ROYAL ECONOMIC SOCIETY

NEWSLETTER

Issue no. 148 *January 2010*

ROYAL ECONOMIC SOCIETY

Overcrowding again

It is a feature of the January issue that it is dominated by regular features. Indeed, there are so many features that fall due in January that it is becoming difficult to include discretionary items and it sometimes requires last minute trimming of contributions. So we begin a new decade with apologies to contributors who may find that their piece is a bit shorter than they intended. Fortunately, we have managed to squeeze in the RES Women's Committee report on their 2008 survey. The main finding is that there has been a slight increase in the overall proportion of women among academic economists, especially amongst Professors. This continues an established trend, but the rate of progress is painstakingly slow. Interestingly, the survey shows that women are more strongly represented in research posts than they are in standard academic jobs.

Readers will remember that the October issue included a number of items reflecting on the training of UK economists. This was led by a piece from Andy Ross at the Government Economic Service, reporting on shortcomings that the GES finds in candidates presenting for interview. We are told that some reactions have been received but this a call for more. Anyone with a reaction to Andy's piece (or to the broader issue of economists' training) should get in touch with him. The email address is: Andrew.Ross@hmtreasury.gsi.gov.uk

Members of the Society will wish to read the two announcements from the Secretary-General, John Beath, on p.23.

In this issue —

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NEWSLETTER

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Next issue

Newsletter No. 149

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

15 March 2010

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

16 March 2010

Contributions from readers

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

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

Visit our website at:

www.res.org.uk

The Economic Journal

—Editors' Report

The Managing Editors make their Annual Report to the Council of the Royal Economic Society in November. The 2009 Report was presented on their behalf by Andrew Scott. A shortened version appears below.

Introduction - the changing world of journals?

External events

The extraordinary financial market events of the past two years have led to widespread debate and questioning of the state of economics, particularly in macroeconomics. Economics has been accused of being narrow minded, obsessively technical, blind to the importance of history and the wider social sciences and having become too far removed from the intelligent lay reader. Many commentators lament how when Keynes edited *The Economic Journal* it was intelligible to many and how we should move away from technical exactitude to broader insights.

There are undoubtedly many important lessons to be learnt from the crisis and I look forward eagerly to how a new and energetic research agenda will be displayed in the pages of *The Economic Journal* and elsewhere. I think the crisis has revealed many areas in economic research where our portfolio of activities was balanced incorrectly and I welcome that shift. As an editor I also look forward to receiving more papers where the questions posed are as important as the quality of the answers provided and publishing papers which generate interest even though they may not be the final word on a topic. Further as a profession I think we should welcome the huge stimulus to public interest in our subject and do much better at communicating, teaching and explaining our insights and ways of thinking beyond our narrow professional class.

However I also feel that the criticism of the profession and its journals is often aimed at a strawman. Looking through recent years of *The Economic Journal* I see a range of intellectual viewpoints and methodologies displayed. History, behaviouralism and experiments are well represented. Macro models with learning, multiple equilibria and heterogeneity are also there along with more mainstream fare. I am confident that the pages of The Economic Journal will show changes as a result of the crisis but I do not believe we need a radical departure. *The Economic Journal* has always been a broad church and I hope it continues to be so.

Like most academic journals I suspect *The Economic Journal* will continue to be a demanding read for the intelligent layman. I doubt progress can be made in any discipline without this being the case. At the same time as a largely unpredicted economic crisis occurred whose scale, reach and duration has proved hard to pin down and whose consequences are potentially enormous the medical profession has been wrestling with exactly the same set of issues due to the H1N1 virus. Interestingly the medical profession has not been criticised for its over reliance on technique, there have been no demands for medical journals to be accessible to the layman or to jettison years of recent research and to go back to reading Malthus.

The journal industry

The world of academic journals is a relatively conservative one. Technology has affected how editors process submissions and is increasingly affecting how subscribers access the journal. However surprisingly few changes have been made to the structure of the author-editor-journal nexus and little use has been made of the networking features of the web. The main development has been less a product of technology but instead a proliferation in the number of journals as the size of the profession grows alongside the importance of publishing. Historically this has produced an increase in field journals but more recently some of the top general journals (*Econometrica* and *American Economic Review*) have launched associated field journals.

It is too early to tell what the full impact of these changes will be on *The Economic Journal* but to date the outcomes seem positive. We continue to use technology to produce rapid turnaround time for authors and believe that our performance compares favourably with the industry. Our level of submissions and their composition remains effectively unchanged from a year earlier suggesting no impact to date from the new journals. The editorial team feel that we continue to receive a number of strong submissions and despite publishing more papers last year our citation impact increased to its highest ever level.

Progress over the year

Submissions

Over the last year (1st July 2008 to 30th June 2009) we received a total of 702 submitted papers. This number has been near constant for the last three years suggesting that our earlier surge in submissions has now levelled off. It may be that the constancy of overall submissions reveals the impact of the launch of the new journals.

What is striking comparing the statistics with the previous year is how hardly anything has been affected — geographical distribution and field categories have remained

Table 1: Geographical distribution of submissions 2003 - June 2009

Region	*1 July 2008 - 30 June 2009*	*1 July 2007 - 30 June 2008*	*1 July 2006 - 30 June 2007*	*1 July 2005- 30 June 2006*
UK	106 (15%)	106 (15%)	127 (18%)	110 (17%)
USA & Canada	206 (29%)	205 (29%)	202 (29%)	213 (33%)
USA	181	180	182	188
Canada	25	25	20	25
Europe	278 (40%)	277 (40%)	259 (37%)	224 (35%)
Belgium	9	8	12	11
France	22	21	26	18
Germany	55	55	46	52
Italy	42	44	37	24
Netherlands	36	30	26	28
Scandinavia	43	49	47	35
Spain	28	28	24	20
Other	43	42	41	36
Other	112 (16%)	112 (16%)	116 (16%)	95 (15%)
Australia/NZ	19	20	15	16
China/ HK	15	13	25	18
India	2	3	4	4
Israel	13	14	12	12
Japan	16	16	25	14
Other	47	46	35	31
Total	702	700	704	642

essentially unchanged. Approximately 40 per cent of our submissions are from Continental Europe, 30 per cent from the USA and 15 per cent from the UK. Micro, labour, money/macro and international are our four largest fields in terms of submissions.

Editorial processing time

The Economic Journal continues to provide rapid turn-around time. The average turnaround time for papers is approximately 10 weeks. Around 55 per cent (51 per cent the previous year) of papers are dealt with by Editors alone and these are papers where a decision is normally made within two weeks of submission. Editorial rejects is a broad category that includes both papers where a standard rejection is issued but also a growing proportion of letters where the Editor offers some feedback on the paper. This feedback varies from a few paragraphs to a few pages.

The improvement in turnaround time is not solely due to an increase in Editorial rejects. We have also made further progress in reducing the number of papers where a decision takes more than 6 months. This is now down to only 6 per cent of total submissions.

Acceptances

Over the past year we accepted a total of 49 papers which if we compare with the 702 submissions received in the year gives a naïve measure of an acceptance rate of 7 per cent. The previous year we accepted 74 papers out of 700 — it seems to be getting harder to publish in *The Economic Journal*.

Innovations

We have now implemented two previously announced changes. The first of these we encourage you to draw to the attention of as many authors as you can. When submitting a paper to *The Economic Journal* we encourage authors to attach editorial letters and referee reports from previous journals. Many authors comment on how they have been unlucky at previous journals and it seems wrong to throw this information away. Further papers are often improved by referee reports from rejecting journals and this information can usefully support a submission. It is still early days for this new procedure but we are finding that it helps speed significantly the processing of papers. We reserve of course the right to editorially reject papers and choose our own referees but believe this innovation has important efficiency gains in valuing papers and speeding up the submission process.

The second innovation is the scrapping of payments for referee reports and their replacement with 10 annual prizes worth £500 each for the best referee reports received. This change has not been made in order to speed up referees but to acknowledge the hard work that some

Table 2: Turnaround statistics

	1 July 08 - 30 June 09	*1 July 07 - 30 June 08*	*1 July 06 - 30 June 07*	*1 July 05 - 30 June 06*	*1 July 04 - 30 June 05*
New Submissions Received	709	703	716	642	627
Papers Withdrawn	7	3	12	2	4
Dealt with by editors alone	383(55%)	358(51%)	266(37%)	217 (34%)	182 (29%)
Sent to Referee:	319	342	438	423	441
Time distribution for receipt of referee's report — Returned within:					
1 Month	21%	16%	16%	18%	18%
2 Months	29%	35%	35%	37%	35%
3 Months	34%	32%	29%	28%	27%
4 Months	11%	12%	12%	10%	10%
Even Longer	5%	5%	8%	7%	10%
Average Length of:	8.6 weeks*	8.8 wks*	9 wks*	8.6 wks	9 wks
Time Distribution for all submissions — excluding withdrawals					
	602**	700	704	640	623
0-1 month	59% (398)	50%	38%	36%	24%
1-2 months	3% (21)	4%	4%	4%	3%
2-3 months	7% (49)	9.5%	8%	8%	9%
3-4 months	10% (66)	13%	10%	10%	11%
4-5 months	9% (59)	8%	11%	9%	13%
5-6 months	5% (36)	6.5%	8%	10%	8%
Even Longer	6% (40)	9%	22%	23%	32%
Average	9.6 weeks**	11 weeks	14.7 weeks	14 weeks	17 weeks

* as of 28 Sept 2009. Does not include referee report not yet/never received.
**as of 28 Sept 2009. 33 papers from April to June 09 still pending

referees put in but never benefit from because of anonymity. Given that often it is younger authors who are most conscientious with their reports we hope this recognition has some social value.

Rankings

The 2008 citation rankings showed an increase in our impact factor (citations made in 2008 to *EJ* papers published in 2006 and 2007) from 1.548 to 1.798. This was despite an increase of 21 in the number of papers published in the period compared to the year before. This citation is the highest ever for the *EJ* and gives us a ranking of 17 out of the sample of 207 journals covered.

Editorial changes

There were no changes in the main editorial board but due to our policy of rotation there were changes amongst the Associate Editors. We say farewell with thanks to George-Marios Angeletos, Jean Imbs, Monika Piazzesi, Morten Ravn, Ronny Razin and Leeat Yariv. We welcome on board Klaus Adam, Heski Bar-Isaac, Ben Lockwood, Silvana Tenreyro and Chris Wallace. Christian Dustmann and Ulrike Malmandier have kindly agreed to serve a second term.

Prizes and *EJ* lecture

The Royal Economic Society prize for the best paper published in 2008 was awarded to Glenn Rudebusch and Tao Wu for their article 'A Macro Finance Model of the Term Structure,, Monetary Policy and the Economy'. The Austin Robinson prize is awarded to the best paper published in the journal by author(s) within 5 years of graduating with a doctorate. The 20008 award went to Elias Papaioannou and Gregorios Siourounis for their paper 'Democratisation and Growth'.

