



■ Correspondence

Letter from France p.3

■ Features

Was Domar Right? Serfdom and Factor Endowments in Bohemia p.5

Doreen Warriner and Winter in Prague, 1938-39 p.10

Professorial Salaries and Research Performance in the REF, 2014 p.13

Robert Peston echoes RES complaint p.15

Video competitions for students p.17

Pro Bono Economics — a notable milestone p.20

A new website for the RES p.22

■ RES office news p.23

■ Conference diary p.25

A new look

As we anticipated in the October 2018 of this *Newsletter*, the Society now has a new website, edited and maintained within the RES Office. The Society's Chief Executive explains the reasons for overhauling the website, and plans for its future development on p.22 of this issue. From the *Newsletter's* point of view, one of its immediate benefits is to release us from the obligation to reflect the rather insipid orange house style of its predecessor. The new website is altogether more colourful (in all senses) and established readers will recognise the hard copy *Newsletter's* return to a shade of blue that dates from its origin, nearly fifty years ago, in 1972.

A rather more significant novelty for this issue is that it almost fails to mention Brexit. It would have succeeded entirely were it not for Robert Peston's allegations at last year's Cheltenham Literary Festival that the BBC had failed to report accurately the economics of the Brexit debate. This is exactly the same complaint made by the Society and reported in *Newsletter* no. 179.

Another contribution with strong links to earlier issues is Ian Preston's feature on the activities of Doreen Warriner and her associates in pre-war Prague. We've often noted the escape of German and Central European economists from the Nazi regime — all too often in their obituaries. Here we find an economist working to make those (and other escapes) possible. There's also food for thought (of contrasting kinds) on serfdom and on professorial salaries. Our link with tradition is provided by Alan Kirman's annual Letter from France in which he regrets Macron's inability to grasp the real issue behind recent protests in France.

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The Society's Newsletter

The Royal Economic Society is one of the oldest and most prestigious economic associations in the world. It is a learned society, founded in 1890 with the aim 'to promote the study of economic science.' Initially called the British Economic Association, it became the Royal Economic Society on receiving its Royal Charter in 1902. The current officers of the Executive Committee are listed above.

The Society's bee logo

The Society's logo, shown below, has been used from its earliest days. The story behind the use of the bee refers to the 'Fable of the Bees' by Bernard Mandeville, an 18th Century essayist which alludes to the benefits of decentralisation by looking at co-operation amongst bees and showing how the pursuit of self-interest can be beneficial to society.



**ROYAL
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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, reports of conferences and meetings**, and news of **major research projects** as well as **comment on recent events**.

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The *Newsletter* is published quarterly in
January, April, July and October

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:

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

Next issue No. 185 April 2019

Deadline for submissions March 2019

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Letter from France

Les Gilets Jaunes

Alan Kirman reports on the recent political upheavals in France.

AT THE END OF THE MONTH OF NOVEMBER, France suddenly went into revolution mode. Cars were burned and barricades were erected on the Champs Elysee in Paris and there were prolonged battles between the 'forces de l'ordre' and the demonstrators. Hundreds of people were injured and nine deaths have been attributed directly or indirectly to the movement which had a third of a million people in the streets at the start and fewer but more violent crowds since. The short description of what happened is that there has been rumbling discontent with the failure of real wages to rise and the impression that all the measures that have been taken by the current government have been in favour of the rich and that the 'reforms' that have been undertaken have simply made jobs less secure and have decreased the taxes on firms while increasing the contributions of those less well off.

Unfair taxes — the root of the problem?

The straw that broke the camel's back was the hike in taxes leading to an increase in the price of petrol at the pumps. The increase was already programmed even before the arrival of the current government, and was designed to reduce carbon emissions and to get the price of diesel fuel to the same level as that of regular petrol. The relative increase in the price of diesel was in order to reduce the emissions of toxic fine particles. There are reasons why this is a particularly sensitive issue. In wealthy countries such a tax is regressive since it has much less impact on well-off car owners than on their poorer car-owning counterparts, who often cannot afford to live near their work and live in areas where public transport is hardly adequate. But, the unfortunate consequence of the reaction to the tax increase has turned the fight into one in which the environment is set against improving the well-being of the poorer part of the French population. The controversial carbon trajectory that had been agreed upon is now in danger. France from being a leader in the environmental movement is in danger of abandoning its plans in return for short term peace on the streets. Nicolas Hulot the popular minister for the environment resigned some while ago since he became conscious that the environmental question was not high on the agenda of the government, and had been accorded little importance, despite statements about making our planet great again.

The much vaunted reforms, that have got the government into this situation, have focused on liberalising the economy without taking into account the reaction of those who were hurt in the process. Indeed, paradoxically, the most strident calls have not been about reducing the overall tax burden but about shifting more of the burden to the wealthy and to firms. Recent polls show that the French would actually be prepared to pay higher taxes if they thought that they would be used productively and that the wealthy and the large firms

would bear a bigger share of the burden. But, the message from the government is that any move in this direction would cause firms and wealthy individuals to flee France. It seems clear that the solution to this has to come through an international agreement to tax corporations in the places where they have their activity and not in the places where they establish or have taken over, their headquarters. What the French complain bitterly about is what they perceive to be unfair taxes and the continual increases in them while too few see any benefit from this revenue.

But, how high are taxes in France and on whom do they fall? A new report from the OECD sheds light on this. First note that France has beaten Denmark into first place for overall taxation at 46.2 per cent of GDP. Income tax paradoxically, is a rather small part of contributions in France at 27 per cent. The major item is VAT at about 50 per cent. In another report Patrick Artus shows that if you exclude VAT the tax "burden" in France is 1 per cent below the average in the Eurozone, but with VAT it is 3 per cent above that average. This points to one of the major problems, with so much weight on indirect regressive taxes it should be no surprise that the poorest members of French society are the most hurt and indignant.

Another way of expressing this is that the movement of the 'gilets' is a reaction to the decline in purchasing power of the lower part of the income distribution, coupled with measures which have significantly improved the economic situation of the wealthier. The suppression of the 'Impot sur la Fortune' on capital but not on real estate and the introduction of a flat tax on capital came while most of the French, in particular pensioners, have faced increases in the CSG (Contribution Sociale Généralisée) a tax which is used to finance the social security system. The result is that when the purchasing power of the wealthiest 1 per cent per cent increased by 6 per cent and that of the 0.1 per cent of the wealthiest went up by 20 per cent the person in the street actually feels worse off.

The dynamics of protest

But what about the mechanics of the current uprising? Those who participate in the movement speak often about their anxiety about being able to make ends meet. This sense of insecurity affects a certain part of the population. Additional taxes with no accompanying increase in income add to the number in this situation. How many people are involved depends on the shape of the relevant segment of the income distribution and it could well be that more people have been pushed into the anxiety zone than the government had appreciated. Now add to this the contagion effect, that is the number of people who are influenced by the size of demonstrations, for example, and as a result feel the urge to join the movement, to voice their own worries. This became evident

as the movement expanded to include secondary school pupils, and university students both protesting against what they consider to be unsatisfactory reforms.

One important consideration, emphasized by Julia Cagé in *Le Monde*, is that the current government is extraordinarily unrepresentative and confirms the person in the street's impression that their 'representatives' are totally out of touch with reality. This is evidenced by the fact that there are no members of parliament who could be categorized as 'working class', and only 3 per cent who were salaried. As a taxi driver said to me, 'I am supposed to be represented by doctors, lawyers, and business men.'

This detachment from reality was emphasised recently when a minister in the government expressed his sympathy for those having to live on 900 euros a month in Paris when, as he said, a dinner for two, (without wine) in a Parisian restaurant costs around 200 euros. There was an avalanche of replies in posts on the Web offering to tell the minister where he could eat satisfactorily for a week on that.

This movement is unusual in that it seems to have no hierarchy and some, optimistically, think that it may open the door to a more participatory democracy. The lack of hierarchy became evident when the Gilets Jaunes were asked to send representatives to discuss their problems with the prime minister. Only two turned up, one left after a few minutes and the other asked to remain anonymous. This movement has remained a spontaneous uprising without any self organization for the moment. The main support, (according to a recent survey) comes from workers, 61 per cent, salaried employees, 56 per cent while only 20 per cent of managers and employers were in favour. As Cagé observed Macron seems intent on resurrecting 'La Lutte des Classes', and the press has been full of articles on the rebirth of class warfare.

A discredited economic vision

A very sketchy review of the international press, with a few notable exceptions, reveals something interesting about the current view of macroeconomic policy. The basic theme of many respected newspapers some of which could hardly be identified as right wing, is that Macron should hold his course and continue with his 'reforms' and simply show more empathy for those who are victims of the consequences of those reforms. In other words, he was on the right course but did not do enough for those who were left behind in the process. Indeed that was the tenor of his address to the nation. Nowhere was there any discussion of, or argument for, those reforms. They are, we are told, the only way out of stagnation and although painful in the short run will bear their fruits in the long term. France has to become more attractive to foreign and multinational enterprises and their arrival will kick-start growth. No evidence is provided for this, nor are many examples given of successful implementation. It is taken as given. Yet, we are now in the twenty first century still hearing the discourse of the last century and there is a persistent failure to ask the fundamental question. Given the metamorphosis of our socio-economic system what are the appropri-

ate ways to radically modify our policies to ensure that fewer are left behind to start with rather than continuing simply to placate the losers that emerge as a result of the policies of the past?

The recent OECD World Economic Forum in Korea where an important theme was, putting people at the centre of policies, bore testimony to the increasing gap between those explaining carefully and compassionately how to look after the poor and those still arguing for faster growth of the current system. A new report by Stiglitz and Fitoussi on going beyond GDP argued, as did its predecessor, for a more comprehensive measure of well being and suggested that such a measure should be the yardstick for evaluating economic and social policies. Growth, as it is usually understood, ignores the increasingly tight constraints with which our whole system is faced. Yet voices who argued that the basic functioning of the system and the policies put in place to 'improve its efficiency' and "increase competitiveness" were to blame for the very existence of the 'left behind' were largely inaudible.

France has not heard those voices either. Underlying even the modest concessions made by government is the idea that the 'burden on firms' has to be eased and that any aid to firms will automatically generate investment and hence increase employment. This argument, which has been thoroughly investigated and, one would have thought, largely discredited, persists because it is what lies behind Macron's entire economic vision. Consider the case of the promised increase in the minimum wage (the SMIC), by 100 euros per month. This is what was apparently proposed by Macron. In fact, what is promised is an increase in the 'prime d'activité'. This is different because it does not count towards the pensions of those involved, does not concern all who earn the SMIC and does not increase the contributions paid by the employer. This manipulation to lighten the load of firms did not go unnoticed by the population. The reaction of Macron's party to the outcry was interesting. On December 17th the leader of the governing party, *La République en Marche*, said that the majority had insufficiently explained its measures and that its members had been 'too intelligent and too subtle'. Even to make such a remark seems the hallmark of stupidity.

Adding to the disquiet over the government's behaviour is the sentiment that not only does it not explain its actions but it does not even inform its members about them. An interesting example of this was provided when the member who had to present the 'projet de loi des finances' for 2019 had to admit that the project did not include the measures promised by the government to calm the demonstrators. Neither the 10 billion euros which the measures are estimated to cost, nor the plans to finance them were included. So as one member observed 'Next week we are going to discuss a bill which will already be obsolete'. The public, even though not considered intelligent enough to understand the subtleties involved, might well be justified in having some doubts about the competence and the transparency of those at the helm.

Continued. on p 19

Was Domar Right?

