the discipline. This has produced a huge outcry and very different opinions. The whole story started with a number of students at the Ecole Normale Supérieure, considered to be the élite of French students, who in a petition protested against the way in which economics was taught in France. Of course, this has echoes of similar debates in the US and in the UK. Why then is this debate interesting now? Firstly, it is considered to be a subject of national interest which is remarkable in itself. Secondly, the protesters see this as a problem to be resolved within France. Thirdly, it comes at a time when the number of students enrolled in economics is close to an all-time low. The original movement has given rise to a web page, <http://www.btinternet.com/~pae>

Students are understandably dissatisfied with the distance between empirical facts and the formalised, often simplistic models, they have to analyse. Their first reaction is to suggest that it is economics' fascination with mathematical models that is at fault. Into the breach thus opened rushed a crowd of economists who point out that the use of mathematics is nothing other than a way of legitimising a particular ideological view of the economy, a view which goes variously under the heading of 'ultra-liberal' if the debate is political and 'neoclassical' if the debate is academic. None of this is new, so the question then is does the current debate in France offer us anything now? Let me try to pick the three strands apart.

The role of mathematics

Looking back over the last century one recalls the debate between Walras and Böhm-Bawerk where the latter suggested that economics could never become a scientific discipline in the natural sciences sense whereas Walras defended the opposite position. France, of course, has a long tradition of economists who adopted a rather formal approach to economics: one can go back further than Cournot. Nevertheless, the role of mathematics should be separated from the ideological programme that it is supposed to hide in the eyes of those who criticise it. The real objection to the use of mathematics is that the models are so simplified as perhaps not to capture the essence of reality and that too much weight is put on technique rather than on economic content. Research which may lead to a refinement of such techniques is laudable, but many might doubt that such work has a place in undergraduate teaching.

The assertion that mathematics is neutral has been made by a number of commentators responding to the open letter from students. In particular Philippe Mongin, in an article in *Le*

Monde, has examples showing that mathematics is used not only in what one might refer to as a strictly neoclassical paradigm but that more or less formalised models are present in a wide range of approaches to economics and that game theory in particular offers an illustration of an approach which can only in a very distinguished sense be regarded as strictly 'neoclassical'. The simple association of mathematics with liberalism does not seem to hold water. Is there then any truth in the notion that somehow mathematics is used as a vehicle for a particular approach? Ingrao and Israel argue that it is the mathematical origins of the current approach to economics, that is classical mechanics and the optimisation of concave functions over convex sets and the examination of first order conditions, that conditions our whole approach to economics. This is surely true and must surely be a handicap for economics. Even those economists who consider themselves as rebelling against the current state of economics use mathematics, whilst many defenders of orthodoxy are content to resort to verbal discourse. It is, I think, fair to say that many of us would share the negative reaction to mathematical technique for its own sake and this is a feature of certain branches of economics but this is far from attributing the whole ills of economics to the use of mathematics. It may be of some comfort to those who feel threatened to know that such criticism has been around for centuries. Saint Augustine remarked in the fourth century,

The good Christian should beware of mathematics and all those who make empty prophecies. The danger already exists that mathematicians have made a covenant with the devil to darken the spirit and to confine man in the bonds of hell.

Pluralism

One of the main desires of the petitioners appears to be for a more pluralistic approach to economics. But most of the alternative approaches to economics are in fact based on the same sort of tools as mainstream economics. Indeed, it is difficult to understand why people should feel that teaching is not pluralistic. Many of the parts of economic theory which attack the conclusions which the petitioners don't like are in fact derived from a very standard theory. It seems to be this confusion between rigorous analytics and ideological purpose that makes this whole problem so difficult to sort out.

The plea for more attention to be paid to social interaction in economics is one that can hardly fall on deaf ears. In the supporting petition signed by the economists who teach in the universities in France what is said is that not enough attention is paid to the interaction between individuals in economics and to those economic mechanisms which result from this direct interaction and too much importance is attached to models in which there is a representative individual. People like myself can only applaud such a statement and then be led to

reflect on who it is that is making it. In the long list of those who signed the petition there seem to be very few who are actually making an attempt to model the economy in this direction. Some of them are there for perfectly legitimate reasons, particularly those who specialise in the history of economic thought. They feel that students are pushed too rapidly towards abstract models and lose sight of the origins of those models and the historical evolution of economic thinking. The idea that institutions are important is self-evident and not enough attention is paid to them. The detachment of economic theory from empirical reality is to be deplored. But, the large majority of those who signed the petition seem to be those who do semi-descriptive economic analysis based on casual empiricism.

Worse, their assertion that those who try to change things are ignored does not seem to fit the facts. If one looks at the list of Nobel prize winners, do Sen, Hayek and North fall into the category of narrow 'neoclassicals' for example? If one considers the evolutionary approach to economics from evolutionary game theory through to the more informal approach starting with Nelson and Winter one sees that this could not be thought of as being very standard in the terms of the petition and yet the conclusions reached are very often ones which sustain the solutions which are derived from ordinary economics. Furthermore, it should be noted that many of the arguments against market liberalisation and in favour of government intervention are, in fact, again derived from rather standard economics. We have not yet seen any real alternative paradigm which has sprung up to compete with those already existing. Those who base their approach to economics on authorities such as Hayek or Schumpeter would argue of course that here is a step away from the standard economic paradigm and towards a rejection of ordinary equilibrium. Whilst this is true, it is not clear that it would be appropriate right now to teach this sort of economics without familiarising students with what is still the dominant paradigm. For the moment it is difficult to see where the models which will enable us to use a more open evolutionary or Hayekian approach are to come from even if some of us are modestly working on the problem.

The content of economics teaching

Students who signed the original petition complained about the lack of empirical content and discussion of major economic problems. What they are asking for is something like the case study approach in law or in business. Yet it is difficult in economics to get away from the fact that there is a basic approach to economics which involves tools which may well be used by people of very different ideological persuasions and that at some point the students will have to master these tools. To argue that to teach them is automatically to bias students' thinking is curious. How can a student who has not been through standard micro and macroeconomics make any sense of either the economic literature or indeed of economic policy as it currently is? He would be at a loss to explain it. Whether this is a good thing or not is a different issue, but to argue that economists should not be taught current economics is silly.

Perhaps, even more paradoxical is the argument that we are too concerned from the outset with preparing people who are finally to be teachers of economics and not sufficiently concerned with those who would only learn economics in passing. We then go on to say that it is not appropriate to teach those who

would only have a short term interest in the subject of economic analysis and that these people should be treated to a pluralistic view of economics. This contrasts with the United States where all students who take a basic course in economics receive a very standard neoclassical treatment of the subject and they have indeed many empirical examples. The fact that these examples are typically anecdotal rather than consisting of real empirical analysis is a different story. Curiously enough, if one read the petition one would have the impression that a standard American textbook would be nearer what students here are asking for than our current economic textbooks in France. Surely not? A second question that is raised by this petition is how does it come about that some two hundred university teachers of economics have signed such a petition without themselves having done something about it. Given the relative autonomy of the teaching staff in this country it seems odd that so many people should be uniformly in agreement that they have been doing things wrongly. That students do not have enough contact with data and do not look at the everyday functioning of the economy is surely correct and this is true for the teaching of economics in most countries. It is the case that almost no undergraduate student in economics ever collects data and this is obviously regrettable.

Why now?

What has made this problem urgent is one simple fact. The number of students has diminished steadily over the years and is probably around about 40 per cent of what it was in 1980. Although this is to some extent offset by students who are enrolled in a combined economics and business programme there has nevertheless been a large overall decline. This is paralleled by the production of over five hundred doctorates per year in economics and business, mainly in economics and most of these people seek jobs in the academic area. There are only approximately sixty new jobs each year. The French system is producing far more potential teachers of economics than jobs available and the PhDs in economics in France are not trained as economists in general but are usually highly specialised in one particular area. One way to ease this pressure is of course to increase the number of students enrolling in economics.

Conclusion

What is most intriguing in this debate is what the outcome will be. Some people seem to be satisfied that the French Minister of Education, Jack Lang has agreed to hold an enquiry into the teaching of economics! Yet what can such an enquiry produce? The answer is probably another report emphasising the narrowness of the teaching of economics. Perhaps those who are the true inheritors of the 'centraliste' tradition are hoping for a decree specifying how much time must be devoted to each approach! Possibly, and more sinisterly, those who signed the petition supporting the students originally may be hoping that this will justify recruiting teachers who conform to some pre-defined notion of pluralism. Do not forget that half the professors of economics in France are recruited through a national competition called the 'aggregation'. A jury appropriately selected by the minister could go a long way to making this dream come true. Unfortunately the likely result of such a development is a drift towards mediocrity rather than originality.

Economists fight back!

What ELSSS?

