The conference issue

For some years now, the July issue of the Newsletter has been known as the ‘conference issue’ because it included a report on the Society’s Annual Conference, usually held in March/April. The heroic task of producing an account which captures both the content and atmosphere of the event fell this year to Mark Thoma. He has done an excellent job.

The conference theme is reinforced in this particular issue, however, by its report of a new initiative, linked to the conference, the symposium of junior researchers.

In addition, we have a very interesting letter from Germany in which Michael Burda tries to dispel some Anglo-Saxon myths about economics in Germany.

Readers may remember that the April issue included a brief article on the number of institutions of economic wisdom that were offering guidance on the main political parties’ electoral promises and the way in which this guidance was offered in the spirit of consumer protection. In this issue, David Cobham offers a wider appreciation of the role of economists in the general election debates.

Finally, we should record a minor and indirect of the financial crisis of 2007-08. By sparking a lively debate about the economics curriculum it has finally brought life to the correspondence pages of this Newsletter. In spite of the editor’s encouragement and best efforts these lay dormant for years. Let us hope that the momentum lasts.
THE ROYAL ECONOMIC SOCIETY

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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 Newsletter

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

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Letter from Germany —
Dispelling three myths on economics in Germany

In his latest Letter from Germany, Michael Burda at the Humboldt University in Berlin argues that the state of economics in Germany is being badly misrepresented in the ‘Anglo-Saxon’ media.

Recently, I was interviewed by the Economist for a piece on the state of economics in Germany which was ultimately was published on 9 May 2015 as ‘Of Rules and Order’. I was quite vexed about the outcome, which painted a dismal picture of how the representative economist here views the world. Since the newspaper is a flagship of good economic journalism and normally gets it right, I would like to try to set some points straight. The Anglo-American world has been ganging up on Germany long before the financial crisis, but the since the onset of the Greek standoff it has gotten notably worse. Nonstop tirades of the New York Times’ Paul Krugman and the FT’s Martin Wolf’s have received support recently from Wolfgang Munchau who wrote on ‘Wacky economics’ last year (FT, 16 November 2014) and recently our colleague Simon Wren-Lewis has posted yet again on his mainly macro blog about deranged Teutonic world views. It is an understatement to say that economics in Germany is getting a bad rap these days.

New perspectives on German bashing
For those who didn’t read the Economist leader, the tenor is that economists in this country are simply living in a different universe, harping on nonexistent problems, endorsing austerity when it is least needed, committing the fallacy of composition at every possible juncture, and simple getting it wrong. In particular, the article made out the Sachverständigenrat (the German Council of Economic Experts) to be particularly backward in its recent pronouncements, which includes its annual report.

As someone who knows the members of the Council, I think I am in a position to vouch for their academic mainstreamed-ness. They publish in serious academic journals, belong to respectable international scholarly associations, and in all cook with the same utensils as other economists. Council members are expected to provide independent and sometimes unwanted advice to the government in the form of an annual report. They are not partisan advocates of government policy; they are expected, however, to advise in the perceived interests of the country. In fact, it is tradition to choose some members who represent German corporatist interests. It would hardly be reasonable to expect that those chosen on the ‘trade union ticket’ (P Bofinger) would endorse lower corporate taxes just as would be hard to imagine the representative of ‘industry’ (V Wieland) endorsing increases in the minimum wage.

But all this does not indict the state of economic science or research in Germany. It is useful to recall Lionel Robbins’ injunction that economists should refrain from normative judgments and stick to positive economics, which my colleagues sometimes have difficulties sorting out. Members of the Sachverständigenrat are expected to deliver normative judgments and do so, ultimately with the (unspoken) goal of furthering German national and economic interests. It is thus disingenuous to implicate the belief system of economists when one doesn’t like the policies their government is following, policies which sometimes fly in the face of mainstream economics and economists. In what follows I would like to address rigorously three myths circulating in the media and the blogosphere about ‘the way German economists think’, because the input of those economists in many national policies is greatly exaggerated.

Myth #1: Economists in Germany fundamentally reject Keynesian ideas
This is nonsense. The importance of aggregate demand in the short-run determination of output and employment is standard, not only in the courses I teach in Berlin, but in those given by all colleagues I know who teach macro. (That includes of course Peter Bofinger, who certainly knows better to claim to be the ‘last Mohican’ of Keynesian thought). People conveniently forget that not only was Germany unfortunately out front implementing Keynesian ideas before the war — Keynes even said as much, somewhat ignominiously, in the preface to the first German edition of the General Theory. During post-war reconstruction, Karl Schiller’s central concept was Globalsteuerung (aggregate demand management). In fact, provisions of the Stabilitätsgesetz of 1967 (Stability Law, which enabled demand management police) explicitly address economic growth, inflation, unemployment and the current account balance as the ‘impossible square’ and even provides for contingent fiscal policy projects off-the-shelf which could be implemented in times of recession or crisis. Germany reacted as vigorously to the Great Recession as its EU partners. One current member of the Council has contributed widely to a literature based on the premise that monetary has persistent real effects in the short to medium run — hardly unorthodox.

So why the current stubborn resistance to Globalsteuerung in most German policy circles? My
take on this — which the reader can take or leave — is simply national interest. First, the Anglo-Saxon world has an exaggerated view of Germany’s role in the global economy (in fact, the share in world GDP is a whopping 4.9 per cent), and even in EU Europe (only about 22 per cent). An all-out Keynesian pump-priming binge in Germany would surely reduce its current account surplus, but wouldn’t put much of a dent in world or even EU aggregate demand. Second, Germany is an open economy with the sum of exports and imports as a fraction of GDP equaling almost 90 per cent — compare this with other large EU members (Italy, Spain, France and the UK range from 55-65 per cent). Those who can still remember the old-fashioned multiplier know that it moves inversely with the marginal propensity to import. Even a ‘Neanderthal’ or ‘hydraulic’ Keynesian would have to question the benefits accruing to Germany from such a policy. It is disingenuous to expect individual sovereign countries to engage in aggregate demand policy for the benefit of others, if domestic voters can’t be convinced of their own welfare gains.

Finally, most modern macroeconomists have a more nuanced view of fiscal demand management and the multiplier — and would reject the hydraulic Keynesian view of the world in which prices are constant and consumers mechanically spend a constant fraction of their income. A more modern perspective holds that only income-constrained households matter for the multiplier — it would be simply silly to argue that 100 per cent or even half of highly banked German households consume hand-to-mouth from disposable income. While remarkable consensus has been reached that fiscal policy at the zero lower bound is effective, this also only applies to closed economies and only as long as the good faith and credit of borrowing countries remains intact. Incidentally, a lively discussion in Germany is currently underway among mainstream economists, led by Carl Christian von Weizsäcker and Marcel Fratzscher, about taking advantage of government low interest rates and investing in infrastructure, which would have both short and long-term gains.

**Myth #2: German economists feed at the trough of ‘Ordoliberalism’ and worship at the altar of supply side policies.**

Many of the more disparaging articles I mentioned in the introduction criticize ‘Ordoliberalism’. Ordoliberalism is defined in Wikipedia (presumably by its proponents) as a liberal free market regime with relatively stable rules to control the excesses of unbridled capitalism. Allegedly, it arose around the rejection of state socialism under the Nazi regime, and embodies ideas of Hayek, in particular a strong preference for decentralized market outcomes over state planning as well as an endorsement of rule of law. Going after anti-trust violators and supporting a framework for stable contractual relations (especially loan contracts) are favourite elements of *Ordnungspolitik*. While this sounds positively harmless, it doesn’t represent economic science based on mainstream methods of our field, and never was. While it might be interpreted as a normative analysis of regulatory regimes, *Ordnungspolitik* does not stem from the rigorous analysis we are accustomed to, but rather a typically Austrian (following Hayek) rejection of formal analysis of these questions. If anything, ordoliberalism is simply a strong policy preference, perhaps even elevated to the status of religion. I have never seen a serious analysis of the welfare effects of an ordoliberal regime. But maybe I am reading the wrong journals.

As far as the supply side is concerned, the story is different. There is very good rigorous analysis — also from Germany, on how changes in labour market regulations, welfare state, taxation, and the efficiency of job search can affect the long-term productive potential of economies. The success of the Hartz labour market reforms a decade ago proves that supply-side policies can work; it is no accident that since 2003 employment, stagnant for decades, has risen by 13 per cent. In the decade after unification, had Germany lost enormous competitiveness and was the Economist’s sick man of Europe. Post-unification inflation had raised nominal wages while European integration was putting downward pressure on prices. Paying for unification without explicit tax increases meant going through the back door of social security contributions, which in turn severely distorted labour markets. The reforms of 2003-2005 addressed those problems at the expense of political careers; a decade later Germany can celebrate its labour market successes.

It is not surprising that Germans, who may be somewhat more patient than average Europeans, have less patience for short-term views of the world and tend to think in terms of chains of Keynesian short runs which at some level need to be consistent with what policy wants to do in the long run. This may be hard to deal with, but it is not voodoo economics. And it goes pretty far in explaining Germany’s focus on reforms in the current Greek drama.

**Myth #3: Economists in Germany obsess on moral hazard and austerity.**

Attitudes towards moral hazard and austerity are always in the eyes of the beholder. It’s hardly surprising that Germany is more interested in sustainable solutions to southern European problems (and hopefully the lending practices in the north that gave rise to them) as opposed to the recipient perspective of kicking the can down the road and hoping for a structural free lunch. In principle, governments should practice austerity in good times, not bad. After seeing the consequences of its failure (with France) to impose the stability rules and sanctions on themselves in 2003 — and after insisting throughout the Maastricht Treaty negotiations on tough membership criteria for monetary union...continued on p.21
Conference report

The Society’s Annual Conference took place at the University of Manchester from 30th March to 1st April. This report comes from Mark Thoma, professor of economics at the University of Oregon and blogger at Economist’s View.

What role do economics journals play in economics, and how has that role changed over time? That question was prompted by this year’s Royal Economic Society meetings held at the University of Manchester from March 30 through April 1, 2015 commemorating the 125th anniversary of the Economic Journal and the Royal Economic Society. In addition to an excellent selection of keynote lectures, special sessions, and regular sessions, the conference included eight sessions highlighting some of the most important work to appear in the EJ since its inception. A special edition of the EJ released during the conference featured reprints of thirteen seminal articles, including the eight highlighted in the anniversary sessions, along with commentary from distinguished economists detailing how the work has evolved over time and how it has shaped current research efforts.

