Another New Year

In the last Newsletter, we speculated on how many readers and contributors would have expected that the consequences of the 2008 financial crisis would still be providing material for debate in these pages four years on. And still it continues. In this issue — in the Letters page and in Alan Kirman’s review of the situation in France which the UK media have recently been warning poses a bigger potential for the eurozone than any of ‘peripheral’ countries that have so far commanded attention. Amongst the most interesting features of the French situation is that the response to the crisis has to be managed by an avowedly socialist government that one would not expect to be enthusiastic about the austerity measures apparently demanded by financial markets. Alan’s letter sheds some interesting light on the difficulties faced by the Hollande administration.

The UK tax system is notoriously complex — an issue which has recently come to prominence again in connection with personal and corporate tax avoidance strategies. This continues, in spite of repeated promises of ‘simplification’ by governments of all political colour. The ‘Mirrlees Review’ that reported last year maybe an opportunity to remedy this and to make other improvements. (Unfortunately the history of this issue causes words like ‘breath’, ‘don’t’ and ‘hold’ to spring to mind). Tony Atkinson, a past-President of the Society, has contributed an excellent review of the report.

In addition, we have the regular annual reports from the editors of the Economic Journal and the Econometrics Journal, together with news, conferences and obituaries.
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Articles, features, news items, letters, reports etc. should be sent to the Editor by:

15 March 2013

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

16 March 2013

Contributions from readers

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

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

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Letter from France

La France en Difficulté

In recent weeks the headlines in France have been dominated by the news of the rich and famous fleeing the country to avoid the new government’s high rates of tax. In this letter, Alan Kirman looks at the difficulties faced by Francois Hollande and his colleagues in pursuing their own version of ‘austérité’.

Recent headlines suggest that France and the French Economy are coming apart at the seams. The Economist described France as ‘the time bomb at the centre of Europe’. The Herald Tribune argued that the French had become accustomed to a life style beyond their means. This at a time of crisis in which plump and comfortably off politicians in different European countries have taken to arguing that now is the time for the less well fed and less well off citizens in European countries, particularly in France, ‘to tighten their belts’. Putting to one side the idea that this attitude may be simply the sublimation of these same politicians' dietary problems, it is worth looking at the state of the French economy and the sort of austerity measures recommended.

Much has happened in France this year, the Socialists have returned to power with Francois Hollande, the right wing opposition has gone through a sort of mirror image of what happened to the Republican party in the US. The post election battle for the leadership of the UMP, the main party of the right, was between two social and economic visions, the ‘uninhibited right’ represented by M Copé and a more centrist position occupied by M Fillon the previous prime minister. In the US, the story was that Romney was obliged to move far to the right to win the Republican primary and then shifted back to the centre to capture the votes from the centre. In France having lost the election with a fairly incomprehensible mix of anti-immigration, pro-business, but protectionist proposals, the right seems to be choosing where to place itself in the spectrum to clarify its message and to decide whether its future depends on attracting the supporters of the Front National or those in the centre. Both of the two candidates have claimed that they won the leadership election and both accuse the other of fraud. The chairman of the appeals board that decided that M Copé had won has just been condemned to a 15 months suspended sentence and 2 years of ineligibility for elected office. It might be thought that this fratricidal quarrel and the skulduggery that went with it, would have destroyed electors’ faith in the UMP. Yet, recent by-elections have shown the UMP doing well, suggesting that the honeymoon with Hollande was of short duration and that dissatisfaction with Hollande’s policies far outweighed outrage at the behaviour of the right.

Why the dissatisfaction with the current government’s policies? Clearly there was considerable dissonance between the campaign promises and the policies currently being put in place. Furthermore, there is notable variance within the government. M Montebourg, the minister for ‘Redressement productif’, has a particularly intolerant attitude to some of the foreign companies that have invested in France. He announced that he wanted nothing more to do with Mittal the Indian steel maker that threatened to close its site in the Lorraine. Boris Johnson the mayor of London quickly responded by saying that he would welcome Mittal’s activities in London. Where he envisaged putting the steel plants in London was left to the imagination. But silliness apart, there was a clear division of principle here and one which has been reflected in the recent outcry over how much tax multinational corporations pay in Europe. Are these businesses wealth creators or are they siphoning off resources only to move on as profitability declines? This is, of course a debate which is of great importance to the left-wing supporters who voted for Hollande. The government has been ambiguous. The idea of taxing firms more but to provide them with a tax credit to diminish the extra charges which are claimed to weigh French firms down was confusing for the average elector and received a tepid welcome from businesses. The basic problem is that the message to the left was an unwelcome concession to businesses whilst entrepreneurs were not happy with the idea of paying more to receive a tax credit in what amounts to two years time. The message was noisy because there is a lot of noise in the attitudes of the members of the government.

Then there was the ‘competitiveness pact’ being an onslaught on what are thought of as the handicaps to French firms’ ability to compete in international markets. Two things are worth observing here. Firstly, it should be obvious that if competitiveness is regarded as being measured by the balance of trade then this is a zero sum game. But, of course, improving the French trade balance and becoming more competitive with the Germans for example, could be achieved in very different ways. If the burden of adjustment were to be shifted to the surplus countries then higher wages in those countries (even with the danger of more inflation of which there is no sign at the moment), then there could be an improvement with increasing activity in the French econo-
Correspondence

ogy, still Germany’s most important trading partner. If trade balances are a zero sum game international economic activity is certainly not such a game.

But we are told that many of France’s problems are due to the fact that there are structural problems particularly in the French labour market which is not flexible enough. Yet 82 per cent of all new hires in France are on fixed short term contracts. What is surely true is that a new balance between durability of employment and the possibility of reallocating labour more effectively needs to be found. France has, in the sense I have just described, a very flexible labour market but one which bears all the marks of the old ‘insider-outsider’ debate. Secondly we are told that unit labour costs are too high in France (34.20 euros per hour, as opposed to Germany 30.10), but again this statement is too simplistic. In the manufacturing sector, the labour cost per hour in Germany is 33.37 euros per hour as opposed to 33.16 euros in France whereas the opposite is true in the service sector where Germany is clearly cheaper 26.81 v. 32.08.

In small firms, Germany has cheaper labour costs whereas in large firms, over 1000 employees, France is cheaper. But labour costs are not the whole story though many like to make this simplification. We have recently had the dispiriting privilege of a speech from Valerie Pecresse the former budget minister, who explained that a 7 per cent increase in the cost of labour (her estimate of the effect of recent legislation) would eliminate all of the 7 per cent profit margin made by French firms. She presumably believes firmly in a labour theory of value. It would however, be wrong for me to continue in this vein since the highly informed readers of this letter have heard this debate ad nauseam. However let me conclude this part of my letter by remarking that both France and Germany are way above the European average in terms of labour costs.

A slightly more subtle relation between the current crisis and economic performance is provided by the effect of growing economic inequality. Let me give a very simple or even simplistic example. One of the hardest hit sectors in France has been the car industry. To oversimplify, French cars are essentially aimed at consumers in the low and middle income sector whereas German cars target higher income consumers. One of the features of this crisis in France has been the persistent increase in income inequality.

But, this means, that with lower incomes the less well off simply demand less, hence the natural victims of this are French car manufacturers. Hence, 2012 has been one of the worst years on record for the French automobile industry. To be fair, all is not brightness elsewhere and it has to be said that BMW is also warning of a more gloomy future as the German and European economies slow. But once again, more expansionary policies which would increase the incomes of the bottom deciles would have a positive impact in both countries.

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

What is holding the French government and others back from indulging in a more expansionary attitude? The answer is simple, fear of the increase in the public debt and fear of the reaction of the financial markets. But the current policies are doing little to reduce the debt, mainly because that measure is a ratio and if the denominator declines things become very difficult. Why are we afraid that the financial markets would react badly when France is borrowing at record low rates and inflation is negligible? According to recent articles in the Economist and in the Financial Times, at some point, the centime will drop and the markets will see the truth. But surely this is standing the world on its head. The same people who tell us the markets are efficient both in the technical and in a more general sense are telling us that they, journalists and commentators, see what the markets fail to perceive! We are told to listen to the markets but only, it appears, when the message coincides with what we want to hear!

We are told to listen to the markets but only, it appears, when the message coincides with what we want to hear!

Given the increase in income inequality one might ask, what of the French attitude to the rich. The famous 75 per cent top marginal tax rate was a political gesture which as Piketty has pointed out is ineffectual given the current tax system with its complexities and all its possible exemptions. The attempt to bring taxes on capital gains and other incomes in line with those on earned income was met with howls of protest, in particular, from the ‘pigeons’, the owners of small firms. What incentive the latter asked, do they have to take risks if all their profit is to be taxed away? Yet the portrayal of these admirable entrepreneurs as the only people taking risks for the benefit of society is, as a number of economists have pointed out, hardly justified. The same argument was incidentally used to justify the payment of large bonuses to the CEOs of large banks in France not long after they had been bailed out. Somehow the appeal of the little innovators is considerable for the French and it would be foolish not to expect the latter to advance their own cause. But if the French detest the rich why are there more millionaires and billionaires in France than in any other European country according to Forbes Magazine? In any event the government quickly stepped back from its proposals to increase tax on capital gains. So, paradoxically, as Piketty indicates, it is a left wing government that has switched the ranking of taxes on earned income and capital gains.