In recent years, the cost of subscribing to academic journals has risen sharply, particularly for institutions. Manfredi la Manna, University of St Andrews,¹ reports on a project to counter the monopolistic powers of journal publishers and to redistribute the benefits amongst the academic community.

IMAGINE going to a restaurant that charges you an admission fee, where you have to bring your own food, cook it, sample it, put the best dishes on the menu, and then after hours of waiting, a discourteous waiter serves you a cold meal and lands you with an exorbitant bill.² What sort of idiot would patronise such an establishment? The answer, dear reader, is you and I and most academic researchers on the planet, for what I have just described is precisely how a large part of academic journal publishing is currently organised. At this point I should have liked to refer to some research on the perverse economics of journal publishing and, given the profession's obsession with journals and the many interesting angles from which one could attack this problem (dominant firm's behaviour, brand proliferation, monopolistic pricing, etc.), I was expecting my bibliographical search to yield a plethora of references. Instead, a 'nil' return was obtained.³ Curiouser and curiouser.

Next, I turned to the institutional response to what is universally considered a serious and worsening problem. Whereas librarians and their associations have been extremely active in their attempts to introduce sanity in journal publishing, the same cannot be said for most academics. 'Coordination failure' - I hear you say - which is, of course, the right diagnosis of the problem. But what about the therapy? With the help of colleagues at St Andrews and at the National Library of Scotland and with the financial support of the same University and of Scottish Enterprise, I have coordinated the establishment of ELSSS (the ELectronic Society for Social Scientists), aimed at providing head-to-head competition to high-priced economics journals. Fortified by the formal support from CHUDE and SCURL (the Scottish Confederation of University and Research Libraries), ELSSS' first step has been a 'call to arms' issued to thousands of economists world-wide in the form of a survey (<http://www.elsss.org.uk/survey>) asking them to register their interest as potential authors, referees, editorial board members, or editors for a list of journals, to be published according to a new set of criteria. The basic principle of ELSSS is that the huge rents currently accruing to some commercial publishers ought to be re-distributed to the academic community and the general public. This would be both efficient and fair: now, when every piece of research is available in some form on the Web, academic journals perform essentially the tasks of quality control, peer recognition, and product improvement. These tasks are performed by academics, not publishers, whose role is now ancillary. So the novel, if obvious, feature of the ELSSS

project is that the people who make a quality journal, i.e., authors, referees, and editors, should get the lion's share of the rewards, not the publishers.

In practice, this means that all ELSSS journals: (i) will be at least 50 per cent cheaper than comparable commercially-produced journals; (ii) will pay substantial fee/honoraria/stipends to authors/referees/editors, (iii) will be available to all researchers, faculty, and students in the subscribing libraries; (iv) will be distributed free to all developing and transforming countries, and (v) will be run on a non-profit-making basis for the benefit of the academic community.

At the time of writing (two weeks since launch), the initial response to the ELSSS initiative has been phenomenally positive, with some of the most distinguished economists (including at least one Nobel laureate) in the UK, USA, Canada, Australia, and Continental Europe, expressing their support

...the huge rents currently accruing to some commercial publishers ought to be re-distributed to the academic community and the general public.

and offering to participate in various capacities. ELSSS is still at the development phase, when suggestions and comments from the profession are most valuable. Changes are already being made to the original ELSSS proposal on

the basis of early responses (e.g., new journals are being added, the payment of fees to authors will be replaced by annual prizes for best article(s), etc.). If you have not already done so, please reply to the ELSSS survey: if you do not agree with some (or all) of its principles - register your objection; and if you do agree, you have the opportunity of shaping an organization that may bring substantial benefits to the academic community.

Notes:

1. Expressions of support, and requests for further information, can be sent to: mlm@elsss.org
2. Over the period 1995-99, a sample of Elsevier economics journals averaged an annual increase of 16% (for details, see <http://www.elsss.org.uk/survey/table1.html>). Absolute subscription charges for some commercially-produced journals can be up to 10 times higher than equivalent non-commercial publications. For example, the 1999 library subscriptions to the *American Economic Review* + *Journal of Economic Literature* + *Journal of Economic Perspectives* + *Economic Journal* + *Econometrics Journal* + *Economica* + *Journal of Industrial Economics* + *Review of Economic Studies*, totalled \$1,043 and thus were cheaper than a single library subscription to Elsevier's *Journal of Economic Behavior and Organization* (\$1,074).
3. Since writing this note, I have learned that Ted Bergstrom is writing an article on high-cost economics journals for the *Journal of Economic Perspectives*.

Research round-up

British Association

At its Annual Festival of Science, the Economics Section of the British Association debated the question of whether economics can offer any direct help to business, workers, consumers and policy makers. The programme was put together by Nobel laureate Professor Amartya Sen, President of the Economics Section and Master of Trinity College, Cambridge.

The boom in popular science books (especially in books which dramatise historic breakthroughs in science) has bypassed economics. In his paper to the BA meeting, **Samuel Brittan** of the *Financial Times*, offered a partial remedy by listing a number of economic ideas which he said ought to be of value to people with no particular interest in mastering techniques or passing exams. These included:

- Business leaders who amass more wealth than they can possibly use may be driving themselves into an early grave, but the rest of us benefit from their irrational fetish.
- Far from consumption being a vulgar indulgence it is the sole purpose of production. If you do not have much desire to consume, you can work less and enjoy your leisure.
- People benefit their fellow creatures more if they follow their own self-interest than if they consciously strive to promote the public interest. But the self-interest doctrine depends on many background conditions, such as the rule of law. We only discover how important these are when they are absent, as in many post-communist countries.
- Few people recognise the principle of comparative advantage - it pays to trade even if one country is more efficient at making all products.
- If spending rises too quickly, inflation will result; if spending suddenly falls, the outcome will be recession and unemployment.
- When private institutions are working badly, look at the structure of property rights.
- Look also for price mechanism remedies. Put a price on activities with undesirable overspills.
- The textbook rules of supply and demand still apply. Higher wages increase supply but decrease demand.

These propositions should be of use to everyone interested in making commercial and public policy decisions and economists should emphasise them more often.

Professor John Broome (University of St Andrews) argued for a more explicit recognition of the ethical content of economics. 'Whenever economics tries to determine how the economy ought to be structured or managed, it is making an

ethical judgement.' On every occasion where an economist concludes that action is necessary, conflicting interests will be involved. For example, what looks like a technical decision on the part of the Bank of England's MPC, has contrasting consequences across regions and between debtors and creditors. The standing and credibility of economics is not helped by denying or ignoring the ethical dimension.

Yet economists go to great lengths to avoid ethical commitments. Often they conceal from themselves the ethical content of their opinions by concealing the conflicts of interest. This is especially marked in macroeconomics where the behaviour of aggregates (low inflation, for example) conceals the losses for subsets of agents. In microeconomics, 'efficiency' is treated as a goal without conflict, though there are clearly costs for many caught up in processes of economic change.

Professor Broome was not arguing for economists to impose their ethical theories on others. The way forward, he said, was for economic judgements to be based on the best ethical theory. When a particular course of action was then recommended, its ethical basis would then be explicit and this could enter the intellectual and political debate along with the merits of the action as a means of achieving the end.

Professor Tony Atkinson (Nuffield College, Oxford) expressed dismay that welfare economics was no longer seen as an essential part of economics education: economists no longer spend much time on investigating the values on which their analyses are based. Hence we simply do not know: are inflation targets and 'golden rules' an intermediate step toward the more fundamental objective of maximising the welfare of citizens? If so, what is the relationship? If not, what *is* their rationale?

One particular issue which featured in Professor Atkinson's paper was the cost of unemployment. It is widely-known that Europe has higher unemployment than the United States (an excess of 100 million person-years if measured since 1981). Cutting back the European welfare state would most likely lead to more people being employed, but at a lower wage, while the remaining unemployed would be worse off. These are distributional issues of great magnitude.

Professor Robert Sugden (University of East Anglia) took up the theme of equality of opportunity. This idea, he argued, has acquired two elements for some modern thinkers. The first is what we might call 'starting-line equality'. In traditional views of equality of opportunity, this was the key and merely required the absence of discrimination. More recently though, (Sugden cited the work of Roemer), equality of opportunity is taken to require that individuals who make equal sacrifices should receive equal rewards. Fairness requires that each person should have access to the same amount of opportunity as others. What s/he then does with those opportunities is a matter of choice and rewards should follow that choice. Different out-

comes should depend solely on different choices about effort and should owe nothing to circumstances beyond the agent's control.

Other papers in the two-day session were given by Sudhir Anand, 'Welfare Economics and Health Equity'; Nancy Cartwright 'The Vanity of Rigour of Economics'; Ciaran Driver 'Can Economic Theory Predict Long-run Investment in the UK?' Details of the 2001 Conference can be found at www.britassoc.org.uk/

MMF2000

The Money, Macro and Finance Research Group's 32nd Annual Conference was held at South Bank University London, 6-8 September 2000. This report comes from Philip Arestis and Peter Smith.