The RES prize for 2009 will be announced soon and is to be decided by a committee of Professor Sir John Vickers, Professor Costas Meghir of University College, London and myself. The 2009 winner of the Austin Robinson is announced on p. 25 — this prize is selected by the Editorial team of the journal.

The *EJ* lecture at the RES Annual conference was presented by Professor Gilles Saint-Paul of Université des Sciences Sociales de Toulouse and was entitled 'Endogenous Indoctrination' and will be published in 2010.

Conference volume

Four years ago it was decided that the conference volume should be edited by selected members of the main Editorial Board of *The Economic Journal*. For the last three years this has been done by myself and Steve Machin. The idea was to better harmonise standards between the volume and regular issues and also offer papers which are promising but not ready for the conference volume the chance of a second round with the same referees and editors in the main journal. Because the conference volume is edited to the same standard as the regular issues the separate pagination was dropped.

This year we received a total of 60 submissions for the conference volume, including 3 invited lectures. (These submissions are not included in the statistical data in the Appendix.) This was a decline from 75 the previous year although with only 15 Editorial rejects compared with 33 the previous year it would seem that quality was unaffected. In fact we are pleased to announce that the quality was so strong that we accepted 15 papers and 1 further paper was asked to revise and resubmit. Given that we have space for only 13 papers in the regular issue two of these accepted papers will be published in the following issue. The fact that we can do so is evidence that the closer integration between journal and conference volume was a wise step.

The year ahead

The editorial board is now very experienced and the processing side of the submission process works extremely well with what we believe are impressive turnaround statistics compared to the professions' average.

We are as always committed to raising standards even further and given our healthy volume of submissions and accepted pipeline of papers we expect further reductions in our acceptance rate. As a journal we remain open to all our areas of economics and look forward to benefiting from any shifts in research focus that the events of the last two years produce. We hope that through continual innovation, such as accepting referee reports from past submissions, *The Economic Journal* can continue to prosper and improve its reputation.

Institutional subscriptions (at 15 September 2009)

Institutional subscriptions are currently 94.5 per cent renewed compared with the number of subscriptions at the end of 2008. We expect further renewals to be confirmed well into the final quarter of the year.

In addition to the above there are 70 reduced rate institutional subscriptions in China as part of the arrangement with the World Publishing Corporation (WPC) which is based in China and markets selected journals locally at a discounted rate. There were 77 in 2008.

Table 3: Institutional subscriptions

Region	*End Dec 2008*	*2009 as at 15.9.09*
UK	165	148
Europe	598	585
USA	562	538
Canada	58	56
Aus/NZ	65	60
Japan	260	245
China	67	69
Rest of World	370	325
Total	2145	2026

At the end of 2008 2,530 institutions worldwide offered access to the current volume of *The Economic Journal* as a result of sales of the Wiley-Blackwell Collection of journals to library consortia. The journal was also available in a further 1,546 institutions in the Developing World through philanthropic initiatives enabling low-cost or free access to scholarly research in the poorest countries.

The *EJ* continues to be available in many thousands of libraries worldwide through databases like EBSCO and JSTOR which provide access to back volumes of the journal. 3,369 libraries downloaded articles published in back volumes of the *EJ* via EBSCO databases in 2008.

As usual we will provide details of circulation throughout 2009 via the various online licences in our Publisher's Report early next year.

Membership (at 15 September 2009)

There are currently 2590 members compared with 3001 at the end of 2008. This represents a renewal rate of 86.3 per cent. We regularly see further growth in membership well

Table 4: Membership

Region	*End Dec 2008*	*2009 as at 15 Sept 09*
UK	1157	1012
Europe	821	650
USA and Canada	567	494
Japan	77	74
Rest of world incl Aus/NZ and China	379	360
Total	3001	2590

into the final quarter — 4 per cent increase in the period October-December 2008, 3 per cent in the period October - December in 2007 and 4.5 per cent in the same period in 2006.

Economic Journal — features

Report by Stephen Machin

Forthcoming Issues

Details of the February 2010 issue (provisional) are given below.

Current Stock of Features and Articles

In addition, we have a number of Features (3) and articles (14) currently in the refereeing process and have several Book Reviews taking place.

Process in Features Submission

The nature of Features is heterogeneous in that their submission and selection is considered through a number of routes. The process is normally that a Coordinator submits a possible Feature through a proposal with signed up authors and abstracts (sometimes, for example if the Feature arises from a conference, complete papers may be available). As Editor I then make a decision about proceeding to the refereeing stage, if necessary consulting with Associate Editors (if the academic content is removed from my areas of expertise).

Role of Submitted Offers

When a proposal moves to the refereeing stage, all papers are refereed and referees are asked to look at the whole Feature and to appraise is suitability or otherwise.This is quite onerous, and more so than the usual refereeing request, but my experience is that referees have been very willing. There is again heterogeneity in the outcome here. In some cases, all papers are published, in others only a sub-set and in other cases all papers are rejected.

Book Reviews

The plan at Features is to produce more substantive reviews of some of the more interesting and topical books being published in academic economics. We have been successful in publishing a number of these, but the process is very time consuming and heavy on the administrative side of things. This is because it takes a lot of time and effort to sign up reviewers for books as large numbers of potential reviewers do not seem prepared to do it and reject the offer. On average, to get three reviewers signed up we typically approach at least ten possible reviewers. In a few cases we have had to abandon the review that we were planning due to lack of success in this regard.

February 2010 Feature:

The Integration of Immigrants and Its Consequences

Introduction

Culture Clash or Culture Club? The Identity and Attitudes of Immigrants in Britain
— Alan Manning and Sanchari Roy

Immigrants' Identity, Economic Outcomes and the Transmission of Identity across Generations
— Teresa Casey and Christian Dustmann

Do Oppositional Identities Reduce Employment for Ethnic Minorities? Evidence from England
— Harminder Battu and Yves Zenou

The Economic Situation of Immigrants and their Children in France, Germany and the UK
— Yann Algan, Christian Dustmann, Albrecht Glitz and Alan Manning

Articles

Money and Information in a New Neoclassical Synthesis Framework
— Philip Arestis, Georgios Chortareas and John D Tsoukalas

Doctor Behaviour under a Pay for Performance Contract: Treating, Cheating and Case Finding?
— Hugh Gravelle, Matt Sutton and Ada Ma

Book Review Feature

Ken Binmore, *Rational Decisions* (Princeton U P)

Larry Blume (Cornell University)
Herb Gintis (Santa Fe Institute)

CHUDE response to REF consultation

CHUDE has responded to HEFCE’s invitation to consult on the format of the next research assessment process. The details will be posted on the RES website. The address is:

www.res.org.uk/society/chude.asp

Letter from France —

All well again on the finance front?

In another letter inspired by the recent crisis, Alan Kirman takes a look at the French origins of the efficient market hypothesis that has been one of its principal victims.

There were many things which would have made good subjects for this letter this year. There was the 'grand emprunt' the great public loan which was originally to have been a call to the French public to buy bonds to finance the projects which were to be specified before the bonds were issued. The government finally got cold feet and decided to raise the money, conventionally on the financial markets. The only difference in the end being that the funds raised in this way were to be attached to specific targets and ever since the government announced that some 11 billion of the 35 to be raised were to go to higher education there has been little criticism from academic economists. Another fascinating topic is provided by the rate of unemployment and the satisfaction in some quarters on seeing the US unemployment rate rise above that in France. More than one commentator has put this down to the rigidity of the French labour market which has suddenly become a source of self-satisfaction. However it is the financial crisis that will be the centre piece for this letter. This, not least because the financial sector seems to have decided that all is now well again and that we can go back to business as usual. You might well ask, what happened to the soul searching that was to take place in the financial sector and the demise of the Efficient Markets Hypothesis? Recall that in September 2008 Alan Greenspan,when talking about the hypothesis in question, declared to the finance committee of the House of Representatives that 'in the summer of 2008 the whole intellectual edifice collapsed'. In France the banks are back in fine form, not lending to many clients but certainly again paying large bonuses to their traders. Nicolas Sarkozy like Gordon Brown felt the heat of public opinion and decided to levy a substantial tax on all such payments. Nevertheless, the way in which the tax is to be imposed and the way in which the proceeds are to be used means that this is no more than a gesture to popular opinion.

> "In France the banks are back in fine form, not lending to many clients but certainly again paying large bonuses to their traders."

But what is interesting here is the peculiarly French story which underlies the origins of the Efficient Markets Hypothesis whose demise has been perhaps prematurely announced by Greenspan. The standard legend is that Bachelier developed the basis of the theory in his thesis and in so doing preceded the work of Einstein on Brownian motion. The legend continues saying that Bachelier made this step on his own, the originality of his work went unrecognised and unnoticed until the development of modern finance from the 50s onwards, first with optimal portfolio theory and then with option pricing. All of this happened after Bachelier's death in 1946 and so he went to his grave and never lived to see the glory which should have been his right. He was poorly treated by his contemporaries and died a bitter man. This legend like many others is a considerable distortion of the truth. What is true is that Bachelier who was definitely paranoid, was, to use Groucho Marx's notion, rationally paranoid, just because he believed that everybody was against him did not mean that this was not the case in reality. Not only did he have terrible luck in his life, losing both his parents early and having to earn to keep the family together but he was treated with condescension or disdain by those who controlled the mathematical profession in France at the time. Because of his personal hardship he could not afford to go through the 'Classes Préparatoires' and enter a Grande Ecole. To this day the chances of getting an academic job in mathematics if you did not follow this royal route are negligible. This meant that he had not had the two or three years of intensive training which gave students the necessary equipment to develop their arguments rigorously. Indeed one of the main criticisms of Bachelier was that both his reasoning and his subject were outside the realm of what was normally considered as mathematics. For this reason he was given the mark 'honorable' rather than the 'très honorable' necessary to get a university job. Again, this is still true to this day. As a result he lived with part time or temporary jobs till the age of 55 when he finally got a chair in Besançon when the holder moved to Aix en Provence! He was prevented from getting a job in Dijon because of Paul Levy's negative report, based on an erroneous interpretation of Bachelier's thesis. Levy claimed to have found a fundamental error in the thesis but this was not the case and he later apologised to Bachelier for his mistake. But now to the other parts of the legend. Was Bachelier as original as is claimed in his anticipation of the efficient markets hypothesis? Not really, because he was preceded by Regnault who wrote in 1863

> It is useless for the actor in a market to claim that it is only by forecasting what will happen in the distant future that he can predict whether the market will rise or fall, we know that these future events, if they exist at all, are already incorporated in the current price ; so if one thinks about the meaning of the word « value » one can see that the value of an asset can only be given by the asset's current price. (Regnault, 1863)

What is more Bachelier, was aware of Regnault's work and some of his notes on the latter's work can still be found. Regnault was actually employed in financial markets, had little or no mathematical training, and therefore did not develop his arguments formally. However, much of the intuition was there. Bachelier also used some of the graphs from Lefebvre (Lefebvre, 1870) who had worked on the movement of stock prices. Again, while it is true that Bachelier developed the notion of Brownian motion in 1900 it is not true that it was ignored either by mathematicians or by economists. What is true is that his argument that stock prices should follow this sort of stochastic process, was only acclaimed and welcomed by economists much later, both for analytic and ideological reasons. The idea that he was ignored for a long time is false. A number of people examined and dismissed his work more or less lightly. Bachelier's way of thinking and of expressing himself did not help his cause. For example, whilst working on his thesis he tried to find an expression for the price of a call option. In effect he arrived at Fourier's heat equation by inventing a concept which he called the 'radiation of probability'. Again, he was anticipating Black-Scholes but his geometric analysis did not help in communicating his result to the academic community but his arguments did not convince those that understood them. For example, shortly after having written his report on Bachelier's thesis, the great French mathematician Henri Poincaré (1905), observed that it would not be sensible to take this model as a basis for analysing what happens on financial markets. As he said, individuals who are close to each other, as they are in a market, do not take independent decisions, they watch each other and if there is any consistency in human behaviour, it is always herd behaviour that persists. Thus Poincaré clearly envisaged one of the most prevalent features of financial markets long before modern economists took this theme up to explain 'excess volatility'. Again, the claim that economists ignored Bachelier's work is not really founded. Keynes wrote a review in 1912 of Bachelier's book (Bachelier, 1912) on probability theory, (which the author considered somewhat immodestly to be the first real advance on Laplace), and said the following,

> M. Bachelier's book is large and makes large claims…the author is evidently of much ability and perseverance and of great mathematical ingenuity, and a good many of his results are undoubtedly novel. Yet, on the whole, I am inclined to doubt their value, and, in some important cases their validity. His artificial hypotheses certainly make these results out of touch to a quite extraordinary degree with most important problems and they can be capable of few applications. (Keynes, 1912).

