‘Austerity’ under the spotlight again

Between July 2010 and October 2012 this Newsletter ran a series of articles questioning (and defending) the UK government’s policy of fiscal retrenchment following the financial crisis and the large deficits that it created. By some small coincidence, on the day this issue goes to the printers, the Shadow Chancellor of the Exchequer has announced the appointment of a committee of six economists to help him write economic policy. The committee includes a number of those who participated in our debates.

There is nothing so controversial in this issue which is rather dominated by Karen Mumford’s summary of the latest survey carried out by the Society’s Committee on Women in the Economics Profession. The full report, much longer still of course, is available on the Society’s website. The expansion of the report reflects the amount of detail about individual economics departments that is now available on the web.

In addition we have Angus Deaton’s latest Letter from America and what may be the last contribution to the debate on reforming the economics curriculum (at least for now). We also have two reports linked to activities of the Money, Macro and Finance Research Group. This seems an appropriate point at which to remind readers that the Newsletter is interested in the activities of all research and specialist groups, and provides an excellent platform for advertising and promoting those activities. Secretaries please note.

Sadly, we also note the passing of a number of older colleagues, including a Secretary-General who did much to create the structure of the Society as we know it today.

Late news:
The Society requires a new Honorary Treasurer. See p.22
THE ROYAL ECONOMIC SOCIETY

• President: Professor John Moore (April 2015-2017)
• Immediate Past President: Professor Sir Charles Bean (April 2015-April 2016)
• Secretary-General: Professor Denise Osborn (University of Manchester)
• Second Secretary: Professor Robin Naylor (University of Warwick)
• Honorary Treasurer: Mark Robson (Bank of England)
• Managing Editor of the Econometrics Journal: Professor Richard Smith (University of Cambridge)
• Joint Managing Editor of the Economic Journal: Professor Rachel Griffith (IFS)

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. The Latin quote comes from Virgil and speaks of the drive of bees.

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.

Visit our website at:
www.res.org.uk/view/resNewsletter.html

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Editor

Prof Peter Howells,
Centre for Global Finance,
Bristol Business School,
UWE Bristol,
Coldharbour Lane, Bristol BS16 1QY
Email: peter.howells@uwe.ac.uk

Administration Officer

Mrs Amanda Wilman,
Royal Economic Society,
School of Economics and Finance,
University of St. Andrews,
St. Andrews, Fife, KY16 9AL, UK
Fax: +44 (0)1334 462444
Email: royaleconsoc@st-andrews.ac.uk

www.res.org.uk/view/resNewsletter.html
THE ELECTION SEASON IS ALREADY UPON US in the United States, about as welcome as what used to be called a ‘social disease,’ in this case with no possibility of cure for the next fifteen months. It is an unusually interesting election, at least if you are indifferent to the worst possible outcomes. For those of us who worry about the undermining of democracy by organized wealth, there is an ironic pleasure in watching the discomfort that The Donald has inflicted on the Republican moneyed establishment, especially its tax- and benefit-reducing orthodoxy. (A nice simile for Trump comes from a colleague who works in South Africa: Trump is like the hippopotamus, which rapidly twirls its tail to create a fan through which it defecates, throwing a noxious cloud on all around.) The irony is that only an independent multi-billionaire could mount such a challenge, and indeed, many would like to see an electable non-Clinton multi-billionaire on the Democratic side. While there is always an anti-Washington sentiment in US general elections, it is palpable now.

The new disaffected...

The official unemployment rate is back to its level before the Great Recession, and the economy is ticking upwards. The fraction with health insurance has increased. Yet long-term unemployment remains stubbornly high and labor force participation is unusually low. Disability rates are sharply up. Real median wages show no sign of shaking off their long-term stagnation, and if median earnings, which include benefits, have done better, much of the increase is due to the rising costs of health insurance benefits paid by employers, benefits that are hardly voluntarily chosen nor worth what they cost to those who ‘consume’ the healthcare. The elderly, whose initial social security benefits are indexed to mean wages, and to the CPI thereafter, are doing relatively well compared to the middle-aged, at least those whose earnings are near the median. Middle-aged Americans today are among the first to find, in their 40s and 50s, that they will be no better off than their parents. Many of them, who used to look forward to defined-benefit pensions, are now dependent on a stock market that looks like an increasingly unreliable guarantor of a happy retirement, and a world of zero interest rates is not a good world for those saving for retirement. These people have legitimate reasons to be unhappy. In the long familiar way, they have found convenient scapegoats. It was the blacks, or the women, or the immigrants who held down wages, or took the good jobs. It was the bankers who got rich from tanking the stock market, sinking pension prospects, and now paying no interest on lifetime savings. No wonder Trump’s rhetoric (and Bernie Saunders’ on the left) resonates with so many.

...and a new market for drugs

An even more dramatic indicator of distress is America’s rising suicide rate, especially among middle-aged men and women. Middle-aged alcohol-related deaths have also rapidly increased, as have perhaps the most surprising of all, deaths from accidental poisonings from prescription and illegal drugs. Dreamland, a recent extraordinary book by journalist Sam Quinones, documents a terrifying new wave of heroin importation run out of the small town of Xalisco in western Mexico. This new wave of drug dealers is different. They are well-dressed polite young men, who never resort to violence, who make home delivery, and offer discounts. They refuse to deal with African Americans, of whom they are afraid, and they keep away from big cities and the drug dealers who are already established there. Their heroin is pure enough to ‘snort,’ so needles are not required. The new flow has fuelled an epidemic of drug overdoses in the most unlikely places, in rural America, in Maine, Indiana, Pennsylvania, and Utah, and among whites, not blacks nor Hispanics.

Legalized heroin, sometimes called hillbilly heroin, opioids as opposed to opiates, is wreaking a parallel havoc. Oxycontin (oxycodone) was launched in 1996 for the treatment of chronic pain, the prevalence of which has been increasing since the mid-1990s according to national health surveys. While there are clearly those who are much in need — and the pain epidemic is a long story of its own — addiction is a serious risk with opioids like Oxycontin, and there has been abuse, with profitable ‘prescription mills’ making the drug easy to get in some places. According to Quinones, Oxycontin even replaced currency in one town, with each milligram of the drug trading at par with the dollar.

A challenge to traditional policy

As has always been the case, public policy towards addiction in the US depends on who the addicts are. The
current epidemic of deaths is a white epidemic (more among the less educated than those with college degrees); there has been no similar epidemic among blacks or Hispanics, and police forces and local authorities are changing their view of addiction from a criminal problem — with jail as the cure — to a public health problem—with drug antagonists as the cure. The police in Princeton have begun to carry naloxone, which can often resurrect those on the verge of death. The same is happening elsewhere, even in Republican states, where legislators, albeit reluctantly, are also authorizing needle exchange programs to fight off incipient HIV-AIDS outbreaks.

Of course, there is no direct evidence to link these events with the economic distress, and it is pure fantasy to think of the Xalisco Boys looking north and seeing business opportunities in American wage stagnation, rising healthcare costs, the pain epidemic, and the Great Recession. But those events appear to have created fertile ground, not only for the heroin traders, but also for pharmaceutical companies that sometimes look a lot like the traders. Purdue Pharmaceutical, which manufacturers Oxycontin, agreed in 2007 to a criminal fine of $600 million in a Virginia District Court, with three of its top executives pleading guilty to the criminal offence of ‘misbranding,’ referring to their extensive advertising claiming that the drug was not addictive.

It would not be unreasonable for many Americans to see themselves as having been set up as the prey for a range of well-funded predators (financial, pharmaceutical, and criminal) some of whom have great sway over the political system. To them, in spite of his noxious means of delivery, The Donald might seem like the only one who tells it like it is.

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**International Economic Association**

**Stiglitz Essay Prize**

The International Economic Association (IEA) is happy to announce the first Stiglitz Essay Prize (SEP) in honour of the past President of the association, Joseph E. Stiglitz. This prize is possible thanks to the generous donation that the Economic Society of Australia pledged to the IEA.

The winner of the Stiglitz Essay Prize will be announced in early 2016, with the prize presentation to be made in a ceremony at the next IEA World Congress in 2017. The winner of the Stiglitz Essay Prize will win 1,000 USD, and the runner(s)-up will receive 500 USD. The winning essay and runner(s) up will be published on the IEA web site. The prize is open to any student in full time study. The essay can be up to 5,000 words on one of the subjects below.

The prize is open to any student in full time study. The essay can be up to 5,000 words on one of the subjects below.

There will be a pre-selection process in charge of a team of school judges selected by the IEA. The shortlisted essays will go to the judges: Joseph E. Stiglitz (Columbia University and IEA past President), Timothy Besley (London School of Economics and IEA President) and Kaushik Basu (World Bank and IEA President Elect).

To be eligible for the prize, submitted essays should be on one of two broad themes reflecting Professor Stiglitz’s interests:

- The causes and policy consequences of growing inequality
- The reconstruction of macro-economics and proposals for new approaches that speak to the weaknesses in modelling revealed by the 2008 global crisis

The deadline for submitting essays is **Saturday 31 October 2015 at 2359 hours (GMT).**

- Only one essay per person will be accepted.
- The maximum word count for essays is 5,000 words (the word count should appear at the end of each essay)
- The word count includes footnotes, but excludes references and bibliography.
- All of those who submit an essay should submit proof through a signed letter from an appropriate official at an academic institution that he or she is currently registered as a full-time student.
- No revisions to entries are permitted once submitted
- Please note that entries to the competition should be unique (i.e. not published elsewhere or submitted to other essay competitions.)
- Entries must be submitted in either Microsoft Word (doc, docx) format or PDF format.

Please send submissions to the IEA Secretariat on iea@iea-world.org indicating in the subject your name as follows: SEP_LAST_NAME_Name.

Any queries on the competition should be also addressed to the IEA Secretariat on the same email address.
Highs and Lows with the Women’s Committee Surveys

The following report on the 10th and most recent of the surveys carried out by the Society’s Committee on Women in the Economics Profession was prepared by Karen Mumford.1

This report covers the tenth survey of gender balance in academic employment in economics in the UK in a series started in 1996 by the Royal Economic Society (RES) Women’s Committee and repeated biennially thereafter. A conscious effort is made to maintain continuity in the survey content and process; the full reports (and newsletter synthesis) are directly comparable across time. Nevertheless, the reports have become more extensive and major advances were made with the addition of departmental web-based information in 2010 and the inclusion of REF submission information in this report.

In November 2014, the Women’s Committee surveyed the web pages of ninety two CHUDE (Conference of Heads of University Departments of Economics) departments, seven non-CHUDE departments, and fifteen leading research institutes. The survey collected information on academic staff (full-time and part-time) by grade of employment, gender, and research discipline. It also collected information on promotions, new hires and job leavers. These survey entries were then emailed to respective institutions for verification in February 2015. The overall verified survey response rate from the 114 institutions is reasonable at 84 per cent (88 per cent or 81 responses from the 92 CHUDE departments, 57 per cent or 4 responses from the 7 non-CHUDE departments, and 73 per cent or 11 responses from the 15 research institutes).