The MMF conference continues to be the largest annual conference in macroeconomics and finance in Europe. For the 2000 conference over 100 papers were presented from among the 150 attendees across a wide range of topics in the three closely related areas of interest of the MMF research group; money, macroeconomics and finance. A distinct characteristic of this year's MMF annual conference was the substantial number of young participants from central banks and other financial institutions, mainly from across Europe .

Amongst a group of economists from around the world, leading contributions were made by the invited speakers: David Clementi (Bank of England), Joseph Stiglitz (Stanford, currently at the Brookings Institution) and Sirkka Hamalainen (European Central Bank). In addition there were special invited sessions on a number of aspects of money, macroeconomics and finance, including both theory and applications.

David Clementi, introduced by the Vice Chancellor of South Bank University London, inaugurated the new Centre of Monetary and Financial Economics at South Bank Business School and also opened the conference with his lecture. David Clementi evaluated two aspects of financial stability: crisis prevention and resolution. He focused his presentation on potential revisions of the Basle Accords on capital adequacy and the significant fiscal and welfare costs of recent, and not so recent, banking crises around the globe. He suggested that lowering the existing capital adequacy requirements would itself constitute taking a unjustified risk

David Clementi's contribution was the first of a number of sessions and papers on issues of financial fragility and crisis, much of which focussed on the financial crises in South East Asia in recent years. The causes and consequences of these events was the focus of the lecture by Joseph Stiglitz, recently chief economist of the World Bank. In a wide-ranging critique of the response of international bodies to the large exchange rate falls and widespread bankruptcies of financial institutions in these countries, Professor Stiglitz also outlined a number of alternative approaches. The questions raised were further discussed in presentations in the special session on this topic which concentrated on the financial regulation aspects of it. Other related topics included a session on the theory and evidence from the Asian crisis, and further sessions on financial

stability/instability, on financial crises and on financial fragility in emerging markets.

The setting of monetary policy inside the euro area was the topic of the presentation by Sirkka Hamalainen, who concentrated on certain issues of the single monetary policy, emphasising the formulation, implementation and communication aspects of it. She warned the conference, however, that no central bank is alone responsible for economic policies. The measures needed to improve the flexibility and efficiency of the euro area, and the appropriate mix of monetary and fiscal policies, are beyond the responsibility of the Eurosystem. These aspects were also the focus of a number of other sessions (as for example in the special session on Policy Mix in the EMU). Ms Hamalainen laid out the methods of monetary policy setting along with the structure of the ECB. The confidence of the ECB in the future success of the Euro as an international currency was emphasised in her presentation. She concluded by stating her optimism for the future of the euro area economy. Further sessions on central banking, monetary policy and the operation of EMU followed up on these themes.

There were also sessions on macroeconomics, covering economic growth, business cycles and public debt, interest rates, money and inflation, demand for money, investment as well as fiscal policy. A special session on applied econometrics and a session on VAR modelling were additional topics covered at the conference. Janet Bush, the Economics Editor of *The Times*, was the after dinner speaker. She dealt with issues relating to the euro and the Eurosystem.

New Centre for Decision and Experimental Economics at Nottingham

The University of Nottingham has established a new research centre: the Centre for Decision Research and Experimental Economics (CeDEX). The Centre, along with its 20-machine experimental laboratory, is housed within the School of Economics under the directorship of Professor Chris Starmer. The Centre formally consolidates experimental research already conducted within the School (Dr Steve Humphrey, Dr Wendy Morrison and Dr Martin Sefton). Current projects include investigations into individual and strategic decision-making under risk, the provision of public goods and the economic evaluation of health care. For further information about the Centre's research projects and funded opportunities to study for research degrees, see the Centre's web pages at: <http://www.nottingham.ac.uk/economics/cedex/>

Economic Issues gets new editor

Professor Derek Leslie at Manchester Metropolitan University will be assuming the role of editor of the journal *Economic Issues*, with effect from 1 January 2001 (E-mail: economic-issues@mmu.ac.uk). *Economic Issues* began life as the *British Review of Economic Issues* and was published by the Association of Polytechnic Teachers of Economics. It publishes a broad spectrum of refereed papers by contributors from the UK and overseas. The policy of publishing accepted articles in the immediately subsequent issue will continue.

EARIE

Young economists' essay competition

The European Association for Research in Industrial Economics is holding an essay competition for young economists attending its 28th Annual Conference in August 2001.

15 prizes are being funded by the *Journal of Industrial Economics*, *International Journal of Industrial Organisation* and LICOS, Centre for Transition Economics, K U Leuven, Belgium, (one prize each) and the European Commission, DG XII (twelve prizes).

The competition is open to single authored papers from economists under 35 years of age or with less than 5 years since completion of a Ph.D. The purpose is to encourage young researchers to come to EARIE 2001 and the award will cover (APEX) airfare, accommodation and the registration fee.

Submissions will be required before 1 March 2001. Further details appear with the EARIE conference announcement on page 23.

British Academy

New funding opportunities for Taiwan

The British Academy and the Academia Sinica of Taiwan have recently signed an agreement offering full funding for visiting scholars in the humanities or social sciences. The funding is open to UK postdoctoral researchers planning a research visit lasting between two weeks and three months in Taiwan. It allows for three such visits per year (up to a total of six months) to undertake research based at an institute of the Academia Sinica.

A previous agreement with the Taiwanese Academy offered help only for international travel expenses. This new arrangement offers funding for subsistence, accommodation, maintenance and domestic travel.

The first closing date for applications is **28 February 2001**.

- and for Central and Eastern Europe

New funding is now available to support joint research projects with Academies in Central and Eastern Europe and the former Soviet Union. Awards are offered for up to £2,500 p.a. for up to three years.

Projects should be organised through the framework of existing inter-Academy agreements rather than between individual researchers.

The closing date for submitting applications is **30 April 2001**.

Further details (about both) are available on the Academy's website, www.britac.ac.uk. Alternatively, for further details and application forms, contact the British Academy's International Relations Department: overseas@britac.ac.uk

Managerial and Decision Economics

A special issue of *Managerial and Decision Economics* is to be devoted to the theme of 'Price Flexibility: Theories and Evidence'. Prices play a central role in market economies because it is believed that prices adjust to changes in market conditions assuring the efficiency of market outcomes. The question is: 'just how flexible are prices?'

Surprisingly, very little is known on this issue despite its central importance. The goal of the special issue is to focus on price flexibility and related issues which include (but are not limited to) various theories of price rigidity, real and nominal price rigidity, synchronization/asynchronization of price changes, costs or price adjustment (customer costs, managerial costs, menu costs), time/state dependent pricing rules, etc. While the papers can be theoretical, empirical, or both, the editor especially encourages submission of empirical studies. Studies that use product-level or store-level data are of particular interest.

All articles will be refereed and should be sent (in triplicate) to:

Professor Daniel Levy, Department of Economics, Emory University, Atlanta, GA 30322, USA. Closing date for the receipt of papers is 30 June, 2001.

Questions (but not papers) may be addressed to: ECONDL@EMORY.EDU.

Ageing in the Netherlands

Members who were interested in the recent RES/CEPR conference on the economics of pension provision (*Newsletter* no.109, April 2000) may be interested in two articles in the autumn issue of *CPB Report* (2000/3). The first, 'Ageing in the Netherlands: a manageable problem', outlines the customary implications of an ageing population for the public finances. Present arrangements are unsustainable. The authors argue for an immediate increase in indirect taxes equivalent to 0.7 per cent of GDP. This will produce surpluses which allow the reduction of debt (and thus interest payments) by enough to offset the deterioration in the primary balance due to ageing. The budget surplus that this immediately creates will turn into a small deficit by 2040 when the dependency ratio peaks. At its steady state level (c.40 per cent) after 2040, the budget is roughly balanced.

The 'Transparency of the Dutch pension market', reports the increasing demand for choice in the availability of pension arrangements. Making the optimal choice, however, requires a high degree of transparency (more so in pensions than with many other goods and services), given the limited scope for repeat purchases, the high switching costs etc. At the moment, the author argues, transparency in the pensions market is insufficient. In an analysis which will strike a chord in the UK, the incentive structure facing pension intermediaries is criticised as likely to cause misselling. This risk is compounded by the limited comparability of products and limited information on occupational pensions.

Gendered careers for women: Is Italy so different?

Francesca Bettio and Annalisa Rosselli¹ report on research which suggests that, in spite of the advantages for women allegedly created by institutional features of the Italian university system, career prospects are little different from those faced by UK and US female academics.