125 years of the EJ

When the Economic Journal was first conceived, its goal, as noted in the superb discussion of its history in the anniversary edition of the EJ, was ‘to support the development of young economists,’ ‘to encourage debate at the highest academic level,’ and to ‘incorporate diverse viewpoints for the benefit of the country at large.’ Editor Francis Ysidro Edgeworth emphasized this last point in the very first edition of the journal. He was emphatic that ‘The most opposite doctrines may meet here as on a fair field. Thus the difficulties of Individualism in the second. Opposing theories of currency will be represented with equal impartiality. Nor will it be attempted to prescribe the method, any more than the result, of scientific investigation.’

The motivation for the EJ was also an attempt to keep up with what was happening in the US. The Quarterly Journal of Economics was established in 1886, four years before the inaugural edition of the EJ. At this time there was, of course, no Internet, and long-distance communication was very slow. The UK needed its own journal, and the EJ fulfilled this role admirably.

In the past, journals such as the EJ played an important role as a source of information on cutting edge research, as a source of policy analysis of the most important issues of the day, and as a way to recognize economists for important contributions to the field. Today, the role of journals as sources of information has faded. If an academic waits until research is published in journals, he or she will be many years behind. Working papers posted on websites, academic conferences, seminars, economics blogs, and so on are the main way that new research and policy analysis spread through the economics community today. However, journals still play an important role in validating research — the peer review process stamps articles with their place within the research hierarchy — and in determining whether the work of particular economists is sufficient to grant them tenure at their academic institutions. Journals are also important repositories of academic research. Websites come and go, link addresses can change, but journals provide a place where a particular paper can be reliably located years, decades, or in the case of the EJ over a century, after it is written. For these reasons, reports of the death of journals are premature.

The list of papers in the special issue of the EJ is impressive. The first paper, ‘The measurement of the inequality of incomes’ by Hugh Dalton was the subject of one of the special anniversary sessions at the conference. This paper first appeared in 1920, and Dalton’s work, along with work by Arthur Cecil Pigou, provided a welfare basis for the measurement of income inequality, a topic of considerable importance today. Participants in the special session ‘(Almost) A century since Dalton (and Gini): where is inequality analysis going?’ discussed this important paper along with further developments in research on inequality such as the distinction between income and consumption inequality, the decline in income inequality across countries, inequality dynamics over time, and the assessment of inequality using multidimensional measures.

A second anniversary session on the opening day of the conference, ‘Harrod and Ramsey on Growth,’ drew its inspiration from two important papers in growth theory, Frank P Ramsey’s ‘Mathematical theory of saving’ (1928) and Roy Harrod’s ‘Essay in dynamic theory’ (1939). Both of these papers played a large role in shaping theories of growth and saving. The session discussed how these papers paved the way for subsequent research on growth and savings such as equilibrium models of growth and life-cycle consumption models, more recent research in these areas, and where this research is headed in the future. One interesting note in the discussion of Ramsey’s work by Orazio Attanasio in the special edition of the EJ is that ‘Ramsey’s article refers explicitly to
conversations with John Maynard Keynes, who was Ramsey’s colleague at Cambridge and the *Economic Journal*’s editor, in formulating part of the main proposition. And yet, in his *General Theory*, Keynes (1936) used a much more simplistic and stylised theory of consumption, which had profound implications for the working of his model of the macroeconomy.’

The final anniversary session on the first day of the conference, ‘On and beyond regret theory,’ centred on an important paper in behavioural economics, ‘Regret theory: an alternative theory of rational choice under uncertainty,’ by Graham Loomes and Robert Sugden. This important research provided an explanation for experimental studies during the 1960s and 1970s that undermined expected utility as a theory of rational choice in the face of risk. Essentially, regret theory says just what its name implies, that the anticipation that a choice may be regretted causes agents to incorporate this into the decisions that they make. It can provide an explanation for choices in the face of risk that other theories such as prospect theory — the prevailing theory in 1982 when the paper was published — could not. The session featured Robert Sugden explaining how he and Graham Loomes developed their theory, followed by a roundtable discussion of subsequent developments in this field.

The Sargan lecture

As a macroeconomist, my attention was caught by the Sargan Lecture ‘Labour supply: estimating the roles of human capital and the extensive margin’ given by Michael Keane. One of the big problems in the current strain of macroeconomic models is that estimated labour supply elasticities are not large enough to explain variations in employment observed in real world data. This has proved to be a difficult problem to overcome theoretically. This paper shows that including human capital in the life-cycle labour supply model gives labour supply elasticities that are much larger than in previous work — large enough to explain the variation observed in the data. Professor Keane also explained why labour supply might respond more to permanent changes in taxes than to temporary changes, a finding that has important implications for tax policy.

There were many other interesting general and special sessions on the opening day, too many to discuss here, covering a wide range of areas such as development, econometrics, economic methodology, economic theory, experimental and behavioural economics, finance, industrial organization, international economics, labour economics, macroeconomics, political economy, and public economics.

Secular stagnation

One of the special sessions, ‘Secular stagnation,’ focused on a topic that has generated considerable discussion recently within economics and in the media. Secular stagnation, proposed by Alvin Hansen in 1938 and revived recently by Larry Summers, is the idea that the economy can become stuck in a low growth state for a considerable time period. The conference session featured four papers on this topic. The first, ‘A model of secular stagnation’ by Gauti Eggertsson and Neil Mehrotra provides something that is very much needed in the debate over secular stagnation, a coherent model explaining how it can arise. The second paper, ‘Why are real interest rates so low? Secular stagnation and the relative price of investment goods’ by Gregory Thwaites also provides a theoretical explanation for secular stagnation, and attempts to explain how interest rates can get stuck at very low levels — such as we have now — for an extended period of time. The third, ‘What explains Japan’s persistent deflation?’ by Carlos Carvalho and Andrea Ferrero looks at the possibility that the failure of monetary policymakers to fully account for Japan’s demographic transition could result in deflationary pressure of the type observed in Japan’s economy. With the US facing similar demographic trends in the years to come, there are lessons here for the Fed.

The first day ended with a reception at the Museum of Science and Industry. In addition to the wonderful hospitality, I particularly enjoyed the exhibits illustrating how Manchester became a leader in science and technology. The story of cotton, the industry that made Manchester the world’s first industrial city, was quite interesting. This is one of the things that set this conference apart from other conferences I have attended, having the evening venues at interesting sites around town.

The behaviour of real wages

The second day of the conference featured three more anniversary sessions. The first, ‘The cyclical variation of real wages,’ discussed a topic that is still important today. The session was based upon a series of papers published in the late 1930s when John Maynard Keynes was the editor of the *E.J.* Papers by Dunlop, Richardson, and Tarshis challenged Keynes’ assertion that real wages move countercyclically as implied by both Keynesian and Classical models, and that wages are stickier than prices. The Dunlop-Tarshis observation has been particularly troublesome. The empirical evidence that has accumulated since these important papers were published suggests either a mildly positive correlation between real wages and output, or in some cases no correlation at all, but not the negative correlation that the theoretical models imply. The problem is that in standard macroeconomic models a positive demand shock increases the quantity of labour employed, and that reduces the marginal product of labour and lowers the real wage. Thus, these models predict a countercyclical movement in real wages. Models where fluctuations are driven by productivity shocks, e.g. Real Business Cycle models, can explain the positive correlation observed in the data, but those models have other problems, e.g. gen-

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erating the correct correlations between money, prices, and output.

The session began with a fascinating discussion of how this debate has unfolded over time by John Pencavel, followed by presentations of modern research on this issue. Lawrence Christiano presented an interesting paper jointly written with Martin Eichenbaum and Mathias Trabandt that can account for labour market correlations with only a moderate degree of price rigidity, no wage rigidity at all, and a binding zero bound constraint for the nominal interest rate. In addition, they can explain the small drop in inflation during the Great Recession through an increase in the cost of working capital and a fall in total factor productivity. What makes this interesting is that downward wage rigidity — the usual explanation for the downward stickiness in inflation, but one they doubt — is not needed. The second paper was by Christopher Huckfeldt, Antonella Trigari, and Mark Gertler. This paper notes that the wage flexibility of new hires is larger than for workers that are already employed, and works out the implications for cyclical movements in unemployment. The final paper by Benjamin Johannsen, Lawrence Christiano, and Martin Eichenbaum looks at multiple equilibria in New Keynesian models. These equilibria have very different implications for government spending multipliers at the zero lower bound. One of the equilibria in the model has large multipliers, the other small, and the paper shows how stability under learning selects the equilibrium with large multipliers. Thus, this paper adds to the growing theoretical and empirical support for large government spending multipliers in severe recessions.

Savings and time

A second anniversary panel on day two of the conference, ‘The taxation of savings,’ featured Anthony Atkinson and Agnar Sandmo’s important paper ‘Welfare Implications of the Taxation of Savings’. This paper, which was published in the Economic Journal in 1980, uses an overlapping generations model to analyze optimal dynamic taxation of capital and labour and welfare gains across generations. Alan Auerbach and Mikhail Golosov discussed further developments in this area, and Richard Blundell led a broader discussion of these issues.

The third and final anniversary session on day two of the conference was ‘50 Years of home production and the allocation of time.’ The starting point for this session was Gary Becker’s very important paper ‘A theory of the allocation of time’ published in the EJ approximately 50 years ago (hence the title of the session). This paper provided the analytical basis for studying home production and the allocation of time within households. It spawned an enormous literature in the decades after it was published, and influenced research in a large number of fields outside of labour and family economics. The session began with four presentations of Becker’s research, including the ways in which his work has been modified over time and nagging problems within the theory, followed by a panel discussion on the impact of Becker’s work.

Day two of the conference also featured the Economic Journal Lecture given by Philippe Aghion, ‘Innovation, income inequality and social mobility.’ Professor Aghion, in an interesting, lively, and entertaining session presented his work on the relationship between innovation and top income inequality in the United States. He finds evidence of causality running from innovation to inequality, and that innovativeness is correlated with social mobility. Overall, the results ‘vindicate the Schumpeterian view whereby the rise in top income shares is partly related to innovation-led growth, where innovation itself fosters social mobility at the top through creative destruction.’ This work will be an important contribution to the debate over why income inequality has been growing, and what can be done about it.

As with day one there were also numerous interesting general sessions, too many to cover in detail, in a large number of areas within macroeconomics, microeconomics, and econometrics.

Day two ended with the Conference Dinner held at Old Trafford, the home of Lancashire County Cricket Club. It was my first trip to a cricket club, so I found it fascinating, and it was clear that everyone had a great time. The highlight of the night was a very entertaining speech by the incoming president of the RES, John Moore, who replaces Charles Bean.

