



Royal Economic Society

# NEWSLETTER

Issue no. 120

January 2003

## Calling a truce

The issue of refereeing and editorial practice is clearly a sensitive, as we remarked in the last issue. On page 12 of this issue Manfredi La Manna confirms the impending launch of the first of a portfolio of electronic journals planned by the ELeCtronic Society for Social Scientists. This is an initiative which was launched, with support from the Royal Economic Society, at the Annual Conference at St Andrews in July 2000. Part of the motivation was to make more open the refereeing and editorial process and to provide reasonable compensation for referees whose expertise and commitment was central to the quality of journals.

What does not appear in the following pages, is any of the voluminous correspondence which we have received since the last issue detailing personal complaints about editorial decisions. In earlier *Newsletters* we have given space to observations about the editorial and refereeing *process* (and we shall keep our promise to come back to it in future when the results of a current study are published). But there is, we feel, a distinction to be made between matters of *process* and issues of editorial *judgement*. While it may be true, as we have seen it suggested, that some submissions have been the victim of ideological prejudice, even in an ideal world a discipline like economics must sooner or later involve the exercise of judgements which will be controversial. While it may be an interesting novelty to begin with, we do not think that members would wish to have the *Newsletter* devoted to the exploring of grievances which would quickly become personal.

In addition to the news from ELSSS, this issue has the Annual Report from the Managing Editors of the *Economic Journal*, a report on the awarding of the annual Nobel Prize in Economics and Alan Kirman's annual letter from France. The latter will be of special interest to members who read Ray Rees's (July) letter on the reception of euro notes and coins in Germany. We also have regular updates from the Society's Committee on Women in the Economics Profession, the Centre for Market and Public Organisation and the Office for National Statistics.

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# Newsletter

Published quarterly in

January, April, July and October

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## Newsletter - subscription rates

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

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

## Next issue

### Newsletter No. 11 - 2003

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

**2003**

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

**2003**

## 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 Managing Editors made their Annual Report to the Council of the Royal Economic Society in November 2002. The report was presented by Mike Wickens.*

**T**HIS IS THE sixth annual report of the current Managing Editors to Council. It has, in general, been a year of steady progress with few large differences from the previous year. In particular, over a period when journal subscriptions and sales have generally been under pressure, the *Economic Journal* has largely bucked the trend and maintained its readership.

The ranking of the *Economic Journal* is very different depending on the measures used. The ranking of the *Economic Journal* in the *Journal of Economic Literature*, June 2002, by Pieters and Baumgartner is 6. This looks at citations in the 42 leading economics journals after deducting self-citations. The *Journal* ranks after the *AER*, *JPE*, *Econometrica*, *QJE* and *Review of Economic Studies*. The SSCI ranking in 2001, which does not deduct self-citations is 22, and is down from 17 in 2000. The fall is due to the start-up of several 'little' journals.

The electronic changes to the RES and *Economic Journal* web sites referred to in the last year's Editors' Report are still at the development stage. It is hoped that they will begin to be implemented during the coming year.

## The *Economic Journal* lecture

The *Economic Journal* lecture at the 2002 annual RES conference at Warwick was given at very short notice by Marcus Miller. It was due to be given by Maury Obstfeld (Berkeley), but he had to withdraw at the last minute for family reasons. The *Economic Journal* will publish both Marcus Miller's lecture and the paper to have been given by Obstfeld which is co-authored with Alan Taylor (University of California, Davis). The lecture in 2003 will be given by Steve Levitt (Chicago).

## Submissions and publications

In 2001, the last complete year for which there are statistics, 432 articles were submitted to the *Economic Journal*. This compares with 461 in 2000 and 443 in 1999. Table 1 shows that the largest number of submissions came from North America. This accounts for 32 per cent of the total number of submissions. Europe had 28 per cent and the UK 23 per cent. These are similar to 2000. The largest change occurred for Scandinavia. This has fallen from 9 per cent in 1999, to 6 per cent in 2000, and to 4 per cent in 2001.

Table 2 gives a subject breakdown. This is almost identical to 2000. Microeconomics continues to be the largest subject area with 19 per cent of total submissions in 2001, followed by macro and monetary economics 16 per cent. The largest

change was in labour economics which fell from 17 per cent of the total in 2000 to 12 per cent in 2001. This is, however, similar to its share in 1999 of 13 per cent.

Table 1: Geographical breakdown of submissions 1998-2001

	2001	2000	1999	1998
UK	99(23%)	113(25%)	90(20%)	115(26%)
USA & Canada	140(32%)	145(31%)	139(31%)	133(31%)
USA	124	130	125	118
Canada	16	15	14	15
Europe	121(28%)	133(29%)	145(33%)	125(29%)
Belgium	6	5	5	10
France	10	8	13	4
Germany	19	22	26	22
Italy	12	15	17	18
Netherlands	23	24	19	10
Scandinavia	20	27	40	24
Spain	7	11	9	11
Other	24	21	16	26
Other	72(17%)	70(15%)	69(16%)	63(14%)
Australia/NZ	12	13	17	22
Hog Kong	6	5	7	1
India	4	3	2	2
Israel	14	16	10	6
Japan	13	13	8	13
Other	23	22	25	19
<b>Total</b>	<b>432</b>	<b>461</b>	<b>443</b>	<b>436</b>

Editorial data are given in Table 3. The figures for 2000 are in parentheses. Of the 432 (461) submissions in 2001, 28 per cent (22 per cent) were rejected without being sent to referees. After the first round of refereeing 48 per cent (59 per cent) were rejected. 13 per cent (16 per cent) were invited to revise and resubmit. 10 per cent are still without a decision. The situation on 6 September 2002 is 3 (8) papers have been accepted for publication, 76 per cent (83 per cent) were rejected, 10 per cent (2 per cent) still await a first decision, and 12 per cent (12 per cent) are in the process of revision.

Requests were made for 733 (743) referees' reports and 77 per cent (79 per cent) were provided in time to be of use in the edi-

**Table 2: Subject breakdown of submissions 1999-2001**  
(Acceptances to date in parentheses)

	2001	2000	1999
General economics and teaching	6	10	(1) 4
Methodology/History of thought	6	4	10
Mathematical & quant. methods	25	23	(3) 21
Microeconomics	(2) 82	(3) 83	(9) 96
Macro- & monetary economics	71	(2) 73	(4) 68
International economics	42	(3) 48	(4) 44
Financial economics	25	22	(3) 23
Public economics	21	26	(2) 26
Health, education & welfare	15	17	(1) 9
Labour & demographic economics	(1) 50	78	(7) 58
Law & economics	3	3	3
Industrial organisation	33	25	25
Business economics	-	-	-
Economic history	2	2	2
Economic development	31	35	(1) 35
Economic systems	2	4	4
Agricultural/natural resources	11	10	10
Urban, rural & regional economics	7	5	5
Other topics	-	-	-
<b>Total</b>	<b>(3) 432</b>	<b>(16) 461</b>	<b>(40) 443</b>

inviting a revision were sent within six months and 61 per cent (69 per cent) were sent within eight months in 2001. The corresponding figures for sending a rejection letter were 73 per cent (72 per cent) within six months and 87 per cent (89 per cent) within eight months. Taking a decision to reject is quicker because it can often be made after just one referee's report. An offer to revise is nearly always based on more than one report. It also needs more detailed editorial scrutiny, including a letter of advice to authors.

A total of £8021 was paid in fees to referees in 2001. 64 per cent was taken as cash, 9 per cent was taken as an RES voucher and 27 per cent was paid to charities. The chart on the next page shows which charities were the recipients. Amnesty International was the largest (37 per cent) followed by OXFAM (22 per cent).

## Circulation

Total circulation for the year ending September 2002 was 5642, which is 2.6 per cent lower than the previous year, and continues the monotonic downward trend since 1995. As for the previous year membership fell in every geographical region, as did sales with the exception of the rest of the world. The main falls were in the Japan: membership by 9 per cent and sales by 7 per cent.

**Table 3: Editorial processing after initial submission\***

	2001	2000	1999	1998
Submissions received	432	461	443	434
Papers withdrawn	5	4	2	1
Dealt with by Managing Editors alone	121	103	81	139
Sent to a referee**	305	354	360	294
Referee returned within:				
1 month	15%	14%	17%	32%
2 months	35%	33%	31%	30%
3 months	24%	27%	24%	21%
4 months	15%	12%	17%	10%
even longer	11%	14%	11%	7%
for an average of:	10 wks	10.5 wks	10 wks	8 wks
Time distribution for all submissions (excl. withdrawn)	427	457	441	433
less than 1 month	9%	12%	10%	19%
1-2 months	14%	11%	10%	11%
2-3 months	10%	7%	7%	10%
3-4 months	7%	12%	13%	11%
4-5 months	9%	13%	15%	14%
5-6 months	9%	12%	11%	9%
even longer	42%	33%	34%	26%
for an average of:	21 wks	19 wks	21.5 wks	17.5 wks

\*These figures do not include the Conference issue, Controversy section or Obituaries. Policy forum section is not included in this table.

\*\* Since 1999 the figures are for receipt of referees' reports only. All previous figures are receipt of a response.

torial decision. The average time for referees to send their first report was 10 (10.5) weeks in. 89 per cent (86 per cent) of referees' reports were received within 4 months. The average time to a first decision (i.e. excluding revisions) was 21 (19) weeks.

Table 4 reports data on the time taken to send a letter inviting a revision or a rejection. 36 per cent (44 per cent) of letters

## Reports from section editors

### Features - Stephen Machin

This brief report summarises the current state of play with the 'Features' part of the journal. The next issue, February 2003,

will contain a number of very topical papers on the theme of education, including one by David Greenaway and Michelle Haynes on 'Funding Higher Education'. Future themes in the Features section include 'Ending War/Managing Conflict', 'Foreign Aid', Trade Liberalization and Economic Performance in Developing Countries' and 'Competition, Corporate Governance and Selection in Emerging Markets'.

