



ROYAL ECONOMIC SOCIETY

# NEWSLETTER

Issue no. 146

July 2009

ROYAL ECONOMIC SOCIETY

## The conference issue

The Society's annual conference was held this year at the University of Surrey, which took on the responsibility at very short notice. As the Secretary-General's report confirms herein, the organisation and hospitality was excellent and all who attended will look forward to going back next year. One of the features of the conference is the Society's AGM and the report on the Society's activities and finances. These were both delivered by new office holders, John Beath as Secretary-General and Mark Robson as Honorary Treasurer. For the first time, the *Newsletter* includes a summary of the Treasurer's report and members will be interested to read not just that the finances are in good shape but also that the Executive Committee would be pleased to receive ideas for new projects and initiatives which would help to promote the Society's charitable objectives. Suggestions should go to Mark Robson in the first instance, but we would be happy to give publicity in these pages to any interesting proposals.

The Conference Report this year was written by Saugato Datta of the *The Economist*. This is a daunting task, even for an economics journalist. We hope readers will feel that they've been well-served again this year. Amongst other regular items, we have Ray Rees's Letter from Germany — as ever very interesting, especially on the German view of 'Anglo-Saxon economics'. We also have an interesting literary challenge — thrown down by Professor Subramanian. We'll try to find space in future issues for the best responses.

Last, but certainly not least, we are pleased to be able to give some support to a very interesting project led by Martin Brookes and Andy Haldane to promote links between professional economists and UK charities.

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# NEWSLETTER

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## Newsletter - subscription rates

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## Next issue

### Newsletter No. 147

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

**September 15th 2009**

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

**September 16th 2009**

## Contributions from readers

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

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

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# Secretary-General's Annual Report

*The new Secretary-General, John Beath, gave the following report of the Society's recent activities at the Annual General Meeting held during the Annual Conference at the University of Surrey. This is followed, for the first time, by a report on the Society's finances from the Honorary Treasurer, Mark Robson.*

## Introduction

It was in June last year that I succeeded Richard Portes as Secretary-General of the Society, so this is my very first report. Since the change also involved moving the RES office from the London Business School to the University of St Andrews and the recruitment of a new Administrative Officer, I think the appropriate way for me to start is by updating the membership on how that has gone.

The first thing I would like to do is to thank Eleanor Burke and Richard for helping, in their different ways, to make the transfer a less stressful experience than I had anticipated. In the time between last year's AGM and the June meeting of the Executive Committee, Richard gave generously of his time to talk me through his own experience as Secretary-General and this provided some very useful insights into the role.

However, I would like to pay a special tribute to the previous Administrative Officer, Eleanor Burke. Eleanor carefully took me through the calendar of activities and, what was especially useful, gave me an idea of the likely lead times involved. This has proved valuable as, I think, the new team has, so far, managed to deliver all the key things on time.

Talking of the new team leads me to mention Eleanor's replacement as Administrative Officer: Amanda Wilman. Amanda, who has had extensive administrative experience outside the academic world, joined the Society from the University Court office at St Andrews.

In any organisation, there is much tacit knowledge, and for any novice there is a great deal of learning by doing. Thus it was a great help that Eleanor was able to codify quite a lot of material in what I now call the RES Bible. Particularly helpful was the fact that during the last week in June, Amanda was able to spend a week at LBS with Eleanor sorting through and packing up the files before they were shipped north. This helped smooth the transition. Amanda and I would like to thank Eleanor for the time that she gave, especially as she was already working full-time in her new post at LBS as Administrator of the Economics Department.

Members will recall that at last year's conference we were joined by the panel chaired by Elhanan Helpman that had

been commissioned by the ESRC to produce a report on the international benchmarking of economics. This was a report that was jointly sponsored by the Society. The Helpman Report, as it has come to be called, was published in November and painted a generally strong picture of the state of UK economics, a picture reinforced when the Funding Councils published the RAE report on Economics and Econometrics in December. The Helpman Report had several useful developmental suggestions, primarily to do with research in macroeconomics and graduate training. The Society has taken up both of these during 2009. One of the outcomes of the annual Liaison Committee meeting with ESRC, the Bank and the GES, was the ESRC's agreement to put special and additional funding into post-doctoral fellowships in macroeconomics. The second was the decision at the November Council to commit funds to a September School, along the lines of and additional to the current Easter School. I shall say a little more about that in a moment.

However, despite this, the Society continues to have concerns about the ESRC's postgraduate training support. Proposals are due to be presented to the ESRC Council shortly that will significantly change the current system of recognised training outlets. Under the proposals, ESRC studentships will only be available to students who are at recognised multi-disciplinary Doctoral Training Centres and Doctoral Training Units. Through CHUDE, the Society has expressed its concern that these proposals will damage postgraduate training in Economics and move the UK's training model in a direction that is different to that proposed by Helpman and the model that now holds both in continental Europe and in North America.

## Annual Conference

Let me now turn to the Annual Conference. Members will recall that the 2009 conference was originally to be held at Keele University but that events there in 2007/8 led us to reconsider our decision. At relatively short notice, Surrey agreed to act as the host department and the Society is particularly grateful to Neil Rickman and his colleagues for their willingness to take on such a major task at a fairly late date. It is a tribute to the Surrey team that everything is so well organised and I would especially like to thank Jo Evans, the local organiser for her excellent work. I am sure that all members will be delighted to

know that we shall be coming back to Guildford next March for the 2010 Conference. Of course, there are others who are crucial in helping ensure that our annual conference is a success and so I would like to thank Robin Naylor for his outstanding work as conference secretary, and Robin Burgess and Henrik Kleven, a great Programme Committee team.

## Publishing activity

As you will see from the annual accounts, the Society's publishing activities play a crucial role in generating the income to allow us to pursue effectively our various charitable activities. Publishing generates close to 70 per cent of our total incoming resources and the bulk of that is delivered by the *Economic* and *Econometrics Journals*. These flagship journals continue to thrive under the outstanding editorial leadership of Andrew Scott and Richard Smith and they are to be congratulated for their ability to put together and manage such strong and effective editorial teams. Wiley-Blackwell continue to be our publishers and we are planning to work closely with them to develop the related services that they provide us: the website and dealing with subscriptions and membership renewal. We are planning to do this through a more active Publishing Subcommittee.

As Publications Secretary, Donald Winch continues to manage our portfolio of classics and the associated publishing contracts. A recent, and timely, success has been the re-issuing of Keynes's General Theory with its new introduction by Paul Krugman. Donald and I are also actively exploring the possibility of digitising the Keynes Papers and making these available as a public resource.

For many members, one of the highlights of the year is receiving the quarterly *Newsletter*. This provides members with all the news about the Society and its activities, more general information about economic issues and events, and of course the ever-readable 'Letter from ..' feature. Peter Howells continues to edit that with great skill and the Society is grateful for all the work that he puts into it.

Publishing is all about dissemination and so it is only right that at this point I should mention the sterling work that our media consultant Romesh Vaitilingam puts into ensuring wide media coverage material that appears in our journals as well as the papers that are presented at the Annual Conference.

## Other activities

We continue to offer financial support to scholars by way of small grants for research expenses and conference attendance and travel. This scheme has been run with efficiency and fairness from Heriot-Watt by Anton Muscatelli. As you may know, Anton will be moving to Glasgow in the autumn as Principal and Vice-Chancellor and I am delighted to be able to tell you that he will be continuing to look after this aspect of our charitable work.

This year's Junior Fellowship scheme has been advertised with a deadline for applications of 8 May. In the current year, four candidates were awarded fellowships:

Aristotelis Boukouras (University of Warwick)  
Fabian Eser (University of Oxford)  
Rita Ginja (University College London)  
Jonathan G James (Swansea University)

I am grateful to Mark Stewart, Wendy Carlin and Kate Rockett who helped in the selection of these four excellent candidates from a strong field. This year Alan Carruth, Jonathan Thomas and David Webb have agreed to act as referees.

Ever since it started in 2006, the January PhD meeting has grown steadily both in terms of the numbers of students giving presentations and in the number of institutions attending with a view to recruiting. Thanks are due to Rachel Griffiths who organised this January's event at UCL. 175 students gave presentations and there were 98 representatives from 33 institutions. The Society is grateful to City University for the offer to host this event in 2010.

The Easter Schools in Economics and Econometrics have been a regular feature of our year. At Birmingham in 2008, Seppo Honkapohja and Chris Pissarides led one on 'Macroeconomics: Expectations, Learning, Search and Labour', and in Oxford, Bent Nielsen organised one on the 'Econometrics of Model Selection' with contributions from Jurgen Doornik, David Hendry, Kevin Hoover, Benedikt Pötscher and Hal White. This year there was again an Easter School at Birmingham on 'Auctions and Networks' led by Paul Klemperer and Sanjeev Goyal. As ever, the Society is grateful to Peter Sinclair for organising and chairing this key event.

This brings me back to the Helpman Report. The ESRC has acted as the key funder of the Easter events. However, in response to Helpman, Council has agreed to commit up to £40K to mount a September School and discussions have already started with a view to organising an event in 2010.

## Fostering interest in economics

The Society has been doing this in two ways: through its Annual Winter Lecture and through the essay competition it organises in conjunction with Tutor2U to find the Young Economist of the Year.

This year Tim Besley gave the Annual Lecture in November in London and in Glasgow (Strathclyde) on the topic of Making Monetary Policy Work. The 2009 lectures will be given by Partha Dasgupta.

The title for this year's essay competition, its third year, is 'Are economic recessions inevitable?' Once again the prize is £1,000 + an engraved trophy for the winning entry (£500 for the runners up). The Young Economist of the Year award will be once again presented at the London Annual Lecture. An innovation for this year is that all entries are to be submitted online.

## Membership benefits

Although our membership numbers are stable, the Society is keen to find ways to enhance the benefits of membership. On this front there are two developments to report. The first is that I have been discussing with JSTOR making their download service available to all RES members. Though many members have access to this via their institution or employer, it is not something that is open to all our members, particularly to those who may have retired but still wish to maintain their levels of scholarship. The second is that we have taken the decision to video the lectures and special sessions at this year's conference and to make these available to members in due course via the RES website. This is a trial, but as only a relatively small fraction of our membership is able to attend the annual conference, we think that making this key part of the event available to all members will be substantially enhance the membership benefits of the majority.

## RES committees

CHUDE continues to play a key role in the link between the Society and UK Departments of Economics and in interaction between the discipline and the ESRC and the Funding Councils. Neil Rickman and Tim Worrall have provided great leadership of the committee and I would like them to know how much the Society appreciates the work that they and their colleagues on the Steering Committee have done over the past year. The same thanks go to Jane Humphries and her colleagues on the Women's Committee. Their regular Survey on Gender and Ethnicity provides an important statistical picture of the profession and allows us to monitor developments on the equal opportunity front.