Serfdom and Factor Endowments in Bohemia

Alex Klein¹ reports on the use of a unique database to shed light on the origin and persistence of 'coerced-labor' systems.

ARE INSTITUTIONS SHAPED BY FACTOR ENDOWMENTS? Coerced labor institutions such as serfdom and slavery prevailed in many societies for centuries and had wide economic repercussions. But what caused such institutions to arise and survive? For decades, researchers have struggled to understand why slavery and serfdom dominated certain historical societies, and why they lasted so long, through the nineteenth century. Research thus far has largely been theoretical, relying on qualitative and descriptive approaches. Recent advancements in digitisation of historical data sources, however, now make it possible to address these questions from a new perspective: a quantitative one. In recent research with Sheilagh Ogilvie², (Klein and Ogilvie, 2017) we quantitatively examine serfdom in bohemia (part of what is now the Czech republic) by taking advantage of enormously rich eighteenth century censuses, unique not only for a society in Eastern Europe but for any society at that time. Our research allows us for the first time to empirically investigate a leading and controversial hypothesis that suggests that the land-labor ratio of the time affected labor coercion.

We rely on a comprehensive tax register that provides data on all the 11,349 serf villages in bohemia in 1757. This register, known as the Theresian cadaster (Tereziánský katastr), recorded serfs' coerced labor obligations at the level of each village in bohemia. The cadastre provides information on the number of serf households that were required to provide coerced labor and the number of days they had to do it. Bohemia experienced classical medieval serfdom, in which peasants were obliged to deliver coerced labor along with other payments to their landlords in return for being allowed to occupy land. To enforce the delivery of coerced labor, as well as other rents and taxes, bohemian landlords imposed restrictions on geographical mobility, marriage, household formation, settlement, inheritance, and land transfers. In most of Western Europe these obligations petered out by early modern times, but in bohemia and most of Eastern Europe, they survived and intensified in a development known as the 'second serfdom' lasting all the way to the early nineteenth century. During this time, many landlords began increasing the coerced labor they extracted from serfs, demanding it from previously exempt groups, and using it not just for farm work but also for many other non-agricultural activities such tex-

tile manufacturing, ironworking, glassmaking, brewing, fish-farming, or transportation, just to name a few. What were the causes of it? To answer this question, we tested one of the most well-known, and most vigorously criticised explanations. Domar (1970) speculated that coerced labor systems were caused by high land-labor ratios. Under his theory, landowners devised serfdom and slavery in economies where labor was scarce relative to land; thus, these institutions ensured they could get labor to work their land at a lower cost. This hypothesis, however, stirred a long-lasting debate. It was largely dismissed because it did not accurately reflect historical reality; for example, increases in land-labor ratios after the Black Death, in the middle of the fourteenth century, were followed by a decline of serfdom in some societies and an intensification in others.

Acemoglu and Wolitzky (2011) breathed new life into the Domar theory by putting forward an explanation of why land-labor ratios might affect labor coercion differently in different contexts. In line with theories advanced by Postan (1966) and North and Thomas (1971), they argued that an 'outside option' played a role. That is, labor scarcity increased the wage that serfs could earn in outside activities, such those in the urban sector. The presence of alternative work options would discourage coercion. So, a rise in the land-labor ratio could increase the use of coerced labor in some contexts, but it could also decrease its use via its effects on serfs' other work opportunities. The relative size of these two effects will vary, so that the same rise in land-labor ratios can result in different outcomes. Despite the theoretical work, quantitative empirical evidence on this issue has been practically non-existent. Thus, our research with data from the Theresian cadaster provides what we believe to be the first quantitative analysis of labor coercion under serfdom.

To investigate the effect of factor proportions on coerced labor under serfdom, we used our data on 11,349 Bohemian villages in 1757 to estimate a reduced-form relationship between labor coercion and the land-labor ratio, controlling for urban potential and other village characteristics. Generally, our regression specification can be written as follows:

$$Coercion_{i,j} = f(Land-Labor_{i,j}, Urban\ Potential_{i,j}, X_{i,j}, \varepsilon_{i,j})$$

Features

where i denotes a village and j an estate and f is the function relating coerced labor to the regressors. $Coercion_{i,j}$ denotes the number of days of coerced labor extorted from serfs per week village i on estate j . $Land-Labor_{i,j}$

denotes the land-labor ratio in village i on estate j . The vector $Urban\ Potential_{i,j}$ is a vector of five variables denoting the potential for towns to offer serfs outside options in village i on estate j . The vector $X_{i,j}$ includes

Table 1: Regression Analysis of Determinants of Human-Only Coerced Labor, Bohemia, 1757

Variables	Two-part marginal effects	RE Tobit marginal effects	OLS within coefficients
Land-labor ratio	0.2934*** (0.0425)	0.2830*** (0.0436)	0.1415*** (0.0193)
Land-labor ratio squared	-0.0014*** (0.0004)	-0.0016*** (0.0004)	-0.0002** (0.0001)
Village size	2.296*** (0.0928)	1.933*** (0.0815)	2.195*** (0.0871)
Village size squared	-0.0090*** (0.0019)	-0.0080*** (0.0016)	-0.0088*** (0.0014)
Urban potential of full towns inside estate	0.0056 (0.0076)	0.0105* (0.0062)	0.0072 (0.0065)
Urban potential of agro-towns inside estate	-0.0192 (0.0253)	-0.0166 (0.0197)	-0.031 (0.0265)
Urban potential of full towns outside estate	0.0089 (0.0075)	0.0065 (0.0078)	0.0053 (0.0094)
Urban potential of agro-towns outside estate	-0.0141 (0.0162)	-0.0073 (0.0134)	-0.0108 (0.0162)
Urban potential of royal towns	0.0085 (0.0055)	0.0095** (0.0044)	0.0083** (0.0037)
Latitude	3.359 (2.887)	1.751 (2.206)	2.904 (2.686)
Longitude	-4.397 (3.908)	-4.356 (3.546)	-3.158 (3.605)
Regional dummy variables	YES	YES	NO
Lordship type dummy variables	YES	YES	NO
Estate-level mean value of regressors	YES	YES	NO
R-squared			0.399
Proportion correctly classified in first part	0.865		
R-squared in second part	0.429		
Number of observations	11,342	11,349	10,886
Number of estates		1,357	894
Number of estates (first part)	1,355		
Number of estates (second part) ⁴	1,057		

Notes: We report marginal effects for two-part and Tobit regressions for ease of comparison with OLS coefficients. Standard errors are in parentheses. For two-part and OLS within, standard errors are clustered at the estate level. For RE Tobit, standard errors are bootstrapped with resampling over estates. The two-part regression has only 11,342 observations because when it was estimated, the seven observations for one particular lordship type were dropped since these observations perfectly predicted zero coerced labor in the first-stage logit regression. The Tobit regression was estimated on 11,349 observations but marginal effects could only be calculated using 11,348 observations because for one observation a predicted value of the dependent variable required to calculate the marginal effects was missing. The OLS regression has just 10,886 observations because estates with only a single village cannot be included in the within transformation. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

village, estate, and region controls: the number of households in village i on estate j , village-level latitude and longitude, dummies for each type of estate lordship (noble, royal, ecclesiastical, etc.), and controls for the region (*kraj*) in which the village was located. We also allow for estate-level fixed effects although, for the reasons explained below, we do not estimate them directly. The error term in the equation is denoted by $\varepsilon_{i,j}$. We use two alternative measures of labor coercion. One focuses on human time only and comprises the total number of days of human labor the village was obliged to provide to its landlord each week. The other is the total work energy extracted from serf households: animal energy was combined with human labor to yield the total number of ‘serf-equivalent’ days of work the village had to provide each week.

Our general regression specification allows for the possibility that the relationship between the land-labor ratio and labor coercion was a non-linear one by including the square of the land-labor ratio as a regressor. As labor scarcity rose, landlords might have approached a technical frontier of coercion, at which they were no longer able to extort additional labor regardless of its value to them. When the land-labor ratio rose above a certain level, labor might become so scarce that most of it was required to keep serfs themselves alive, reducing the increment the landlord could extract despite his intensified demand for it.

Our preferred estimation approach is one in which we allow for the possibility that different mechanisms generate the zero and the positive values of labor coercion. In this two-part model, the first part is a logit regression which models the probability that a village has positive coerced labor, while the second part uses OLS to estimate a linear model of coerced labor conditional on such labor being positive. The same set of regressors was used in both parts. We estimated this two-part model using the Stata command *twopm* of Belotti *et al.* (2015). Although the two-part specification is the one on which we place the most emphasis, we also report the results of using the OLS and Tobit specifications.

The regression we estimate is a reduced-form one, so the coefficients on the land-labor ratio obtained from estimating this equation do not measure the Domar effect. They measure the net outcome of the two possible effects pointed out by Acemoglu and Wolitzky (2011), the positive Domar effect and the negative outside options effect. If the net effect of the land-labor ratio is positive, then one can say that the Domar effect dominates, even though the precise sizes of it and the outside options effect are unknown.

Tables 1 and 2 show the results of estimating the regression equation for human-only and human-animal coerced labor respectively. The tables report the marginal effects implied by the two-part and RE Tobit regressions for easier comparison with the OLS coefficients.

All three estimation methods yield virtually the same marginal effects and statistical significance for all variables except the land-labor ratio, where the two-part and RE Tobit marginal effects are both approximately twice the size of the OLS coefficient. The characteristics of our data strongly indicate the use of the two-part model, so we focus mainly on the two-part results in the discussion that follows.

What light do our regression results shed on the Acemoglu-Wolitzky theory about coerced labor under serfdom? As Tables 1 and 2 show, for both definitions of coerced labor, the marginal effect of the land-labor ratio is significantly different from zero, as is its squared term, implying a curvilinear relationship. Figure 1 graphs the elasticity of labor coercion with respect to the land-labor ratio according to the regression models in Tables 1 and 2, setting all other regressors at their sample mean values. All three estimation approaches imply that the elasticity of coercion with respect to the land-labor ratio is positive, indicating that the Domar effect outweighs the outside options effect, over virtually the whole range of values. What explains the second feature of our results, the decline in the elasticity of coerced labor with respect to the land-labor ratio as the latter rose? In villages with very high land-labor ratios, labor was so scarce that even the impressive coercive capacities of landlords reached a technical frontier at which it became impossible to extract more coerced labor. There was an irreducible minimum of labor which serf households themselves required in order to ensure survival and availability of any coerced labor. In villages with very high land-labor ratios, labor was so scarce that most of it was needed just to keep serfs themselves alive, so lords encountered technical constraints in extracting more of it. This accounts for the declining, and ultimately zero or negative, elasticity of labor coercion with respect to the land-labor ratio when the latter reached very high values. In other words, when labor reached a state of extreme scarcity, market pressures broke through and even highly effective coercive techniques could not counteract them. Opportunities in the urban sector also had the potential to affect labor coercion under serfdom. However, as Tables 1 and 2 show, most categories of town exercise no statistically significant effect on either measure of labor coercion, and their *economic* significance of almost all measures of urban potential is very minor.