**Table 4: Editorial response times, revisions v. rejections**

	Letters inviting revision			Letters advising rejection		
	2001	2000	1999	2001	2000	1999
Within 1 month	1	0	1	39	56	44
Within 2 months	7	0	1	61	50	44
within 3 months	2	2	3	41	28	28
Within 4 months	9	5	6	26	48	49
Within 5 months	3	10	7	36	49	59
Within 6 months	3	28	16	35	40	33
Within 7 months	3	8	11	25	37	40
Within 8 months	2	10	9	23	26	15
> 8 months	26	22	45	42	40	21
Total	56	72	99	328	374	333

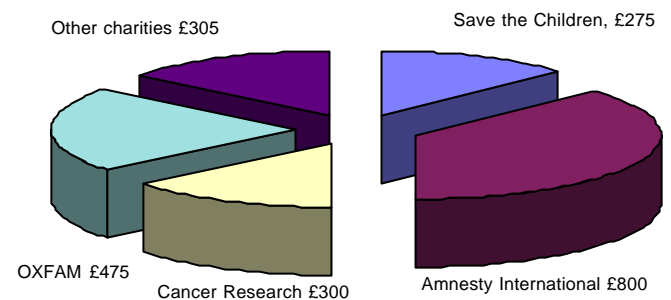
43 authors of submissions in 2001 (11 in 2000, 11 in 1999) are still awaiting a decision.

*Reviews - Jayasri Dutta*

Since taking over in October 2000, the reviews editor has implemented a different policy for book reviews for the *Economic Journal*. This policy results in fewer reviews, but of books of higher research quality reviewed by leading researchers in those areas. In addition, the editor has commissioned several review articles surveying current research in some fields.

One consequence has been a lower response rate from reviewers. The current *volume* contains 65 reviews as well as 3 review articles. This is lower than expected. The target for the future is about 25 reviews per *issue*. The response rate from reviewers providing 'Notes' published on the RES web page has also been disappointing, more than one potential reviewer declining on the ground that 'Notes' on the web are less visible than those published in the *Journal*. The *Journal* receives between 600 and 700 books for review per year.

**Referees' fees sent to charity, September 2001- August 2002**



**Table 5: *Economic Journal* circulation figures**

	Total	UK	USA	Non-UK Europe	Japan	Rest of the World
<i>Members</i>						
Sept 96	3352	1528	628	703	81	412
Sept 98	3184	1422	580	695	89	398
Sept 00	3181	1410	588	718	85	380
Sept 02	2990	1319	530	713	75	353
<i>Sales</i>						
Sept 96	3074	527	874	850	287	536
Sept 98	2904	383	851	814	358	498
Sept 00	2771	*254	802	772	392	*551
Sept 02	2652	234	758	735	355	570
<i>Total circulation</i>						
Sept 96	6426	2955	1502	1553	368	948
Sept 98	6088	1805	1431	1509	447	896
Sept 00	5952	1664	1390	1490	477	931
Sept 02	5642	1553	1288	1448	430	923

Note: \* the agencies involved in world distribution to libraries have now been moved from UK figures to the Rest of the World.

# The Nobel Prize in Economics

*Once again, the Royal Swedish Academy of Sciences<sup>1</sup> has announced a joint award of the Prize in Economic Sciences. The 2002 prize was shared between Daniel Kahneman of Princeton University, USA, for his work on integrating insights from psychological research into economic science and Vernon L. Smith of George Mason University, USA, for establishing laboratory experiments as a tool in empirical economic analysis.*

**T**HE PRACTICE OF ECONOMICS, as widely understood, rests on two methodological pillars. The first, relating to economic reasoning (loosely ‘theory’), is its reliance upon the deductive method. Such reasoning commonly starts from the assumption that agents act as rational, maximisers of their own several interests. Then, from these often-called ‘micro-foundations’, other propositions concerning ‘economic’ behaviour can be deduced.

The second relates to the manner of testing the hypotheses arrived at by the deductive process. It is widely assumed that economics is a non-experimental science, rather like astronomy or meteorology, relying on observation of real-world economies rather than controlled laboratory experiments.

During the last two decades, however, these views have undergone a transformation. Controlled laboratory experiments have emerged as a vital component of economic research and, in certain instances, experimental results have shown that basic postulates in economic theory should be modified. In its award of the 2002 prize in economics, the Royal Swedish Academy of Sciences has recognized both these developments by awarding the prize jointly to Vernon L. Smith and Daniel Kahneman.

## Experimental economics

Vernon Smith’s earliest laboratory experiments focused on the most fundamental proposition in economic theory, namely, that under perfect competition, the market price establishes an equilibrium between supply and demand at the levels where the value assigned to a good by a marginal buyer is as high as that of a marginal seller. In these early laboratory experiments, subjects were randomly designated roles as buyers and sellers with different valuations of a good, expressed as a lowest acceptable selling price and a highest acceptable buying price, respectively. Given the distribution of such reservation prices, Smith was able to determine the theoretical equilibrium price — the price which is acceptable to as many sellers as buyers. The results were published in 1962 and showed that the prices obtained in these laboratory conditions were very close to their theoretical values, even though the subjects lacked the information required to allow them to calculate the equilibrium price.

More recent experiments have concerned themselves with the design of auctions, an important issue in recent years where auctions have often been used in connection with deregulation and the privatization of public monopolies. Smith and his colleagues have been able to test several theoretical propositions concerning optimal auction design and have shown, *inter alia*, that the ‘English’ auction (where bids are announced in increasing order until no higher bid is submitted) generally produces a higher price than the ‘Dutch’ auction (where a high ini-

tial bid is gradually lowered until a buyer indicates acceptance).

## Psychology and economics

Expected utility theory, the predominant economic approach to decision-making under uncertainty, assumes that people are motivated primarily by material incentives and make decisions in a rational way. They are assumed to assess the state of the economy and the effects of their behaviour by processing available information according to standard statistical principles.

The prevailing view in psychology is to regard a human being as a system that codes and interprets available information in a conscious manner, but where other, less conscious factors, also govern decisions in an interactive process. Such factors include perception, emotions, attitudes and memories of earlier decisions and their consequences.

In collaboration with the late Amos Tversky, Daniel Kahneman has shown that people are incapable of fully analyzing complex decision situations when the future consequences are uncertain. Under such circumstances, they rely instead on heuristic shortcuts or rules of thumb (reminiscent of Keynes’s suggestion that views of the future are so difficult to form that agents fall back on the *convention* of assuming that it will be much like the past).

Their experiments revealed a fundamental bias in the way in which individuals judge random events by assigning the same probability to events drawn from small samples as those drawn from large samples, in apparent ignorance of the fact that the variance declines with increasing sample size. This attachment to a ‘law of small numbers’ is consistent with a tendency to place great confidence in, for example, the fund manager who beats the index on as few as two consecutive occasions. Indeed, such shortsightedness might explain a great deal of apparently ‘irrational’ and herdlike behaviour in financial markets. ‘Behavioral finance’, has become a lively research area in financial economics in recent years. Its central characteristic is its application of insights from psychology in an attempt to understand the functioning of financial markets. Another result from Kahneman’s work which has implications for finance theory is the discovery that most individuals seem to be more averse to losses, relative to a reference level, than they are partial to gains of the same size, suggesting that ‘risk’ is perceived in an asymmetric way and not merely as the probability of outcomes differing (in either direction) from an expected mean value.

### Note:

1. Further information about these (and earlier awards) can be found at: [www.nobel.se](http://www.nobel.se)

# Letter from France — A topsy-turvy year

*In his regular letter from France, Alan Kirman, Université d'Aix Marseille III, reports on the introduction of the euro and on the French Presidential elections. Between them they caused a fair degree of consternation — but not as one might have expected.*

THIS YEAR IN FRANCE was marked by two important events, one of which should have provoked a certain amount of chaos and aroused a lot of sentiment and the other of which should have been difficult but unsurprising. I refer, of course to the introduction of the euro and to the presidential election. It turned out to be quite the opposite, the euro appeared with no fuss whatsoever and rarely can such a major change have happened so smoothly. The first round of the presidential election, on the other hand, was regarded as a political earthquake and caused an international outcry.

## The introduction of the euro

Let me start with the euro. There is still some dispute as to the one off inflationary shock that can be attributed to its introduction, some members of the Bank of France and some Treasury officials have, in weak moments, mentioned figures between 0.2 and 0.5 per cent. This was due to convenient adjusting of prices, not simply rounding, but in some cases substantial changes which were made before the euro appeared. The overall inflation figures do not reveal this clearly since rents and some other items are fixed on a long-term basis. As to getting used to the euro, for a while after January it was difficult to understand immediately whether the price of an item was high or low and although the mechanics of the system functioned perfectly well, many individuals had problems when faced with the prices of inexpensive items. The counterpart was that when moving from one country of the euro zone to another the comparison between the prices of items such as a litre of petrol in one country and another was now direct and the illusion that petrol was cheaper in Italy than in France, for example, rapidly disappeared.

An anticipated effect was that people would take their franc banknotes to Amsterdam or some similar place and buy jew-

ellery with them. This would avoid having to go to the Bank of France with one's ill-gotten gains and perhaps be investigated. There seems to be no evidence that this happened on a large scale but, mysteriously, a large percentage of the banknotes that were in circulation have not been cashed in. There is still time of course!

One interesting aspect of the change has been to see how quickly the coins, which are distinguished by country, would mix. The problem is reminiscent of the old conundrum involving mixing wine and water. If I take a teaspoonful of water from one container and put it in another containing wine and at the same time take a spoonful of wine and put it in the water container are there more molecules of wine in the water than of wine in the water? The answer is that there are obviously the same in both. Now if I shake the resulting mixtures thoroughly and then transfer a teaspoonful of the mixture from each container back to the other back to the other does the result still hold? The answer is yes and the result continues to hold no

matter how many exchanges I make. This reasoning can be applied to the euro problem in order to find the distribution of euros of different origins across countries. The limit situation is easily found. The proportion of euros of different origins should be the same in every country. Furthermore, if the mixing is complete the number of French coins in Germany will be equal to the number of German coins in France. This is the wine and water argument but this time applied to several countries. The

Table 1: Euro coins per country

No.	Country	Number (mn.)	% of total
1	Germany	17000	32.9
2	France	8150	15.8
3	Italy	7940	15.4
4	Spain	7085	13.7
5	Netherlands	2800	5.4
6	Belgium	1957	3.8
7	Austria	1800	3.5
8	Greece	1333	2.6
9	Portugal	1296	2.5
10	Ireland	1078	2.1
11	Finland	1070	2.1
12	Luxemburg	120	0.2
	Sum	51629	100

Source: Hintze (2002)

argument is simple. If coins are completely mixed then country  $A$  will take out of the total  $N(A)$ , the number of coins that it minted in the first place. But the proportion of these that come from country  $B$  will be  $N(B)/N$ , so the number of coins from  $B$  in  $A$  will be  $(N(A)N(B))/N$ . This is obviously the same as the number of coins from  $A$  in  $B$ . A detailed discussion of this and other aspects of the problem can be found in an article by Hintze entitled, 'How do euro coins mix?'<sup>1</sup> The distribu-

tions of coins by country and by denomination are given in tables 1 and 2.