Summary of main findings

• women constitute some 27 per cent of all academic staff in UK economics;
• women are under-represented among Professors, one in three men are Professors compared to one in six women;
• the proportion of women is substantially higher in research jobs than in standard academic jobs;
• some 15 per cent of males and females have part-time employment in the sector, these males are more often found in senior positions than the females;
• men and women share similar research disciplines, the most popular research discipline for both is micro-economics;
• male and female student enrolments in economics have risen over the last decade. The relative number of female UK (domicile) PhD students in economics has stayed comparatively stable at around 30 per cent, however, amongst the undergraduates female representation has declined considerably (from 30.6 per cent to 27.4 per cent of the full-time and 41.2 per cent to 28.4 per cent of the part-time UK students).

It is also of interest to compare the results from the 2014 survey with that from 2012. Balanced sample comparison is less than perfect; nevertheless, the overall impression is:

• the proportion of women among academic economists increased from 24 per cent to 27 per cent
• the representation of women in each grade rank shows small increases
• female Professors are more commonly promoted within their department than hired into the grade from outside
• job separations are rarer for more senior females
• changes that are observed over the two years are not generally significantly different from zero making it hard to make any definite statement about short-term movements.

Comparing the 2014 balanced sample results to those from earlier surveys:

• in aggregate, the proportion of the workforce that is female has increased substantially over the eighteen years of surveys (in 1996 women made up 17.5 per cent of the workforce, by 2014 this has risen to 27 per cent)
• the numbers of Professors amongst all staff has doubled over the time period (from 14 per cent of all staff to 28 per cent)
• women are more than twice as common in the standard academic grades in 2014 than they were in 1996; in 1996 women made up approximately 15 per cent of the Lecturers (31 per cent in 2014), 10 per cent of the Readers/Senior Lecturers (27 per cent in 2014) and 5 per cent of the Professors (14 per cent in 2014).

For the first time, the Women’s Committee survey has been able to track the submission of individuals in the Research Excellence Framework (REF) exercise, the preliminary results are:

• less than half (46.8 per cent) of the total academic economic workforce were submitted; some two thirds of the professors and one third of the lecturers.
• women were considerably less likely to be submitted; 50 per cent of the male academic economists in the
CHUDE departments were submitted and 38 per cent of the females.
- there is little difference in the gender of those submitted at the higher grade ranks with two thirds of the Professors and Readers being submitted, however, only 31 per cent of the female lectures were submitted compared to 39 per cent of the males.
- departments with higher REF GPA scores submitted a greater proportion of their staff, but they also had a lower proportion of female staff.
- the long run implications of so few staff being submitted, especially the female Lecturers, is very concerning and will be explored more fully by the Women’s Committee.

Table 1 reports the numbers of economists employed in academia in the UK from the total verified web survey returns, including CHUDE and non-CHUDE departments, and research institutions. In aggregate, information is available for 2,862 people who work as economists in academic appointments in the UK, 767 (or 26.8 per cent) of whom are women.

The vast majority of these economists (82 per cent) are working in standard academic appointments (i.e., mixed teaching and research jobs as opposed to research-only appointments); this figure is lower for women than for men (72.9 per cent and 85.5 per cent, respectively). If the research-only categories are excluded from the calculation, women make up 24.8 per cent of the standard full-time academic workforce (or 516 out of 2,078 employees).

Women are substantially more likely to be employed at lower academic grade levels, as is clearly seen in the final column of Table 1. For example, amongst full time staff, the proportion female decreases from 32 per cent of the Permanent Lecturers, to 21.5 per cent of the Readers and 14.3 per cent of the Professors.

Of all the women employed full time in standard academic appointments (see Figure 1), 17 per cent are Professors and a further 37 per cent are Readers or Senior Lecturers. Slightly less than one in every two of the women is a Lecturer and about one in six is a Professor. Carrying out a similar exercise for the men (Figure 2) reveals that 34 per cent of the males are in the Professorial grade with another 34 per cent in the Reader/Senior Lecturer grades. Males are twice as likely to be Professors, and are substantially less likely to be Lecturers, than are females.

The number of men working part-time is considerably larger than the number of women (see the lower panel of Table 1); although, their numbers relative to the total pool of male employees are similar to the share of females working part-time: some 14.6 per cent of female and 15.5 per cent of male economists in academia are working part-time. Men working part-time are more likely to have a standard academic job whereas part-time employment is more common for women in research only positions. Of the economists in standard academic jobs, 7.7 per cent of
the women work part-time whilst 12.8 per cent of the males do. Women are particularly prevalent amongst the Researchers and Lecturers with permanent part-time contracts.

Considering the women employed part-time in standard academic appointments, 42 per cent are Professors and 37 per cent are Lecturers (see Figure 3). Carrying out a similar exercise for the men (Figure 4) reveals that 66 per cent are in the Professorial grade with 21 per cent in the Lecturer grade. In other words, in accordance with full-time staff ratios, amongst part-time employees males are considerably more likely to be Professors and less likely to be Lecturers.

The full survey report also includes information on fixed or permanent contracts. The vast majority of the Professors reported to be working on a fixed term contract are also working part-time (117 out of the 123 or 95.1 per cent); all of the 13 female Professors working on a fixed term contract are working part-time. It is our strong suspicion that many of the Professors working part-time in fixed-term contracts have entered into phased retirement programmes. In contrast, 38.9 per cent of the Senior Researchers are employed on a fixed term basis and 87.3 per cent of these are also working part-time. Researchers are particularly prone to be on a fixed term contract (62 per cent) and 29 per cent of these academics are working part-time. Researchers are disproportionately more likely to be female, and males working on fixed term and part-time appointments are more likely to be at the senior ranks than are the females.

### Analysis by REF results

During the 2014 Research Excellence Framework (REF) exercise individual academic staff members within the CHUDE departments responding to our survey could be submitted to and rated under different Units of Assessment (UoA). We traced individuals for six of these UoA (Economics and Econometrics; Business and Management; Health Services; History; Geography; and Area Studies). Figure 5 shows the proportion of staff submitted to any of these six UoA. In total, less than half (46.8 per cent) of the UK academic economics workforce were submitted; some two thirds of the Professors and slightly more than one third of the Lecturers.

Figure 6 shows the submission rate by gender, comparison of the total columns reveals a striking gender differential; 49.7 per cent of the males and only 37.5 per cent of the females submitted. This gender gap varies substantially as we move down the academic ranks; there is negligible difference for Professors or Readers being submitted with some two thirds of both having an entry, however, there is an increasing tendency for males to be submitted as the grade levels lower (with only 39 per cent of the male lecturers being submitted and 31 per cent of the female lecturers).

If we focus on the submissions to the two most common UoAs in our survey, in total, men were more than 25 per cent more likely to be submitted in the Economic and Econometrics dominated submission departments and 30 per cent more likely to be submitted in the Business and Management dominated submission departments than were women.

It may also be argued that there is a relationship between the presentation of women in a department and the depart-
ment’s success in the Research Excellence Framework (REF). This is an issue that has been explored in previous Women’s Committee reports with the earlier RAE, without convincing results supporting the hypothesis. Of the 71 responding departments that entered the REF exercise, 18 departments scored an ‘overall published grade point average’ for the institution for the dominant UoA above 3 (1,091 staff members employed), 30 departments scored above 2.5 but equal to or below 3 (938 staff), and 23 departments scored 2.5 or below (338 staff). Departments with a high REF GPA submitted a higher proportion of staff to the REF (53.3 per cent), followed by departments with a middle GPA (47.3 per cent), and lastly departments with a low GPA (37.9 per cent). Men are considerably less likely to have been submitted to the REF exercise, across all the three REF overall GPA bands; men are some 25 per cent more likely to be submitted (22.6 per cent in the lowest band, 30.5 per cent in the middle band, and 23.4 per cent in the top band).

There are clearly potentially confounding factors at play with gender, rank and REF submission. The substantial difference in REF submission rates across the genders, especially prevalent amongst Lecturers, is an obvious area of concern not least because of the potential long-term career implications for those left out of the REF. This is an issue the Women’s Committee is currently investigating further.

Staff changes over time
As discussed in the full report, the grade rank composition of the total workforce has changed dramatically between 1996 and 2014: the proportion of Professors has increased by 97 per cent (from 14.2 per cent to 27.9 per cent of the total workforce); the proportion of Readers and Senior Lecturers has increased by 61 per cent; whilst Lecturers are about 30 per cent less prevalent. Strikingly, there are slightly fewer Lecturers and Researchers in 2014 in absolute terms relative to 1996, despite the strong growth in the total workforce.

**Figure 7. Percentage of women in the total workforce**

Figure 7 plots the percentage of women amongst the total UK academic economics workforce (including research grades) and amongst the standard academic workforce for each of the Women’s Committee surveys using unbalanced samples (reflecting the fullest sample information for each of the surveys). An overall growth trend in the percentage of women in the workforce can clearly be seen Figure 7 (with or without the inclusion of the research grades).

The percentage of the women working in full-time standard academics jobs in CHUDE departments by rank clearly be seen in Figure 7 (with or without the inclusion of the research grades).

**Figure 8. Percentage of academics female, by rank**

The percentage of the women working in full-time standard academics jobs in CHUDE departments by rank clearly be seen in Figure 7 (with or without the inclusion of the research grades).

**Figure 9. Female academics by rank, as percentage of full time female academics**

(using unbalanced samples from the bicentennial surveys) is shown in Figure 8. In 1996, approximately 5 per cent of the Professors were female, 10 per cent of the Senior Lecturer/Readers and 15 per cent of the Lecturers. By 2014, these ratios have essentially tripled for Professors and Senior Lecturer/Readers, and doubled for Lecturers.

These intertemporal changes are more clearly seen in Figures 9 (and 10) which show the percentage of full-time female (male) UK academic economists by rank over time, using the unbalanced samples from each of the biennial surveys. (This is directly comparable information to that presented in Figures 1 (and 2) for the longer time period.) In 1996, roughly one in every two males was a Lecturer and one in four males a Professor or Senior Lecturer/Reader. By 2014, these proportions have changed dramati-
cally with roughly one in three men a Lecturer, and two thirds of men a Professor or Senior Lecturer/Reader (see Figure 2). The 1996 position for women was vastly different to the males, with almost three quarters of female staff members being a Lecturer and only one in sixteen a Professor. These gaps have closed substantially for women over the years. Nevertheless, women finished the eighteen year time period much less favorably than did the males, with a roughly one in two chance of being a Lecturer, one in three a Senior Lecturer/Reader and only one in six of being a Professor.