## Acknowledgments

Finally, I would like to pay my personal thanks to four people who have helped so much to lower the stress I faced as a rookie Secretary-General. On the Executive Committee, John Vickers and Mark Robson have kept me focussed in the nicest possible way; on membership matters I could not have done without Kathy Crocker's advice and, finally and importantly, in the St. Andrews office, Amanda Wilman, has provided great administrative support. I would like to thank them all.

## The Finances of the Society

From the Honorary Treasurer, Mark Robson

In 2008 the RES passed a notable milestone, with income exceeding £1 million for the first time. The Society falls within the top 5 per cent of registered charities by turnover, and although £1 million is an arbitrary threshold, it does require enhanced reporting to the Charity

Commission — particularly on medium term plans and how the strategic objectives are being delivered. And that is a good enough excuse for any Treasurer to pen a few words for this newsletter about the Society's financial standing.

Last year's audited accounts are now available in full on the RES website, at

[www.res.org.uk/society/pdfs/RES\\_Final\\_Accounts\\_2008.pdf](http://www.res.org.uk/society/pdfs/RES_Final_Accounts_2008.pdf)

But in fact the finances are remarkably simple to explain. Spending on charitable activities falls into just three categories. At £593k in 2008 (60 per cent of the total of £981k), publishing of the journals and books dominates. Projects, grants and prizes in support of diverse initiatives all promoting economics amounted to £211k (22 per cent), under seventeen different headings; and conferences comprised £159k (16 per cent). The non-charitable balance of expenditure, at just £18k (2 per cent), is the cost of governance and investment management.

On the income side, investment of the Society's funds in equity and gilt funds passively managed by Legal and General yields income at a rate of around 3 per cent, depending on the current equity premium, but reliably around £120k. Membership subscriptions also reliably yield nearly £90k. Total publishing income last year was £694k — so, at least for the time being, this is usefully profitable, not just funding projects and grants, but also subsidising the conferences, which earned £117k.

Roughly this balance has been the pattern of recent years, ideally generating a small income surplus for reinvestment (£38k in 2008; £13k in 2007).

From time to time the members of Council (as the charity trustees) need to decide whether they are making the most appropriate application of the Society's resources, its liquid funds of the order of £4 million (plus a lot of very valuable human capital, much of it volunteered). Early in the current year the weakness of sterling has given a welcome boost to income from overseas subscriptions to the *EJ* — but with increased volatility expected, which it is not intended to hedge. Whether or not learned journal income generally will continue to prove so robust to open access publishing is still unclear. But for as long as it does, the Society is able to support a broad range of initiatives on the basis of largely *ad hoc* requests.

At the April AGM the President emphasised that the Executive Committee would be pleased to receive requests for ideas for new projects and initiatives, with a view to increasing the budget allocation. But I would also be pleased to hear from any members with broader views about the Society's medium term financial strategy in support of its charitable objects. Do please email me with any questions or comments:

[mark.robson@bankofengland.co.uk](mailto:mark.robson@bankofengland.co.uk)

## ISER news

### Managing your money is good for your health

The links between our ability to manage money and our psychological wellbeing are the subject of recent research by Mark Taylor from ISER. *Financial capability and wellbeing* has been produced for the Financial Service Authority (FSA). Further information from <http://tinyurl.com/l76uoa>

The latest ISER Working Papers can be downloaded by adding the indicated serial number to the following address: [iser.essex.ac.uk/publications/working-papers/iser/](http://www.iser.essex.ac.uk/publications/working-papers/iser/)

- Variations in Earnings Growth: Evidence from Earnings Transitions in the NZ Linked Income Survey, by Ron Crawford [2009-18]
- Is there a wage curve for the highly educated?, by Sanna-Mari Hynninen [2009-17]

All this and more can be seen on the ISER's website: [www.iser.essex.ac.uk](http://www.iser.essex.ac.uk)

### 2008 Bernácer Prize

The Prize Committee has announced that the 2008 Prize has been awarded to

**Prof Markus Brunnermeier**  
(Princeton University)

for his important research on explaining the emergence and persistence of asset price bubbles, the causes of liquidity crises in financial markets, and the implications of these phenomena for risk management and for financial regulators.

The Bernácer Prize is awarded annually to European economists under the age of 40, who have made outstanding contributions in the fields of macroeconomics and finance. Named in honour of Germán Bernácer (1883-1965), the first Spanish economist who made significant contributions to the development of macroeconomic research, the Bernácer Prize was established in 2001 to recognise the work of young economists from the European Union and to stimulate research on European macroeconomics and financial issues.

The prize is awarded by The Observatory of the European Central Bank (Observatorio del Banco Central Europeo, OBCE), a non-profit association, headquartered in Madrid

Further details: [www.bernacerprize.org](http://www.bernacerprize.org)

## Exploiting the new communications technology in economics

Methods of scholarly communication have changed rapidly in the past decade (JSTOR and RePEc will be well-known to economists) and the JISC Scholarly Communications Group has been advocating the increase of digital communication by and between researchers, teachers and learners. Hitherto, their recommendations for the encouragement of these trends have been generic and wide-ranging across all disciplines. But increasingly, JISC has come to the conclusion that 'advocacy' of these developments is more likely to succeed when focused on the needs of specific subject areas.

With this objective in mind, JISC recently commissioned Publishing Directions to report on how digital communication can best be encouraged in two selected fields: economics and chemistry.

Their recommendations for economics focus on ways to make better use of the technology in the areas of information retrieval, teaching and learning and working with data.

The report can be accessed at:

[www.jisc.ac.uk/media/documents/aboutus/workinggroups/scadvocacyfinal%20report.pdf](http://www.jisc.ac.uk/media/documents/aboutus/workinggroups/scadvocacyfinal%20report.pdf)

### CMPO - new report

#### Private Delivery of Public Services

This report from the Centre for Market and Public Organisation surveys the research evidence on three models of private sector involvement in the delivery of public services:

- Privatisation.
- Public-private partnerships, encompassing outsourcing and Private Finance Initiative (PFI)-type partnerships.
- And not-for-profit organisations.

The report shows that there are good theoretical justifications for each of the models of delivery. But there are limitations on what can be achieved by full privatisation and it is these that have focused attention on partnership and not-for-profit models. Though there is detailed and careful theoretical research on the benefits of not-for-profit organisations, the benefits are not supported by the data. This leaves PFI-type partnerships, which although their record in IT projects is poor, generally deliver the benefits of not-for-profit frameworks but more promptly and at similar cost.

Further information: [P.A.Grout@bristol.ac.uk](mailto:P.A.Grout@bristol.ac.uk)

## Letter from Germany-

# Rescuing the Economy and Economic Policy

*In this year's annual letter Ray Rees reveals that Germany is just waking up to the scale of its economic crisis and that some German professors have a very strange view of the state of economics in 'Anglo-Saxon' universities. Ray has just retired from his chair at the University of Munich, but continues to be active in the economics faculty as emeritus professor and programme director at the Centre for Economic Studies (CES).*

After some initial Schadenfreude and righteous indignation at the mess the freewheeling housing and banking sectors in the USA and UK were making of their economies, the German newspapers woke up to find that things were at least as bad here. German banks, especially the provincial government-owned and controlled Landesbanken, had invested as heavily in those same dubious assets as their British and American counterparts, and their balance sheets were as full of toxic waste as the average nuclear fuel dump. Admittedly, the German housing market was not itself part of the problem. In Germany, home ownership levels are around 40 per cent and rates of capital appreciation of owner-occupied housing are not much above zero, the upside of that being that there is not enough dynamism in the market to inflate a bubble. However, the high proportion of German GDP produced in the export sector meant that the economy was particularly badly hit by the sharp downturn in world trade.

A severe recession, and the associated credit crunch, leaves companies suffering from fundamental weaknesses with nowhere to hide. A string of threatened insolvencies, not only of banks, but of car companies — Opel, the German subsidiary of General Motors, and Porsche, which has got itself deeply into debt by taking a huge gamble in trying to take over Volkswagen, in what seems like a German version of the Forsyte Saga — department store chains and car component suppliers, for example, have led to demands for government bailouts. With a general election due in September, the responses of the coalition government, made up of the two parties that will be the strongest contenders in that election, have a particular resonance. The left-of-centre SPD argues that workers in these companies have a right to be saved from the consequences of the folly and greed of capitalism, and would fund this by increasing taxes on higher incomes. So far however only Opel, which could well have a viable

future cut loose from its US parent, and a number of banks 'too big to fail' have been rescued. Nevertheless, the public sector deficit is forecast to double, pretty much in line with those of the UK and US, and for much the same reasons. We are all Keynesians again.

In an interesting sub-plot to the drama of the economic crisis, 83 professors of economics signed a letter published in a leading daily newspaper, with the heading: 'Rescue Economic Policy in the Universities!' (Rettet die Wirtschaftspolitik an den Universitäten!). The concern of the letter is however more parochial than the question of the specific economic policy adopted to deal with the crisis. The 'Economic Policy' in question is the academic subject of that name as it has traditionally been taught in

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“ In an interesting sub-plot to the drama of the economic crisis, 83 professors of economics signed a letter published in a leading daily newspaper, with the heading: “Rescue Economic Policy in the Universities!” ”

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the German universities. It is usually taught in a descriptive-historical-institutional kind of way, using a minimum of analytical tools and no econometrics. Lectures are often an opportunity for expression of the particular policy point of view of the professor. The letter makes the case for the preservation of this

against what it perceives as a threat, and in the course of presenting that case makes some unfortunate criticisms of how the authors perceive economics is done in the Anglo-Saxon world. These reveal a sad lack of understanding of that subject, and the whole episode highlights, in my view, some basic structural weaknesses in the organization of economics faculties in German universities.

A German economics faculty consists of chairs rather than departments, and these chairs each have a specific subject designation, for example Economic Theory, Economic Policy, Economic History, as well as more specific field designations such as Monetary Economics, Labour Economics and so on. It is of course possible for a faculty to agree to change a chair's designation, but this must be done formally and explicitly. The protest in the

letter appears to have been sparked off by proposals at the Universities of Cologne and Freiburg to re-designate chairs in economic policy, in the case of Cologne for example to macroeconomics (though economic policy is still included in the chair's full title), in their attempt to recruit good, young, well-trained economists to open positions they have. In each case, my impression is that the attempt is being made to modernise these faculties and bring them into the international mainstream of economics, as has already been done at a small number of German universities, my own for example.

Now a striking feature of German faculties, which may well be unique in the world, is the extent to which previous incumbents of a chair feel they have the right to influence, if not to determine, how that chair is to be filled, possibly long after they have in fact retired from it. Closely involved with the protest letter are two previous holders of chairs in economic policy in Cologne, aged 85 and 78 respectively. It has been calculated that the average age of the letter's signatories is 63, with twenty over 70 and only five under 45.