Table 2: Distribution of coins by denomination

Coins	Number(mn)	% of total
1 Cent	9032	17.5
2 Cent	7306	14.2
5 Cent	7713	14.9
10 Cent	8136	15.8
20 Cent	6185	12.0
50 Cent	5758	11.2
1 €	4803	9.3
2 €	2696	5.2
Sum	51629	100

Source: Hintze (2002)

However the same author raises a more difficult question. How fast will the process be? This involves making more assumptions about the way in which the mixing of the coins takes place. How will the aggregate behaviour of the coins, each of which is making a random walk, evolve? There are a number of contending models for this and their predictions vary quite widely. Hintze makes the following observations. First, that overall the convergence to the final values will be exponential. Second, that there are configurations of the parameters of the model, which will give non-monotonic convergence. The numbers may overshoot before settling to their final values. The Freiberg Euro Coin project<sup>2</sup> has two forecasts, the 'optimistic' and the 'pessimistic', and these give, for the proportion of foreign euro-coins in circulation in Germany, 35 per cent and 10

per cent respectively. Focusing just on one-euro coins they traced over the months since January the evolution of the number of foreign coins in Germany. Interestingly it peaked at 9 per cent in March, fell to

under 3 per cent in August and was back to 6 per cent in October. The sample was between 2200 and 5000 coins each time but, even allowing for statistical problems the lack of monotonicity is striking and the pessimistic forecast may even be too optimistic.

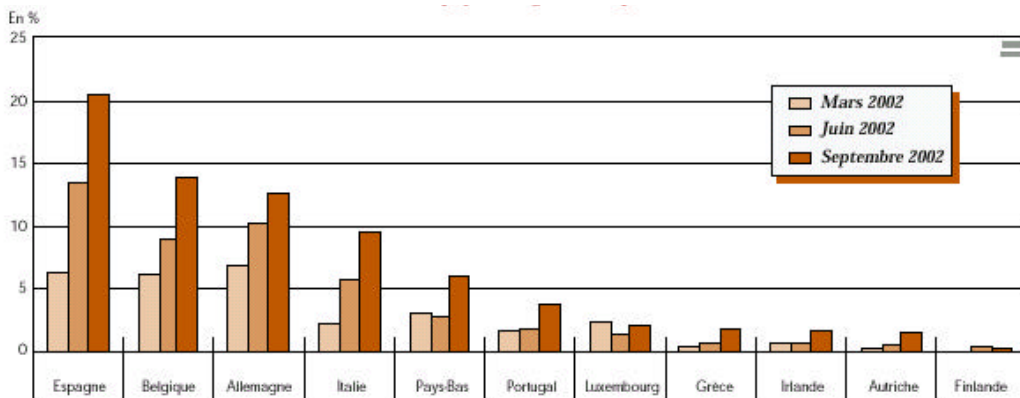
Their pessimistic forecast, they do not give an optimistic one, for France is 18 per cent by the end of 2002. Once again this is for one-euro coins. Detailed information for France is given by Grasland *et al.*, (2002).<sup>3</sup> They consider all coins, but their samples involving 2000 individuals show that, by September there

were 9.2 per cent of foreign coins circulating in France and that 48 per cent of the individuals interviewed had at least one foreign coin in their purse or pocket. Each individual had 14 coins on average. However the Freiberg authors would be relieved to know that by September there were 14 per cent of foreign one euro coins present in the France according to Grasland *et al.* The most interesting aspect of the French study is the geographical variation in the proportions of coins. The frontier areas have the most foreign coins as one might expect, and by June these areas had twice as many foreign coins as the other regions, Brittany being particularly immune to the invasion. In June 56 per cent of individuals in the frontier areas had at least one foreign coin in their change while in the other areas the figure was 30 per cent. Curiously, it is the Spanish euro that has penetrated most rapidly and not the German coin. One suggestion is that there are many workers in the Paris area of Spanish extraction and that through family visits these coins were introduced more rapidly in France. If this were the case, however, one would have expected to see more Portuguese coins in circulation. The figures for the probabilities of having at least one coin of each origin are given in table 3.

I conducted a rapid survey in our research group and 42 per cent of the members had at least one foreign euro in their change. Although the members travel much more than the average French citizen their foreign coins are quickly absorbed in the local sea of French coins.

One interesting feature of Grasland *et al's* analysis is the remarkably high figure achieved by the Belgian euro. They also give some maps to show how foreign coins have percolated through France over the months. One last interesting aspect of this story is that there is a clear tendency for social class to play a role in determining who holds the most foreign euros. In the frontier areas, those individuals who did not finish their 'bac' had a 63 per cent probability of holding foreign euros as

Table 3: Probability of finding at least one foreign euro-coin in an individual's change in France



Source: Grasland *et al* (2002)

against 45 per cent for those who had completed their bac. However, in the non-frontier areas the situation is reversed (27 per cent and 36 per cent respectively). The obvious explanation is that in those areas near the

frontier there is a considerable movement across the frontiers to work and to shop. However, there is no precise evidence on this. In any event, I will report next year on how far we have moved to the putative limit result.

## The presidential elections

Why was the first round of the presidential election such a shock? Firstly, because the result was almost totally unexpected and secondly because it gave an impression of voters' preferences which to the outside world was repellent and to the

French did not seem to correspond to reality. Remember what happened. In the first round, Jacques Chirac came first and Jean Marie Le Pen of the Front National came second. As a result of the rules these were the two candidates for the run-off two weeks later, the rules stipulating that the two front runners shall remain in the race if no candidate receives 50 per cent or more of the vote in the first round. The results of the first and second rounds are given in table 4. Those who find the results disturbing may care to take a look at table 5, which gives the results for 1995. The potential for such an outcome was clearly there and the large share collected by Edouard Balladur, Chirac's mainstream right-wing rival was enough to diminish Le Pen's share.

Table 4: Presidential elections, 2002

<i>Candidate</i>	<i>Round 1</i>	<i>Round 2</i>
Daniel Gluckstein	0.47	
Arlette Laguiller	5.72	
Olivier Besancenot	4.25	
Robert Hue	3.37	
Christine Taubira	2.32	
Noël Mamère	5.25	
Lionel Jospin	16.18	
Jean-Pierre Chevènement	5.33	
Corine Lepage	1.88	
François Bayrou	6.84	
Jacques Chirac	19.88	82.21
Jean Saint-Josse	4.23	
Christine Boutin	1.19	
Alain Madelin	3.91	
Jean-Marie Le Pen	16.86	17.79
Bruno Mégret	2.34	

The simplistic explanation given by the international press was that France like other Western countries was flirting with the extreme right and that the political centre of gravity had shifted to the right. This seems wrong to me for two reasons. Firstly the system is peculiarly susceptible to rather wild protest voting in the first round since voters know that they can always vote 'utile' (meaningfully) in the second round. However, as Jean Francois Laslier (2002) points out even if voters vote sincerely on the first round there is no reason to suppose that the Condorcet winner will be in the competition for the second round. If we accept that the candidates in the 1988 election can meaningfully be aligned from left to right as listed in table 6, the candidate nearest to the median voter's position would have been Raymond Barre the centre right ex-prime minister.

Table 5: Presidential elections, 1995

<i>Candidate</i>	<i>Round 1</i>	<i>Round 2</i>
Jacques Cheminade	0.28	
Arlette Laguiller	5.30	
Robert Hue	8.64	
Dominique Voynet	3.32	
Lionel Jospin	23.30	47.36
Edouard Balladur	18.58	
Jacques Chirac	20.84	52.64
Philippe de Villiers	4.74	
Jean Marie Le Pen	15.00	

What we see here is the elimination of the centre as a result of the two rounds system. However, the truth about the election this year has to have a more complicated explanation. If voting was sincere and candidates were aligned from left to right the second round score would be contradictory. A first observation is that the ranking of Le Pen with respect to Jospin is unlikely to be statistically significant and that the danger with so many first round candidates is that small variations in the number of votes for the candidates can have a major impact on what follows. The second observation is that many people vote in a way which is not sincere but not strategic in the real sense of the term. Polls showed that the great majority of individuals forecast a run-off between Chirac and Jospin and intended to vote seriously in that round. Their first vote it is claimed by those who make this sort of argument was an ill-defined protest vote against the political establishment.

Why then was France so ashamed with the result? The answer is that there was a general feeling that opinion in the country had wrongly been identified as situated somewhere between the right and the far right. Much more important than the embarrassment of the French is the fact that one is finally obliged to admit that the placing of candidates on a line is highly misleading. Then the question becomes how should candidates be positioned and which system would do this best? What Laslier points out is that there are systems which would produce much more accurate pictures of the political landscape in France and in particular he suggests that 'approval voting' could play such a role.

