



ROYAL ECONOMIC SOCIETY

NEWSLETTER

Issue no. 127

October 2004

ROYAL ECONOMIC SOCIETY

When no news is bad news

As we have pointed out on this page many times, the *Newsletter* is first and foremost a means of disseminating members' news. We have also expressed our surprise that so few members wish to use a service which gives them free access to an international audience of over 3,000. We have no staff of reporters (though the Society's officers do a grand job in forwarding information) and so unless the news comes in, the *Newsletter* must become increasingly features-driven. This is not an argument against features — and we have some excellent ones in this issue — but it is an argument for balance. Regular readers will notice that we have this month made a little bit of progress in that direction. Thanks to Alan Carruth and CHUDE we have stirred a number of UK university departments to contact us. (We shall be sending out reminders for the January issue). Andrew Chesher and his colleagues at *cemmap* describe their work and the facilities they have available for researchers. But we know that most members are not based in UK universities. We want to hear from them.

In this issue we have Angus Deaton's regular letter from America — this time on health and income inequalities in the USA. We also have Frances Cairncross's reflections on working as an economics correspondent and editor for two very different publications, *The Economist* and *Guardian*. We have the regular autumn conference reports — from MMFRG and the British Association (section F). And from Peter Abelson in Australia we have a summary of the findings of a major survey into the standards being achieved by university students of economics. Some of these will resonate loudly in the UK and probably more widely still. If nothing else works, Peter's report should at least stimulate some letters to the editor.

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Royal Economic Society

Newsletter

Published quarterly in

January, April, July and October

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Newsletter - subscription rates

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

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

Next issue

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

15 December 2004

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

16 December 2004

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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Letter from America -

Unequal treatment, unequal incomes, and race

While large-scale income inequality goes largely unremarked in the USA, the same is not true for inequalities in health. In his latest letter from America, Angus Deaton questions the conventional explanation — that largely white physicians discriminate in various ways against ethnic minority patients. In practice, recent research shows, there is an informal apartheid system — some physicians treat whites, and other, different doctors, treat blacks. The problem is that the doctors who treat blacks are generally less well-qualified and have access to poorer resources.

IT IS OFTEN SAID THAT AMERICA, unlike Britain, is a classless society, but that stratification by class in Britain often maps into stratification by race in America. The link between immigration and race that is so important in Britain holds in the United States for Hispanics and for recent immigrant groups from Asia, but is largely absent for African Americans, many of whose ancestors were brought to America in chains. Black Americans experience a wide range of disadvantages relative to whites and the disparity in incomes contributes to overall income inequality. Median earnings for black men are 20 percent lower than median earnings for white men, and while nearly 30 percent of white men are managers or professionals, only 18 percent of black men are such. In the latest poverty statistics, 24.3 of blacks are in poverty, as opposed to 10.5 percent of whites. The median net worth of white households is approximately *ten times* that of black households. Test scores for reading and mathematics are substantially lower for blacks than for whites. A quarter of births to white women take place out of wedlock, while more than two-thirds of black children are born to unmarried women. Blacks are six times more likely than whites to be murdered, and seven times more likely to be murderers. In 1997, nine percent of the black population was ‘under some kind of correctional supervision’ (the phrase comes from the Department of Justice), compared with two percent of the white population, and less still for other races.

Inequalities in health

None of these racial inequalities seems to inspire the same degree of discomfort as differences in health between blacks and whites. Life expectancy at birth is 6.4 years less for black than white men, and 4.7 years less for black women. (For comparison, at the end of the century, differences in life-expectancy between Social Classes I and V in Britain were 7.4 years for men, and 5.7 years for women.) Many who are tolerant of economic inequalities find these health differences to be unacceptable. For example, the Bush administration, which has hardly made reduction in *economic* inequalities a priority, has (sometimes reluctantly) made minority health a focus of research

within the Department of Health and Human Services (HHS) and the National Institutes of Health. The health and human services administration notes on its website that ‘African Americans, American Indian/Alaska Native, Asian and Pacific Islander, and Hispanic citizens suffer poorer health and higher rates of premature death than the majority population. They are often burdened disproportionately by cardiovascular disease, lupus, diabetes, cardiovascular diseases, HIV/AIDS, end-stage renal disease, and certain cancers.’ (This statement is at best misleading; although the data are disputed in various ways, Hispanics typically have *lower* mortality, not only than African Americans, but also than whites. Asian immigrants have the highest life-expectancy of any racial or ethnic group. As we shall see, the inaccuracy is no accident.) HHS has set up a national centre on minority health and health disparities whose mission ‘is to lead, coordinate, support, and assess the NIH effort to reduce and ultimately eliminate health disparities.’

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The most widely accepted story is that a substantial portion (although certainly not all) of the health differences between blacks and whites comes from differences in health-care, a view that was documented in the 2003 report, *Unequal treatment*, prepared by a distinguished panel of the Institutes of Medicine of the US National Academies of Sciences. According to the report, physicians, who are largely white, discriminate against minorities, either through outright racism, or through statistical discrimination based on the different patterns of disease among patients in the different groups, a process that *Unequal treatment* refers to as ‘bias, stereotyping, and uncertainty.’ The report notes that blacks are less likely to receive (desirable) preventative care, or coronary artery bypass grafts, while they are more likely than whites to experience such (hugely undesirable) treatments such as lower-limb amputation or double bilateral orchiectomy (don’t even ask).

...and in health care?

An apparently unrelated finding is that across cities of the United States, income inequality (for example, as measured by the gini coefficient) is positively correlated with mortality

rates. The effect is substantial: the probability of dying at any age increases by about 5 percent moving from a low (gini 0.35) to a high (gini 0.45) city. This finding has attracted attention among those who think of income inequality as a form of social pollution that is a direct hazard to health. The correlation is spurious, but the story behind it is an interesting one that brings us back to racial differences in health. In cities where there is a large African American population, white incomes are higher, and black incomes lower, which carries through to higher income inequality in the city. Predominantly black cities are unequal income cities. Once we condition on the fraction black, there is no correlation between mortality rates and income inequality. But why should people (both black and white) die younger just because they live in cities with substantial black populations?

Recent work has helped resolve the city puzzle, and casts light on why blacks have worse health outcomes than whites. Because blacks and whites are so residentially segregated, and because people seek physicians and hospitals in their own communities, there are essentially different sets of physicians and hospitals for blacks and for whites. A group led by Peter Bach at Sloan-Kettering Cancer Centre, publishing in the *New England Journal of Medicine* in August this year, finds that eighty percent of doctor visits by black patients are made to less than a quarter of doctors who, in turn, rarely see white patients. Work by Jonathan Skinner and colleagues at Dartmouth documents the fine geographical structure of healthcare, and shows that both whites and blacks do worse in hospitals that treat more blacks. These findings hold for Medicare patients, whose age entitles them to close to free treatment at the point of care. The Sloan-Kettering study shows that the doctors who predominantly treat blacks are less well-qualified and are less likely to have access to the resources needed for advanced treatment.

On the positive side, these results mean that it is unlikely that discrimination by white physicians can play much of a role in black-white health differences; there is just not enough overlap of patients within doctors to do much harm, even if they are all racial stereotypers, and even if health care is an important cause of differences in health. Such a result is consistent with the fact, noted above, that Hispanics and several other ethnic minorities have longer life-expectancy than whites. (Creating the false impression that everyone has worse health than whites is an important part of the 'white doctors stereotyping' argument, and is extremely unhelpful for thinking about policy responses.) Both studies undermine the case that is being made in some quarters for a 'matched' health-care system, in which patients are treated by doctors of the same racial or ethnic group. On the negative side, it is clear that the US has a health care system that is run on something close to apartheid lines, with separate but unequal facilities for blacks and whites. The racial segregation of American cities supports this arrangement, so that areas where the population is largely black are served by less sophisticated health care, less well-trained physicians, and less well-funded hospitals. These poorer facilities hurt the health of everyone who lives in those areas, white and black alike. Income inequality across cities is not the fundamental determinant of health, but simply an indicator of deeper processes of racial segregation and inequality in America.

OXONIA Roundtable on

Towards a New Aid Architecture

The Oxford Institute for Economic Policy (OXONIA) will host on November 26 a panel with leading academics, policy-makers and practitioners on

Towards a New Aid Architecture

in cooperation with Oxford University's Economics Department. The aim is to reflect on the current design of the development architecture and to draw some directions for the way ahead. The Roundtable is part of OXONIA's research programme 'Strengthening Economic Cooperation'.

The Oxford Institute for Economic Policy (OXONIA) is an independent and non-profit organization. It provides a global forum for engaging a broad consortium of those in the public policy community into the analysis, discussion, and dissemination of policy issues, with the aim of encompassing innovative academic research into the broad public policy framework. Subscription to the Institute is free and open to everyone. More information is available at:

<http://www.oxonia.org>

Secretary-General honoured again

The Society's secretary-general, Professor Richard Portes, has been made Fellow of the prestigious British Academy, the National Academy for the Humanities and Social Sciences and counterpart of the Royal Society.

Established by Royal Charter in 1902, the British Academy is an independent learned society promoting the humanities and social sciences. It is composed of Fellows elected in recognition of their distinction as scholars in the humanities and social sciences.