However he did add., 'I do not make this judgement with complete confidence, for the book shows qualities of no negligible order'.

What is interesting is that despite the initial reticence of both mathematicians and economists, once the theoretical train was under way in the 50s, all opposition was simply pushed to one side. The two major steps which firmly established the Gaussian random walk in the financial landscape ignored both the empirical evidence and theoretical criticisms. The first of these was the development of optimal portfolio theory by Markowitz whose theory used the assumption that the changes in asset prices had a Gaussian distribution. Despite the pleas of Benoit Mandelbrot, also a Frenchman by naturalisation, and others and the empirical evidence, this assumption was maintained. This was for reasons of analytical convenience since then the central limit theorem could be applied while if other distributions, favoured by Mandelbrot, from the family of Levy stable distributions (the same Levy who blackballed Bachelier in Dijon), had been chosen this could not have been done. The same thing applies to the development of Black-Scholes (1973) option pricing. This again relies on the refutable and often refuted assumption that the price of an asset follows a lognormal process. Theory ploughed ahead ignoring its own weaknesses despite the criticisms of many mathematicians and economists.

Fama, himself in 1965 (Fama, 1965), wrote an article in which he indicated that changing the distributional assumption of the theory undermined the notion that diversification necessarily diminished risk. This was of little interest to those who wished to use the theory to develop financial instruments and was quietly swept under the rug. This might seem irrelevant but it should be remembered that the whole of the justification for CDOs and other derivatives was based on the normality assumption. Yet there were those who were well aware of the shortcomings of these instruments and as Warren Buffet remarked in 2003,

> In our view,however, derivatives are financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal.

This story has a particularly French flavour since many of the principal actors were French, and the barriers that Bachelier faced 90 years ago are still firmly in place in France.

As a footnote, Poincaré did not confine his criticism of economics to Bachelier's theory. With regard to general equilibriium models, which Walras was pioneering at the time, he wrote to Walras and chided him for his assumptions of infinite farsightedness and infinite selfishness. The latter he could believe at a pinch, but the former he found dubious to say the least. Yet, we are still faced today with macro models, in which these two assumptions are central.

Perhaps the small comfort that we can take from this last observation is that the enormous inertia in our systems is not confined to France.

Alan Kirman

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The Role of the Chief Economist

Drawing on interviews with more than twenty senior economists across private, public, and not-for-profit sectors, the consulatncy Syllogism has just published a report about the role of chief economists. The report looks at the contribution they make to organisational life, the duties they are under and the dilemmas they face, and how they view the relationship between the worlds of practice and theory.

The question of what it is to be true to your expertise – how far you have a responsibility to push your arguments, who or what you owe that responsibility to, and when to call it quits – recurs throughout the report.

The report looked also at the widespread reluctance among economists to cast themselves as a profession arising from a principled opposition to entry-barriers within the labour market and a belief that the market should and likely will put incompetents out of business. What the report found was a highly developed sense of professional consciousness and occupational norms.

In addition, the report examined how universities are seen to perform when it comes to educating economists and generating ideas and understanding. An important feature of the relationship between economic theory and practice is that the most abstract areas of the former stand a long way from the most concrete areas of the latter, to the point that reconciling the two and viewing them as part of a single activity presents challenges.

Read the full report at: http://syllogism.co.uk/2009/12/22/research-the-role-of-the-chief-economist/

The Higher Education Academy Economics Network

News from the Economics Network of the Higher Education Academy

The Economics Network is pleased to announce the following schemes for 2010:

Departmental Workshop Programme -

From February 2010 to July 2010 up to 10 workshops free of charge, focusing on any teaching and assessment aspect appropriate to your department. These will be allocated on a first-come, first-served basis.
Deadline for requests is **29 January 2010.**

Student Focus Group Scheme -

From March 2010 to July 2010 the Economics Network can provide up to 10 student focus groups free of charge to departments. These will be allocated on a first-come, first-served basis, and focus group reports will be fully confidential to the department.
Deadline for requests is **26 February 2010**.

Learning and Teaching Development Projects 2010/11

Small projects up to £5000 will be funded to run July 2010 to July 2011. Proposals are invited from the UK Economics community for small projects to be funded by the Economics Network of the Higher Education Academy. Projects will address the development, implementation and evaluation of innovative approaches to teaching, learning and assessment in Economics Higher Education.
Deadline: **Friday 1 May 2010.**

Further information and forms can be found on the Economics Network website at:
http://www.economicsnetwork.ac.uk/

See also:
Results of the Economics Network 2009 Lecturers' Survey on p.21

The Royal Economic Society Women's Committee Survey 2008

This report on the recent survey was prepared by Prof Karen Mumford at the University of York.

This report covers the seventh survey of the gender and ethnic balance in academic employment in economics in Britain. This series was started by the Royal Economic Society (RES) Women's Committee in 1996, and has been repeated bi-annually thereafter. The questionnaire was emailed out by Tim Worrall (CHUDE Secretary) on December 17, 2008, to around 97 institutions drawn, as in previous years, from the CHUDE mailing list. The survey aimed to collect information as of November 30th 2008 on academic staff (full-time and part-time) by grade of employment, gender, and ethnicity. It also collected information on promotions, new hires and job leavers (in the academic year 2007/2008). By September the 10th 2009, 71 questionnaires had been returned (with one being unusable): a reasonable response rate of 73 per cent. In a second stage of the surveying process, Gwen Postle and Karen Mumford also gathered information from the web-sites of the CHUDE departments. These web based data were used in comparisons with the email survey responses and with the original 1996 postal survey data.

The main results from the 2008 email survey are:

- women constitute 22 per cent of all academic staff in economics
- women are under-represented among Professors — one in three men are Professors compared to one in six women
- the proportion of women is substantially higher in research jobs than in standard academic jobs
- the proportion of women is higher among part-timers than full-timers
- 17 per cent of staff are from ethnic minorities, 11 per cent of Professors are women are disproportionately represented amongst the ethnic minorities
- the response rate among departments is reasonable at 73 per cent.

It is also of interest to compare the results from the 2008 email survey with those from 2006. The low response rate in 2006 makes this balanced sample comparison difficult but the overall impression is:

- there has been a slight increase in the overall proportion of women among academic economists, especially amongst Professors
- new female Professors are promoted rather than hired
- job separations are rare for senior females
- the changes that are observed over the two years are not generally significantly different from zero making it hard to make any definite statement about trends.

Comparing the 2008 web survey results to those from the 1996 postal survey:

- In aggregate the workforce has grown over the twelve years, from 2346 to 2519 academic economists (a 7.4 per cent growth rate). The number of women has increased by 35.4 per cent whilst the number of males has essentially remained stable (increasing by 1.45 per cent).
- the numbers of Professors has more than doubled over the time period (from 14 per cent of all staff to 29 per cent)
- in 1996 women made up 17.5 per cent of the workforce, by 2008 this has risen to 22 per cent
- women are twice as likely to be in the standard academic grades in 2008 than they were in 1996 (in 1996 women made up approximately 15 per cent of the Lecturers, 10 per cent of the Readers/Senior Lecturers and 5 per cent of the Professors; in 2008 women make up some 30 per cent of the Lecturers, 20 per cent of the Readers/Senior Lecturers and 10 per cent of the Professors)

Table 1 shows the numbers of economists employed in academia in the UK from the total 2008 email survey return. The vast majority of these economists are working in standard academic appointments (ie., mixed teaching and research jobs as opposed to research-only appointments), slightly less so for women than men. The majority of these academic economists are also working full-time in continuing contracts; this figure is again lower for women than men.

As in previous years, women are found to be under-represented in the senior grades, especially at the professorial level. Of those employed in standard academic appointments, males are roughly twice as likely to be Professors than are women amongst full-time employees; and males are roughly three times as likely to be Professors than are females amongst part-time employees.

Table 1. Primary employment function: All academic staff in economics departments and research institutes (responding email sample, 2008).

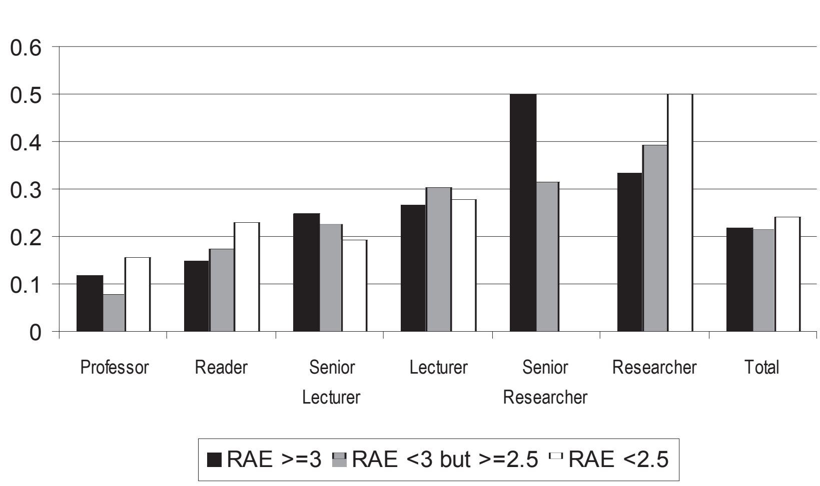
Primary Employment Function	*Female*	*Male*	*Total*	*% Fem*
All Staff: full time				
Professors	46	384	430	10.70
Readers	22	105	127	17.32
Senior Lecturers	65	237	302	21.52
Lecturers - continuing	129	328	457	28.23
Lecturers - fixed term	12	26	38	31.58
Senior Researchers	10	19	29	34.48
Researchers - continuing	1	9	10	10.0
Researchers - fixed term	23	43	66	34.85
Totals	308	1151	1459	21.11
All Staff: part time				
Professors	5	42	47	10.64
Readers	1	3	4	25.0
Senior Lecturers	5	7	12	41.67
Lecturers - continuing	8	13	21	38.10
Lecturers - fixed term	10	15	25	40.0
Senior Researchers	7	6	13	53.85
Researchers - continuing	0	0	0	0.0
Researchers - fixed term	10	6	16	62.50
Totals	46	92	138	33.33
Grand Total	354	1243	1597	22.17

Source: RES Women's Committee Survey 2008, email based.