Overall, we find that where the land-labor ratio was higher, labor coercion was also higher, implying that the Domar effect outweighed any countervailing outside options effect. The effect has two additional features, both arising from the technology of coercion under serfdom: the effect of the land-labor ratio on labor coercion was much larger for human-animal than for human-only labor, and it declined as the land-labor ratio rose. Indeed, our findings show an inverted U-shape effect on land-

Table 2: Regression Analysis of Determinants of Human-Animal Coerced Labor, Bohemia, 1757

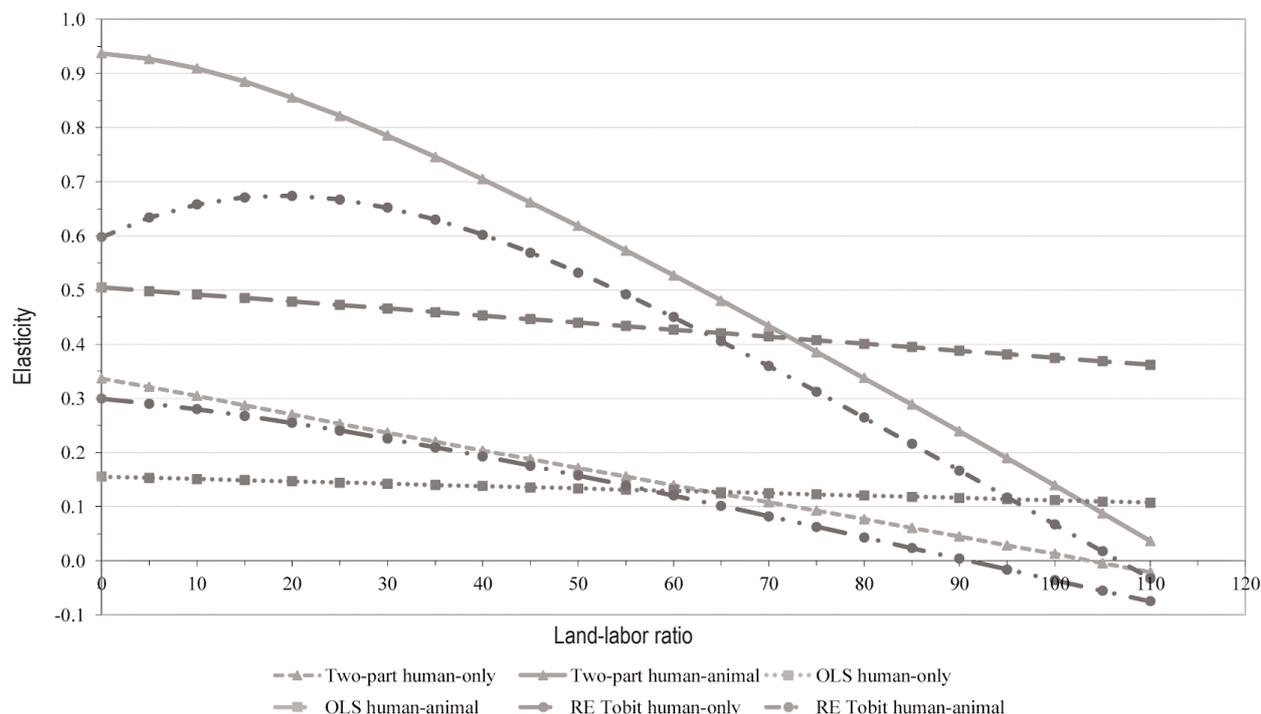
Variables	Two-part marginal effects	RE Tobit marginal effects	OLS within coefficients
Land-labor ratio	10.633*** (0.761)	8.788*** (0.817)	5.398*** (0.536)
Land-labor ratio squared	-0.0462*** (0.0064)	-0.0412*** (0.0074)	-0.0069** (0.0029)
Village size	28.82*** (1.185)	23.66*** (1.009)	27.16*** (1.148)
Village size squared	-0.1313*** (0.0177)	-0.1115*** (0.0137)	-0.1240*** (0.0142)
Urban potential of full towns inside estate	0.0192 (0.1035)	0.0811 (0.0835)	0.0306 (0.0973)
Urban potential of agro-towns inside estate	-0.1020 (0.2390)	-0.0811 (0.1839)	-0.2440 (0.2464)
Urban potential of full towns outside estate	0.2229** (0.0893)	0.1779** (0.0888)	0.1782 (0.1117)
Urban potential of agro-towns outside estate	0.0781 (0.2076)	0.1110 (0.1828)	0.0982 (0.2033)
Urban potential of royal towns	0.1186* (0.0717)	0.1214** (0.0549)	0.0945* (0.0530)
Latitude	-15.34 (31.79)	-25.94 (26.13)	-25.43 (30.54)
Longitude	7.165 (61.08)	-1.368 (51.12)	30.93 (55.76)
Region dummy variables	YES	YES	NO
Lordship type dummy variables	YES	YES	NO
Estate-level mean values of regressors	YES	YES	NO
R squared			0.393
Proportion correctly classified in first part	0.865		
R squared in second part	0.445		
Number of observations	11,342	11,349	10,886
Number of estates		1,357	894
Number of estates (first part)	1,355		
Number of estates (second part)	1,057		

Notes: We report marginal effects for two-part and Tobit regressions for ease of comparison with OLS coefficients. Standard errors are in parentheses. For two-part and OLS within, standard errors are clustered at the estate level. For RE Tobit, standard errors are bootstrapped with resampling over estates. The two-part regression has only 11,342 observations because when it was estimated, the seven observations for one particular lordship type were dropped since these observations perfectly predicted zero coerced labour in the first-stage logit regression. The Tobit regression was estimated on 11,349 observations but marginal effects could only be calculated using 11,348 observations because for one observation a predicted value of the dependent variable required to calculate the marginal effects was missing. The OLS regression has just 10,886 observations because estates with only a single village cannot be included in the within transformation. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

labor ratio of labor coercion, meaning that in the villages with only a few serfs, coerced labor obligations were not very severe.

other variables can impact the labor coercion, our results show that economic fundamentals help shape the institution of serfdom.

Figure 1: Elasticity of coerced labor with respect to land-labor ratio, Bohemia 1757



We also present evidence that supports Acemoglu and Wolitzky's conjecture that serfdom was strong in Eastern Europe partly because the urban sector was too weak to generate outside labor options for serfs. Indeed, our econometric results show that urban potential exercised little statistically or economically significant effects on labor coercion. Towns' lack of impact on labor coercion reflects evidence that in Bohemia and other parts of eastern-central Europe towns were too few and too weak to have any serious impact on serfdom.

It has long been believed that serfdom arose from class struggle, royal strength, urban power, or other society-specific variables. Our findings, by contrast, show that even when such issues are considered, economic fundamentals prove paramount. A very important implication of our results is that factor proportions — the comparative value of labor and land — do indeed affect institutions. Even though political economy and a number of other variables can impact the labor coercion, our results show that economic fundamentals help shape the institution of serfdom.

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Doreen Warriner and Winter in Prague, 1938-39

Regular readers of this Newsletter's obituaries will recall some of the stories of heroism shown by economists who fled Central and Eastern Europe in the 1930s, to enjoy outstanding careers in the west. In this article, Ian Preston, University College London, describes the activities of a UK economist who worked fearlessly to help hundreds of refugees flee the threat of Nazi persecution.

80 YEARS AGO THIS WINTER, as borders in central Europe were redrawn by invasion and annexation, the safety of large numbers of refugees concentrated in Czechoslovakia depended upon finding a means of escape before what seemed the inevitability of coming Nazi occupation. Some of this story is well known, particularly where it intersects with the wider story of the Kindertransport through which large numbers of mainly Jewish children were rescued. But less so is the operation which succeeded in extracting political refugees in even larger numbers and in which one of the central figures was a 34 year-old economics lecturer.

Early career

Doreen Warriner was born into a Warwickshire farming family. She was educated at Malvern Girls' College, then went up to St Hugh's College, Oxford, in 1922 where she gained a first in politics, philosophy and economics in 1926. A research scholar, first at LSE then at Oxford again, she gained her doctorate from the University of London in 1931 writing on 'Combines and Rationalization in Germany'. Her interest at the time in theoretical questions was reflected in an article published in the *Economic Journal* in 1931 on conceptions of static equilibrium and the role of entrepreneurship in Schumpeterian analysis.

In 1933 she took up a position as assistant lecturer at UCL. Her research centred on the economics of peasant farming with yearly trips to central and eastern Europe between 1935 and 1937. By 1939 when her book on the subject came out she was a lecturer at the School of Slavonic Studies in London. She stressed the depth of eastern European farming poverty, attributing it above all to the consequences of over-population on farming land, to restricted trading opportunities, and the impossibility of out-migration. The book's preface is written from Prague in November 1938 but it was not for research purposes that she had returned to the city.

When the crisis of 1938 developed, her familiarity with the region made what was at issue more to her than what Chamberlain described as a 'quarrel in a far away country between people of whom we know nothing'. Created only twenty years earlier, the territorial integrity of

Czechoslovakia had been sacrificed by Western European governments concerned to avoid war. The Sudeten areas bordering Germany and the recently absorbed Austria had been relinquished, and Hungary and Poland had taken control of lands to the East. Over 100,000 refugees flowed into the rump Czech areas, mainly Czechs but also a large number of ethnic Germans politically opposed to fascism. With widespread expectation that invasion of the remaining territory would not be long delayed and with a weak government in Prague unlikely in the meanwhile to feel able to resist demands from Germany, the danger to many of these refugees of staying in the country was apparent and efforts to enable flight to safety began almost immediately.

'...a desperate wish to do something'

Warriner was about to fly to the United States to finish off a Rockefeller fellowship. Instead, on 13 October 1938, she abandoned her plans and flew to Prague. 'I had no idea at all what to do, only a desperate wish to do something.' She later suggested that she had been thinking maybe of arranging soup kitchens or finding support in England for destitute children. The abiding thought was that internationalism had been betrayed. Soon after arrival she met with the displaced leaders of Sudeten Social Democrats and with visiting delegations to the city — Quakers, British Labour party officials, trade unionists of different nationalities.

250 Sudeten Social Democrats were soon identified as most urgently needing to leave. It was too dangerous to cross German territory. Planes would have enabled quickest departure but were expensive and could only cope with small numbers. The most practical route out was by train through Poland and then by sea. But travel across Poland was possible only with an onward visa. In Britain, trade unions fearful of labour market competition insisted that refugees not be allowed to work, so guarantees of permanent support were needed before visas would be granted. Officials expressed concern also that issuing visas to Sudeten Germans violated the spirit of the Munich agreement. Without yet having the backing of necessary funds, Labour party officials nonetheless offered the needed guarantees and train journeys began. Warriner accompanied one of the first parties as

guarantor of the formalities.

In November, she visited refugees in camps. Czech refugees were mainly quartered in the households of peasants, Germans in camps, schools, halls, and castles. She commented that ‘their defeat seemed complete and final, and I wondered what words could be found . . . Yet hope arose from the comradeship.’ She drew a contrast with her experience of English socialism — ‘intellectual and rather spiteful in tone’ — and Russian — ‘fatalistic and abstract’. What she saw as the solidity, efficiency, loyalty and sympathy of defeated German socialism appealed. Complaining that ‘...we have ceased to believe that England has any task in the world to fulfil’ she drew inspiration from seeing Germans ally with Czechs against Nazism.

By December various sources of funds supporting refugee efforts were consolidated into the British Committee for Refugees from Czechoslovakia and Warriner was made its representative in Prague. Hope for more visas after the initial batch had receded. Warriner’s time was wasted seeing off attempted ‘rake-offs’ by corrupt business interests and officialdom trying to restrict permitted routes for refugees. She sent frustrated letters to the *Telegraph* and *Guardian* on conditions in camps, stressing the need for ‘visas not chocolate’. Viewed in Britain as counter-productive, the letters almost led to her removal from the post.

Christmas saw the arrival in Prague of Nicholas Winton who took charge of the emigration of children, returning to London to secure support and visas while the less well-known Trevor Chadwick took control of things in Prague.