Election to Fellowship comes as the culmination of a rigorous selection process in which each of the Academy's eighteen Sections, organised by academic discipline, is involved. The number of Ordinary Fellows elected in each year is limited by statute to 35.

Professor Portes was made a CBE in the 2003 New Year's Honours List.

The Economist's economists

After 13 years writing mainly on economics on the staff of *The Guardian* and 20 on *The Economist*, Frances Cairncross left at the end of August to become the Rector of Exeter College, Oxford. Here, she describes life at *The Economist* — and the way 1960s architecture helped to create one of the world's most international magazines.

THE CULTURE SHOCK of arriving to work for *The Economist* after 13 years on *The Guardian* was almost indescribable. But the 20 years that followed, and that finished when I left at the end of August this year to become Rector of Exeter College, Oxford, have been the most rewarding and interesting of my journalistic life.

The culture shock was, with hindsight, wholly predictable. *The Guardian's* approach to journalism was in some ways diametrically opposite to that of *The Economist*. It was a paper where journalists wrote pretty well what they pleased, even if they contradicted each other and the paper's editorial line. And what was written was printed — more or less unchanged. I had acquired a reputation as an editor who 'changed copy' — necessary, given the quality of some of the freelancers who submitted articles, but not in *The Guardian* tradition.

On *The Economist*, by contrast, changing copy is an important part of the paper's secret. Every newspaper has a Style Book, setting out rules for the use of English, but most British papers largely ignore it. On *The Economist*, it is a mini-Bible. But, in addition, section editors hone and refine text, clarifying arguments and emphasising tepid conclusions — sometimes to the fury of the journalist whose precious words are altered. The overall result is a paper that manages to combine clarity with remarkable conciseness. I sometimes feel that *Economist* articles are like those freeze-dried meals that climbers take on expeditions: pour water over them and a piece a few hundred words long would swell to fill the entire page that another paper might well use to say just the same things.

There were also similarities between the two publications. Both were — still are — papers with clear views of how the world should be. They are, of course, radically different views. *The Economist's* views spring, of course, from its devotion to liberal economics, the primacy of the market, the benefit of choice and individual freedom. Whereas such 19th century liberalism also marked *The Guardian* in its Manchester days, the paper had discovered socialism by the time I arrived.

But the real difference is the willingness of *The Economist* to say how it thinks its nirvana should be achieved. For seven years of my time at *The Guardian*, I wrote leaders, which often attacked the government for some policy or other, but rarely offered a clear alternative. On *The Economist*, I quickly learned that to attack and criticise was not enough. A leader always had

to advocate an alternative approach. For British intellectuals, squeamish about simplistic solutions, this 'It's all perfectly easy really' approach often grates. For Americans, who like solutions much more than problems, it delights.

Indeed, I'm convinced that it helps to explain the paper's extraordinary circulation success in the United States. When I joined, in 1984, *The Economist* sold a total of 253,000 copies worldwide, of which 101,000, or 40 per cent, sold in North America. Today, the overall figure has almost quadrupled, to nearly 1m, of which 461,000 copies or 49 per cent sell in North America. No other foreign publication enjoys anything like such success in the American market; indeed, many Americans assume the magazine is an American product.

These huge American sales have important implications for the publication. They have taught me always to 'think global'. A story about Britain is of interest in the United States only if it says something of wide relevance. That is frequently possible: although America generates far more new academic ideas, commercial ventures and public policies than any other nation on earth, Britain often comes second. It is, after all, the nation that invented privatisation; home to some of the world's largest

financial markets; and the only country (apart from America) with any universities in the world's top ten.

Britain has another advantage as a source of ideas for Americans.

It is a good vantage point from

which to survey events and ideas in the rest of the world, and pass them through to an intelligent American audience. It can often compare what is happening in several different parts of the world, rather than merely focusing on one country at a time. Some of the most important social trends, such as the rise in life expectancy, the fall in fertility, the increase in international migration, and the move from country to city and from city to suburbia — all seem to be extraordinarily cross-cultural.

But *The Economist's* international stance is not, in my view, purely demand-led. It is also supply-driven. That is the impact of its extraordinary building: an ivory tower, standing back from St James's Street, designed by Peter and Alison Smithson and built in 1964. The building is impractical: its central core is made up of three large lifts, a service lift and two emergency staircases. The journalists' offices crouch round the rim, with splendid views over London. Because, as everyone knows, an efficient office cannot be laid out on more than two or three floors without the people on the highest floor losing touch with

those on lowest, the editorial department is on two-and-a-half floors of the tower. It is almost impossible to squeeze in more bodies — so when staff numbers swell, more overseas offices have to open. Over the years, *The Economist* has reached a point where it probably has a higher proportion of editorial staff in foreign bureaus than any other publication in the world.

For anyone with a background in economics, there can be few more delightful places to work. But every so often, even the paper's many economically literate staff notice the limitations of the discipline. Some years ago Jonathan Rauch, an American journalist, spent some months working at the paper. In his leaving speech, he recalled a debate at the Monday morning leader conference on whether or not it was right that people should be allowed to sell their kidneys. The argument fell between those who thought it right to sell and those who thought kidneys should only be donated. The then editor, Rupert Pennant Rea, eventually burst out — 'But Jonathan, you don't understand. A gift is just a sale at zero price!'



DONALD ROBERTSON MEMORIAL LECTURE

Social Capital in its Place

Professor Ray Pahl
Institute for Social and Economic Research
University of Essex

Thursday, 25 November 2004 at 6.00 p.m.
Lecture Theatre, Hunterian Art Gallery

The Hunterian Art Gallery is located across from the Main Gate on University Avenue, and is adjacent to the University Library. There is no charge and no ticket requirement for this Lecture, which takes place under the auspices of the journal *Urban Studies*. Following the Lecture, a reception will be held in the Main Gallery. Further details of the Lecture may be obtained from Karen Kane on (0141) 330 2231 or [K L Kane@socsci.gla.ac.uk](mailto:KLKane@socsci.gla.ac.uk)

BANK OF ENGLAND

Houblon-Norman/George Fellowships

Applications are invited for Houblon-Norman/George Research Fellowships tenable at the Bank of England during the academic year 2005/2006. Appointments will be for full-time research on an economic or financial topic of the candidate's choice, preferably one that could be studied with particular advantage at the Bank of England. The length of any appointment will be by agreement with successful applicants, but will not normally be less than one month, nor longer than one year. Senior Fellowships will be awarded to distinguished research workers who have established a reputation in their field.

Fellowships will also be available for younger post-doctoral or equivalent applicants, and for these, preference will be shown to British and other EU Nationals. The award will normally be related to academic salary scales.

Application forms (**to be returned no later than 26 November 2004**) and details are available from

<http://www.bankofengland.co.uk/houblonnormanfund>

or Ms Jay Begum, Bank of England, Threadneedle Street, London EC2R 8AH.

E-mail: jay.begum@bankofengland.co.uk

Designing business surveys

The Institute of Social and Economic Research (ISER) at the University of Essex is well-known for its work with the British Household Panel Survey. But it also has experience of surveying businesses — an activity which is usually more complicated and certainly quite different from surveying households.

Peter Lynn and Emanuela Sala conducted an employer survey in 2003/4 as part of a research project known as 'Improving Survey and Measurement of Income and Employment (ISMIE)'. The lessons to be learned from this experience (where a final response rate of 72 per cent was achieved) have just been published as ISER Working Paper 2004-12. Its title is *The Contact and Response Process in Business Survey: Lessons from a Multimode Survey of Employers in the UK*.

The paper, useful to all researchers using survey methods, is available at:

www.iser.essex.ac.uk/pubs/workpaps/pdf/2004-12.pdf

Money, Macro and Finance Research Group

The Money, Macro, Finance Research Group held its 36th Annual Conference at the City of London's Cass Business School, from the 6th to 8th September. This is a brief report of selected highlights. Most of the papers are available for download as indicated below.

THE MMFRG ANNUAL CONFERENCE was again a very large and popular event. In addition to three plenary sessions, more than a hundred papers were given in five parallel sessions. For those of us with a long association with this group, the programme showed quite clearly the extent to which 'finance' has been reclaimed by economics over the last fifteen years.

Financial economics

One issue of long-standing interest to economists has been the role of financial liberalisation in stimulating economic development. This was given a particularly topical twist by Lúcio Vinhas de Souza (Kiel Institute for World Economics) who looked at the effect of the liberalising of capital and financial flows on the EU's new accession states. In many other cases, such liberalisation has been associated with increasing volatility (of exchange rates, markets etc...). According to Vinhas de Souza this has not been the case in the new EU members. One conclusion of this work is that the existing regulatory and institutional framework in Eastern Europe, plus a more sustainable set of macro policies, played an important role in enabling liberalization to largely deliver the welfare enhancing outcomes that it is supposed to. A paper on a related theme 'Does Financial Structure Matter' was contributed by Philip Arestis (The Levy Economic Institute), Ambika Luintel (London South Bank University) and Kul Luintel (Brunel University).