Table 6: Presidential elections, 1988

<i>Candidate</i>	<i>Round 1</i>	<i>Round 2</i>
Arlette Laguiller	1.99	
Pierre Boussel	0.38	
Pierre Juquin	2.1	
André Lajoinie	6.76	
Antoine Waechter	3.78	
François Mitterrand	34.10	54.02
Raymond Barre	16.54	
Jacques Chirac	16.94	45.98
Jean-Marie Le Pen	14.40	

## Approval voting

The idea of this system is that you can vote for as many candidates as you like and the candidate who appears on the highest number of ballots wins. Such a system reflects, in a certain sense, those candidates who are 'acceptable' to voters. With the information gathered, in particular the number of votes that the candidates received and the number of voters who voted for 'couples' one can try to construct a picture of the political landscape. Traditionally the idea has been that voters will vote for the candidate nearest to their ideal point on the line for example. However, how should we deal with the case where many votes are possible? One idea would be to say that voters would vote for all candidates no further than a certain distance from their ideal point. Such a threshold is arbitrary so one might use as an alternative the idea that voters have a probability of voting for a candidate, which diminishes with the distance from the candidate.

....continued on p.14

# Engendering development economics

*Heather Joshi, University of London Institute of Education and Chair of the RES Committee on Women in Economics,<sup>1</sup> reports on the increasing awareness of women's role in economic development.*

On November 21 2002, Nicholas Stern, the Chief Economist at the World Bank, delivered the Annual Keynes Lecture at the British Academy. He discussed two pillars of development: the investment climate and empowerment of the poor. One reason the event was remarkable was that the speaker had started the day lecturing in Munich, and had also addressed another event in London that afternoon. The lecture was also remarkable for the effortless way in which gender was integrated into the theory, analysis and policy prescription.

Women were visible in the account.

The involvement of women is particularly important for the functioning of virtually every sector of activity, from agricultural production, to education, to credit, to fighting corruption.

Women were seen as producers and entrepreneurs as well as consumers and reproducers. The inefficiency of gender inequality was stressed as well as the inequity. As Stern said, enhancing empowerment of women is not a zero-sum game.

...., an investment in basic rural water provision can free the time of girls, by reducing the amount of time they spend carrying water for the household; this can empower them by giving them time to attend school, which in turn can contribute both to the empowerment of their families and to economy-wide growth.

## Gender and the mainstream development agencies

Such ideas have been gradually moving into the mainstream among agencies concerned with development. The UN Development Fund for Women was established in 1975. The Department of International Development has been encouraging gender awareness for a decade, and places equal opportunities prominently in its list of International Development Targets. The Commonwealth Secretariat (1999) promoted the notion of gender budgeting — to take any differential impact of economic policies on women into account. It was the World Bank's high profile report, *Engendering Development* (2001) that provided the material used by Stern.

Has gender awareness among economists and economic policy makers achieved the status of conventional wisdom? As recently as 1999 a workshop at the World Bank ABCDE conference in Paris on Gender Economics, had hardly any audience beyond the six speakers. At the 2002 World Bank ABCDE seminar (was it better attended?) Ravi Kanbur pointed out that the metamorphosis of economics is not complete;

most of the economics profession still adheres to (and teaches) the unitary 'black box' model of the household, which effectively make gender allocations a private matter.

## Getting recognition in economics

One intellectual inspiration for awareness of women's role in development, Ester Boserup, was mentioned in the Keynes lecture, though not for her 1970 book on *Women's Role in Economic Development*, but for *Conditions of Agricultural Growth* (1965), now seen as providing profound insight into the sources of economic dynamism. At the time its message jarred in the neo-Malthusian climate, which may have reduced the amount of attention paid to her book on women. Amartya Sen has been very influential in providing the intellectual framework to fit gender relations into economics.

It is neither a necessary, nor sufficient, condition that economists be female for the analysis to take women's activities and interests into account. Women have probably made greater inroads into the rhetoric than into senior positions in international organizations (or academe). An analysis of gender in careers within the World Bank (Dominique van de Walle, *et al.*) will be presented at a special session in the 2003 RES Conference, organized by the RES Committee on Women in Economics. We are concerned with the inclusion of women in the material as well as the personnel of economics. There are still mutually reinforcing gains to be made and mindsets to be broadened.

### Note:

1. News about the activities of the Committee can be found on the RES website at: [www.res.org.uk](http://www.res.org.uk)

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## New centre launched

The new Centre for the Evaluation of Development Policies (EDePo) was launched with an inaugural conference at University College, London on November 21st 2002.

A joint venture between the Institute for Fiscal Studies and UCL, the Centre is committed to identifying success and failures in policy interventions and to promoting best practice. In particular, the Centre will be a focal point for research on the impact of specific interventions in health, nutrition, skill acquisition, education, credit, insurance and labour.

Further information can be found at: [www.ifs.org.uk/edepo](http://www.ifs.org.uk/edepo)

# Obituaries

## Walter Tessier Newlyn

Walter Newlyn, who was born in Wimbledon on 26th July 1915, died in Leeds on 4th October 2002 aged 87.

Walter Newlyn was one of the group of outstanding economists from a wide variety of backgrounds educated at the LSE in the immediate post-war years who made their mark on British universities and the world. He never knew his father, killed on the Western Front a few months after his birth; he left school without qualifications at 16 and got his first job as an office boy in a city firm, and his first promotion when the next-senior office boy stole the petty cash. A visit to Welsh coal mines fired an interest in economics which was interrupted by war, during which he was evacuated on the last day from Dunkirk and subsequently saw service in India.

In 1945 he persuaded LSE to take him on despite his lack of formal education, and read Economics there until 1948, when he was appointed to an Assistant Lectureship at Leeds University. While at LSE he had become good friends with a fellow student, the maverick New Zealand genius Bill Phillips, and together they constructed in a Wimbledon garage the prototype of what became known as the Phillips hydraulic machine — the first analogue computer model of a Keynesian macroeconomic system — which gained widespread fame, even notoriety. It was typical of Walter's modesty that he never resented the general attribution to Phillips alone.

His original interest in economics was in macroeconomics and monetary policy, but early work on the financial systems of colonial countries led on to a career specifically in development economics, much of it in or related to Africa. Among other assignments he was successively Economic Adviser to the Government of Uganda, a member of the UN Expert Committee on Payment Agreements in Africa, and Director of Economic Research in the East African Institute of Social Research in Kampala. In Leeds (where he became a Professor in 1967) he set up the African Studies Centre and brought many African social scientists as Fellows there. He also founded and was the first President of the Development Studies Association. It was a great sadness to him that much of the economic work on East Africa was vitiated by political events, most notably the Amin era, during which he lost many close friends.

His publications include *Money and Banking in British Colonial Africa* (with David Rowan, 1954), *Money in an African Context* (1967), and *The Financing of Economic Development* (1977). For many years his *Theory of Money* (1961) was one of the few accessible general introductions to this specialised area, and was read widely by undergraduates.

His other great love was the theatre. With Doreen, whom he married in 1952, he set up and ran a pioneering multi-racial theatre company in Uganda; in Leeds they were tireless cam-

paigned for the establishment of a Leeds (now the successful West Yorkshire) Playhouse. For the campaign he wrote an economic analysis of the theatre industry, which became a standard reference for the Arts Council.

Throughout his life he was quietly but nonetheless passionately a man of the Left. His underlying motivation in both economics and theatre was in seeing that the benefits of an advanced society should not be available only to the elite: the Playhouse campaign was essentially about artistic outreach, and in his later economic work he focused exclusively on the distributional effects of financial policies. In his retirement he was particularly active in the movement for debt relief for the poorest countries, and even in his last illness he was wanting to discuss the taxation of capital movements.

He is survived by Doreen and three daughters, Lucy, Gill and Kate; Sally, his eldest daughter, predeceased him, causing much sadness in his final years.

*M D E Slater,*  
*Senior Tutor, St Edmund Hall, Oxford*

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## Maxwell Fry Memorial Lecture

In the April issue of the *Newsletter* (no. 117) we gave notice of the third Maxwell Fry Memorial Lecture.

This was given to an audience of more than 300 at the University of Birmingham by Ronald I McKinnon, William D. Eberle Professor of International Economics at Stanford University, on 16 October 2002. It stimulated many interesting questions and follow-up enquiries. The lecture was followed by a Money, Macro and Finance Research Group Workshop organised by Panicos Demetraides (University of Leicester) and included contributions from Stijn Claessens, Victor Murinde and Charles Goodhart. This too was well-attended by local and visiting academics and postgraduate students.

The success of the Lecture *plus* Workshop format has led the organisers, the Global Finance Group Advisory Committee (Director: Andy Mullineu, University of Birmingham), to repeat it in 2003.

Next year's Maxwell Fry Memorial Lecture will be given by

**Andrew Crockett,**  
**General Manager, Bank of International Settlements**

on 22 October 2003. Professor Charles Goodhart, former Chief Economist of the Bank of England, Monetary Policy Committee member and friend and colleague of Max's has agreed to give the October 2004 Lecture.

# New electronic journal launched

*The ELectronic Society for Social Scientists is about to launch its first journal. A members are aware, the Newsletter does not carry advertising but this is an initiative which has been supported by the Royal Economic Society since it began over two years ago and readers have received regular updates on progress (in Newsletters 112 and 117). Some of the objectives of ELSSS will also be of interest to readers who have followed the recent comments in these pages about the quality of refereeing and editorial procedures in some established journals.. The details below are supplied by Manfredi La Manna, University of St Andrews, who has been the organiser of the initiative since it began.*

After more than two years of hard work, ELSSS (the ELectronic Society for Social Scientists) is about to launch its first journal, *The Review of Economic Theory (RET)*. *The Review of Economic Theory* is no ordinary journal. It has been created with the explicit aim of setting new standards in economics journal publishing in all relevant dimensions.

## Board of Editors and Advisory Board

The Board of Editors comprises: Martin Osborne (managing editor), Narayana Kocherlakota, Bart Lipman, Georg Nöldeke, and William Zame. All are renowned scholars, and have extensive editorial and refereeing experience.

Members of the Advisory Board include: Drew Fudenberg, David Levine, George Mailath, and Ariel Rubinstein (a fifth member is due to join in mid-2003). For the last few months the Advisory Board has worked relentlessly, selecting editors and setting policies for the journal.