It is not obvious how the relative position of women in UK academia will change over the next few years. Figure 10 clearly reveals that the pool of men in each of the grade ranks is not in steady state over the time period. Consider the Professors; it is exceptionally rare for Professors to be demoted and so they typically maintain this job rank until retirement. Increasing the pool of male Professors (these have more than doubled in numbers between 1996 and 2014) will obviously result in a fall in the proportion of the job rank who are female, ceteris paribus. The number of female Professors has increased almost six fold over the time period but they are still only making up some 14 per cent of the total number of full-time Professors. The major source of growth in the pool of Professors in the last two decades is due to higher inflows in which women have had an increasing presence. However, changing the retirement legislation so that the exit rate (into retirement) falls would be expected to raise the average duration of those in the Professorial pool. As we might reasonably expect more elder male cohorts than female amongst the Professors, this may result in lower relative numbers of women amongst the Professors in the next few years.

Students

Trends in enrolment by gender discussed in the October 2014 newsletter are found to continue with the extra two years of data included in our latest survey. The Women’s Committee surveys stopped asking departments for information on student enrolment in 2006 as a reaction to a low response rate in the 2004. The data presented below have been obtained from the Higher Education Statistical Association (HESA) for the time period 2002/3 to 2013/14. (Data for the more recent academic year, 2014/15, was not available from HESA when this report was being completed.) Earlier data are available from HESA.
Features

(indeed the 1996 report included HESA data for 1994), however, a break in the series prior to the 2002/3 academic year limits comparability.

Figure 11 presents full time undergraduate students numbers in the UK by gender and nationality. The number of male UK (domicile) students has increased substantially over the last 7 years resulting in a considerable rise over the time period considered (from 11,341 students in 2002 to 14,705 students in 2013, or a 23 per cent increase). In contrast, the growth in the numbers of female UK students has been more moderate (from 5,010 students in 2002 to 5,631 students in 2013) resulting in an 11 per cent increase over the eleven years.

An increasing gender gap is also apparent amongst the increasingly rare UK part-time students in economics(see Figure 12). The non-UK part-time students are, in contrast, comparatively equally distributed across the genders.

Figures 14a (and 15a) present similar information for Masters (and PhD) students in economics in the UK. Amongst graduate students, UK students are clearly in the minority although they have increased their numbers over the decade. Males are typically more common amongst the graduate student body; however, since the 2009/10 academic year females have become more prevalent amongst the non-UK Masters students.

In summary, the UK has seen increases in the numbers of students studying economics at all levels (undergraduate and graduate) over the last decade. Amongst UK (domiciled) undergraduate students, enrolments have risen faster for males than females leading to considerable increases in the male relative to the female participation rates at the undergraduate level. In total, women now make up less than a third of the undergraduate students studying economics. This is another area of concern for the Economic Society which it is currently exploring further.

The full Women’s Committee 2014 survey report contains substantially more information on these and other related topics, it can be found here:


Note:
1. Karen Mumford is Chair of the RES Women’s Committee and a Professor in Economics at the University of York.

### RES/ESRC Easter School

**Perspectives on Microeconometric Analysis of Public Policy**

**University of Essex**

**Sunday 10 April to Wednesday 13 April 2015**

The RES in conjunction with the ESRC will hold its twenty-sixth residential Easter School in April 2016 in Wivenhoe House, University of Essex, under the directorship of Professor Eric Smith. It is intended primarily for advanced postgraduate students doing doctoral research but is also open to younger lecturers and postdoctoral researchers.

The subject of the school will be *Perspectives on Microeconometric Analysis of Public Policy* and the lecturers will be:

- **Professor Charles F. Manski**  
  (Northwestern University)

- **Professor Kenneth I. Wolpin**  
  (Rice University and University of Pennsylvania)

Places are available for 25 resident participants. Accommodation and meals will be provided but travel must be provided by the candidate or their University. UK universities will be emailed a Call for Nominations of suitable candidates in October and full details will also be available from the RES office or on www.res.org.uk.

More details: Professor Eric Smith, esmith@essex.ac.uk

### Young Economist of the Year 2015 Results

This competition invites school students to write an essay of between 1,000 to 2,500 words, on a subject set by the President of the Royal Economic Society and distinguished judges, calling on elements of their A Level or International Baccalaureate courses, examples from the world around them and imaginative discussion. After another record-breaking number of entries the 2015 title has been awarded to:

- Lok Yin Cheng of Westminster School, London, writing on ‘Does the economic case favour a new airport runway at Heathrow, Gatwick or elsewhere?’, who will receive the glass trophy and a prize of £1,000.

- Second place goes to Hamish Hatrick of Eton College, Windsor who discussed ‘It is immoral for the drug companies to charge large sums for drugs that are cheap to manufacture’.

- And joint third place goes to: Neil Gibbons of King’s Cathedral School, Peterborough for an essay on ‘The rising gap between rich and poor is not just bad for society, it is bad for growth’ and Ellen To of Streatham and Clapham High School, who discussed, ‘Countries like Greece caused the Eurozone crisis by running up too much debt, so it is only fair that they should bear most of the burden of fixing it’.

Judges, Sir Charles Bean (RES Past President), Stephanie Flanders (JP Morgan) and Professor Jonathan Haskell (Imperial College) have provided a full report on their decisions which can be viewed along with the winning essays on the website.

- Lok Yin Cheng of Westminster School, London, writing on ‘Does the economic case favour a new airport runway at Heathrow, Gatwick or elsewhere?,’ who will receive the glass trophy and a prize of £1,000.

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### Houblon-Norman/George Fellowships at the Bank of England

Applications are invited for Houblon-Norman/George Research Fellowships tenable at the Bank of England during the academic year 2016/2017. Appointments will be for full-time research on an economic or financial topic of the candidate’s choice, preferably one that could be studied with particular advantage at the Bank of England. The length of any appointment will be by agreement with successful applicants, but will not normally be less than one month, nor longer than one year. Senior Fellowships will be awarded to distinguished research workers who have established a reputation in their field.

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

Application forms (**to be returned no later than 1 November 2015**) and details are available from:

http://www.bankofengland.co.uk/research/houblonnorman/index.htm, or by emailing the Houblon-Norman/George Fund account: MA-HNGFund@bankofengland.co.uk

Postal applications should be addressed to the Secretary to the Houblon-Norman/George Fund, Bank of England, Threadneedle Street, London EC2R 8AH.
Money, Macro and Finance Research Group

The 47th Annual Conference of the MMFRG took place at Cardiff Business School on 9th-11th September. This report comes from Huw Dixon.

Cardiff is perhaps best known for the rift in the time-space continuum through which strange creatures arrive to battle with Dr Who. It is also well known in some countries for pitched battles between groups of muscular men throwing an odd shaped ball about. Hence, there was little to shock the locals when 150 macroeconomists arrived from around the world for the 47th annual MMF conference held at Cardiff Business School.

The conference opened in the afternoon with a keynote address by Guiseppi Bertola, from the ‘Grande Ecole’ EDHEC business school in Paris. His theme Money, Finance and Labour Markets, was a familiar one which he has been developing for some years: how the Euro has changed the incentives for member states to undertake regulation and reform in financial and labour markets. How the median voter in a member state might gain or lose from market deregulation will depend on how capital rich a country is, whether it has a current account deficit and so on. Labour market deregulation, for example, is more likely when there is a current account surplus and financial market access is limited. After an afternoon of fascinating parallel sessions, the Bank of England provided a welcome reception for the ever-thirsty macroeconomists.

Like Cardiff, Chicago is also known for groups of men struggling over an oddly shaped ball. On the second day, Chicago’s Harald Uhlig gave his keynote talk on Financial Health Economics. His talk started with a fact: however measured, there is an excess return to health related equity in the US. Over many decades, health has been a good earner — the medical innovation premium of 4-6 per cent has led to high real expenditures of R&D and a growing share of health in GDP. Uhlig then argued that the cause of this premium is regulatory risk. There is a risk that the US government will intervene in the healthcare market in a way that will reduce the profitability of the sector (for example the introduction of price controls on drugs). He supported this view with the behaviour of share prices and real spending during the Clinton years, when reforms were planned by the administration but failed to be implemented. Showing his Minnesotan heritage, he ended his talk with a calibration of his theoretical model that matched the data.

Cardiff’s very own Patrick Minford, CBE, gave the MMF special lecture A new approach for policy makers to testing models and policies. He made the case for Indirect Inference methodology that has been developing for the last decade as an alternative to maximum likelihood and Bayesian approaches. Policy makers need models that are consistent with the data, robust to the Lucas critique and which can be estimated in a way that can clearly distinguish true from false models. The main advantage of indirect inference, he argued, was that the test of the validity of the model is a Wald test which has more power than the corresponding tests under maximum likelihood. This means that false models are more easily rejected, so that policy makers can be more confident that models that are shown to be consistent with the data under this methodology can be used with more confidence for analysing policy alternatives. Prior to his lecture, there was a session given by those taught or supervised by him, David Meenagh, Michael Hatcher, Christos Ioannides and Martin Ellison, who had somehow managed to obtain some wonderful pictures of Minford at various stages in his life and was able to link these to the behaviour of the UK national debt. The simultaneous parallel session organised by Jane Binner (Birmingham) on Money and Macro Models was no less enthralling, and left some of us wishing we had a Tardis.

After a full second day, we went to a sumptuous dinner held at the National Museum of Wales and funded by Lloyds bank. We had a champagne reception amidst the excellent art collection on the first floor. We heard from guest speakers, including the Welsh government minister Edwina Heart, Trevor Williams, the Chief Economist of Lloyds and the Dean of Cardiff Business School, Martin Kitchener. Trevor outlined the risks to the global recovery and the nature of the likely policy response. In his thank you speech, the Chair of the MMF, Jagjit Chadha, was left rather ambivalent at the success of the conference and having, yet again, to give away so many bottles of whisky. For most of us the detail of the evening is a bit hazy and as impressionistic as the Monet paintings we had just seen. An excellent time was had by all.

There was much else at the conference. The new and extensive trading room was made available for participants in a special session led by Woon Wong, Teaching and research using a financial laboratory. There were of course several special sessions on aspects of policy: Jean-Bernard Chatelain chaired a session on optimal

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Monetary and Macro-Prudential Policy: What will be the ‘New Normal’?

A panel session organised and chaired by Andy Mullineux (University of Birmingham) on behalf of the UK’s Money Macro and Finance Research Group (MMF) took place on Friday 12 June 2015 at the University of Nice Sophia Antipolis during the 32nd International Symposium on Money, Banking and Finance organised by the GdRE European Monnaie, Banque et Finance (EMBF).

The panellists were: James Talbot (Head of Money, Asset and Strategy Division, at the Bank of England); Benoît Mojon (Monetary Policy Research Division, Banque de France); Jérôme Henry (DG Macro-Prudential Policy and Financial Stability, European Central Bank) and Jagjit Chadha (Chair of the MMF, University of Kent).

Andy Mullineux introduced the session recalling that, when the topic was chosen a year ago, it had been anticipated that we would by now have a clearer picture of what ‘new normal’ monetary policy might look like.

James Talbot spoke first, asking: what level of ‘new normal’ interest rates we should expect; to what extent should monetary policy ‘lean against the wind’; and what role should macro-prudential policy play?

The Bank expects interest rates to be below pre-crisis levels for the foreseeable future, because of a combination of persistent post-crisis demand headwinds and structural factors which have been pushing down on real interest rate for some years. This meant that monetary normalisation would involve interest rate rises which were ‘gradual and limited’.