RECENT analyses do not appear to have reached any final conclusion on the causes of the scant showing women make in the economics profession or their relative lack of success (Blank 1994; Kahn 1995; Booth and Burton 1999). We can identify three broad sets of factors receiving most attention in the literature, namely market factors, such as the level of demand; institutional factors including both formal and informal rules around which the profession is organised; and the role of the family or of socialisation. Here we present a summary of as yet unpublished research on the career trajectories of women among academic economists in Italy. Our focus is on the role of 'formal' institutional rules and of the family (Bettio and Rosselli 2000).

Both the family context and academic institutions in Italy differ significantly from their Anglo-Saxon counterparts. The Italian state university system is not particularly competitive: students usually attend the universities closest to their homes while the same value is attributed to the degree, wherever gained, in any competition for access to jobs in the public sector. The salaries of the academic staff are fixed at the central level of government, varying only with grade and seniority. This university system experienced very little change in the 20 years between 1980 and 1999. Our research spans this period and may thus be considered a balance sheet, from a gender perspective, of an 'institutional experiment'.²

Some features of the system in force until 1999 have been alleged to favour women in Italy (see the articles in *Science* by Flam 1994 and Osborn 1994). The first alleged 'advantage' lies in the access role of Researcher, a subordinate role with limited powers and didactic duties consisting mainly in assisting the professors in examinations and lectures. However, it was, and still is, a life appointment. Thus it is up to the individual to decide when to take the subsequent steps in an academic career. Of course, waiting too long does not help, but a woman with small children can put off the attempt to rise in her career for a few years without being particularly penalised. The second alleged advantage lies in a system of promotion with standardised competitive examinations and a large number of candidates for a great many posts. It is a widely acknowledged fact that women have better chances when competing with men in groups rather than one-to-one confrontation for a single post. Large numbers favour women (Bergmann 1996, p. 75). We may add a third advantage, namely generous maternity leave compared with other countries.

Our research indicates, however, that for the period under examination the outcome of the selection and promotion mech-

anisms for women economists in Italy shows little contrast with outcomes from other quite different institutional contexts.

Firstly, we have compared the relative position of women faculty in the academic hierarchy in Italy with that of the USA or the UK. This shows that, if a standardised measure of vertical segregation is used, Italy turns out to hold an intermediate position between the UK (bottom position) and the US (best position). According to the Duncan and Duncan index, which can be interpreted as the share of women (or men) who would have to change grade in order to ensure proportional representation of either sex at each step of the career ladder, vertical segregation scores are 30.7 for Italy in 1998, compared with 32.5 and 22.4 for the US and the UK, respectively.³

Secondly, we have compared career trajectories for men and women in Italy by using survival analysis for each successive step in the career ladder, controlling for age, number and prestige of publications, and place (region) of work. To do this we have built a database for the whole population of 1202 Italian academic economists in 1998 (20.9 per cent women) in which demographic data are matched with records on individual promotion between 1980 and 1998, as well as individual publication indexes, based on ECONLIT, for quantity and prestige of publications.⁴ Semi-parametric survival analysis on these data (Cox Model) shows a significant gender gap in the probability of success at the top, unaccounted for by the co-variables we have considered. The estimated probability of not being upgraded from associate to full professor by the age of 50 stands at 77.1 per cent among potential female candidates and at 62.6 per cent among male candidates, after controlling for publications and place (region) of work. 'Potential candidates' refers, in this case, to any male or female associate professor working within an Italian university at the time of the relevant competition(s), and serves as a good proxy for candidates actually entering the competition(s), since there is evidence that the number of actual candidates is not very different from that of potential candidates even among women, i.e. self-exclusion on the part of women is not large.⁵

Thirdly, we have carried out survival analysis (life tables) for the female sub-population in order to ascertain whether the number of children differentiates the career trajectories of women faculty. To this purpose, the database was supplemented with data from a telephone or E-mail survey on civil status, number and year of birth of children (the response rate was 96 per cent).

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Obituaries

G S Maddala

G S Maddala died on 4 June 1999. We are grateful to Professor Sherwin Rosen of the University of Chicago for permission to print this shortened version of his memoir, delivered at Ohio State University, Columbus, Ohio on 27 April this year.

G S and I met in September 1960, when we began graduate studies in economics at the University of Chicago. We were kindred spirits in some ways: I had come into economics late in my college career as a rather indifferent engineer, he had come by way of statistics, though hardly indifferently. I discovered much later that he had been an outstanding student in India, receiving the highest score ever recorded in the MA examinations in Bombay, a record that stood for almost 20 years.

We were pretty close friends in graduate school, but most of my school friendships were wrapped up in trying to learn economics. My fondest recollection of that era at Chicago was a spirit of intense optimism about the prospects for economics to solve all of the world's problems. A major part of that programme was the prospect that econometrics and the structural estimation of behaviour models would set a sound scientific basis for the field. Econometrics was a very intensive part of our training, and in this G S was, and forever remained, way ahead of everybody.

When I think of Maddala the economist, I naturally think of his extraordinary and pioneering contributions to the analysis of pooled time-series and cross-section data, panel data, discrete choice analysis and selection, Bayesian analysis and many other areas of econometrics in which his work was essential. The span of his work was immense, surely among the largest of any person working in the field. It is notable that G S can even claim half of a statistical distribution (the 'Singh-Maddala distribution' - a much better name than the 'Burr type 12 distribution' to which it is related). Coase may have his theorem, Stigler his laws, Black and Scholes their formula and Lucas his critique, but what economist apart from Pareto has half ownership of a distribution? And what an elegant derivation it has.

When I think of Maddala the colleague, I think primarily of a teacher of the highest order. G S had one of the clearest minds of any economist I have ever encountered. It was a rare gift. He once told me that his teachers in India marked examination answers wrong if they involved any unnecessary steps. There was magic in how he could cut to the core, strip away all the irrelevant details and illuminate the essence of the issue. When we were colleagues at Rochester, I would prey upon him with endless questions about the latest statistical gizmos and gadgets that were advertised as sure fire routes to truth. Knowing my limitations, he would bring the problem down to a very

primitive level without an ounce of condescension, and explain the essence in the simplest possible terms.

G S had many outstanding students over the years. He was quick to see what was important on the frontier and what was just window dressing. He directed many of his students to work on major problems and made several important innovations to them. But G S also had a huge number of impersonal students through his remarkable and enduring textbooks, which in their directness and accessibility have taught generations of students all over the world the essential tools of our trade. He was without peer in those endeavours.

Finally, GS was a great friend. He had great instincts and well-reasoned judgements about people, at least most of the time. He stood up for his friends and was a person one could count on. He was a bit shy and lonely in his bachelor days and his marriage to Kay brought immense love, satisfaction and fulfillment into his life. He was extremely fond of his family and would brag about his children every time I saw him. I am proud to have been a friend and colleague of G S Maddala. He was an important person in my life, a joy to be around and one who brought enlightenment and good cheer to everybody. He made life a little more worth living. I wish he could have been with us a good bit longer.

James Morrell

James Morrell, the inventor of business forecasting, died on 29 September, aged 77.

Born in Twickenham and educated at Christ's Hospital school, he served in the second world war as fighter pilot. At Oxford, after the war, he read philosophy, politics and economics at Ruskin and at Wadham Colleges. He was taught by Sir Donald MacDougall, an economic adviser successively to Churchill, Wilson and Heath. Oxford was followed by a brief spell in the 'real world' of coal mining, banking and the motor industry.

James Morrell is best known for his work in forecasting. He was always careful to call it 'business forecasting' partly because of his crusading belief that academic subjects like economics had a great deal to offer to business decision making but also because he felt that economics was seen in the wider community as something esoteric and intimidating. He founded the Henley Centre, ran his own company (James Morrell Associates) and, at the end of his life, was associated with the Centre for Economics and Business Research Ltd.

In his youth, he had been a member of the Fabian Society and stood for Parliament as a Labour candidate in 1964. Disillusioned with Labour's approach to the economy during the 1970s, however, he later joined the newly-formed Social Democratic Party. His compassionate and generous nature

showed both in his political outlook and the help he gave to many young people at the beginning of their careers.

He is survived by his wife Margaret and a son and two daughters from a previous marriage.

Hugh Davies

Hugh Davies, Senior Lecturer in Economics at Birkbeck College, London, died of lung cancer, at the age of 52. He will be known to the many students he taught over the course of a quarter century, and as one of the few economists in Britain active in research on the family. To this he brought skill and dedication in providing innovative and easily communicable accounts of econometric analyses. Their accessibility to a general audience has given them a lasting impact.

Born in Edinburgh, where he took his first degree in economics, he went on to do a PhD at the University of Pennsylvania. For most of the time since he joined Birkbeck in 1974, he was a mainstay of the Economics Department: an inspiring and respected teacher, and a provider of pastoral guidance and advice. He visited Princeton University in 1977, and for a couple of years from 1978, worked in the DHSS on the development of a Policy Simulation Model.