By contrast, 'behavioural finance' is an altogether newer theme. But it is of interest to economists because of its potential to undermine the rational, maximising, full-information model of agents' behaviour and ultimately the efficient markets hypothesis. The paper by Jerry Coakley and Perikilis Kougoulis (University of Essex) looked at the behaviour of stock prices as those stocks are admitted to or deleted from the FTSE-100. Since admission/deletion does nothing to change the shares' underlying fundamentals, any change in price behaviour must be put down to a change in 'investor sentiment' or something else which falls outside the rational maximising paradigm. They find that stocks admitted to the index subsequently show an increase in their β -coefficients and in their comovements with the index as a whole. 'This provides strong evidence of the influence of behavioural or trading-based factors on stock price returns. As such it contributes to the growing body of evidence that fundamental factors cannot explain all aspects of stock return comovement. In this respect it complements recent studies that underline the importance of behavioural factors in explaining changes in financial economics'.

Macroeconomic policy

Notwithstanding the quality and quantity of 'finance' papers, the more traditional fields of money and macro-policy were well represented. A particularly interesting session on the first afternoon focused on the difficulties facing the Palestinian state. David Cobham (University of St Andrews) reviewed a number of alternative currency arrangements and monetary frameworks from which a sovereign Palestinian state could choose. From the evidence, he argued that a new Palestinian state has no alternative but to opt for a relatively hard peg, with a low level of discretion in monetary policy. As to the choice of anchor currency the euro seems a strong candidate since the eurozone looks likely to become Palestine's most important trading partner, and the euro is a stable currency. The long run goal should therefore be a monetary framework with a peg to the euro but some scope for short run discretion and for the operation of the lender of last resort function. In the short run Palestine should move towards this goal via the introduction of a Palestinian currency under a currency board, with a peg initially to the new Israeli shekel but later to the euro.

With Christopher Adam and Nu'man Kanafani, Cobham also contributed a paper on the conduct of fiscal policy in a new Palestinian state and examined the range of challenges which fiscal policy will have to confront, from reconstruction and development to demographic changes and immigration. It argued that the constraints arising from the fiscal structure (eg high dependence on indirect taxes and customs duties) and from the likely monetary arrangements mean that fiscal policy will have to be relatively conservative. The fiscal challenges are not insuperable but the reforms, which the Palestinian Authority has already initiated, will need to be taken further.

The third paper in the group, by Arie Arnon, Avia Spivak (Ben Gurion University) and Oren Sussman (Said Business School, Oxford), focused on the desirable degree of integration/separation of the Israeli and Palestinian economies. The main argument of the paper was that these were not mutually exclusive categories. Integration could be partial but Palestine would have to have sovereign control over key, strategic assets. One such asset, in order to benefit from external trade, should be the port of Gaza.

Monetary policy

On the second day, there was a session on monetary policy, jointly organized with the CNRS Research Group on Money and Finance (Groupement de Recherche GdR98), the MMFRG's French counterpart.

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British Association - section F (Economics)

The British Association annual Festival of Science took place on 5th and 6th September at the University of Exeter. This report was prepared by Andy Mullineux, University of Birmingham, in his last year as Recorder. We are grateful to Professor Mullineux for this and all his previous efforts to keep us informed about B A activities.

THIS YEAR'S SECTION F (Economics) Sessions at the B A Festival of Science at the University of Exeter on September 5/6, 2004 were the most successful for many a year. They attracted a large and varied audience of academics, policy makers from the Treasury and the Department of Work and Pensions and members of the general public and had good radio and press coverage. Our president, Richard Blundell, put together an excellent and topical programme entitled 'Pensions Reform and the Welfare of Pensions'. The sessions were expertly chaired by Frances Cairncross and very well attended by a mixed audience drawn from the general public, policy makers and academics. Andy Mullineux, the outgoing Recorder of the Section was extremely ably assisted by Bonnie Brimstone and Emma Hyman of the IFS and Mino Scagliu, a PhD student in the Department of Economics at the University of Exeter, who served as Local Secretary of the Section. The Department of Economics was very welcoming and the School of Business and Economics made a generous financial contribution to the event, as did Brit Insurance. Thanks are also due to Ian Tonks (Director of Xfi, The University of Exeter's Centre for Finance and Investment) for letting us use the magnificent brand new facilities of the Xfi building and Sue Hudson (Xfi Project Manager) for ensuring that the building was completed (just) in time for the event. The Presidential Address by Richard Blundell (UCC and IFS) and the presentations and contributions by Pierre Pestieau (University of Liège), Tim Besley (LSE), Martin Weale (NIESR), Carol Emmerson (IFS) and Richard Disney (University of Nottingham) and David Wise (Harvard) were all thought provoking, stimulating lively question and answer sessions. The titles and authors of the papers, together with summaries, are listed below and the papers can be downloaded, along with copies of the 'slides' used in the presentations from the IFS website (www.ifs.org.uk). Much of the research was drawn from the ESRC and/or NBER's sponsored research projects.

Facing the age wave and economic policy
Professor David Wise, University of Harvard

There seem to be two overriding problems faced by ageing societies. One is the financing of social security programs. The other is paying for health care. The first problem has arisen because under pay-as-you-go social systems governments have over-promised. That is, they have made promises that cannot be kept. It is clear now that financial commitments

made in the past are not sustainable. The second problem faced by ageing societies is health care. This issue arises primarily because of advances in medical technology. (More older persons means more care as well, but the bulk of cost increases come from greater expenditure over time for persons of the same age.) Better medical technology, of course, is not bad. It will improve health care in the future. But more advanced technologies also cost more. Like computers that do more per dollar of cost, medical care will also do more per dollar of expenditure. Even persons spending their own money would likely be willing to allocate more to health care because they get more for the money. But in few instances are individuals paying their own money for a given episode of health care. Care is paid for through public or private insurance. Even countries who limit health care expenditures through restrictions on supply, will likely face increasing pressure to provide more care at higher cost. Adopting policies to address these problems, the guiding principle should be this: while repairing the financial imbalances caused by social security over-promises, and while preparing for greater health care expenditures that better medical technology will require, what policies minimize the reduction in the consumption of the young?

Retirement and pension arrangements in Britain: Prospects for the Future
Professor Richard Blundell and Professor James Banks, Institute for Fiscal Studies and University College London

This paper looked at how future pensioners are likely to differ from the current 'golden' generation who have received high rates of return on pension contributions and other assets. In particular it considered the questions: How will these trends feed through into retirement choices and the welfare of tomorrow's pensioners? What are the specific issues that relate to poorer individuals and households? How will these issues affect public finances and public policy?

Social security and the wellbeing of the elderly: three concepts of generosity
Professor Pierre Pestieau, University of Liège

In this presentation, Professor Pestieau clarified the concept of generosity applied to social security systems. He distinguished among three types of generosity with the possibility of trade-offs. There is the generosity towards early retirement, the

overall generosity of an old age system, and the generosity towards retirees with low entitlements.

Distributional aspects of pension reform: the consequences of means testing

Martin Weale, National Institute of Economic and Social Research

The growth in means testing of pension benefits has been heavily criticised as creating a dependence on welfare. However, in Martin Weale's argument it does lead to a more equal society. The paper quantified this trade-off. Further it showed that even though targeting pension income at the less well off does generate incentives not to save and not to work for those on low incomes; it does make for a more equal society.

UK pension policies - where now?

Professor Richard Disney, University of Nottingham and Carl Emerson, Institute for Fiscal Studies

This presentation discussed the current UK Government's pension reforms, and the extent to which they are likely to achieve the Government's broad strategy of continuing the privatisation of pension provision while reducing current pensioner poverty. The apparent advantage of reducing long-run public sector liabilities and problems such as the complexity of the system and the diminished incentive to save for many working age individuals will be discussed.

Credible pension arrangements

Professor Timothy Besley, London School of Economics

Pensions, whether public or private, are long-term arrangements. Their credibility rests on good decision making by a number of actors extending over a considerable time-horizon. But recent events in both public and private pensions arrangements have created a crisis of confidence in pension saving. Some governments have made unsustainable commitments while others have made anticipated changes to rules that have profound effects on life-time planning. In similar vein, many employers face large pension deficits and some are unwinding their pensions commitments.

The Section F (Economics) President for the 2005 B A Festival of Science is Peter Neary (UCD). The B.A. Festival of Science is to be held at Trinity College Dublin. The Section F sessions are on Wednesday 7 September (morning and afternoon) and their title is: 'Firms and Markets: From local to Global'. For further information, contact David Dickinson, Head of Department, Economics, University of Birmingham (D.G.Dickinson@bham.ac.uk), who has now taken over as Recorder of Section F.

MMFRG

...continued from p.7

This included 'From the Bundesbank to the ECB: Has something changed?' by Nicolas Rautureau (LEN, University of Nantes); 'A Time Varying Natural Rate of Interest for the Euro Area' by Jean-Stephane Mésonnier and Jean-Paul Renne (Banque de France) and 'Monetary Conditions Indices and the Forecast of Economic Activity: an empirical investigation of seven OECD countries' by Christophe Blot and Grégory Leveuge (LEO, University of Orleans).

Macroeconomics

Mainstream macroeconomics was represented by a team from St Andrews university (Chadha, Nolan, Qi and Thoenissen) with a paper 'Can New Open Economy Macroeconomic Models Explain Business Cycle Facts'; by Patrick Minford and Prakriti Sofat (Cardiff University) 'An Open Economy Real Business Cycle Model for the UK' and by Jane Binner (Aston Business School), Rakesh Bissoondeal (Nottingham Trent University) and Andrew Mullineux (Birmingham Business School) 'A Composite Leading Indicator of the Inflation Cycle for the Euro Area'.