The newly ambiguous attitude of the French government and of the Banque de France towards the financial markets is interesting. A recent study has shown that the financialisation of the French economy has contributed to national and regional income inequality. Much of the increase in the top percent of income and wealth and even

.... continued on p.11
The ‘Mirrlees Review’ of UK Taxation

In this article, Tony Atkinson (Nuffield College Oxford and LSE), a past president of the RES, reviews the work of the IFS and James Mirrlees published in 2012 under the title Tax by Design.

A major report on the reform of UK taxation, orchestrated by the Institute for Fiscal Studies (IFS), written by leading public finance economists, led by a Nobel Prize-winning Cambridge professor. For those with long memories, this sounds familiar. In 1978, James Meade and the Meade Committee produced The Structure and Reform of Direct Taxation. A third of a century later, the IFS has done it again, with a team led by James Mirrlees, which has produced the report, Tax by Design, and a set of commissioned studies published as Dimensions of Tax Design. Like the Meade Report, the Mirrlees Review is an impressive study and will be a standard reference for years to come.

Indeed, the Meade and Mirrlees reports have much in common. Both take a broad view of the issues and are firmly grounded in economic theory. Both review teams have blended the contributions of senior scholars with those of up-and-coming younger researchers. Both demonstrate the value in this politically-sensitive field of an independently financed inquiry. There are also important differences. One is scale. The report of the Meade Committee was contained in one volume; the Mirrlees Review has produced two substantial volumes with a total of 1,880 pages — nearly a quarter of the length of UK primary tax legislation! A second important difference arises from the fact that public economics has moved on. The Mirrlees review rests heavily on empirical findings, reflecting the revolution in public finance achieved through intensive use of micro-data and the development of micro-econometric techniques.

What does the Mirrlees review recommend?

The Review set out ‘to identify reforms that would make the tax system more efficient, while raising roughly the same amount of revenue … and while redistributing resources … to roughly the same degree. Our motivation [is] to unlock significant potential welfare gains’ (p.2). Their ‘vision of a good tax system’ to achieve this objective includes a progressive income tax, exempting the ‘normal return to savings’, with a coherent rate structure, a single integrated transfer system for those with low incomes or high needs, a largely uniform value-added tax (VAT), with additional taxes on alcohol, tobacco and road congestion, a lifetime wealth transfer tax, and a single rate of corporation tax, exempting the ‘normal return on investment’.

The Review’s ‘vision’ is presented as being of general validity. In contrast, the process of transition from the current state of taxation depends on the circumstances of the country in question. In the case of the UK, the Review is highly critical of the tax system, which it describes as ‘a jumble of tax rates, a lack of a coherent vision of the tax base, and arbitrary discrimination across different types of economic activities’ (pp. 478-9). The recommended ‘reform package’ for the UK includes (only an abbreviated summary):

A. Merging personal income tax with social security contributions;
B. Replacing income-tested transfers by a single integrated benefit;
C. Exempting interest on bank and building society property, and a land value tax for business, to replace existing council tax (on housing) and Stamp Duty, and business property tax.

Each of the Review proposals warrants careful attention, and they are already having an influence on Government policy. Here I make no attempt to go through them exhaustively; instead I have picked out just three aspects that are interesting in their own right and that raise questions about the present state of public economics.

Optimal taxation and VAT

Given the importance of the Chair’s role in the development of optimal tax theory, it is scarcely surprising that the Review is heavily influenced by this literature. The Review recognises that ‘optimal tax theory has its limitations’ but says that ‘it is nevertheless a powerful tool and, throughout this volume, the conclusions of optimal tax theory will inform the way in which we discuss policy’ (p. 39). One example is the proposal for a more broad-based VAT. Optimal tax theory is not the only strand in the argument for uniform rates of VAT. The Review attaches weight to the administrative advantages and the probability that a uniform tax would be less vulnerable to lobbying pressure — both of which seem to me strong arguments. But it also devotes considerable space to the optimal taxation analysis — which seems more open to debate.

The argument regarding a uniform VAT illustrates well one of the key principles of the Review, ‘the need to think of the tax system as just that — a system’ (p.45). If indirect taxes are considered in isolation, they appear to be a classic battleground between efficiency (tax more heavily goods that are inelastic in demand) and equity (exempt necessities). But once we introduce the possibility of levying direct taxes, the role of indirect taxes changes. If the only source of income differences is earning capacity,
and there are no restrictions on the government’s ability to levy non-linear direct taxes on earnings, then — under certain conditions — optimality can be achieved with uniform indirect taxes. (The conditions include the absence of externalities and for this reason the Review recommends additional taxes on alcohol and tobacco.) Pragmatically, the Review devises a tax reform package that broadens the base for VAT, removing zero rating (notably for food) ‘to raise net revenue for the Exchequer and to redistribute more resources from better-off households to less well-off households’ (p. 217).

The optimal tax approach provides a rigorous framework within which to assess such proposals, operating with an explicit objective function and constraints defined by a fully-specified economic model. However, the validity of the argument depends crucially on the appropriateness of the underlying model. In the present case, this is open to question, since the model assumes perfect competition, whereas food retailing in the UK is highly concentrated: the top four supermarkets in the UK have a market share of over 75 per cent. These firms are unlikely to act as perfect competitors, and market structure may affect the incidence of the tax, a subject that receives surprisingly little attention in the Review. The Review assumes that the incidence of the VAT reform is fully on retail prices. Such an assumption is valid where there is perfect competition and constant costs of production, but ceases to be so when these conditions do not hold. A rise in the tax on food may be shifted backwards onto producers. Or oligopolistic supermarkets may raise their prices more than the tax. The non-economist readers of the Review might well wonder what will happen to their grocery bills, and whether the researchers have spoken to supermarket chains to see how they might react to the extension of VAT to food.

Does the existence of imperfect competition affect the optimal design of indirect taxation? At the time of the monopolistic competition revolution in the 1930s, Austin and Joan Robinson pointed out that the tendency for imperfectly competitive firms to charge more than marginal cost creates a distortion that can be corrected by a subsidy — i.e. taxing the good less. The situation is just like that of an externality, and in the same way as other externalities it modifies the conditions for an optimal tax. In the Mirrles Review, the issue is mentioned only in a footnote (p. 156n), to be dismissed. In my view, this is too hasty. The important conclusion is that the design of VAT has to consider the degree of market competition, and, until this has been taken into account, we should remain agnostic about the strength of the optimal tax argument for extending VAT to food.

The controversial top tax rate

A second application of optimal tax arguments in the Review is to the progression of income tax and the top rate of income tax. This is a controversial topic. In 2010, late in the Labour Government, the top rate was raised from 40 to 50 per cent. The Coalition Government announced in March 2012 its intention to return to a lower top rate, arguing that the 50 per cent rate had raised little additional revenue. The official HM Revenue and Customs study of the revenue impact described its findings as consistent with those contained in the Mirrles Review.

The Mirrles Review does indeed say that ‘it is not clear whether the 50 per cent rate will raise any revenue at all’ (p. 109). This statement draws on the background chapter by Mike Brewer, Emmanuel Saez and Andrew Shephard, where they estimate that the elasticity of taxable income for the highest 1 per cent is 0.46. Combined with information about the shape of the upper tail of the distribution, this implies a revenue-maximising overall tax rate of 56.6 per cent. But the overall ‘effective tax rate’ includes National Insurance contributions and indirect taxes, so that the authors conclude that the income tax rate on its own should be no higher than 40 per cent.

There are, however, several reasons for caution regarding this conclusion. First, the Mirrles Review stressed that the estimate is tentative: ‘there is no escaping the uncertainty around the estimate of a 40 per cent revenue-maximizing income tax rate’ (p. 109). The reported standard error for the estimated elasticity implies a 95 per cent confidence interval for the revenue-maximising tax rate from 46 to 74 per cent, which is a wide range. Secondly, we should consider the implications of the arithmetic that took the Mirrles Review from a top tax rate of 56.6 per cent down to 40 per cent. What is being calculated here is the total tax wedge between £1 paid by the employer and £1 of goods consumed. Employer and employee social security contributions and value added tax at 20 per cent together bring the 56.6 per cent down to 39 per cent. But this, of course, means that the optimal income tax rate depends on what other taxes those affected are paying. If the marginal earnings come from self-employment, or people are paid via a company, the income tax rate should be not 39, but 46 per cent. Suppose that they spend half their extra income on zero-rated goods, like books or food? Then the optimal tax rate becomes 51 per cent.