Frustration and success

It was in January that the operation was turned around. A £10 million loan from the British government to Czechoslovakia was confirmed including a £4 million gift for assisting Sudeten refugees. ‘So the refugees ceased to be objects of charity’. Robert Stopford, a sympathetic Treasury official from now on worked closely with Warriner. Critically, Canada offered visas for 1200 families. Warriner noted the irony that the only British Dominion to take a liberal attitude to social democratic refugees was the most capitalist and that because immigration was under the influence of railway companies and not labour interests. Still bureaucracy slowed the operation down as each visa needed independent attention. She returned to London and tried to impress the danger on officials responsible but ‘it was impossible to get through the cotton wool which prevented them from hearing’.

‘February was wonderful’. 600 visas had been approved and a new easier bulk visa scheme made the bureaucracy hugely easier. Large train parties started to depart, up to 500 on one train. ‘For us in Prague it meant release and hope. But for Europe it meant that the last defenders

of German liberty were leaving . . . the departure of the élite of the working class . . . The great emigrations have usually been made by those who rebelled against oppression: we were in the tradition.’ But families of departing activists were still there waiting for visas — ‘the most refined form of charitable cruelty imaginable’.

The long-anticipated German invasion occurred in mid-March. The decision was made to evacuate remaining family members immediately. 700 women and children were still in camps, up to ten hours away from the capital. Telegrams were sent and everyone summoned to Prague. 500 arrived overnight and left on a hastily issued collective visa, crossing the border with blinds drawn.

The leaders of the Social Democrats were still in Prague, hiding now in the British Legation. A plan to fly them out was frustrated by cancellation of flights. Instead some fled in disguise with false papers by skiing to the Polish border while Warriner followed by train with their true papers.

The 200 who had failed to receive the message in time arrived in Prague too late. The impression was that movement around Prague would be safe while only the army was in occupation, too busy to care, but that it would not be once the secret police would arrive. Women and children were led to secret locations in hotels and elsewhere across the city. In urgent efforts to shred and remove incriminating evidence, passports were left behind and fell into the hands of the arriving occupiers. Attempts were made to get some out on false passports, some were pulled off departing trains and never seen again.

New decrees required that anyone leaving now needed also an exit pass. Stopford managed to negotiate the return of some of the passports and issue of the required exit permits. By April the Gestapo had evidence of Warriner’s role and was searching for her. It was felt that her continued presence would put remaining refugees in danger and she left in April, only days before they reportedly turned up at her accommodation. The Canadian, Beatrice Wellington, stayed on and took a principal role in organising the departure of the remaining women.

Once war had broken out, Warriner took a position in the Ministry of Economic Warfare and later worked in political intelligence at the Foreign Office. An OBE in 1941 recognised her role in Prague. After the war she was placed in charge of UN relief and rehabilitation efforts in Yugoslavia.

She continued to write, concentrating still on poor farmers. Her plan for Eastern Europe after Hitler, published as a Fabian pamphlet during the war, included a trading federation with Western Europe and enhanced migration possibilities. Angered at post-war Western efforts to block economic reform in opposition to communism and

concerned that the success of fascist movements in Eastern Europe between the wars might be repeated, she wrote positively about the communist revolutions in Eastern Europe, taking a sanguine view of the political costs. She later wrote that 'in the years immediately after the war, it did indeed seem as if communist policy were doing the things that needed to be done' but recognised that collectivisation had failed.

She returned to a position at the School of Slavonic and East European Studies in 1947, rising eventually to a professorship in economic history. Land reform remained a focus of her thought with her research turning towards the Middle East and Latin America. Summing her views up in her 1969 *Land Reform in Principle and Practice* she positioned herself between rival worldviews, an American conception that was right in seeing the importance of individual title and the need for credit but wrong in ignoring size, type of farming, and marketing, and a communist conception that was 'wrong in ignoring incentive and indeed every economic aspect except that of getting the peasants under control.'

She died after a stroke in 1972. Her memoir of the winter in Prague, the source of most quotations in this article, was published posthumously in 1984. Nicholas Winton lived long enough to enjoy eventual recognition for his role but always spoke generously of those such as Warriner and Chadwick who had died too early to enjoy the same acclaim. The rescue of thousands was the work of no-one acting alone. It was the combined outcome of the actions of refugees themselves, of Czechs who helped for example with hiding them, and of outsiders like Warriner who could assist in securing visas and external support. The success required acts of individual bravery, especially after invasion, but relied above all, as William Chadwick notes in his book on the subject, on more important if more prosaic characteristics such as resilience, persistence, resourcefulness and organisation in the face of resistant bureaucracy and indifferent politics.

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Women's Budget Group Early-Career Network launch event 24 January 2019, University of Manchester

Come join us for a full-day event to talk about feminist economics and the strive for a gender-equal economy, with talks from prominent names in the field, research presentations by early-career members and a discussion about how to communicate research to a non-academic audience.

This will be a great opportunity to meet with people from across the UK who are working on economics, public policy and political science from a gendered perspective and to learn about new research being done in the field.

Full details including the schedule and speakers will be available shortly, but please save the date and consider joining the WBG ECNat wbg.org.uk/early-career-network/!

Membership and event attendance are free. If travel costs are a barrier, please do get in touch with us at sara.resi@wbg.org.uk

Professorial Salaries and Research Performance in the REF 2014

In a recent working paper ‘Academic Salaries and Public Evaluation of University Research: Evidence from the UK Research Excellence Framework’, presented at the Economic Policy Panel meeting in October 2018 at the Austrian National Bank, we¹ study the effects of public evaluation of university research on the pay structures of academic departments. Few topics attract as much ardent interest, nor consume as much small-talk among academic economists, as top pay and REF performance in UK universities.

Many countries employ some form of public evaluation of the scientific research carried out by universities. In the UK, the outcome of this evaluation affects directly the allocation of public funding to the university sector and is an important input to produce rankings used by students, industry, the media, and other users to compare university quality. We study the impact of the UK national research evaluation of academic departments on departmental wage structure using two rich datasets covering all UK universities: the first comprises details of salaries paid to full professors at all UK departments between 2013 and 2016, and the second the performance of all UK departments in the REF carried out in 2014. Together, these data allow us to evaluate the association between the department's pay structure and its performance in the REF and the effects of departmental performance on subsequent changes in the wage structure.

Two features of the UK setting make it ideally suited to study the relationship between pay and performance. First, the UK has a systematic and comprehensive assessment of research provided by the Research Excellence Framework (REF). This determines the government ‘block’ research funding, a significant source of research income for UK institutions. The importance of REF performance is also leveraged by its contribution to the ranking published in several university league tables. As a result, it also affects indirectly other sources of income, post-graduate student recruitment, and prestige. Second, unlike many other European countries, the size of academic departments and full professors’ salaries are not subject to national regulation, other than an agreed minimum salary. Hence universities are free to determine professorial hirings and set professorial pay. Indeed, our data exhibits large observed salary differences, with the highest paid professors in some of the elite institutions earning as much as seven times the national minimum. A fundamental question is then how performance in the REF translates to wage structures at the department level.

The Pay-Performance Relationship

Our empirical analysis uncovers a positive cross-sectional relationship between professorial pay in UK universities and their REF performance. This finding is very robust: it holds when we control for a range of depart-

mental characteristics and for academic discipline and university type fixed effects. It also holds across the whole range of academic disciplines. Moreover, we find that the pay-performance relationship is weaker, though still statistically significant, in the most well-known research-intensive universities (the Russell group), and stronger among those established more recently. Interestingly, we also find a positive relationship between professorial pay inequality within a department, and REF performance at the department level. Unlike for the mean salary, this finding is strongest in the most prestigious universities, and is statistically significant for disciplines in the sciences and engineering, but not in medicine and biology, the social sciences, the arts and humanities.

Identifying the Relationship

In fact the relationship between a department’s wage structure and its research evaluation performance may of course be two-way: while better performing departments may obtain greater resources to increase pay and hiring, the causal link could also run in the opposite direction, with more resources improving performance. Given the possibility of reverse or contemporaneous causality, and of omitted variables, such as location, co-determining both pay and performance, we tackle this question by adopting an identification strategy which exploits the quasi-experimental variation in REF performance across units brought about by some of the specific features of the exercise.

We adopt the following approach: the REF funding formula translates a department’s quality profile — the percentage of activity assessed to be of quality at 4*, 3*, 2*, 1*, and 0* — into the level of funding received. Importantly, the funding formula adopts a different set of weights compared to the headline measure of success given by the GPA used in the media. In particular, the former heavily over-weights 4* research relative to the GPA and as a result, two departments of the same average quality (GPA) submitting the same number of academics can well receive different levels of funding. In particular, a department which achieves a given GPA score with more research evaluated as 4* will receive higher funding than a department achieving the same GPA with a lower percentage of research evaluated as 4*. The asymmetry in the funding formula implies also that con-

versely, two departments receiving the same level of funding could well be characterized by different GPA scores.

Our identification strategy rests on the assumption that differences in funding score given GPA and FTE, and differences in GPA given funding, are as good as random. Irrespective of the strategy pursued by the department, which is in fact often determined at the university level, there are good reasons to believe this assumption to be satisfied, as the inherent uncertainties in the REF peer-review, generate noise in the evaluation of research quality, which we can exploit as a source of quasi-experimental variation.

Our findings show that departments which obtain an 'above expectation' REF result see faster subsequent growth in wages and professorial headcount compared with comparable departments which did not experience an unexpected positive performance shock. Importantly, this effect can be observed only when performance is measured by GPA, but not when it is measured through research funding allocations. One plausible interpretation of these results is that the REF affects a department's subsequent trajectory primarily through establishing a recognisable measure of reputation (GPA score) and not as much through funding. Thus our results are compatible with the idea that the vaunted government policy of rewarding excellence, by steering funding heavily where 'world leading' research is carried out might be partially reversed by the universities' central administrations, which appear to allocate more senior posts according the simpler GPA measure. In other words, the research evaluation exercise seems to create a measure of research quality, and departments which perform strongly in terms of research quality are rewarded with higher wages and new senior posts.

The Large, Negative, Economics Panel Fixed Effect

A common perception shared by academic economists in the UK is that the 2014 REF panel was particularly restrictive in its definition of 4*. Indeed, successive economics panels appear to have been increasingly restrictive in this definition. Consider this: since 2001 the number of economics departments submitted to the Economics and Econometrics unit of assessment fell from

41 in 2001 to 24 in 2014; over the same period the GPA of the Unit overall has decreased. Unless the quality of the research performed in the UK since the turn of the century has decreased sharply, two explanations seem possible: either the departments that were not submitted to the Economics and Econometrics panel had, on average, higher quality than those that were; or, the Economics and Econometrics panel has become tighter in its definition of 4*. We invite readers to form their own conclusions on this matter.

We offer some additional analysis which suggests that the Economics and Econometrics panel is also stricter than all other panels involved in the REF exercise. In our main econometric models for REF performance, we naturally condition on a broad set of covariates (alongside departmental wages, our main variable of interest) including the size and age profile of the department, unit of assessment fixed effects and university type fixed effects. Examining the unit of assessment fixed effects, we find that Economics and Econometrics has the lowest fixed effect of all 36 panels. Our data are unable to shed any light on whether this lower REF success on average of the Economics and Econometrics UK departments was due to a lower 'quality' of the average submission in the field, or to a more 'demanding' assessment of research by this panel's members. Again, we invite readers to form their own views on this matter.

Implications

While individual UK academics and administrators will no doubt find these results of much interest, they warrant wider attention, as they contain important lessons on the effects of liberalising pay and introducing competition for resources in a largely publicly funded system. These lessons may be useful for other European countries, which are in the process of developing and strengthening quasi-market systems in the university sector.