Amongst the plenary sessions, was a presentation on 'Portfolio Selection with Parameter and Model Uncertainty: A Multi-Prior Approach' by Raman Uppal (London Business School) with Lorenzo Garlappi (McCombs School of Business, University of Texas) and Tan Wang (University of British Columbia) and on the pension funding 'problem' by David Blake and Harry Kat. The talk by David Hirshleifer (Ohio State University) on 'Psychology in Firms and Financial Markets' took us back to issues in behavioural finance again.

Sushil Wadwhani gave the after dinner address.

With over a hundred papers to choose from, it is possible to do justice to all the excellent presentations. However, the full programme can be seen at :

www.cass.city.ac.uk/conferences/mmf2004/day1.html

Most papers are available for download from the same address.

Why Study Economics?

A new Web site for students, teachers and lecturers of economics has recently been launched. Why Study Economics? has been produced jointly by the RES and the Economics Network of the Higher Education Academy. It is designed to provide information and advice on studying economics in higher education. On the site prospective students can:

- Have their questions about studying economics answered
- See what jobs economics graduates get
- Read the views of students past and present
- Arrange to visit a university open day
- Access a range of Web-based economics resources

Teachers and lecturers can also access the latest recruitment and employment statistics and get ideas of activities to enthuse students about economics. Various activities and games can be downloaded from the site for use at open days and other recruitment events. Departments can use the site to advertise their open days or Year 11/12 conferences.

<http://www.whystudyeconomics.ac.uk/>

cemmap -

The Centre for Microdata Methods and Practice

This joint venture between the Institute for Fiscal Studies and University College London, funded by the Leverhulme Trust, first began work in December 2001. Since then it has developed into a valuable resource for researchers using microdata. In this article its director, Andrew Chesher, describes what it does and what is available.

cemmap is a centre for research and training in quantitative methods that lead to understanding of the behavioural responses of decision makers, for example people, households and firms. The microdata studied at cemmap are the survey data resources recording behaviour and the surrounding social and economic environment. cemmap's research is disseminated through its working paper series and its training activities are organised in short training courses, masterclasses and workshops. Its web site is at cemmap.ifs.org.uk where there are details of many of the activities described below.

cemmap is a joint venture by the IFS and UCL, funded by the Leverhulme Trust. Its offices are at the IFS and its teaching laboratory, provided by a Joint Infrastructure Fund grant, is at UCL. cemmap has built an international network of researchers, and offers training and instruction at a variety of levels. Economics and econometrics are the disciplinary homes of cemmap but the centre strives to encompass the interests of other social sciences disciplines. cemmap is directed by Andrew Chesher with Ian Crawford, Hide Ichimura and Frank Windmeijer.

cemmap has an active programme of training, running around 10 short courses each year offering instruction in statistical and econometric methods and hands-on experience of their application. Training courses are usually two or three days long and cater particularly for civil servants, social scientists and those in industry who want to enhance their understanding of how microeconometrics and microdata can be used to inform policy making. The courses that will be offered in the current academic year are *Introductory Microeconometrics*, *Panel/Longitudinal Data Analysis*, *Index Numbers*, *Policy Evaluation Methods*, *Microsimulation*, *Discrete Choice Modelling*, *Non-Linear Panel/Longitudinal Data Analysis*, *Modelling Consumer Demand and Panel Time Series*. Further details about each course can be found at cemmap's website. A repository of selected course materials is now also available on the website that is freely accessible to everyone.

cemmap fellows make regular visits and contribute to the Masterclass Series and organise workshops. Masterclasses are two or three-day courses that aim to provide social scientists involved in the development and application of microdata methods with authoritative accounts of research methods and

practice in rapidly expanding areas. Earlier in 2004 there were Masterclasses on *Applied Econometrics of Differentiated Products* (Jerry Hausman) and *Partial Identification* (Charles Manski); in October 2004 Philip Haile will give a masterclass on *Structural Empirical Approaches to Auctions* (jointly organised with the ESRC Centre for Economic Learning and Social Evaluation at UCL), and in November 2004 Aviv Nevo talks on *Empirical Industrial Organisation*. Materials accompanying many of the Masterclasses are available at cemmap's web-site.

Future workshops include a meeting on *Nonparametric Methods under Behavioural Restrictions* (jointly organised with the Centre for Applied Microeconometrics at the University of Copenhagen) and a meeting on *Spatial Econometrics* organised by Peter Robinson from LSE.

Doctoral students, established academics and professional researchers and users of statistical and econometric methods are welcome at Courses, Masterclasses and Workshops. There is financial assistance for HE delegates provided by the ESRC's Research Methods Programme.

For further information, please contact Bonnie Brimstone on 020 7291 4818 or at bonnie_b@ifs.org.uk

New research centre

The University of Exeter has recently opened the Finance and Economics Experimental Laboratory at Exeter (FEELE). This is supported by funds from the University, with additional support from the ESRC and the British Academy and its role is to conduct experiments in finance and economics.

The Directors are Dr. Todd Kaplan and Dr. Dieter Balkenborg.

The opening was marked by a special workshop. The papers presented there, and more information about the laboratory, can be found at:

www.ex.ac.uk/feeel/OpeningWorkshop.shtml

A survey of student standards in economics in Australian universities

In this article, Peter Abelson reports on a survey of student standards in Australian universities conducted by the Economic Society of Australia. The full report on the survey, including the survey questionnaire, can be found on the Society website: www.ecosoc.org.au. Peter Abelson is Secretary of the Economic Society of Australia and a Professor in the Department of Economics, Macquarie University, Sydney.

Since 1990, the number of students in Australian universities has doubled to nearly a million students. One fifth of these students are from overseas. Over this same period, staff increased by only about 15 per cent. There is widespread concern that university enrolments have increased at the expense of a general decline in the quality of education. In 2001, after a lengthy inquiry, an Australian Senate Committee found ‘strong evidence to demonstrate that many subject disciplines in many universities had experienced declining standards in recent years’.

Commerce faculties are under special pressure because they are attractive to students and they may generate surpluses to support other parts of universities. Within economics departments, there is concern that standards have fallen in order to maintain enrolments and to match apparently easier subjects.

Against this background, in September 2003 the Central Council of the Economic Society of Australia (ESA) resolved to conduct a survey into student standards in economics courses in universities. The survey had three main aims: to determine

- the standards of work achieved by students of economics in Australian universities;
- the main factors that influence these standards; and
- policies for maintaining or improving standards in economics.

The Society sent the questionnaire to Heads of Economics Departments at the 29 Australian universities which run economics courses. We received 22 responses including responses from two large campuses in one university that were treated as separate responses. The responses came from 6 of the 8 older metropolitan universities, 10 newer metropolitan universities, and 5 non-metropolitan universities.

In this article, I briefly describe the survey and the main results. I then discuss some issues in conducting such a survey and some major policy issues relating to student standards.

The survey questionnaire

University students and standards are heterogeneous. Many first year undergraduate students do economics courses as part of other degrees. On the other hand, most third year economics

students intend to graduate with an economics qualification. Postgraduate students may study for a run-of-the-mill Masters or for PhD qualifications. ESA designed the survey to elicit answers principally about standards for first and third year undergraduate students and masters by coursework students. Respondents were also asked to provide information on Honours and PhD students.

As discussed below, defining standards is a central issue. For the purpose of the survey, respondents were asked to use the following guidelines.

- Very good - a high distinction or distinction standard of work, 75 plus out of 100
- Good - a credit standard of work, 65-74 out of 100
- Satisfactory - work that is worth 50-64 out of 100
- Poor - work that is worth 40-49 out of 100
- Very poor - work generally below 40 out of 100

Respondents were asked to judge the percentage of students in each of these five categories and whether standards had changed over the last 10 years.

To elicit information on factors influencing standards, the questionnaire sought responses on nine potential factors (for example entry standards, linguistic ability, faculty resources and so on). Turning to policies, the questionnaire provided ten possible policies for each student group (including various accreditation and review procedures). Throughout the survey, respondents were invited to provide additional comments as they considered appropriate.

Confidentiality and anonymity were critical features of the survey. Respondents were told that their responses would be viewed only by the President, Secretary and Administrator of Central Council and three independent university professors, who would review the draft report. No individuals or institutions are identified in the report. Before publication, all respondents were sent the draft report to ensure that they were satisfied with it.

Summary of survey results

Respondents reported a broad distribution of standards. Seventeen of the 20 respondents reported that 30 per cent or more of their first year students are good or very good (credit

grade students or higher). On the other hand, eleven departments reported that 30 per cent or more of their first year students are poor or very poor (students likely to fail their courses). Results for third year students were similar, but with slightly fewer poor students. Assessments of students undertaking masters by coursework were more mixed, with respondents reporting a variety of experiences. Table 1 provides summary statistics on current standards. The percentages are the means of the estimates provided by all respondents.

Table 1: Estimated mean percentages of students in each standard (% of students)

Standard	First year	Third year	Masters (coursework)
Very good	12.7	17.7	22.9
Good	22.1	30.4	24.5
Satisfactory	37.9	35.0	33.0
Poor	15.0	9.5	10.9
Very poor	12.2	4.8	8.7
Total	100.0	100.0	100.0

Source: Economic Society of Australia (2004).