Analysis by RAE results

It may be argued that there is a relationship between the representation of women in a department and the department's success in the Research Assessment Exercise (RAE). This is an issue that has been explored in the previous surveys and reports, without convincing results supporting the hypothesis.

Figure 1: Proportion of female staff, by RAE score



The information presented in Figure 1 suggests that, on average, departments scoring 2.5 or below in the 2008 RAE do have relatively more posts held by women in total. The numbers involved are, however, not large. There is comparatively little difference in the relative numbers of women in each rank in the higher scoring departments, with the obvious exception of the Senior Researcher rank.

Job flows and promotions

Table 2 presents information on staff hired in the previous year: columns 1 to 4 for the full 2008 email sample; columns 5 and 6 are the 2008 survey balanced sample results for those departments responding to both the 2008 and the 2006 surveys; and columns 7 and 8 are the full 2006 survey results. Hiring in 2008 can be seen to be lower than it was in 2006 with no women hired in the standard academic grades above Lecturer in the balanced sample. Moving on to the full 2008 email responses, the majority of hires are also found to be concentrated in the lower academic grade ranks (especially Lecturer and Researcher).

Professors, Readers and Senior Lecturers does suggest some catch up in the short to medium term related to promotions. However, the size of the inflows relative to the stocks is very small; implying that relative numbers of women in the higher grades will adjust slowly from this source.

The third flow affecting the stock of academic economists is, of course, job leavers (see Table 4). In aggregate, women make up a slightly lower proportion (20.5 per cent) of these separations than they do of the total pool of academic economists (22.2 per cent) and job separations are rare for the most senior women (Professors and Readers).

Table 2: New hires

	2008 full email survey				2008 balanced sample		2006 email survey	
	Female (1)	*Male* (2)	*Total* (3)	*%Fem* (4)	*Total* (5)	*%Fem* (6)	*Total* (7)	*%Fem* (8)
Professor	2	22	24	8.3%	13	0.0%	22	4.6%
Reader	1	2	3	33.3%	1	0.0%	7	0.0%
Senior Lecturer	1	7	8	12.5%	1	0.0%	8	37.5%
Lecturer	36	64	100	36.0%	60	30.0%	55	29.1%
Senior Researcher	2	5	7	28.6%	6	33.3%	-	-
Researcher	14	23	37	37.8%	28	39.3%	-	-
Total	56	123	179	31.3%	109	28.4%	92	21.7%

Source: Balanced samples for 2006 and 2008: RES Women's Committee Survey 2006, RES Women's Committee Survey 2008, email based.

The majority of inflows into the senior academic grades (Professorial, Reader or Senior Lecturer) may be due to promotion rather than new hires. Table 3 presents information on promotions and follows the same structure as Table 2.

Ethnicity

In the responding sample, 82.9 per cent of academic economists in the UK are considered to be white: representing a continuing trend downwards from 2006 (84.2 per cent) and 2004 (86 per cent). The proportion amongst the more senior job grades also displayed a slight trend downwards, including Professor (91.38 per cent in 2004, 90.76 per cent in 2006, 88.5 per cent in 2008); and Reader (90.5 per cent in 2004, 84.9 per cent in 2006, and 84.6 per cent in 2008).

Table 3: Promotions

	2008 full email survey				2008 balanced sample		2006 email survey	
	Female (1)	*Male* (2)	*Total* (3)	*%Fem* (4)	*Total* (5)	*%Fem* (6)	*Total* (7)	*%Fem* (8)
Professor	6	19	25	24.0%	13	23.1%	14	14.3%
Reader	6	14	20	30.0%	13	23.1%	16	31.3%
Senior Lecturer	12	27	39	30.8%	24	25.0%	32	37.5%
Lecturer	1	6	7	14.3%	3	33.3%	6	16.7%
Total	25	66	91	27.5%	53	24.5%	68	27.4%

Source: Balanced samples for 2006 and 2008: RES Women's Committee Survey 2006, RES Women's Committee Survey 2008, email based.

These numbers of promotions are obviously small so we should again be cautious interpreting the implications of these flows for changes in relative employment. The apparent increase in the relative employment of female

Female academic economists are more likely to be non-white than are males: 76.7 per cent of the females are considered to be white whereas 84.7 per cent of the males are. Women constitute 43.4 per cent of the Chinese academic economists and 29.4 per cent of the South East Asians. It is only amongst the black ethnic minority grouping that females occur in disproportionately low numbers. The correlation between gender and ethnicity occurs predominantly via non-white women being more commonplace at the Researcher (33 per cent) and continuing Lecturer (29 per cent) levels, whilst non-white males are more likely to hold fixed-term lectureships (32 per cent).

female representation across job grades (in accordance to the findings from the 2006 survey)

Compared to the first survey, 1996.

Late in 1996, Denise Osborn (then Women's Committee Chair) sent a postal questionnaire to all Heads of Departments listed as members of CHUDE. The questionnaire sought information about staff appointments and students enrolments as of November 30th, 1996. The survey response rate was high (92 per cent). The results from this survey are presented in Table 5.

Table 4: Separations

	2008 full email survey				2008 balanced sample		2006 email survey	
	Female (1)	*Male (2)*	*Total (3)*	*%Fem (4)*	*Total (5)*	*%Fem (6)*	*Total (7)*	*%Fem (8)*
Professor	1	32	33	3.0%	22	4.5%	13	0.0%
Reader	0	7	7	0.0%	3	0.0%	4	0.0%
Senior Lecturer	4	25	29	13.8%	13	15.4%	18	16.7%
Lecturer	13	31	44	29.5%	31	16.1%	44	27.3%
Senior Researcher	3	4	7	42.9%	6	50.0%	7	14.3%
Researcher	10	21	31	32.3%	26	34.6%	26	26.9%
Total	31	120	151	20.5%	101	19.8%	112	20.5%

Source: Balanced samples for 2006 and 2008: RES Women's Committee Survey 2006, RES Women's Committee Survey 2008, email based.

Comparing the 2008 surveys

A notable difference in the results from the 2008 web-based survey and the 2008 email survey is the number of extra senior staff members listed on the web pages but not included in the email responses, this is especially true for Professors and Senior Researchers. Comparing the total staff by rank in balanced samples for the two surveys reveals 657 Professors in the web sample and only 477 in the email survey (more than a third extra in the web sample), and 140 Senior Researchers relative to 42 in the email survey (more than three times as many). There is also a greater concentration of males amongst these senior ranks on the web pages. It may be that these extra staff members are actually in Emeritus, Visiting or Honorary positions not considered to be 'salaried members of academic and research staff' as required for inclusion in the email survey of departments. The preponderance of males amongst this group is also predictable if membership is associated with older cohorts of academic economists. Nevertheless, it suggests a greater presence of senior male economists in prestigious appointments within departments.

The second major finding is that departments choosing not to respond to the email survey are not less likely to contain women nor do they have substantially different

Table 5 also presents major findings for the 2008 web survey of CHUDE departments. Constructing a genuinely balanced sample for the 1996 postal survey with that for 2008 web based survey is not trivial, for example, some of the institutions present in 1996 have merged into new structures by 2008. Furthermore, the definitions are not completely consistent in the two surveys. Nevertheless, Table 5 provides comparable totals for the two time periods. In aggregate the workforce has grown 7.4 per cent over the 12 years. The number of women has increased by a third whilst the number of males has essentially remained stable. The growth in the percentage of women in the workforce can clearly be seen in Figure 2 (with or without the inclusion of the research grades). The 2002 and 2006 surveys may be considered as outliers as they both had very low response rates (see full report for more detail).

The grade rank composition of the workforce has also changed over time: the proportion of Professors has doubled; Readers and Senior Lecturers are a little under 10 percentage points more common; Lecturers are a little over 10 percentage points less common; and there are many fewer Researchers in 2008 than there were in 1996. It may be that employees on fixed term contracts (as is commonly the case for Researchers) are less likely to be

Table 5: Primary employment function: Academic staff in economics departments and research institutes (1996 postal and 2008 web site surveys).

1996 postal survey

Primary Employment Function	*Female (1)*	*Male (2)*	*Total (3)*	*% Fem (4)*	*% Total Staff (5)*	*% of all Females (6)*	*% of all Males (7)*
Professors	14	320	334	4.19	14.24	3.41	16.53
Readers and Senior Lecturers	37	350	387	9.56	16.5	9.02	18.08
Lecturers	157	779	936	16.77	39.9	38.29	40.24
Senior Researchers	11	47	58	18.97	2.47	2.68	2.43
Researchers	107	171	278	38.49	11.85	26.1	8.83
Other	84	269	353	25.21	15.05	20.49	13.9
Total	410	1936	2346	17.48			
Number of Departments	83						
Response rate	92%						

2008 web survey

Primary Employment Function	*Female (8)*	*Male (9)*	*Total (10)*	*% Fem (11)*	*% Total Staff (12)*	*% of all Females (13)*	*% of all Males (14)*
Professors	67	656	723	9.27	28.7	12.07	33.4
Readers and Senior Lecturers	147	502	649	22.65	25.76	26.49	25.56
Lecturers	200	510	710	28.12	28.19	36.04	25.97
Senior Researchers	50	107	157	31.85	6.23	9.0	5.45
Researchers	22	33	55	40.00	2.18	3.96	1.68
Other	69	156	225	30.67	8.93	12.43	7.94
Total	555	1964	2519	20.03			
Number of Departments	93						
Response rate	n/a						

Sources: RES Women's Committee Survey 1996; RES Women's Committee Survey 2008, web based.