Moreover, as in the case for taxing food, the Review’s recommendations are affected by considerations absent from the underlying model. The estimate of the taxable elasticity is calculated assuming away any inter-dependencies between the incomes of different people. It is based on the changes in the incomes of those affected (say, the top 1 per cent) relative to the incomes of those not affected by the tax change. The hypothesis is that this group — the bottom 99 per cent — earn the same amount as in the absence of the tax change. However, this rules out some of the most powerful arguments — in both directions. On the side of the current Chancellor is the view that the top 1 per cent increase their incomes through increased effort, and that increased effort creates jobs for others. So the revenue effect should include the taxes collected on these new employees (and saving on transfers paid). This effect is potentially large, and could justify low tax rates. It could be right — from a revenue point of view — that Warren Buffett pays less tax than his secretary if his actions create many more jobs in, say, the rail freight industry. In the opposite direction, it has been

.... continued on p.20
Economic Journal — Editor’s annual report

The annual report of the editor of the Economic Journal was presented to Council in November. This is an edited version.

Headlines

- We thank Steve Pischke and David Myatt, two Editors who came to the end of their term this year, for their contribution to the Journal. We welcome three new Editors, Frederic Vermeulen, Martin Cripps and Kjell Salvanes who have joined this year.
- We thank Heather Daly, who has served the Economic Journal very well as Publishing Editor. We welcome Stephanie Seavers as the new Publishing Editor.
- The Economic Journal office has moved to the Institute for Fiscal Studies.
- Total submissions of articles to the regular journal increased by 11 per cent to 916. We received a total of 1010 submissions including the Conference Volume and Features submissions.
- Average turnaround times remained at 7.9 weeks across all submissions.
- The impact factor for the journal fell this year to 1.945.
- We introduced a new data policy; authors are required to make data and programmes that allow empirical results to be replicated available via the Economic Journal website except in exceptional circumstances.
- The RES and EJ websites received a major redesign and overhaul.

Journal and Editorial Performance

Changes in Editors

This year has seen a number of changes to the Editorial team at the Economic Journal (see above).

With effect from January 2013 the team will be:

Joint Managing Editors — Wouter den Haan, London School of Economics and Andrea Galeotti, University of Essex
Rachel Griffith, University of Manchester and IFS; Steve Machin, University College London; Frederic Vermeulen, University of Leuven; Martin Cripps, University College London; Kjell Salvanes, NHH

Publishing Editor — Stephanie Seavers, IFS

The process for handling Features submissions has been integrated into the main journal. The job of editing Features submissions is now shared amongst the Joint Managing Editors.

Submissions

Submissions continued to increase (Table 1). They were up 11 per cent on the previous year. We have incorporated all submissions into one system, so in Table 1 we now report numbers of submissions for all three types of submissions.

Table 1: Submissions 1 July - 30 June

<table>
<thead>
<tr>
<th>Period</th>
<th>Total</th>
<th>Features*</th>
<th>Conference Volume</th>
<th>Regular</th>
<th>Change previous period</th>
<th>% change previous period</th>
<th>Accepted at 5.9.2012</th>
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<tbody>
<tr>
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<td>1010</td>
<td>31</td>
<td>63</td>
<td>916</td>
<td>94</td>
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<td>2010 - 2011</td>
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<td>822</td>
<td>33</td>
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<td>2009 - 2010</td>
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<td>789</td>
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<td></td>
<td>642</td>
<td>15</td>
<td>2</td>
<td>85</td>
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* Includes Features submissions registered on Editorial Express from December 2011

The geographic distribution of submissions (Table 2) has remained reasonably steady, with the largest share coming from Europe (44 per cent), a slight increase from last year, followed by North America (21 per cent), a slight decrease from last year.

Editorial Processing Time

Editorial processing and turn-around times remained overall at the level of last year (Table 3). Average turn-around time for the most recent period is 7.9 weeks across all submissions. Around 45 per cent of papers were dealt with by Editors alone (screen rejected) within two weeks. Less than 10 per cent of papers took longer than 5 months and less than 2 per cent longer than 6 months.

The ability of Editors to keep turnaround times down is in no small part due to the quick response we get from referees. Over 75 per cent of referees responded within 2 months, which is remarkable, and greatly facilitates our work.

Table 4 shows response times for revise and resubmit and rejected papers. 60 per cent of rejected papers were informed within 1 month, and only 4 per cent took 6...
A decision. Of papers invited for revision, one-quarter received a decision within 3 months and two-thirds received a decision in less than 6 months.

Three years ago the Editorial Board introduced the innovation to allow authors the option to submit referee reports from previous unsuccessful submissions at other journals, along with responses to these referees, with the idea that this would facilitate our ability to speed up the refereeing process. This option has been taken up by a number of authors and has led to faster editorial processing times in a number of cases and to a number of very good papers being accepted for publication in the Economic Journal.

## Table 2: Geographical distribution of submissions 1st July - 30 June

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<td>144 (18%)</td>
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<td>106 (15%)</td>
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<td>USA &amp; Canada</td>
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<td>208 (25%)</td>
<td>194 (25%)</td>
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<td>Europe</td>
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<td>336 (41%)</td>
<td>316 (40%)</td>
<td>278 (40%)</td>
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</tr>
<tr>
<td>India</td>
<td>7</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Israel</td>
<td>19</td>
<td>20</td>
<td>10</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Japan</td>
<td>37</td>
<td>16</td>
<td>19</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>53</td>
<td>26</td>
<td>41</td>
<td>47</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>1010</td>
<td>822</td>
<td>789</td>
<td>702</td>
<td>700</td>
</tr>
</tbody>
</table>

## Table 3: Editorial Turnaround Statistics 1 July - 30 June

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2010-11</th>
<th>2009-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>New submissions received</td>
<td>1010</td>
<td>822</td>
<td>789</td>
</tr>
<tr>
<td>Papers withdrawn</td>
<td>0</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Dealt with by editors alone</td>
<td>554 (55%)</td>
<td>496 (60.5%)</td>
<td>484 (61%)</td>
</tr>
<tr>
<td>Sent to referee</td>
<td>456 (45%)</td>
<td>325 (39.5%)</td>
<td>300 (38%)</td>
</tr>
</tbody>
</table>

### Time taken for referee to return report to Editor, within:

- **1 Month**: 27%
- **2 Months**: 55%
- **3 Months**: 15%
- **4 Months**: 2%
- **Even Longer**: 1%

Average length (weeks): 6.25

### Time taken for Editor to respond to Author with decision:

- **0-14 days**: 45%
- **0-1 month**: 54%
- **1-2 months**: 5%
- **2-3 months**: 14%
- **3-4 months**: 13%
- **4-5 months**: 8%
- **5-6 months**: 5%
- **Even longer**: 1%

Average length (weeks): 7.9

* As of 10 Sep 2012. Does not include referee reports not received by time of annual report. ** As of 10 Sep 2012. 63 papers (6%) still pending and under 6 months. *** From 2012 statistics will include processing time between 0 and 14 days. **** Excluding papers withdrawn.

## Rankings and impact factors

Table 5 shows the 2 year impact factor for the Economic Journal. It has fallen from 2.271 in 2010 to 1.945. This fall was also experienced by the other main comparator journals. The EJs relative ranking is 40/320 in the Economics Category (statistics provided by Wiley-Blackwell).

## Data policy

We introduced a new data policy this year. The policy appears on http://www.res.org.uk/view/datapolicyEconomic.html and reads:

The Economic Journal requires authors of empirical and experimental papers to provide documentation of how their results were obtained in sufficient detail and accuracy to allow their results to be replicated. Before submitting a paper, please confirm that you are willing to comply with this policy. You will be asked to confirm this when you submit your paper on-line.

**Empirical papers**

For papers that contain descriptive, econometric or simulated analysis of data the authors must provide:

- sufficient detail in the paper, or in an appendix to the paper, for the reader to understand the nature of the data used and how it was constructed, and one of the following:
  - data set(s) and programmes that allow replication of all...
of the results in the paper, along with a file (README.pdf) that describes how the data and programmes can be used to replicate the results, and any manipulation that was carried out to obtain the data from the publicly available sources of the data;

| Table 4: Editorial Response to Authors, 1 July - 30 June |
| Letters sent to authors: | inviting revision | rejecting paper |
| 1 month | 10 | 3 | 2 | 533 | 511 |
| 2 months | 6 | 3 | 1 | 53 | 27 |
| 3 months | 15 | 5 | 2 | 102 | 53 |
| 4 months | 25 | 10 | 5 | 102 | 63 |
| 5 months | 26 | 18 | 9 | 56 | 67 |
| 6 months | 21 | 21 | 14 | 27 | 44 |
| 7 months | 4 | 10 | 3 | 6 | 18 |
| 8 months | 1 | 1 | 8 | 3 | 9 |
| Longer | 21 | 3 | 4 | 0 | 4 |
| Total | 130 | 74 | 48 | 882 | 796 |

or

• a request for an exemption based on the grounds that the data are from commercially available or restricted access data sources, in which case programmes allow replication of all of the results in the paper, along with a file (README.pdf) that describes how the data can be obtained or accessed, how the programmes can be used to replicate the results, and any manipulation that was carried out to obtain the data in the dataset from the commercially available sources of the data must be provided.

• a request for an exemption based on the grounds that the data are from a proprietary data source that is not accessible to other researchers; papers using such data are discouraged but will be considered on an individual basis by the Editor; the exemption must be requested at the time of submission; if the paper is accepted a file (README.pdf) that describes how the data was collected and used to obtain the results must be provided.