The impact of high tax rates

The third day of the conference also had a dazzling array of general sessions, along with special sessions featuring lectures on the econometrics of matching, the top rate of income tax, the new entrepreneurial financing landscape, and social preferences over environmental policy. The session on the top rate of income tax was of particular interest to me, and I was not disappointed. In this session chaired by John Van Reenen, James Browne presented a paper coauthored with David Phillips, ‘The impact of the UK’s 50p tax rate,’ Henrik Kleven looked at ‘The Danish experience,’ Camille Landais examined ‘The French experience,’ and Alan Manning presented ‘The labour supply of the 1 per cent.’ The takeaway for me was that the work effort of those at the top of the income distribution does not change much when top tax rates are increased to levels we have seen in the past, but there is evidence that tax avoidance increases as rates are raised. This has obvious implications for current debates about how to close budget deficits, and how to narrow the inequality gap.

Innovation and growth

Day three of the conference also featured the final two anniversary sessions. The first, ‘Innovation and growth,’ was based upon the 1989 EJ paper ‘Innovation and
learning: the two faces of R&D’ by Wes Cohen and Daniel Levinthal. This paper looks at two important issues, how firms are able to increase the technological frontier through their R&D efforts, and how firms are able to keep up with the frontier as it changes over time. The session showcased three papers on innovation and growth in the 21st century, and explained how the original Cohen and Levinthal paper provides important foundations for understanding issues in growth theory such as convergence, or lack of convergence across countries, the coordination of climate change policy across countries, and the relationship between openness and the production of ideas. The session also featured recent work on the nature of innovation and invention.

Climate change
The second anniversary session, ‘Climate change and economic growth’, was based upon the extremely important paper ‘To slow or not to slow’ by William Nordhaus. The paper, which appeared in the EJ in 1991 and generated a large subsequent literature, was the first paper on controlling greenhouse gas emissions. The session, which included William Nordhaus, Nicholas Stern, Simon Dietz, Rick van der Ploeg, and Ottmar Edenhofer, looked at the degree to which the Nordhaus paper was the foundation for subsequent research on the dynamic modelling of economic growth and climate change policy, and some of the latest research on this topic.

The President’s Address
One of my favourite sessions of the conference, the Presidential Address by Charles Bean, ‘Living with low for long’, came on the afternoon of the final day. In this session, Professor Bean examined the issue of how much longer interest rates would stay at the low levels they are at today. He argued that the decline in interest rates began in the 1990s, which is well before the financial crisis and subsequent recession, and therefore that we shouldn’t expect interest rates to rebound now that the recovery is underway. He showed several other periods in history when interest rates remained low for long periods of time, but noted this period is unique in that it is also accompanied by low inflation. The reasons for the low interest rates are not entirely clear, and he cited aging of the population leading to higher savings, poor investment opportunities, less capital intensive production, secular stagnation, and post-crisis higher savings rates by households along with lack of business confidence as possible causes. He noted that there are substantial risks with prolonged low rates, e.g. he identified a ‘search for yield’ that can lead to excessive risk taking for one, and hence that central banks ought to be concerned with this development.

Finally, I would be remiss if I did not mention an important event at this year’s conference, the Inaugural Symposium of Junior Researchers, which took place on April 2, 2015 at the University of Manchester. The goal was to bring together PhD students at all stages of work on their doctoral theses, encourage discussion of what it takes to be a successful researcher, and to give students an opportunity to learn more about research in their primary area of interest. The Symposium, which was supported by the Royal Economic Society, took place concurrently with the RES Conference to maximize the ability of students to connect with one another and learn about the frontier of research in economics.

All in all it was a great conference. It was very well run and the hospitality was wonderful. There were important sessions highlighting the latest research in a broad swath of economics, there were sessions discussing the best work of the past, and it was a great opportunity to meet new people. It was also a great opportunity to learn about the first 125 years of the RES and the EJ. I have no idea what the next 125 years will bring in terms of scholarly communication, but I have no doubt that whatever is ahead the RES and the EJ will continue to play an essential role within the economics profession.

Note:
1. http://economistsview.typepad.com/; @MarkThoma
Bank of England joins the blogosphere

In two recent Newsletters¹ we have reported on Bank of England initiatives to increase contacts with academic economists. As we went to press, the Bank announced two more developments.

The Bank has just announced two important new developments around research at the Bank of England. The first is the re-launch of its Staff Working Paper series and the start of our staff blog BankUnderground. They are both being launched today as part of an ongoing drive to make the Bank more open and to boost our engagement with the outside world.

The Staff Working Paper series is the main research publication. The new name reflects the greater freedom staff now have to air their views in public. There will be a less stringent editorial process and most papers will not be refereed. For our readers, that will mean stuff gets out quicker and diverse views can be more easily be aired.

Our staff blog, BankUnderground, is now live on www.bankunderground.co.uk.

The idea of the blog is to have a platform where staff can write in an individual capacity and where there is no house view. Some posts will broadly accord with the Bank’s official positions, but because we aim to reflect the diversity of views of those who work here, some posts might differ from official views, the external consensus, or even other contributors. Topic wise, posts will span the range of the Bank’s policy activities; and they will vary in approach and style as well.

The intention is that BankUnderground becomes a place where Bank staff can contribute to the ongoing debate in the blogosphere on topics such as macroeconomics, monetary policy, finance, banking, prudential regulation, financial markets and anything else that relates to what the Bank does.

In the words of John Lewis, the Managing Editor, ‘Readers of the Newsletter are encouraged to come and visit the blog, read our posts, and of course, feel free to blog about what you see!’

Note: 1. Newsletters no.169 April 2015 and no.166 July 2014.

Submissions are invited for the 2016 Annual Conference of the Royal Economic Society, taking place from Monday 21 March to Wednesday 23 March 2016 at the University of Sussex, Brighton. Submissions of papers and special sessions are invited from academic, government and business economists in any field of economics and econometrics. The deadlines for submissions are as follows:

Deadline for the submission of papers: 11 October 2015. This must be done via the link available at the Conference Homepage.

Deadline for the submission of special session proposals: 1 November 2015. These should be sent by email to the Programme Chair (Conference2016@res.org.uk) and should include a short description of the intended session along with the proposed list of contributors (typically three/four, perhaps including the proposer) and indicative paper titles.

Notification of acceptance will be by the end of December 2015, while online registration opens from January 2016.

In addition to the main conference agenda, there will be a drinks reception on the Monday evening, while the Gala Dinner will take place at Brighton’s iconic seafront Grand Hotel. Further information about the conference, including details of financial assistance for PhD students, is available via the conference webpage:


Authors of papers accepted for presentation at the 2016 RES conference will be entitled to submit their papers for possible publication in the associated conference issue of the Economic Journal. Please feel free to contact the Programme Chair (Richard Dickens) or Deputy Programme Chair (Holger Breininich) if you have questions about this Call, or the Local Organiser (Dimitra Petropoulou) with wider questions about the conference.

Programme Chair: Richard Dickens (Sussex)
Deputy Programme Chair: Holger Breininich (Essex)
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Call for Papers
Royal Economic Society
2016 Annual Conference
University of Sussex, 21st to 23rd March 2016

Our staff blog, BankUnderground, is now live on www.bankunderground.co.uk.

The idea of the blog is to have a platform where staff can write in an individual capacity and where there is no house view. Some posts will broadly accord with the Bank’s official positions, but because we aim to reflect the diversity of views of those who work here, some posts might differ from official views, the external consensus, or even other contributors. Topic wise, posts will span the range of the Bank’s policy activities; and they will vary in approach and style as well.

The intention is that BankUnderground becomes a place where Bank staff can contribute to the ongoing debate in the blogosphere on topics such as macroeconomics, monetary policy, finance, banking, prudential regulation, financial markets and anything else that relates to what the Bank does.

In the words of John Lewis, the Managing Editor, ‘Readers of the Newsletter are encouraged to come and visit the blog, read our posts, and of course, feel free to blog about what you see!’

Note: 1. Newsletters no.169 April 2015 and no.166 July 2014.
Pro Bono Economics was registered in 2009 and we marked its foundation in the July 2009 Newsletter (no. 146). We later reported on its progress in January 2012 (no. 156). The Director of the charity is Sue Holloway and she provides a further update below.

Lots of charities are doing great work, but they can struggle to prove this and make their case to funders.

PBE was set up to help fix this problem by providing charities with economist volunteers who help with analysis and data. It has also sought to help the economics profession volunteer and support an effective charitable sector. By using economists and drawing on their professional expertise PBE wants to ensure that the analysis done for charities is rigorous.

We are now six years old and, since we were set up, we have received applications from nearly 200 charities, started 100 projects and completed nearly 60. In this time we think we have clearly established a few things. Firstly, that there is enthusiasm from the economics profession: we have around 350 economists on our books and have used 220 to date. They tell us the work is ‘enjoyable, satisfying and liberating’ and, in addition to the value they create for the charity, they obtain a private benefit, through personal satisfaction and development. They may repeat the experience, or recommend the experience to friends or colleagues. We know that volunteering improves well-being, promotes better mental health and can contribute to a happier and more productive workforce.

I think it’s fair to say that for all the team working on this project the experience has renewed our passion and interest in economics. I got to roll up my sleeves and get to work on the data, which as a manager I don’t always have the time to do. Working in a team also enabled me to develop new skills because I could see how my colleagues tackled certain issues and learnt from them. I was able to bring this new insight and skills back into my day job. — Andrea Lee, Department of Health

Secondly, there is a demand for the rigorous and high quality analysis our economists provide. The work varies: it can be advice on data collection; calculating cost-benefit analysis of a charity’s work; or identifying ways charities can establish what would have happened without them. The support we provide can help them use their own resources efficiently and communicate the results more effectively, thus improving their own fundraising efforts.

Many charities make the mistake of only considering the direct benefits to their client group, and don’t think beyond this to the financial and economic benefits, which can be extremely valuable. PBE helps to understand and articulate this, so we can not only say ‘we do good’, but that this good has wider impact. — Gracia McGrath, CEO Chance UK

Thirdly, PBE adds value by helping each side understand one other, as they don’t necessarily ‘speak the same language’. Charities need help clarifying the questions they want answers to (which can sometimes mean asking them to think in more detail or start collecting useful data). Economist volunteers need help managing projects and understanding the world of charities. This is the brokering and support role PBE plays.

Fourth, and most importantly, charities value the work of PBE. Although we are too young to have a full analysis of our impact, we have clear evidence that it is significant.

CENTREPOINT is a leading national charity that works with young people, aged 16-25, who are homeless. They provide accommodation, health services and a range of support to help young people back into accommodation, into education, training and employment. They asked us to help with a cost-benefit analysis of their services, and we matched them with economists from Oxera Consulting who considered the likely path of a homeless young person, considering employment, crime and health issues. The analysis assumed that if Centrepoint does not intervene now, the same intervention would be carried out by another organisation at a later date. Therefore it primarily captures the benefits of early intervention through the reduction of crime and other problems, and through higher employment and taxes.