The Bank’s current view was that monetary policy was a ‘last line of defence’ against risks to financial stability. The institutional structure at the Bank allows the Monetary Policy Committee (MPC) and Financial Policy Committee (FPC) to set monetary and macro-prudential policy separately; with each committee having its own instruments and objectives (including a common secondary objective to support the government’s objectives for growth and employment).

Having both committees in the central bank meant that they could share information and expertise (including by having overlapping membership and common chairmanship).

This framework had been used in 2014 to tackle emerging risks in the UK housing market. Whilst monetary policy was a blunt instrument to deal with such risks, and needed to focus at that time on ensuring the recovery in UK output, macro-prudential policy — via the implementation of a flow limit on high LTV mortgages and a solidification of underwriting standards — had taken action to guard against a further increase in riskier lending.

Benoît Mojon outlined the pre-crisis consensus, that central banks should focus on achieving low and stable inflation and this would contribute to minimising the ‘output gap’ and delivering financial stability. There was one instrument, the policy (interest) rate and, implicitly,
three targets. Central banks adopted ‘benign neglect’ of asset price misalignments, arguing that they were impossible to identify, and chose not to contain the build-up of the financial imbalances that created financial fragility; in part due to a lack of policy instruments.

Benoît next drew the following lessons from the Great Financial Crisis (GFC): price stability is not a sufficient condition for financial stability; and financial instability can have negative effect on price stability and the real economy. Assuring the soundness of individual financial institutions is not sufficient to guarantee financial stability. Macro-prudential policy should be used to complement monetary (and fiscal) policy for counter-cyclical management. The new frontier was to establish, largely through trial and error, the best strategy for implementing macro-prudential policy.

Jérôme Henry focussed on the ECB’s role before and after the introduction of the Single Supervisory Mechanism (SSM) in November 2014; under which the ECB took on bank and prudential supervisory duties alongside its previous inflation targeting monetary policy. Prior to adapting its new supervisory role, a ‘Comprehensive Assessment’ of the Eurozone banking system had been undertaken. This involved an Asset Quality Review (AQR) of banks and ‘stress tests’ of their balance sheet risks. The capital shortfalls identified had been addressed. In addition progress had been made in defusing the ‘Doom Loop’ or ‘sovereign bank debts nexus’ identified in the MMF panel discussion at the 2012 symposium (with the exception of Greece!).

The three pillars of the Eurozone Banking Union (the SSM, the Single Resolution Mechanism (SRM) and the Deposit Guarantee Scheme (DGS)) were outlined and it was noted that SRM is close to completion (though Greece has not passed the enabling legislation), but the DGS is nowhere near finalised.

The SSM and the ECB would interact; with the SSM focusing on micro-prudential policy and the ECB on monetary policy, in accordance with the ‘separation principle’. This would be challenging when macro-prudential stress testing is undertaken; for example, the effect of asset sales, as part of required deleveraging, on banking asset prices needed to be taken into account.

In addition, the resumed and accelerating growth of the shadow banking sector post GFC creates the need to consider the interaction between the more heavily regulated traditional banking sector and the much less regulated shadow banking sector.

Jérôme concluded by highlighting the significant data shortcomings that inhibited macroeconomic and microeconomic stress testing and analysis of cross country and within (traditional and shadow) banking system contagion. The accumulation of international supervisory data to complement existing time series will necessarily take time!

Jagjit Chada, reminded the audience of the ‘art of central banking’. Andrew Crockett (whilst General Manager of the Bank for International Settlements, BIS) had pointed out that risk is accumulated during upswings, as financial imbalances build up, and materialises in recessions. Further, Ralph George Hawtrey (HM Treasury, UK) had expressed the view in the 1930s that central banks should tighten ‘credit policy’ in the cyclical upswings and relax it in downswings. Post GFC interest rates policy had been constrained by the ‘zero-lower-bound’, which had led to the re-discovery of alternative instruments for credit control.

Jagjit explained that ‘one club’ monetary (interest rate) policy was not only insufficient to prevent boom and busts, but reliance on it to hit multiple targets may have played a role in ‘nurturing’ volatility. The FPC had asked for additional counter-cyclical, macro-prudential, instruments and has been granted some, but not others, as yet. Liquidity ratios are to be introduced as part of Basel III and the FPC may seek permission to adjust them anti-cyclically. Jagjit pointed out that macro-prudential instruments are as yet largely untried and untested and that established models are not well geared to analysing their effects, whilst data is seriously lacking.

Jagjit also considered the role that ‘forward guidance’, with regard to interest rates, might play. Its role in the UK and the US now seems largely to have been confined to indicating when the first rise in interest rates might occur; and assuring that rate rises will be ‘gradual’. Jagjit asked what the low expected long term interest rates might be signalling: success of monetary and micro-prudential policy, or ‘secular stagnation’.

Jagjit finally explored the role of fiscal policy in recapitalising banks and their effects on the recovery through the post crisis fiscal consolidation and also the role asset purchases by the Bank (QE) had played in stabilising monetary and financial conditions. The rate at which the Bank’s assets balance sheet is reduced and the way it is reduced through changes in its maturity composition will have potentially far-reaching effects through impacts on market and bank liquidity and the shape of the yield curve.

Jagjit concluded inter alia that inflation targeting alone could not prevent ‘boom and bust’ and debt levels will take many years to get back to ‘normal’. Sensible application of liquidity and capital target ratios, used as counter-cyclical macro-prudential instruments, seemed likely to reduce business cycle variance; albeit at the potential cost of some reduction of ‘trend’ economic growth.

As a footnote, the 85th BIS Annual Report, published a couple of weeks after the panel session, challenged both the ‘separation principal’, and the view that ‘new normal’ interest rates would be significantly lower than pre-crisis levels and urged the major central banks to get on with ‘normalisation’ and not to undertake it too gradually!
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The programme in summary:

**Thursday 12 November 18.00-19.00**
The Future British Economy in an Uncertain World. An interview with Vince Cable

**Thursday 12 November 19.30-21.00**
The No-Growth Economy: Is it the Only Way to Save the Planet?

**Friday 13 November 12.30-13.30**

**Friday 13 November 18.00-19.00**
Robert J Shiller: The Economics of Manipulation and Deception.

**Friday 13 November 19.30-21:00**
The European End-Game: What Does the Future Hold for the EU?

**Saturday 14 November 10.30-12.00**
Honey, I Shrank the State: Is there a Future for the Public Sector?

**Saturday 14 November 13.00-14.30**
The Growth of Inequality and Reviving Social Mobility

**Saturday 14 November 15.30-17.00**
Immigration and Future Prosperity

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For further details (and pdf copy of the programme) go to: http://www.ideasfestival.co.uk/seasons/festival-economics/

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**Letter to the editor**

Is economics a vocational subject?

I welcome Diane Coyle and Simon Wren-Lewis’ further engagement with the debate on the purpose(s) of economics, which is essential to if we are serious about reforming economics curricula. I shall leave it to readers to judge whether they have proved ‘the fact that economics degrees have a vocational purpose’; but for me this is too strong a claim. Let us agree that economics has a vocational element, in two senses: leading economists often speak of their desire to effect positive change; and the subject may have qualities which make its graduates (somewhat) employable. I should like to return to their original comments, namely that economics degrees must eschew a liberal arts approach, in favour of an emphasis on technique; and also to their suggestion that there should be some sort of warning label for economics programmes which do not do so.

Implicit in their argument seems to be an assumption that a liberal arts approach is incompatible with employability. I think this is a mischaracterisation. A recent report from the AACU (http://www.aacu.org/sites/default/files/files/LEAP/nchems.pdf) shows that studying in institutions founded on the liberal arts equips students in ways valued by employers. It claims that 93 per cent of employers agree that ‘a candidate’s ability to think critically, communicate clearly and solve complex problems is more important than their undergraduate major’.

Indeed, those attributes are crucial to a liberal education. The goals of this type of education are inter alia that students should develop autonomy, analytical and critical capacity and awareness of wider alternatives (Bridges, 1992). In principle, these capacities can be achieved by studying any subject. In theory, too, it is possible for students to become educated without developing any skills; however, the most likely clash between liberal education and employability occurs when training trumps education.

Employers indeed value the ability of students to apply economic theory. The question is how this is best achieved. A common (informal) complaint from GES assessors, for example, is that candidates often show prowess in high theory and technique, but are unable to think about a concrete problem. Most useful are those who can combine economic aspects of the problem with its social, political and ethical dimensions.

A liberal education aims to produce these types of people. So, if a warning label should be applied, perhaps it could be this: ‘Danger: you may become educated and employable. You will be held fully responsible.’

*Andrew Mearman, University of Leeds*

Reference:

Obituary of Aubrey Silverston, Secretary-General of the Royal Economic Society from 1979-1991 and Vice-President since 1992, who died peacefully at his home in Brussels on 24th March 2015 at the age of 93.

When working at Cambridge in the 1970s I was affiliated to St John’s College where Aubrey had been a Fellow and, while I never knew him personally, I recall the high standing in which he was held by those who had been his colleagues. So, in writing this appreciation of his professional life and his service to the Society it has been a great help to have had access to the memories of some who knew him well as a colleague, collaborator, or friend: Alec Burnside, Ian Byatt, Geoff Harcourt and Donald Winch. I should like to thank them at the outset for their generosity in sharing their memories of Aubrey with me.

Aubrey was born in Hackney on 26th January 1922 to Louis and Polly Silverston. Although his father had been born in London, his family roots were in Minsk. His mother had been born in Solotvena (Ukraine). His father was a cap cutter in the clothing trade and so the family background was humble and money always scarce. However, the family home was fundamentally a happy one, and one in which education was highly valued.

Aubrey won a place at Hackney Downs Grammar School (called ‘Grocers’ as it had previously been the Grocers’ Company School) and received a good education there. His father had wanted him to take the clerical exam for the Civil Service when he was fifteen. However he was persuaded by Aubrey’s teachers to let him stay on for another two years to take the equivalent of A-levels, when he got distinctions in History and Maths. This was now 1939 and the war resulted in Aubrey’s school being evacuated to Norfolk. The LSE had also been evacuated from London — to Cambridge. One day Aubrey and a friend decided to go to Cambridge to try and enrol at the School (then based in Peterhouse). He was accepted to do History and made a start to university studies at the LSE. However, as things were financially tight, he decided to take the Cambridge scholarship exams. He was successful and won a history exhibition to Jesus and so in January 1940 transferred there from the LSE. However, his most active friendships remained with his old LSE friends, two of whom lodged at 3 Trumpington Street, Joan Robinson’s home. He recalled passing the ‘formidable’ Joan on the stairs and was interested enough to go to one of her lectures — which he did not understand at all! Years later he would be supervised by Joan in 3 Trumpington Street and later still came to live there.