This information must be submitted to the EJ Editorial office (ej@ifs.org.uk) if the paper is accepted for publication and will be posted on the website alongside the paper on the Economic Journal website. The Editor may also request additional information during the refereeing process.

| Table 5: Impact Factors |
| 2011 | 1.945 | 2.664 | 1.375 | 2.810 |
| 2010 | 2.271 | 2.883 | 1.703 | 3.113 |
| 2009 | 1.902 | 2.555 | 1.425 | 2.904 |
| 2008 | 1.798 | 2.233 | 1.358 | 2.633 |

Experimental papers

For papers that contain analysis of experimental data we require the authors to provide at the time of submission of the paper (authors are asked to include all information as part of the main PDF file rather than as separate items):

• a document outlining the design of the experiment;
• a copy of the instructions given to participants, in both the original language and an English translation;
• information on the selection and eligibility of participants.

In addition, if a paper is accepted for publication then the following information must also be provided:

• the programmes used to analyse the data or run the experiment;
• the raw data collected from the experiment.

This information will be posted on the Economic Journal website if the paper is accepted.

Website

The RES and EJ websites have recently received major redesigns and overhauls. The EJ website is now http://www.res.org.uk/view/economichome.html. In future we anticipate making more extensive use of the website to highlight papers and auxiliary material to papers.

Circulation statistics

As table 6 shows, there are currently 1,717 institutional subscriptions to The Economic Journal. This compares with 1,831 at the end of 2011. As in previous years we expect further renewals to be confirmed well into the final quarter of the year.

| Table 6: Geographical breakdown of institutional subscriptions |
| Australia & NZ | Canada | China | Europe | Japan | Rest of World | UK | USA | Total |
| 2009-10 | 2010-11 | 2011-12 |
| 56 | 56 | 53 |
| 57 | 57 | 56 |
| 71 | 65 | 69 |
| 513 | 483 | 450 |
| 229 | 221 | 221 |
| 333 | 323 | 275 |
| 150 | 143 | 139 |
| 513 | 483 | 454 |
| 1,922 | 1,831 | 1,717 |

In addition to the above there are 48 reduced rate institutional subscriptions in China as part of our arrangement with the World Publishing Corporation (WPC) which is based in China and markets selected journals locally at a discounted rate. There were 58 in 2011.

Membership of the RES

Total membership currently stands at 3,013, compared with 2,939 at the end of 2011. As usual we expect further growth in the final quarter.
Features

Paid membership of the Royal Economic Society has increased by 3 per cent to 2,734 from 2,658 in 2011, and by 16 per cent since 2010. 737 members have taken the new option for online membership, introduced for 2012.

The number of student members has increased by 20 per cent to 847 from 706 in 2011, and by 46 per cent since 2010. There are currently 404 student members with online membership. 215 joined when the new 3-year online option was introduced in 2011 and a further 189 have joined so far this year.

Overall 42 per cent of paid members now have online only membership and do not receive a print copy of the EJ.

Table 7: RES Membership by region/country

<table>
<thead>
<tr>
<th>Region/country</th>
<th>2010</th>
<th>2011</th>
<th>Sept 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>1,055</td>
<td>1105</td>
<td>1242</td>
</tr>
<tr>
<td>Europe</td>
<td>734</td>
<td>829</td>
<td>844</td>
</tr>
<tr>
<td>USA and Canada</td>
<td>470</td>
<td>528</td>
<td>474</td>
</tr>
<tr>
<td>Japan</td>
<td>61</td>
<td>75</td>
<td>66</td>
</tr>
<tr>
<td>Rest of World (incl. Aus/NZ and China)</td>
<td>406</td>
<td>402</td>
<td>387</td>
</tr>
<tr>
<td>Total membership</td>
<td>2,726</td>
<td>2939</td>
<td>3013</td>
</tr>
</tbody>
</table>

JSTOR Statistics

JSTOR’s ‘Register and Read’ requires users to register for a MyJSTOR account. Users self-report profile information during registration. Users may update their information at any time. Since March, JSTOR have provided statistics on who is reading the Economic Journal.

Table 9: JSTOR readers by discipline (2012)

<table>
<thead>
<tr>
<th>Discipline</th>
<th>June</th>
<th>%</th>
<th>May</th>
<th>%</th>
<th>April</th>
<th>%</th>
<th>March</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economics</td>
<td>112</td>
<td>43</td>
<td>175</td>
<td>38</td>
<td>185</td>
<td>41</td>
<td>199</td>
<td>43</td>
</tr>
<tr>
<td>Business</td>
<td>33</td>
<td>13</td>
<td>52</td>
<td>11</td>
<td>49</td>
<td>11</td>
<td>53</td>
<td>11</td>
</tr>
<tr>
<td>Finance</td>
<td>13</td>
<td>5</td>
<td>38</td>
<td>8</td>
<td>32</td>
<td>7</td>
<td>39</td>
<td>8</td>
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<tr>
<td>Accounting</td>
<td>9</td>
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<td>3</td>
<td>28</td>
<td>6</td>
<td>23</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>262</td>
<td>456</td>
<td>446</td>
<td>148</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prizes and EJ Lecture

RES Prize

The 2011 RES Prize for the best non-solicited paper published in the Economic Journal was decided by a committee consisting of Richard Blundell (RES President), Peyton Young (Oxford University) and former EJ Joint Managing Editor, Steve Pischke. The prize was awarded to Loukas Karabarbounis of the University of Chicago, for his paper ‘One Dollar, One Vote’, Volume 121, p.621.

The next Royal Economic Society Prize of £3,000 for the best paper in the Economic Journal for the year 2012 will be decided in the coming months.

Austin Robinson Prize

The Austin Robinson Memorial Prize was introduced in 2007 for the best paper published in the Economic Journal by an author who is within five years of completing their PhD. The prize, chosen by the Economic Journal editors, is given annually and includes an award of £2,000.

The 2011 Austin Robinson Memorial prize was awarded to Guy Michaels of the London School of Economics, for his paper ‘The Long Term Consequences of Resource-Based Specialisation’, Volume 121, p.31.

EJ Referee Prizes

The Economic Journal depends greatly on the service of many referees for the functioning of the peer review process. In previous years referees were given a token payment for their services. Following feedback from many of our referees, and guided by findings in the research literature (e.g. Gneezy and Rustichini, QJE, August 2000) we decided to discontinue these payments. We would like to thank all of our many referees who continue to provide their services without compensation.

While many referees help us tremendously with their comments, some of our referees contribute beyond the call of duty through their thoroughness and constructive feedback to the authors, and sometimes through the number of reports that they write. This service in the profession rarely gets acknowledged. Starting in 2010, the Economic Journal now recognises the contribution of these exceptional referees with an annual referee prize. The Editors chose 10 winners for the referee prize for 2011. We thank all of these individuals for their outstanding support of the Journal, and the service they have provided to the authors.

www.res.org.uk/view/resNewsletter.html
The 2011 winners are:

- Francesco Fasani, Institute for Economic Analysis (IAE-CSIC)
- Ethan Ilzetzki, London School of Economics
- Julia Lane, National Science Foundation (NSF)
- Gernot Müller, University of Bonn
- Giacomo Ponzetto, CREi, Universitat Pompeu Fabra
- Justin Rao, Yahoo! Research
- Burkhard Schipper, University of California, Davis
- Andrew Shephard, Princeton University
- Johannes van Biesebroeck, University of Toronto
- David Vines, University of Oxford

**2012 Annual Conference and EJ Conference Volume**

The *EJ* Lecture this year was given at the RES Annual Conference in Cambridge on ‘Trade and Inequality’ by Elhanan Helpman of Harvard University. It will not be published in the Conference Volume, but a video of the talk is available on-line at: http://www.fsmevents.com/res/1ejl/onDemand.html

The special session on Foundations of Revealed Preferences, presented at RES 2011 and co-funded by CeMMAP, will appear in the Conference Volume including papers by Sydney Afriat, Erwin Diewert, Hal Varian and an Introduction written by Frederic Vermeulen.

**Looking forward**

The main job of the Joint Managing Editors and Publishing Editor is to ensure that turn-around times remain low and that the best quality papers are accepted for publication; this will remain the focus of our efforts and attention.

There has been much change in the organisation of the *Economic Journal*, with a number of Editors coming to the end of their terms, and with the move of the journal office. Our main focus throughout the year will be to ensure that these changes lead to improvements in turn-around times and decision making processes.

Looking forward, we are considering ways that we can work with the publishers to make the journal website a more useful resource for authors and readers, for example by including access to more ancillary resources, such as data for replication and teaching materials.

**Letter from France**...continued from p.4.

more in the top tenth of a percentile has accrued to people in the financial sector. Furthermore, in most French regions income inequality did not increase very much in the period leading up to and during the crisis whilst during the crisis whilst in the Ile de France the increase was substantial and again went mainly to people in the financial sector which is concentrated in and around Paris. Hollande’s message during his campaign was very much ‘anti-finance’ but the softening of proposed bank reforms within France and the preoccupation with the attitude of the finance sector to French debt reveals a marked change in position. The recent statement by Christian Noyer the governor of the Banque de France suggesting that there is little reason to have the most important European financial centre, London, ‘offshore’ reinforces the impression that France is changing its attitude to the financial sector.