The letter might have been easily dismissed as a self-interested campaign of turf-preservation led by people too old to know better, if it had not chosen to make some critical comments about the way economics is done in the US. This led to a reaction of disbelief, horror and embarrassment, not only among economists in Germany, but also, and perhaps particularly, from the many excellent younger German economists currently holding positions in top economics departments in the US and UK. This has in turn led to a letter of rebuttal signed by 147 economists, including your correspondent.

The original letter laments the tendency of economics to become more theoretical and mathematical, and to sacrifice realism for formal logical rigour. It criticises American economists for withdrawing from reality under the pressure of career concerns, and claims that the incentive structure for young economists there is to avoid working on problems of economic policy, because the resulting controversy would damage their careers. Anyone making that statement must be completely out of touch with the recent economics literature. Though of course there have always been some excesses of abstraction, the analysis and discussion of policy has only gained from the application of the best available theory and econometric methods. It is this sense of misconception and misrepresentation of the current state of the subject, with its echoes of a long-dead debate, in the interests of defending a professional self interest, that I think has caused the reaction that it has.

Essentially, the letter is not just an attempt to defend and preserve an obsolete conception of a subject, but is a statement of opposition to the long-overdue modernisation and internationalisation of the German economics profession. This has been taking place at least over the last couple of decades and appears to be gathering pace.

That it is not yet complete is evidenced not only by the letter from this group of 83, but also by the fact that it is so difficult to attract or retain the many excellent young German economists who go to the US and UK to do their PhDs. Fortunately, the main thrust of policy towards the universities in general, which I have discussed in previous letters, can be expected to help in this regard. But there is still some way to go.



## News from the **Economics Network** of the Higher Education Academy

The Economics Network has a programme of New Lecturer and Postgraduate Teaching Assistant workshops this autumn, part-sponsored by the RES:

### **New lecturers workshops**

Residential two-day Economics Network workshops specifically designed to meet the needs of new and aspiring lecturers of economics. The workshops will complement any generic-based institutional courses that delegates are attending or have attended.

Friday 9-Saturday 10 October 2009, Edinburgh  
Friday 16-Saturday 17 October 2009, Bristol

### **Economics postgraduate teaching assistants/tutors one-day workshops**

One-day workshops specifically designed to meet the needs of Economics Postgraduate Teaching Assistants/Tutors with a focus on small-group classes, tutorials, seminars and workshops.

TBC October 2009, Sheffield  
Saturday 10 October 2009, Edinburgh  
TBC November 2009, Norwich

Further information including online booking from:  
<http://www.economicsnetwork.ac.uk/news/>

### **Still standing on the table: the new lecturer's workshop**

Benjamin H. Mitra-Kahn, from City University London attended an Economics Network New Lecturer workshop sponsored by the RES in October 2008. The full text and the details of how Benjamin changed his teaching can be found at:

[www.economicsnetwork.ac.uk/showcase/mitra\\_kahn\\_diary2](http://www.economicsnetwork.ac.uk/showcase/mitra_kahn_diary2)

# Conference Report

*The Society's Annual Conference took place this year at the University of Surrey, 21st -22nd April. This report of the event is written by Saugato Datta of The Economist.*

Three days spent attending talks on a variety of topics in academic economics at the Royal Economic Society conference promised to provide, if not a column or two, then at least substantial food for thought.

The sessions, on everything from research methods in development to macroeconomic policy to climate change sounded promising, and suitably varied. In the midst of the Great Recession, I actually found it refreshing that while there was reflection about the economic crisis and efforts to use research to illuminate what was going on, this did not take over the conference to the exclusion of everything else

Another of the pleasures of the conference was the way in which sessions devoted to seemingly very different topics ended up addressing related issues, with the contribution of one set of speakers illuminating the concerns that had been raised by another.

For example, Pinelopi Goldberg's talk on her research on the effects of India's trade liberalisation provided evidence about the mechanisms through which it worked using detailed firm-level data on the composition of their inputs and outputs. By itself, this would have been enough to pique my interest. But when Esther Duflo and Mark Rosenzweig discussed the merits and limitations of randomised experiments as a research methodology in development economics, Dr Goldberg's work helped provide a concrete example of the kind of policy evaluation that simply was not amenable to randomisation, but about whose effects it was clearly important for economists to be able to give concrete and useful answers.

In this way, it really illuminated the more abstract discussions about methodology to be able to look at instances of one or other method of research in action, in order to be able to tell more clearly what the costs and benefits of different ways of doing research were. At the same time, the discussions about methodology provided a useful lens through which to judge examples of research like Dr Goldberg's. This inter-relatedness and the effortless segues between very different areas and styles of research ensured that the conference was considerably more than the sum of its parts.

Here, then, are some impressions from the sessions and lectures which I particularly enjoyed, with no particular attempt at comprehensiveness or exhaustiveness.

## Frank Hahn Lecture, David Laibson

After several changes of title, to which RES President John Vickers alluded while introducing him, David Laibson's talk was still listed in the final programme as 'The Financial Crisis of 2008'. In the event, Dr Laibson treated the audience to a bravura exposition of his interpretation of recent economic events, through the lens of what he called 'Bubble Economics'. He provided a clear, accessible, and I thought, convincing interpretation of the global crisis that had its roots in asset-price bubbles (not only about the oft-discussed house price bubble, but also about a residual equity price bubble) whose genesis and effects could be understood using several phenomena that behavioural economists like Dr Laibson find characterise human behaviour. He argued that this provided a cohesive explanation of the economic events of the last decade, and that the welfare costs of this bubble were very large.

Dr Laibson explained how the rise in house prices in places like Phoenix, AZ and Las Vegas, NV, were simply not amenable to an explanation other than that they were part of a bubble. The coastal cities of the United States — New York, Boston, and Washington might be genuinely cramped, but Dr Laibson's description of Phoenix (aided by a satellite map that showed how Phoenix was essentially surrounded by farmland and desert) made it clear that no such argument was possible for that city, where there was 'nothing but space to build'. So the doubling of house prices in Phoenix, when anyone looking around should have known that there was an essentially flat long-run supply curve, provided Dr Laibson for the perfect segue into discussing the psychological biases that underlay the behaviour of market participants.

The psychological biases relevant to the bubble, he argued, were extrapolation (where people look to the past to predict the future — a generally useful heuristic but a terrible one, Dr Laibson argued, in financial markets), return chasing (which follows from extrapolation), excessive optimism, and herding or social proof, which together are 'all the things that belong in a general model of how we come to believe in a world that doesn't exist'. The upshot of all this, said Dr Laibson, is that when people are prone to behave in ways that psychologists and behavioural economists believe they do, it takes only a very small set of mistakes to generate the wrong asset prices, or the doubling of house prices in a place like Phoenix. The bubble, he estimated, had a value of between \$15-20

trillion. He then argued that given all available estimates of the marginal propensity to consume, consumption in the US rose exactly in line with what a standard model would imply in response to the bubble in asset prices.

All this excess consumption was paid for by running huge trade deficits. Here, though, he took issue with Ben Bernanke's savings glut explanation for the consumption boom, which argues that the developing world's high savings found natural recipients in the Irelands, Icelands and USAs of the world. Laibson argued that standard models would imply an investment boom rather than a boom in consumption. Given the path of interest rates, capital stock and investment, he argued, the bubble holds up well as the causative mechanism.

What now? Once the bubble burst, Dr Laibson's calculations predict a drop in consumption of 4 to 15 per cent — with the upper end far beyond anything that has been seen so far. The primary welfare costs would come from a combination of resource under-utilisation (essentially, the recession we are now in), and consumption volatility, which is particularly painful because people have to cut back when their consumption is low, and so where every additional unit of consumption would actually add more to their utility. In sum, he reckoned that these two channels would account for the lion's share of the welfare costs, calculating them to add up to around \$5.3 trillion. In contrast, surprisingly, he found that the welfare costs of inefficient investment — all those unsellable condos — is 'a rounding error', costing about \$250b.

## Denis Sargan Lecture, Pinelopi Goldberg

Pinelopi Goldberg quoted Paul Krugman, who wrote that 'the purpose of international trade — the reason it is useful — is to import, not to export. That is, what a country really gains from trade is the ability to import things it wants. Exports are not an objective in and of themselves; the need to export is a burden that a country must bear because its import suppliers are crass enough to demand payment.'

This was certainly not the dominant tone of the discussion in India in 1991, when the IMF foisted a widely unpopular trade liberalisation on the Indian economy as part of the conditions for a \$2.5 billion bailout loan. But it turned out to be an ideal reform to study the effects of trade liberalisation, because the IMF's diktats regarding across-the-board tariff cuts meant that jockeying by industries trying to head off greater import competition, which usually means that which industry's tariffs are cut has a lot to do with lobbying abilities, was minimised.

As part of those reforms, India slashed tariffs on imports from an average of more than 80 per cent in 1987 to 39 per cent by 1994. Non-tariff barriers were reduced too, from an average of 87 per cent to 45 per cent. Not surprisingly, India's imports did boom, growing by 200 per cent between 1991 and 1997. But the effects on Indian

manufacturing were not what the merchants of doom had predicted: the output of the manufacturing sector grew by 200 per cent over the same period. And by looking carefully at what was imported, what it was used for, and what Indian firms made, Dr Goldberg came to the conclusion that cheaper and more readily available imports actually contributed to the growth in India's domestic industrial growth in the 1990s.

In essence, the reduction of tariffs on all sorts of goods meant that Indian manufacturers gained access to a variety of intermediate and capital goods which had earlier been too expensive for them to use them profitably. The increase in imports of intermediate goods was much higher, at 227 per cent, than the 90 per cent growth in consumer goods imports in the thirteen years to 2000. The prices of imported intermediate goods that were already in use before liberalisation declined by 4.7 per cent per year after the reforms. This allowed manufacturers to turn to lower-cost producers of inputs they already used.

Also, some inputs might have had no perfect domestic substitutes, so being able to import them opened up entirely new ways of producing something that was already produced, but using an inferior input variety. But even more important, some inputs that were unavailable or uneconomical before could be indispensable for particular products. So over time, removing restrictions on imports could broaden the range of what domestic firms made, and spur more research activity aimed at developing new products, the most important channel of technological progress.

Very detailed firm-level data about inputs and products allowed all these ideas to be tested in the Indian case, and the results were illuminating. Of the surge in imports of intermediate goods that followed liberalisation, fully two-thirds had simply not been imported when India had a more restrictive trade regime. India was not just importing more intermediate goods, it began importing new ones. And this led to an explosion in the variety of goods that Indian manufacturers made: the average firm made 1.4 products before liberalisation, but by 2003, this had increased to 2.6. Detailed data about what inputs firms used to make which products allowed the link to be made explicit. Furthermore, the increases in variety were largest for industries whose input tariffs were cut most.