Table 2 summarises responses on changes in standards over the last ten years. Thirteen respondents considered that standards in first year courses have fallen compared with only three who considered standards have risen. For third year courses, eight respondents considered that standards have fallen, whereas only four judged that they have risen.

Table 2: Changes in Student Standards over last 10 years

Sub-market	Risen significantly	Risen a little	Stayed constant	Fallen a little	Fallen significantly	Total responses
First year	1	2	3	10	3	20
Third year	2	2	6	8	0	19
Masters	0	4	2	1	1	8

Source: Economic Society of Australia (2004).

On the other hand, out of eight respondents about masters' coursework courses, four judged that standards have risen compared with two who judged they have fallen. Also, most respondents considered that standards of Honours and PhD students have been maintained. Importantly, respondents were asked to state whether their assessments were based on experience or evidence. Most judgments were based on experience. Where evidence was cited, it related mostly to an assessment of results over time. Few respondents cited other evidence. The issue of evidence is crucial to the debate on standards. I return to this point below.

Table 3: Numbers of respondents citing factors affecting standards of economics students

	Very important	Impor- tant	Minor importance	Not important	Not appli- cable	Total
<i>First year students</i>						
Low entry standards local students	5	4	3	4	3	19
Low entry standards int'nat students	6	3	7	1	3	20
Poor English of international students	8	6	5	0	1	20
University standards on failure rates	1	2	6	9	1	19
University cross subsidies	2	3	4	6	5	20
Low student work hours	5	3	3	5	3	19
High student-staff ratios	5	10	2	2	1	20
Competition with other subjects	8	5	4	2	1	20
<i>Third year students</i>						
Low entry standards local students	0	4	4	3	4	15
Low entry standards int. students	2	3	6	1	3	15
Low standards private transfers	2	1	6	3	3	15
Poor English of international students	4	4	5	2	2	17
University standards on failure rates	1	1	6	5	2	15
University cross subsidies	1	1	1	6	5	14
Low student work hours	3	3	2	2	5	15
High student-staff ratios	2	5	3	1	4	15
Competition with other subjects	2	4	5	1	3	15

Source: Economic Society of Australia (2004).

Factors determining student standards

Table 3 summarises the responses on factors affecting standards of undergraduate students. For first year students, some two-thirds of the respondents considered that high student-staff ratios, poor English of international students, and competition with other subjects had an important or very important impact in lowering standards. Qualitative responses indicated particular concerns about the impact of business studies on lower standards. Other factors of major concern are low entry standards of international and local students and low student work hours. Similar factors are rated important for third year undergraduate students.

Views on standards of masters' coursework students were more mixed and there were fewer responses. The responses indicate some concern about entry standards and English standards. But it was not possible to

generalize from the small number of responses.

Policy options and practices

A theme of the responses was that each institution needs to do the things that best reflect the backgrounds and objectives of their particular students. Although there was some support for external reviews of programs, there was little support for external accreditation or exams.

Table 4 shows the numbers of respondents citing policies for maintaining or raising student standards. As would be expected, the preferred policies reflect respondents' judgments on the determinants of standards. Most respondents considered that lower student-staff ratios, higher English standards,

and higher entry standards for international and local students are important or very important.

Entry standards and English language requirements are again an issue for Master's students, albeit that the sample of respondents is small. Again, there was little support for external reviews of any kind.

Issues in a survey of student standards

Many issues arise in conducting a survey of student standards. Some are practical, such as how to define economics students, how to measure student-staff ratios, and indeed how to ask clear questions. I discuss such issues in Abelson (2004). Here I focus on more fundamental questions such as 'what is quality?' What incentives do department heads face when responding to such surveys? How can we tell whether the responses are honest and accurate?

The concept of student and subject quality is multi-dimensional and not necessarily clear or agreed. One survey respondent

argued that research and writing skills have fallen but that quantitative and memorisation skills have risen. Another claimed that students benefit from getting less economics but more practical business studies in their courses. Two other respondents argued that their department's institutional approach to economics was more useful to students than a conventional neo-classical approach. Such arguments strongly underscored views that decentralised solutions to student standards are appropriate and desirable.

Table 4: Numbers of respondents citing policies for maintaining and raising student standards

	Very important	Important	Minor importance	Not important	Not applicable	Total
<i>First year students</i>						
Raise entry standards local students	3	4	8	3	2	20
Raise entry standards int'nat students	7	4	4	2	3	20
Raise English language requirements	9	5	4	1	1	20
Higher failure rates	3	2	6	6	2	19
Reduced cross subsidies	3	5	4	4	4	20
Lower student-staff ratios	5	10	4	1	0	20
External accreditation of courses	5	2	6	6	1	20
External reviews of courses/standards	1	7	8	4	0	20
External exam for 1st year students	2	2	5	10	1	20
Award certificates of attendance	0	3	2	9	5	19
<i>Third year students</i>						
Raise entry standards local students	1	5	5	3	2	16
Raise entry standards int. students	4	4	4	1	3	16
Raise English language requirements	4	4	6	1	2	17
Higher failure rates	2	3	5	5	2	17
Reduced cross subsidies	1	4	1	5	4	15
Lower student-staff ratios	4	6	4	1	1	16
External accreditation of courses	3	2	4	6	1	16
External accreditation of degree	3	0	4	6	2	15
External reviews of courses/standards	2	5	5	3	1	16
External exam for 3rd year students	2	1	2	8	2	15
Award certificates of attendance	1	1	3	7	2	14

Source: Economic Society of Australia (2004).

Whatever definition of quality is adopted, there remains the issue of what is the evidence of quality? How do universities know what standards are achieved? As I have noted, few respondents cited evidence on standards. In an attempt to obtain objective measures of student standards, the survey sought data on texts used in core first and second year courses. However, several respondents were unable to provide information about texts used 10 years ago. Thus no conclusions could be drawn from the responses. More fundamentally, as one respondent observed, the 'real issue is what sorts of questions

do we ask and what sorts of answers are we "satisfied" with?' While data on texts could be useful, conclusions on standards would require an in-depth examination of course materials.

In my department I have conducted two surveys to try to understand standards. One was a survey of student work hours. This found that the median workload for a standard university course was only 50 per cent of what the university nominally requires. In the second survey, I conducted two vocabulary tests set for me by the Linguistics Department in my university as adjuncts to multiple choice economics tests. I found that a high proportion of the students were likely to fail the course due to poor vocabulary alone. More such tests could provide important material on student standards.

Without such tests, can we rely on the responses of heads of departments with regard to standards? Many academics (like their universities) have a personal financial stake in greater student numbers regardless of quality. Heads of departments are appointed *inter alia* to promote their department's reputation

and financial interests. They may be reluctant to note potential negatives in performance.

In these circumstances, confidentiality (and confidence in confidentiality) is essential. One respondent, who expressed explicit concern privately to me about the possible views of his Vice-Chancellor, made his response conditional on the report not analysing differences between the types of university responding. Our survey process was designed to assure confidentiality and anonymity. This significantly reduced strategic responses, but may not have eliminated

them entirely.

Finally, how can the survey agency determine whether responses are accurate and honest? It may request evidence, but this often does not exist. One test of accuracy of response, though not of bias, is internal consistency of responses. In our survey, responses on causes of standards and policies were consistent. A possible test for bias would be to look for responses that appear inconsistent with external data, for example departments with low entry standards reporting high

achieved standards. However, this requires the survey agency to vet responses, which is difficult and inconsistent with a professional society's relationship with its members. The survey agency cannot discount certain responses because they appear inconsistent with external information.

Policy issues relating to student standards

For many economists, policies are required only when there are problems that markets cannot fix and when, following Adam Smith, the cure is better than the disease. A few survey respondents argued that standards have improved. It is indeed possible that, although average standards may have fallen as numbers increase, most students nevertheless achieve similar or better educational standards than previously. However, most survey respondents considered that standards have fallen for many students, and that this is a matter for concern.

Does the market supply efficient standards? One respondent argued, 'let the market rule. Avoid credentialism and the temptation to centralise.' This seems to place too much faith in the effectiveness of market mechanisms and signals in the regulated university sector in Australia. Commenting on the variety of standards in masters programs, another respondent observed that 'the market is currently pretty poorly informed about these differences (in masters programs) as often are the students themselves.'

It is questionable whether consumers recognise the differential qualities of degrees and whether this in turn influences the behaviour of university administrations, staff and students. Prices for courses in Australian universities are similar and send limited signals to students. While local employers may have a fair idea of the value of many degrees, overseas employers may not. In any case, many overseas students prize an Australian degree as a potential migration ticket for which the standard of the degree is largely immaterial. Many university administrations appear motivated more by revenue maximisation than by quality objectives. Given price controls on degrees, revenue is maximised by increasing throughput. Surplus is generated by skimping on inputs. Information failures combined with the public good characteristics of education mean, I believe, that in the current Australian framework decentralised revenue-maximising institutions and market forces are unlikely to produce efficient student standards.

Turning to policy issues, four main causes of low standards and related policy issues are taken up here.

1. Low entry standards, including poor English - raise entry standards.
2. Lack of resources to deal with these issues - increase resources.
3. Low student inputs - require more student work.
4. Low passing standards - policies to raise grade standards.