He was called up for army service in 1941 and, after officer training, was gazetted as a second lieutenant in the 8th battalion of the Royal Fusiliers and, after transit via South Africa and India, saw service in the Middle East, North Africa and, eventually, Italy. However, during an engagement following the drive north from the Anzio landings his unit found itself surrounded by German paratroopers and had no option but to surrender. This was in February 1944. As a POW he was moved from camp to camp but eventually ended up near Braunschweig. This was a large camp, filled with hundreds of officers from both British and Canadian regiments and though life was not exactly pleasant, one of the activities was a ‘university’. Some of its lectures were on economics (given by David Solomons (1912-95), who became a major academic figure in accountancy, holding chairs at the Universities of Bristol and Pennsylvania) and on the basis of these and his earlier contact with Joan Robinson, Aubrey decided that he wanted study economics. So he spent much time in the prison library reading relevant books and making copious notes. As an interesting aside, many economists of my generation will be familiar with the famous Economica article ‘The Economics of a POW Camp’ by R A Radford, about the network of economic exchanges that emerged in the camp, particularly the currency invention: the ‘bully-mark’. What few will know is that Radford and Aubrey were contemporaries as POWs in that very camp.

Freedom came in April 1945 and Aubrey returned to London. During his time in London he married Dorothy Nicholls and applied and was accepted for early release from the armed forces. He returned to Jesus and decided to switch to Economics and take Part II of the Tripos, was supervised by Joan Robinson, and ended up with a First. During these supervisions, he said he never got to the end of reading his essay for Joan kept pulling him up, criticising his loose thinking and rightly querying factual matters that he had not researched properly. This gruelling and rigorous training clearly laid a firm foundation for his subsequent excellence as a researcher in applied economics.

On graduation Aubrey joined Courtaulds, largely working in market research. He wrote reports on a wide range of topics, one of which was a very detailed piece of research on the market for synthetic fibres. He was fortunate to have two bosses who were outstanding and constructive critics of the work that he did. It was this initial career that led him to focus his intellectual energies on research in the economics of industry more generally. Though his work gave him great pleasure and satisfaction, it did not seem to offer much in the way of opportunity for advancement and so he seized the opportunity to produce a report on resale price maintenance in the motor trade for the British Motor Trade Association (BMTA) and joined their staff. It was this that led to Aubrey’s appointment in 1950 to the Kenward Research Fellowship in Industrial Administration at St.

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Catherine’s College, Cambridge, a three-year award. Aubrey’s life as a don had begun.

His research focus was on management training (or lack of) in the motor industry and led to his first book (Education and Training for Industrial Management), a work that advocated business studies at university level, well before these became standard. He got great pleasure from teaching undergraduates and also joined the famous ‘secret seminar’ that met in Richard Kahn’s rooms in King’s. After a year he was appointed to a University assistant lectureship and began to lecture on introductory economics to first-year students and on industry to second year ones. He was a successful lecturer at the undergraduate level and also constructed a lecture course on the motor industry, something that would later form the basis of a book on the industry. (This, titled The Motor Industry — and with George Maxcy as the joint author — was published in 1959.)

At the end of his Kenward Fellowship he was promoted to a full lectureship and became well-established as a member of the economics faculty. As a result in 1956 he became Secretary of the Faculty Board of Economics and Politics, with Austin Robinson as Chairman. In 1958 Aubrey was elected to a fellowship at St John’s. However, after his first year there, he was awarded a Rockefeller fellowship and spent the associated sabbatical year (1959-60) at Berkeley, drawn largely by the presence there of Joe S Bain. There were three other UK visitors at Berkeley that year: Frank Hahn, Nicholas Kaldor and Donald Winch. The Berkeley department was both academically distinguished and highly hospitable and so the year was a busy one from a social point of view.

When Aubrey returned to Cambridge it was to the new Faculty building on the Sidgwick site and he resumed his role as Secretary of the Faculty. The new building transformed the life of the Faculty because, for the first time, all the academic staff had rooms there rather than being isolated in their colleges and there was the added bonus both of the Department of Applied Economics (DAE) and the Marshall Library as well.

While at Berkeley, Aubrey had learnt about the use of an IBM computer to play business games and so on his return, with the help of Maurice Wilkes in the Computing Lab, had one developed for Cambridge’s Titan machine. This was regularly used on the short-term management courses that were run by the Extra-Mural Board at Madingley Hall. Another Berkeley legacy was his friendship Walter Galenson and this led Aubrey to become involved with the annual East-West conferences financed by the Ford Foundation (he subsequently became the organiser).

In 1966 Aubrey became Chairman of the Faculty and also Director of Studies at St John’s and then in 1967 became Chairman of the DAE Committee of Management. These were not easy years to be running the Faculty nor to be an academic leader in Cambridge. There were warring factions in a notably contentious Faculty to be contained, and 1968-69 saw the Cambridge version of the student revolution with students in economics and sociology playing a leading part. However Aubrey’s patience saw these divisions contained and the diplomatic skills that he and Charles Feinstein exercised quietened and helped resolve the students’ concerns. He was a good, caring, pastoral chairman who took the trouble to get to know everyone and understand their concerns.

Despite the demands of internal governance, Aubrey found himself increasingly occupied with external commitments: the Monopolies Commission (1965), the board of the British Steel Corporation (1967), a Departmental Committee on the Patent System and the Economic Development Committee for the Motor Industry. In 1971 Aubrey had hoped that Cambridge would see sufficient merit in his contribution to promote him to a readership but this was not to be. This was a great disappointment. However, as chance would have it, Nuffield College wished to fill an official fellowship in the economics of industry and, after interview, Aubrey was offered the position — which he immediately accepted. Aubrey enjoyed the vibrancy of Nuffield’s social science environment and, in addition to his lectureship, supervision and seminar responsibilities took on the role of Dean in 1972. However, this still allowed him time to do research and continue with his outside activities. One example was his appointment to the Royal Commission on the Press in 1974.

He greatly enjoyed Oxford, not only because it gave him more freedom to pursue his intellectual interests than previously, but also because his colleagues were stimulating company and a pleasure to be with. Aubrey had some hopes of succeeding Norman Chester as Warden of Nuffield in 1978 but, though a candidate for election, was not successful. However, Imperial College were in the process of appointing their first professor of economics and Aubrey was their chosen candidate and so moved there. The move also involved setting up a new department combining sociology and economics: Social and Economic Studies and the teaching of the new ‘Dainton’ course in engineering: a four-year undergraduate course that combined three years of engineering studies and one year of management studies. The department he created would in time merge with the Management Science group to form what is now the Imperial College Business School.

In 1979 Aubrey was approached by Richard Stone, then President of the RES, asking if he would take on the role of Secretary-General. He was delighted by this and readily accepted. At Imperial he only had a handful of fellow economists but holding the meetings of the RES Council and Executive Committee there ensured he remained fully integrated into the economics profession at large. His period as Secretary-General saw an increase in the Society’s activities facilitated by the...
income from the large investment fund that had been built up during Tad Rybczynski’s Treasurership. Two important structural changes were joining up with the Association of University Teachers of Economics (AUTE) and the formation of CHUDE. The AUTE had established an annual conference that was the main gathering for economists in the UK to present their research and exchange ideas. RES also ran conferences but these were infrequent, on specific topics and hence were relatively small and somewhat selective. The union of the RES and the AUTE meant that the annual gathering became the RES Annual Conference that we know today. CHUDE was an important innovation because it led to more continuous and closer links between the Society and UK university departments. CHUDE is now an important forum for the critical discussion of key issues and the exchange of ideas.

His period at Imperial saw Aubrey involved in three important external commitments. In 1984 he produced a hotly-debated report for the Department of Trade and Industry on the Multi-Fibre Arrangement (MFA). This concluded that the MFA was not only bad for the developing world, it was also bad for British consumers. (Not surprisingly this gave rise to howls of protest from the UK textile and clothing industries.) In 1986 he was appointed to the Royal Commission on Environmental Pollution and was a member for ten years, getting great pleasure from the debates with scientists, doctors and lawyers on environmental questions and writing memora- nda on the relevant economic aspects. That same year Aubrey was also appointed as a member of the Restrictive Practices Court.

It was during these Imperial years that Aubrey’s marriage to Dorothy ended but he subsequently found great personal happiness with Michèle Ledic whom he married in 1985. Michèle and he collaborated on another report for the DTI on the MFA that reached much the same conclusions as the earlier one, though this time there was greater focus on how the agreement might best be wound up. Though the report again met a hostile reception from the industry, its conclusions were vindicated to some extent by the decisions taken under the Uruguay Round to dismantle the MFA in 1996.

Aubrey retired from Imperial in 1987 but continued running the RES until 1991 when, as a result of Michèle being appointed to head a new organisation in Brussels set up as an initiative of DG III of the European Commission, they decided to move there. Richard Portes was his successor as RES Secretary-General.

In 1990 Aubrey had been approached by John Kay and Nick Morris to become involved with the consultancy firm that they had set up: London Economics (LE) and had been involved in a number of projects for them. As it happened, LE decided to take advantage of Aubrey being based in Brussels to open an office there and he was successful in obtaining work for LE both from the Commission and from private sources. Although this association eventually came to an end, advancing years did not make the slightest difference to his intellectual vitality and sense of curiosity. Alec Burnside has told me that, to the end, Aubrey took an active intellectual interest in cases on which he was working.

Aubrey, through education and hard work, rose from humble origins to become a pillar of British society and contributed greatly to public life. His CBE was well deserved. The RES for sure would have been poorer without Aubrey’s contribution to it. He widened the RES from Cambridge to the UK and from academia to economists in government and business. Aubrey understood economics and also understood how to apply it. A remarkable individual, he remained young in heart until the very end.

John Beath
University of St Andrews

Keith Shaw

My first recollection of meeting Keith was at a seminar in the Institute of Social and Economic Research in 1975. I was a newly appointed Research Fellow studying for a doctorate and working for Jack Wiseman and Alan Peacock, and Keith had been invited down from St Andrews. He had written several papers and books with Alan Peacock — including one on Fiscal Policy in Developing Countries — and inevitably I was rather in awe of the intellectual power of this visitor with his shock of greying hair and sharply intelligent look. After the seminar, however, the traditional dinner revealed other sides of Keith’s character — his interest in food and wine, his interest in art and music and (of course) a surreal sense of humour. Alan and he would reminisce about their trips abroad to exotic locations and there was indeed a lot of comic potential about these two economists on long flights and road trips coming across the realities of life in far flung regions. Some of their stories I felt had a closer affinity with ‘Ripping Yarns’ than with Optimal Fiscal Policy.

The association that Keith and Alan had forged at the University of York and on consultancy trips abroad must have played a role in enticing Keith to take up a position at Buckingham. By the early 1980s Alan had become Principal (later Vice-Chancellor) of the University of Buckingham and was keen to establish a well-regarded Department of Economics. Keith arrived to head this Department from his position at the University of East Anglia where he held a Readership, and he set to work attracting staff and developing the curriculum. I certainly remember these times with great affection as I am sure would many of the other academics associated with the Economics Department at the time. It was during these years that Keith worked with David Greenaway, not only editing a Festschrift for Alan Peacock but collaborating on a textbook on macroeconomic theory and policy.
His style of leadership was distinctive to say the least and he must have been regarded with alarm by administrators who might not have quite absorbed his sense of humour. I well remember a wonderful occasion in which he received an application form from a potential student. It contained the required photograph but was unusual in that the candidate was sitting next to his pet dog. This obviously sparked some questions in Keith’s mind. After considering the papers Keith sent his instructions to the Admissions Office. ‘Call the boy for interview and offer the dog an unconditional place’.