Note:

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Office for National Statistics 'Measuring the economy'

An online book - call for help

ONS is creating an online book *Measuring the Economy* for use by universities to support undergraduate and postgraduate economic statistics teaching. The book aims to convey the importance of best-practice, real-world economic measurement, and as such to support academics and students in understanding the issues surrounding the measurement of the modern economy. Chapters are being written by leading experts in their subject area, with the intention being to bring their

knowledge and expertise together in a single output. The aim is for the chapters to be standalone, so that they can be used a la carte while, also maintaining a common and coherent approach. The ONS is planning to develop teaching resources for each chapter — case studies, exercises and test questions for example, once the chapter has been published in Beta. As soon as these additional resources have been produced they will be made available, alongside the chapter, for use and comment.

Readers interested in developing and/or testing the teaching materials should contact Fiona Dawe at the ONS: fiona.dawe@ons.gov.uk

2019 Warwick Summer School in collaboration with St Mary's Sunday 14 July - Saturday 3 August

Applications for our 2019 Warwick Summer School in collaboration with St Mary's, Twickenham are now open following our immensely successful and fun 2018 Summer School which was recommended by 99 per cent of our Summer School Alumni. Our students experienced: a taste of the University of Warwick's outstanding teaching; the chance to engage with high profile academics and speakers and London life for a few weeks

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Robert Peston echoes RES complaint

Readers will recall that the Society questioned the BBC's coverage of economic arguments during the EU referendum campaign by giving equal broadcast time to leavers while failing to point out that the vast majority of economists were agreed that leaving the EU would be costly. (The *Newsletter* covered this dispute in nos. 180, 179, 178, 175). It is worth noting therefore that Robert Peston, who spent nine years at the BBC as business and economics editor, made similar observations at the Cheltenham Literary Festival in October last year.

'The problem with the BBC, during the campaign, is that it put people on with diametrically opposed views and didn't give their viewers and listeners any help in assessing which one was the loony and which one was the genius,' he said. 'I do think that they went through a period of just not being confident enough. Impartial journalism is not giving equal airtime to two people one of whom says the world is flat and the other one says the world is round. That is not balanced, impartial journalism.'

The Society's complaint about the BBC's approach was dismissed, as was a complaint to Ofcom about Peston's 'bias' brought by the Leave campaign.

At the moment, when the prospect of a second referendum is in the balance, it is worth noting Peston's views last October. He said a second vote would bring huge dangers because it might not, again, be decisive. It could lead to the rise of 'anti-democratic extremists'. 'My biggest fear at the moment is that millions of people would simply take the view that our parliamentary democracy doesn't work,' he said.

He may well be right. Of course, leaving the EU and finding that it does not bring the expected benefits to those who voted for it might have a similar effect. That too is worrying.

New year honours for economists

As we went to press we heard that Tim Harford and Tera Allas had been appointed OBE and CBE respectively. Tim has served on the RES Council and Tera is standing in the forthcoming election to Council. The Society sends its congratulations to both.

Costing the toll of pollution on our health

A new report helps policymakers put a price on environmental pollution's burden to our health. The cost includes expenses incurred by healthcare services who must deal with the, sometimes devastating, effects of pollution.

Pollution contributes to many health conditions, such as cancer, heart attacks, dementia and respiratory problems. The report, *What are the health costs of environmental pollution?*, considers a range of approaches to placing an economic value on impacts, such as these. It is produced by the University of the West of England (UWE Bristol) and published by the European Commission's Science for Environment Policy service.

Health problems caused by pollution have direct economic impacts, notably on healthcare services, which cover the cost of hospital admissions and medication, among other expenses. Illness also limits a country's economic activity through losses in working hours. Measuring these 'market impacts' is an important part of understanding and communicating the burden of environmental pollution on society.

A 'non-market' economic value may also be placed on death and illness, however, to reflect the amount of concern and distress they cause. These 'virtual price-tags' are, justifiably, usually much higher than market costs. They are useful in providing a common language for comparing market costs with non-market costs, enabling policymakers to assess the overall value of certain activities, once their associated health risks are accounted for.

Furthermore, these monetary values help policymakers calculate appropriate taxes and charges on polluting activities — ensuring that those responsible for pollution's damaging impacts do not simply pass on the resulting costs to the rest of society. Monetary values also help understand the effects of policy measures in terms of savings achieved.

Putting a price on health is clearly a challenging task. The report helps policymakers steer through the wide array of approaches available, from disability adjusted life years (DALYs) and quality adjusted life years (QALYS), through to 'willingness-to-pay' and 'willingness-to-accept'.

The task comes with some difficult ethical decisions. For instance, a keen debate among health economists is whether to place a greater value on the health of some individuals, such as children, over others.

Life and health are clearly invaluable; monetary values for health are not ready for use as some sort of universal proxy. However, the report shows monetary values can help policymakers compare options as part of a well-rounded analysis. It also calls for greater use of non-market costs in policymaking, which tends to be biased towards market costs.

Further information: Ruth Larbey, Managing Editor of *Science for Environment Policy*, (ruth.larbey@uwe.ac.uk)



Economics Network

Early Careers Workshop

This is an interactive two-day event for early careers staff focused on effective and innovative economics teaching. Sessions at the workshop include:

- Making large group teaching more engaging
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Date: 11 and 12 April 2019

Venue: Newcastle University

For further information or to sign up, please visit our website at:

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The Economics Network workshops are endorsed by the Royal Economic Society and Scottish Economic Society.

Developments in Economics Education Conference

Conference date: 11-13 September 2019

Venue: University of Warwick

DEE is the UK's leading conference on economics education and welcomes international and UK-based academics and postgraduate students.

The Call for Papers for the 2019 DEE conference is now open. We welcome submissions for paper sessions and interactive workshops.

The 2019 conference will have two main themes: graduate employability skills, and online learning and assessment. We also invite submissions on any other topic relating to advancements and innovation in economics higher education.

The Call for Papers will remain open until **22 February 2019**. To submit a proposal or for additional information on the conference, please visit:

<https://www.economicsnetwork.ac.uk/dee2019>

How video competitions inspire and inform students

CORE is a project supported by the RES and readers will have read earlier reports of its impressive progress in helping universities across the world to improve their teaching. In this article Tim Phillips, the editor of the CORE project, shows how a competition requiring teams of students to make videos analysing local issues in an 'economic' way, encourages students to engage critically with economic models.

What is the problem?

Reporting on the 2012 Bank of England conference on 'Teaching the dismal science after the crisis', Diane Coyle emphasised that both the Government Economic Service and economics consultancies often found that economists coming out of undergraduate degree courses had good technical skills, but struggled to explain themselves:

'The prevalence of poor communication skills is a common theme. Economists working outside the academic world will all need to communicate their technical expertise to non-technical colleagues and customers, so it is a core skill for them.' (Coyle 2012).

At CORE¹, we heard even more trenchant criticism come from the department chair at a top university in Turkey, who complained that his students could handle any applied maths exercises thrown at them, but if asked about the economy 'their reasoning is no different from the wisdom of taxi drivers, and sometimes a bit less well informed'. Ouch.

If students of any social science are absorbing abstract technical skills out of context, they will ultimately be at a disadvantage. But, as teachers, we should also consider whether this emphasis on technical skills shifts the centre of gravity of the subject, meaning that the profession, not to mention the public, loses out. For example, one of the most important recent criticisms of economics teaching has been that young women find the emphasis on theory and abstraction off-putting. One paper that interviewed female graduate students of economics described 'the emphasis on theoretical studies in the current core of the graduate economics program ... as a type of hazing process.' (Colander and Holmes 2007).

While it's important that students understand theory and models, this doesn't have to imply a trade-off between engaging with the real world and learning how to explain it. On the contrary, motivating the teaching of models by real problems and then coming back to evaluate how successful the model is can help students conceptualise, recall, and evaluate those models later. That's why the units in the CORE Project's textbooks *The Economy*² and *Economy, Society and Public Policy*³ start with real

world stories and data, and use this to teach the models and concepts that help explain them. It also means we can encourage students to evaluate how successful a model is at explaining the world.⁴ <https://www.core-econ.org/espp/book/text/04.html#410-is-this-a-good-model>).

We wondered if there was a way to extend this process so that students could find and create their own stories, and present them in a way that both informs the audience and teaches them to do economics? We already go some way to doing that in our *Doing Economics* ebook,⁵ in which students are given real-world data, and then analyse and present it to create a report. *Doing Economics* focuses on teaching data skills however, and is still 'curated', as all students work with a common set of data and the same problems to solve.

Meeting the challenge

For the last two years, we have also run a competition called the CORE Schools Economics Challenge.⁶ It was the brainchild of two high-school teachers who have also contributed to CORE: Leith Thompson, of Burwood Girls High School, NSW, Australia, and Andrew Sykes, of St. Paul's School in London, UK. Although CORE's text is intended as an introduction for undergraduates, both teachers have had experience in using CORE's material in the classroom to stretch and extend bright high school students.

They imagined a competition that could inspire schoolchildren to take up and carry on with economics while acting as a way to learn some of the principles of the subject. Their idea was that a competition in which student teams made a video to explain an economic topic would be challenging, but also sufficiently different from the traditional essay-writing format of competitions to be engaging for 16- and 17-year-olds.

Our inspiration for the format was the exciting work done at University College London by Parama Chaudhury and her colleagues in the economics department. Every year they run the 'First year challenge' for new students.⁷ In the first week of the course, the 300 students, who have just arrived, are divided into groups and set assignments to go and make short videos on eco-

nomics topics around London, each group being sent to a GPS location. They make friends, discover their environment, but as Chaudhury comments, ‘It also gives them a taste of learning and researching independently — which is often a new experience for many beginning undergraduates, yet a skill they need to master.’ (Chaudhury and Spielmann 2016).

In 2017, the first CORE Schools Economic Challenge asked student video-makers to deliver a three-minute analysis of a topic related to where they live, using the work of a famous economic thinker, and to relate it to Unit 1 of *The Economy*, which covers the successes and problems of the capitalist revolution. For the second Challenge that we ran in 2018, we attracted the support of the *Financial Times* Secondary Schools,⁸ and so were able to expand the competition and triple the cash prize for the winner (£1,500 for the school and £500 Amazon vouchers for students), and offer runner-up prizes too. The 2018 challenge was to create an entertaining short video on ‘Ten years on from the global financial crisis’.⁹

The 2018 winner is available to view at: tinyco.re/9763474 and the 2017 winner here: <http://tinyco.re/0954298>

What have we learned?

First, that the teachers that support the competition report that it is both stimulating and challenging for the students. For example, the 2018 winners came from the European School Karlsruhe, which set the competition as a project for the entire class. ‘We had five extremely good entries, and I felt sorry for the ones we couldn’t put into the competition,’ said Angela Starost, the teacher whose idea it was.

Second, that students respond to the challenge in creative ways that often go beyond what traditional education can easily deliver. The 2017 winners, the Academy at Penguin Hall in Wenham, MA, US, used the opportunity to investigate the impact of declining fish stocks in the waters off nearby Gloucester seaport. Instead of looking up ‘the tragedy of the commons’ on the internet or in the library, they visited local fishermen and recorded interviews with them, which gave them a better insight into the interplay between regulation, the environment and the livelihoods of people who make their living from the sea. Students from Karlsruhe travelled to Frankfurt to interview a banker about the crisis. Both the critics of economics, and economists themselves, often worry that our discipline risks losing touch with the world it is supposed to describe. Challenges like this can show students at the beginning of their economics education that policies, shocks and crises are about far more than lines on a graph.