Interestingly, the theory would also predict that some products would cease to be produced, so Dr Goldberg expected an increase in both additions and removals from product lines. In practice, it turned out that Indian firms simply did not drop products nearly as often as they added them, or indeed anywhere near the rates seen, for example, in America. Creative destruction, in the Indian context, did not seem to involve much destruction. Dr Goldberg speculated that this might be because India is such a diverse market: there is always a segment lower down in the economic hierarchy which is quite happy to buy products which richer consumers turn their noses up at.

## RES Presidential Lecture, John Vickers

As John Vickers pointed out in his Presidential lecture, there is a strong tension between competition policy and property rights, with a whole host of legal questions, many with very important economic implications, which are not amenable to being resolved simply by looking at the law on the books. Some might argue that the very essence of property rights was excludability. But on the other, he said, one could imagine that competition would never arise in a market with a powerful incumbent unless competition policy intervened. So when, if ever, Dr Vickers asked, should competition law require a dominant firm to share its property with its rivals?

He outlined a model that suggested that a rival is less likely to develop new products if it cannot share in the profits from the dominant firm's invention. If the leading firm is free to licence its technology on strict terms, it reduces the profits of rivals who have to pay. Rival firms are indeed encouraged to innovate because of the prospect of a larger payoff. But on balance, the incentive to innovate will be greater where access is granted more freely, because profits now are more valuable than profits in the future.

Another argument for reining in dominant firms is that the competition to innovate tends to be keenest where the battle to be the dominant firm is very close, with firms running neck-and-neck. If market leaders license their knowledge on easy terms, the pay-off from research and development is reduced. But smaller firms may also be able to catch up quickly. Despite lower profits from any new inventions, they will be sought more aggressively when competitors are similarly placed.

Finally, he argued that the strongest reason to trespass on property rights would arise if the dominant firm used them to stifle 'follow-on' innovation. An ideal set-up would reward the most important inventions without stifling those that would build on them. This would require the original inventor a share of profits from related products that his invention might lead to, but with enough left over to make rivals' R&D viable.

Dr Vickers peppered his talk both with details of relevant cases, as well as anecdotes about the way in which the US Supreme Court functioned. One learnt, for example, that while Justice Scalia and Justice Bryer were from the so-called 'conservative' and 'liberal' wings of the court respectively, they both tended to concur in cases related to trustbusting, arriving at the same relatively non-interventionist position from very different theoretical underpinnings. But the factoid that may have interested those in the room most was that Justice Bryer had recently published an article in the *Economic Journal*, something that most of the audience would aspire to but few may have achieved.

## Economic Journal Lecture, Gilles St Paul

As Gilles St Paul pointed out, most models of reform tend to focus on the conflict of interest between groups that stand to gain or lose from the competing policy proposals. In reality, he argued, there is also a lot of disagreement about the working of the policy: conflicting views (and not just conflicting interests) matter. Examples of such conflicting views could include disagreements about the size of the Keynesian multiplier, the cost elasticity of labour demand, or the effect of returns to education on people's incentives to acquire skills. But where, he asked, did these beliefs come from?

What, for example, did the people of France believe? (The choice of country was clearly heartfelt: I got a sense of great personal frustration with the belief systems of the French and their cursed intransigence on important matters). France, Dr St Paul pointed out, is among the countries in the world with the greatest hostility to the market economy. Those views, he argued, are shaped in part by an educational bureaucracy whose beliefs differ substantially from those of broader society. Schoolteachers were self-selected in terms of being those with either very negative views about the market economy to begin with, or those whose views had been coloured by bad experiences with the private sector, so they would not be representative of the general population.

In addition, once a person became a teacher, she would gain little additional experience about the market economy, and would therefore not update her views (though surely working in the private sector is not the only way to garner such experience, and even French schoolteachers must shop). But in any case, in Dr St Gilles's model of occupational choice, those initial criteria through which people selected into the teaching profession would transmit a particular set of beliefs to students.

Finally, he argued that economic institutions also affect the capacity to learn from experience. A society which has a negative view of markets is likely to favour a more rigid labour market, which would in turn reduce individuals' experience of the market economy, and thus their ability to learn from experience. This then reinforces the importance of the educational system in the way beliefs are formed, thus validating people's initial presumption against the market economy. In equilibrium, beliefs and institutions reinforce each other.

## Special Session, Experimental and Non-experimental Approaches to Development Policy

Esther Duflo is often referred to as one of the founders of the 'new development economics' centred around the use of randomised experimental designs in developing countries, so it was interesting, to say the least, to hear her say

that she found the term itself ‘somewhat strange’. Having got that much out of the way, Dr Duflo argued that experiments were good for identifying causal effects. But as important, she argued, was that the availability of the experimental approach to development economics fostered creative approaches to test theories, and were capable of challenging theory by uncovering results that standard theories would not deem possible, to explain which new theories would have to be generated. In her view, the problem of external validity, which is often brought up by critics of randomisation-based approaches, was a bit of a red herring in that it applied as much to other approaches to empirical work in development.

Randomised experiments would be most useful, she argued, where they were designed explicitly to design variation that would allow a parameter of interest to be teased out. But experiments are only as good as the questions they ask, may not be a good way to identify general equilibrium effects, and scaling up is an ever-present issue. Experiments, she said, are ‘neither necessary nor sufficient’ for a good piece of research.

But just as Dr Duflo argued that one of the great contributions of randomisation was to have attracted bright young students to what used to be a relatively boring corner of economics, Mark Rosenzweig, worried that the discipline also needed to think about whether the attractions of experimental approaches could crowd out interesting non-experimental work. Agreeing that one of the great benefits of the experimental approach was that it was quicker and that there was little scope for quarrels about identification, he argued nonetheless that this came at the cost of asking more limited questions.

In any case, Dr Rosenzweig argued, there were plenty of important questions where randomisation was simply not feasible: how, for example, would one randomly allocate the productivity of schooling? And even if one could - Dr Duflo gave the example of research that tried to manipulate, if not the actual returns to schooling, then what people thought those returns might be - then would this raise ethical concerns?

Both agreed, in the end, that there were uses for the experimental approach done right, and that there were limitations, even if there were clearly differences between which side of the dividing line between costs and benefits certain features lay on. But Dr Duflo’s response to a question from the audience, about where additional research funds should be used, was a fitting end to this fascinating discussion: take all the money that is wasted on ‘utter uselessness’, she argued, and divide it up between well-thought out experimental and non-experimental work.

## Special Session, Growth

Chang-Tai Hsieh argued there has been a good deal of progress in accounting for the proximate determinants of growth, but less about where differences in these factors (human capital, physical capital, etc) came from. Dr

Hsieh argued that total factor productivity played the most important role in explaining differences in income per capita between countries, both directly as well as through its effect on the accumulation of both kinds of capital. And TFP varied so much, he argued, most likely because of misallocation of resources. Looking at the distribution of marginal products in manufacturing and services, for example, gave the sense that more and more resources were going into a sector where productivity was stagnant or falling. What I enjoyed most about his talk was the way in which possible (and plausible) explanations for variations in things like human capital accumulation were made to face up to the evidence (and then, often, rejected).

But, as Pinelopi Goldberg pointed out in her response, saying that TFP, which is essentially an unexplained residual, was the crucial factor in growth was essentially tantamount to saying how little we have actually learnt. This is a view with which I have much sympathy; I do believe that a combination of the sort of work Dr Goldberg is doing on trade, and the ‘new new’ randomisation, which seeks to uncover parameters of interest rather than just evaluate programmes, holds the key. Dr Hsieh said that he was frustrated by the existing micro evidence. I hope that a few years down the road, he will have more reason for cheer.

Finally, a few comments on the general sessions. I stumbled upon a few I really enjoyed, particularly a talk about the economic origins of ethnolinguistic diversity as well as some entertaining discussions of the economics of blogs and violence in Canadian hockey.

But in some instances, I (and in at least one case, one of the speakers) were more than a bit foxed by the choice of talks that made up a single session. Several seemed to have been thrown together in one session mainly because they had not fit anywhere else. This made for some entertaining segues, but might be something for the organisers to try and minimise. The other thing, of course, was that I felt a bit sorry for some of the general sessions which had virtually no audience. Perhaps holding the conference in a university with a large number of graduate students would make the general sessions a bit better attended. That said, the University of Surrey proved a remarkably pleasant setting for a few enjoyable days of listening to economists talk about economics.

# Pro Bono Economics

*UK charities make little use of the professional skills of economists. In this article, Martin Brookes and Andrew G Haldane<sup>1</sup> look at why this is the case and outline an exciting new project to broker economists into the charitable sector. Volunteers welcome!*

## Charities and Economics – A Missing Market?

Few charities currently either employ or consistently make use of economists. And, in our experience, relatively few economists have considered applying their skills within the charitable sector. This, we believe, is a market failure — indeed, to all intents and purposes, it is a missing market. Why is this market missing? And what might be done to address it?

On the first question, there appear to be essentially two explanations: cost externalities; and (two-sided) information failures. *On cost externalities*, the vast majority of charities cannot afford to pay for in-house — or indeed outsourced — economists. The market price of economists is set within the private and public sectors, at levels well above the ‘going rate’ within the charitable sector. Partly as a result, there is also a lack of career opportunities for economists within charities. And there is no real consultancy offering advisory services to charities. This cost argument seems to be one of the key reasons why other professions, whose reservation wage is set within the private sector, operate pro bono programmes — lawyers, management consultants, accountants etc.

If the argument were purely cost, then there would not be a market failure. The high prices of economists set in the public and private sectors would simply be a pecuniary externality so far as charities were concerned. One could argue that greater funding of the charitable sector was the best solution in this case. But there can also be a positive externality to the services provided by economists, which implies a market failure.

The value of a piece of economic analysis to an individual charity depends on the needs of that organisation. But its public value may be much greater if other charities could use the same analysis themselves — for example, in the area of data collection or measurement of results. In

this situation, the societal value of a piece of research exceeds what the individual charity itself would be willing to pay — a classic externality. And even if the charity had more resources, it would still not be in its interests to buy as much economic analysis as the public interest would want.

On *informational* failures, these appear at present to infect both the demand (charity) and supply (economics) side of the equation. On the demand side, it appears from our experience that many charities do not understand or appreciate the value of economic analysis to their business and so do not seek it. And on the supply side, many economists do not realise that their skill-sets would be valuable in addressing questions such as measuring the broader (economic and/or social) impact of charities’ work. With neither demand nor supply well articulated, the upshot is a largely missing market. There are a

few isolated examples of economists helping charities on a pro bono basis with problems of measurement and articulation of ‘return’. But, to date, these experiments have been the exception rather than the rule. Moreover, it is worth noting that the absence of economic analysis also applies within large charities who often have more resources and better access to pro bono support.