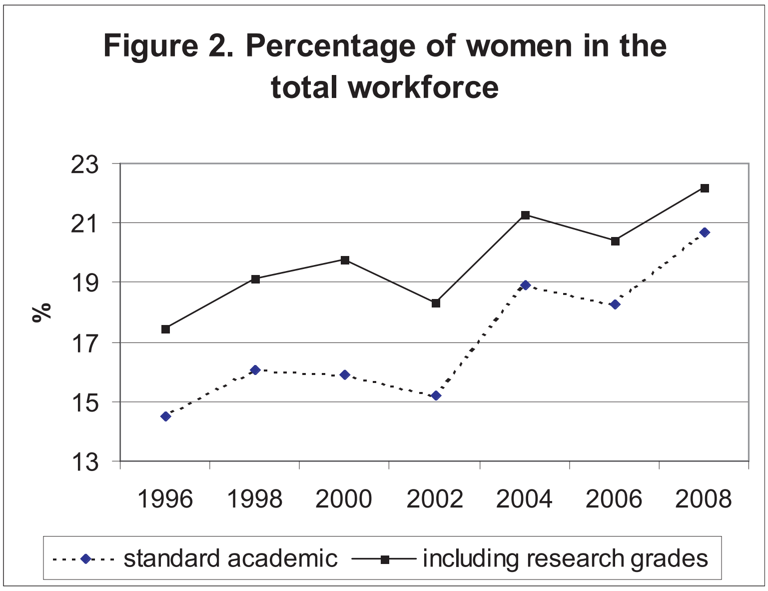
recorded on departmental web pages and are therefore under-represented in the 2008 web survey. Analysis of balanced samples for the 2008 email and web based surveys suggests that this may be happening. Nevertheless, the extent of the decline in Researchers also present in the email survey (see Table 1) indicates a substantial contraction has occurred for this grade rank between 1996 and 2008.

The under-representation of women in senior positions has improved dramatically. In 1996, men were four times as likely to be Professors and twice as likely to be a Senior Lecturer or Reader than women. In contrast, in 2008, males are approximately twice as likely to be Professors but are slightly less likely to be Senior Lecturers or Readers than women.

Most striking of all the results presented in the report: women have essentially doubled their relative representation across the grade ranks between 1996 and 2008. In 1996, 17.5 per cent of academic economists were female: 16.8 per cent of Lecturers, 9.6 per cent of Senior Lecturers and Readers, and 4.2 per cent of Professors. In the 2008 web based survey 20 per cent of the workforce was female and the percentage of women in these grade ranks were 28.1 per cent, 22.7 per cent and 9.3 per cent, respectively.

Conclusion

The great majority of economists working in academia in the UK in 2008 have standard academic (teaching and research as opposed to research-only) jobs which are full-time and continuing. Consistent with the findings from the 2006 survey, the characteristics of this workforce show little change over a two year time period. The presence of women has slightly increased but they are still found to be heavily under-represented in the senior grades, especially at the professorial level.



Changes in the stock of individuals in any job rank due to retirements), and promotions in the 2007/8 academic year similarly indicate little movement in what is essentially a static market in the short run. In contrast to males, however, new female Professors have typically reached this grade by being promoted rather than hired; and job separations are rare for senior females.

Female academic economists are also more likely to be non-white than are males; 76.7 per cent of the females are considered to be white whereas 84.7 per cent of the males are. The correlation between gender and ethnicity occurs predominantly via non-white women being substantially more commonplace at the Researcher and Lecturer (continuing) levels.

The Women's Committee has now collected data from the CHUDE departments for 12 years (from 1996 to 2008). Information for this longer time period reveals that the workforce has grown over the full time period by 7.4 per cent. The number of women has increased considerably (by 35.4 per cent) whilst the number of males has remained essentially stable (increasing by 1.45 per cent). The grade rank composition of the workforce has also shifted substantially in favour of the senior job ranks.

Our biennial surveys reveal that women improved their relative position gradually over this time period. In aggregate, however, the changes across the 12 years are striking as women essentially doubled their relative representation across the grade ranks between 1996 and 2008. By 2008, women constitute roughly 30 per cent of Lecturers, 20 per cent of Readers and Senior Lecturers, and 10 per cent of Professors.

A full version of the report can be found at http://www.york.ac.uk/depts/econ/documents/dp/0929.pdf

Correspondence

Sir,

Congratulations for reproducing the responses by both Professors Besley/Hennessy on behalf of the British Academy and Dow *et al* to them and to the question raised by HM The Queen at the LSE regarding what use are economists when they cannot foresee financial disasters. I found the Besley/Hennessy response to be fair, balanced and well presented. Although I appreciated Dow et al's and I am not in the camp they rightly attack, I could not help but thinking that were I in her Majesty's shoes, I would have asked for names of those non-mathematically brain washed economists who have predicted the financial crisis. I thought I draw your attention to my letter in the *Financial Times* (31 July 2009) which I sent in response to their 'fair' editorial on the question since it corroborates my siding with Besley/Hennessy and which they headed "Financial crises are like earthquakes" because I argued that no seismologist can prevent earthquakes from happening so all we can do is to be prepared for them when they occur, but even then we will never be able to construct foolproof buildings to fully withstand them when they come; financial crises are no different.

Ali M El-Agraa
Faculty of Commerce,
Fukuoka University, Japan

Obituaries

Kenneth Berrill

Kenneth Berrill (1920-2009) was an economist and economic historian of considerable ability. His strong analytical powers, combined with his frank way of speaking and his engaging personality led him to be chosen to fill an extraordinary range of high-level public and private roles. He was in turn bursar of two Cambridge colleges, chairman of the University Grants Committee, Chief Government economic adviser, head of the CPRS (Central Policy Review Staff), chairman of a major stockbroking firm and head of the Securities and Investment Board, to name only the more prominent of the positions held by him. But he ranged far more widely than this, in both his public and his personal life.

Kenneth Berrill was born in 1920. From a London grammar school he won a scholarship to University College, London, to read geography, but soon managed a transfer to the London School of Economics, which must have taken some nerve. There he concentrated on economic history and was a self-confident and prominent member of his undergraduate cohort. He spent some time in Cambridge, to which LSE had been evacuated in 1939, and then the rest of the war in REME (Royal Electrical and Mechanical Engineers). He returned to Cambridge in 1945 with a senior studentship at Trinity College, where he pursued his economic and economic history studies.

In 1949 Kenneth became the economics fellow of St Catharine's College and university lecturer in economics. He also became Bursar of St Catharine's — not a rich college — and showed his bursarial abilities by adding considerably to the wealth of the college. Later he displayed his wide scope by establishing an African studies centre, attached to the Economics Faculty, and undertaking a range of government missions on the economic development of a number of countries, including British Guiana, the Cameroons and Turkey. He spent the year 1951-2 on a Rockefeller fellowship at Stanford and Harvard universities, and later, in 1962, was a visiting professor at MIT.

Kenneth was a successful teacher and lecturer, but preferred advisory work to pursuing a conventional academic career. He produced valuable reports on this advisory work, but published relatively little academically. He did however edit a major International Economic Association volume — *Economic Development with Special Reference to East Asia*, which was published in 1964.

Outside Cambridge Kenneth was a keen and experienced mountaineer, skier and sailor. His most dramatic mountaineering exploit was the first ascent, with three Swiss colleagues, of the 7,355 metre peak of Abi Gamin in the Himalayas in 1950. Kenneth wrote up this experience in the *Climbers Club Journal* in 1952.

At Cambridge Kenneth was a member of the so-called 'Secret Seminar', run by Richard Kahn and Joan Robinson. He so impressed Richard Kahn that Richard persuaded Kenneth to migrate in 1962 to King's College as fellow and first Bursar. This was the position that had previously been held by Keynes. King's of course was a much wealthier college than St Catharine's, and Kenneth was as successful there as he had been at St Catharine's. At both colleges their principal stockbroker was the firm of Vickers da Costa, and Kenneth began at that time a long and friendly association with this firm.

In 1967 Kenneth became special adviser to the Treasury on public expenditure issues, and two years later was plucked, rather unexpectedly, out of Cambridge to become chairman of the University Grants Committee, a position he held until 1973. This was a period of university expansion, and Kenneth held this tricky job with calm and impartiality. His success was marked by the grant of a knighthood in 1971, after two years only as chairman. In 1973 he left the UGC to become Chief Economic Adviser to the Treasury, but held this position only for a year before he succeeded Lord Rothschild as head of the Central Policy Review Staff. The CPRS had a wide remit, and its head had direct access to the prime minister. Kenneth created a good relationship with senior civil servants and assumed easily the role of Whitehall mandarin. He recruited a young and lively staff, and gave his habitual impartial advice on a range of policies to successive prime ministers — Wilson, Callaghan and Thatcher. The most controversial moment came in 1977, when the CPRS produced a report on the diplomatic service which proposed drastic cuts in overseas embassies and other Foreign Office activities. This caused a public uproar, and was strenuously opposed by David Owen, the new Foreign Secretary. Kenneth left the CPRS in 1980, and Mrs Thatcher, who had always been deeply suspicious of it, abolished it in 1983. Kenneth's experience there was reflected in his Stamp Memorial Lecture of 1980, where he advocated the creation of a prime minister's department.

After the CPRS Kenneth left government service to become chairman of Vickers da Costa, having first passed the stock exchange examination. This was a position he enjoyed, and in which he could display all his old bursarial expertise, but in 1985 (at the age of 65) he was called on by government once again to become chairman of the newly created SIB (Securities and Investment Board), the forerunner of the Financial Services Authority. There he began to lay down rules for City activities following the Big Bang, and found much opposition in the City, which regarded him, unjustly, as an outsider. Kenneth ploughed on regardless, with his usual determination, and constructed a novel rulebook, but after three years he was replaced as chairman by an undoubted city insider, Sir David Walker.

Apart from the positions mentioned, Kenneth Berrill had a very wide range of other interests and positions. To name a few - he was an adviser to the World Bank and the OECD, a member of the UN Committee on Development Planning, a member of the governing council of Lloyds of London, adviser to the Royal College of Defence Studies, a governor of the Administrative Staff College at Henley, deputy chairman of the Universities Superannuation Scheme, and a trustee of the London Philharmonic Orchestra.He had a close connection with the Open University over many years. He was Pro-Chancellor and Chairman of Council from 1983 to 1996, and his services to the university were recognised when a prominent building near the entrance to the university campus was named after him.

Kenneth was a vice-president of the Royal Economic Society and chairman of the executive committee of the National Institute of Economic and Social Research. He was awarded honorary fellowships by LSE, St. Catharine's and King's Colleges, and honorary degrees by a number of universities, including Cambridge, Bath, East Anglia and the Open University. He was created GBE in 1988.

Kenneth Berrill not only had a keen analytical brain. He was courageous — as exemplified by his Himalayan activities — and feared no one. He was generally relaxed in manner and sometimes appeared almost cynical. But although he did not openly espouse causes passionately, he felt strongly about his conclusions and expressed them without fear, no matter to whom. His was a valuable and remarkable life.

Aubrey Silberston

Nominations invited for health economics prize

The International Health Economics Association (iHEA) is pleased to invite nominations for The Eighteenth Annual Kenneth J. Arrow Award in Health Economics for the best paper in health economics in 2009. In order to be eligible, a paper must have been published in a peer-reviewed journal in English in 2009.