The results showed what we had intuitively known for a long time - that intervening with young people at an early stage could prevent public spending in the long-run. But now we have the robust, independent analysis we need to support this argument. — Balbir Chatrik, Director of Policy and Participation, CENTREPOINT

Our work to date has extended across a range of areas, from reoffending to the cost to society of low levels of numeracy, to eating disorders, to homelessness, African street children, maternal mortality in developing coun-

www.res.org.uk/view/resNewsletter.html
tries, and older people. There is the potential to do much more, including helping the charitable sector more widely understand the importance of data, measurement and evidence.

The work the volunteers do is free to the charity, but nonetheless imposes a cost, in terms of engaging with the team and providing data and background information. We hope it also leaves a legacy of a better understanding of the power of data and analysis to support and strengthen the equally important narratives of how each charity is changing lives. It costs us just £4,000 on average to support a project. The value to the charity is likely to be far greater. The market cost of projects, if charities had to pay, varies hugely but it can reach over £200,000, fifty times the cost of running a project. The charity pays nothing. This work, analysis and advice would be out of many charities’ reach without PBE.

The economics profession has shown that they value what we do; we currently have more economists ready to volunteer than we can place with charities, and we could get many more projects from charities if we had the time to promote our work. However, the greater the number of interested charities and volunteers, the greater the strain on our resources. The small central team has a key role in managing the charity/volunteer relationship and ensuring a high standard of economic analysis. We do the latter through sharing resources and best practice with the volunteers, commenting on work at appropriate stages and arranging for an independent economist (i.e. who has not been involved in the project) to peer review the final analysis. We also work with the charity on how the results are publicised, helping them to communicate clearly what the analysis is and isn't saying — avoiding the simplistic interpretation and taking the caveats seriously.

There is still more to do to spread the word that economists are willing and able to help charities demonstrate the value of the outcomes they produce. Over the next five years we would like to double the number of completed projects. This involves both increasing the pipeline, and matching more of our volunteers to projects which can use their enthusiasm and expertise. We will continue to provide these opportunities, in order to make a valuable contribution to the third sector while at the same time enhancing the professional development of the economists who volunteer with us. We also want to do more to develop guidance on methods and share information on the latest research and published costs. This is both to support volunteers and ensure they can hit the ground running when they embark on a project, and also to increase the quality of analysis across the sector, not least by maintaining a high standard for our own work.

To do all this we need three things:

- more discussions with charities to build demand and ensure a pipeline of feasible projects — if you are involved with a charity who might benefit from PBE’s services, start the conversation and put them in touch with us here http://www.probonoeconomics.com/charities-register
- continuing support from economist volunteers - get in touch here http://www.probonoeconomics.com/economists-register if you are willing and able to spend a couple of days scoping a project, or half a day peer reviewing a piece of analysis, or if you would like to be part of a team who can work on producing a piece of analysis over the course of many months — the input will vary according to the complexity of the analysis and the size of the team
- on-going funding for the central team — if you would like to donate, see our website http://www.probonoeconomics.com/donate-now or contact us at info@probonoeconomics.com

Notes:

Pro Bono Economics is a registered charity and company limited by guarantee.

Sue Holloway is the Director of the charity and has been in post since September 2010. She has been a professional economist since 1997. She occupied a number of posts within the Government Economics Service before joining PBE, including managing the GES and Deputy Chief Economist at the Department for International Development.

The trustees of the charity are: Lynne Berry, Martin Brookes, Matthew Brumsen, Andy Haldane, Nicola Pollock, Dave Ramsden and Jo Tilley-Riley

The patrons of the charity are: Dame Kate Barker, Sir Alan Budd, Bronwyn Curtis, Gavyn Davies, Sir Howard Davies, Lord John Eatwell, David Giampaolo, Rachel Lomax, Lord Gus O’Donnell, Lord Jim O’Neill, Robert Peston, Vicky Pryce, Lord Adair Turner, Sir John Vickers, Sushil Wadhwani and Martin Wolf

PBE’s current funders include the Barrow Cadbury Trust, the City Bridge Trust, the Garfield Weston Foundation and the Monument Trust.
Economists’ contributions to the UK general election debates — so much effort, so little impact

In the month or two leading up to the UK general election on 7 May 2015, a range of economists and economic groups put a lot of effort into providing information and assessments of the relevant economic issues. But it seems nobody listened. David Cobham asks why this was and how we should respond.

The Institute of Fiscal Studies (IFS) published detailed comments on the political parties’ tax and benefits plans and on the parties’ projections for the public finances. The National Institute for Economic and Social Research (NIESR) included in its February 2015 National Institute Economic Review analysis of the parties’ fiscal plans plus papers on topics from the macroeconomic record of the coalition through growth, education and productivity to welfare. The Centre for Economic Performance (CEP) at LSE produced 17 election briefings on a wide range of subjects including mental health, crime, inequality and Brexit as well as the topics listed above. Simon Wren-Lewis’s mainly macro blog included a number of posts discussing relevant material, with some focus on what he identified as ‘mediamacro myths’. The website Coalition Economics published nine short articles on aspects of economic policy by, in most cases, the authors who had analysed those areas of policy for the spring 2013 issue of the Oxford Review of Economic Policy on the economic record of the 1997-2010 Labour government (edited by David Cobham, Chris Adam and Ken Mayhew). Think tanks such as the New Policy Institute also published reports of different kinds. Significant articles on austerity were published by Paul Krugman (Guardian, 29 April) and Martin Wolf (Financial Times, 28 April). No doubt this list could be extended.

Mention should also be made of the Centre for Macroeconomics survey (www.cfmsurvey.org) at the end of March, which found that the ‘great majority of respondents disagree with the proposition that the coalition government’s austerity policies have had a positive effect on aggregate economic activity’. That result was consistent with the bulk of the economic analysis produced, which was critical of the Coalition government’s policies, though it did not necessarily endorse many or all of the policy proposals of the Labour opposition.

However, the abiding impression from the election debates was that serious economic analysis simply did not figure: one side continued to trumpet the claims that the last Labour government had left an ‘economic mess’ and its own ‘long-term economic plan’ was working, the other side disputed the latter but not the former, and all parties insisted their opponents were economically incompetent but themselves announced fiscal plans which were incomplete or even incoherent. The media largely failed to examine the claims about the causes of the financial crisis, and made only limited and unsuccessful attempts to get the political parties to spell out their fiscal plans.

We are left therefore with a puzzle: economists seem to have spent more time and trouble than in previous elections trying to provide arguments and information for the debates on economic policy, but that effort seems to have had very little impact (in the REF or any other sense).

How should we understand this? A range of answers can be suggested.

First, it has become commonplace since the election to argue that the Labour party should have confronted back in 2010 the narrative that the coalition promulgated about the causes of the crisis and the economic legacy of the Labour government. Had Labour done so, the other parties — notably the Conservatives, on the one hand, and the Scottish National Party, on the other — would have had to defend their points rather than repeating their dubious claims as if they were established facts, and that would have raised the role of economic arguments and the level of debate more generally, as well as (arguably) strengthening Labour’s position.

What makes Labour’s apparent decision not to do this all the more strange is that Labour was attacked over and over again through the 1980s and even the 1990s for...
allegedly mishandling economic policy between 1974 and 1979, allowing excessive public expenditure and high inflation, and it should have learnt a lesson from that. It is also striking that, while the Blair-Brown Labour governments probably took more advice on more issues from academic economists than any government before, Labour has made rather less use of economists since 2010, though it is not clear why. On the other hand, the Coalition parties, and the Conservatives in particular, seem to take domestic economic policy advice, if at all, from other places and to have few known academic supporters.

Second, it is possible that the UK press, which sets the agenda and the tone for the broadcast media as well (notably for the Today Programme on BBC Radio 4, but even on these issues for Channel 4 News), was more partisan than in the 1997, 2001 or 2005 elections. This could have been due in some cases and in part to the press’s opposition to Ed Miliband’s commitment to tougher press regulation, but it may also have been the case that significant parts of the press are just more right-wing than they have been in the past. In particular, while the Financial Times’s endorsement of the Conservatives in 2010 can be seen as ‘time for a change’, its opposition to Labour (Martin Wolf apart) in 2015 and its discussion of the election outcome afterwards has been often partisan and occasionally even tabloid.

It’s worth noting here that, unlike perhaps what exists in the US,5 most UK academic economists are not party-political in the sense of being loyal to Conservative or Labour (or Liberal Democrat or SNP). Instead, it seems that UK economists tend to be critical of the government whatever it is. Thus many, perhaps a majority, were anti-Labour in the 1970s and this carried through to the early 80s, but many became anti-Thatcher by the end of the 80s and there was probably a majority highly critical of the Major government by the mid-90s. Anecdotal evidence also suggests that UK economists became significantly less sympathetic to the Blair-Brown governments as time passed. So the media do not have an easy justification for dismissing economists as partisan, and that is not generally argued.

Third, it is possible that the reputations of economists and economics have been so badly affected by our failure to predict the financial crisis, reinforced by our sometimes cack-handed attempts to answer the Queen’s question on this, that we are no longer listened to.

This has been exacerbated by the perception that we have retreated into mathematical formulations and theory disconnected from policy issues, with research which is long on modelling and derivation but short on new insights, as has been argued by a range of commentators in the aftermath of the crisis. There is a big contrast here between economics and say physics or medical research, where scientists and journalists between them do a lot to provide non-technical accounts of the hunt for the Higgs boson particle or steps towards new cancer treatments: economic research is rarely reported except with respect to Nobel prize awards, although most of it must be much easier to explain to a lay audience than the Higgs Boson. It seems likely that all three explanations have some validity, and of course they interact: elements of the third provide justification for the press's dismissal of economics as irrelevant. We would all like to live in a world in which political debate was more honest, less partisan, more objective and better informed. But of the three explanations above the only one that economists can do much about is the last: we need to improve our engagement with public opinion. That certainly does not mean abandoning ‘high theory’ for applied policy analysis, but it also does not mean just doing more to spell out our theoretical and empirical findings in non-technical terms.

We need to reframe our concerns and reshape our presentations so that we and others better understand the balance between high theory and policy analysis, and our research should reflect a wider awareness of the history of our subject and the economic development of the world. It turns out, in other words, that it is not just for teaching purposes that we need to rethink the way we do economics.