Now, with the financial markets as a pretext the French government is taking the route which many regard as having failed. The government is now practising austerity but arguing that it is not austerity. Whilst talking about improving growth prospects there is little sign of concrete measures to achieve this. To keep left wing supporters quiet and to assuage its collective conscience the government has just announced an increase in the RSA (*revenue de solidarité*) of 2 per cent per year for 5 years over and above the rate of inflation. This payment which amounts to a minimum of just over 400 euros per month is made to those without work or just entering employment over and above their wages. The idea due to the previous government, is to encourage a return to work. However, its effectiveness is questioned by many.

Yet, we observe a tendency, despite this sort of measure, towards more austerity. For the left it is, paradoxically, always easier to fall back on moralistic terms such as ‘rigueur’ and ‘discipline’ since these terms convey the notion of a necessary sacrifice. But, as Krugman or Stiglitz would ask, is this sacrifice necessary or even desirable? For, in the meantime, there is an obvious fraying of the social fabric in France, with youth unemployment around 25 per cent, an increase in the ‘working poor’, and over 8.6 million people below the poverty rate as measured by Eurostat, (60 per cent of median income), an increase of over a million since 2002. Over 2.5 million children live in families whose total income is below the poverty level and over 3.5 million people are without homes or living in housing which does not meet certain minimal standards. Some will argue that the inhabitants of other European countries are in an even worse situation but it is not this that concerns the average Frenchman who is much more concerned with his own comfort than that of his European neighbours. All of this, together with the dismal projections for the future should be warning signs to a government which was elected on the basis of providing their electorate with a more equitable and secure future. *Liberté* is holding up but *égalité* and *fraternité* are taking a knock in France.
The Econometrics Journal was established in 1998 by the Royal Economic Society with the original intention of creating a high-quality refereed journal with a standard of intellectual rigour and academic standing similar to those of the pre-existing top international field journals for econometric research such as Econometric Theory, Journal of Applied Econometrics, Journal of Business and Economic Statistics, Journal of Econometrics and Review of Economics and Statistics.

The Econometrics Journal is a general journal for econometric research and included all areas of econometrics, whether applied, computational, methodological or theoretical contributions. As a journal of the Royal Economic Society, the Econometrics Journal seeks to promote the general advancement and application of econometric methods and techniques to problems of relevance to modern economics.

Editorial board

The Editorial Office of the journal is based in Faculty of Economics at the University of Cambridge with Richard J Smith as Managing Editor.

At the invitation of the Royal Economic Society, the Editorial Board of the Econometrics Journal undertook at the end of 2011 a review of its editorial structure with the particular intention of refreshing and renewing the Associate Editors of the journal. The recruitment of an Editorial Board of international distinction is and has been critical to raising the international profile and academic standing of the Econometrics Journal. These editorial appointments underline and reinforce the original intention of the Royal Economic Society of creating a high-quality refereed journal with a standard of intellectual rigour and academic standing similar to those of the pre-existing top international field journals for econometric research.

The Econometrics Journal is grateful to Victor Aguirregabiria (Toronto), Victor Chernozhukov (MIT), Yongmiao Hong (Cornell), Nour Meddahi (Toulouse), Per Mykland (Chicago), Chris Taber (Wisconsin) and Zhijie Xiao (Boston College) who have completed terms as Associate Editors for the important help and advice they have provided.

The Econometrics Journal is also pleased to welcome as new Associate Editors Daniel Ackerberg (Michigan), Chunrong Ai (Florida), Jörg Breitung (Bonn), Federico Bugni (Duke), Ivan Canay (Northwestern), Giuseppe Cavaliere (Bologna), John Chao (UMD), Yingying Fan (USC), Ivan Fernandez-Val (Boston), Silvia Goncalves (Montreal), Stefan Hoderlein (Boston College), Shakeeb Khan (Duke), Tatiana Komorova (LSE), Ivana Komunjer (USCD), Serena Ng (Columbia), Morton Nielsen (Queen's), Alexei Onatski (Cambridge), Taisuke Otsu (Yale), Aureo de Paula (Penn/UCL), Zhongjun Qu (Boston), Andres Santos (Queen's), Chris Taber (Wisconsin), Zhijie Xiao (Boston College) and Gautam Tripathi (Chicago).

We are also delighted that the following have agreed to continue as Associate Editors: Federico Bandi (Johns Hopkins University), Xiaohong Chen (Yale), Valentina Corradi (Warwick), Emmanuel Guerre (QMUL), Patrik Guggenberger (USCD), Christian Hansen (Chicago), Michael Jansson (Berkeley), Yuichi Kitamura (Yale), Dennis Kristensen (UCL), Guido Kuersteiner (Georgetown), Sokbae Lee (UCL), Offer Lieberman (Haifa), Thierry Magnac (Toulouse), Marcelo Moreira (Columbia), Joris Pinkse (Pennsylvania State), Andrew Patton (Duke), Elie Tamer (Northwestern), Allan Timmermann (USCD), Anders Rahbek (Copenhagen), Robert Taylor (Nottingham), Tim Vogelsang (Michigan State), Quang Vuong (Pennsylvania State), Ed Vytlacil (Yale) and Yazhen Wang (Wisconsin).

Progress

Impact factors

The fourth set of data from the ISI Citation Index on the Econometrics Journal became available for 2011. Its impact factor is 0.870 (0.691, 0.733, 0.750, 0.479) with 2007-10 data in parentheses. The immediacy index is 0.240 (0.176, 0.125, 0.065, 0.034). The eigen-factor score and five year impact factor are 0.00280 (0.00352) and 0.964 (1.166) respectively, 2010 figures in parentheses. The journal impact factor ranks the Econometrics Journal at 145 (167) out of 321 (305) economics journals.

The impact factor has pleasingly risen somewhat as compared with previous years although the eigen-factor score
score and five year impact factor have disappointingly fallen. The corresponding figures for competitor journals are *Econometric Theory* 0.855 (147), *Journal of Econometrics* 1.349 (83), *Review of Economics and Statistics* 2.664 (20), *Journal of Applied Econometrics* 1.758 (48) and *Journal of Business and Economic Statistics* 1.779 (46).

These figures represent an improvement on previous years although it should be noted that short-term figures, the impact factor in particular, are volatile measures. The impact of the journal therefore continues to give some cause for concern.

**Promotion**

Table 1 displays the geographical distribution of new submissions for 2011-12. This table indicates that proportionately the number of submissions attracted from North America by the *Econometrics Journal* fell substantially reversing the increase back to a similar historical level of earlier years.

<table>
<thead>
<tr>
<th>Region</th>
<th>1st July 2011-30th June 2012</th>
<th>1st July 2010-30th June 2011</th>
<th>1st July 2009-30th June 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>0 (0.00%)</td>
<td>3 (2.17%)</td>
<td>3 (1.85%)</td>
</tr>
<tr>
<td>France</td>
<td>6 (3.77%)</td>
<td>1 (0.72%)</td>
<td>4 (2.47%)</td>
</tr>
<tr>
<td>Germany</td>
<td>10 (6.29%)</td>
<td>6 (4.35%)</td>
<td>5 (3.09%)</td>
</tr>
<tr>
<td>Italy</td>
<td>5 (3.14%)</td>
<td>2 (1.45%)</td>
<td>2 (1.23%)</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3 (1.89%)</td>
<td>3 (2.17%)</td>
<td>2 (1.23%)</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>4 (2.52%)</td>
<td>4 (2.90%)</td>
<td>13 (8.02%)</td>
</tr>
<tr>
<td>Spain/Portugal</td>
<td>7 (4.40%)</td>
<td>8 (5.80%)</td>
<td>7 (4.32%)</td>
</tr>
<tr>
<td>Other</td>
<td>10 (6.29%)</td>
<td>14 (10.14%)</td>
<td>14 (8.64%)</td>
</tr>
<tr>
<td><strong>Total %</strong></td>
<td>28.30</td>
<td>29.71</td>
<td>30.86</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia/NZ</td>
<td>11 (6.92%)</td>
<td>4 (2.90%)</td>
<td>4 (2.47%)</td>
</tr>
<tr>
<td>China/HK</td>
<td>15 (9.43%)</td>
<td>10 (7.25%)</td>
<td>11 (6.79%)</td>
</tr>
<tr>
<td>India+Pakistan</td>
<td>6 (3.77%)</td>
<td>1 (0.72%)</td>
<td>5 (3.09%)</td>
</tr>
<tr>
<td>Israel</td>
<td>1 (0.63%)</td>
<td>1 (0.72%)</td>
<td>0 (0.00%)</td>
</tr>
<tr>
<td>Japan</td>
<td>7 (4.40%)</td>
<td>5 (3.62%)</td>
<td>2 (1.23%)</td>
</tr>
<tr>
<td>Other</td>
<td>23 (14.47%)</td>
<td>16 (11.59%)</td>
<td>36 (22.22%)</td>
</tr>
<tr>
<td><strong>Total %</strong></td>
<td>39.62</td>
<td>26.81</td>
<td>35.80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>159</td>
<td>138</td>
<td>162</td>
</tr>
</tbody>
</table>

Recall that this return could be attributed in part to the high preponderance of North American authors among the contributors to the Tenth Anniversary Special Issue. Consequently, the *Econometrics Journal* is still failing to attract the numbers and quality of submission from North America required to achieve its aim of becoming a top international general journal for econometrics research. The proportion of submissions from Europe is similar to that of previous years. Table 2 once again emphasises the continuing predominance of acceptances originating from North America and Europe.