Third, that the students themselves have a great time. ‘It was difficult and took a lot of time to make but looking back at the effort we put in and what has become of it, it makes us proud,’ said Ellen Gerisch and Maria

Assanbaev, about their winning entry in 2018, for which they created an animated description of how the financial crisis unfolded, focusing on the British economy. They didn’t just learn about the causes of the crisis for the video, their learn-by-doing approach meant they found out how to make an animated video too (by watching YouTube videos that other people had made). Penguin Hall’s winners Micaela Trzcinski, Leah Humphreys, Kathryn Ward, Marietta Atkins, Meghan Curtin and Elaine Turner thought that they couldn’t have learned what they discovered from a textbook. And they all reported more interest in the subject as a result. ‘My brother is majoring in economics and I used to say to him “why would you want to study that?” After doing this project, I think economics is interesting and valuable,’ Trzcinski told us.

Fourth, that schools in which the teachers emphasise innovative teaching strategies seem to be attracted to the competition -- but also seem to do well. The innovative approaches to education that we learn about from them has set us thinking about how we can help evolve the way teaching is done at universities, not least because their innovations are such a strong contrast with the inertia that is a feature of so many undergraduate courses.

‘We recognise that we’re preparing these young women for careers that aren’t even created yet,’ said Dean Tsouvalas, Director of Advancement and Communication at Penguin Hall, where ‘chalk and talk’ lecturing is kept to a minimum. For example, one of the classrooms is set up to mimic a boardroom, to encourage debates among the students. And at Karlsruhe, the international group of students do more than half their exams in a foreign language, and are encouraged to study news in the global economy. ‘Usually I can say to the students, can you follow the news in France? What are they saying about this in Venezuela? It makes for really good class discussions,’ Starost says.

Fifth, and this is a challenge for us if we want greater diversity among economists: better-resourced schools, often outside the state system, are more likely to enter. It’s not hard to speculate why: perhaps they allocate more time to projects like this and so are accustomed to them, or have more flexibility in their curriculum. Perhaps they have specialist equipment, or parents who can buy it (that said, many of our entrants know how to make a good quality film on a smartphone). That’s why in 2018 we also encouraged participating schools to enter a collaborative entry with another local school, with its own prize, also £1,500 for the school and £500 Amazon vouchers for students. A joint state-school / private school team from The Charter School North Dulwich and Dulwich College won this year. This joint winner can be viewed at: tinyco.re/0047435.

Finally, we note that so far both the winners of the individual competition, and their teachers, have been female. As, indeed, is Alice Li of UCL, the winner of the 2018

RES undergraduate video competition.¹⁰ Clearly this is far too small a sample to draw any conclusion, but using this storytelling, real-world approach to learning the subject at an early age may be one small contribution to attracting back to economics what we have calculated as 300,000 ‘missing women who decide they prefer other subjects’ (Zarghamee *et al.* 2017).

Notes and references:

1. The CORE Team <https://core-econ.org>
2. <https://www.core-econ.org/project/core-the-economy/>
3. <https://www.core-econ.org/project/core-espp/>
4. <https://www.core-econ.org/espp/book/text/04.html#410-is-this-a-good-model>
5. <https://www.core-econ.org/project/doing-economics/>
6. You can read CORE’s blogs on the 2017 winners here (<https://tinyco.re/4074533>) and the 2018 winners here (<https://tinyco.re/5478986>)
7. <https://ctale.org/projects/first-year-challenge/>
8. <https://www.ft.com/ft-secondary-schools>
9. <https://www.core-econ.org/core-schools-economics-challenge-2018/>
10. <https://www.res.org.uk/resources-page/2018-undergraduate-video-competition-results.html>

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Coyle, Diane (2012), ‘What’s the use of economics? Introduction to the Vox debate’, *VoxEU.org*, 19 September.

Zarghamee, Homa, Samuel Bowles, and Wendy Carlin (2017) ‘300,000 women are missing from economics’, *The Conversation*, 18 September.

Letter from France

...cont from p.4

Immediately before I finished this letter, the government had proposed three new measures to placate the unhappy, but shortly after announced that it had decided to cancel them. Apparently, the conflict between those who are concerned about the debt and those who are more concerned by the social consequences of the dissatisfaction has not been resolved. A further consequence of the recent events is that the police are now demanding urgent measures to restore their salaries to the level that they should have reached if their extra working hours above and beyond 35 hours per week had been paid in full. But this would immediately lead to similar demands from nurses and others whose salaries have stagnated. After the demonstrations the police claim, probably justifiably, to be exhausted but they see themselves as being in a strong negotiating position.

Looking ahead

At the time of writing it is far from clear where all of this will lead. Both the far right and the left are trying to capture the Gilets Jaunes movement. The question is whether the movement will turn into a political one and to what extent the claims that have been made in its name will change government thinking and policy. But a hint of what the government’s basic position is, notwithstanding the statements about listening to, and even, hearing the messages from the demonstrators, is that there will be no going back on the ISF, the tax on ‘fortunes’. Such a step would be ‘punitive’ according to Macron, but my impression is that, that is exactly what a majority of French people want!

But a new year is arriving and I would not like to end on such an uncertain note. Rather, let me add a lighter note which is too good not to mention. As Brexit approached, the British government asked for bids to produce the new dark blue post-Brexit U.K. passport. As Prime Minister Theresa May said, the decision to change British passports from the burgundy shade used by most European Union countries to the traditional dark blue was an expression of British independence and sovereignty.

Two companies were vying for this lucrative contract. One of them, with a long tradition of printing official U.K. documents goes by the misleading name of De La Rue but is thoroughly British. De La Rue was set up in 1821 and has been printing official documents and banknotes since 1853. However, in April of this year it was announced with glee in the press here that the contract was awarded to a Franco Dutch company Gemalto. Let’s hope that no new referendum or miserable tariff interferes with the wonderfully ironic new arrangement.

Pro Bono Economics - a notable milestone

It is hard to believe that Pro Bono Economics is coming up to its tenth anniversary. Isobel Hunter reviews its achievements - including its contribution to the popular image of economics and economists.

IN LATE 2017 Pro Bono Economics — together with FTI Consulting — released a survey canvassing public views about charities and charitable giving. The resulting data showed that 86 per cent of 2000 respondents — of a sample representative of the UK adult general population — would prioritise donations to charities capable of proving the impact they were having on society. Three years earlier, a 2014 study from Fujiwara *et al*¹ suggested that the wellbeing benefits to be had from volunteering could be placed on a par with those gained by playing sport. Sophisticated surveys and academic resources are not required however to appreciate the reasons why popular faith in the economics profession was threatened after the Global Financial Crisis of 2008.

This highlights why Pro Bono Economics seeks to:

- i) Help charities understand their cost and improve their social impact;
- ii) Support volunteering opportunities for skilled economists; and through these
- iii) Work to restore faith in the economics profession.

These three areas sit at the heart of what Pro Bono Economics is and does. As we look forward to our tenth anniversary in 2019, this article takes a deeper dive into our work in each area.

Supporting charities — better understanding of cost and improving social impact

The first statistic cited above suggests that once a charity demonstrates the efficacy of its work then increased funding will logically follow. Ideally this would be based on a rigorous analysis of relevant data, rather than reliance on anecdotal evidence.

Challenges arise however when processing large amounts of quantitative information becomes a precondition for gaining such an understanding. Complex studies such as full randomised control trials are often beyond the means of smaller charities that make up the large part of Britain's third sector population.

To illustrate the point, recent data from the Charity Commission² show that 123,230 or 73.3 per cent of charities have an annual income of less than £100,000. Finding spare cash for social impact measurement is a luxury many simply cannot afford. This despite the obvious benefits doing so would entail. The provision of 'frontline' services to beneficiaries naturally takes priority.

As our name suggests, Pro Bono Economics seeks to address this research gap.

Our executive team manages a network of 500 skilled volunteers, individuals who are willing to give up their time to support worthy causes. When suitable opportunities arise with charities active in any one of the following fields — i) education; ii) employment; iii) mental health; and iv) poverty — Pro Bono Economics facilitates, manages and assures the quality of this pro-bono work. The result is typically a research report assessing whether and how charities are delivering value-for-money.

This information provides a valuable proof point for charities seeking to convince donors of their impact, helping to secure or increase the funding of vital services (more information on the support Pro Bono Economics offers to charities can be found at <https://www.probonoeconomics.com/i-am-charity>).

Supporting volunteering - showcasing the benefits from giving and receiving voluntary work

Since inception in 2009 we have delivered 529 engagements with 445 distinct charities, providing opportunities for 375 volunteers. Of those 375, roughly 90 per cent have stated they would use Pro Bono Economics again in future, while 98 per cent would recommend us to a friend or colleague.

Volunteering opportunities are tailored to suit individual needs and range from spending a few days scoping a project to half a day peer reviewing a piece of analysis. There is also potential to be part of a wider team working on a piece of research over the course of several months, with the nature of input varying according to the complexity of the topic and the size of the team (more information on our growing network of volunteers can be found at <http://www.probonoeconomics.com/economists-register>).

While the benefits to charities of pro-bono work are self-evident, those available to the volunteers themselves are perhaps less understood. Andy Haldane, Chief Economist at the Bank of England and co-founder of Pro-Bono Economics has spoken at length on several occasions about the social and economic value of volunteering, highlighting the benefits to be had in terms of skills-building and well-being. Both are known to enhance the retention of workers and their productivity in the workplace, which should make interesting reading for those employers offering staff volunteering opportunities.

Such observations are borne out by our own volunteer testimonials and showcase the value of the service we at Pro Bono Economics provide, and not only to the chari-

ties we support. Volunteering has always been and will remain a fundamental part of the Pro-Bono Economics story because of the value(s) it generates across all parties to a given project, and one we will be looking to champion with increasing volume in coming years.

Supporting economics — Working to restore faith in the profession.

While the principle of pro-bono work is well-established within the legal profession, only recently has it begun gaining similar purchase among economists. This is very much to the benefit of charities and those individuals volunteering their time, as explored above. A third beneficiary however is economics itself.

Following the 2009 Global Financial Crisis, Andy Haldane and Martin Brookes (Pro Bono Economics Co-Founder) saw an opportunity to help restore the credibility of the economics profession through the power of skilled volunteering.

The provision of economic advice and analysis is of course not a panacea, but the insights it — or to be precise those practicing it — can generate are still able to showcase charities' impact and provide a clear and transparent view on cost.

Feedback from the charities Pro Bono Economics supports is invariably positive in this regard. One recent beneficiary stated that 'Pro-Bono Economics' report can only be described as dynamite. It's been impactful at every level of government and been widely aired in the press'. Another said that 'Pro Bono Economics has given us confidence and shifted our understanding of the power of economic analysis'.

Our core focus is of course the charities we support and the volunteers we manage. Yet, it is the skills that are being provided — economic skills — that are effectively the currency with which we trade, and without them our operating model would not be viable.

Our work shows the value that economics can generate in a world of ever-growing complexity and competition, where such insights will be a pre-condition for survival.

Conclusion

At Pro Bono Economics we have been fortunate to partner with some truly fascinating charities over the last ten years, helping channel the talents of many exceptional economists. This work helps enhance, or perhaps restore the reputation of the economics profession.

Looking ahead to our next decade we anticipate curating and sharing our work more widely within and beyond the economics profession, helping sustain our vibrant charity sector and build the evidence base for better policy and practice.

Some case studies

We are committed to working with organisations that aim to improve wellbeing, and project outputs generally take the format of a written report in one of three broad categories; advice, analysis or advocacy. Below are some examples of our work.