Notes:
1. Some of this was documented in the election briefings article in the April issue of this Newsletter.
2. Heriot-Watt University, Edinburgh
3. There were voices within Labour that argued this, but they seem to have lost the argument, see http://www.theguardian.com/politics/2015/jun/03/undoing-of-ed-miliband-and-how-labour-lost-election. The spring 2013 issue of the Oxford Review of Economic Policy was aimed in part at confronting that narrative.
4. Labour’s Economic Policies 1974 -79, edited by Michael Artis and David Cobham, Manchester University Press 1991, attempted to offer an objective assessment of that government’s record, partly in response to the distorted views of it that were then prevalent.
5. See also http://www.theguardian.com/us-news2015/may/07/david-axelrod-uk-media-most-partisan-fox-news.
6. See http://equitablegrowth.org/2015/06/01/must-read-mark-thoma-restoring-publics-trust-economists/
The Inaugural Royal Economic Society Symposium of Junior Researchers took place at the University of Manchester on the 2nd April 2015. This article is based upon the report to the RES prepared by James Lincoln.1

The aim of the symposium was to bring together a large group of PhDs (at all stages) to present and/or attend for the discussion of their ideas, and provide a non-intimidating platform for networking. The organisers were:

Michael Graber (UCL)
James Lincoln (University of Manchester)
Christiern Rose (University of Bristol)
Spyros Terovitis (University of Warwick)

In spite of rather short notice, they compiled a balanced programme which was well-attended. Furthermore, informal feedback over coffee and other breaks was almost entirely positive and suggested that attendees found the event very rewarding. (See the comment from the prizewinner).

The event
The symposium was hosted at the University of Manchester in the University Place building, the same venue as used by the Royal Economic Society Conference 2015 on the preceding days. Delegates were provided with a name badge and lanyard on arrival. These were of the same format and branding as used in the main RES conference. Maintaining these close parallels with the main RES Conference helped secure a number of discounts with the result that the costs of the event were minimised.

The format of the symposium was a number of parallel sessions throughout the day, followed by a keynote presentation. In total there were 15 sessions spread over 5 teaching rooms at 3 time slots. Each session contained 3 presentations of 20 minutes followed by a 5 minute discussant and 10 minutes discussion. Generally the format and diversity of topics was well appreciated by the audience, specifically the inclusion of a discussant.

In addition to seminar sessions, there were a number of posters presented (15 invited, 7 attended) in the area where refreshments and lunch were provided. Those who presented posters confirmed that these were well received and generated active feedback.

The keynote presentation was given by Sir Richard Blundell in the main lecture theatre of University Place and was very well attended.

Conference promotion
The call for papers was sent to a number of emailing listings; Spyros had access to departmental lists for US and European institutes, Michael emailed the PhD coordinators for ‘ENTER’, and Kimberley Scharf2 sent to the CHUDE and RES mailing lists. Details of the event were also included in the RES mailing to CHUDE promoting the RES ‘£10 PhD discount scheme’. It appears that in many cases emails via CHUDE took several prompts from the local organisers before they were forwarded on to the PhDs. Emails directly to administration staff and PhD coordinators generated a better response.

The symposium website was built as a collaborative effort between the organisers based on the Google Sites platform. The website contained details of the call for papers, the submission process, registration, and the final programme.

Submissions and refereeing process3
Submissions were accepted via email as full papers or extended abstracts. All email communication was conducted using a specific Gmail account that all organisers could access and respond to.

Assistance in forming the scientific committee was provided by Dan Rogger4 (through the RES Junior Fellowship Network), with a total of 18 people volunteer-
ing their services to referee submissions. Submissions were assigned based on field, with no single referee being assigned more than 10 submissions. On the whole the process worked well, although Kimberley Scharf stepped in at the last minute to assist when a couple of referees failed to meet the deadline. Members of the scientific committee were asked to assign a score of 1 (poor) to 5 (excellent) for each assigned paper. They were also invited to nominate a single paper for the best paper award.

For the programme, all papers with score of 5 were automatically accepted to present. Then for all submissions with a score of 4, the following criteria were applied for selection:

- Female presenters — in an attempt to keep a gender balance for presenters, submissions from females took first priority.
- Paper or Abstract submission — submissions with full papers were preferred.
- Subject matter — prior to the selection process there was no set topic for each session. The fields for each of the 15 parallel sessions were determined by the score 5 submissions. To keep each session ‘on topic’ score 4 papers were chosen to fill the gaps.

The remaining score 4 papers were given the opportunity to present their paper in a poster session. They were also informed that they would be put on a waiting list should any of the first round presenters withdraw. This waiting list proved useful as we had a number of late withdrawals, but we were still able to start the symposium with a full programme. Submissions with a score of 3 or below were immediately rejected.

We received a total of 204 submissions (in a 6 week submission period) from which a programme of 45 presenters and 15 posters (10 included on programme) were selected and confirmed.

#### Delegate registration

Registration for delegates was free to RES members and completed through an online form on the symposium website. Although information was included on the registration page some people found the registration process confusing in conjunction with the ‘£10 PhD discount scheme’.

In total 111 people registered, although there were a number of withdrawals once the acceptance / rejection notices were sent.

#### Best paper award

It was agreed before the event that a £100 prize would be awarded to the best paper presented at the symposium. It was decided that the name of the prize should be the ‘Royal Economic Society PhD Symposium Best Paper Prize’. Selection of the winner was selected from the nominations put forward by the scientific committee members and being decided by the organising committee. The prize was awarded to Ananya Sen from the Toulouse School of Economics during the keynote presentation.

#### Reflections

As the first (and experimental) meeting of this kind, the symposium was an undoubted success. The report lists a number of issues, mostly of an administrative kind, where improvements could be made for the future. But given its pioneering nature and the speed with which it was brought together, the symposium looks to have a very positive future.

"The RES PhD Symposium in Manchester provided a nice platform for doctoral students to come together and talk about their research. It was an event with many good papers and a wide range of topics which ensured that there was something for everyone in each session. It showed how doctoral students from all over Europe were working on such a diverse set of topics right at the frontier of their respective fields. Moreover, there was a discussant for each paper which made the feedback even better since apart from the presentation itself, there was one person who had taken the trouble to go through a draft of the paper.

The fact that it was held concurrently with the RES conference led to opportunities to meet different people and would have definitely increased participation at the Symposium. I think it's a great initiative on the part of the RES and I am sure it will go from strength to strength in the coming years. Finally, I would like to thank the Scientific committee for the award for the best paper. This award holds great significance since the Symposium was such a high quality event!"

— Ananya Sen (Best Paper prize winner):
Employers’ Survey 2014-15
Alice Beckett, research assistant at the Economics Network, summarises the findings.

The Economics Network recently conducted a survey of employers of economics graduates for the 2014-15 academic year, the fourth survey conducted since 2006. The survey aims to improve understanding of the knowledge and skills required by graduates to be effective employees, and to identify and address any clear shortfalls.

This year’s survey gathered over 60 responses from a range of employers; mostly based in central government, but responses were also received from organisations in banking, financial services, consultancy and a range of other sectors. The majority of participants came from large organisations (with over 250 employees), while less than 20 per cent of respondents came from medium (50-249 employees) or small (less than 50 employees) organisations. Of the 66 respondents, 61 reported that their organisation has specific jobs for economics graduates.

Overall, the survey highlighted the application of theory and communication skills, in particular communicating effectively in writing, as the areas most in need of improvement among economics graduates. These results reflected similar criticisms raised elsewhere, for example at the Economics Network’s Bank of England event, which also highlighted the conspicuous absence in current curricula of recent policy priorities such as micro and macro-prudential policy.

Skills valued by employers
Employers were asked to indicate how important they considered a range of skills to be among the economics graduates they employ. Most frequently considered as very important were ‘the ability to analyse economic, business and social issues’, and ‘the ability to organise, interpret and present quantitative data’. They rated ‘understanding and interpreting financial matters’ and ‘framing’ — defined as the ability to formulate economic problems, determine the important parameters and construct constrained solutions — to be least important.

How employers rate the skills of current economics graduates
In assessing the current skills possessed by economics graduates, employers considered graduates to be most proficient in their fluency in using IT and computers and least proficient in critical self-awareness. Other skills for which employers frequently cited the level of skill as not very high included the ability to apply what has been learned in a wider context and the ability to communicate clearly in writing, although responses were much more varied in these areas.
Areas of knowledge and understanding valued by employers

Employers were asked to consider which areas of knowledge and understanding they saw as important in economics graduates. The results showed that employers most highly valued knowledge and understanding of incentives and their effects and considered knowledge and understanding of equilibrium and disequilibrium to be least important. Knowledge and understanding of social costs and benefits and opportunity cost were also deemed important by the employers surveyed. Considered less important was knowledge and understanding of the impact of expectations and surprises and macroeconomic variables and the impact of macroeconomic changes.

Skills and knowledge most needing further development

Finally, employers were asked to comment on which skills and knowledge they believed most needed to be developed further in economics degree courses. When their comments were grouped into categories, employers most frequently mentioned the application of economic theory as an area that needs developing. Other skills frequently mentioned included communication skills, quantitative skills, economic history and cost-benefit analysis.

Comparisons with previous surveys

Comparing our 2014-15 survey results with the 2012 survey shows some interesting similarities and differences. Given changes in the survey participants between years, our comparisons cannot be used to give an objective assessment of changes in the skills of economics graduates over time, although they can offer some qualitative observations.

The proportion of employers reporting that the level of economics graduates ability to analyse and interpret quantitative data is ‘very high’ has fallen considerably since our previous survey, with a greater proportion of employers now considering graduates level of skill to be ‘fairly high’. A higher proportion of employers responded that graduates ability in using IT and computers was ‘not very high’ compared with the previous survey. Despite this, using IT and computers was still the skill category where the skill level of graduates was considered ‘very high’ by the largest proportion of employers. There were also considerable changes in employers’ impressions of graduates’ ability to work effectively with others and their ability to communicate clearly in writing, with both seeing a reduction of the proportion of respondents considering graduates' skills to be ‘very high’ in these areas.

Conclusion

As shown by the survey, communication skills and the application of economic theory remain important areas where employers would like to see further development in economics degree courses.

These concerns come at an exciting time in the economics discipline when curriculum reform is already being discussed with increasing frequency on occasions such as the recent Economics Network event at the Bank of England and through drives for curriculum reform. With such wide discussion, there is real potential for the concerns of employers to be addressed and it will be interesting to see how these developments may affect the attitudes of employers towards economics graduates over the next few years.