In 1988, his duties at Birkbeck extended to managing the arrival of a group of economic demographers, myself included. He soon joined in the research. Our collaboration kept going, after the rest of the group dispersed, producing, to date, 25 publications. (The full bibliography, including 16 further discussion papers with additional material, is on the website of the Birkbeck Economics Department [<http://insider.econ.bbk.ac.uk/dept/faculty/davies/bibhd.pdf>]). Many of these papers were presented to the European Society for Population Economics and other national, international and interdisciplinary conferences.

An early project, which contributed to a policy debate, was on the treatment of pensions in divorce. I had sought Hugh's help with programming, but he also delved into the pensions and

legal literature and had a major hand in writing the report, as he did in all our joint papers, whether first author or not. He also ensured that the economics was sound.

Hugh did pioneering work on the distribution of income by gender and within the household. He ventured into the questions of the division of unpaid work and financial dependency in marriage. Another theme on which he wrote was income and social deprivation.

One major achievement has been of Hugh's development of a model of lifetime incomes, which simulates the long-term consequences of various scenarios. For example, the original Mrs Typical halved her lifetime earnings by having two children rather than none. The model updated and elaborated in two major projects funded from 1995 and 1999 respectively. New parameters were estimated from the BHPS, on a grant from the Leverhulme Trust. A new simulation model was commissioned by the Women's Unit of the Cabinet Office. The report (*Women's Incomes over the Lifetime*) was published in 2000. It dealt with the consequences of caring for children, gender differentials, and their implications for income across the lifecycle, of both sexes. It is now informing policy making.

The achievement of which Hugh himself was, privately, most proud, was, in 1989, to have stopped drinking. With the mutual support of AA, a whole new life, not just the spate of research, was sustained, and many others benefited.

In 1993, the mezzo soprano, Mary Newman-Pound entered Hugh's life, opening a window on a world of music, which they enjoyed together for seven years. She cared for him throughout the six months of his final illness, and crowned the music at his funeral with a moving song by Schubert. Along with Hugh's sister and brother, friends from many walks of life gathered in respect and affection for a man of intelligence, wisdom, compassion and a ready sense of humour. He is sadly missed.

Heather Joshi
University of London Institute of Education

Easter School in Econometrics, University of Oxford

The first of a new series of Royal Economic Society Easter Schools will be held at Nuffield College, University of Oxford from Friday the 6th April to Wednesday 11th April 2001 (inclusive). The school in **Financial Econometrics** will be led by Professor Enrique Sentana - CEMFI, Madrid and Professor Neil Shephard - Nuffield College, Oxford.

Provisional topics include:

- The econometrics of portfolio and stochastic discount factor mean-variance frontiers
- Tests of asset pricing theories
- Lévy processes in financial economics and option pricing
- Stochastic and realised volatility

The school is intended primarily for advanced post-graduate students, but is also open to recently-appointed members of the teaching and research staff. Funded places are available for 20 participants with travel support and accommodation and meals provided for the duration of the course: additional places are available at cost. In addition there is a fee of £1000 for non-academic participants and £150 for participants who are not members of the Royal Economic Society.

The application for registration should contain c.v. and a brief description of research area. Applications should be submitted not later than 15 February 2001 to: Royal Economic Society Easter School, c/o Maxine Collett, Nuffield College, Oxford OX1 1NF, UK. E-mail: maxine.collett@nuffield.oxford.ac.uk

Further information can be found on <http://www.nuff.ox.ac.uk/Users/Nielsen/RES/EasterSchool2001.html>

Correspondence

Paying for higher education

Sir,

Tim Curtin's 'Paying for Higher Education: A Critical Note' (*Newsletter* 111) makes four substantive points on the Greenaway-Haynes Report: there is a disjunction between our pessimism regarding public funding and the high ambitions of politicians for HE; there is no inequity in lower income non-graduates subsidising the education of higher income graduates; we are confused about rates of return to HE; we blame the under-representation of lower income groups on present funding arrangements. Taking each in turn:

- We are pessimistic about the reversal of trends in public funding because over a twenty year period funding per student has halved whilst politicians have repeatedly stressed their high ambitions for HE. On the grounds that the past is probably the best guide we have to the future, it seems sensible to assume this will not be reversed (and, yes, we are aware of the over-hyped settlement for HE in the recent Spending Review).

- The 'ability to pay' principle is of course a sound basis for taxation of income. As Dr. Curtin's figures 1a and 1b show, for every age cohort and for both the upper and lower quartiles, graduates earn more than non-graduates and they pay more tax. Fine. They still pay the same taxes as non-graduates on the same income whose ability to earn has not been subsidised by the general taxpayer.

- We do not claim that Blundell *et al* calculate a Becker style rate of return, nor do we report it as such. We cite that work as a further piece of recent evidence using a different approach to the standard internal rate of return type calculation. The Blundell *et al* analysis is also relevant to the screening hypothesis. Although Dr. Curtin may feel that his paper represents '..... a decisive rejection of Arrow's surmise', the Blundell work suggests that a premium to HE persists even when one controls for innate ability, and this is not the first study to do so. Finally, we compare social not private rates of return with the test discount rate, which is entirely appropriate.

- We certainly do not claim that 'students from low income households would avail themselves of HE if only funding arrangements were privatised'. The key point is that despite HE being free (or almost free) at the point of consumption for two generations, we still have under-representation of low income groups. Therefore, addressing non-financial constraints (school improvement, outreach etc.) is essential. Of course, finance might still be a barrier, which is why we were at pains to emphasise that under our proposals no-one needs to be subject to up-front fees (though those able and willing who choose to, should be able to do so).

David Greenaway, Michelle Haynes,
University of Nottingham

More uses for a PhD

Sir,

I am doing a PhD in economics at UCL while working full-time as an economist in a regulatory body and I am not a British citizen. I have therefore been following with interest the current debate on the demand for PhD studies in economics from British graduates.

It seems to me that this debate is based on an incorrect (and implicit) assumption about the value of a PhD in economics and that there is a lot to be gained from basing the debate on a different assumption.

The implicit assumption in the debate seems to be that a PhD in economics is useful for an academic career - by and large as an entry requirement. But, are there alternative uses of value for a PhD in economics? In an increasingly deregulated world with complex economic relationships, a PhD in economics can be extremely valuable for a professional economist. The US is perhaps an extreme case where, as I understand it, one needs a PhD in economics to be a professional economist. I do not think that the UK should adopt that approach. At the same time, there should be something beyond the accepted Masters degree for a professional economist in the UK. The current dearth of British graduates enrolling for a PhD in economics is partly explained because it is widely perceived, both by the academics and the graduates, that the value of a PhD in the alternative use identified above is almost zero or, perhaps, even negative!

So promoting the alternative uses of a PhD in economics should help. This is not, however, a free lunch for economics departments. They will need to adopt a more policy-orientated approach, for example, blending theoretical and empirical work. Economics departments will also need to enhance the component of course work in PhD degrees and commitment to supervising PhD students. Undoubtedly, some of those graduates that start a PhD intending to go into the industry or government will choose to stay in academia after completing it and train the next generation of British economists.

Yours sincerely,

Isaac Alfon
University College London

What is going wrong with economists?

Sir,

Two Nobel laureates in Economics, almost in succession, have aired viewpoints in their Nobel Lectures that touch the very nature of economic knowledge, not to say the very nature of

knowledge itself. Since one can not associate them with those voices in the discipline that from time to time talk about dissatisfactions with the state of economics, something of a different kind must lie underneath their viewpoints.

Thus, in his lecture 'Economic Performance through Time' (*American Economic Review*, June 1994), Professor Douglass North had this to say: 'Throughout most of history and for most societies in the past and in the present, economic performance has been anything but satisfactory'. Professor Robert Mundell, in his turn, after having forcefully argued on what he calls 'Mismanagement of the Gold Standard', made the following assertion: 'Had the price of gold been raised in the late 1920's, or, alternatively, had the major central banks pursued policies of price stability instead of adhering to the gold standard, there would have been no depression, no Nazi revolution, and no World War II', (*American Economic Review*, June 2000).

What information do they have, never shared with their readers, that might allow them to jump to these extraordinary conclusions? On the one hand, Professor North claims to own and make use of a measuring stick by which he is capable of judging human actions throughout the ages. Whence did he get it? What sort of research in the human sciences (one excludes revelation) could lead to appropriate yardsticks that permit us to evaluate the whole of human history as if one were outside it, and reach the sort of conclusions voiced in his lecture?