Keith gave great service to the University not only by developing the Economics Department but, after the Business Studies programme was started, in acting as Dean of the School of Accounting, Business and Economics. It was a role that cannot have been altogether welcome to him. He was by nature and training a social scientist and policy analyst rather than someone who was at home in what eventually became the School of Business. Indeed his whole attitude to the University was ambivalent. Independence for a man of Keith’s individuality was no doubt welcome, but the compromises made by the University in order to survive in a massively distorted market place went against the grain. In the 1980s and 1990s, and especially after the end of the divide between polytechnics and universities, survival for Buckingham seemed to lie in Law and Business rather than in the Social Sciences and Humanities. Keith faced the brunt of these strategic problems and it is therefore perhaps understandable that on the whole he perceived the world as getting worse. He wrote a pamphlet with Mark Blaug to assess the achievements of the University after its first ten years. It concluded by admitting the incontrovertible — that the University had survived. But it wondered whether it had actually achieved anything distinctive in spite of the intentions of its founders. The debate continues to this day but in very different circumstances. For some the advent of student loans and fees has liberated the system in a way that Buckingham antici-

pated. For others the entire sector is now so enmeshed in regulatory red-tape that it is impossible to envisage what independence could possibly mean. I think I can guess on what side of this debate Keith would be.

There were some respects, however, in which Keith fitted perfectly into the Buckingham ethos. In a small poorly endowed institution, the old fashioned idea of the academic life embracing teaching, administration and research survived almost as a matter of commercial necessity. As well as many articles in professional Public Finance journals therefore, Keith continued the tradition of writing accessible texts — not only his Macroeconomics text already mentioned, but an introduction to the rational expectations literature which was at the core of policy disputes at the time and which was a firm favourite with students over many years. His book on Keynesian Economics: The Permanent Revolution was not designed as a textbook but again reflected a type of scholarship that is increasingly rare — a work full of novel contributions, clarifications and serious discussion but which does not claim to be a fully-fledged theoretical advance in itself. As the title suggests, Keith regarded discussions of expectations formation, radical uncertainty, asymmetric information, ‘efficiency wages’ and so forth as a continuing elaboration of an essentially Keynesian paradigm.

Another characteristic of small liberal arts institutions is that they lend themselves naturally to the gradual fading away of retired professors. Participation in academic gatherings is always welcome by the organisers and there are times when seminars can resemble a meeting of the University of the Third Age. It was a great loss therefore that Keith’s illness progressively deprived him of this source of intellectual stimulation and contact with new members of staff — or indeed with old members of staff and honorary and visiting Fellows. At the end of Middlemarch George Eliot movingly describes the channels of influence of her heroine as ‘incalculably diffusive’. I have always felt that this description is particularly apt for those who give their lives to education. Keith’s influence will continue to be felt through the many alumni who remember his teaching, through his academic papers and through his colleagues who recall his great contribution to establishing Economics and the Social Sciences more generally at the University.

Martin Ricketts, University of Buckingham

References:


Ajit Singh was something of a contradiction: atheist, yet proud Sikh, radical challenger of orthodoxy, yet devoted Fellow of Queens’ College, Cambridge for over fifty years. Above all, however, he was an outstanding academic economist. His initial research focused on the modern corporation and stock markets and their role in economic growth. At first he worked on advanced economies but subsequently made major contributions to the study of deindustrialisation, long-term structural change, and financial markets in both developed and developing economies. His research led him to be an implacable critic of the neo-liberal consensus that budget austerity, deregulation, privatisation and open market policies are essential to stability and growth.

Singh was born in 1940 in Lahore in pre-partition India and his early education was at Punjab University. In 1959 he won a scholarship to complete an MA in Economics at Howard University, Washington D.C. From there he moved to Berkeley in 1960. He was taught by, and worked with Harvey Leibenstein, Tibor Scitovsky and Dale Jorgensen, but the major influence on his work was the Cambridge economist, Robin Marris. At that time Marris was working on his book, The Economic Theory of Managerial Capitalism and Singh was his research assistant during his visit to Berkeley in 1960/61. This collaboration led to Singh choosing takeovers as the topic of his PhD dissertation, later published as Takeovers: their relevance to the stock market and the theory of the firm (1971).

Marris invited Singh to Cambridge and he was appointed a research officer at the Department of Applied Economics (DAE) in 1963; and then elected to an assistant lectureship at the Faculty of Economics and Politics and to a fellowship at Queens’ College in 1965.

In Cambridge, Singh formed a close working relationship with Geoffrey Whittington. Together they pioneered the use of computer based analysis of large scale corporate databases, which they also helped create, and which underpinned decades of subsequent research by themselves and others. The publication of Takeovers was delayed by work on the book they co-authored, Growth, Profitability and Valuation (1968).

The analysis in Takeovers is rooted in theories of the firm proposed by William Baumol, Oliver Williamson and Marris. These were linked to the 1930s work of Berle and Means on the principal-agent problem in corporations with dispersed share ownership and professional management. A pursuit of increased size for reasons of personal aggrandizement and higher rates of remuneration would, it was argued, be at the expense of profits.

In these circumstances Marris had hypothesized that takeovers would constitute a market for corporate control which would select the fittest companies for survival, act as a curb on managerial cupidity, and secure economic efficiency (a view also championed by Harvard’s Michael Jensen). Singh demonstrated conclusively that these rosy conclusions were false. By careful empirical study of takeovers, he revealed that it is not possible to distinguish between the characteristics of acquired and non-acquired firms, other than that there is a tendency for smaller firms to be taken over. Equally, both the short- and long-run impacts of takeovers on share prices suggest that, on average, takeovers lead to substantial loss of wealth for shareholders of the acquiring company. Firms seeking to avoid takeover were better off pursuing increased size rather than increases in long-term profitability. His subsequent research over several decades with other colleagues at the DAE and at the Centre for Business Research (CBR) demonstrated that the induced myopic behaviour of companies too narrowly focused on their short-term stock market valuation and the threat of takeovers could reduce economic competitiveness.

Singh’s interest in industrial structure and performance took a more macro-economic focus in the debate (stimulated initially by Nicholas Kaldor) over the de-industrialisation of Britain. Defined as simply a declining share of manufacturing in GDP (a characteristic shared by all developed countries), empirical research on the phenomenon lacked analytical precision prior to the publication in 1977 of Singh’s path-breaking article in the Cambridge Journal of Economics, ‘UK industry and the world economy: a case of de-industrialisation?’

Singh argued that ‘given the normal levels of the other components of the balance of payments, we may define an efficient manufacturing sector as one which (currently as well as potentially) not only satisfies the demands of consumers at home, but is also able to sell enough of its products abroad to pay for the nation’s import requirements. This is, however, subject to the important restriction that an ‘efficient’ manufacturing sector must be able to achieve these objectives at socially acceptable levels of output, employment and the exchange rate.’ This characterisation of efficiency is particularly pertinent today, when, with North Sea revenues exhausted and net property income from overseas sharply reduced, the UK’s deficit on manufactured trade is 5 per cent of GDP (having been 1.5 per cent 20 years ago), contributing to a balance of payments deficit of 6 per cent of GDP. Current levels of output and employment are sustained only by the persistent accumulation of foreign debt.

In 1982 Singh was diagnosed with Parkinson’s disease, a tragedy for anyone, but particularly for someone who relied on all of his physical, as well as mental, powers. His first reaction was to travel the world experimenting with treatments, but quickly came to terms with the need to manage the condition in a manner that least limited his career. For the next thirty years he took on a daily work-load and travel schedule that would have given difficulty to a healthy young man. It was remarkable feat of willpower that lasted, without self-pity, until the very end.
From the nineties onwards his work concentrated increasingly on developing economies and most recently, with colleagues at CBR, on the link between systems of corporate and labour law and economic development. The latter challenged the then dominant pre-Crash view that financial systems would converge towards liberal deregulated stock market based forms such as the US and away from more bank based civil law systems such as prevail in Germany. His earlier studies of corporations and stock markets in developing economies showed that, in contrast with corporations in advanced countries, the rapid growth of newly listed companies is reliant on external sources of finance. He argued that the capital account liberalization advocated under the Washington consensus in the 1990s would not be helpful. His concern that this would leave developing countries exposed in times of adverse circumstances proved to be well-founded. This debate, in which he was an early participant, mirrors those taking place in Europe following the financial crisis of 2008.

Singh was committed to the view that economics should be useful and should contribute to the improvement of the human condition. Despite his intellect and status, he was accessible to everyone and had no pomposity. He will be remembered for his loyalty to his friends, his colleagues, his beloved Queens’ College, and to the hundreds of students he taught and mentored over the last fifty years — including the authors of this appreciation.

Andy Cosh, Judge Business School, Cambridge
John Eatwell, Queens’ College
Alan Hughes, Imperial College, London

Masahiko Aoki

Not so long ago, study of the Japanese economic system had little overlap with mainstream economic theory. Many scholars argued that many characteristics that differentiated the Japanese economy from the economies of the U.S. and in Western Europe are explained only by the unique culture of Japan. Also the standard economic theory lacked the tools to understand economies that are somewhat different from market based capitalist economies. Masahiko Aoki was one of the pioneers who filled the gap by seriously applying the standard tools in economics to understand the Japanese economic system. At the same time, Aoki also advanced the economic theory to explain why we observe seemingly different economic systems in different places and times and how an economic system evolves over time.

Masa Aoki was born in Japan in 1938. At the University of Tokyo, he initially studied Marxist economics, which was dominant in Japan back then. He was also a well-known leader of the student movement, which most famously opposed the Japanese government’s decision to renew the US-Japan Securities Treaty in 1960. Stimulated by a paper by Kenneth Arrow and Lionel Hurwicz (‘Decentralization and Computation in Resource Allocation’) that he read in the graduate school at the University of Tokyo, Aoki began the study of modern economic theory. He worked with Lionel Hurwicz at University of Minnesota and received his PhD in 1967.

In the same year, Aoki joined Stanford University as an assistant professor in economics. Shortly afterwards he moved to Harvard University and then to Kyoto University, but came back to Stanford in 1984 as the Henri and Tomoye Takahashi Professor of Japanese Studies and Professor of Economics. Aoki spent most of the following 30 years or so on the faculty of Stanford University.

On July 15, 2015, Masahiko Aoki passed away at Stanford Hospital at the age of 77. By then he had become an Emeritus holder of his previous roles and also a Senior Fellow of Stanford Institute of Economic Policy Research (SIEPR) and the Asia Pacific Research Center (APARC) at Freeman Spogli Institute for International Studies (FSI).