Change of address

Please note the following new addresses for the Economics Network

Postal address:
The Economics Network
University of Bristol
The Priory Road Complex
Priory Road
Bristol BS8 1TU UK

Office address:
Room 2.08, Staircase B
30-32 Tyndalls Park Road
Bristol BS8 1PY UK

Tel: +44 (0)117 331 0645
Letters to the editor

Pluralism in economics teaching

Sir,

The growing movement for pluralism in economics has inspired a group of early-career academics in the UK to form a new network, Reteaching Economics (http://reteacheconomics.org/), committed to pluralism in the teaching of economics. The group aims to effect change in the economics curriculum through a combination of scholarly and institutional activity and activism. The group supports the UK student campaign for the introduction of theoretical and methodological pluralism in the teaching of economics, spearheaded by groups such as Rethinking Economics (www.rethinkeconomics.org/) and the Post-Crash Economics Society (www.post-crasheconomics.com/). The group currently has thirty-nine members drawn from academic institutions across the UK. It is open to all UK early-career academics who support the aims of the network.

Our objectives include the introduction of Methodology and Philosophy of Social Sciences into the economics curriculum, and the re-introduction of History of Economic Thought. Equally important are the institutional requirements to progress economics as a discipline. Among other activities, group members are involved in efforts to reform the Research Excellence framework and the QAA (the Quality Assurance Agency, which influences the content of the economics teaching throughout UK) and workshops and in events to promote pluralism.

The official launch of Reteaching Economics took place on 21st of March 2015 and included a private viewing of the film Boom Bust Boom (http://boombustclick.com/) at SOAS, University of London. The film, produced by Terry Jones and Ben Timlett, gives an accessible introduction to the history of financial crisis and the related shortcomings of mainstream economics. The event was attended by students, academic economists, journalists, politicians, and activists. The film was inspired by discussions between Terry Jones and students regarding the lack of balance in their education and the culpability of much of the economics profession for propagating the idea that financial crisis was an impossibility.

In the coming academic year we hope to broaden our activities by forming working relationships with other academic groups committed to pluralism in economics and by supporting the student movement by providing reading lists and example curriculum materials.

We warmly encourage those who support our aims to join us.

Reteaching Economics
(Twitter: @ReteachEcon)

Elitism and the State of Economics Education

Sir,

Reading the April 2015 RES Newsletter, we wondered whether it was by design or accident that the articles on ‘The Rise of Elitism in the Study of Economics’ (by James Johnston and Alan Reeves), and ‘Revisiting the State of Economics Education’ (by Margaret Stevens), were printed next to each other. It seems to us that there is a strong causal link between the themes of the two articles, hinted at only tangentially in each. We seek in this article to draw out these links explicitly, whilst introducing additional elements relevant to ongoing debates about economics education.

Johnston and Reeves define elitism in socio-economic terms — regarding the type of institution where economics is taught, the type of student attending that type of institution, and thus the type of student studying economics. Yet whilst the correlation is not perfect, we would also argue there is a strong link between the type of institution where economics is taught and the type of economics being taught there. We agree with Johnston and Reeves that this is linked to pressures on academics and institutions from the REF, but we see the consequences of this extending beyond the socio-economic dimensions they highlight. This situation has profound implications for the propagation of economic ideas, given the type of policy-influencing careers economics graduates from elite institutions will often go into, as Johnston and Reeves indicate. But since this also includes becoming academics, it has direct consequences for the type of economics taught to future generations.

Reflecting concerns expressed by Stevens in her article, but also by the Post-Crash Economics Society (PCES) in an article in the January 2015 Newsletter and the response by Diane Coyle and Simon Wren-Lewis in the April Newsletter, we do not wish to create artificial divisions between orthodox/mainstream and heterodox economics, but wish to go deeper, to get a clearer sense of what economics is. An economics education includes the learning of a range of quantitative and theoretical methods, but there are also multiple threshold concepts that are fundamental to understanding what economics is and how economists think. Economics then involves the application of these tools to help understand an almost infinite number of questions affecting society.

Economics may well be ‘what economists do’ — but the critical question is, how large or small is the economist’s toolkit that we draw on in order to ‘do’ economics? These recent articles in the Newsletter focus on specific tools more than their application. The PCES article refers to Problem Based Learning as a way of taking the teaching and learning of economics forward. We agree that PBL is an excellent pedagogy for applying economic knowledge. The challenge, as we see it, is getting academics to make the necessary changes to what is taught on econom-
ics degrees, and how. PBL is but one of various means of getting students to reflect critically on the tools in that toolkit of theirs, and to decide which tool is most suitable for which job. If we are telling them only that certain theories or certain (quantitative) methods fit into the toolkit, then we are foreshortening students capacity both to understand what economics is, and how they can then seek solutions to economic problems. Indeed, if economics is delivered primarily as a degree in a limited range of economics methods, students may not even get the chance to do the latter.

But PBL is emblematic of wider constraints. First, as the PCES article makes clear, it can be difficult to implement PBL with very large degree cohorts. Why this should be a problem is understood by another feature of elite institutions - lower average academic teaching loads than non-elite institutions (we prefer this label to Johnston and Reeves' reference to the elite as 'probably higher quality' institutions and thus, by implication, the non-elite as lower quality institutions). The implication of this is simple but profound. Students attending elite institutions, typically also research intensive institutions, will be going to institutions defined as elite by one set of criteria, shaped by one set of academic staff, but will receive much of their economics education from a different set of staff, including research students and, as recent articles in Times Higher Education suggest, other staff who are increasingly casualised. This is not to denigrate the latter group at all. It is merely to highlight the disjoint between those whose research activities defines an institution as elite, and those who deliver much of the education at those same institutions. It thus makes the point that great care is needed when talking about 'elite' institutions.

If what matter is the quality of economics education, an understanding of this contradiction in the definition of elite and non-elite is vital. This is because of the dominance of a limited range of tools from the economist's toolkit being utilised in much of the research conducted in the elite. If academics are expected only to teach a limited number of hours each year, it follows that there will be no institutional pressure for those academics to spend time learning other techniques to build into their teaching. But it also involves analysis, understanding and interpreting and strategic thinking. If students are exposed only to a limited set of tools, or if their degrees are exercises in learning technical methods but little else, then the value of an economics education, as opposed to any other subject, is diminished.

Which brings us on to what those employers see is missing from economics graduates. These include the ability to apply what has been learned in wider contexts, creative and imaginative thinking, independence of judgement and viewpoint, cross cultural awareness, critical self-awareness and the ability to communicate clearly in writing. Moreover, communication includes being able to talk about economics. It is also about oral communication. Economics graduates should be able to enter into conversations about economics, or conversations about different perspectives on what is 'economics'. And second, students are enabled to apply that range of knowledge to different issues.

When an economics education is reduced to the learning of a limited range of techniques, the implications are profound. This will not only fail to expose students to opportunities to develop the skills of interpretation, application and reflection, it will also fail to enable students to develop critical skills of writing and verbal communication, and of personal and social reflection. Then again, if economics is seen merely as the application of techniques, why should these skills be considered part of an economics education?

Economics education is about more than just teaching techniques. It is also about empirical understanding, enquiry, and a wide range of skills that promote employability. This is what constitutes an elite economics education.

Rob Ackrill, Nottingham Trent University
Dean Garratt, University of Warwick
The purpose of economics

Diane Coyle and Simon Wren-Lewis (Newsletter, April 2015) make a short but important contribution to the debate on economics teaching. They claim that most economics departments aim to create critical-thinking, autonomous problem solvers; but given the largely vocational nature of the discipline, the current emphasis on the technical tools necessary to equip those who want to follow a career in economics is justified and leaves little scope for the teaching of economic history, history of economic thought and methodology, however desirable these might be. They contend therefore, that economics ought not be taught ‘as if it were one of the humanities in a traditional liberal education’. These claims deserve further discussion.

Coyle and Wren-Lewis raise what is, to me, the most important question in economics teaching: what are the aims of economics programmes? This ‘why?’ question must precede those of ‘what’ to teach, and ‘how’ to teach it. Without answering that question, teaching cannot be effective. Coyle and Wren-Lewis claim that most departments aim to create graduates who can think critically, apply their knowledge to problems, be lifelong learners, and be well-equipped to choose their own path. These aims are, of course, entirely consistent with a traditional liberal education.

My own view is that, rather than being motivated by a concern to create educated citizens, economics teaching has been driven by a desire to train students in a set of concepts and techniques, designed to produce the next generation of economists. We have to consider whether there is a conflict of educational philosophy here. We should also allow that for some departments their aims may not be clear. Overall, we simply do not know what the aims of economics departments are or what students think they are (literally) buying into when they undertake an economics degree.

For Coyle and Wren-Lewis, economics is inherently a vocational subject, and the aim of its teaching is vocational. Both are disputable. Economics was long grouped by Cambridge among the moral sciences, those disciplines such as history, law and philosophy, as well as economics, that studied various aspects of human behaviour. Marshall defined economics as ‘a study of mankind [sic] in the ordinary business of life’. This means the discipline was concerned with understanding, explanation, and illumination. Economists have also always been engaged in critique. Keynes told of economists being like dentists, in a world in which the big economic problem had been solved — but his dentist-like economist was a vision of the possible (however unlikely), not a description of what economics currently was. Indeed, he understood the power of ideas to criticise and consequently to change economic reality. Viewed these ways, economics has a heritage aligned with critical social science, or indeed the humanities. Like the humanities, the moral sciences promoted a liberal education. On that reading, economics has a vocational aspect, in the same way that, say, the study of English literature may be a particularly good background for a novelist, but that does not make it a vocational subject, like a course in creative writing — or dentistry.

Coyle and Wren-Lewis call for ‘[recognition of] the vocational nature of an economics degree’. Let us suppose they get their wish. It is not clear that there is a strong link between students’ desire to study economics and a desire to become economists. Many students choose economics because of the general intellectual development they believe it provides and signals to employers. Many others study it because they think it is interesting or economic issues are important. They may have little notion of going on to do graduate degrees in economics, or to become either professional or academic economists.

It is also worth noting that if economics departments are aimed at creating ready and able economists, Economics Network surveys of employers suggest there is considerable room for improvement. For example, in the most recent survey of employers, on key skills, such as the ability to apply, adapt, and communicate, many more respondents score graduates ‘not very high’ rather than ‘very high’. In the previous employer survey (2007), scores for many key skills were pretty low. Only 41.7 per cent of graduates were rated as ‘strong’ or better at abstraction. It may be simply that economics departments are not good at teaching. Another explanation is that, in fact, economics departments are not aiming at those goals.

That all leads me to doubt that economics degrees are in fact, or even intended to be, vocational. A more apt description might be ‘technical’. Problem sets are not the same as problem-solving. For all the excellent elective courses on climate change and other crucial issues, the core of economics degrees — microeconomics, macroeconomics, mathematics, econometrics — seems to be geared towards building a conceptual, technical framework.