PSHE Association

Both a charity and a membership organisation, the PSHE Association works to improve the provision of personal, social, health and economic education in the UK by supporting teachers, providing resources and campaigning for high-quality, regular PSHE education. The organisation approached Pro Bono Economics to analyse the need for PSHE and the impact of allowing all students access to this education. The subsequent advocacy report takes the form of a literature review, examining over 1200 studies with the aim of determining the degree to which PSHE's positive impact on physical and mental health might lead to improved attainment and life chances. The study showed strong evidence that PSHE education has a positive impact on academic attainment and, contrary to critics' suggestions, does not detract from other core curriculum subjects.

Nova New Opportunities

West-London based Nova works with people from diverse backgrounds with the aim of helping them secure sustainable employment. The charity provides advice, support and courses to their clients, ultimately working to improve society one person at a time. They approached Pro Bono Economics for assistance developing a monitoring and evaluation strategy. To this end, we worked with the charity to develop a Theory of Change, mapping out the potential relationship between Nova's charitable activities and the short and long-term impacts on beneficiaries. The advice report also undertakes a systematic review of existing data and evidence collected by Nova and offers advice on data collection moving forward. The report was complemented by a workshop to help embed the Theory of Change and associated activities into the culture of Nova.

Anna Freud National Centre for Children and Families

Mental health charity Anna Freud works to transform the provision of mental health support. Their Early Years Parenting Unit (EYPU) was created for parents with personality difficulties and with children under the age of five, helping them to retain custody of their children. Pro Bono Economics worked with the charity to compile an analysis report, examining a therapy programme offered by the EYPU to determine benefits of the programme to clients, as well as public savings through reduced reliance on taxpayer funded services. The report successfully links information about EYPU clients with standardised cost information to show that large reductions in the use of taxpayer funded services is a very likely outcome of the programme.

The Trussell Trust

Partnering with local communities across the UK has been the method enabling The Trussell Trust to establish a 400-strong network of foodbanks, as well as providing fuel banks and money advice to beneficiaries. Wishing to better understand the benefits to the economy and individuals seen through training volunteers and providing goods, the charity approached Pro Bono Economics for expert economic insight. Our advice report identifies key pieces of data, both qualitative and quantitative, that would be required for the successful assessment of the charity's economic and social impact, as well as presenting a wide range of variables for consideration in any future economic impact assessment, which can be altered depending on methodology or sensitivity concerns.

Notes:

1. Fujiwara, D, Leach, M, Trotter, L, Vine, J (2014) 'Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach', HACT: ideas and innovation in housing.
2. Charity Commission for England and Wales (2018) - *Recent charity register statistics: Charity Commission Updated 18 October 2018* - <https://www.gov.uk/government/publications/charity-register-statistics/recent-charity-register-statistics-charity-commission>

A new website for the RES: www.res.org.uk

The Society's new website launched late last year. Here RES Chief Executive Leighton Chipperfield talks about the reasons for overhauling the website, and plans for its future development.

At my interview for the Chief Executive role in 2017, I was asked to reflect on what changes I would recommend to the Society. I recall being frank (perhaps too frank!) about the quality of the Society's website at that time. It simply did not do justice to the Society, its activities, and the members it serves. Whether we are purchasing a new car, planning a holiday, submitting a journal article or — in my case — preparing for a job interview, our expectation is that we will be able to find our answers online quickly and efficiently. For organisations like the RES, our website is very much our front window.

And it is fair to say our front window was desperately in need of updating. In my first months in post, I lost count of the members who told me how hard it was to find what they were looking for. Navigation was difficult, the content was poorly presented, and an outdated hosting platform meant that it was becoming increasingly hard to maintain. Things had to change.

Late in 2017 the Executive Committee agreed that the Society should invest in both a new website and membership system. Following a rigorous tender process we exchanged contracts with our vendor in the Spring. The last year has seen the office working closely with the Executive Committee, Council, members, early career economists and other stakeholders to decide what should be included in the website and how it should be presented. This process has taken account of the Society's new strategy that was launched last summer. In particular, care has been taken to ensure the website caters both to our core members and to others who want to learn more about the Society, and more about economics in general.

With the new website now live, some of the major changes we hope you will notice are:

- An extensive video library from our various events, including the annual public lectures, keynote sessions from recent annual conferences, and interviews with leading economists on the major themes of the day
- Better information on member categories and benefits
- Join the Society and renew your membership online
- Apply for financial support
- Customised pages for *The Economic Journal* and *The Econometrics Journal*
- Clearer information on the Society's strategy, governance and committees
- An improved Members' Area
- Clear contact details for the office and members of staff

Over the next 12-24 month, office staff will now be working closely with the supplier and our new Communications and Engagement committee to add extra features including:

- The ability for members to register for the Annual Conference via the website
- A member directory
- Resources for those new to economics
- Resources that highlight the Society's work on diversity

We are keen to receive your feedback on the new website — please do drop us a message at resoffice@res.org.uk or [@royaleconsoc](https://twitter.com/royaleconsoc) on Twitter.

RES news

RES new branding launched

The Society has launched an updated logo which retains the use of the bee, whilst incorporating features that allow it to be more easily reproduced in different media, particularly online.



**ROYAL
ECONOMIC
SOCIETY**

The honey bee has long been the emblem of the Society. Its use was inspired by Bernard Mandeville's 'Fable of the Bees' from 1705. The poem suggests many key principles of economic thought, including division of labour and 'the invisible hand'.

The new RES logo will be phased in over the next few months. Organisations using the old RES branding are asked to contact the RES office for a copy of the latest logo at RESOffice@res.org.uk.

Statement on a joint European Economics Job Market 2019

A joint statement from the European Economic Association (EEA), the Royal Economic Society (RES), and the Asociación Española de Economía (AEE)-Spanish Economic Association concerning the European Economics Job Market

The EEA, RES and AEE are committed to providing a platform to bring together institutions and postgraduate economic students seeking to develop a career in economics. We are therefore pleased to announce a new partnership to hold a joint European Economics Job Market from 2019.

The first joint European Economics Job Market will be held in Rotterdam in December 2019, co-sponsored by EEA, RES and AEE. This meeting will provide a forum for postgraduates to be interviewed by recruiting institutions from across Europe. The three associations hope to continue this partnership in future years, with the December 2020 meeting to be held in Nottingham, UK.

This joint meeting will build on and supersede the individual job markets that the three associations are organising in 2018. The inaugural European Job Market sponsored by the EEA took place in Naples on 6-7 December 2018, the AEE Job Market was held in Madrid 13-15 December 2018, and the final RES PhD Meetings and Job Market in its current form took place on 18-19 December 2018 at Westminster Business School, London.

All three associations believe that a pan-European job market will expand and enhance the opportunities for both participating candidates and institutions.

Election for RES Council members

Elections will open on **4 February and run until 25 February** for the next cohort of the RES Council (to serve 2019-2024). RES members will be able to vote through an online ballot and will receive an email in February with instructions on how to vote. The election results will be ratified at the AGM in 2019 after which the new members will take their places on the RES Council.

Winners of the Young Economist of the Year, 2018

The winners of the Young Economist of the Year essay competition have been announced. As in previous years there was an excellent response with nearly 1300 applicants from schools across the country. You can read the winning entries on the RES website at <https://www.res.org.uk/resources-page/winners-of-the-young-economist-of-the-year-2018.html>.

Our judges considered each essay anonymously for its originality, quality of writing, economic content and the quality and power of the economic arguments.

The Royal Economic Society is pleased to announce that this year's winners are:

Best overall essay

Dan Gilbey - Haberdashers Askes Boys School

Best essay from a year 12 student (not awarded the best overall essay)

Anna Cleary - St Mary's School, Ascot

Best essay on each of the four titles (not awarded another prize)

Sam Christie - Abingdon School (GDP measurement essay)

Christos Alexandrou - Davenant Foundation School (Productivity puzzle essay)

Amir Razak - Highgate School (Plastics pollution essay)

Gus Smith - Ripon Grammar School (Internet companies essay)

The winners were presented with their prizes during the Royal Economic Society's Annual Public Lecture at the Royal Institution in London.

For the 2018 competition, students were asked to complete a 1,500 word essay on one of the following four titles:

'GDP does not measure the output of the economy any more'. Do you agree, and if so, what improvements would you suggest?

'What explains the UK's "productivity puzzle"?'

‘Does economics have the answer for the global problem of plastics pollution?’

“Some internet companies have become too big for the good of society and should be broken up”. Do you agree?’

Prizes were awarded for the best overall essay (£800), for the best essay on each of the four titles (4 x £200) and for the best essay from a Year 12 student (£400).

Royal Economic Society Easter Training School 2019

Applications are now open for the RES’s 29th residential Easter School, which is supported by the ESRC and will be held from **Monday 8 April - Wednesday 10 April 2019** on the University of Essex Colchester campus.

It is intended primarily for advanced postgraduate students doing doctoral research, but younger lecturers and postdoctoral researchers are also welcome.

The subject of the 2019 school is ‘liquidity’, presented by Professor Randall Wright from the University of Wisconsin. Accommodation and meals will be provided for the duration of the course, however travel expenses must be covered by the applicant or their university.

Places are available for 25 resident university participants, to be nominated by Heads of University Departments (or their Directors of Graduate Study). Please send your application to res.easter.school@essex.ac.uk with Easter School 2019 as the subject line - the closing date for applications is **Monday 14 January**. Successful applicants will be informed in February 2019.

For more information please visit our website at <https://www.res.org.uk/event-listing/easter-training-school.html>.

2018 Undergraduate Video Competition results

Alice Li from UCL has been named the winner of the Royal Economic Society’s Undergraduate Video Competition 2018. Her video exploring the concept of universal basic income has won our £1000 cash prize.

Alice received her award during a presentation held within UCL’s economics department, presented by Joint Managing Editor of *The Economic Journal*, Morten Ravn.

The judges also selected two runners up - The Irrational Duo from Southampton University for their video ‘Are You Irrational?’ and team Supply and Demand from the University of St Andrews, whose video focused on the gender pay gap.

You can find the winning and runner-up videos, alongside photos of the awards ceremony, on our website at

<https://www.res.org.uk/resources-page/2018-undergraduate-video-competition-results.html>

Royal Economic Society Annual Public Lecture 2018

What Economists Really Do —
Research evidence and policy insights on the challenges of global poverty and development
Professor Oriana Bandiera (LSE)

Our 2018 Annual Public Lecture took place at the Royal Institution, London on 21 November and the University of York on 28 November.

‘Money’ is the most common word associated with economics — but the subject is about so much more than that. It’s about making a difference to people’s lives by seeking to understand the causes of the things that matter most to them - their livelihoods, their communities, their environment, their opportunities - and by thinking about how to make them better. Nowhere is that more important than among the poorest people in the least developed parts of the world.

This public lecture by Professor Oriana Bandiera, director of the Suntory and Toyota Centre for Economics and Related Disciplines at the London School of Economics, explored ‘what economists really do’ — particularly their efforts to analyse and advise on policies to fight extreme poverty and promote economic development that can transform people’s lives. She will outline some of the findings of her own research — on providing work for the poorest women in Bangladesh; on promoting vocational training for unemployed youth in Uganda; and on attracting talented community health workers in Zambia.

You can watch a full stream of Oriana’s Lecture at the university of York on our YouTube channel at <https://bit.ly/2Qz64BU>.

Creating a positive environment

The Royal Economic Society is committed to equality and diversity and expects its events to be positive environments where everyone is treated with dignity and respect. The Society supports rigorous academic debate but does not tolerate bullying, harassment or victimisation. It will take seriously any complaint of such behaviour at or in connection with any RES activity.