Nominations should include a brief letter of nomination and a copy of the paper. Send nominations by email and with a pdf of the paper, to Pedro Pita Barros, Chair Kenneth J. Arrow Award Committee, Faculdade de Economia, Universidade Nova de Lisboa, at _ppbarros@fe.unl.pt <mailto:ppbarros@fe.unl.pt>, or Edward C. Norton, Co-chair Kenneth J. Arrow Award Committee, Department of Health Management and Policy and Department of Economics, University of Michigan, Ann Arbor, MI, 48109 USA, at ecnorton@umich.edu <mailto:ecnorton@umich.edu>. Deadline for nominations is **March 1, 2010.**

1936 and all that

It is quite clear from the last issue of the Newsletter *that there is much dissatisfaction with the training of economists in the UK. We are pleased to publish this item from S Subramanian*[1] *as a contribution to future assessment arrangements.*

Answer every other question, beginning with Question 2 and ignoring all even-numbered items. As students training to be economists, you are encouraged — indeed, expected — to display a wide range of sharp practice.

1. Which is better, a Marshallian Cross or a Pigouvian Tax? Why not? If not, why? (In either case, use only a Geometric Argument.)

2. Explain, in not less than 20,000 words, the irretrievable Theoretical Consequences of combining Quasi-transitive Rationality with a Cobb-Douglas Production Function. Would it be worth the risk? (Crib like hell.)

4. Can you compare and contrast the Slutsky Effect and the Rybczynski Theorem? Well then, what can you do with them? (Answer only in Ukrainian or Polish.)

5. (This question is for Economic Historians.) Seriously now, how far would you go to stab a mathematical economist? (Be sure to use a divider.)

6. Why do you know anything of Granger Causality? (Or of *Giardia Entiritis*, for that matter?)

7. Which turns you on more: a Discriminating Monopolist or a Kinked Demand Curve? (Don't be too explicit.)

8. Which would you try and get away with, if you could: an r^2 of (-)1 or an r^2 of 2.0? (Be utterly devious.)

9. If you saw a picture of Karl Marx and one of a Social Welfare Function, how long would it take you to tell the one from the other? (Quickly, now.)

10. If that was easy, try this one. If you saw a picture of Karl Marx and one of Grigori Rasputin, how long would it take you to tell the one from the other? (Frankly, now.)

11. Money is super-neutral to a Monetarist, but can a Monetarist ever be super-neutral to Money? Or even ordinarily neutral? (What is it about money?)

12. Arrange, in descending order of unpleasantness, (a) An Inflationary Spiral; (b) A Knife-Edge Equilibrium; (c) The Natural Rate of Unemployment; (d) A Liquidity Trap; (e) The Great Depression; and (f) The Ashes Series. Give reasons for your ranking, writing on not more than two sides of the paper, and stating clearly if you are English or Australian, when not either. (Be unreasonable).

1. Madras Institute of Development Studies, Chennai, India. Email: subbu@mids.ac.in .

The Econometrics Journal —

Managing Editor's report

The Managing Editor, Richard J Smith made the Annual Report, covering the period July 2008 to June 2009, to the Council of the Royal Economic Society in November. This is a shortened version of that report

The Econometrics Journal was established in 1998 by the Royal Economic Society with the original intention of creating a high-quality refereed journal with a standard of intellectual rigour and academic standing similar to those of the pre-existing top international field journals for econometric research such as *Econometric Theory*, *Journal of Applied Econometrics*, *Journal of Business and Economic Statistics*, *Journal of Econometrics* and *Review of Economics and Statistics*.

The Econometrics Journal is a general journal for econometric research and included all areas of econometrics, whether applied, computational, methodological or theoretical contributions. As a journal of the Royal Economic Society, *The Econometrics Journal* seeks to promote the general advancement and application of econometric methods and techniques to problems of relevance to modern economics. The Editorial Office of *The Econometrics Journal* is based in Faculty of Economics at the University of Cambridge with Richard J Smith as Managing Editor of *The Econometrics Journal*.

Jaap Abbring (Tilburg University) replaced Jean-Marc Robin on his resignation as a Co- Editor occasioned by his taking up a position as Co-Editor of *Econometrica*. The Editorial Board is very grateful to Jean-Marc for his service to and support of *The Econometrics Journal*.

Progress

Impact factors

The second set of data from the ISI Citation Index on *The Econometrics Journal* became available for 2008. The journal impact factor is 0.750 (0.479) with the immediacy index at 0.065 (0.034); 2007 data are given in parentheses. The first of these data ranks *The Econometrics Journal* at 104 (122) out of 209 (191) economics journals.

Although these statistics represent an improvement over 2007 this may at least in part be accounted for by citations of papers in *The Econometrics Journal* being fully incorporated into the ISI database. These statistics remain rather disappointing; the corresponding figures for competitor journals are *Econometric Theory* 0.768 (99), *Journal of Econometrics* 1.790 (25), *Review of Economics and Statistics* 2.233, (16), *Journal of Applied Econometrics* 1.274 (53) and *Journal of Business and Economic Statistics* 1.848 (21).

Royal Economic Society Annual Conference

Submissions were invited from presenters at *The Econometrics Journal* Special Session on Financial Econometrics at the RES Annual Conference 2008. The papers are:

Barndorff-Nielsen, O E, P R Hansen, A Lunde and N Shephard, 'Realised Kernels in Practice: Trades and Quotes'.

Christensen, J H E, F X Diebold and G D Rudebusch, 'An Arbitrage-Free Generalized Nelson-Siegel Term Structure Model'.

Sentana, E, 'The Econometrics of Mean-Variance Efficiency Tests: A Survey'.

Versions of the papers are now accepted and will appear in a Special Issue of *The Econometrics Journal* on Financial Econometrics scheduled for publication later this year.

The Econometrics Journal organized a Special Session on Factor Models: Theoretical and Applied Perspectives at the RES Annual Conference 2009 at the University of Surrey. Papers were presented by Serena Ng (Columbia University), Lucrezia Reichlin (London Business School) and Hashem Pesaran (University of Cambridge). Submissions have been solicited from the presenters for a Special Issue of *The Econometrics Journal* on Factor Models: Theoretical and Applied Perspectives.

Special Sessions associated with *The Econometrics Journal* will be arranged at subsequent RES Annual Conferences.

Tenth Anniversary Special Issue

New Year 2008 marked the tenth anniversary of the founding of *The Econometrics Journal* by The Royal Economic Society. To celebrate this event a number of leading scholars in areas across the full range of econometrics were approached to contribute to a Special Issue. Contributing authors include: D W K Andrews, X Chen, M A Delgado, J-M Dufour, P Hall, J J Heckman, F J Hidalgo, J L Horowitz, R Koenker, C F Manski, W K Newey, P C B Phillips, E Renault, P M Robinson and C. Velasco.

EC² Special Issue on Recent Developments in Structural Microeconometrics

Papers from the 19th EC² Conference held in Rome on December 19-20, 2008 have been solicited for a Special

Issue of *The Econometrics Journal* on the theme of Recent Developments in Structural Microeconometrics. Jean-Marc Robin is acting as Editor for the Special Issue.

Editorial process

A couple of difficulties with Editorial Express® occurred during the year. The Editorial Office became aware of them primarily through the introduction of monthly statistics and reports for the editorial process of the journal. Editorial Express® has now rectified the associated faults.

Statistics

Monthly statistics and editorial reports are now provided to all members of the Editorial Board and Associate Editors to keep them in touch with the progress of the journal.

Submissions

A total of 149 new submissions were received under Editorial Express®. This total represents a modest increase of 10 (6.71 per cent) over that reported for 2008.

Additionally there were 47 resubmissions received during this period. It should be noted that new submissions and resubmissions include papers associated with the various Special Issues of *The Econometrics Journal*.

Decisions

A total of 198 decisions were made by the Editorial Board with an additional paper being withdrawn. Of these 158 concerned new submissions which also comprised 14 associated with the various Special Issues of the journal. Of the remaining 144 new submissions 83 (57.64%) were screen-rejections which represents a rise from the figure of 48.73 per cent for 2008. Of the 61 papers not screen rejected, 30 (49.18 per cent) were either return for resubmission or acceptance decisions (2008: 49.18 per cent), the remaining 31 (51.82 per cent) being rejections. Overall, 114 papers or 79.17 per cent (2008: 74.78 per cent) of decisions were either screen-rejections or rejections. A total of 14 non-Special Issue papers were accepted by the current Editorial Board.

The high number of screen-rejections reflects the determination of the Editorial Board to drive up the standard of submissions and accepted papers in order to establish *The Econometrics Journal* as a top international general field journal for econometric research.

The previous Editorial Board rejected 1, returned for revision 5 and accepted 8 papers with 1 paper being withdrawn.

Decision durations

The mean estimate for time to decision in days was 45 (28, 14, 98) [2008: 48 (40, 16, 105)] for decisions on all submissions and resubmissions. The figures in parentheses are the median, first quartile and third quartile estimates. Kaplan-Meier estimates of the stratified survivor functions for time to decision are also presented.

The mean estimate for time to decision in days for all decisions on new submissions was 45 (28, 14, 98). The corresponding figures for non-screen rejections and for a resubmission decision were 114 (138, 81,163) [2008: 92 (105, 87, 124)] and 93 (101, 77, 129) [2008: 94 (105, 87, 131)]. For resubmissions the mean estimate for time to decision was 48 (35, 16, 115) as compared with 30 days for 2008.

Submissions and resubmissions to Special Issues of *The Econometrics Journal* are excluded from these statistics. The corresponding figures with papers submitted to Special Issues included are respectively 41 (27, 14, 90), 87 (90, 54, 146) and 34 (25, 13, 70) for all submissions, non-rejections and resubmissions.

These data indicate a continued improvement in overall decision performance which as previously can be primarily attributed to the policy of intensively screening submissions. Note that the statistics presented in the 2008 Report were not disaggregated into new submissions and resubmissions as presented here. An aspect of some concern is that for non screen-rejected papers although decision times mainly are not too out of line with the four month desired maximum turn-around period decisions for a few papers deviated substantially from the target due to some recalcitrant referees which has given rise to the relatively long tail in these various distributions. An advantage of Editorial Express® is that The Editorial Office of *The Econometrics Journal* is able straightforwardly to monitor the editorial process for all submissions and to bring any outlier papers to the attention of the Editor.

Geographical Distribution of Submissions 1.7.07-30.6.08

Region	*1.7.08-30.6.09*	*1.7.07-30.6.09*
UK	16 (10.7%)	20 (14.4%)
USA & Canada	43 (28.9%)	40 (28.8%)
Europe	51 (34.2%)	39 (28.1%)
Other	39 (26.2%)	40 (28.7%)
Total	149	139

Acknowledgements

The Editorial Office of *The Econometrics Journal* is very grateful for the support of the Royal Economic Society and its officers. Particular recognition should be given to the editorial team and anonymous referees whose efforts ensure that the quality of *The Econometrics Journal* is maintained and improved. The publishers Wiley-Blackwell have also been a great support to *The Econometrics Journal*.