Aoki’s early work studied resource allocation in the presence of externalities. He showed that some mechanisms that adjust quantities rather than prices can do better when the first theorem of welfare economics does not hold due to these externalities. The analysis of allocation mechanisms that are different from standard Walrasian markets led Aoki to examine large corporations. Business corporations have hierarchical resource allocation mechanisms different from markets but yet they play essential roles in market economies. Aoki often applied a game-theoretic approach to the working of a corporation. A corporate organization is understood as an equilibrium of a game played by shareholders, creditors, managers, workers, and other stakeholders. Later he would apply a similar game theoretic approach to the entire economic system and beyond.

Understandably, Aoki was especially intrigued by corporations in Japan. Japanese firms use non-price allocation mechanisms not only inside the organizations but also in their transactions with other firms. In the 1980s, Aoki advanced his analysis of the Japanese firm and industrial organization at both Kyoto and Stanford. A result was the book Information, Incentives, and Bargaining in the Japanese Economy (Cambridge U P, 1988). In the Preface, Aoki wrote that in trying to apply the mainstream economics to understand the Japanese economy, ‘I have been compelled to examine critically some textbook notions about the microstructure of the market economy …… it is necessary to go beyond those … notions in
order to arrive at a more complete understanding of the Japanese economy.’

Aoki’s attempt to ‘go beyond’ conventional economic theory to understand an economic system that was different from the market economies of the US and Europe eventually led to establishment of comparative institutional analysis. New institutional economics developed by Douglas North and others stressed the importance of ‘institution’ as the rule of the game in constraining the actions of economic agents and in determining a particular economic outcome. Masahiko Aoki, in collaboration with other economists at Stanford including Avner Greif, Paul Milgrom, Yingyi Qian, and John Roberts, advanced the analysis by defining an ‘institution’ as a shared understanding of all the agents about how the game is played in equilibrium. Thus, the comparative institutional analysis considers how an institution is established, rather than taking the institution given from outside the model. ‘An institution thus conceptualized is essentially endogenous, but appears to be an exogenous constraint to the individual agents.’ The efforts to build the framework of the comparative institutional analysis culminated in the book Toward a Comparative Institutional Analysis (MIT Press, 2001).

Aoki’s comparative institutional analysis also expanded the scope of institutions to ‘domains’ other than economic, including political and social domains. All of those domains are linked and often exhibit ‘institutional complementarities’ in the sense that a particular institution in one domain increases the benefits of a particular institution in the other domain for all the agents.

Institutional complementarities imply that an institution is robust to small changes in the environment: even when the benefit of a particular institution in one domain declines a little bit, its complementarity with the institutions in the other domains can still make the institution better than any alternatives. Institutional complementarities also imply the possibility of drastic institutional changes if the institutions in sufficiently important domains change. Thus, the comparative institutional analysis can potentially help us understand the rich evolutionary dynamics of institutions in various parts of the world. Indeed this was the theme of Aoki’s most recent paper that he continued to work on even after he was admitted to hospital. The paper contrasted institutional evolutions in China and Japan from the late 16th Century to the early 20th Century.

Masa Aoki made great contributions to economics through his own research, but he also left legacies by building research organizations. He founded the Research Institute of Economy, Trade, and Industry (RIETI) in collaboration with Ministry of Economy, Trade, and Industry of Japan, the Virtual Center for Advanced Studies in Institutions (VCASI) at Tokyo Foundation, and was involved in the establishment of the Center for Industrial Development and Environmental Governance (CIDEG) at Tsinghua University in China. He was the founding editor of the Journal of the Japanese and International Economies, which was the first and still is the top academic journal that focuses on the Japanese economy. He served as the President of International Economic Association from 2008 to 2011 and organized the 16th World Congress at Beijing, China in 2011.

Masa Aoki was an exceptional scholar and institution builder who made important contributions to the field of economics in general and the study of East Asian economies in particular. He is deeply missed.

Takeo Hoshi, Stanford University

Note:

MMFRG...continued from p.13

The conference was almost over, but for some the most important part was left. A field trip to explore the state of UK industry in the post-industrial Welsh valleys. A bus took 40 of us to visit the Penderyn Whisky distillery, a highly successful firm near Merthyr Tydfil that has been growing rapidly since its foundation in 2000. I now know exactly how whisky is made, although it remains a mystery to me why anyone would want to drink it. However, for the whisky enthusiasts the tasting room at the end of the tour was the perfect way to finish the conference.

Conference papers are available from:
and the Manchester School will be publishing its 25th MMF special conference issue later this year:

RES requires new Honorary Treasurer

The Society invites expressions of interest for the position of Honorary Treasurer, to succeed Mark Robson in mid-2016.

The Honorary Treasurer is formally responsible for oversight of its financial affairs, and for investing its funds as the Executive Committee directs. On behalf of the Executive Committee as charity trustees, the Treasurer also manages the Society’s relationship with the Charity Commission as statutory regulator. No special experience or qualifications are required: just prudent good sense in dealing with charitable funds and operations, including the confidence to question robustly and to take firm decisions when required.

Any member of the Society interested in the position is invited to contact the Secretary General, Professor Denise Osborn, by emailing the RES Office before the end of November 2015.

A fuller role description is available from the RES Office at royaleconsoc@st-andrews.ac.uk
British Science Association Festival of Science — Section F (Economics)

The British Science Association held its annual Festival of Science at Bradford University on 7-10 September 2015. This report comes from David Dickinson, the Recorder of the Economics section.

This year’s Economics Section President, Prof David Miles (Imperial College, London), organised a very stimulating session titled ‘Does the Financial Sector do more harm than good?’

He introduced the session by noting that the level of UK Bank assets had risen over a 20 year period from 100 per cent of GDP to 600 per cent immediately prior to the Crisis of 2008. He left the two main speakers, John Kay (Oxford) and Kevin Dowd (Durham), to explain why that rise had occurred, whether there was any social benefit from such an increase, how it created the conditions for the Financial Crisis, and what was necessary to stop something like it happening again.

John Kay introduced his remarks by arguing that most of the increase in assets that Miles had identified had come from banks trading with other banks. He noted that banks were now engaged in activities that were far away from traditional banking business. He pointed out that those traditional activities (deposit-taking, lending, wealth management, trading of risks, trading of physical assets) were socially beneficial. He did not believe that the development of derivatives trading and the use of trading algorithms, which had fuelled the increase in banking assets, were of any value to society and clearly were socially costly when the assets were found to be worthless. To understand why there had been such an increase in banks trading with each other he referred to the work of J K Galbraith who had explained the 1929 crash as an example of the ‘Bezzle’. This term could be understood as the stealing of something without the owner realising that it had been stolen. Such a Bezzle could arise, as happened in the run-up to the 2008 Crisis, by banks trading assets with each other with each trade inducing a profit since the asset’s true value was overestimated by an increasing amount. The process was assisted by Ratings Agencies over-assessing an asset’s quality. No-one benefited from this except those who worked in the industry and earned bonuses while the trades were happening. This led to Kay’s solution to the problem. He did not believe that more regulation was the answer since regulation just encouraged smart bankers to find ways around it (indeed some of the assets created in the run-up to the financial crisis were such regulatory-avoidance mechanisms).

Firstly he wanted a shift of banks back to their core business. Secondly he wanted to ensure that senior banking staff accept responsibility for the actions their bank had taken. This implied, for example, that Bank Directors would have unlimited liability for the losses the bank incurred. It was no longer a satisfactory excuse that the CEO did not know what was happening. They needed to ensure that the bank was run in such a way that it could not happen. With these changes Kay felt that the Financial Sector would do more good than harm.

Kevin Dowd agreed with many of Kay’s points. He argued that traditionally bankers were trusted but this was no longer the case. Banks were now seen to be serving themselves rather than the community at large. He thought that an Investment Bank could create real value but that it would need to be a much different type of institution to those currently operating. There is too much risk-taking and too little capital. Hence the risk-taking was at the expense of the taxpayer and, as Kay had noted, the large salaries that bankers earned were essentially paid for by future taxes. The total cost of the Financial Crisis was similar to the fighting of a war. Politicians needed to have the courage to stand up against the powerful vested interests that represented Banks. Dowd noted the example of Robert Walpole who had imprisoned bankers and cabinet ministers who had been involved in the scandal of the South Sea Bubble in the 18th century. Those who had profited had their fortunes appropriated by the Government in order to compensate the investors who had lost money. He agreed with Kay about holding those who had profited from the Financial Crisis to account and saw the need for a modern Walpole to show the necessary courage. Dow extended the idea of unlimited liability to bank shareholders although he agreed with Kay that introducing personal responsibility for senior bank staff was a key requirement. In the context of whether banks did more harm than good Dowd noted that our best brains have been going into banking but with little social benefit (cash machines, internet banking and credit/debit cards were examples of innovations that improved welfare).

The session was then opened up for questions. A lively discussion ranged over a number of issues: the role of ratings agencies, politicians with vision to solve the problems, whether jail was appropriate for bankers, shareholding structures, crony capitalism, accountability but not scapegoating, bankers who pointed out the problems before the crash, computerised trading, Islamic banking. The extensive debate demonstrated very well how the three speakers had engaged the audience and that the issue of the role of the Financial Sector and how it benefited society was a topic of great importance to the general public.
RES news
From the RES Office at royaleconsoc@st-andrews.ac.uk

New Secretary-General
The Society would like to welcome Emeritus Professor Denise Osborn who has taken up the role of Secretary General from John Beath, whose contribution to economics was recognised with an OBE this year. Although partially retired, Denise retains a part-time position at Manchester as Professor of Econometrics and continues to undertake research in her areas of interest.

Denise was Chair of the Economics and Econometrics Sub-Panel and member of Main Panel I for RAE2008 (UK) and vice chair of the RAE2001 Panel. She is Deputy Convenor of the Business and Economics Panel for the Hong Kong Research Assessment Exercise 2014. Previous positions have included membership of the ESRC Training Board and ESRC Research Evaluation Committee and within the RES, Denise has been chair of the UK Conference of Heads of Departments of Economics (CHUDE), member of the Executive Committee and Council of the Royal Economic Society, and inaugural chair of the RES Committee for Women in Economics. Denise can be contacted via the RES office on royaleconsoc@st-andrews.ac.uk.

Financial Assistance
We would like to remind members that their membership entitles them to apply for a wide range of financial and other sources of encouragement and support offered by the Society to assist in the further study of Economics. In particular the Visiting Lecturer scheme offers RES members at university the opportunity to suggest the name of a distinguished overseas lecturer to visit and provide a lecture series, with the fee for this to be paid by the Society (up to £2000). For more details of this and other schemes, please contact the RES office or see the website under Career/Education where a full list of financial support available from the Society is provided.

Election to the RES Council
The RES elections for Council will take place during October using both online and postal ballots. It is important for all RES members, where possible, to register a correct email address to their membership profile via the RES website and we urge members to please check that details are registered correctly now. If you do not have an email address registered we will contact you by postal ballot to your registered postal address, but if your email is incorrectly registered we will not know and you could fail to receive a ballot for this or future elections.