Meanwhile, within the third sector there is a growing recognition of the problems caused by a lack of measurement and analytical evidence. The Office of the Third Sector in the Cabinet Office has noted this and, together with the Economic and Social Research Council, funded a new Third Sector Research Centre at Birmingham and Southampton Universities. This suggests there is growing awareness that charitable work can have wider social and economic benefits. We strongly believe that quantitative evaluation by economists can help in measuring those benefits and in determining the most effective ways of channelling support to achieve them.

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“ To that end, we have set up a new charity — Pro Bono Economics (PBE). Its aim is to broker economists into the charitable sector to help on short and medium-term assignments, typically addressing questions around measurement, results and impact. ”

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## Filling the Missing Market

To that end, we have set up a new charity — Pro Bono Economics (PBE). Its aim is to broker economists into the charitable sector to help on short and medium-term assignments, typically addressing questions around measurement, results and impact. More specifically, PBE seeks to address directly the market failures which have resulted in this missing market by:

- brokering economists into the charitable sector on a pro bono basis - thereby addressing the cost problem;
- acting as a matching agency, and as a more general source of information about the use of economics in the charitable sector, between charities and economists — thereby addressing the information problem.

In this way, PBE aims to kick-start a market in economic services to charities.

An economist might reason that the availability of free economic advice could undermine the development of a viable market. The role of PBE might in this sense be no more than catalytic. On the other hand, it is worth noting that in other professions – such as law and management consultancy — paid advice for charities has tended to exist alongside pro bono support. At a minimum, the high cost of economic advice will limit the development of the market and may provide a continuing rationale for pro bono support.

One deliberate intention of PBE is to equip charities with the tools to do more economic analysis themselves. Engaging with the projects and the economists will hopefully leave a lasting legacy of understanding about economics within the charitable sector. PBE may seek to train charity staff in economic analysis to support this capacity-building. And PBE is committed to publishing the results of the individual projects it undertakes and sharing these with other charities. This is recognition of the fact that there is likely to be considerable ‘learning by doing’ in a fledgling market and significant increasing returns to scale in the provision of economic research directed at charities.

PBE has been lucky enough to receive the endorsement and support of the Government Economic Service, representing over 1,000 economists working within government departments. This support will be invaluable in helping supply economists into the charitable sector. Using this resource pool, PBE has recently commenced a sequence of pilot projects working alongside four charities. Details of these projects are given in the two boxes. These projects are intended to serve as proof of concept, before rolling PBE out to a wider set of charities. These projects are already showing encouraging signs of bearing fruit. A number of other pilot projects are also in gestation.

PBE will be launched formally at the end of September at HM Treasury. We have been able to attract a number of high profile patrons from across the economics profession. The next stage will be to roll out PBE services across the charitable sector. With that in mind, we are seeking now expressions of interest from volunteer individuals or organizations from across the economics profession. The membership of the Royal Economics Society represents a lucrative pool of potential volunteers, to complement the Government Economic Service pool. Volunteering comes with no commitment beyond a willingness to consider PBE projects as these become available. Volunteering might amount to little more than reviewing a PBE project’s outputs; or it might involve carrying out a PBE project of several months duration from start to finish, albeit typically conducted as flexibly as the volunteer requires.

Details about PBE, and specifically about volunteering, are available at our website [www.probonoeconomics.com](http://www.probonoeconomics.com); or if you wish to contact us directly, you can do so at [info@probonoeconomics.com](mailto:info@probonoeconomics.com).

We turn now to two projects in which Pro Bono Economics is already engaged.

## Assessing the costs of child sexual exploitation

— by Greg Thwaites <sup>2</sup>

Upwards of 3,000 children in the UK are sexually exploited – coerced into sexual activity in exchange for money, food or drugs. This form of abuse is now recognised to be a major public health challenge around the industrialised world, as well as a question of social welfare and basic human rights.<sup>3</sup> It can severely affect the life chances of those affected, in terms of morbidity, low educational attainment, and association with crime.<sup>4</sup> This in turn generates substantial costs for the taxpayer and society.

The children’s charity Barnardos runs a network of 19 service centres around the UK that work with children at risk of sexual exploitation. Previous studies have found that this work is associated with a reduction in the risk of sexual exploitation<sup>5</sup> and recommended further funding for the work.<sup>6</sup>

However, no study to date has attempted to quantify systematically the fiscal and social savings generated by Barnardo’s programme. Reliable figures would assist the allocation of scarce resources within the service provider, and perhaps strengthen their case for public and private support.

So Pro Bono Economics is working with Barnardo's researchers to come up with such an estimate. The approach they are taking has two main legs:

- Estimating the costs to the taxpayer of sexual exploitation, principally by matching data from interviews with Barnardos service providers to government data on the costs of health, educational and judicial outcomes and interventions; and
- Employing a new statistical method to estimate the impact of Barnardos' interventions in reducing these costs.

The project will also aim to contribute to the in-house analytical capabilities of Barnardos, and provide a template for future research in this area.

## Assessing the Value of Non Cognitive Skills — by Lucy Heady <sup>7</sup>

Traditionally, economists have thought about human capital in terms of so-called 'cognitive skills' such as reading and mathematical ability. However, over the last decade or so analysis of longitudinal data has shown that non-cognitive skills such as self-esteem and a sense of control can be as, if not more, important for adult outcomes as cognitive skills (Heckman *et al* (2006), Carneiro *et al* (2007)).<sup>8</sup> These outcomes include employment, income, risk-taking behaviour and depression.

Both non-cognitive and cognitive skills are strongly dependent on family background but there is evidence to suggest that non-cognitive skills may be easier to influence than cognitive skills (Carneiro *et al* (2007)). Furthermore, intergenerational transmission of non-cognitive skills has increased and is contributing to the decrease in social mobility (Blenden *et al*, 2006).<sup>9</sup>

The policy implication is that interventions aimed at improving the non-cognitive skills of the most deprived are a promising target for improving life chances for these children and increasing social mobility. Indeed, concentrating on non-cognitive skills may have higher returns than attempting to boost children's cognitive skills directly.

For Pro Bono Economics' second pilot, three economists have gone into three different charities all working in some way towards improving children's non-cognitive skills.

The charity Chance UK provides a structured mentoring programme for children between 5 and 11, providing troubled children with more stability and reducing isolation. It works mainly in London.

The Place2Be provides a drop-in service for children where they can talk about whatever is worrying them and is currently in more than 100 schools across the country.

The Brandon Centre provides services for 12 to 25 year olds in North London who are experiencing mental health problems and have contraception and sexual health needs.

The economists are analysing the data from the three charities and linking them to the demonstrated benefits from improved non-cognitive skills. Further analysis may also look at the long-term cost-effectiveness of the charities.

### Notes:

1. Martin Brookes is chief executive of the charity, New Philanthropy Capital. Andrew G Haldane is Executive Director, Financial Stability, at the Bank of England.
2. Greg Thwaites is an economist at the Bank of England and is leading the project with Barnardo's on behalf of Pro Bono Economics.
3. See e.g. Gilbert *et al.* (2008), 'Burden and consequences of child maltreatment in high-income countries', *The Lancet* Vol 373 and Willis B M and Levy B S (2002) 'Child prostitution: global health burden, research needs, and interventions', *The Lancet* vol 359
4. See e.g. the work of Nobel economics laureate James Heckman at <http://jenni.uchicago.edu/human-inequality/>
5. Scott S and P Skidmore (2006), 'Reducing the risk: Barnardo's support for sexually exploited young people', Barnardo's.
6. 'Barnardo's Sexual Exploitation Services', New Philanthropy Capital, December 2008
7. Lucy Heady is Head of Measurement at New Philanthropy Capital and is a trustee of Pro Bono Economics.
8. 'The Effects of Cognitive and Non-Cognitive Abilities on Labour Market Outcomes and Social Behaviour', J Heckman, J Stixrud and S Urzua, University of Chicago, 2007; 'The Impact of Early Cognitive and Non-Cognitive Skills on Later Outcomes', P Carneiro, C Crawford and A Goodman, Centre for Economics of Education, October, 2007,
9. 'Accounting for Intergenerational Income Persistence: Non-Cognitive Skills, Ability and Education', Centre for Economics of Education, September 2006.

## British Association for the Advancement of Science change of name

The British Association for the Advancement of Science (as it was) is divided into a number of sections, of which section F covers economics. In recent years, the October *Newsletter* has carried reports of the section F meetings at the Association's annual 'Festival of Science' and we plan to do the same this year.

But readers may like to know that the BAAS has recently changed its name to the

### British Science Association

The Association was founded in 1831, mainly through the efforts of William Vernon Harcourt and was modelled on the German *Gesellschaft Deutscher Naturforscher und Ärzte*.

In 1860 the Association organised the famous meeting at Oxford, where the debate between Thomas Henry Huxley and Bishop Samuel Wilberforce took place. This meeting is widely viewed as the turning point in the evolution debate.

A less glorious moment for the Association occurred in 1878 when a committee of the Association recommended against constructing Charles Babbage's analytical engine, the forerunner of the modern computer.

The Association's major emphasis in recent decades has been on public engagement in science.<sup>1</sup>

Its annual meeting, now called the Festival of Science, is the largest public showcase for science in the UK and attracts a great deal of media attention. It is held at UK universities in early September for one week.

This year the Festival is hosted by the University of Surrey in Guildford from **5-10 September** with events taking place across Surrey.

The extensive programme of events can be searched at:

<http://www.britishecienceassociation.org/web/BritishScienceFestival/WhatsOn/>

#### Note:

1. For an interesting discussion of the urgency with which scientific communication with the general public needs to be improved, and a comment on the role of the British Science Association in this see R Winston 'Why turning out brilliant scientists is not enough', *New Scientist*, 3 February 2009.

## The Global Economic Symposium

The Global Economic Symposium (GES) aims to provide a new collaborative setting to analyse the world's most important economic problems, create shared visions of the future and formulate innovative strategies to achieve these visions. The GES thereby seeks to be a catalyst for future change.

Its work is focused on an annual meeting which brings together leaders in academia, business, politics and civic organisations, promising young members of these communities are invited as well.

This year's meeting will be held at Plön Castle, Schleswig-Holstein, Germany from **10 to 11 September**.

The symposium is backed up by a continuous programme of research and the report for this year's meeting has just been published by the GES and the Kiel Institute for the World Economy. Under the title of *Global Economic Solutions*, it calls for a new age of global cooperation.

Dennis Snower, Institute President, Director of the GES, and one of the report's authors says:

'We have succeeded in exploiting the magic of markets, but we often fail where those markets fail. The present Age of Globalization must now to be supplemented by an Age of Global Cooperation, where shared goals motivate diverse stakeholders to pull in the same direction.'