Motivating economics students and improving the maths skills:

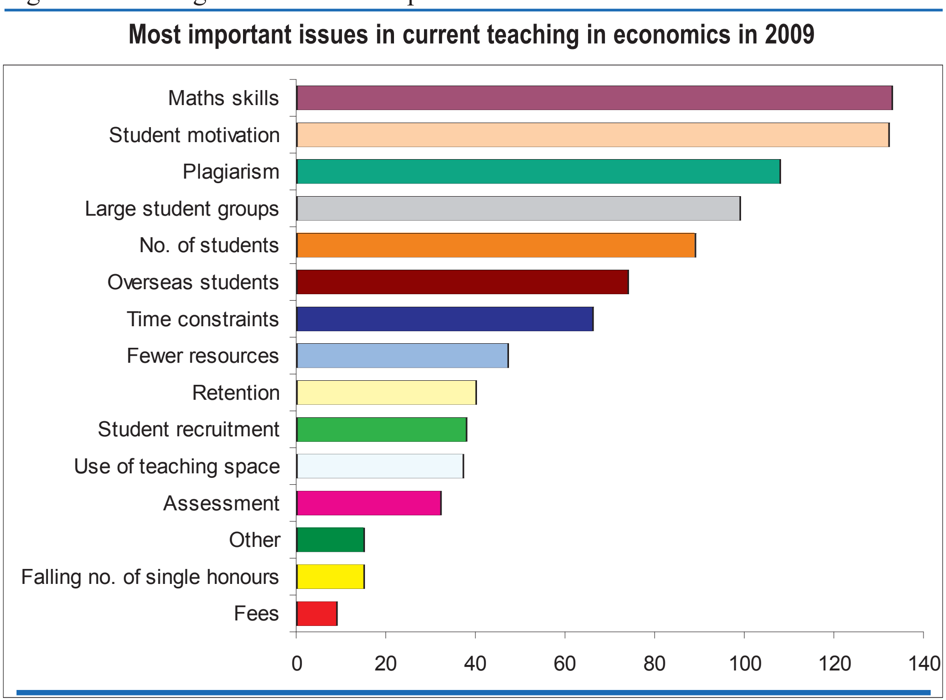
Results of the Economics Network 2009 Lecturers' survey

The Economics Network conducted its fifth biennial national lecturer survey in April/May of 2009 as part of its research programme into teaching and learning, which also includes surveys of students, alumni and employers. 198 lecturers from 70 UK universities completed the survey, compared with 193 in 2007. Some extracts from that survey are presented below.

The survey was observational, conducted online and consisted of 18 questions focusing on lecturers' perceptions of the most important issues in teaching practice over the previous two years, the changes they had instituted, their use of Economics Network (EN) services and their views on the development of specialist areas networks to share teaching resources and ideas. The results of the survey describe our typical respondent as (percentages):

- Male (69.2)
- First language English (73.7)
- In the post of Lecturer or Senior Lecturer (56.6)
- More then 10 years of experience in teaching in HE (53.0)
- Having one or more of the administrative roles (82.8)

The survey confirms a trend amongst increasing numbers of lecturers to change their teaching methods over the past two years due to changes in students' skills and abilities, larger classes and feedback that they receive from students. This continuing trend for change of teaching practice increases the demand for services and resources provided by Economics Network.



As in 2007, nearly two thirds of lecturers highlighted motivating students and dealing with students' maths skills as important issues in their current teaching. The importance of issues associated with large group sizes in seminars increased from 72 respondents mentioning it in 2007 to 89 in 2009 and with the large numbers of students in lectures from 45 to 99. One issue that has seen a large increase in its importance is the specific needs of international students (it was mentioned by 24 lecturers in 2007 and by 74 in 2009). The issues of fewer resources and lecturers' time constraints have also increased in importance. Student retention and student recruitment were mentioned less in 2009 then in 2007, as well as falling numbers for single honours. This reflects the substantial increases in recruitment to economics degree in 2008 (20 per cent) and a further modest increase in 2009 (3 per cent).

Respondents commented further:

On students' maths skills —

• As I teach third year or postgraduates, students have taken core economics and maths modules, yet many seem unable or unwilling to remember and retain a fear of equations.

On student motivation —

• Motivation of students is often to pass the exam rather than to learn.

• Problems with some second year students who don't attend lectures and/or tutorials

• Too many students who are not well prepared and don't want to work to learn

As in our previous surveys there were comments left by respondents regarding the various pressures on their time and differential rewards for success in research and teaching.

The full survey report is available at: http://www.economicsnetwork.ac.uk/projects/lec_survey2009

Readers with comments, queries or suggestions should contact Inna.Pomorina@Bristol.ac.uk

Trust, Law and Morality: The fundamental drivers of economic progress

Professor Sir Partha Dasgupta delivered the Royal Economic Society's annual public lecture on 25th and 16th November, 2009. This summary is provided by Romesh Vaitilingam, the Soicety’s media consultant.

Why are some countries rich, while others are poor and remain poor? Why are the lives of children in two parts of the world – the rich world and the poor world – so different, and remain so different as they grow older? Sir Partha’s lecture explored these fundamental questions about our world by looking at differences in the institutions – cultural, legal, social, political and economic – within which people try to shape their lives. He argued that the importance of law and morality in economic life follows from the essentiality of trust in the social world. The enormous differences in people’s lives are based in the extent to which they trust one another to comply with agreements.

Sir Partha focused on a number of fundamental issues related to economic development, conflict and the environment, all topical with the upcoming World Trade Organisation (WTO) ministerial conference to discuss the Doha Development Agenda and the Copenhagen climate summit in December:

* Trust is the fundamental building block of societies - without it, there can be no basis for cooperation, which in turn leads to progress and economic development.

* The enormous differences in people’s lives in rich countries and poor countries are based in the extent to which they trust one another to comply with agreements.

* To cooperate, people must not only trust one another to to do so, they must also coordinate on 'laws' or 'social norms' (explicit or implicit rules of behaviour), which everyone understands and accepts as legitimate. Social norms only work when people have reasons to value the future benefits of cooperation.

* It is a lot easier to destroy a society than to build it. Rebuilding a community that was previously racked by civil strife involves building trust.

* Societies can tip from cooperation to conflict because of a mere change in beliefs.

* Cooperation can be sustained by mutual affection (families, close communities), external enforcement (laws and the state), desire to preserve reputation, mutual self-enforcement (social norms) or long-term relationships. Even when there is cooperation based on long-term relationships, they can be based on inequality and exploitation.

* The Montreal Protocol has been a success, the Kyoto Protocol a failure - why? The perceived benefits relative to the costs of curbing CFC emissions were high so it was much easier for large numbers of countries to reach an agreement than over curbing greenhouse gas emissions.

* The social infrastructures that are necessary for cooperation are all too fragile in the international sphere - this does not bode well for Copenhagen.

* There are two responses to climate change: adaptation and mitigation. These are often presented as complements but they are more like substitutes. As countries invest more in adaptation (eg building dykes), they are less likely to find mitigation (eg building windmills) attractive.

* Rich countries may build dykes (for their own protection) not windmills (for global protection), continuing to pollute the atmosphere and leaving poor countries not so much high and dry as low and wet.

A past President of the Royal Economic Society (1998-2001), Sir Partha Dasgupta FBA FRS is the Frank Ramsey Professor of Economics at the University of Cambridge, a Fellow of St John's College, Cambridge, and Professor of Environmental and Development Economics at the University of Manchester. His books include *Economics : A Very Short Introduction*, *Human Well-being and the Natural Environment* and *An Inquiry into Well-being and Destitution*.

A video of the lecture will be posted on the RES Website a short audio interview with Partha can be heard at: http://www.voxeu.eu/index.php?q=node/4307

RES news items

Two notices from the secretary-general —

Proposed changes to the governance of the RES

The Charity Commission requires, through its guidance 'Hallmarks of an Effective Charity', that all charity trustees ensure that 'The structure, policies and procedures of an effective charity enable it to achieve its purposes and mission and deliver its services efficiently'.

In order to demonstrate this, the Society must, *inter alia*:

- regularly review its governing document to ensure that it is up to date and that the trustees have the powers that they need in order to achieve the charity's purposes and to manage its resources effectively;

- take appropriate steps to protect its reputation in all aspects of its work, especially in its dealings with beneficiaries and others with an interest in the charity;

- regularly review and assess the risks faced by the charity in all areas of its work and plans for the management of those risks;

- regularly review its structures, policies and procedures to ensure that they continue to support, and are adequate for, the delivery of the charity's purposes and mission; this includes policies and procedures dealing with board strategies, functions and responsibilities; good employment practices and the encouragement and use of volunteers.

During 2009, the Executive Committee asked the auditors, Kingston Smith, to conduct a review of the governance arrangements of the Society, the results of which had been distributed to Council and Executive Committee members. This review laid out the current situation, which is of a Council of charity trustees, some of whom are Vice-Presidents of the Society (usually previous officers) who customarily do not attend Council meetings. The review concluded that our current structure — with Council members as the trustees meeting just annually — is not in keeping with modern standards or today's charity law requirements

Two options for change were developed from this review. The Executive Committee and Council of the Society both favour Option 1, which is to create the Executive Committee as the new Board of Trustees, which would in turn make the Council of the Royal Economic Society a strategic advisory body, which also has the power to appoint and remove trustees. The Vice-Presidents (possibly with a new name) would no longer be on Council, but their experience and advice would be sought in other ways. New Charity Commission rules have made it easier for remunerated officers of the Society to become trustees and this, combined with the increased participation of the six Council trustees who are elected to the Executive Committee, should achieve a smaller and more engaged governing body of trustees. Option 2 was for all Council members to remain as trustees, with Council meeting much more frequently.

At the recent annual meeting, Council therefore agreed that a proposal for change should be put to the membership at the 2010 AGM in which: **all members of the Council not on the Executive Committee would cease to be charity trustees but that Council would remain a strategic and advisory body with the ability to appoint and remove trustees.**

The next steps are that at its February meeting the Executive Committee will develop a proposal based on Option 1. This will then be circulated to Council for agreement before a final version is put to the AGM for approval.

Membership of RES Council

Members of the Society are reminded of their right as members to propose names to be considered for election to the RES Council.

The formal procedure is that the Nominating Committee, which meets early in February, considers all such names and puts forward to Council a list for approval. This is then the subject of a ballot of all members of the Society in the autumn. The successful candidates join Council after formal adoption at the following AGM.

Any member of the Society who would like to make a nomination may contact me at royaleconsoc@st-andrews.ac.uk . In addition to the name(s), there should be either a brief CV or a link to one. As the process needs to get underway in early February, I would like to receive any nominations by **31st January** at the latest.

The 2010 Annual Conference of the Royal Economic Society will be held at the University of Surrey from

Monday March 29 to Wednesday March 31, 2010.

Keynote lectures will be given by:

Robert E. Hall (Stanford)
Carmen Reinhart (Maryland)
Jean-Marc Robin (University College London)

The Programme Chair is Morten O. Ravn (UCL) and the Deputy Programme Chair is Jeremy Lise (UCL): both are contactable at res2010papers@ucl.ac.uk.

The Local Organiser is Jo Evans (Surrey): res2010@surrey.ac.uk.