## Quality and speed of refereeing

In terms of commitment to quality of content, the Advisory and Editorial Boards have set as their goal ‘...to create a premier field journal in theory on a par with the other top journals in the field’. *RET* is also committed to changing the culture of refereeing that has developed in the last 20-30 years and that has led to long and lengthening lags between submission and decisions. Practical policies that sustain *RET*'s commitments include:

- Editors will reject quickly any submission they believe cannot make *RET*'s high quality threshold;
- Referees who submit a full report within five weeks receive a \$150 honorarium (payable to them or to a charity);
- ELSSS has developed its own software for the submission, refereeing, editing and production of economics journals, which, we believe, not only streamlines the entire process, but also improves significantly the quality of published articles;
- *RET*'s editorial and refereeing procedures will be transparent and public. For example, *RET* will publish regular and detailed statistics specifying for *all* submissions: (i) time of

arrival with managing editor, editor, referees; (ii) time spent by author(s) on revisions. Individual authors will be notified of the progress of their submissions at each stage of the process.

## Widest diffusion of the *Review*

Thanks to the official support of the American Association of Research Libraries (through its SPARC program) and of the UK Consortium of University Research Libraries and of a large number of individual University Librarians worldwide, *RET* is likely to have the largest institutional subscriber base of any new journal in economics (and probably more generally). In addition to paying subscribers in developed countries, *RET* will be made available in full text at no cost to over 4,000 libraries in developing and transition economies (including China, India, Russia, Eastern Europe, South America).

## Innovation for research

*RET*, especially in its state-of-the-art online version, includes a number of innovations in terms of ease and effectiveness of browsing, reference-linking, citation-tracking, interactive features that make it, we believe, one of the most advanced, research-productivity enhancing tools of scientific communication available today.

## Ownership, efficiency, and competition

*RET* is a journal administered by the ELectronic Society for Social Scientists, a Charitable Trust under Scottish Law (Trustees include the University of St Andrews, the Royal Economic Society, and the Consortium of University Research Libraries), whose mission is to improve scientific communication in the social sciences and to provide effective competition in the scientific journals market. We believe that *RET* will make a significant contribution in this area.

To find out more about *RET*, please visit <http://www.elsss.org> and click on the *RET* box. If you wish to register as a referee, please visit <http://www.elsss.org/refereereg/> *RET* is the first of a portfolio of innovative journals. Please give ELSSS your feedback and suggestions by emailing <mailto:feedback@elsss.org>

# Developments in the National Accounts chain-linking project

*Amanda Tuke, a development project manager at the Office for National Statistics, explains the changes which are being introduced in September 2003 to the way economic growth is estimated.*

**T**HE CHAIN-LINKING PROJECT is a development project within the UK National Accounts. This development will improve the method of estimating economic growth. In *Blue Book 2003*, economic growth will be calculated for the first time using annual chain-linking instead of the fixed base method we use at the moment. This will improve our growth estimates and meets the requirements of European legislation. Annual chain-linking (ACL) is a method for aggregating volume measures of economic growth using annually-updated weights to better reflect the changing structure of industry and patterns of expenditure.<sup>1,2</sup>

## Five-yearly rebasing

At the moment, the detailed estimates for growth for different parts of the economy are summed to total deflated GDP by using information on how important each component was in 1995, ie. its value share, as a weight. The year from which this information is drawn is currently updated at 5-yearly intervals. This is described as 'fixed base aggregation'. For earlier time periods, the values shares from 1990, 1985 and 1980 and so on

## The advantages of annual updates

It has been recognised internationally that rapidly changing prices necessitate a change in the intervals between weight updates. The new method, 'annual chain-linking', uses information updated *every year*, to give each component the most relevant weight which can be estimated. Annual chain-linking can be thought of as rebasing every year, hence annual. Instead of referring back to value shares from the most recent fixed base year, volume measures for each year are produced in prices of the previous year. These volume measures are then 'chain-linked' together to produce a continuous time series which will be described as 'chained volume measures'. They will be published in either £mill or indices as they are now.

In the April 2002 RES *Newsletter*, we invited RES members to contribute to a consultation exercise on the way the new chained volume measures will be presented when they are published for the first time in September 2003. Discussion seminars were held at the ONS and the Royal Statistical Society as well as at HM Treasury and the Bank of England. A wide range

The modelled effect of annual chain-linking on the percentage annual growth estimates for household final consumption expenditure (HHFCE), exports of goods and imports of goods (rounded to 1 decimal place).

	1995	1996	1997	1998	1999	2000	2001
Fixed base % growth estimates for HHFCE	2.2	3.9	3.3	3.2	4.0	4.8	3.7
Effect of annual chain-linking on HHFCE % growth	+0.1	0.0	-0.1	-0.1	-0.3	-0.6	-0.6
Fixed base % growth estimates for exports of goods	9.5	7.6	8.4	1.3	4.3	11.5	2.3
Effect of annual chain-linking on exports of goods % growth	+0.3	0.0	-0.1	-0.2	-0.4	-0.4	-0.1
Fixed base % growth estimates for imports of goods	5.9	9.5	9.9	9.0	7.7	12.1	3.6
Effect of annual chain-linking on imports of goods % growth	+0.3	0.0	-0.1	-0.4	-0.8	-1.8	+1.2

were used. Aggregate volume measures weighted with different value shares (or on different price bases) are linked together using an overlap or link year to create a continuous time series. The most recent link year was 1994. The five-yearly updating of weights is called rebasing and produces rebasing revisions back to the latest chosen link year.

of economists were involved in the discussion as well as national accounts users in academia and other government departments. There was almost unanimous agreement that the ONS should publish chained volume measures with an annually-shifting reference year, to preserve additivity between components and aggregates for the latest quarters. It was considered that not only would this make econometric modelling easier but it would give a clear indication to national accounts users that the aggregation method had changed.

## Household final consumption: an example

A recent article in *Economic Trends* shows the modelled effects of ACL on annual growth estimates for household final consumption expenditure (HHFCE), exports and imports of goods, using input data consistent with those published in *Blue Book 2002*.<sup>3</sup> The effects on the total for each component are shown in the table above. Further analysis (detailed in the article) shows that the depression in annual growth estimates of total HHFCE, increasing from 1997 to 2001, is driven particularly by expenditure on recreation and culture, suggesting that the falling prices for recreation hi-tech goods are not accounted for in existing fixed base growth estimates. For exports of goods, the depression in later periods is driven by exports of 'electrical components' and 'electrical capital goods'. This suggests that these export commodities are currently over-weighted in the fixed base total for exports of goods because of falling prices after 1995 for micro-processors in the case of the former and computers in the latter case. For imports of goods, the effects of ACL are driven by 'electrical components' which has a strongly negative effect on growth in 2000 and then a positive effect in 2001 and 'electrical capital goods' which has a negative effect on growth from 1997 onwards. As with exports, both these groups have fast-falling prices (for micro-processors and computers respectively) after 1995 although 'electrical components' shows a fall in volume in 2001 resulting in its positive contribution to overall growth of imports in that year.

The effects shown here should not be taken as the indication of the magnitude of revisions to GDP in *Blue Book 2003* as a result of updating weights annually. As the effects are shown as applied to estimates consistent with data inputs used in *Blue Book 2002*, they do not include the effects of rebasing price indices or any other improvements in quality of source data or methodology.

### References:

1. Tuke, A and Reed, G 'The effects of annual chain-linking on the output measure of GDP', *Economic Trends* No.575, October 2001 (London: HMSO) pp. 37-53.
2. Tuke, A 'Analysing the effects of annual chain-linking on the output measure of GDP', *Economic Trends* No.581, April 2002 (London: HMSO) pp. 26-33.
3. Tuke, A and Ruffles, D 'The effects of annual chain-linking on components of the expenditure measure of GDP', *Economic Trends* No.587, October 2002 (London: HMSO) pp. 39-43.

Further information can be found at:  
[www.ons.gov.uk](http://www.ons.gov.uk)

## A topsy-turvy year

...continued from p.9

The approval voting system can also be used to determine how big the political choice space should be since it is clear that more than the one-dimensional line is required. Using Principal Components analysis Laslier finds that three dimensions gives a good idea of the situation. Thus one can try to identify groups of candidates in the new political space according to their distance from each other. Recall that closeness in the political space is a reflection of the candidates' appeal to similar voters. If voters base their votes on candidates' platforms we have a good picture of the situation. This may be modified if the voting is based on personal charisma!

Laslier ran experiments in five polling stations in Orsay, a Southern suburb of Paris and in Gy les Nonnains a small village in the Loiret. There a surprisingly large number of people participated in his approval voting experiment as they left the voting booths, (over 2000 in Orsay, 2232 out of 2951 who voted and 365 out of 395 who voted in Gy). The results show that the official results would not have been radically modified by the approval-voting scheme but the picture that emerged of the political landscape was at variance with the standard view.

There were two groups corresponding to right and left in the traditional sense but the extreme right was not at the extreme of the right. More importantly, the centre does not lie between the right and the left. In Gy the left wing candidates were close together but distances between candidates identified as non-left were sometimes bigger than those between left and right.

The upshot of all this is that, rather than just classify votes for Le Pen as a protest against the system and to deny that the extreme right has any real hold in France, one would do better to understand the real position that Le Pen occupies on the political scene. Understanding the political localisation of such candidates and identifying them more accurately might enable us to identify the nature of the protest involved. This would also help in combating some of the ideas that these candidates purvey and avoid, in the future, similar results and the consequent 'honte de la France'.

### Notes:

1. Dr Wolfgang Hintze, Berlin, mimeo available on the Web, [www.wiskgenoot.nl/eurodiffusie/theorie/mischung.doc](http://www.wiskgenoot.nl/eurodiffusie/theorie/mischung.doc)
2. The Freiburg Euro-Coin Projects run by Dieter Stoyan at the Department of Mathematics, Freiburg University of Mining and Technology. There is a similar Dutch Belgium project called Euro Diffusion.
3. Grasland C., F Guerin-Pace and A Tostain, (2002), 'La circulation des euros, reflet de la mobilité des homes', *Population et Sociétés*, no. 384, Nov., pp. 1-4.
4. Laslier, J-F, (2002), 'Spatial approval voting', mimeo, Laboratoire d'econometrie, Ecole Polytechnique, Paris.