Most survey respondents considered higher entry standards would be desirable. Many cited improved English language for international students as important or very important. However, respondents recognised that raising entry standards would often run counter to university policies and that academics have little control over general entry standards. One respondent noted that he has argued for a 'university-run lan-

guage test, but this has been regarded as undermining the university's competitive position'. More pertinently, raising entry standards and thus (possibly) reducing students could reduce departmental revenue, salaries and jobs.

Not surprisingly, most survey respondents considered that reducing student-staff ratios is critical to standards. Weak students often need *more* assistance than do stronger ones. Variance in student standards means that stronger students bear the cost of lower standards unless they are provided differentiated services. Most economics departments are attempting to maintain standards in various ways (more emphasis on teaching, student mentoring, web-based services and so on). However, it seems that technical improvements cannot substitute fully for the decline in resources per student.

In recent years, student participation in university work has declined markedly. In response, universities could foster a work culture by making obligations clear to students *before* they start their university education and continuously thereafter, possibly in the form of a quasi contract. Currently, university marketing encourages students to enter the university with little idea of the work involved. University administrations provide few upfront explicit work requirements to students. Students are permitted to enrol as full-time students when they are really part-time students. It is not hard to see why. A policy that set explicit work standards for students would run counter to a university's revenue maximising objective that requires a permissive attitude to student work attitudes.

Course grades provide another signalling opportunity. Indeed, it could be argued that if grade standards are appropriate and known, there is no need to attempt to influence student inputs. But this appears unrealistic. If a university accepts low entry standard students and short working weeks, it *cannot* set grades inconsistent with this. This may be why respondents to the survey did not place a high priority on raising failure rates. Unfortunately, grading is another area where incentive structures are often perverse, with academic salaries or even jobs tied to student numbers. In some departments, individual salary supplementation is related to student assessments. It is hard to believe that awards of grades in these conditions are not influenced by salary incentives.

External accreditation, reviews, and exams

The ESA survey canvassed three forms of external review: formal accreditation of courses or degrees, external reviews of courses or degrees, and external exams. There was some support for external reviews but little support for external accreditation or exams. This reflects the status quo. Departments have more control over reviews than they would have over accreditation or external exams. Reviews are typically based on terms of reference set by the host university and are constrained to review courses subject to the objectives of that university.

The ESA has long opposed any form of accreditation for a variety of reasons. The reasons include that accreditation is anti-competitive; that it either sets standards too high and excludes people or sets them too low and is meaningless; that it may define economics too narrowly; or just that it is too hard to

achieve. Some respondents to the survey argued strongly that accreditation would not recognise the diversity of student needs and academic approaches to teaching economics and that any form of central control would be a major error.

Opponents of external exams argue likewise that there is a need for differentiation of product and plurality of process. They are often concerned that the tests will be based on a neo-classical model of economics that they believe is irrelevant for many students. Hard external tests would allegedly discourage entry to economics. Simple ones would be inappropriate for better students. In my view, there are potential benefits of external exams as signals and as sources of beneficial competition. But few of my colleagues appear to agree with this.

Conclusions

On balance, standards of undergraduates appear to have declined. There was insufficient evidence to draw conclusions about graduate work. In general, more evidence on what is happening is much needed.

The prime causes of the decline in standards appear to be high student-staff ratios, poor English standards, competition with other subjects, and a declining student culture of university work. It may be observed that these findings could have been expected. However, these issues are not well documented and there is little action on many of these issues. Keeping or putting the issues on the policy agenda seems to be a useful exercise.

The main policy theme of the responses was that each institution should do the things that best reflect the needs of their particular students. Most respondents considered that lower student-staff ratios, higher English standards, and higher entry standards for international and local students are important. Although there was some support for external reviews of programs, there was little support for external accreditation or exams.

References

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New university appointments

University of Leicester

The Department of Economics has made the following appointments to Chairs:

- Prof Badi H. Baltagi has been appointed to a part-time Chair. Professor Baltagi is widely regarded as one of the architects of modern panel data econometrics.
- Prof Gianni de Fraja, formerly Professor of Economics at the University of York. He is an applied economic theorist with interests in the Economics of Education and Regulatory Economics.
- Prof Claudio Mezzetti, Professor of Economics at the University of North Carolina, Chapel Hill, is an economic theorist, with interests in game theory and auctions.

In addition:

- Dr Rodney Strachan, a Bayesian macro-econometrician, formerly at Keele University is appointed to a Senior Lectureship.
- Dr Roberto Leon Gonzales, a Bayesian econometrician with interests in health economics, formerly at the University of Sheffield is appointed to a Lectureship in Economics.
- Mr Piercarlo Zanchettin, an IO specialist, formerly at the University of Bologna, is appointed to a Lectureship in Economics.

University of Exeter

The Department of Economics has made the following appointments to Chairs:

- Prof James Davidson (previously at Cardiff) to a Chair in Econometrics
- Prof David Kelsey (previously at Birmingham) to a Chair in Economic Theory

University of Durham

The School of Economics, Finance and Business has made the following appointments to take effect from 1 September 2004:

- Daniel Hung: Lecturer in Finance
- Young-Sook Lee: Lecturer in Financial Econometrics
- Anamaria Nicolae: Teaching Associate in Economics
- Ashar Aftab: Lecturer in Economics
- Giovanni Baiocchi: Lecturer in Economics and
- David MacMillan: Senior Lecturer in Financial Econometrics (w.e.f. 1 June 04)
- Sanjay Banerjee: Senior Lecturer in Finance (w.e.f. 1 January 05)

...and on the move

University of Sussex

- Prof Alan Winters has taken leave from Sussex to take up the post of research director at the World Bank, for the period 2004-2007.
- Prof Sherman Robinson has joined the Economics Department from the International Food Policy Research Institute (IFPRI), w.e.f. September 2004.
- Another former IFPRI researcher, Dr Lawrence Haddad (formerly director of the Food Consumption and Nutrition Division) has moved to Sussex, in this case to become the Director of the Institute of Development Studies.

More on economists' rewards

In the July issue of this Newsletter we carried a feature which brought together much of the good news about the returns to an economics degree, culled from earlier contributions to the Newsletter. The Society of Business Economists has just published the results of its annual survey of economists' salaries.

The Society of Business Economists conducts an annual survey of salaries and related issues amongst its members. The 2002 survey, just published, was based upon responses from 168 members, from a total of 562. The survey is mainly concerned with economists' earnings across sectors of the economy, and over time. There is no comparison between the earnings of economists and those with a qualification in other disciplines.

The main finding was that the median salary for male economists in 2002 was £57,500 and £47,000 for women. This represented an increase of five per cent over the previous year, a rate of increase which has been surprisingly steady for some years.

Age and gender

Table 3 in the report relates salaries to age and sex. Sadly, its findings are not inconsistent with those of the RES's

Committee on Women in Economics. The disparity in salaries that we noted above amounts to a ratio between male and female salaries of 1.22. However, this compares favourably with ratios as high as 1.4 to 1.7 in male/female salary levels in recent years. As regards age, salaries increase with age (for both men and women) up to about 55, after which there is some small decline.

Basic salary by employment

Employment	Per cent of responses			Salaries (£k)*				
	2002	2001	1998	2002			2001	1998
				Maximum	Minimum	Median	Median	Median
Banking	16	12	20	115.0	33.0	67.5	62.0	55.3
Other financial	14	14	17	343.0	29.5	90.0	98.0	74.0
Consultancy	20	18	17	240.0	2.5	50.0	51.0	50.0
Other services	8	13	9	100.0	3.0	50.0	45.0	45.8
Trade association	11	9	6	127.0	18.0	47.0	51.0	29.9
Industry	13	15	13	122.0	20.0	58.0	57.5	44.1
Government	11	12	8	75.0	18.3	43.2	43.5	39.4
Academic	7	7	10	85.0	12.0	37.5	40.5	39.0

* Including any London/regional allowance and self-employment income

Public and private sectors

There are, however, substantial variations across sectors of the economy. The information in our table is extracted from table 2 of the report and makes clear the large dispersion of earnings, both within and across sectors. There will be little surprise that the largest median salaries are paid in banking and finance and even less that the lowest are paid to academics, whose position appears to have deteriorated slightly in comparison with the other low-paid group, economists in the government sector.

The differential between public and private sector is magnified when we take account of 'fringe' and other non-salary benefits. The median value of such benefits adds about 11 per cent to the salaries shown in our table. Table 4 in the report shows the distribution of benefits by type of employment while table 5 shows the value of benefits by employment. In 2002, the median value of non-salary benefits in banking was £23,600 and in 'other financial services' it was over £18,200. Needless to say, the public sector fared very poorly: the median value for government economists was £2,400 and zero for academics. The most commonly available benefits to private sector economists were private medical insurance and profit-sharing/bonus schemes.

Activity, employment and salary

A table of information which will be of interest to graduating students is table 7 which shows the range of activities in which respondents were involved as economists and how salaries varied across those functions. Across all sectors (except 'academic') a substantial percentage of respondents reported themselves as being employed in an 'advisory' capacity where the median salary was £50,000. In banking and consultancy, about a quarter of respondents were engaged in 'forecasting'. The median salary was £46,000. The big money, however, seems to come with 'investment' activity. Unfortunately, this is an activity reported only by economists employed in banking and other financial services (where 57 per cent of economists are employed in investment). The median salary here is £90,000, substantially more than the next highest paid activity, 'management'. This is a common activity for economists employed in 'other services' (where many respondents are also employed in 'market research'). Respondents who described themselves as managers had a median income of £70,000.