If you wish to make a complaint or speak to someone in confidence, you should contact any member of RES staff, those in charge of the event, or the Society’s President or President-elect.

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Student competition for the ESCoE conference

The Royal Economic Society is offering financial support for the top five PhD students submitting papers for the Conference on Economic Measurement in 2019.

The Economic Statistics Centre of Excellence (ESCoE) will hold its annual conference, organised in partnership with the Office for National Statistics, at King's College London on **8-10 May 2019**. We are offering £200 towards travel and accommodation to each of the top five PhD paper submissions.

ESCoE is inviting papers on all aspects of measurement and use of economic statistics, including the productivity puzzle, the digital economy, National Accounts and 'Beyond GDP'. To submit please visit the Conference Maker page at <https://bit.ly/2LjViuo>.

To enter the competition please submit a paper to the conference and tick the box to indicate you want to be considered for the competition. Papers must be submitted by **7 January 2019** and will be evaluated by the Conference Scientific Committee.

For information on financial support please visit <https://www.escoe.ac.uk/conference-on-economic-measurement-2019-student-competitions/>

New RES Staff member

The Society welcomes Iara De Menezes, who joined the Society as our new Finance Officer on 3 December 2018. Iara holds a first class BA in Journalism from the Methodist University of Piracicaba, Brazil. She is currently studying for an AAT Professional Diploma in Accounting, and previously worked at The Nautical Institute as their Finance Assistant Manager.

Iara will be based in our central office in Westminster and can be contacted via email on finance@res.org.uk.

Royal Economic Society 2019 Annual Conference

Our 2019 Annual Conference will be taking place on the 15-17 April at the University of Warwick. Registration for the Conference is now open and current RES members will be eligible for reduced conference fees.

This year's keynote speakers are Anne Case (Princeton), Eliana La Ferrara (Bocconi) and former RES President Peter Neary (Oxford). We will also be joined by former Nobel Prize winner James J Heckman (Chicago), who will be delivering the 2019 Sargan Lecture.

For more information on the Annual Conference, please visit our website at www.resconference.org.

RES Symposium of Junior Researchers, 2019

The Symposium of Junior Researchers will take place at the University of Warwick on **18 April 2019**. Organised by research students for research students, the event will bring together students to foster discussion and dissemination of research in all areas of economics.

The call for papers is open until 14 January 2019 and the registration deadline for the Symposium is **8 March 2019**. Those who are not presenting are still welcome to attend. For more information please visit the Symposium website at <https://sites.google.com/site/resjunsym/home>

Conference diary

2019

january

25 January

Sheffield

The Sheffield Interdisciplinary Political Economy Research Group (SiPErg) is pleased to host the fifth Sheffield Workshop in Political Economy. The aim of the workshop is to provide an interactive platform for discussing recent advances in political economy and to stimulate collaboration and interdisciplinary thinking between economists and political scientists.

Further information: <https://www.sheffield.ac.uk/economics/research/siperg/index>

february

13-15 February

Melbourne, Australia

The Women in Economics Network (WEN), in partnership with RMIT University, is proud to host its second **Australian Gender Economics Workshop (AGEW)**. Men and women are invited to participate in AGEW, as addressing gender inequalities requires a collaborative understanding and input from all members of society.

In addition to the workshop and policy symposium, AGEW will offer a Professional Development program. This comprises an Academic Career Development session designed to provide mentoring advice and guidance to early- and mid-career academics, and a Gender Lensing Masterclass aimed at equipping professional economists with the skills and insights to undertake a gender-sensitive evaluation of policy settings.

Further information:

<https://sites.rmit.edu.au/agew2019/program-2/>

Conference diary

21-22 February

Buckingham

Conference on **The Economics of monetary integration and disintegration**. The event will be discussing the challenges the Eurozone still faces ten years after the start of the Global Financial Crisis. It will have four sessions on:

- the historical precedents of currency unions and when they failed
- internal imbalances and the Target2 system in the Eurozone
- when countries form a monetary union and when monetary unions fail and
- the Eurozone and the fiscal union.

Speakers include Clemens Jobst (Austrian National Central Bank), Matthias Morys (York University), Charles Goodhart (LSE), Hans-Werner Sinn (Ifo Institute), Donato Masciandaro (Bocconi University), Lars Jonung (Lund University), Carlo Cottarelli (Bocconi University) and Tim Congdon (IIMR).

Further information: contact Gail Grimston at gail.grimston@buckingham.ac.uk.

march

13-15 March

Washington DC, USA

The Society for Benefit-Cost Analysis (SBCA) Annual Conference 2019. The Society is an international group of practitioners, academics and others, working to improve the theory and application of benefit-cost analysis. The SBCA holds an annual conference and meeting, to provide an opportunity for Society members and others in the field to present and explore cutting-edge scholarship.

Further information:

<https://benefitcostanalysis.org/2019-annual-conference>

21 - 24 March

Tokyo, Japan

Western Economic Association International 15th International Conference will be held at Keio University, Japan. Keynote speakers:

Peter Diamon (MIT)

Robert Engle (New York University)

John Shoven (Stanford University)

Further information: www.weai.org/IC2019.

april

5-6 April

Oxford

Oxford NuCamp-Saïd Macro-finance Conference Money, Credit, and Financial Stability will be held over two days at Exeter College, Oxford. Topics of interest include but are not limited to:

- Bank credit and fiat money
- Monetary policy, macroprudential policy, and financial stability
- The balance sheet transformation of banks and shadow banks, financial intermediation, and liquidity
- Systemic risk, contagion, default, and financial crises
- International monetary system and the global financial cycles

Organisers: Martin Ellison (NuCamp and Nuffield College, Oxford) ; Dimitrios Tsomocos (Saïd Business School and St Edmund Hall, Oxford); Xuan Wang (Saïd Business School and Exeter College, Oxford).

Further information: oxford.macrofinance@gmail.com

11-13 April

Brussels, Belgium

Spring Meeting of Young Economists will take place at the Université libre de Bruxelles. The goal of the conference is to promote the exchange of ideas and experience among young economists conducting research in all fields of economics. Keynote speakers:

Michael D Bordo (Rutgers)

Paul Collier (Oxford)

David K Levine (European University Institute)

Eric Maskin (Harvard)

Further information: <https://smye2019.weebly.com/>

15-16 April

Oxford

The Oxford Conference on Labor in History and Economics will bring together scholars from these disciplines to share research, perspectives, and methodologies. We seek papers that speak to both the scholar's discipline and to colleagues in the other disciplines, preferably touching on the themes of migration, regulation, and the work environment. keynote speakers:

Jill Rubery (Manchester)

Fabrice Bensimon (Paris-Sorbonne)

Further information:

<https://oxfordlabourconference.wordpress.com/>

17-18 April

New York, USA

The 28th Annual Hyman P Minsky Conference on the state of the US and world economies will be held at the Levy Economics Institute of Bard College.

Further information:

www.levyinstitute.org/news/28th-annual-hyman-p-minsky-conference

may

8-10 May

London

The Economic Statistics Centre of Excellence (ESCoE) will hold its annual conference, organised in partnership with the UK Office for National Statistics (ONS), at King's College London.

Keynote speakers include:

Vasco Carvalho, University of Cambridge

Alberto F. Cavallo, Harvard University

John Fernald, INSEAD

We have invited papers on all aspects of the measurement and use of economic statistics, including: the productivity puzzle, the digital economy, National Accounts and 'Beyond GDP', regional statistics, measurement using big data and administrative data, international trade flows and the location of economic activity.

Further information:

www.escoe.ac.uk/escoe-conference-economic-measurement-2019/

20 -21 May

Nuremberg, Germany

CALL FOR PAPERS

A workshop on **The Gender Wage Gap in Europe: What Can We Learn Using Linked Employer-Employee Data?** will be held at the German Federal Employment Agency, Nuremberg. The purpose of the workshop is to: Promote understanding of the role employers play in accounting for the GWG; Establish the size of the GWG across countries and how the gap varies when accounting for the identity of the employer;

Identify mechanisms, which help explain the size of the GWG, e.g. discrimination, worker sorting, worker segmentation, monopsony employer power, rent-sharing, compensating wage differentials; Discuss methodological challenges and avenues for future research for academics using LEED to investigate the GWG.

If you wish to present a paper please submit a 500 word abstract to Stefanie Wolter@iab.de by **January 31st 2019**.

june

3-8 June

Venice, Italy

CALL FOR PAPERS

In co-operation with Venice International University the institute will focus on five themes:

Economics of the Gig Economy (3-4 June); Taxation in the Digital Economy (3-4 June); Poverty, Inequality and their Associations with Disasters and Climate Change (5-6 June); Gender in the Developed and Developing World (7-8 June). Economists working on these or related topics are invited to present and discuss their papers, exchange ideas and participate in discussions. Deadline for submissions: **1 December 2018**.

Further information: <http://www.cesifo-group.de/de/ifoHome/events/academic-conferences/Venice-Summer-Institute.html>

10-13 June

London

The European Workshop on Efficiency and Productivity Analysis (EWEP) XVI will mark 30 years since the first EWEP conference, which was held in Louvain-la-Neuve, Belgium, in 1989. Since that first event EWEP has become the leading biennial conference devoted to the methodology and application of productivity, efficiency and performance analysis. A feature of EWEP XVI will be two consecutive special sessions on the 'UK Productivity Puzzle', which have been kindly supported by the Royal Economic Society.

Further information: Dr Karligash Kenjegalieva
k.a.kenjegalieva@lboro.ac.uk

16-22 June

New York

The 10th Hyman P. Minsky Summer Seminar will be held at the Levy Economics Institute of Bard College. The Seminar provides a rigorous discussion of both the theoretical and applied aspects of Minsky's economics, with an examination of meaningful prescriptive policies relevant to the current economic and financial outlook. It will also provide an introduction to Wynne Godley's stock-flow consistent modeling methods via hands-on workshops.

The Summer Seminar is of particular interest to graduate students, recent graduates, and those at the beginning of their academic or professional careers. The teaching staff will include well-known economists working in the theory and policy tradition of Hyman Minsky and Wynne Godley.

Further information:

www.levyinstitute.org/news/minsky-summer-seminar-2019

september

11-13 September

Warwick

CALL FOR PAPERS

The tenth **Developments in Economics Education Conference** will take place at the University of Warwick. Proposals should focus on research or practice in economics education and can be a paper or interactive workshop. The deadline for proposals is **22nd February 2019**.

Further information:

<https://www.economicnetwork.ac.uk/dee2019>

Membership of the Royal Economic Society 2019

Membership is open to anyone with an interest in economic matters. The benefits of membership include:

- Access to *The Economic Journal* and *The Econometrics Journal* including back issues and pre-views of papers before their publication.
- Being eligible to submit articles to the journals and have the chance to win one of the Society's prizes.
- Savings of up to a 1/3 on the ticket price for the annual conference and the opportunity to apply for the Society's grants and financial support.
- Our quarterly *Newsletter* which includes topical articles, comments and letters.

Membership subscriptions 2019

RES Member: Print + Online 1 year	£59
RES Member: Online only 1 year	£41
RES Member: Online only 3 years	£107
RES Student Member: Online only 1 year	£12
RES Student Member: Online only 3 years	£19
RES Retired Member: Online only 1 year	£24
RES Retired Member: Print + Online 1 year	£32
RES Developing Countries Member: Print + Online 1 year	£32
RES Developing Countries Member: Online only 1 year	£24

VAT applicable to those residing in the UK and EU, in addition to the prices listed above.

For questions about joining and renewing your membership please contact the RES office on resoffice@res.org.uk or +44(0)20 3137 6301