These results once again underline the continuing concern that the promotional activities undertaken by Wiley-Blackwell on behalf of the *Econometrics Journal* may not be particularly suitable for the desired readership appropriate for achieving the aims of the *Econometrics Journal*. These concerns have been brought to the attention of Wiley-Blackwell on a number of occasions. Indeed the conferences listed in recent Publishers’ Reports indicate the omission of a large number of important econometrics conferences, in particular, those sponsored by The Econometric Society outside of Europe.

The *Econometrics Journal* has asked Wiley-Blackwell to monitor carefully and evaluate the response to the recent e-mail campaigns and conference promotions.

<table>
<thead>
<tr>
<th>Region</th>
<th>1st July 2011-30th June 2012</th>
<th>1st July 2010-30th June 2011</th>
<th>1st July 2009-30th June 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>France</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Germany</td>
<td>2</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Italy</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>2</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Spain</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
<td>65</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total %</strong></td>
<td>30.86</td>
<td>43.48</td>
<td>33.34</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Australia/NZ</td>
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<tr>
<td>China/HK</td>
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<td>3</td>
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</tr>
<tr>
<td>India</td>
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<td>4</td>
<td>4</td>
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<tr>
<td>Japan</td>
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</tr>
<tr>
<td>Other (Singapore)</td>
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<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total %</strong></td>
<td>30.86</td>
<td>43.48</td>
<td>33.34</td>
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**The Denis Sargan Econometrics Prize**

The *Econometrics Journal* Denis Sargan Econometrics Prize is awarded for the best (unsolicited) article published in The Econometrics Journal in a given year by anyone who is within five years of being awarded their doctorate. An honorarium of £1000 will be awarded to the winning author.
The Editorial Board (Managing Editor and Co-Editors) is currently evaluating those qualifying articles published in the *Journal* in 2011. It is hoped that the winner of the prize will be announced shortly.

<table>
<thead>
<tr>
<th>Table 3 Subject Breakdown of Submissions (JEL codes)</th>
<th>1st July 2011-30th June 2012</th>
<th>1st July 2010-30th June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 Econometric and Statistical Methods</td>
<td>68 45.95</td>
<td>66 47.83</td>
</tr>
<tr>
<td>C2 Single Equation Models; Single Variables</td>
<td>22 14.86</td>
<td>28 20.29</td>
</tr>
<tr>
<td>C3 Multiple or Simultaneous Equation Models</td>
<td>19 12.84</td>
<td>17 12.32</td>
</tr>
<tr>
<td>C4 Econometric and Statistical Methods: Special Topics</td>
<td>2 1.35</td>
<td>4 2.90</td>
</tr>
<tr>
<td>C5 Econometric Modeling</td>
<td>7 4.73</td>
<td>5 3.62</td>
</tr>
<tr>
<td>G1 General Financial Markets</td>
<td>7 4.73</td>
<td>4 2.90</td>
</tr>
<tr>
<td>D Microeconomics</td>
<td>2 1</td>
<td>1</td>
</tr>
<tr>
<td>E Macroeconomics and Monetary Economics</td>
<td>6 3</td>
<td></td>
</tr>
<tr>
<td>F International Economics</td>
<td>3 1.35</td>
<td>5 4.73</td>
</tr>
<tr>
<td>G Financial Economics</td>
<td>2 1</td>
<td>2</td>
</tr>
<tr>
<td>H Public Economics</td>
<td>7 4.73</td>
<td>1</td>
</tr>
<tr>
<td>I Health, Education, and Welfare</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>J Labor and Demographic Economics</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>L Industrial Organization</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>O Technological Change; Research and Development</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Q Environmental Economics</td>
<td>2 1</td>
<td>2</td>
</tr>
<tr>
<td>R General Regional Economics</td>
<td>2 1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>148 100</td>
<td>138 100.0</td>
</tr>
</tbody>
</table>

**Royal Economic Society Annual Conference**

Submissions have been invited from the presenters Rosa Matzkin (UCLA) and Andrew Chesher (UCL) arising from the *Econometrics Journal* Special Session on ‘Nonparametric Identification: Current Issues and Problems’ at the RES Annual Conference 2011 at Royal Holloway University of London.

The *Econometrics Journal* organized a Special Session on Econometrics of Forecasting at the RES Annual Conference 2012 held at the University of Cambridge.

Papers presented were:

Raffaella Giacomini (UCL) ‘Economic Theory and Forecasting’ and Siem Jan Koopman (Free University Amsterdam) ‘Likelihood-Based Dynamic Factor Analysis for Measurement and Forecasting’. The discussant was Brendan McCabe (University of Liverpool).

Submissions have been solicited from the presenters for a Special Issue of the *Econometrics Journal* on the Econometrics of Forecasting. The Special issue of the *Econometrics Journal* on the Econometrics of Inequality arising from the RES Annual Conference 2010 is now complete and was published in Volume 15, Issue No, 1 January 2012. Oliver Linton acted as Co-Editor for the Special Issue.

The papers are:

Donald, S G (University of Texas at Austin), Y-C. Hsu (University of Missouri at Columbia) and G F Barrett (University of Sydney): ‘Incorporating Covariates in the Measurement of Welfare and Inequality: Methods and Applications.’

Davidson, R (McGill University): ‘Statistical Inference in the Presence of Heavy Tails.’

The Discussion of the papers is authored by C Schluter (Aix-Marseille Université). Special Sessions associated with The *Econometrics Journal* will be arranged at subsequent RES Annual Conferences.

**EC² Special Issue on Identification in Econometrics: Theory and Applications**

Papers from the 21st EC² Conference held in Toulouse on December 17-18, 2010 will be published in a Special Issue of the *Econometrics Journal* on the theme of Identification in Econometrics: Theory and Applications in the first issue 2013.

Contributing authors include C F Manski, I Mourifie, M Henry, T Komarova and J F Kiviet. Elie Tamer, an Associate Editor, and Christian Bontemps acted as guest Editors for the Special Issue.

**Book and Software Reviews**

In 2011-12 books were received from the publishers Oxford University Press, Springer, Macmillan, Princeton University Press and MIT Press.

Book reviews published:


Book reviews to be published:


The Book Reviews Editor of the *Econometrics Journal* commissioned three reviews:

By Patrick Marsh on *Non-Parametric Econometrics* (Oxford U P) authored by I Ahamada and E Flachaire.


Access to information on Book and Software reviews is now provided via a new link in the Left Hand Menu of the *Econometrics Journal* Home Page.

**Publishers**

The continuing ambition is to attract higher quality submissions and build a profile of the *Econometrics Journal* particularly in North America. Wiley-Blackwell now regularly report the top downloaded articles and have increased the number of e-mail campaigns.

They have yet to report on how they intend to promote the *Econometrics Journal* at Econometric Society meetings and other meetings of econometricians. The Journal prefers an active rather than reactive rôle in contributing to the preparation of resources for conferences and marketing campaigns.

Procedures for publication of accepted papers, notes and book reviews on the Journal’s website operate smoothly and efficiently with manuscripts being posted within one week of acceptance of the final version. Substantial difficulties with the typesetting of papers according to the *Econometrics Journal* Style Guide have reoccurred.

**JSTOR**

Digitization of the *Econometrics Journal* is underway, hopefully for release by JSTOR later this year.

**Editorial process**

The Editorial Office has recently been in contact with Editorial Express® to establish ownership of contacts within the Editorial Express® data base. The Royal Economic Society, as owner, is able to use this information. Within the private copies of referee databases of the *Economic Journal* and the *Econometrics Journal* there are 9118 and 1014 contacts respectively. More contacts are available in the e-submission data base (1101 for the *Econometrics Journal*).

The Editorial Office has withdrawn a number of papers that have been ‘timed-out’; these papers had been returned for revision but were never resubmitted despite reminders. As a result inconsistencies have appeared in the statistics relating to the papers. For example, there is no explicit record of the first return for revision decision in the Editorial Information for the withdrawn paper; the ‘elapsed time’ statistic shows the time from ‘Initial Submission’ to the ‘Withdrawal’ decision. Impacts are that manual adjustment is required in the ‘Returned For Revision’ statistic and that the ‘Papers In Progress’ statistic is affected. An alternative method to withdrawing ‘timed-out’ papers is being considered.