The full report and tables can be found at:
www.sbe.co.uk/survey/index.htm

Obituaries

Vella Pillay

Vella Pillay died in July aged 80. Although he worked as a professional economist for most of his career in London, he was best known in South Africa (and in the UK too) for his work for the anti-apartheid movement.

He was born, one of six children, into a poor family in Johannesburg in October 1923 and went to a school reserved for Indians and Coloureds. From there, he went to Witwatersrand University where he studied part-time for a BCom. He paid for his studies and contributed to the family's meagre income by working during the day as a bookkeeper for an Indian company, while attending lectures in the evening. His period at Witwatersrand coincided with an increasing political awareness amongst the students, since this was the period of German-Russian hostilities during the Second World War and popular support for Russia led many students to sympathise with communist ideology. Pillay himself joined the South African Communist Party, through which he met his future wife, Patsy Truebig, and became active in the South African Indian Congress, whose leadership was becoming increasingly radicalised. One of his early campaigns was against the 'Pegging Act' which sought to limit Indian residence and property ownership to designated areas.

He married Patsy, a woman of European/American origin in 1948 (in the Cape where interracial marriage was still legal) and they moved almost immediately to London. Pillay had been accepted by the London School of Economics where he enrolled as an evening student in order to be able to work during the day – initially as a researcher at the Bank of China. The Bank of China subsequently dominated his professional life. He rose to become assistant general manager in 1978 and retired from full-time employment with them in 1988 though he continued as an economic adviser.

The South African Communist Party was banned by the South African government in 1950 while the banning of the ANC followed in 1960. This meant that, in helping these organisations from London, Pillay was involved in a number of subversive activities. He helped publish the *African Communist* periodical, looked after the funds of the SACP and helped arrange military training in China and Russia for South African revolutionaries.

He helped found the British Anti-Apartheid movement in 1960 and contributed again through publications and the management of its money, as well as occupying a number of senior positions within the movement. This was a period in which he became distanced from the SACP which took a distinctly pro-Soviet attitude during the sino-soviet splits of the 1960s. He travelled regularly to China and was friendly with Mao Zedong and Deng Xiaoping, and his working for the Bank of China probably increased suspicions further. However, relations with

the ANC remained close.

His anti-apartheid campaigning led him to a period with the Greater London Enterprise Board in the early 1980s when its objective was to invest some fraction of GLC funds in the kinds of projects that would improve opportunities for blacks and other ethnic minorities.

When it was clear that apartheid was crumbling and non-racial elections were scheduled for 1994, Pillay returned to South Africa where he worked with other economists in the Macroeconomic Research Group (MERG) on plans for a programme of economic growth intended to benefit the mass of South Africans. The ANC, maybe under pressure from Western governments, decided on a different route. However, while most of the recommendations were ignored, some, particularly its focus on large-scale housebuilding, continue to attract discussion.

He is survived by his wife and two sons.

New York's economic resilience

In the October 2001 issue of this *Newsletter* (no.115) we carried a feature about the economic impact of the terrorist attacks on New York's World Trade Centre on September 11. The article finished with some speculative remarks about the likely future impact.

Three years on, we have a much better idea. In the *New York Times* for September 16, Professor Alan B Kreuger, Bendheim Professor of Economics and Public Affairs at Princeton, reports on the work of a team of economists organised by the Russell Sage Foundation to examine the lasting impact of the attacks. In Kreuger's words:

That picture is one of remarkable resilience. In the most comprehensive analysis so far, a team of researchers ... has found that although the attacks were undoubtedly an economic setback and, needless to say, a tragedy for thousands of families, they did not fundamentally knock the city's economy off track.

Indeed, the research suggests that the recession which had already set in some six months earlier had a much bigger impact than the attack on the twin towers. Furthermore, in addition to telling us how people reacted to the attacks the investigation reveals quite a lot about why cities exist in the first place.

The full article can be read at:
<http://www.nytimes.com/2004/09/16/business/>

Professor Kreuger can be contacted at: akrueger@Princeton.edu

RES news items

Rethinking conference dates

The Society's President, Professor John Sutton, has written to members of CHUDE asking for their reaction to the possibility of changing the date of the Society's Annual Conference from its traditional position just before Easter to a date just before Christmas. This suggestion, whose further exploration has the support of the RES Council, is based primarily upon a desire by some members of the Society to see a 'job market' function included in the Conference, along lines similar to that of the AEA. The problem with the current timing is that it is too late in the academic year to serve this purpose. The Conference would have a similar format to that with which we are familiar but there would be additional sessions at which students joining the job market could give short presentations and there would be opportunities for informal interviews (a preliminary 'pre-screening') to take place with sufficient time left for those selected to enter the normal appointment procedures which are usually scheduled in the spring.

The main arguments against the move are probably that the pre-Christmas period is very busy with other activities and that the lack of uniformity in the end of term dates across universities might make it difficult to find a broadly acceptable time.

If the response from CHUDE is favourable a proposal will be put to the RES Council with a view to holding the first Conference in the revised timetable in early December 2005. (There would be two Conferences in 2005). We will be reporting on progress.

Titles for degrees in the United Kingdom

A list of thesis titles of higher degrees in economics, taken *entirely* by thesis or dissertation and awarded in the United Kingdom during the academic year 2004-2005 will be published in the June 2005 issue of the *Economic Journal*. Degrees already awarded in 2003-2004 may also be included. The subject classification is that used by the *Economic Journal* for Book Notes; this classification is derived from the one devised by the American Economic Association and used in the *Journal of Economic Literature* since March 1991.

Details required for publication are:

- Name of author
- Title of thesis
- Type of degree (MA, M.Sc., D.Phil., Ph.D.)
- Date of award
- Where thesis can be consulted
- Classification (using *Journal of Economic Literature* classification)

Information should be sent by **20 December 2004** to Eleanor Burke, Royal Economic Society, London Business School, Regent's Park, London NW1 4SA (E-mail: eburke@london.edu).

Have you voted yet?

Ballot papers for the election of Council members were sent to all those who were members of the Society in August. Ballot papers must be returned to the Secretary-General **by 1 November 2004** in order for the votes to be included in the count.

Make sure that your ballot papers are returned before the closing date!

Members have also been invited to propose candidates for consideration by the Nominating Committee for the vacant places on council from 2005. Those proposed should have given consent to their names going forward. Proposals should be returned to the Secretary-General by **1 November 2004**.

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

Royal Economic Society Annual Public Lecture 2004

Professor Carol Propper will deliver the 2004 RES Annual Public Lecture with the title:

Why economics is good for your health

Professor Propper is Professor of the Economics of Public Policy and Director of the Centre for Market and Public Organisation (CMPO) at the University of Bristol

The lecture will be given in Edinburgh (1 December 2004) and London (3 December 2004).

Admission is free but by ticket only. The lecture (including questions) will last approximately an hour and a half. Tickets may be obtained by emailing: res@london.edu

Annual Conference 2005

The 2005 Annual Conference will be held at the University of Nottingham from
Monday 21st to Wednesday 23rd March

Keynote speakers include:

Professor Orley Ashenfelter (Princeton)
Professor Clive Granger (UCSD)
Professor Bengt Holstrom (MIT)

Papers for general sessions and suggestions for special sessions should have been submitted by mid-October to Professor Richard Disney at the University of Nottingham.

Notification of acceptance will be sent by mid-December 2004.

Financial Assistance

Postgraduate students who present papers at the Conference will be eligible for financial support.

Conference Volume

Papers which are accepted for the Conference will be eligible for consideration for publication in the Conference Volume of *The Economic Journal*.

(All speakers are expected to pay the conference fee.)

Further details are available from the Society's website: www.res.org.uk

Royal Economic Society

2005 Easter School

The fourteenth Easter School organised by the Society, with financial support from the Economic and Social Research Council, will be held at the

**University of Birmingham from
10-15 April 2005.**

The School is intended primarily for advanced post-graduate students but is also open to members of the teaching and research staff. The purpose is to enable participants to become acquainted with the latest developments in the selected field of economics, to have the opportunity for study and discussion with two leading authorities in this field, and to meet other graduate students.

In 2005, the subject of the school will be
**modern theories of macro dynamics and
growth**

The lecturers will be
Professor Nobuhiro Kiyotaki (LSE) and
Professor Philippe Aghion (Harvard University)

Further information on topics can be obtained from the Easter School web site at:

www.economics.bham.ac.uk/easterschools/index.htm

Places are available for 25 resident students. Accommodation and meals will be provided for the duration of the course. Nominations must be made through the applicant's Head of Department and should be supported by a short C.V., a reference, and a note on the applicant's research interests.

Applications should be submitted no later than **5 January 2005** to Lisa Docker, Royal Economic Society Easter School, Department of Economics, University of Birmingham, Edgbaston, Birmingham B15 2TT. Successful applicants will be informed in February 2005.