One of the report's key messages is that while free markets have delivered spectacular economic growth and lifted millions out of extreme poverty in the past quarter of a century, free markets alone are powerless to solve the many problems that require a global response. These include: climate change; rising disparities between the world's richest and poorest countries; terrorism, ethnic conflict and social fragmentation; food shortages, energy insecurity and water scarcity; financial risk, the threat of protectionism and job insecurity.

The report can be downloaded from:

[www.global-economic-symposium.org/ges-2009/downloads](http://www.global-economic-symposium.org/ges-2009/downloads)

Details of the themes and sessions for this year's symposium, as well as a list of confirmed panellists can be found at:

[www.global-economic-symposium.org/ges-2009/](http://www.global-economic-symposium.org/ges-2009/)

# Clerihews in Merry Hues:

## An A-to-Z of the Lives and Times of Economists in Jolly Rhymes

by S Subramanian<sup>1</sup>

*The selection of the 26 economists featured here may well be eccentric. This should encourage other scholars to come up with their own 26 clerihews apiece. If five economists undertook this task, we should have on hand a slim and elegant volume of 130 verses. I offer this suggestion at no cost to the Royal Economic Society, although, of course, I shouldn't complain if they offered, in exchange, to publish one or two (or three) of my articles in the Economic Journal (without charging a submission fee, I hope it goes without saying) — S Subramanian*

### A

Kenneth Joseph **Arrow**,  
Compared to Mia Farrow,  
In oomph is deficient.  
But his equilibrium is efficient.



### E

Francis Ysidro **Edgeworth**  
Is known from Rio to Fort Worth  
For the *brio* and swerve  
Of his Contract Curve.



### F

To Professor Milton **Friedman**  
All things under the sun  
Suggested the Supply of Money.  
Dr Solow found this funny.



### B

**Bentham**, of Utilitarian fame,  
Swore up and down by this claim:  
You are cracked, or at least tight,  
To respect a Natural Right.



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clerihew, *n.*

A humorous verse, usually consisting of two unmatched rhyming couplets, about a person whose name generally serves as one of the rhymes. [After Edmund Clerihew Bentley (1875-1956), British writer.]

- *American Heritage Dictionary of the English Language*

### G

William Terence **Gorman**  
Was not, I think, a Mormon.  
He did tricks with a utility function  
And got lost at Didcot Junction.



### C

Says Ronald Harry **Coase**  
(In very simple prose):  
Define the rights of property  
And be rid of Externality.



The art of Biography  
Is different from Geography.  
Geography is about Maps,  
But Biography is about Chaps.

-Edmund Clerihew Bentley

### H

Trygve Magnus **Haavelmo**  
Differed from Larry, Joe and Curly Mo  
Whose talents were not statistical  
But really rather slappy-stick-al.



### D

Monsieur Gerard **Debreu**  
Wrote neither Greek nor Hebreu.  
Still it's hard to argue  
With his *Theory of Value*.



### I

**Inada**, Ken-Ichi  
One consults when itchy  
To display one's deference  
For non-cyclical preference.



*J*

William Stanley **Jevons**  
Didn't habitually gaze at the heavens,  
Though his work on sun-spots  
Could lead to such thoughts.



*P*

For Vilfredo Federico **Pareto**  
It's true from Sicily to Soweto  
That x is socially the best  
If it's best for me, and the rest.



*U*

Hirofumi **Uzawa**,  
Is admired from near and far.  
A critic is one who hectors  
His model of two sectors.



*K*

John Maynard **Keynes**  
Quite bursted with brains.  
The rational outcome  
Was more National Income.



*Q*

Of Francois **Quesnay**  
One can rightly say  
That his Economic *Tableau*  
Is something. *Parbleu!*



*V*

Thorstein Bunde **Veblen**  
Denounced conspicuous consumption.  
He thought the leisure class  
To be a pain in the \_\_\_\_\_.



*L*

Wassily **Leontief**  
Was born in Munich, not Kiev.  
Whenever he was able,  
He drew a coefficients table.



*R*

**Robinson**, by whom I mean Joan,  
For this taunt was very well known:  
'How dare you measure capital  
When you are Neo-Classical?!'



*W*

Marie-Esprit-Leon-**Walras**  
Was an economist of the very first class.  
That excess demands sum to zero  
Is a Law of this mathematical hero.



*M*

For Thomas Robert **Malthus**  
There's too many of us.  
He feared humanity's fate  
Is in its reproductive rate.



*S*

Amartya Kumar **Sen**  
Is a prince among men.  
But he will sprain your brain  
With a Theorem of Szpilrajn.



*X*

No economists were called Xaliah,  
Or Xerxes or Xantha or Xavier.  
No matter what sex,  
They are badly served by X.



*N*

John Forbes **Nash**,  
You should recognize in a flash,  
Is the swellest of names  
In the Theory of Games.



*T*

The economics of **Tobin**  
Is deep and very probing.  
He did not care much  
For monetarists and such.



*Y*

Janet Louise **Yellen**  
Is at Berkeley, not Mellon.  
She thinks unemployment's sad,  
But inflation less bad.



*O*

**Ohlin** said to Heckscher,  
'You betcher I'm glad I metcher' -  
A Wodehousean line  
For this happy combine.



*Z*

Arnold **Zellner's** Ecotricks  
Is largely Bayesian Statistics.  
To say what that means  
Would be spilling the beans.



**Note:**

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

# Obituaries

## Clive W J Granger

Clive Granger passed away on May 27. He had been a wonderful colleague and good friend, and will be sorely missed.

Clive always had a particular passion for identifying what was predictable in economic relationships. He emphasised the importance of sorting out which variables are helpful for purposes of forecasting others as one of the first steps in understanding underlying causal relationships. That philosophy came to be a regular feature in thousands of economic studies and seminars, as scholars would routinely report investigations of ‘Granger-causality.’

Clive also discovered, in a paper with Paul Newbold published in 1974, the phenomenon of spurious regression. The pair demonstrated by Monte Carlo simulation that if a researcher fails to take account of the underlying dynamics, a regression of one trending variable on another can produce what look like marvellously significant  $t$ -statistics, even though the reality could be that the two series are completely independent of each other.

The key contribution for which Clive was awarded the Nobel Memorial Prize in Economic Sciences in 2003 was his development of the concept of cointegration, a scheme for recognising and understanding stable relationships in the midst of an otherwise constantly changing economic environment. The basic idea is that although each variable in a system might have a univariate representation that is characterised by nonstationary unit root dynamics such as is exhibited by a random walk, there could exist a linear combination of those variables that is stationary. Clive was the first to propose such a possibility and develop the various forms in which it could be manifest, such as an error-correction representation of a vector autoregression, in a remarkable result in time series analysis known as the Granger Representation Theorem.

Other seminal contributions that started vast new research programs include long-memory processes, which proposed a middle ground between a series subject to permanent shocks and traditional stationary dynamics (Granger and Joyeux, 1980). With other colleagues, he developed the ideas and key results for seasonal integration and cointegration in an approach that at San Diego we came to refer to as ‘HEGY’ (Hylleberg, Engle, Granger, and Yoo, 1990). Clive was also an early proponent of the benefits of combination of different forecasts (Bates and Granger, 1969).

Perhaps above all else, Clive was a crucial leader in developing an approach to economic research that is grounded in predictive ability and empirical relations rather than models that theorists find elegant. Does your theory enable you to predict what’s going to happen next, and if not, why not?, I heard him ask on many occasions. His influence was an important balancing force for several generations of economists overly fond of their theories. And I have barely scratched the surface here of his prolific contributions, which included a dozen separate books and hundreds of articles. His many honours included election as a fellow in the American Academy of Arts and Sciences, British Academy, Econometric Society, and International Institute of Forecasters, not to mention his knighthood and numerous honorary degrees. When I asked him how he felt about all the attention and travel invitations that followed award of the Nobel Prize, he told me, ‘It’s great! I highly recommend it.’

In addition to the enormous written legacy of his scholarship that he has left us, there is also a living legacy in the large number of hugely successful scholars who studied and worked with Clive over the years. Clive was enthusiastic and generous with his time with so many people, who learned from him not just technical ideas and methods, but also a spirit of humility and kindness that is so exceptional and remarkable given the stature of the scholar.

I knew him personally to be an amazingly creative individual, always brimming with new ideas, new questions, and new insights. My association with Clive has been a real personal treasure for my career at U C San Diego.

*James D. Hamilton*  
*Professor of Economics*  
*University of California, San Diego*

### References:

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Engle R F and C W J Granger, ‘Co-integration and error-correction: representation, estimation, and testing,’ *Econometrica*, 55, 1987, 251-76.

Granger C W J, ‘Testing for causality and feedback,’ *Econometrica*, 37, 1969, 424-438.

Granger C W J and R Joyeux, ‘An introduction to long-memory time series,’ *Journal of Time Series Analysis*, 1, 1980, 15-30.

Granger C W J and P Newbold, ‘Spurious regressions in econometrics,’ *Journal of Econometrics*, 2, 1974, 111-120.

Hylleberg S, R F Engle, C W J Granger and B S Yoo, ‘Seasonal integration and co-integration,’ *Journal of Econometrics*, 44, 1990, 215-238.

# Harold Lydall

Harold Lydall, statistician and economist, died in Adelaide on March 12, aged 92. His academic career began in 1950 with the pioneering survey of British savings undertaken at the Oxford Institute of Statistics. In a memoir of 1996 (drawn upon here) he wrote, ‘My own thinking has been governed by careful empirical study, preferably at “grass roots” level rather than by elaborate econometric analysis of aggregate data...’. Over forty years he used this approach to shed light on important issues, including the distribution of wealth and income, the dispersion of earnings, and the sources of growth.

Lydall’s forebears had lived in Oxfordshire for centuries; some had been college fellows. But, after the Boer War, his father migrated to South Africa and Harold was born in Pretoria on November 14, 1916. Nevertheless his schooling mirrored the typical English Anglican boarding-school education – chapel, sport, Baden-Powell, ‘prep.’, prefects and even the cane to instil the protestant ethic with its social obligations. Until he went on to Rhodes University College at Grahamstown, where he studied law, economics and Latin, he had little contact with non-whites and Afrikaans; (at school, Afrikaans was an alternative to French as a foreign language).

In 1936 he took up a Rhodes scholarship to study PPE at Oxford, and did not return to South Africa for 55 years. His tutors at New College included Richard Crossman, Isaiah Berlin, James Meade and Henry Phelps Brown (his ‘moral’ tutor and life long friend). He graduated first class, on the eve of the war which he spent at De Havillands repairing fighter planes. With an eye to an academic job after the war and while working as an aircraft fitter, he wrote his first article, ‘Unemployment in an Unplanned Economy’, *Economic Journal*, September 1946. However, he considered the starting salary of a lecturer inadequate to support his family and, reluctantly, took a job in market research at Unilever at twice the lecturer salary. There he ‘learnt a great deal about the washing habits of people all over the world’ and much about survey techniques.