# More from the CMPO

*The Leverhulme Centre for Market and Public Organisation conducts research on the general theme of 'modernising government'. Issue 8 of the Centre's half-yearly bulletin, published this month and summarised here, provides a flavour of recent work.*

## Mummy's back

This April, a number of changes to the UK system of maternity rights come into effect that will substantially lengthen the periods of leave to which mothers are entitled. At present, mothers who fulfil the qualifying conditions are entitled to statutory maternity pay for 18 weeks following their child's birth; they are also guaranteed a return to their old job - the 'right of reinstatement' — for up to 29 weeks. The new legislation extends the length of these periods: from 18 to 26 weeks for paid leave and from 29 to 52 weeks for unpaid leave.

Research by Liz Washbrook and CMPO colleagues examines the effects of the current policy regime on the time at which mothers return to work and on their experiences in the labour market more generally. The results suggest that maternity rights substantially alter mothers' return times. Maternity pay has its greatest impact on women in less skilled occupations, allowing them to remain at home for longer without suffering a sharp drop in income. Women, for whom longer-term career considerations outweigh immediate financial concerns, are most affected by the terms of the right of reinstatement.

## Gender gap

National averages for GCSE exam results across all types of schools now consistently show girls outperforming boys. But do girls always do better than boys or does the gender gap widen as they approach 16? And does the type of school that boys and girls attend have any impact on their relative performance?

Research by Adele Atkinson and Deborah Wilson uses a national matched dataset — the results of the cohort of pupils in English secondary schools who sat Key Stage 3 tests at age 14 in 1997 and GCSE exams at age 16 in 1999 — to address these questions. The results suggest that the gender gap does indeed widen as children get older. Furthermore, measures of the 'value-added' that schools provide for their pupils indicate that grammar schools do little better in helping boys catch up than other types of school.

## Death and the market

Internal markets in public services — in which publicly owned providers compete with each other to supply services bought by publicly funded purchasers — are supposed to offer efficiency gains in service delivery while maintaining the benefits of public funding. The Conservative government was a strong proponent, introducing internal markets into health care, education, social services and housing. And while the incoming

Labour government officially eschewed the internal market in the NHS (claiming that it would lead to a two-tier system), the purchaser-provider split that is central to an internal market still remains. What is more, the creation of foundation hospitals seems set to herald an increase in the extent of competition between suppliers within the NHS.

Yet despite all the political rhetoric about the merits and demerits of the internal market in health, there is little evidence on the effect of competition in the internal market on quality. The evidence we do have comes from case studies, covering a limited number of providers and purchasers and for limited periods of time. Research by CMPO Director Carol Propper and some of her colleagues takes a different tack, examining the relationship between competition and quality of health care for all acute hospitals in the UK from the beginning of the market in 1991 until 1999.

The research team measures quality of care with an indicator used widely in the United States and now in the UK to assess hospital quality: the rate of deaths from emergency admissions for heart attacks (AMI). Their central finding is that competition is associated with higher death rates: in other words, competition is associated with lower quality.

## Equal opportunities

Women tend to have less costly car accidents than men. Thanks to competition between insurance companies, this difference is reflected in premiums. But should such gender discrimination be legal? If so, does it follow that the disabled should pay higher premiums than the rest of the population? What if there is solid evidence of racial differences in accident rates? Or of differences in people's credit rating affecting their likelihood of having an accident?

Related questions arise in credit and employment markets. Indeed, all sorts of companies are increasingly using sophisticated methods to predict how individuals will perform. For example, banks use statistical analysis to distil an array of personal information into a single 'credit score'. This is used to determine whether to grant a loan, how large it should be and the interest rate to charge. Discrimination is not based on prejudice but fact.

So to what extent should banks, insurance companies and employers be able to use personal information about the people whom they lend to, insure or employ in setting the terms of the contract? David de Meza uses economic analysis to make the case for equal treatment, and argues that this is a more effective method of redistribution from the able to the less able than a progressive income tax system.

# Correspondence

## Cheap talk about fairness

Sir,

The past issues of the *Newsletter* have seen an interesting discussion between Sir Alan Budd and Professor Bryan Caplan on issues concerning the communication between economists and the public. Among the points under consideration was the question with what authority and determinateness economists should act in public discussions about 'correct' economic policies. In his plea for less modesty on the part of economists Professor Caplan argued (*Newsletter* no.119, October 2003) against the — as he sees it — 'wrong' tendency of economists to pay too much attention to non-economic values and aspirations. As an example he takes the objections against some economic proposals because they are regarded as 'unfair to the poor'. In dealing with this case Professor Caplan does not discuss such obvious questions as (a) whether economists should not care about non-economic values and consequences *qua* economists, or (b) whether they should critically investigate how far 'fairness' is actually involved. Rather he insinuates that economists along with other people bother about fairness to the poor (or generally) mainly because it makes them 'feel good' morally. (John Rawls must have felt very good!). 'Proclaiming your devotion to fairness', he writes, 'is a low-cost source of self-esteem'. From this it follows that 'rather than to placate those who claim to put lexicographic value on "fairness to the poor", economists should emphasize that this is not only cheap talk, but cheap talk with heavy negative externalities in terms of policy'.

This argumentation seems to me to be grossly unfair to the people demanding 'fairness'. While it may be cheap talk for some people, it may mean a lot to others. Economists are not called upon to decide this question. Their dominant value (if they want to make normative statements or give policy advice) is 'efficiency' in the allocation of resources in market transactions. As experts in this field they can show how far this efficiency is helped or hindered by the values and demands coming from social and other non-economic values and considerations. The final policy decisions and the trade-off between conflicting aspirations are a matter for societal consideration. Economists should not claim superior expertness for the final decision.

*Kurt W. Rothschild,  
Professor Emeritus,  
University of Linz, Austria.*

## Public Economics Working Group

The format of the public economics working group meetings changed during 2002. It now has two 'weekend' meetings a year (instead of one weekend meeting and several one-day meetings in London). One of these weekend meetings will be held in Warwick each Spring. The other, held in the autumn, will move around different locations. The first of these was hosted by CMPO in Bristol in December. Suggestions for the location of future meetings are very welcome.

Further information is available from Alistair Munro at the University of East Anglia (a.a.munro@uea.ac.uk).

## More publications on-line

The **Overseas Development Institute**, a leading think-tank on international development and humanitarian issues, publishes a wide range of research material — working papers, briefing papers, books and journals. Much of this material is now downloadable from its website at: [www.odi.org.uk/publications](http://www.odi.org.uk/publications)

The **Institute for Fiscal Studies (IFS)** also disseminates much of its research output via the internet. January publications on topical issues include: 'Retirement, pensions and the adequacy of saving' and 'The tax and benefit system and the decision to invest in a stakeholder pension'. The address is: [www.ifs.org.uk](http://www.ifs.org.uk)

## New data service launched

The new Economic and Social Data Service is launched this month. Funded jointly by the ESRC and JISC the service will involve collaboration between four sites. The Large-scale Government Data function will be based at the Cathie Marsh Centre for Census and Survey Research. The International Data Service will be hosted by Manchester Information and Associated Services. The operation of the new Longitudinal Data Service will be shared between the ULSC at Essex University's Institute for Social and Economic Research and the UK Data Archive. The latter will also be responsible for the Qualitative Data Service and the Data Archiving and Dissemination Service.

The main aims of the new service are to promote wider and more informed use of data for research and teaching and to enhance the underlying data sources through the development of value added sources.

Further details, including progress on the establishment of user forums, will be published in the coming months. Updates can be found at: [www.data-archive.ac.uk](http://www.data-archive.ac.uk)

# Annual Public Lecture

*The Royal Economic Society launched its series of annual public lectures in December 2001. This year's lecture, entitled 'Is Economic Growth Good for Us?' was given by Nick Crafts, Professor of Economic History at the London School of Economics. Jane Howells reports on the event.*

**A**LMOST 1500 PEOPLE enjoyed the three stimulating and entertaining presentations by Professor Nick Crafts of this year's RES public lecture entitled 'Is Economic Growth Good for Us?' held in Manchester on 2 December, and in Glasgow and in London on the following two days. Nick Crafts, Professor of Economic History at the LSE, is renowned as a communicator, and he demonstrated his skill of discussing theoretical and practical issues for an audience of eminent economists, sixth form students, and interested members of the public. The prestige locations added both to the atmosphere and the standing of this, the second in the new series of lectures launched last year.

## Growth and its benefits

Professor Crafts raised three issues and used the lecture to discuss them, in answer to the question in the lecture's title.

- Has the quality of life improved over time? An emphatic 'Yes' was Craft's reply. Life expectancy at birth has risen from 41.3 in 1870 to 77.1 in 1998. Only 26 per cent of men born in 1901 could expect to live to retirement and then expect less than one year of leisure; boys born in 2001 can look forward to 16.7 years of retirement, and 88 per cent of them will reach that stage in their lives. Further benefits are big increases in years of schooling, and in the purchasing power of an hour's work, together with a reduction of nearly 50% in the average yearly hours worked.

- What has technological progress contributed to well-being? 'A great deal' is the answer. Technological progress has raised productivity and wages, and has not necessarily been followed by higher levels of unemployment. It has delivered a huge variety of new goods and services, and contributed to a longer life in good health for most of the UK population. Half the things we spend our money on today were not available in 1870, from air-travel to zip fasteners. The reduction in household drudgery has affected working class women more than their middle and upper class sisters. And appreciation of different developments has varied with age-groups, the not-so-young amongst us will perhaps place more emphasis on the invention of replacement hip joints than text-messaging! Faced with the choice, which would you prefer — today's health conditions with material consumption of the mid-20th century, or today's material consumption with the health conditions of fifty years ago?