Overall, then, I would contest Coyle and Wren-Lewis’s claims that economics teaching has a vocational thrust, and that economics is largely vocational. Embracing economics’ explanatory, critical, philosophical and cultural heritage means that an economics based on the values of liberal education is entirely possible. Indeed, in this spirit, I find it significant that the new QAA benchmark statement makes several references to ‘education’, rather than training.

I welcome Coyle and Wren-Lewis’s paper as opening a debate on the nature and purpose of economics and economics degrees.

Andrew Mearman
University of the West of England
Andrew Mearman challenges our view, expressed in an earlier article in this Newsletter, that economics degrees have a vocational purpose. We think there is in fact evidence that they do. The latest figures from the Higher Education Careers Services Unit (covering 2014 destinations data) [http://www.hecsu.ac.uk/current_projects_what_do_graduates_do.htm] report that of 4470 survey respondents who had taken economics degrees, 13.1 per cent were in further study, 8.5 per cent were combining study with (unspecified) work, and of the 54.3 per cent working full time in the UK, more than half (52.7 per cent) were in business, finance or HR. This was by a long way the most frequent category of job reported. Most of those in further study were taking masters degrees (M Phil or MSc in Economics, MBA, MSc Real Estate Finance are among the examples given). Examples of the graduate job titles cited in the report include investment banker, Government Economic Service, analyst at a financial advice company.

Therefore for a little over two-fifths of economics graduates, their degree will have been, in their minds and the minds of their employers, vocational. This is a substantially higher proportion than, for example, the proportion of psychology graduates either in further study or in jobs related to their degree; and most psychology degrees are accredited by the British Psychological Society, with a two-year core curriculum that follows its guidelines, precisely so that the vocational route is open to graduates.

The Economics Network survey confirmed that employers do look for skills they are not currently finding in economics graduates. This is one reason we too have been advocating curriculum reform. The ability to think critically about problems, more knowledge of economic history and context, and communication skills are high on employers’ wish-list (the third of these being true of employers of any graduates). It is a fine point whether these can be described as ‘vocational’ or not. However, when employers were asked to name which skills and knowledge they believed most needed to be developed further in economics degree courses, employers most frequently mentioned better application of economic theory, well ahead of other desired improvements in areas including communication skills, quantitative and data skills, economic history and cost-benefit analysis.

Of course the fact that economics degrees have a vocational purpose does not rule out some departments offering a more liberal arts approach to economics, as Andrew is suggesting. We are sure that he would agree that, if departments do go down that route, it would be appropriate for all concerned if they signal that clearly to both prospective students and potential employers.

We would echo Andrew’s conclusion that a debate on the nature and purpose of economic degrees is timely. It is a debate that is under way in some departments and perhaps could usefully be extended more widely in the profession.

Diane Coyle, University of Manchester
Simon Wren-Lewis, University of Oxford

Letter from Germany

...continued from p.4

Growth Pact — Germany is now wedded to austerity or risks losing all credibility on fiscal discipline in the monetary union.

To the extent that policymaking is the product of interactions of hard-nosed politicians and policymakers, a positive analysis of economic policy yields high returns. Economists here certainly do take a much more cynical view of policy and political economy. When I arrived in Berlin in the early 1990s, the discussion surrounding the European Monetary Union project was uniformly sceptical. The suspicion was that politicians do what they please in response to short-term political incentives, not what our models predict for policy in a vacuum. In view of current events, those skeptics were pretty much on the mark.

Germans understand intimately the pitfalls and political economy of moral hazard and it is hardly surprising that their economists have similar views. States of Germany are jointly and severally liable for each other’s debt; predictably, smaller states have allowed their debt to soar since the 1980s in the aftermath of structural decline and despite promises to balance budgets. Bremen’s debt per capita increased from about 5000 EUR in 1980 to 30000 in 2015, or 500 per cent; in Saarland, it rose from 1600 EUR per capita to almost 14000 EUR or 775 per cent (for the country, debt per capita increased ‘only’ by 200 per cent over the same period). While it appears plausible and perhaps unavoidable to bail out Bremen, Saarland (or Berlin), doing the same for 10 million Greeks is another question. Understandably, moral hazard becomes a categorical imperative.

It is not ordoliberal religion, but a mixture of national self-interest and healthy mistrust informed by experience that guides German economic policy today. At the core is the fact that Europe still consists of sovereign nations, and most Europeans want to keep it that way. A monetary union imposes a one-size-fits-all monetary policy but is silent on the right substitutes for it. Should we seek an insurance policy (as in the US) or allow each nation’s self-interests to assert themselves? In the end, German economists will tend to peddle economics that serve Germany’s own self-interests, just as we’d expect of the British if and when they decide to leave the EU, or of the US when interest rates are finally raised. If it is to succeed, the European monetary union needs to synchronize national and union interests, or faced being dashed on the rocks of shocks to come.
A Global ‘Apollo’ Programme to Tackle Climate Change

This is the name given to the plan to reduce the cost of clean energy, promoted by a number of eminent scientists and economists. The initiative was launched at LSE on 2nd June. This is an edited version of the report that appeared on the voxEU website.¹

One thing would be enough to bring a halt to climate change. If clean energy became cheaper to produce than energy from fossil fuels, the use of fossil fuels would stop. So the key to the problem of climate change is research, development and demonstration (RD&D) to reduce the cost of clean energy.²

The challenge
This has to be a top priority for the world’s scientists and technologists. Time is very short. Once the world’s temperature exceeds 2°C above the pre-industrial level, major dangers threaten. For example, an eventual sea-level rise of 6 metres becomes very likely. So world leaders agreed in 2010 to limit the probable rise in temperature to 2°C.

Figure 1 shows the challenge. The forecast line is the forecast of the International Energy Agency (IEA) on present policies, and the required path is what is required to stay within 2°C (IEA 2013a). We must hope that in the COP negotiations culminating in Paris in December the nations will collectively commit to such a path. But how will the nations be able to deliver their commitments?

A key requirement is that clean energy becomes cheaper to produce, and cheap enough to outcompete dirty energy (even without the help of subsidies and taxes). To reduce costs in this way requires a major, concerted effort of RD&D.

Figure 1: Energy-related CO2 emissions

The present research effort
So how are we doing? Not well enough. Costs are coming down but not fast enough to solve the problem in time. Believe it or not, only 2 per cent of the world’s publicly financed RD&D goes on solving the problem of cheap, clean energy. This includes all research not only on wind and solar power generation, but also on electricity storage and transmission and on electric vehicles. On these massive issues the world spends only $6 billion a year.

In the past when threatened, nations of the world have mounted major public sector research initiatives like the Manhattan Project or the Apollo Programme. And the science community has delivered what was needed. But to solve our present problem we are mainly relying on the private sector.

We are subsidising the supply of clean energy to the tune of $100 billion a year (IEA 2013b). While this is right, it has failed to stimulate sufficient cost reductions to solve the problem within the time available. Even in the major international companies which manufacture solar PV and wind turbines, the ratio of R&D to sales is under 2 per cent, compared with over 5 per cent in consumer electronics and 15 per cent in pharmaceuticals (Laleman and Albrecht 2012, Grubb et al. 2014).

So we need a totally different and complementary approach where the public sector complements the private sector with a major programme covering the pre-competitive phases of research.

Technology
There are four main major technological challenges. First, sun and wind power generation costs must come down. Recent years have seen striking falls in the cost of photo-voltaic solar panels (as Figure 2 shows).³ This is not surprising since they consist of semi-conductors. But further falls are crucial, as well as a reduced cost of the remaining ‘balance of systems’.

In many sunny areas solar, and in many windy areas wind, are now competitive when they are in use. But for sun and wind to be able to provide base-load 24-hour electricity, we need cheap methods of storing electricity and better ways of feeding intermittent electricity into the grid (using smart grids and better interconnectors). And, to further cut CO2 emissions, we need to be able to electrify all land transport, which means cheaper mobile storage of electricity.

These are scientific challenges. Scientists and businessmen like our co-authors David King, Martin Rees and John Browne, believe we know enough already to see how, with a concerted research effort, these challenges could be met within a ten-year timetable. They are problems — like put-
ting a man on the moon — that can be cracked if the effort is properly organised and financed. Hence the proposal for a ten-year Global Apollo Programme involving as many of the world’s nations as possible.

**Target**

The target is that within ten years, base-load new-build renewables should be less costly sources of electricity than new-build coal-fired power stations worldwide.

**Scale**

At current prices, the moonshot cost $15 billion a year for ten years. That amounts to 0.02 per cent of today’s world GDP and provides an appropriate minimum scale for the Global Apollo Programme (GAP). So any government joining the Programme consortium will pledge to spend an annual average of 0.02 per cent of GDP as public expenditure on the Programme from 2016 to 2025. The money will be spent according to the country’s own discretion. We hope all major countries will join. This is an enhanced, expanded and internationally coordinated version of many national programmes.

**Roadmap Committee**

The Programme will generate year by year a clear roadmap of the scientific breakthroughs required at each stage to maintain the pace of cost reduction, along the lines of Moore’s Law. Such an arrangement has worked extremely well in the semi-conductor field, where since the 1990s the International Technology Roadmap for Semiconductors (ITRS) has identified the scientific bottlenecks to further cost reduction and has spelt out the advances needed at the pre-competitive stages of RD&D. That Roadmap has been constructed through a consortium of major players in the industry in many countries, guided by a committee of 2-4 representatives of each main region. The RD&D needed has then been financed by governments and the private sector.

The Global Apollo Programme will follow this model. There will be a Commission consisting of one represen-

tative of each member country and, under it, a Roadmap Committee of some 20 senior technologists and businessmen who will construct and revise the roadmap year by year. It will be co-located with the International Energy Agency in Paris, but will of course include very many countries not belonging to the IEA. All results discovered through the programme will be made publicly available, though patentable intellectual property will be protected and will remain with those who made the discoveries.

**Conclusion**

To reduce greenhouse gas emissions much else is also needed – more energy efficiency, more nuclear power and taxes on carbon until fossil fuels finally disappear from use. But we believe strongly that, in terms of value for money, a Global Apollo Programme is an essential component of any serious attempt to manage the risks of climate change. Without it, targets of emission reduction will be extremely difficult to deliver. But the Global Apollo Programme, at relatively small cost, will contribute powerfully to a safer and better world. It will add to energy security and reduce the polluting effects of fossil fuels, which now kill millions of people. It may even generate sufficient savings in energy costs to completely cover its own cost. We hope that by the end of the year all major countries will have decided to join.