In the second quotation Professor Mundell gives us the final step of a reasoning chain. Conclusions look like corpses, someone wrote. Given the seriousness of the matters involved, and no less, the well-deserved reputation of Professor Mundell, one can humbly ask where to find the remaining links that would join, through the necessary chains of historical inevitability, the mismanagement of the gold standard with the conclusions he so confidently arrives at.

Were Mundell's views the expression of everyday discourse, with the usual carelessness of casual thoughts, there would be no reason to raise an eyebrow. But it is not; quite the contrary. The high profile of a Nobel Lecture is a unique opportunity to write down one's central ideas with great seriousness, and Professor Mundell's lecture is an otherwise faithful expression of the rigour of his knowledge. Yet, one ends up sensing that there is something deeply erroneous in all this.

I feel sorry for students who will look at these Nobel Lectures searching for knowledge and wisdom. Instead they are there offered what no human being can claim. The authority of such a podium will surely impress their still unformed understanding and may easily substitute what other teachers, far more modest and unknown, will try to convey in good judgement. In any case, this kind of economic reasoning is the first step in the rapid acquisition of that distinctive arrogance which nowadays identifies economists and which Edmund Burke observed so long ago. 'The age of good thinking is gone: that of sophisters, economists and calculators, has succeeded; and the glory of Europe is extinguished for ever'.

Yours sincerely,

Asdrubal Baptista,
Instituto de Estudios Superiores de Administracion, Caracas

What economics is about

Sir,

In the light of recent debate in your Newsletter about the essential content of economics (July, October 2000) your readers may like to know that *Encyclopedia Americana* (1994, vol.9, p.604) says that 'economy' is the 'utilization and allocation of available resources among competing uses ... *economics would be a trivial subject if human beings had so few wants or if resources were so abundant...*' (emphasis added).

To non-specialists, to those practicing economics in every day life, unversed in model-building and without theoretical axes to grind, this must seem a strange description of what economics is about. What they observe in an industrialized economy is a continuous process of production, of buying of inputs and selling of outputs. To be sure, something resembling equilibrium is required between inputs and outputs and this may involve some adjustment of prices. But more noticeably (for those employing only common sense and observation) it involves adjustment of volumes.

'Buying and selling'. This is the economy - an incessant operation of products and services, a running all by itself, for itself and of itself, without cessation. This is the rule of thumb. Anybody, smart or stupid, has to follow the rule or be kicked out of the game. To the intelligent outsider, this is a self-evident fact. And it does not require resort to unnatural exogenous assumptions about man's rationality or epistemic status - his desires and intentions. From this view, economics has nothing to do with whether resources are abundant or not. And it is certainly not a trivial subject.

Yours,

Thomas R X Liu,
Flushing, New York.

People on the move

Appointments

University College London

Dr Roman Inderst was appointed to a Lectureship in Economics with effect from 1 October 2000.

Visiting scholars

University College London

Professor M Aoyagi, University of Pittsburg
October 2000 - June 2001

Professor Jean-Pierre Benoit, New York University
January - July 2001

Professor C Lanier Benkard, Graduate School of Business,
Stanford University
January - April 2001

Professor Trond Bjørndal, Norwegian School of Economics
and Business Administration
January - December 2001

Dr Fuasto Panunzi, Bocconi University
January - April 2001

Survival analysis fails to detect any significant differences among female faculty with and without children, or female faculty with one child only as opposed to those with several children. This is further confirmed by descriptive analysis of the publication profiles for these different segments of women.

To summarise, our results suggest that some of the causes traditionally held to account for the smaller proportion of successful women do not in fact provide a convincing explanation:

- a) *the family*: since we found no correlation between the number of children and successes in career advancement: the large Italian contingent of childless women (41 per cent) shows neither greater productivity nor better career records than those with two or more children;
- b) *opting out of promotion opportunities*: since the percentages of actual and potential women candidates as previously defined are roughly the same;
- c) *lower scientific productivity*: in Italy as elsewhere female economists publish less than their male colleagues and/or in less prestigious journals (Marcuzzo, 1999; Checchi 1999). However, unaccounted gender disparities remain after controlling for publications and they are statistically significant for promotion to the top grade.

We thus conclude that the unspoken rules of organisation of the profession should be held largely accountable for the distribution of women in the academic hierarchy in the past two decades, whereas the formal architecture of the system or even the broader family context played only a marginal role.

Notes:

1. University of Siena (bettio@unisi.it) and University of Roma 'Tor Vergata' (rosselli@uniroma2.it).
2. There is now a new system in place.
3. Note that the higher the score, the weaker is the actual representation of women at the top.
4. Note ECONLIT also includes the most important Italian journals.
5. Also, self-exclusion may be attributable to a correct perception on the part of women that the chances of success are lower for them, all other things being equal.

References:

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- Flam F (1994) Warm climate for Women on the Mediterranean, *Science*, vol. 263, pp. 1480-1481
- Kahn S (1995) 'Women in the Economics Profession', *Journal of Economic Perspectives*, 9 (4), 193-205
- Marcuzzo M C (1999), 'Indicatori di "visibilità", di "produttività" e di "prestigio" nella letteratura economica. Il caso italiano secondo l'Econlit', in Carabelli A, Parisi D and Rosselli A (eds), *Che 'genere' di economista?*, Bologna: Il Mulino.
- Osborne M (1994) 'Status and prospects of Women in Science in Europe', *Science*, 263, 1389-1390.

News from CHUDE

The main items on CHUDE's December agenda included the work of economists in the public sector, progress towards RAE 2001 and the work of the Economics Learning and Teaching Support Network.

Economists in the public sector

If two economists can generate three opinions, there should be utter confusion in policy circles. There are now over 700 economists employed in the government economic service, Gus O'Donnell (Head of the GES) reported to the conference. Their influence spreads well beyond the traditional departments, the Treasury and DTI, and at the moment the Home Office is particularly keen to study economic issues relating to crime. Some 60 per cent of annual recruits are new graduates; 90 per cent of those in post have an MSc and 85 per cent are working on microeconomic issues.

There is currently an excess demand for assistant economists with the predictable consequence that salaries have improved in recent years (though they still lag the private sector). Salaries start at £20,000 for new graduates with a reasonable expectation that they might earn £35,000 as an economic advisor after three to four years. Two areas of weakness in recruits' prior training were applied macroeconomics and econometrics and members of CHUDE were asked to bear this in mind in curriculum design. To encourage recruits, the GES offers a postgraduate sponsorship scheme and a placement programme. There are also opportunities (for academic staff) to spend a sabbatical period at the Treasury.

RAE 2001 preparations

Denise Osborn deputised for David Greenaway and explained that CHUDE's earlier comments on the RAE panel's proposed working methods had been well-received. Discussions were under way on the extent of cross-referrals of submissions from the Business and Management Panel to the Economics and Econometrics Panel. Non-UK advisors were being used in the 2001 assessment for the first time. In Economics and Econometrics, these will be asked to look at potential 4, 5 and 5* submissions. Prof Osborn confirmed that working papers would have equal status with other forms of published output in RA2 and that the output of staff on paid leave would be credited to the institution paying the salary.

Economics Learning & Teaching Support Network

John Sloman, Tony Brewer and Chris Mitchell addressed the meeting on the progress that had been made in developing the Economics LTSN, in particular the accumulation of resources based upon the use of the internet. The LTSN was anxious to have a contact person in each department and Heads were asked to nominate someone. There was the possibility of some funding for departmental developments. Anyone interested should contact John Sloman at the Economics LTSN, University of Bristol.

The State of UK Academic Economics (according to citations)

Recently, much concern has been expressed regarding the position of UK economists in the international setting. A study by Reiner Eichenberger and Bruno S Frey¹ based on a comprehensive set of citations for the period 1993-1996 shows that UK economists clearly dominate academic economics in Europe. They are ranked first with respect to 'eminent' economists according to the absolute number of citations as well as citations per capita of the population. They also dominate the list of the most frequently quoted European economists. According to these measurements, UK economists are much more successful than their counterparts in France, Germany, Italy or any other European nation for that matter. This is their brief report of that study.

FOLLOWING Mark Blaug's *Who's Who in Economics* (with Sturges 1983, 1986, 1999) an 'eminent economist' is defined as one of the most frequently cited scholars, according to the Social Sciences Citation Index. We have extended Blaug's data base considerably and used a cut-off point of more than 100 citations over the period 1993-96, yielding a set of 160 eminent economists active in Europe.²

The ranking of the ten European nations with the largest absolute number of eminent economists (the percentages indicate the share in the total number of the 160 eminent economists) is as follows:

1.	United Kingdom	91	57%
2.	France	13	8%
3.	Belgium	10	6%
4.	Germany	9	6%
5.	Italy	8	5%
6.	Switzerland	7	4%
7.	Netherlands	6	4%
8.	Sweden	5	3%
9.	Spain	3	2%
10.	Norway	2	1%
	All other European countries	6	4%

Almost 60 percent of all eminent European economists are located in the United Kingdom. No other European country has a share of more than 10 per cent.