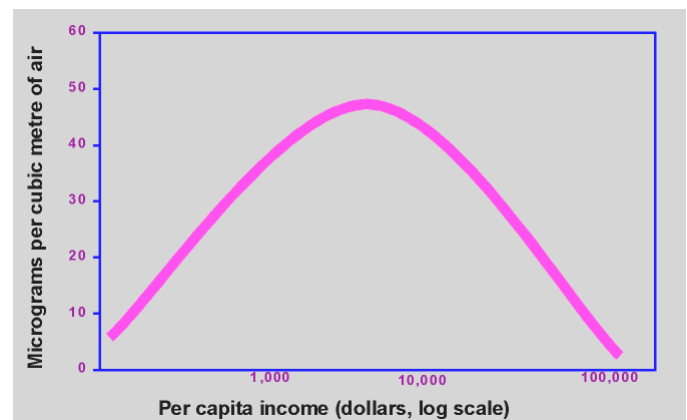
## Growth Rates (% per year, per person)

Real GDP	
1950-73	2.4
1973-98	1.8
Green NNP	
1950-73	2.8
1973-98	2.3

Source: Crafts (2002)

- Do the National Accounts exaggerate the rate of economic growth? 'No, in many ways they underestimate growth, and alternative approaches can give dramatically different results.' Growth rates adjusted for longer life are three times higher for the period 1870 to 1950, 1.33 times greater for 1950 to 1973 and double for 1973-1998. Technological gains in health care are ignored by national accounts; the average benefits of medical spending are very large relative to costs, perhaps 3 to 1. Professor Crafts introduced the notion of Green NNP as a preferable measure of sustainable income, pointing out that pollution levels do not necessarily increase with growth, and he suggested that policy on emissions should address market failure directly rather than attempt to control pollution by suppressing growth.

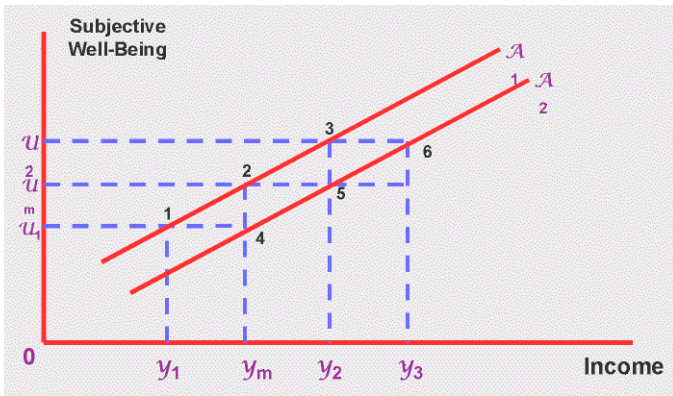
## Urban Concentrations of Sulphur Dioxide



## So why aren't we happier?

Enjoyment from economic growth raises the paradox that one would expect income to be positively correlated with happiness, but work by Andrew Oswald and others (1997, 2002) suggests that happiness has remained constant while incomes have grown substantially. The resolution of the paradox appears to lie with the twin facts that people's sense of well-being depends heavily upon their perception of their *relative* position and also that material aspirations rise as fast as income in the long run (moving from  $A_1$  to  $A_2$  below, for example).

### Subjective well-being ( $u$ ) as a Function of Income ( $y$ ) and Aspiration Level ( $A$ )



To paraphrase another of Craft's slides, cross-section data counts for more than time series when it comes to how we *feel*.

So, overall economic growth is good for us, we have benefited in many ways not recognised by some commentators, and not fully measured by orthodox national income statistics. We can look forward to a longer, healthier life to enjoy an increasing variety of goods and services in a better environment.

But, of course, one measure of a good lecture is that it challenges its listeners. At the Royal Institution in London, for example, contributions from the audience, both young and old, questioned Professor Crafts on issues of inequality, on the global impact of growth, the timing of raised aspirations, and several aspects of the policy implications of his proposals.

Professor Crafts was introduced by RES Vice-President (and former President) Jim Mirrlees. The local organiser in London was Eleanor Burke and in Manchester and Glasgow, Jenny Wraggle and Elizabeth Bremner respectively. The lecture series is one of the outputs of the RES sub-committee on the public profile of the economics profession chaired by Barry McCormick, University of Southampton.

#### References:

Oswald A J (1997) 'Happiness and Economic Performance', *Economic Journal*, 107, 1815-31.

Blanchflower D G and Oswald A J (2003) 'Well-Being Over Time in Britain and the USA', *Journal of Public Economics*, forthcoming.

## Loughborough wins esteemed banking prize

The Islamic Development Bank Prize in Islamic Banking has been awarded to Professor John Presley at Loughborough University.

The prize was instituted by the IDB in order to honour, reward and encourage outstanding and innovative work on Islamic banking and economics. The award is made on the decision of the IDB board which consists of the Finance Ministers and Central Bank Governors of 53 Islamic countries.

John Presley was commended for his pioneering efforts to promote the understanding of Islamic banking and finance through his own research and through the Master's programme at Loughborough.

## From the ESRC —

### New Chief Executive

Professor Ian Diamond has been appointed as the new Chief Executive of the ESRC. Professor Diamond will take up his post on 1 January 2003 for a period of four years. He is currently Deputy Vice-chancellor of the University of Southampton and former Dean of the Faculty of Social Sciences. He researches on both methodological and substantive topics. Methodological topics include notably, statistical demography, multilevel modelling and population estimates.

### Engaging With Local Communities

The Centre for Social Justice, at Coventry University, will be holding its Annual Conference in the Techno Centre, Coventry on 30 April 2003 and would like to receive abstracts in the following areas: developing research relationships in local communities; defining the research agenda; and debating the impact of politics. For further information contact Karen Carlyon, Centre for Social Justice, Coventry University by email at [k.carlyon@coventry.ac.uk](mailto:k.carlyon@coventry.ac.uk) or by telephone on 024 76888121.

### BRASS opened by Prince of Wales

His Royal Highness the Prince of Wales opened the Centre for Business Relationships, Accountability, Sustainability and Society (BRASS) on 22nd November 2002 at Cardiff University. The research centre, which is funded by a £3.1m award from the ESRC, will focus on the issues of business sustainability and social responsibility. It is the only ESRC centre in Wales.

More news from the ESRC can be found at: [www.ESRC.ac.uk](http://www.ESRC.ac.uk)

# RES News Items

## Annual General Meeting

The Annual General Meeting of the Royal Economic Society will be held on **Tuesday 8 April 2003** at the University of Warwick. Papers for the meeting will be circulated with the February issue of the *Economic Journal*.

## One-year junior fellowship scheme academic year 2003/2004

The Society is proposing to award a small number of one-year junior fellowships, tenable in UK universities, to postgraduate students who have completed at least two years of their doctoral studies. Those awarded fellowships will be expected to undertake 60-80 hours teaching in their Universities during the academic year while continuing with their doctoral research. Those who have already completed their doctorate may also be considered.

Heads of University Departments of Economics in the UK are being invited to put forward candidates for these fellowships. The closing date for applications is **7 April 2003**.

Students interested in the fellowships should contact their Head of Department, from whom further information can be obtained.

**Postgraduate students should not make direct application to the Society.**

## Public lectures - University of Nottingham

*Leverhulme Globalisation Lectures* will be held at the University of Nottingham as follows:

### **An Economic Perspective on Transnational Terrorism**

presented by Professor Todd Sandler,  
University of Southern California,  
Monday 17th March 2003 at 17.00

### **How Financial Integration Today Differs from that of a Century Ago**

presented by Martin Wolf, Associate Editor  
and Chief Economics Commentator, Financial Times,  
Wednesday 30th April 2003 at 17.00

No tickets required. All welcome. Details available from [sue.berry@nottingham.ac.uk](mailto:sue.berry@nottingham.ac.uk)

## 2003 Easter School in Econometrics University of Oxford

The third in the new series of Royal Economic Society Easter Schools will be held at Nuffield College, University of Oxford from **7th April to 11th April 2003** (inclusive).

The subject is:

### **Linear and non-linear modelling of non-stationary multivariate time series with economic illustrations**

presented by

**Søren Johansen - University of Copenhagen**  
**Anders Rahbek - University of Copenhagen**

The Easter School in Econometrics is funded by the Royal Economic Society and the Economic and Social Research Council. It is intended primarily for advanced post-graduate students, but is also open to recently-appointed members of the teaching and research staff. The purpose is to enable participants to become acquainted with the latest developments in the selected field of economics, to have the opportunity for study and discussion with two leading authorities in this field, and to meet other graduate students.

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 a c.v. and a brief description of research area and e-mail address of your Head of Department and also your supervisor if you are a research student.. Applications should be submitted not later than **1 February 2003** to

Ms Maxine Collett  
RES Easter School 2003  
Nuffield College  
Oxford OX1 1NF  
[maxine.collett@nuffield.oxford.ac.uk](mailto:maxine.collett@nuffield.oxford.ac.uk)

If you wish to apply for a funded place your application should be supported by a letter of reference from your supervisor if you are a student and otherwise from the Head of Department. The letter of recommendation should be sent directly to Maxine Collett at above address.

Further information can be found on  
[www.nuff.ox.ac.uk/users/nielsen/res/easterschool2003.html](http://www.nuff.ox.ac.uk/users/nielsen/res/easterschool2003.html)

## 2003 Annual Conference

The 2003 Annual Conference will be held at the  
University of Warwick  
from Monday 7 to Wednesday 9 April

### Keynote speakers

#### *Sargan Lecture*

Professor Joshua Angrist (MIT)

#### *Hahn Lecture*

Professor James Poterba (MIT)

#### *Economic Journal Lecture*

Professor Steven Levitt (Chicago)

Further information about the conference arrangements may be obtained from:

Dr Wiji Arulampalam, Local Organiser, RES Conference 2003, Department of Economics,  
University of Warwick, Coventry CV4 7AL. Tel: 024 7652 3471 Fax: 024 7652 3032.  
E-mail: [res2003@warwick.ac.uk](mailto:res2003@warwick.ac.uk) Internet: [www.res.org.uk/conf.html](http://www.res.org.uk/conf.html)

### 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.

### Support for small academic expenses

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

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

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

### Other announcements

#### Back copies of the *Economic Journal*

An RES member with an almost complete set of issues of the *Economic Journal* since about 1970 would be happy to donate the collection, and transmit future issues, to any worthy institution where they would find a useful home. Please contact Andrew Dean at the following e-mail address: [andrew.dean@oecd.org](mailto:andrew.dean@oecd.org)

#### *Baltic Journal of Economics* - call for papers

The *Baltic Journal of Economics* is a scientific journal published by EuroFaculty and refereed by international recognized scientific standards. The *Journal* is intended to provide a publication medium for original research in economics for scholars working in the Baltic States or with topics relevant for the Baltic States or to transition economies in general.