Special offer to RES members

Newman, Peter

F Y Edgeworth's 'Mathematical Psychics' and Further Papers on Political Economy (hardback)

Readers may wish to know of the recent publication by Oxford University Press of a volume of Edgeworth's writings under the above title. Some years ago, Peter Newman, one of the world's leading experts on the work of Edgeworth, undertook a commission from the Royal Economic Society to produce an edition of 'Mathematical Psychics' alongside other writings that had not been included in the three-volume edition of Edgeworth's *Papers Relating to Political Economy* (1925). Peter's death in 2001 prevented him from putting the final touches to the editorial apparatus. Largely as a result of the work of Margot Levy, who collaborated with Peter on the New Palgrave Dictionary of Economics, and with some assistance from Leofranc Holford-Strevens and Donald Winch, it has been possible to complete the book along the lines originally planned.

Besides 'Mathematical Psychics', the volume includes 'New and Old Methods of Ethics' (1879), never before reprinted, two short monographs 'On the Relations of Political Economy to War' and 'Equal Pay to Men and Women for Equal Work', and a selection of key articles and reviews, including all the important articles that Edgeworth wrote for the original Palgrave Dictionary. The volume is completed by the bibliography of Edgeworth's writings compiled by Alberto Baccini.

In addition to being the leading Anglo-Irish mathematical economist of his day, Edgeworth possessed a range of talents that enabled him to make major contributions to statistical theory and review books in the five European languages which he commanded. Peter Newman's introductions and editorial notes on 'Mathematical Psychics' enable readers to understand the complexities of Edgeworth's mathematics, his proclivities and oddities as an inveterate reviewer of books, and why he has increasingly been recognised as a seminal figure in the history of game theory and the study of the optimizing properties of markets under varying conditions. Leofranc Holford-Strevens has provided translations and background information on Edgeworth's extensive use of Greek and Latin references and sources.

No scholarly library will be complete without this valuable 650-page supplement to Edgeworth's own selection of his papers, which will be of interest to economists, mathematical economists, probability theorists, philosophers interested in utilitarian ethics, and all students of the history of economic thought.

The volume is available to members of the Royal Economic Society at a members' discount. Full price: £95.00 **RES members special discounted price of £76.00 (post free)**. Cheques (only) should be sent to Eleanor Burke, RES Administration Officer, London Business School, Regent's Park, London NW1 4SA.

Conference Diary

2004

november

october

10-14 November

Philadelphia, USA

14-15 October

Hamburg, Germany

Conference on New Economic Geography - Closing the Gap between Theory and Empirics to be held at the Hamburg Institute of International Economics. The objective of the conference is to discuss current developments in empirical research and improve the knowledge related to this research area.

Further information from:
http://www.hwwa.de/Projekte/Forsch_Schwerpunkte/FS/EI/NEG2004.htm

Sixth conference of the International Society of Quality of Life Studies (ISQOLS). The theme of the conference will be: Advancing Quality of Life in a Turbulent World.

Further information from: <http://market1.cob.vt.edu/isqols/>

11-13 November

Georgia, USA

Annual meeting of the Criminal Justice Association of Georgia.

Further information from: www.ngcsu.edu/cjag/cjmeet.htm

22-23 October

Mannheim, Germany

Second conference on Evaluation Research to be held at Universität Mannheim. The objective of the conference is to discuss recent scientific contributions on evaluation research. Theoretical, empirical, experimental and policy oriented contributions are welcome.

Further information from: www.zew.de

13-14 November

Tokyo, Japan

Third international conference of the Japan Economic Policy Association to be held at Meiji University. The theme will be: Policy implementation and its consequences: what good does economics do?

Further information from:
<http://wwwsoc.nii.ac.jp/jepa/2004call.pdf>

24-25 October

Stockholm, Sweden

Conference on Industry Location in an Integrated Europe to be held at Stockholm University.

Further information from:
www.sieps.se/_pdf/industryall.pdf

15-16 November

Melbourne, Australia

Conference on International Business Research organised by the World Business Institute.

Further information from: www.worldbizconference.com

28-29 October

Louvain-la-Neuve, Belgium

Conference on Industrial Economics and the Environment. The aim is to promote the use of advanced economic theory in the field of environmental economics, broadly defined.

Further information from:
www.core.ucl.ac.be/news/ENVweb/program.html

17 - 19 November

Innsbruck, Austria

Fourth annual CSI conference on Principles of International Institutions - Theoretical foundations and empirical evidence to be held at the University of Innsbruck.

Further information from: Mag. Lukas Pichler, Managing Director, CSI Centre for the Study of International Institutions, Faculty of Social and Economic Sciences, University of Innsbruck, Universitaetsstraße 15, A-6020 Innsbruck, Austria. Tel: 43 512 507 7946 Fax: 43 512 507 2840. Email: csi@uibk.ac.at www.uibk.ac.at/csi

december

1-3 December

Rome, Italy

*Thirteenth international conference on **Banking and Finance** to be held at the University of Rome Tor Vergata on the subject Transparency, governance and markets.*

Further information from: Professor Michele Bagella, Facoltà di Economia, University of Rome Tor Vergata, Via Columbia 2, 00133 Roma, Italy. E-mail: bagella@uniroma2.it

16-17 December

London

CALL FOR PAPERS

*Conference on **Common Features in London** to be held at Cass Business School. The conference aims to provide a forum for the presentation of recent developments on common features and their implications for the analysis of co-movements in economic and financial series modelling, estimation, testing and forecasting. Extended abstracts or full papers should be sent by email by **31 October 2004** to Giovanni Urga (g.urga@city.ac.uk) with cc to all members of Programme Committee (see website below).*

Further information from: Giovanni Urga at e-mail above or www.cass.city.ac.uk/faculty/g.urga/info1.html

2005

january

21-22 January

Budapest, Hungary

CALL FOR PAPERS

International conference on **Central and Eastern Europe: A feminist economic dialogue** organised by the International Association for Feminist Economics (IAFFE).

Further information from: Budapest@iaffe-europe.org or www.iaffe-europe.org

february

3-4 February

Palma de Mallorca, Spain

*Twelfth conference on **Public Economics** to be held at the University of Balearic Islands in Palma de Mallorca Spain.*

Further information from: ecopublica@ccee.unm.es or www.uib.es/congres/ecopub

march

9-13 March

London

*Fifty ninth International Atlantic Economic Conference of the **International Atlantic Economic Society**.*

Further information from: www.iaes.org/conferences/future/london_59/

21 - 23 March

Nottingham

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

Further information from: page 19 above, and from the Society's website: www.res.org.uk

april

7-9 April

Vienna, Austria

*Tenth annual European conference on **History of Economics** to be held at the University of Vienna. The theme will be: Economics and Utopia.*

Further information from: www.eche.eu.com

28-30 April

Pula, Croatia

*Third conference on **Entrepreneurship and Macroeconomic Management**.*

Further information from: www.efpu.hr

may

12-14 May

Lodz, Poland

Fourth annual conference on Forecasting Financial Markets and Economic Decision-Making (FindEcon2005) to be held at the University of Lodz. The purpose of the conference is to share experience in forecasting emerging and developed financial markets and other markets and their impact on economic growth.

Further information from: www.prf.webpark.pl

27-29 May

Ontario, Canada

CALL FOR PAPERS

Thirty-ninth annual meeting of the Canadian Economics Association (CEA) to be held at McMaster University. Abstracts should be submitted by **28 February 2005** through the on-line registration form for paper presenters at <http://economics.ca/2005/>

Further information from: <http://economics.ca/2005/>

june

16-18 June

Paris, France

CALL FOR PAPERS

Nineteenth annual conference of the European Society for Population Economics (ESPE). The aim of the conference is to facilitate the exchange of research ideas and results across a range of fields, including the economics of the household, labour economics, public economics, demography, and health economics. All submissions should be sent by **1 February 2005** by e-mail to the program committee, ESPE2005@law.usyd.edu.au.

Further information from: www.espe.org.

27 June - 1 July

Beijing, China

Fifteenth international Input-Output Conference to be held at Renmin University. The aim of the conference is to promote and stimulate the exchange of ideas among economists, government officials, engineers and managers with interests in input-output analysis and related methods worldwide. This includes economic theory; issues of policy and strategy such as growth and development or energy and the environment; all aspects of models, methods, and analytical frameworks; applications at the global, national, regional and local levels; the use of input-output analysis in new areas including interdisciplinary research and the collection of data and compilation of input-output tables.

Further information from: www.iioa.org/conf

august

29 August - 2 September

Morocco

CALL FOR PAPERS

Fourteenth world congress of the International Economic Association. Papers and abstract should be submitted electronically by **31 January 2005** to iea-wc@chu.hu. Papers should be in English, include name, affiliation, title of paper, postal and email address.

Further information from: Professor Laszlo Matyas, Central European University, Budapest, Hungary. E-mail: iea23aise@aol.com

Membership of the Royal Economic Society

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

The benefits of membership include:

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

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

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

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

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

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

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

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

Details and application form are available from:

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

Membership rates for 2004 are £45 (\$65) *

There is a reduced rate of £22.50 (\$36) for members who reside in developing countries (with per capita incomes below US\$500) and for retired members. A special offer of three years membership for the price of one at this reduced rate is available to full-time students who join the Society for the first time in 2004.

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

Ordinary UK member: £45 + £2.25VAT = £47.25

Ordinary EU member: €68 + €3.40 = €71.40

Ordinary Canadian member \$65 + \$4.55 = \$69.55

Reduced rate members: \$36/€34/£22.50 + GST/VAT as appropriate.

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

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

..... in payment of my subscription for 2004.

Name:

.....

Address:

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