It might be asked whether the predominance of the UK is just the result of its large population, particularly compared to nations such as Belgium (10 million inhabitants), Sweden (9 million) and Switzerland (7 million). The next table, which divides the number of eminent economists by the population size (in millions), demonstrates that this is not the case. The United Kingdom still ranks first - by a considerable margin. It represents a special case even among the large European countries, with a population of about 60 million and above: France and Italy drop back to ranks 9 and 10, and Germany does not even make the list.³ On the other hand, the small countries, especially Belgium, Switzerland and Sweden, do relatively well.

1.	United Kingdom	1.55
2.	Belgium	0.99
3.	Switzerland	0.99
4.	Sweden	0.57
5.	Norway	0.46
6.	Netherlands	0.39
7.	Denmark	0.38
8.	Ireland	0.28
9.	France	0.22
10.	Italy	0.14

Academic economists of the United Kingdom also dominate the list of Europe's most often cited persons. Among the top twenty, no fewer than eleven work in the UK. Two are in France, and one each in Denmark, Hungary, Austria, Italy, Germany, Switzerland and the Netherland. The share of UK academics is thus almost the same as among the eminent economists.

We do not doubt that UK academic economists have gone through a very difficult and unfortunate period. It is therefore all the more remarkable how successful they have been with respect to their scholarly output.

Notes:

1. Reiner Eichenberger is at the Center for Public Finance, University of Fribourg, Av. de Beauregard 13, CH-1700 Fribourg, Switzerland. E-mail: reiner.eichenberger@unifr.ch; Bruno S. Frey is at the Institute for Empirical Research in Economics, University of Zurich, Blümlisalpstr. 10, CH-8006 Zurich, Switzerland. E-mail: bsfrey@iew.unizh.ch

2. For more details see the Eichenberger and Frey (2000).

3. See Ray Rees 'Letter from Germany', *Newsletter* no. 110, July 2000).

References:

Eichenberger R and B S Frey (2000), *Europe's Eminent Economists: A Quantitative Analysis*, Working Paper Series of the Institute for Empirical Research in Economics, University of Zurich. <http://www.iew.unizh.ch/wp/index.html>

Blaug M, with P Sturges (3e, 1999) *Who's Who in Economics?* Cheltenham: Edward Elgar.

RES News Items

Annual Conference - survey

Earlier this year, the Society canvassed members about its views on current conference arrangements and possible changes in future. 3,300 questionnaires were distributed and 344 were completed and returned. In response to most questions, members were asked to express one of five opinions ranging between strongly agree and strongly disagree. The main findings are summarised here.

As regards the *timing of the conference*, there was a clear preference (56 per cent) for a shortening from four to three days and for continuing the tradition of holding the conference at Easter. Opinions about *location*, however, were more divided with some 30 per cent favouring a location near London and almost as many dissenting. Indifference was also a strong response to the London suggestion with 17 per cent neither agreeing nor disagreeing and 25 per cent declining to express any opinion at all. There was very little disagreement with the proposal to continue the peripatetic nature of the conference.

When asked about the *programme*, members showed little enthusiasm for 'more invited lectures, fewer parallel sessions', but strong support (70 per cent) for the special invited sessions. Asked if they would welcome AEA Papers and Proceedings-style invited sessions, respondents voted roughly 2:1 against and there was clear opposition (in about the same proportions) to the proposal to shorten the presentations times of the parallel sessions to enable more papers to be presented. Indifference was the largest single response to the possibility of expanding the computing sessions. Amongst those who expressed an opinion, the nays had a majority of 3:1. Attitudes towards poster sessions were evenly divided, though the opponents expressed the stronger views.

Cost is always a sensitive issue. When asked if the present arrangements were too expensive, the largest single response was non-committal but 36 per cent of members thought it was, against 26 per cent who thought not. Given this response, 'I would be prepared to pay a higher fee (to base the conference in hotels)' was never likely to gain much support. 60 per cent disagreed and 40 per cent did so strongly. Over 70 per cent of respondents were university staff or graduate students and it is probably indicative of the financial stringency faced by so many university departments in the UK that 39 per cent (the largest group) strongly confirmed that they could only get funding to attend the conference if they were giving a paper. This was consistent with the 41 per cent of respondents who said that their Department funded the entire cost of their attendance at the 1997 conference. 14 per cent enjoyed 'mixed' sources of funding (most commonly, 50:50 self and Department) while, surprisingly perhaps, over 18 per cent of respondents funded the entire cost of their attendance entirely from their own pocket.

Annual general meeting

The Annual General Meeting of the Royal Economic Society will be held on Tuesday 10 April 2001 at the University of Durham. Papers for the meeting will be circulated with the February issue of the *Economic Journal*.

2001 Annual Conference

The 2001 Annual Conference will be held at the University of Durham from Monday 9 to Wednesday 11 April.

Guest speakers include:

Canice J Prendergast
Graduate School of Business, University of Chicago

Ernst Fehr
Institute for Empirical Research in Economics

James J Heckman
University of Chicago

There will be special sessions on:

- Trade Liberalisation and Poverty
- Ending War: Insights from Economics
- EMU
- Income Distribution
- Evidence Based Policy
- Pensions and Labour Markets

-plus over 140 papers in parallel sessions in a broad range of areas including macroeconomics, econometrics, computing applications, labour economics, industrial economics, microeconomic theory and policy, financial economics, and international economics.

Further information about the conference arrangements may be obtained from Simon Parker, Local Organiser, RES Conference 2001, Department of Economics and Finance, University of Durham, 23/26 Old Elvet, Durham DH1 3HY. Fax: 0191 374 7289. E-mail: s.c.parker@durham.ac.uk

Support for small academic expenses

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

Applications, in the form of a letter and stating the purpose for which a small grant (maximum £600) is required, should be sent to Dr M A Meyer, Nuffield College, Oxford OX1 1NF.

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

Conference grant fund

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

Conference Diary

2001

april

4 April

London

*International conference on **Country Risk in Emerging Markets*** organised by the Centre for International Capital Markets at London Guildhall University. The conference aims to bring together a distinguished panel of experts from major investment banks, international consultancies and universities to examine alternative approaches to measuring and monitoring country or sovereign risk in emerging markets.

Further information from: Professor Nicholas Sarantis, Department of Economics, London Guildhall University, 31 Jewry Street, London EC3N 2EY. Tel: 020 7320 3079. Fax: 020 7320 3007. E-mail: saran@lgu.ac.uk

5-6 April

London

*Annual conference of the **Network of Industrial Economists*** to be held at Royal Holloway, University of London. Contributions are invited from researchers in any area of industrial economics.

Further information from: Dr Kenneth L Simons, Department of Economics, Royal Holloway, University of London, Egham, Surrey TW20 0EX. Tel: 44 1784 443909. Fax: 44 1784 439534. E-mail: k.simons@rhnbc.ac.uk Internet: www.mailbase.ac.uk/lists/indecon/files/rhnbc.html

5-6 April

Manchester

CALL FOR PAPERS

*Annual conference of the **Development Economics Study Group (DESG)** and the **Finance and Development Research Programme*** to be held at the University of Manchester. The theme will be **Development and Business Finance: Policy and Experience in Developing Countries**. Papers should be submitted by **1 March 2001** to Deborah Whitehead, IDPM, University of Manchester, Crawford House, Precinct Centre, Oxford Road, Manchester M13 9GH. E-mail: deborah.whitehead@man.ac.uk

Further information from: Deborah Whitehead at the address above.

6-7 April

London

*International conference on **New Perspectives on Fixed Investment: Where is the research agenda leading?*** to be held at City University Business School.

Further information from: Dr Giovanni Urga, City University Business School, Department of Investment, Risk Management and Insurance, Frobisher Crescent, Barbican Centre, London EC2Y 8BH. Tel: +44(0)20 7477 8698 Fax: +44(0)20 7477 8885 E-mail: g.urga@city.ac.uk

6-7 April

Shropshire

*Annual conference of the **Agricultural Economics Society*** to be held at Harper Adams University College, Shropshire. Papers will be presented on agriculture, the rural environment, the countryside, rural development, food industries etc.

Further information from: Steve Wiggins, Department of Agricultural and Food Economics, The University of Reading, Box 237, Reading RG6 6AR. Tel: 0118 931 6484 Fax: 0118 975 6467 E-mail: s.l.wiggins@reading.ac.uk

9-11 April

Durham

*Annual conference of the **Royal Economic Society*** to be held at the University of Durham.