More details on how to register to the RES website or correct your membership details online can be found on the RES website registration page and the election process is detailed on the RES Council election pages. If you have any queries about your membership, please contact the Membership Services department at cs-membership@wiley.com or telephone +44 1865 778171.

Nominations for Council
Members of the Society are reminded of their right to propose names to be considered for election to the RES Council each year. The formal procedure is that the Nominating Committee considers all such names early in February and puts forward to Council a list for approval. This is then the subject of a ballot of all members of the Society in the autumn. The successful candidates join Council after formal adoption at the following AGM.

Any member of the Society who would like to make a nomination may contact the Secretary General at royaleconsoc@st-andrews.ac.uk or by post to the RES Office, E35, Bute Building, Westburn Lane, St Andrews, KY16 9TS. In addition to the name(s), there should be either a brief CV or a link to one. As the process needs to get underway in early February, we would be grateful to receive any nominations by 31st January 2016 at the latest please.

The 2015 RES Public lecture
Does Starbucks Pay Enough Tax? - How and Why We Tax Large Multinational Firms is the title of the lecture to be given by Professor Rachel Griffith, CBE on Tuesday 24th November at The Royal Institution, London and Thursday 3rd December at The Whitworth, University of Manchester. You can read more about the lecture at www.res.org.uk. As tickets for the London venue are already fully allocated, the RES has decided to invest again in live broadcasting of this popular event by offering pre-registration to participate in the London Annual Public Lecture via a remote interactive link. This has proved very popular across the world with schools from as far afield as New Zealand as well as widening outreach across the UK. We hope that schools, university student societies and any of our individual members will take the opportunity to try this exciting and convenient way of participating in one of our most popular events. Registration details will be available from the website by November.

RES PhD Meetings and Job Market
The 11th RES PhD Meetings will take place at Westminster Business School, Marylebone Campus on 8-9 January 2016. The meetings provide opportunities for interviews between job market candidates and recruiters, as well as research presentations and sessions on key aspects of academic life including Prof. Daniel Hamermesh on negotiating the job market and from Prof. Frederic Vermeulen (Economic Journal) on how to get published.

Full registration information will be released soon. Those attending must hold RES membership and further details can be found on the website. Any organisations
wishing to attend the meetings to recruit should contact the RES office on royaleconsoc@st-andrews.ac.uk.

Easter training school
The twenty-sixth RES Easter Training School on Perspectives on Microeconometric Analysis of Public Policy will be held on 10-13 April, 2016 in Wivenhoe House, University of Essex, under the directorship of Professor Eric Smith. Further details on p.11 above.

2015 Junior Fellowship Scheme Award Winners
Each winter the Society invites UK universities to nominate economics students for up to ten one-year junior fellowships. Candidates have completed at least two years’ work towards a doctoral thesis when they take up an award. Those awarded Fellowships submit a report to the Secretary-General of the Society and are also invited both to attend the RES Annual Conference and to submit a research paper to the RES Conference Programme Chair for possible inclusion in a special RES Fellowship conference session. Last year Junior Fellows organised a Symposium of Postgraduate Researchers with the backing of the Society, held on the day after the RES Conference; this will be repeated in 2016. See the website for further details. Congratulations are offered to the following who have accepted a J-F award for 2015-2016:

Andrea Naghi, Essays in econometrics (Warwick)
Anthony Savagar, The Effect of Firm Entry on Macroeconomic Dynamics (Cardiff)
Ning Zhang, Essays on international portfolio choices and capital flows (St Andrews)
Tomasz Andrzej Zawisza, Essays on Optimal Taxation and Transfer Programs (Cambridge)
Frederico Lima, Self Financed Fiscal Multipliers (Cambridge)
Anil Ari, Sovereign Risk and Macroeconomic Instability (Cambridge)
Alexandros Theloudis, The Dynamics of Consumption and Labor Supply in the Family (UCL)
Matteo Foschi, Temptation and Self-Control in Markets with Non-Pricing Strategies (Leicester)
Claudia Herresthal, Theoretical and applied microeconomics / Incentives in education (Oxford)
Vellore Arthi, Gender, the Household, and Human Capital Formation (Oxford)
Nicola Limodio, Fire Bad Managers, Improve Aid Effectiveness: Evidence from World Bank Projects (LSE

Young Economist of the Year 2015 Results
See p.11 above.
2-3 December Leicester

International Conference for PhD Students. The Department of Economics invites PhD students to present their work to peers and faculty at the University of Leicester. Sessions include:

• Econometrics chaired by Professor Stephen Hall (Deputy Pro-Vice Chancellor)
• Experimental & Behavioural Economics chaired by Professor Eyal Winter
• Financial Economics and Finance chaired by Dr Dan Ladley
• Macroeconomics chaired by Professor Martin Kaas Jensen
• Microeconomics chaired by Professor Chris Wallace (Head of Department)
• Poster Session

Funding is available (conditions apply). Deadline for applications: 4 October 2015

Further information: www2.le.ac.uk/departments/economics/research/phdconference

4-5 December Munich

The Business Cycle Analysis and Survey Department of Ifo in association with Rüdiger Bachmann (University of Notre Dame) and Eric Sims (University of Notre Dame) will hold a conference in Munich on Macroeconomics and Survey Data. Papers, theoretical, empirical and policy oriented, are actively solicited on issues like: methodology of business surveys; uncertainty modeling; survey data and the business cycle; transmission of cyclical fluctuations; forecasting performance of survey data in business-cycle research; use of micro-data in macroeconomics

Keynote talks will be given by Giuseppe Moscarini (Yale University)
Yuriy Gorodnichenko (University of California – Berkeley)

Further information: wohlrabe@ifo.de

11-12 December, Budapest, Hungary

Workshop on Game Theory and Social Choice. Researchers and advanced PhD students are invited to submit research papers to be considered for presentation at the workshop. Theoretical and applied contributions from all areas of game theory and social choice are welcome.

Keynote speakers:
• Prof. Hans Peters, Maastricht University
• Prof. Clemens Puppe, Karlsruhe Institute of Technology

Papers should be submitted electronically at EasyChair by October 20, 2015. Authors of accepted papers will be notified by October 30, 2015.

The two-day workshop will be held at Corvinus University, which is located close to the city centre. There is no registration fee for speakers and participants.

Further information: http://gam-soc.uni-corvinus.hu

15-16 December Colchester

Workshop on Ambiguity and its Implications in Finance and Macroeconomics at the University of Essex. We welcome submissions of theoretical and empirical papers on the following issues:

• Aspects of ambiguity, inattention, information frictions, and related issues for finance and macroeconomics.
• The operation, dynamics and regulation of financial markets.
• Business cycle fluctuations, such as those driven by news or noise, and the welfare effects of fluctuations.
• Desirable properties of monetary, macro-prudential, and fiscal policy, and their interaction.
• The role of policy commitment, transparency and communication.

The deadline for submissions is 30th September 2015. Funding is available (conditions apply).

Further information (and submissions): ambfinmacro2015@gmail.com

15-16 December Frankfurt -Main, Germany

Workshop on Challenges for long-run growth in the euro area. Theoretical and empirical papers invited. Deadline: 4 September 2015.

Further information: Nicola.Bowen@ecb.europa.eu or Tzveta.Maneva@ecb.europa.eu

2016

January

7-10 January Singapore

Western Economic Association International 12th International Conference. Keynote speakers include: Sir James Mirrlees, Peter Diamond and Yew-Kwang Ng.

Further information: sessions@weai.org

29 January Oxford

The Third Annual Conference of Agricultural Economics and Agribusiness will be held in Lady Margaret Hall, Oxford University.

Conference diary

27 February

9-12 February Miami, USA

IIES 5th Economics and Finance Conference. The conference is focused on: micro-, macro- labour economics, international economics and finance and banking. The deadline for paper submissions 12 January 2016.

Further information: http://www.iises.net/upcoming-conferences

March

21-23 March Brighton

The Royal Economic Society Annual Conference will be held at the University of Sussex. Keynote speakers include Esther Duflo (MIT), Kristin Forbes (MIT and MPC) and Susanne Schennach (Brown).

Further information: Conference 2016@res.org.uk

30 March – 1 April Barbados, West Indies

The Sir Arthur Lewis Institute of Social and Economic Studies will host the 17th Annual SALISES Conference on the theme of ‘Revolution, Socio-economic Change and Freedoms’ to commemorate 50 Years of Independence in Barbados and Guyana; and the Bicentennial of the 1816 Rebellion (Bussa Revolt, Barbados).

Further information: http://www.cavehill.uwi.edu/salises/home.aspx

30 March to 2 April Freiburg, Germany

The Annual Meeting of the European Public Choice Society will be held from March 30th to April 2nd, 2016 at the University of Freiburg in Germany. The European Public Choice Society promotes scientific research on the economics and politics of public and non-market decision-making, political economy and the economics of institutions.

Keynote speakers:
   Eliana La Ferrara (Università Bocconi)
   Sascha O. Becker (University of Warwick)

Deadlines:
• Submission of papers until November 30th, 2015.
• Decisions on acceptance will be communicated by mid-January 2016.
• Early registration at a reduced rate is possible until February 3rd, 2016.
• Late registration at a higher rate is possible until March 3rd, 2016.

Researchers below the age of 30 are invited to also enter the competition to win the Wicksell Prize.

Further information: www.eucken.de/veranstaltungen/epcs-2016.html

31 March to 1 April Bristol

The Fifth International COSINUS Conference will be held at the Marriott Hotel, Bristol. The theme will be 'Innovation Systems and the New role of Universities'. This conference will cover a wide range of topics around the issue of university-industry interaction with a greater focus placed on the new role of universities and its impact on the social and economic development both at the national and regional levels.

Deadlines:
Early Bird Registration: 28 February 2016
Conference fees (including refreshments and dinner): Students and early birds £120; Others £170
Further information: Mohemmed.Saad@uwe.ac.uk or cosinus@uwe.ac.uk

May

3-5 May Alicante, Spain

International Conference on Big Data organised by Wessex Insitute UK. This conference brings together scientific experts on Computer Science, Statistics and Economics as well as other professionals offering solutions to secure current data management from the perspective of Big Data, Data Mining and predictive classical Statistics.

Further information: imoreno@wessex.ac.uk

25-27 May Crete

10th International Conference on Risk Analysis organised by Wessex Institute, UK.

Further information: imoreno@wessex.ac.uk

15-17 September Ghent, Belgium

The 28th Annual Conference of the European Association of Labour Economists will be held at the magnificent Aula Academica in Ghent, Belgium.

Keynote speakers will be Armin Falk (University of Bonn), Roland Fryer (Harvard University) and Philip Oreopoulos (University of Toronto). In addition, there will be parallel and poster sessions. Deadlines for paper submissions: February 1, 2016; deadline for participant registration: May 1 2016.

Further information: www.eale.nl

www.res.org.uk/view/resNewsletter.html
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