**Statistics**

Monthly statistics and editorial reports are provided to all members of the Editorial Board and Associate Editors to keep them in touch with the progress of the journal.

**Submissions**

A total of 159 new submissions were received under Editorial Express®. This total represents an increase of 21 (15.22 per cent) over that reported for 2011. Additionally there were 47 resubmissions received during this period. It should be noted that new submissions and resubmissions include papers associated with the various Special Issues of the *Econometrics Journal*.

**Decisions**

A total of 221 decisions were made by the Editorial Board. Of these 174 concerned new submissions. Of the new submissions 121 (69.54 per cent) were screen-rejections which represents a rise from the figure of 60.00 per cent for 2011. Of the 53 papers not screen rejected, 28 (52.83 per cent) were either return for resubmission or acceptance decisions (2011: 39.66 per cent), the remaining 23 (43.40 per cent) being rejections. Overall, 149 papers or 85.63 per cent (2011: 84.14 per cent) of decisions were either screen-rejections or rejections. A total of 20 (2011: 22) papers were accepted by the Editorial Board representing an acceptance rate of 9.05 per cent (2011: 12.02 per cent).

The continued high number of screen-rejections reflects the determination of the Editorial Board to drive up the standard of submissions and accepted papers in order to establish the *Econometrics Journal* as a top international general field journal for econometric research.

**Decision Durations**

The mean estimate for time to decision in days was 50 (23, 12, 103) [2011: 60 (27, 14, 103)] for decisions on all submissions and resubmissions. The figures in parentheses are the median, first quartile and third quartile estimates.
mates. Kaplan-Meier estimates of the stratified survivor functions for time to decision are also presented. Excluding screen-rejections the respective figures are 91 (92, 35, 135).

<table>
<thead>
<tr>
<th>Table 4: Turnaround Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Submissions received</td>
</tr>
<tr>
<td>Withdrawn + Classified</td>
</tr>
<tr>
<td>Elsewhere</td>
</tr>
<tr>
<td>Dealt with by editors alone</td>
</tr>
<tr>
<td>Sent to referee</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time distribution for receipt of Referees Report (New Sub) Returned within</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Month</td>
</tr>
<tr>
<td>2 Months</td>
</tr>
<tr>
<td>3 Months</td>
</tr>
<tr>
<td>4 Months</td>
</tr>
<tr>
<td>Even Longer</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time distribution for all new submissions excluding withdrawals</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1 Month</td>
</tr>
<tr>
<td>1-2 Month</td>
</tr>
<tr>
<td>2-3 month</td>
</tr>
<tr>
<td>3-4 Month</td>
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<tr>
<td>4-5 Month</td>
</tr>
<tr>
<td>5-6 Month</td>
</tr>
<tr>
<td>Even Longer</td>
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<tr>
<td>Average</td>
</tr>
</tbody>
</table>

The mean estimate for time to decision in days for all decisions on new submissions was 49 (22, 11, 84). The corresponding figures for non-screen rejections and for a resubmission decision were 119 (116, 90, 143) [2011: 123 (114, 88, 142)] and 137 (129, 98, 171) [2011: 112 (105, 88, 127)]. For resubmissions the mean estimate for time to decision was 50 (32, 15, 76) as compared to 75 (60, 22, 117) for 2011.

These data indicate a satisfactory improvement in overall decision performance which may be primarily attributed to the policy of an increased intensive screening of submissions. As in previous year a concern remains for non screen-rejected papers although decision times mainly are not too out of line with the four month desired maximum turn-around period for decisions; the difficulty noted last year with the decision times for a few papers deviating substantially from target producing relatively long distributional tails has disappeared. An advantage of Editorial Express® is that the Editorial Office of the *Econometrics Journal* is able straightforwardly to monitor the editorial process for all submissions and to bring any outlying papers to the attention of the Editor.

<table>
<thead>
<tr>
<th>Table 5: Editorial Response to Authors, 1 July - 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letters sent to authors: inviting revision rejecting paper</td>
</tr>
<tr>
<td>1 month: 1 1 2 120 86 96</td>
</tr>
<tr>
<td>2 months: 5 5 4 4 4 1 0</td>
</tr>
<tr>
<td>3 months: 6 8 6 4 9 6</td>
</tr>
<tr>
<td>4 months: 9 14 14 8 11 10</td>
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<tr>
<td>5 months: 8 9 4 6 4 7</td>
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<tr>
<td>6 months: 6 4 5 5 3 1 3</td>
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<tr>
<td>7 months: 1 2 2 3 1 3 0</td>
</tr>
<tr>
<td>8 months: 1 1 3 0 1 0</td>
</tr>
<tr>
<td>Longer: 1 0 0 1 1 3</td>
</tr>
<tr>
<td>Total: 38 44 40 149 117 125</td>
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Acknowledgements

The Editorial Office of the *Econometrics Journal* is very grateful for the support of the Royal Economic Society and its officers. Particular recognition should be given to the editorial team and anonymous referees whose efforts ensure that the quality of the *Econometrics Journal* is maintained and improved. We are also grateful for the assistance offered by the publishers Wiley-Blackwell to the *Econometrics Journal*.

**CEPR – EBRD – EBC – RoF Conference**

**Understanding banks in emerging markets: observing, asking or experimenting?**

**To be held at the European Bank for Reconstruction and Development in London**

5-6 September 2013

**CALL FOR PAPERS: Deadline: 1 April 2013**

The conference aims to bring together leading researchers to discuss recent developments in empirical banking research. The organising committee invites submissions of high-quality research papers on banking in Emerging Markets.

**Keynote speakers**

Atif Mian
(Professor of Economics and Public Affairs, Princeton University)

Antoinette Schoar
(Michael Koerner ’49 Professor of Entrepreneurial Finance, MIT)

If you would like to submit a paper (full papers accepted only) please send an email to dehaasr@ebrd.com. In the subject header please add ‘Submission CEPR-EBRD-EBC-RoF Conference’ and nothing else. Authors will be notified about the acceptance of papers and the conference programme by 1 June 2013.

The EBRD and EBC will cover economy travel and accommodation (subject to limits) for all invited speakers and discussants from academic institutions. The submission fee for the *Review of Finance* will be waived for all conference papers submitted to the *Review* within six months.
Annual Conference

Money, Macro and Finance
Research Group

The 44th Annual Conference of the MMFRG was held at Trinity College, Dublin 6-8th September 2012. This report was prepared by Peter Smith, the Group’s Chairman.

The MMF met in buildings neighbouring Fellows Square in Trinity College and featured presentations by five distinguished guest lecturers from central banks and academia on a variety of topics central to central banking practice as well as new research areas in monetary and macroeconomics. The contributed programme offered 120 papers from a wide range of topics in money, macro and financial economics.

Recapitalising Irish banks
The contribution from Patrick Honohan, Governor of the Central Bank of Ireland focussed on the recapitalisation of failed banks and the experience of Ireland since the start of the financial crisis. In an engaging presentation the Governor laid out the scale of the Irish problem in terms of the country’s GDP. The scale of the recapitalisations that were envisaged at an early stage was small and potentially manageable within the resources of the Irish state. The very large scale of the final recapitalisations resulted in the bailout for the country as a whole. Honohan identified three dimensions across which recapitalisations should be judged, namely transparency, depth and socialisation. On these axes the Irish experience was argued to have been quite transparent: the losses of bank value that were implied by the transfer of (primarily property) assets to the National Asset Management Agency (NAMA) made the size of losses very clear. The depth of the recapitalisation was shown to be closer to being just enough in contrast to the over-capitalisation offered by the US TARP scheme. Finally, the extensive socialisation of the losses was argued to have been less preferable to a recapitalisation which could have been burden-shared with unguaranteed bondholders.

Monetary policy in a hostile environment
The Deputy Governor of the Central Bank of Ireland Stefan Gerlach focussed on the prospects for monetary policy around the developed world after the financial crisis in the light of recent, and not so recent, experience. He raised the prospect of monetary policy being faced with persistent high levels of public debt and unemployment as well as ongoing problems in the financial sector. These are described as the most hostile environment for monetary policy since the 1970’s. The three changes that Gerlach identified were first that policy makers would take more account of the state of the financial system in conducting policy. Second, he concluded that policy makers would rely on macroprudential policy action to cope with future problems in the financial sector rather than employ monetary policy per se to lean against the wind. Finally, he identified the extraordinary policy actions of recent years as permanent additional items in the tool box of monetary policy actions. In effect this view suggests that the purpose of monetary policy setting in terms of the focus on the target of stabilising inflation at a low level will not change.

A rather similar view of the purpose of recent extraordinary monetary policy actions was given by Spencer Dale, Chief Economist of the Bank of England, in his presentation. He focussed on the recent experience of the Monetary Policy Committee (MPC) of the Bank of England in employing new tools of monetary policy to assist in stabilising the British economy. He also pointed out that the measures employed thus far, including the recent Funding for Lending (FLS) scheme, could be expanded further if the need arises. However, Dale pointed out that there are limits to the effectiveness of monetary policy, even if employed in new ways, in delivering expansion in the British economy. The recent significant fall in productivity in the UK, and other countries, is hard for economists to explain. If weakness of output growth is a persistent feature of the British economy over the next few years and is due to low potential supply then further monetary policy easing may jeopardise the inflation target. Dale reminded the audience that hitting the inflation target remains the focus of the MPC.