Note:


2. The total cost of clean energy would need to fall below the marginal cost of dirty energy.


**References:**


IEA (2013a) *World Energy Outlook Special Report: Redrawing the Energy-Climate Map, New Policies Scenario*, Paris: OECD/IEA, Figure 1.16, p.34.


IPCC (2014), *WGIII AR5*.

Obituaries

Guy Judge
The first Software Reviews Editor of the Economic Journal [1993-2000] and the author of one of the pioneering textbooks on the use of computers in economics (Quantitative Analysis for Economics and Business: Using Lotus 1-2-3) has died.

Guy Judge was born in Watford on 11th May 1949 and was educated at Watford Grammar School. It was here that he became a ‘hornet’, a devoted supporter of Watford Football Club. From Watford Grammar School, he progressed to the University of Warwick where he met his future wife (Pauline), with whom he would share many subsequent adventures, and began the pursuit of his lifelong passion for economics. He graduated with a BA Economics in 1970 and an MA Economics in 1972.

In September 1972, Guy took up a lecturing post at Portsmouth Polytechnic, where he played an instrumental role in developing the mathematical and statistical content of the institution’s fledging Economics degree. As the degree flourished, so did Guy’s interest in promoting the use of computers as a pedagogic tool in the teaching of economics. Guy was the moving force in setting up the CALECO (Computer Aided Learning in Economics) group at Portsmouth in 1986, and this was swiftly followed by the launching of CHEER (Computing in Higher Education Economics Review) in 1987 — the pioneering journal that showcased and assessed the use of computers in the discipline (both for research and teaching). The following year (1988) Guy and CALECO organised the first of what would subsequently turn out to be many annual conferences, attracting enthusiasts from across the globe, eager to demonstrate what could be done with computers in economics. In these early years, speed and connection issues, not to mention creaky hardware, were always a challenge, but as Martin Poulter (a Director of Wikimedia UK) remarked: ‘Guy has been the unflappable eye of the storm in conference sessions where a tech demo is going disastrously wrong.’

In the early 1990s, Guy was therefore a natural choice as a lead partner in the HEFCE-funded WinEcon project, an eight-strong University consortia which produced a computer-based teaching/learning package in introductory economics covering the whole of the typical first-year undergraduate syllabus. He was also both a source of inspiration and a font of wisdom to the members of the Economics Network, an organisation which has the admirable goal of enhancing the quality of learning and teaching throughout the higher education economics community. Guy’s premier position in this growing field was consolidated when the editors of the Economic Journal invited him to edit the software review section of the journal.

Guy’s research interests were not wholly confined to economic pedagogy, however, and he published a variety of articles with colleagues covering such diverse areas as property price cycles, internet banking in Greece (a country which became a second home as he applied the same analytic skills he had to econometrics to mastering the Greek language), cinema admissions, UK energy demand, and student plagiarism. Guy was at his best, however, in the classroom where generations of Portsmouth students were inspired by his teaching, his sometimes irreverent use of examples and the quirky things [including his own poetry, songs and videos] he shared through blogs and social media. One of his poems (‘Carry on Regressing’ was even picked up and published by Stephen Dubner on his Freakonomics website on 3rd June 2009, an accolade not achieved by many other economists.

Guy retired as Deputy Head of Economics in August 2012 after working for forty years to the week at Portsmouth Polytechnic/University of Portsmouth. Since then he had battled cancer with the same verve with which he dealt with technical problems in the computing conferences he ran so successfully in the 1980s and 1990s. A fitting epitaph is that, on the day on which he died (14th March 2015), Watford FC sat proudly at the top of the Championship. He is survived by his wife Pauline.

Andy Thorpe
University of Portsmouth

Short films on economic research

The new RES series of short films on research presented at this year’s annual conference and in the 125th anniversary issue of the EJ is here:

http://ow.ly/NgYSk
Updating membership details

The Society is increasingly using online facilities via its website to contact and publicise its activities to members. Updating membership details can be done directly, including your email address, by changing your profile details having registered on the website at www.res.org.uk.

- Members joining or renewing online are automatically registered with login access to the RES website. Login is based on the email address and password you supplied in your membership application.
- Members who have joined by post will need to register online at www.res.org.uk.

Could we ask all members to ensure that you have a current email address registered so that you can be contacted by the Society for the election of Council members which will take place online this autumn? If you receive the message that your email address is already registered please use the forgotten password facility which will allow you to reset your password for the email address. You should also soon receive your renewal letter from Wiley Membership Services and this might also prompt you to check that your email address is registered correctly with us. If you prefer to speak to someone please call Membership Services on +44 (0)1865 476038

2015 Junior fellowship scheme

Since 1995 the Society has invited UK universities to nominate economics students for one-year junior research fellowships. This year’s Junior Fellowship award scheme received 40 applications from 17 universities. Congratulations are offered from the Society to the following candidates who have accepted a Junior Fellowship award for the forthcoming academic year 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 Andrzei 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 Theoloudis, The dynamics of consumption and labour 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)
Si Chen, Thesis in behavioural financial market microstructure (Oxford)

Award recipients are also invited to both attend the RES Annual Conference and submit a research paper to the RES Conference Programme Chair for possible inclusion in an RES Fellowship conference session.

The 2015 Annual Public Lecture

will be given on Tuesday 24th November at the Royal Institution in London where Professor Rachel Griffith will discuss some of the empirical evidence around how much tax is paid by large multinational firms and the implications it has for government policy. The regional lecture will take place at the University of Manchester on Thursday 3rd December. As well as being Managing Editor of the RES journal, the Economic Journal Rachel is also the Deputy Research Director of the Institute for Fiscal Studies (IFS), a Fellow of the British Academy. She was awarded CBE in this year’s Birthday Honours List for her work on economic policy. Tickets will be available for application through the RES website in the autumn. Please see www.res.org or contact events@res.org.uk for full details and ticket applications.

Farewell to Professor John Arnott Beath

The Society wishes to thank John Beath for his careful stewardship of the Society as Secretary General from 2008 until the end of June 2015, working with Presidents Sir John Vickers, Sir Richard Blundell and Sir Charles Bean as well as the current President Professor John Moore. We welcome Professor Denise Osborn as Secretary-General, who will continue to be supported by the RES Office at royaelconsoc@st-andrews.ac.uk.

AGM

The Secretary-General’s Report and the Accounts of the Society can be found at www.res.org.uk or on request from the RES Office (royaelconsoc@st-andrews.ac.uk)

The AGM ratified the election of new members of Council and the President Professor John Moore of the University of Edinburgh and the London School of Economics. Professor Sir Charles Bean continues to serve for one year as Past President and the Society thanked him for his presidency.

The Society is pleased to welcome the following as members of the RES Council from April 2015 until 2020: Michèle Belot (Edinburgh), Wendy Carlin (UCL),...
2015

June

25-26 June Stirling
The 2015 PhD Student Conference in Behavioural Science will be held at the Stirling Behavioural Science Centre on 25 June and will be followed by a Workshop on Behavioural Science and Public Policy on June 26.

Further information: http://economicspsychologypolicy.blogspot.de/2014/03/call-for-papers-stirling-phd-conference.html

25-27 June Rome, Italy
First World Congress of Comparative Economics will be held at Roma Tre University.

Further information: https://inomics.com/first-world-congress-comparative-economics-rome

July

2-4 July Luxembourg
The Association for Public Economic Theory (APET) will hold its sixteenth international meeting at the University of Luxembourg. As with previous PET conferences, papers in all aspects of public economics and related areas will be presented. Confirmed Keynote speakers are: Professor Robin Boadway, Queens University; Professor Martin Hellwig, Max Planck Institute for Research on Collective Goods and Nobel Laureate Roger Myerson, University of Chicago.

Further information: elisa.ferreira@uni.lu

August

24-27 August Mannheim, Germany
The European Economic Association’s annual congress will take place at the University of Mannheim.


September

9-11 September Cardiff
The 47th Money, Macro and Finance Research Group Annual Conference.

Further information: www.mmf2015.org

16-17 September Genoa, Italy
This year’s European Association for Evolutionary Political Economy (EAEPE) Annual Conference features Young Scholars Special Sessions and a Young Scholars pre-conference with workshops about diverse topics from pluralist economics.

Further information: http://eaepe.org/?page=events&side=annual_conference&sub=youn_g_scholars_preconference_and_special_sessions

17-19 September Genoa, Italy
27th Annual EAEPE Conference 2015: A New Role for the Financial System. The conference theme will focus on reforming the financial system in order to divert resources from speculative activities, cause of growing inequalities and instability, to productive investments able to foster smart, sustainable and inclusive societies.

Further information: marco.raberto@unige.it

October

8-9 October Mannheim, Germany
5th SEEK Conference: Overcoming the Crisis. How to Foster Innovation and Entrepreneurship in Europe?
Further information: seek@zew.de

19-21 October Steyr, Austria
Further information: http://www.acrn.eu/frap

22-23 October Kyrenia Cyprus
INFER International Workshop on Applied Economics and Finance. This workshop provides an opportunity for all those interested in the Applied Economics and Finance to discuss their research and to exchange ideas. Researchers are invited to submit both empirical and theoretical papers that are broadly consistent with the workshop. See the website for a listing of topics.
Further information: http://www.infer-research.net/call_detail.php?id=146

November

23-25 November London
Conference on Microprudential supervision of banks and insurers - organised by the Bank of England’s Centre for Central Banking Studies. Topics covered will include models of financial services regulation; a judgement-based, forward-looking approach to prudential supervision; the interplay between micro- and macro-prudential regulation.
Further information: www.bankofengland.co.uk/education/Pages/ccbs/events/events.aspx

25-27 November Hangjou, China
Further information: www.regionalstudies.org/conferences

30 November - 11 December London
Conference on Economic modelling and forecasting - organised by the Bank of England’s Centre for Central Banking Studies. The event is a combination of lectures on the theory and methods of policy analysis and design, practical problems in modelling and forecasting and computer-based exercises.
Further information: www.bankofengland.co.uk/education/Pages/ccbs/events/events.aspx

december

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-Kwong Ng.
Further information: sessions@weai.org

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
Royal Economic Society Annual Conference. See announcement on p.9 above.

May

3-5 May Alicante, Spain
International Conference on Big Data organised by Wessex Institute 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
Membership of the
Royal Economic Society

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

- A print subscription to The Economic Journal, published eight times a year, depending on the membership package selected.
- Online access to The Economic Journal back to 1997 including access to forthcoming papers before publication of the print version.
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- Free submission of articles to The Economic Journal and the chance to win the RES prize of £3000 awarded every year to the author(s) of the best published paper.
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