Online Registration will be open from January 2010. Further details on registration, accommodation and other matters — including information on financial support for postgraduate students attending Conference — will be made available via the Conference web-site: http://www.resconference.org.uk/

Publications

Members Discounts

Members of the Royal Economic Society may order one of each of the Society's publications for their personal use at the special price to members. A full list is provided on the Society website, www.res.org.uk but members should be aware that the special RES Memorial set of The Collected Writings of John Maynard Keynes is no longer available although individual volumes may still be in stock. Please apply to the Royal Economic Society offices at the following address, quoting your membership number, where current prices and stock levels will be advised:

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

Email: royaleconsoc@st-andrews.ac.uk.

Conference grant fund

Please note change of address for applications, see below.

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.

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

Preference will be given:

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

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

Application forms and further particulars may be obtained from either:

www.res.org.uk/society/grants_fellowships.asp

or Professor Anton Muscatelli, Principal and Vice Chancellor, University of Glasgow, University Avenue, Glasgow, G12 8QQ
E-mail: p.pollard@admin.gla.ac.uk

Thesis titles for higher degrees in the Unied Kingdom

Members will wish to note that the Executive Committee of the Society has decided that the annual list of Thesis titles awarded in the previous academic year will in the future be published on the RES website rather than in the June issue of the Economic Journal as has previously been the case.

The Royal Economic Society would like to remind University departments to provide their list of higher degrees in economics **taken entirely by thesis or dissertation** and awarded in the UK during the academic year 2008-9, as well as those already awarded in the academic year 2009-2010 by mid February 2010. For further queries please see the notice circulated via CHUDE in December 2009 or contact Amanda Wilman, Royal Economic Society Administrator via royaleconsoc@st-andrews.ac.uk.

The Austin Robinson Prize

The Austin Robinson Memorial Prize was introduced in 2007 for the best paper published in *The Economic Journal* by an author who is within five years of completing their PhD. The prize, chosen by the *Economic Journal* editors, is given annually and is worth £2,000.

The 2009 prize has been awarded to Simon Luechinger of the University of Zurich, Swiss Federal Institute of Technology, for his paper 'Valuing Air Quality Using the Life Satisfaction Approach,' vol 119, p 482.

Changing your address?

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

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

Support for small academic expenses

The Society is able to offer financial support to members who require small sums for unexpected expenditures. The type of expenditures which could qualify for support under this scheme include 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.

Please note that the awards under the conference grant scheme are highly competitive, and selection will be based on the following criteria. Preference will be given:

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

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

The closing dates for applications are **31 January, 31 May, and 30 September** each year and applications will only be considered at these times.

Applications, in the form of a letter and stating the purpose for which a small grant (maximum £600) is required, should be sent to:

Anton Muscatelli, Principal and Vice Chancellor, University of Glasgow, University Avenue, Glasgow, G12 8QQ

E-mail: p.pollard@admin.gla.ac.uk

Conference Diary

2010

january

January 14-15 — *Toulouse, France*

International Conference on Infrastructure Economics and Development
Deadline for paper submissions: **September 15, 2009**
JEL classification(s): A, C, D, E, F, G, H, I, K, L, N, O, Q, R

Further information:
http://www.tse-fr.eu/images/TSE/ResearchGroups/developpement/icied_june09-final.pdf

January 15-16 — *Munich, Germany*

London City University's Centre for Competition and Regulatory Policy Winter Workshop, hosted by Institute for Communication Economics, Munich School of Management at the University of Munich (LMU).

Further information:
http://www.city.ac.uk/economics/CCRP/CCRP.html

January 21-22 — *Manchester, UK*

Second Annual ESRC Development Economics Conference 'The Effects of the Financial Crisis on Developing Countries'.

Further information: financial.crisis@manchester.ac.uk

march

March 12 — *Cambridge, UK*

CALL FOR PAPERS

New Instruments of Monetary Policy, The Challenges
Cambridge Centre for International Money and Finance and MMF is sponsoring a conference to consider recent and likely future developments in the design and use of tools of monetary policy.

Further information: Jagjit Chadha (jsc@kent.ac.uk) or Sean Holly (sh247@cam.ac.uk)

april

12-14 April *Perth, Scotland*

CALL FOR PAPERS

Annual Conference of the Scottish Economic Society to be held at the Ramada-Jarvis Hotel, Perth. Abstracts should be submitted by **mid-January 2010** to ses@public-economics.com<mailto:ses@public-economics.com>

Further information: www.scotecsoc.org

April 29 & 30 *Nottingham, UK*

9th Annual GEP Postgraduate Conference. The Leverhulme Centre for Research on Globalisation and Economic Policy will provide a forum for the dissemination of student research relating to issues of Globalisation and Economic Policy from both theoretical and empirical perspectives. Submission deadline **29 January 2010.**

Further information:
www.gep.org.uk/leverhulme/events/Conferences_by_year/Conferences2010.php

may

May 3-4, *Cape Town, South Africa*

5th IZA/World Bank Conference: Employment and Development.

Further information:
http://www.iza.org/conference_files/worldb2010/call_for_papers
Contact: Aslan Akay or Markus Frölich at
development@iza.org or www.iza.org/development

May 5 *Manchester, UK*

Manchester/SAET Workshop in Economic Theory. The University of Manchester together with the Society for Advancement of Economic Theory (SAET) invites you to participate in its first annual workshop in economic theory on Wednesday May 5, 2010. Confirmed speakers are Y.Balasko (York), G.Carmona (Cambridge), J.Quah (Oxford), H.Sabourian (Cambridge), and F.Squintani (Essex). JEL Classification(s): C, D, E, G, J, K, L.

Further information:
Paul.Madden@manchester.ac.uk
Tim.Worrall@manchester.ac.uk,
Nicholas.Yannelis@manchester.ac.uk.

june

June 1-4 *Chania, Crete*

3rd International Conference (Chaos2010) on Chaotic Modeling, Simulation and Applications.

Further information: www.cmsim.info/
email: secretariat@cmsim.info

June 3-4 *Tilburg, Netherlands*

2nd Financial Stability Conference
JEL classification(s): D, E, F, G, K, M, O, P

Further information:
http://www.tilburguniversity.nl/ebc/events/2ndfsc/

June 9-12 *South Essen, Germany*

24th Annual Conference of ESPE. Papers and abstracts should be submitted electronically using the on-line submission form. ESPE2010 will also have poster sessions. Deadline for online submission **February 1 2010.**

Further information: www.especonferences.org

June 14-15 *Catanzaro, Italy*

CALL FOR PAPERS

International Workshop on Economics of Education. Organised by Lancaster University and the University of Magna Graecia. Speakers: Christian Belzil, Hessel Oosterbeek and Ian Walker. Deadline for paper submissions: **March 1, 2010**.

Further information: www.iwaee.org

June 15-18 *Newcastle on Tyne, UK*

FUR XIV International Conference Foundations and Applications of Utility, Risk and Decision Theory (FUR) Conference sponsored by the Center for the Economic Analysis of Risk (CEAR) at Georgia State University at the University of Newcastle.

Further information:
www.ncl.ac.uk/nubs/about/events/fur
Or contact email: furic@ncl.ac.uk.

June 17-18 *Spain*

The I*nternational Journal of Central Banking* (IJCB) is organising its second spring conference on the topic of The theory and practice of macro-prudential regulation. Hosted by the Bank of Spain organised by Douglas Gale, Til Schuermann, Rafael Repullo and Frank Smets. Complete manuscripts (not abstracts) should be sent in PDF format to ijcbspringconference@ecb.europa.eu and must be received by **15 February 2010**. Deadline for submission of abstracts: **March 1, 2010**

June 28-30, *St Hugh's College, Oxford*

2010 Oxford Business & Economics Conference (OBEC). Sponsored by: Association for Business & Economics Research (ABER), *International Journal of Business & Economics* and *Oxford Journal*

Further information: http://www.facultyforum.com/obec

June 28-July 2 *Montreal, Canada*

Fourth World Congress of Environmental and Resource Economists. Deadline for paper submissions: **January 31, 2010.** JEL classification(s): H, O, Q

Further information: www.wcere2010.org/

july

July 5-8 *Oxford*

The 4th ESRC Research Methods Festival at St Catherine's College, Oxford. The Festival aims to engage social scientists across a wide range of disciplines and sectors and at different points in their research careers, and to stimulate interest, raise issues, highlight opportunities and showcase new developments. The bookings for the Research Methods Festival will open in March 2010.

Further information:
http://www.ncrm.ac.uk/TandE/other/RMF2010/

July 12-14 *Bristol*

CALL FOR PAPERS

Work, Pensions and Labour Economics Study Group. The Programme Committee of the University of Bristol invites submissions of papers from academic, government, and business economists in any subject area of labour economics and/or welfare-to-work, skills, disability, pensions, extending working lives, discrimination, housing, and poverty. Papers should be sent by **30 March 2010** to wpeg@sheffield.ac.uk. Proposals for the organisation of Special Sessions on particular topics are also welcome.

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

august

23-26 August *Glasgow*

CALL FOR PAPERS

Twenty Fifth Congress of the European Economic Association. Keynote speakers include Esther Duflo (MIT) and Orazio Attanasio (UCL). The deadline for submission of papers is **February 15, 2010**.

Further information: www.eea2010glasgow.org/index.asp

25-27 August *Glasgow*

CALL FOR PAPERS

The Regional Studies Association International British & Irish Section invites the submission of abstracts to be considered for the 2010 Annual Conference. There will be Special Session for early career/doctoral students with prizes for the best conference paper and the best conference presentation by early career researchers. Deadline for abstracts: **February 12th 2010.**Notification of the committee's decision in April 2009.

Further information: Contact the Secretary: Dr Declan Jordan, Secretary RSAI:BIS, Department of Economics, University College Cork, Western Road, Cork, Ireland.
E-mail: d.jordan@ucc.ie

August 26-28 *Tartu, Estonia*

The 11th bi-annual European Association for Comparative Economic Studies Conference 'Comparing Responses to Global Instability'.Deadline for submission of abstracts is **March 15, 2010.** Acceptance by April 30, 2010. Submission of final papers: June 30, 2010

Further information: www.mtk.ut.ee/eaces2010

september

September 1-3 *Limassol, Cyprus*

MMF 2010
The Money Macro and Finance Research Group 42nd Annual Conference will be held at Cyprus University of Technology, Limassol, Cyprus. Submissions by **31 January 2010** from academic, government and business economists in any area of monetary, macro and financial economics. Notification of acceptance by 31 March 2010. Speakers: Badi Baltagi, Athanasios Orphanides, Panicos Demetriades, Hashem Pesaran, Elias Tzavalis, Jose Manuel Gonzalez Paramo, Seppo Honkapohja, Jan Qvigstad, Simon Deakin and Peter Rousseau.

For more information and for online submission of papers please visit www.le.ac.uk/ec/MMF2010.html
Additional information: www.cut.ac.cy/mmf2010

September 24-25 *Zurich, Switzerland*

CALL FOR PAPERS

Swiss National Bank Research Conference 'Monetary Policy after the Financial Crisis'. Call for Papers is available at the conference website:
www.snb.ch/en/ifor/research/conf/id/sem_2010_09_24

Proposals may be emailed to monetary.research@snb.ch by **April 6, 2010.**

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