Further information from: Simon Parker, Department of Economics and Finance, University of Durham, 23/26 Old Elvert, Durham DH1 3HY. Fax: 0191 374 7289. E-mail: s.c.parker@durham.ac.uk.

june

14-16 June

Athens, Greece

CALL FOR PAPERS

*Fifteenth annual conference of the **European Association of Population Economics*** to be held at Athens University of Economics and Business. The purpose of the conference is the exchange of research in allied fields of labour economics, household economics, public economics, demography, statistics and economic history. Those wishing to present a paper should submit an abstract (200-400 words) by **1 February 2001** to Professor Robert E Wright (ESPE 2001), Department of Economics, University of Stirling, Stirling FK9 4LA, Scotland. Fax: 44 (0) 1786 467469. E-mail: r.e.wright@stir.ac.uk

Further information from: Internet: www.aueb.gr/espe2001

17-21 June

Georgia, USA

CALL FOR PAPERS

Twenty-first international symposium on Forecasting. The theme is The Future of Forecasting. Abstracts of papers or posters (in English as plain text, 300 words or less) should be submitted by 15 February 2001 to Xiao-Yin Jin, ISF2001 Director, Technology Policy and Assessment Centre, Georgia Tech, Atlanta, GA 30332-0525, USA. Fax: 404 894 8573.

E-mail: j.xiyiu@isye.gatech.edu

Further information from: The ISF Director at address above.

Internet: www.isf2001.org/

21-23 June

Vienna, Austria

CALL FOR PAPERS

Conference on Dynamics, Economic Growth, and International Trade (DEGIT, IV). Keynote speakers will include: Oded Galor (Brown University, Providence), Peter Howitt (Brown University, Providence), Ronald W. Jones (Rochester University), Edward Prescott (University of Minnesota), Oded Stark (University of Oslo), and Harald Uhlig (Humboldt University). Economists working in this field are invited to submit a paper or an abstract by 31 January 2001 to Bjarne S Jensen, Department of Economics, Copenhagen Business School, Solbjerg Plads 3, DK-2000, Frideriksberg, Denmark. Fax: 45 38 15 25 76 E-mail: bsj.eco@cbs.dk

Further information from:

www.cbs.dk/departments/econ/staff/bsjensen/conferences.htm

28-30 June

Sheffield

Conference on Multi Level Governance: Interdisciplinary Perspectives organised by the Political Economy Research Centre at the University of Sheffield.

Further information from: Sylvia McColm, Administrator, Political Economy Research Centre, University of Sheffield, Elmfield Lodge, Northumberland Road, Sheffield S10 2TY.

Tel: 0114 222 0660 Fax: 0114 275 5921 E-mail: smc-colm@shef.ac.uk Internet: www.shef.ac.uk/~perc/mlgc/

28-30 June

Southampton

Eleventh annual conference of the European Association of Environmental Resource Economists (EAERE) to be held at the University of Southampton. Keynote topics include: Growth and the Environment, Valuation, and Incentives. Abstracts of papers are required by **15 January 2001**.

Further information from: EAERE 2001 Conference Secretariat, Index Communications Meetings Services, Grown House, 28 Winchester Road, Romsey, Hampshire SO51 8AA. E-mail: eaere.icms@dial.pipex.com Internet: www.eaere.org

29-30 June

Nottingham

Conference on Foreign Direct Investment and Economic Integration organised by the Centre for Research on Globalisation and Labour Markets at the University of Nottingham.

Further information from: Dr Katherine Wakelin, School of Economics, University of Nottingham, Nottingham NG7 2RD. Tel: 0115 951 4734 Fax: 0115 951 4159

E-mail: katherine.wakelin@nottingham.ac.uk

Internet: www.nottingham.ac.uk/economics/leverhulme/

july

2-4 July

Warwick

CALL FOR PAPERS

Annual Macroeconomic Modelling Seminar to be held at Radcliffe House, University of Warwick, supported by the Bank of England and ESRC Macroeconomic Modelling Bureau. The guest speaker will be Warwick McKibbin (Brookings Institute and ANU). Proposals for papers should be sent to Liz Thompson, Department of Economics, University of Warwick, Coventry CV4 7AL. E-mail: e.a.thompson@warwick.ac.uk

Further information from: Liz Thompson at the above

address. Internet: www.warwick.ac.uk/fac/soc/economics/wallis/MMS.html

4-8 July

San Francisco, California, USA

CALL FOR PAPERS

Seventy-sixth annual conference of the Western Economic Association International. Papers and sessions are welcome in all topic areas.

Further information from: Joyce Rosendahl at

sessions@weainternational.org. Internet: www.weainternational.org

10-11 July

Nairobi, Kenya

CALL FOR PAPERS

International conference on Finance and Development: Evidence and Policy Issues, organised by the Kenya Institute for Public Policy Research and Analysis and the Finance Development Research Programme, to be held in Nairobi. Papers should be submitted by **1 May 2001** to Victor Murinde, Birmingham Business School, University of Birmingham, Edgbaston, Birmingham B15 2TT. E-mail: v.murinde@birmingham.ac.uk

Further information from: Victor Murinde at the address above.

august

27-30 August

Linz, Austria

CALL FOR PAPERS

Fifty-seventh congress of the International Institute of Public Finance. The theme will be **Political Economy of Public Finance**. There will also be open sessions which may deal with any topic in the field of public economics. Papers and abstracts should be submitted by 31 January 2001 to Stanley Winer, IIPF Congress 2001, Carleton University, School of Public Administration, 1125 Colonel By Drive, Ottawa, Canada K1S5B6. E-mail: stan_winer@carleton.ca Fax: 613 520 2551

Further information from: Stanley Winer at the address above.

30 August - 2 September

Dublin, Ireland

CALL FOR PAPERS

Twenty-eighth annual conference of the **European Association for Research in Industrial Economics** (EARIE) to be held at Trinity College, Dublin. Those wishing to present a paper should submit by 1 March 2001 three hard copies plus a 100-word abstract (or via email) to Dr Ciara Whelan, Department of Economics, University College Dublin, Belfield, Dublin 4, Ireland

Further information from: Dr Ciara Whelan at the address above. E-mail: ciara.whelan@ucd.ie Internet: www.economics.tcd.ie

september

5-7 September

Durham

CALL FOR PAPERS

Thirty-first annual conference of the **Regional Science Association International: British and Irish Section** to be held at Durham Castle. The main themes will be: Transport Infrastructure and Economic Development; Telecommunications, E-commerce and Regional Implications; Rural Service Provision; Regional Migration and Housing Markets; Spatial Statistics; Artificial Intelligence and Regional Science. Papers in all areas of regional science are welcome.

Further information from: Annette Roberts, Welsh Economy Research Unit, Cardiff Business School, Aberconway Building, Colum Drive, Cardiff CF10 3EU. E-mail: robertsa1@cf.ac.uk Internet: www.weru.org.uk/dur2001.htm

5-7 September

Belfast

CALL FOR PAPERS

The *annual conference* of the **Money, Macro and Finance Research Group** will be held at Queen's University, Belfast. Papers are invited in any area of monetary, macro or financial economics. Papers should be submitted electronically, in pdf, Word or Wordperfect format, to David Cobham, at the University of St Andrews, Scotland by **15 May 2001**.

Further information from: David Cobham, programme convenor. E-mail: dpc@st-andrews.ac.uk Internet: www.york.ac.uk/res/mmf/welcome.htm

13-16 September

Jyväskylä, Finland

CALL FOR PAPERS

Annual conference of **EALE** To be held at the university of Jyväskylä. Papers in any area of labour economics are welcome. Those wishing to present a paper should send by **1 March 2001** full (draft) papers to the EALE Secretariat, ROA, Maastricht University, PO Box 616, NL-6200 MD Maastricht, The Netherlands.

Further information from: EALE Secretariat at the address above. Tel: 31 43 3883647 Fax: 31 43 388 4914 E-mail: eale@roa.unimaas.nl Internet: www.fdewb.unimaas.nl/eale

20-22 September

Oxford

CALL FOR PAPERS

Fourth conference of the **European Historical Economics Society** to be held at Merton College, Oxford. The theme will be long term changes in the European economies.

Further information from: Elvira Ryan, St Anthony's College, Oxford OX2 6JF. E-mail: secretary@lac.ox.ac.uk

november

1-2 November

Nottingham

CALL FOR PAPERS

Third international conference on **Money, Investment and Risk** to be held at the Nottingham Trent University. Those wishing to present a paper should send an abstract by 31 May 2001 to Dr Leighton Vaughan Williams, Department of Economics and Politics, The Nottingham Trent University, Burton Street, Nottingham NG1 4BU.

Further information from: Dr Leighton Vaughan Williams at the address above. Tel: 0115 848 5516 Fax: 0115 848 6829 E-mail: leighton.vaughan-williams@ntu.ac.uk

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**The Membership Secretary, Royal Economic Society,
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