Salvation came in 1950 with an advertisement by the Oxford Institute of Statistics for a research officer to organise the savings survey. It involved a pilot survey, the full survey with 2,500 respondents, tabulation, and the writing up of results as a series of articles consolidated in the book, *British Incomes and Savings* (Blackwell, Oxford, 1955). He wrote in the memoir, ‘Although I found the pressure of the work on the survey very exhausting, at last, at the age of 35, I was doing what I wanted to do, working on problems of economics with the help of statistics’. Then followed further applied articles including ‘The Life Cycle in Income, Saving and Asset Ownership’, *Econometrica*, April 1955 and the article with John Lansing in the *American Economic Review*, March 1959, comparing the distribution of wealth and income in Britain and the United States.

In 1959 he was invited by the National Council of Applied Research in Delhi to advise on a savings survey, and then, in collaboration with P N Dhar, he undertook a survey of small business written up in *The Role of Small Enterprise in Indian Economic Development* (Bombay, 1961). This work had immersed him in the labyrinth of Indian industry policy and ‘...marked the beginning of a recognition that development depends crucially on dynamic enterprise’, a theme he developed in later works culminating in the *Entrepreneurial Factor in Economic Growth* (Macmillan, 1992).

On his return from India in 1960 he was dissatisfied with the change of leadership at the Institute and sought a position in Australia, initially going to the University of Western Australia, and then to the George Gollin Chair in Economics at the University of Adelaide as head of a department ‘full of young talent’. He quickly got the feel of the Australian economy and published in the *Economic Record*, ‘Reforming the Australian Tax System’, (1962) and ‘Quick Indicators of Industrial Output’ (1963). His major interest had switched to the sources of growth, initially focusing on Australian manufacturing, for which there was an abundance of official data – a by-product of the protection policy. Publications from this work included ‘Technical Progress in Australian Manufacturing’, *Economic Journal*, December 1968.

This interest led him to leave Adelaide in 1968 to work in Geneva at UNCTAD on an analysis of trade in the manufactures of developing countries as a stimulus to growth. He found the UNCTAD operation mostly generated meetings, conferences and ‘requests for the secretariat to prepare yet another “study”’. So in 1971 he returned to academia to a chair of economics at the University of East Anglia where he worked on *A Theory of Distribution*, (Oxford UP, 1979) which, like his 1968 Oxford UP book, *The Structure of Earnings*, drew upon decades of work on those topics.

Because of his severe hearing loss, in 1978 he ‘retired’ to Oxfordshire and resumed an association with the Oxford Institute. He became interested in the Yugoslav socialist self-management economy, but found most of the material in English to be propaganda, so he learned Serbo-Croat to enable him to read original sources and visit Yugoslav economics institutes. The resulting Oxford UP books, *Yugoslav Socialism: Theory and Practice* (1984) and *Yugoslavia in Crisis* (1985) are remarkably perceptive and politically detached.

The bred-in-the-bone protestant ethic of his schooling led him to return to South Africa in 1991 hoping to contribute to the shaping of the new society. The lukewarm response discouraged him and in 1993, with his wife Maggie, he made a final move back to Adelaide where ‘fortune began to smile upon us’. He became a research associate of the National Institute of Labour Studies and published in its *Bulletin*. But above all he enjoyed a final serene decade with his beloved Maggie. Her death in 2003, after a part-

nership of 63 years, was a harsh blow. He rallied, read widely in history and philosophy and entertained friends. He continued to live a dignified independent life and died, as he wished, at home in the company of his younger daughter, Jean. He is also survived by his daughter Mary. His son John predeceased him by a few months. Harold's family and friends will greatly miss his wisdom, humour and warm affection.

*Bob Wallace, National Institute of Labour Studies  
Flinders University, Adelaide  
E-mail: bobwallace@adam.com.au*

**IDPM and the Economics Department of the University of Manchester announce the Second Annual ESRC Development Economics Conference:**

**The Effects of the Financial Crisis on Developing Countries**

University of Manchester, Jan 21 and 22, 2010

The UK Economic and Social Research Council is supporting a series of three annual UK-based Development Economics conferences. The second of these will take place at the University of Manchester in 2010, and is also being supported by the Development Studies Association (DSA) of the UK. Keynote speakers include **Alan Winters (University of Sussex and Chief Economist, DFID)** and **Duncan Thomas (Duke University and President, BREAD)**.

The conference will aim to explore the impacts of the crisis on developing economies and the role such economies might play in contributing to its resolution. We are interested in receiving both theoretical and empirical papers on this theme. While the focus is, of course, on the current crisis we would also be interested in papers that focus on previous crises to the extent that they provided contemporarily relevant policy implications. We are especially keen to receive papers that explore the micro dimensions of the crisis, in particular its effects on households and firms in developing countries.

Submissions of complete papers in this area are invited, to be submitted to [financial.crisis@manchester.ac.uk](mailto:financial.crisis@manchester.ac.uk) by **30 September 2009** at the latest. Authors of selected papers will be notified by 31 October 2009. While we strongly prefer submission of complete papers, we will also consider submissions of substantial abstracts (2 pages). If these are accepted then complete papers will be required by **31 December 2009**. PhD students are strongly encouraged to submit papers for a special session of PhD student presentations.

The organising committee comprises Edmund Amann (Economics, University of Manchester), David Lawson (IDPM, University of Manchester) and Kunal Sen (IDPM, University of Manchester).

## The Research Information Network

The Research Information Network (RIN) was set up in 2005 for an initial period of three years by a consortium of UK sponsors: the four Higher Education funding bodies, the three National Libraries, and the seven Research Councils. This support has now been extended by a further three years, until the middle of 2011.

The RIN's fundamental role is to undertake evidence-based research into information and data issues that relate to professional researchers — and particularly academic researchers — and to develop policy, guidance and advocacy on that basis. Its major activities and projects can be conveniently categorised under the following headings:

- search and discovery
- access and use of information services
- scholarly communications
- digital content and e-research
- collaborative collection management (CCM)

April 2009 saw the publication of their latest report *E-journals: their use, value and impact* as well as *Paying for open access publication charges*. This latter presents advice on the practical issues to be addressed in establishing coordinated and strategic approaches to the payment of open access publication fees.

RIN also publishes a quarterly *Newsletter* and an *Annual Report*.

These publications, together with details of current and past projects can be accessed at: [www.rin.ac.uk](http://www.rin.ac.uk)

Future events include:

*The changing face of learned and professional society libraries* on 5 August in London — a free workshop at which representatives of library staff in learned and professional societies will look at the current issues facing them, providing examples of good practice and an opportunity for networking. Register at [www.rin.ac.uk/changing-face-learned-societies](http://www.rin.ac.uk/changing-face-learned-societies).

On 14 September in Glasgow we will be holding a second workshop on *Freedom of information: what's in it for researchers?* to raise awareness of the Freedom of Information Act (FoI) as a tool for researchers and to help understanding of the new access regime. Aimed at researchers in all fields, journalists, librarians and archivists, the workshop will cover how to use FoI to access information and provide practical case studies of using it in research. More information and registration at [www.rin.ac.uk/FoI-scotland](http://www.rin.ac.uk/FoI-scotland)

# RES

## news items

The Royal Economic Society Secretary-General's administrative office can be contacted via the RES Administrator, Mrs Amanda Wilman at the following address:

The Royal Economic Society  
School of Economics and Finance, University of St. Andrews, St. Andrews, Fife,  
KY16 9AL. UK  
Telephone: +44 (0)1334 462479; Fax: +44 (0)1334 462444:  
E-mail: royaleconsoc@st-andrews.ac.uk  
Website: <http://www.res.org.uk>

### RES Diary Dates

#### The Society Annual Public Lecture 2009

**25 November 2009 Royal Institution, London**  
**26 November 2009 Bristol Grammar School, Bristol**

This initiative by the RES aims to bring the best communicators in the economics profession into contact with a wide public and to show the importance of top-quality economic research to questions that matter to all citizens.

Sir Partha Dasgupta, Frank Ramsey Professor of Economics at the University of Cambridge will deliver the Society's 2009 Annual Public Lecture on

#### **Economics and Morality**

at The Royal Institution, London on Wednesday 25 November 2009, and

The Great Hall, Bristol Grammar School, Bristol on Thursday 26 November 2009

More details, including the date to apply for tickets will be available on the RES website from September.

Admission will be free but by ticket only and as usual priority will be given to school groups until October.

If you have further queries, please contact the RES Administrator.

### Fifth PhD Presentation Meeting

**London 16-17 January 2010**

The Royal Economic Society is pleased to announce the date of the Fifth PhD Presentation Meeting. This event will be held on Saturday 16 and Sunday 17 January 2010 at City University, London.

The aim of this event is to provide a service both for UK economics departments and other European economics departments wishing to recruit lecturers, and for PhD students seeking academic jobs either in the UK or elsewhere in Europe. Participants are expected to use the event as a way of identifying potential candidates for forthcoming positions.

Participating students will have the opportunity to meet potential employers and learn about forthcoming positions.

Further information will be posted nearer to the time. Please see the RES website for more details - <http://www.res.org.uk/academics/phdjobmarket.asp>

### RES Annual Conference 2010

The 2010 Annual Conference of the Royal Economic Society will be held at the University of Surrey from **Monday 29 to Wednesday 31 March 2010.**

Keynote lectures will be given by:

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

The Programme Committee invites submissions of papers for Special Sessions as well as General Sessions from academic, government and business economists in any field of economics and econometrics and submissions can be made via the RES website link from 1 August 2009 [www.res.org.uk](http://www.res.org.uk)

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](mailto:res2010papers@ucl.ac.uk)

The Local Organiser is Jo Evans (Surrey) also at: [res2010@surrey.ac.uk](mailto:res2010@surrey.ac.uk)

## Conference grant fund

The Society's Conference Grant Fund is available to members who are presenting a paper, or acting as a principal discussant at a conference; support of up to £500 is available. Awards are made three times a year. The closing dates for applications are **31 January, 31 May, 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](http://www.res.org.uk/society/grants_fellowships.asp)  
or Professor Anton Muscatelli, Principal and Vice-Chancellor, Heriot-Watt University, Edinburgh, EH14 4AS.  
Fax: + 44 (0) 131 451 3330  
E-mail: [j.stewart@hw.ac.uk](mailto:j.stewart@hw.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. These criteria should be addressed in the letter of application:

Preference will be given:

- for initiatives which are for the benefit of new entrants to the profession;
- 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:

Professor Anton Muscatelli, Principal and Vice-Chancellor, Heriot-Watt University, Edinburgh, EH14 4AS.