Papers may be theoretical, empirical or political economy in their emphasis. Papers with policy relevance or which combine economic theory with empirical findings are particularly welcome.

The *Journal* will stimulate a dialogue between social scientists, policy makers as well as other decision makers involved with economic development in the Baltic States. In order to make the journal relevant to a wide audience of academics trained in social science the articles should be presented in a form where explanations and the intuition behind the conclusions should be given priority above technical derivations.

The *Journal* is published twice per year. To submit a paper, please send the paper electronically, in any format, to: [bje@eurofaculty.lv](mailto:bje@eurofaculty.lv) Volume 3, Number 1 will be available online from January 2003 ([www.eurofaculty.lv/bje](http://www.eurofaculty.lv/bje)).

# Conference Diary

2003

january

31 January

London

*International conference on **Stock Market Fluctuations and Economic Growth Prospects** to be held at London Metropolitan University. The conference aims to bring together a distinguished panel of experts from International banks, Universities and Research Institutes to examine the potential effects of Stock Price Movements on Future Economic Activity in Western economies.*

*Further information from:* Professor Nicholas Sarantis, Centre for International Capital Markets, Department of Economics, Finance and International Business, London Metropolitan University, 31 Jewry Street, London EC3N 2EY. Tel: 020 7320 3079. E-mail: n.sarantis@londonmet.ac.uk. Application forms from: Sue Wharton, Tel.: 020 7320 1433 E-mail: scu-nit@lgu.ac.uk

30 January - 1 February

Paris, France

*Seventh annual conference of the **European Society for the History of Economic Thought (ESHET)** to be held at the Université de Paris-1. The theme will be: The Economic Agent: Theory and History.*

*Further information from:* phare@univ-paris1.fr  
Internet: <http://phare.univ-paris1.fr/ESHET/call.html>

february

12-15 February

Tenerife, Spain

*Fifth international conference of the **European Society for Ecological Economics**.*

*Further information from:* Internet: <http://www.euroecolecon.org/frontiers/>

march

23-23 March

Milan, Italy

*International conference on **The Paradoxes of Happiness in Economics** organized by the Department of Economics, University of Milano-Bicocca.*

*Further information from:* Dr Luigino Bruni, Dipartimento di Economia Politica Università di Milano-Bicocca, Piazza dell'Ateneo Nuovo, 1 20126 Milano, Italy. E-mail: luigino.bruni@unimib.it  
Internet: <http://dipeco.economia.unimib.it>

26-27 March

Tokyo, Japan

*Conference on **Spatial Inequality in Asia** to be held at the United Nations University in Tokyo.*

*Further information from:* Internet: <http://www.wider.unu.edu>

april

4-5 April

Boston, USA

*First conference of the **International Industrial Organization**. The conference will include keynote speakers, panel discussions, and contributed sessions on all topics and from all perspectives of industrial organization.*

*Further information from:* Suzanne Robblee. Tel: 617 373 2887 E-mail: su.robblee@neu.edu Internet: [www.ios.neu.edu](http://www.ios.neu.edu)

7-9 April

Warwick

*Annual conference of the **Royal Economic Society** to be held at the University of Warwick. See page 20 for further details.*

*Further information from:* Internet: [www.res.org.uk/conf.html](http://www.res.org.uk/conf.html)

10 April

Nottingham

*Second annual Postgraduate Conference* to be held at the University of Nottingham. The purpose of the conference is to offer PhD students from UK and non-UK Universities the opportunity to present papers from their research to an audience of PhD students working in similar fields. Presenters will benefit from having established researchers acting as discussants.

*Further information from:* Dr Daniel Mirza, School of Economics, University of Nottingham, Nottingham NG7 2RD. E-mail: daniel.mirza@nottingham.ac.uk

14-19 April

Plymouth

*Annual conference* of the **Agricultural Economics Society** to be held at the University of Plymouth.

*Further information from:* Dr Deb Roberts, Arkleton Centre for Rural Development Research, University of Aberdeen, St. Mary's, Aberdeen AB24 3UF. Tel: 01224 273901 Fax: 01224 273902 E-mail: deb.roberts@abdn.ac.uk Internet: www.aes.ac.uk/confer.htm

30 April

Coventry

*Annual conference* of the **Centre for Social Justice** to be held at the Techno Centre, Coventry. Abstracts are invited in the following areas: developing research relationships in local communities; defining the research agenda; and debating the impact of politics

*Further information from:* Karen Carlyon, Centre for Social Justice, Coventry University. Tel: 024 76888121. E-mail: k.carlyon@coventry.ac.uk

may

9-14 May

Spa, Belgium

*EURESCO conference* on **Socio-Economic Research and Geographic Information Systems**.

*Further information from:* E-mail: euresco@esf.org  
Internet: http://www.esf.org/euresco

30-31 May

Helsinki, Finland

*International conference* on **Inequality, Poverty and Human Well-Being** to be held at the United Nations University.

*Further information from:* E-mail: global@wider.unu.edu  
Internet: www.wider.unu.edu

june

12-16 June

Bad Herrenhalb, Germany

*EURESCO conference* on **Vertical Markets and Cooperative Hierarchies: The Role of Cooperatives in the International Agri-Food Industry**.

*Further information from:* E-mail: euresco@esf.org  
Internet: http://www.esf.org/euresco

13-15 June

New York, USA

CALL FOR PAPERS

*Seventeenth annual conference* of the **European Society for Population Economics** to be held at New York University. Submissions (including abstract), should be sent by e-mail by 1 February 2003 to gsas.econ.espe2003@nyu.edu

*Further information from:* Internet: www.espe.org

19-24 June

Spa, Belgium

*EURESCO conference* on **The Second Demographic Transition in Europe**.

*Further information from:* E-mail: euresco@esf.org  
Internet: http://www.esf.org/euresco

21-26 June

Acquafredda di Maratea, Italy

*EURESCO conference* on **European Integration: Regional, National and Supranational Factors in the Building of an European Identity**.

*Further information from:* E-mail: euresco@esf.org  
Internet: http://www.esf.org/euresco

26-28 June

Vienna, Austria

CALL FOR PAPERS

*First international conference* on **Economics and Management of Networks** to be held at the University of

Vienna. The purpose of the conference is to provide an international discussion forum for the research in economics and management of franchising networks. Those wishing to present a paper should send a 1 page abstract and response form by 15 March 2003 to Josef Windsperger, University of Vienna, Center for Business Studies, Brünner Str. 72, A-1210 Vienna, Austria (or by Fax to 00431-4277-38174).

*Further information from:* Josef Windsperger at the address above. Internet: [www.univie.ac.at/EMNET](http://www.univie.ac.at/EMNET)

## august

*27-30 August* *Jyväskylä, Finland*

*Forty-third congress of the European Regional Science Association (ERSA)* to be held at the University of Jyväskylä.

*Further information from:* [www.jyu.fi/ersa2003](http://www.jyu.fi/ersa2003)

## september

*3-5 September* *Leeds*

### CALL FOR PAPERS

*Annual conference on the History of Economic Thought* to be held at the University of Leeds. Abstracts (300 words) should be e-mailed to the conference chairperson Giuseppe Fontana at the address below. Please put 'HistEcon03Abstract' in the subject box.

*Further information from:* Giuseppe Fontana, Chairperson 2003 HET Annual Conference, Leeds University Business School, Maurice Keyworth Building, University of Leeds, Leeds LS2 9JT. Tel: 0113 343503. Fax: 0113 343465. E-mail: [gf@lubs.leeds.ac.uk](mailto:gf@lubs.leeds.ac.uk)

*20-24 September*

*Helsinki, Finland*

*EURESCO conference on European Societies or European Society: Institutions and Inequality.*

*Further information from:* E-mail: [euresco@esf.org](mailto:euresco@esf.org)  
Internet: <http://www.esf.org/euresco>

*26 September*

*Cambridge*

*Centenary conference* for Alumni of the **Cambridge Economics Tripos** and their former teachers. Speakers to include Amartya Sen\*, Andrew Turnbull, Bob Solow, Eddie George\*, Geoff Harcourt and Martin Wolf (\*provisional). Open to Tripos Alumni and their teachers.

*Further information from:* Brian Holley, E-mail: [brian.holley@econ.cam.ac.uk](mailto:brian.holley@econ.cam.ac.uk) ('Centenary conference' in subject field).

## october

*8-10 October*

*Strasbourg, France*

*Fifth European Transport Conference of the Association for European Transport.*

*Further information from:* Sally Scarlett, Association for European Transport, c/o PTRC, 1 Vernon Mews, Vernon Street, London W14 0RL. Tel: 020 7348 1978 Fax: 020 7348 1989 E-mail: [info@aetransport.co.uk](mailto:info@aetransport.co.uk) Internet: [www.aetransport.co.uk](http://www.aetransport.co.uk)

*18-23 October*

*Albufeira, Portugal*

*EURESCO conference on Europe under Dictatorship: Economic Control and Law..*

*Further information from:* E-mail: [euresco@esf.org](mailto:euresco@esf.org)  
Internet: <http://www.esf.org/euresco>

# Membership of the Royal Economic Society

*Membership is open to anyone with an active interest in economic matters.*

*The benefits of membership include:*

- Copies of the *Economic Journal*, the journal of the society, eight times a year.

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

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

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

- Membership of Directory on-line.

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

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

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

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

## Membership rates for 2003 are £45 (\$65) \*

There is a reduced rate of £22.50 (\$36) for members who reside in developing countries (with per capita incomes below US\$500) and for retired members. A special offer of three years membership for the price of one at this reduced rate is available to full-time students who join the Society for the first time in 2003. Details and application form are available from:

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

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

\* All customers in the EU should add 5 per cent VAT to these prices or provide a VAT registration number or evidence of entitlement to exemption. Canadian customers please add 7% GST or provide evidence of exemption.

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

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Occupation..... Date.....