Fax: + 44 (0) 131 451 3330

E-mail: [j.stewart@hw.ac.uk](mailto:j.stewart@hw.ac.uk)

## Publications

A review of the Society's scholarly publications is under way. These include: *The Collected Writings of John Maynard Keynes*; *Keynes Lectures, 1932-35*; *The Works of Ricardo* (Vol VI-XI); *Malthus' Principles of Political Economy and An Essay on the Principles of Population*; *Centenary Essays on Alfred Marshall*, *Official Papers of Alfred Marshall* and *The Correspondence of Alfred Marshall*, *Economist*; *Libertarian Conflicts In Social Choice*.

Further information regarding the current availability and discounts available to RES Members for these publications may be obtained from the RES Administrator, Mrs Amanda Wilman, The Royal Economic Society, University of St Andrews, Castlecliffe, St Andrews, Fife, KY16 9AL, UK.

E-mail: [royaleconsoc@st-andrews.ac.uk](mailto:royaleconsoc@st-andrews.ac.uk) or via the Society's home page on the internet ([www.res.org.uk](http://www.res.org.uk)).

Enquiries about rights, permissions and initiatives relating to editions and other scholarly works should be addressed to The Publications Secretary, Professor Donald Winch, Arts E, University of Sussex, Falmer, Brighton, BN1 9QN.

## 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](mailto:kc6@york.ac.uk)

# Royal Economic Society 2010 Annual Conference

## Call for Papers

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 Committee invites submissions of papers for **General Sessions** from academic, government and business economists in any field of economics and econometrics.

Submissions can be made from the end of July at <http://editorialexpress.com/conference/res2010>

Details of the submission process will be made available on the Conference web-site.

**Deadline for submissions is 16th October 2009.**

Notification of acceptance will be sent by mid-December 2009.

Proposals for **Special Sessions** are also invited.

A Special Session would typically bring together 3 papers plus discussants but other formats can be proposed. There are no restrictions on topics. Special Session proposals should consist of a one page document: further submission details will be published on the Conference web-site.

Authors of papers accepted for presentation at the RES Conference will be entitled to submit their papers for possible publication in the Conference issue of the *Economic Journal*. The Conference issue is edited to the same standards as regular issues of the *Economic Journal* and is published as part of the regular May issue in 2011. Promising papers not ready for publication in the Conference issue may be invited to resubmit for a later *Economic Journal* issue using the same referees and reports from the Conference issue.

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](mailto:res2010papers@ucl.ac.uk).

The Local Organiser is Jo Evans (Surrey): [res2010@surrey.ac.uk](mailto: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/>

# Conference Diary

august

*July 31 - 1 August*

*Oxford*

**Conference on The Current Clash between Ecology and Economy: Explaining the crisis in Food, Fuel and Finance.** Bookings now open.

*Further information:* [www.greeneconomics.org.uk](http://www.greeneconomics.org.uk)

*August 3-6*

*Athens, Greece*

**4th International Symposium on Economic Theory, Policy and Applications.** JEL classification(s): A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, Z

*Further information:*

<http://www.atiner.gr/docs/Economics.htm>

september

*September 3-5*

*Reykjavik, Iceland*

**Managing Financial Instability in Capitalistic Economies.** JEL classification(s): B, C, E, F, G, P

*Further information:* <http://mafin09.ru.is>

*September 4-6*

*Stirling*

**11th INFER Annual Conference.** The main annual event of the International Network for Economic Research, the Annual Conference is open to any field of research in economics and young researchers are also encouraged to apply for the young economist award of INFER

*Further information:* [Paul.Alagidede@stir.ac.uk](mailto:Paul.Alagidede@stir.ac.uk)

*September 9*

*Bradford*

**41st Annual Conference of the Money, Macro Finance Research Group** to be held at the University of Bradford. Keynote speakers include Claudio Borio, Alan Morrison and Glen Rudebusch.

*Further information:*

[www.bradford.ac.uk/management/mmf2009](http://www.bradford.ac.uk/management/mmf2009)

or email: [Z.Zhang3@bradford.ac.uk](mailto:Z.Zhang3@bradford.ac.uk)

*September 15*

*London*

**7th OxMetrics User Conference.** At Cass Business School, this conference aims to provide a forum for presentation and exchange of research results and practical experiences within the fields of computational and financial econometrics, empirical economics, time-series and cross-section statistics and applied mathematics.

*Further information:*

[www.cass.city.ac.uk/conferences/oxmetrics2009/index.html](http://www.cass.city.ac.uk/conferences/oxmetrics2009/index.html)

*September 24-25*

*Sassari, Italy*

**24th National Conference of Labour Economics.** JEL classification(s): D, E, F, J, L, O, Q, R

*Further information:*

[www.aiel.it/bacheca/SASSARI/Cfp\\_2009\\_en.pdf](http://www.aiel.it/bacheca/SASSARI/Cfp_2009_en.pdf)

*September 24-26*

*Kathmandu, Nepal*

**IARIW-SAIM Conference: Measuring the Informal Economy in Developing Countries.** JEL classification(s): B, I, O, Z.

*Further information:* [www.iariw.org/call2009.asp](http://www.iariw.org/call2009.asp)

September 28-29

New York, USA

**Annual American Business Research Conference.** Theoretical and empirical papers in all areas of Accounting, Banking, Economics, Finance, Management and Marketing are invited for the above. Submit papers to: [papers@wbint.org](mailto:papers@wbint.org) and [papsconfo@gmail.com](mailto:papsconfo@gmail.com) by **24 August 2009**.

Further information: [www.wassco.org](http://www.wassco.org)

october

October 9-10

Edinburgh

*Economics New Lecturers Residential Workshop.* A residential two-day Economics Network workshop specifically designed to meet the needs of new and aspiring lecturers of economics. The workshop will complement any generic-based institutional courses that delegates are attending or have attended. Free of charge. Sponsored by the Scottish Economic Society.

Further information including booking form from: [www.economicnetwork.ac.uk/news/](http://www.economicnetwork.ac.uk/news/)

October 16-17

Bristol, UK

*Economics New Lecturers Residential Workshop.* A residential two-day Economics Network workshop specifically designed to meet the needs of new and aspiring lecturers of economics. The workshop will complement any generic-based institutional courses that delegates are attending or have attended. Free of charge —Sponsored by the Royal Economic Society.

Further information including booking form from: [www.economicnetwork.ac.uk/news/](http://www.economicnetwork.ac.uk/news/)

October 29-30

Lugo, Spain

**Economic And Financial Crisis: New Challenges And Perspectives**

JEL classification(s): A, C, D, E, F, G, L, M, O, P

Further information at: [www.usc.es/congresos/sigefxv](http://www.usc.es/congresos/sigefxv)

October 30-31

Barcelona, Spain

*CREI /Kiel Institute for the World Economy Conference* **Macroeconomic Fluctuations and the Labor Market** at Universitat Pompeu Fabra.

Further information: [www.crei.cat/activities/sc\\_conferences/42/42.htm](http://www.crei.cat/activities/sc_conferences/42/42.htm)

november

November 1-4

Riyadh, Saudi Arabia

*International Conference on Administrative Development: Towards Excellence In Public Sector Performance.* JEL classification(s): Z

Further information: <http://www.fifty.ipa.edu.sa/conf>

November 10-11

Izmir, Turkey

*Second International Conference on Social Sciences.* JEL classification(s): A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, Z

Further information: [www.icsscconference.net/](http://www.icsscconference.net/)

November 13-14

Munich, Germany

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*6th Norwegian-German Seminar on Public Economics*  
Deadline for paper submissions: **August 30, 2009**  
JEL classification(s): H

Further information: [www.cesifo.org](http://www.cesifo.org)

November 27

London

*Winter conference* of the Regional Studies Association to be held on the theme of **Global Recession: Regional Impacts on Housing, Jobs, Health and Wellbeing.**

Further information: [www.regional-studies-assoc.ac.uk/](http://www.regional-studies-assoc.ac.uk/)  
or email: [events@rsa-ls.ac.uk](mailto:events@rsa-ls.ac.uk)

November 30

Galati, Romania

CALL FOR PAPERS

**EuroEconomica** conference.

Deadline for paper submissions: **September 30, 2009**.

JEL classification(s): A, B, C, D, E, F, G, H, I, J, L, M, N, O, P, Q, R

*Further information:* [www.euroeconomica-danubius.ro/index.html](http://www.euroeconomica-danubius.ro/index.html)

december

December 9-12

Miami, USA

CALL FOR PAPERS

**The Economics & International Business Research Conference.** Deadline for paper submissions: **September 10, 2009**. JEL classification(s): A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, Z

*Further information:* [www.jaabc.com](http://www.jaabc.com)

December 10-11

Melbourne, Australia

CALL FOR PAPERS

**Australasian Public Choice Conference.** Deadline for paper submissions: **30 June 2009**. JEL classification(s): H, I, J, K, O

*Further information:* [chris.doucouliagos@deakin.edu.au](mailto:chris.doucouliagos@deakin.edu.au)

December 14-16

Hong Kong

CALL FOR PAPERS

**3rd All China Economics International Conference on APEC Turns 20 and the Anniversary of the Financial Tsunami** to be held at City University, Hong Kong. Abstracts required by **July 31, 2009**

For further information: [www.cityu.edu.hk/apec/ace](http://www.cityu.edu.hk/apec/ace)

December 17-19

Thessaloniki, Greece

CALL FOR PAPERS

**Global Crisis and Economic Policies.** Deadline for paper submissions: **November 30, 2009**. JEL classification(s): D, E, F, G, H, L, M, O, P, R, Z

*Further information:* [web.auth.gr/leap](http://web.auth.gr/leap)

2010

january

January 21-22

Manchester

CALL FOR PAPERS

*Second Annual ESRC Development Economics Conference on The Effects of the Financial Crisis on Developing Countries.* Complete papers in this area are invited for potential presentation at this conference and should be submitted to [financial.crisis@manchester.ac.uk](mailto:financial.crisis@manchester.ac.uk) by **30 September 2009**. Selections will be made by 31 October 2009. PhD students are strongly encouraged to submit papers, and there will be a special session for PhD student presentations.

*Further information:* [kunal.sen@manchester.ac.uk](mailto:kunal.sen@manchester.ac.uk)

January 7-10

New York, USA

CALL FOR PAPERS

**The Global Management Accounting and Finance Research Conference** Deadline for paper submissions: **September 15, 2009**. JEL classification(s): A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, Z

*Further information:* [www.jaabc.com](http://www.jaabc.com)

January 21-22

Manchester, UK

CALL FOR PAPERS

*Second Annual ESRC Development Economics Conference The Effects of the Financial Crisis on Developing Countries.* Send papers to [financial.crisis@manchester.ac.uk](mailto:financial.crisis@manchester.ac.uk) by **30 September 2009**.

*Further information:* [financial.crisis@manchester.ac.uk](mailto:financial.crisis@manchester.ac.uk)

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