Asset markets
Robert Shimer (Chicago) presented his research with Veronica Guerrieri on dynamic adverse selection in asset markets. This model delivers a unique equilibrium where better assets trade at higher prices but in less liquid markets. The emergence of adverse selection is associated with reduction in liquidity — indeed causing a liquidity
Comments

IFS annual lecture

The 2012 IFS Annual Lecture

Numbers and public policy: the power of official statistics and statistical communication in public policy-making

was given by Andrew Dilnot on 5th November at Kings College London. The slides and an audio recording are available at:

http://www.ifis.org.uk/publications/6433

Letters to the Editor

The letter of the 364

Dear Sir,

As one of the signatories of the famous letter signed by 364 economists I am, of course, gratified by Professor Neild's clear demonstration that, in the event, our letter was justified. However, I would like to set the record straight on one small point.

This is that I cannot agree with his assertion that Mrs Thatcher’s Employment Acts, together with the higher unemployment levels to which he refers, had been important in directly reducing the rate of wage increase in Britain. In an article in the Economic Journal [Vol.96, March1986, pp. 39-54] by me and a then young economist [Tim Jenkinson, who is now Professor of Financial Economics at Oxford University] we showed that the fall in the rate of inflation in the early 1980s was only the indirect effect of higher unemployment in the Western world as a whole, in that it led to a dramatic turn-round in the ‘flex-price’ commodity markets and hence in import prices. The fall in the prices of primary product imports in the OECD countries as a whole between 1980 and 1982 followed a sharp rise in these prices in the preceding two years, so that the turn-round in these prices was between 50-60 per cent [depending on which price index is used]. Tim’s calculations combined time series and cross-section data for many European countries. Wages were shown to simply follow the previous year’s change in prices, with unemployment having very little direct impact, so that there was no Phillips curve.

One of our conclusions, therefore, was that ‘it is not futile for the industrialized countries as a whole to deflate in order to reduce inflation’. It is just that if they do so the inflation will be reduced by the resulting fall in commodity prices, not by moving out along their national Phillips curves, insofar as there are any’.

In short, as I emphasized in ‘How the Battle Against Inflation Was Really Won’ [Lloyds Bank Review, Jan 1985], the main victims of the deflationary policies pursued in the rich countries were, on the whole, the primary product producers in the poor countries.

Wilfred Beckerman,
Balliol College, Oxford,
and University College London

Dear Sir,

I am grateful to Wilfred Beckerman for reminding me of the great importance of the rise and fall of primary prices in causing inflation and its easing. Somehow it slipped my mind. I apologise.

Robert Neild
Trinity College, Cambridge

The 2012 IFS Annual Lecture

available at:

The 2012 IFS Annual Lecture

available at:
Dear Sir,

As one of the 364 economists who signed the famous or infamous statement criticising the 1981 Budget (see Robert Nield's article in the October Newsletter), it is worth noting that the controversies stirred up by the statement are still alive and kicking. Economists of the IEA persuasion consider the 1981 Budget to be one of the most significant positive events of the post-war era and, further, they think that the views of the 364 economists were wholly incorrect and indeed laughable.

On a personal note, I was chosen by the IEA to defend the gang of 364 in a series of events celebrating the 25th Anniversary of the 1981 budget which culminated in an IEA publication, Were 364 Economists All Wrong? which appeared in 2006. My contribution to this volume was expanded in an exchange with Tim Congdon in the December 2006 issue of Economic Affairs. Subsequently I re-entered the lion’s den when I took part in a 2011 Witness Seminar with many of those who were closely involved with the 1981 Budget.

I leave to the other members of the 364 to decide whether or not my defence was successful. My basic strategy was to ignore the statements about economic theory despite their being described by Robert Nield as irrefutable. I simply took the view that any defence of them which I put forward was unlikely to persuade the average reader of IEA publications. My focus was on the simple statement that ‘present policies will deepen the depression’ mainly because the fact that the economy started growing immediately after the 1981 Budget was felt by many to be the clinching argument against the 364. The nub of my argument was that a growing economy is perfectly consistent with a deepening depression so long as the rate of growth of the economy is less than that of potential output. This was indeed the case for at least two years after the budget as evidenced by the fact that unemployment continued to rise over this period.

Those interested in the details can consult the relevant articles but the fact that these issues are still the subject of debate shows the 1981 Budget remains a highly contentious event.

Steve Nickell
Nuffield College, Oxford

Defending austerity

Dear Sir,

May I comment on the careful ‘partial’ defence of fiscal austerity by John Fender in the October 2012 Newsletter. If, as he argues, rising budget deficits and debt to income ratios may bring about significant offsets to the positive effects of fiscal stimulus, would he consider the following argument, especially with regard to the UK?

The greatest long-term issues facing the world in general and the UK in particular are global warming and climate change. Tackling them requires much increased and sustained expenditure on green friendly infrastructures. The UK is experiencing as Fender points out a serious double deep recession with high (and unacceptable) rates of unemployment and excess capacity. Would it not be sensible then for the government to raise expenditures on green friendly infrastructures and finance these through cheques drawn on the Bank of England, quantitative easing via direct expenditure rather than indirectly through the purchase of financial assets?

Such measures would not worsen either deficits or debt to income ratios but would serve to tackle both the immediate problems of unemployment and make a start on tackling those much longer term issues.

When unemployment is significantly reduced, if there is still a worry about deficits, would it not be possible to continue green friendly expenditure but now financed by increased taxation, so as to use the balanced budget multiplier? I realise that such procedures are ruled out by Euro institutions but not in the UK or in the USA.

Geoff Harcourt
School of Economics
University of New South Wales

Cicero and budget deficits

Dear Sir,

I read the July 2012 RES Newsletter with great interest.

While reading Ray Rees’s ‘Letter from Germany’ I noticed what might be a small error, of an amusing sort. The quotation, attributed to Cicero, which appears at the top of page 3 is probably not Cicero’s. Its origin appears to be A Pillar of Iron (1965) by Taylor Caldwell, a writer of historical fiction. The quote has been further embellished by various American politicians over the years.

I hasten to add that I am not an authority on Cicero, and Mr Cicero is unavailable for comment. Nevertheless, I thought it might be of some interest or amusement to you, and I offer this information to you in the spirit of collaboration and good cheer.

Edward Briggs
Riverside
Connecticut 06878
USA

Correction

Dear Sir,

In my obituary of Tadeusz Kowalik (Newsletter, October 2012), an error appeared concerning his undergraduate studies. Tadeusz Kowalik’s first degree was in Law, which he completed in 1951. His doctorate was on the Polish sociologist Ludwik Krzywicki.

Jan Toporowski
School of Oriental and African Studies
University of London
argued that the inter-dependence is negative: that the increase in income of the top 1 per cent comes at the expense of other taxpayers. Suppose that we think back to the 1960s theories of the separation of ownership and control developed by Oliver Williamson, Robin Marris and others. In these models, managers are assumed to be concerned with their remuneration but also with other dimensions, such as the scale or rate of growth of their firms. They allocate their efforts to maximise a utility function that has several arguments. Where tax rates are high, there is a low return to effort spent on negotiating higher remuneration, and CEOs concentrate on expansion. But cuts in taxation mean that they switch efforts back to securing a larger share of the profits. This increase in remuneration comes at the expense of the shareholders (and lower growth). So against the increase in managerial pay has to be set the smaller amounts received by others, which means that the optimal top tax rate is higher.

These considerations take us beyond the analysis in the Review and — as with the proposal to tax food — may lead to rather different conclusions from those in their report.

Integration of income tax/social security contributions and behavioural public economics

In his *Foundations of Economic Analysis*, Paul Samuelson wrote that ‘to a man like Edgeworth, steeped as he was in the Utilitarian tradition, individual utility — nay social utility — was as real as his morning jam’. Edgeworth, who died in 1926, would have been quite comfortable if he had lived to read the Mirrlees Review. Household behaviour is largely governed by utility maximisation and social welfare is typically assessed in terms of the sum of transformed individual utilities. Understanding of both aspects — the explanation of individual behaviour, and the formulation of social objectives — has however moved on since Edgeworth. This is recognised at a number of points in the Review, but I would give greater emphasis to the alternatives to utilitarianism. There are potentially major implications for both positive analysis and normative analysis of taxation.

One of the key messages of behavioural public economics is that context matters in ways that are not recognized in standard analysis. For instance, I referred earlier to the effective marginal tax rate as the combined impact of all taxes on earnings paid by employers and employees and the indirect taxes paid when the earnings are spent. All of these are clearly relevant, but simply adding them assumes that context does not matter. Workers are assumed to react in the same way to the tax wedge regardless of whether it is paid by their employer, by themselves or by some other member of their household doing the weekly shopping. This is the maintained assumption in the argument for one of the Review recommendations — the integration of personal income and social security contributions — but it is not evident that this assumption holds. Recent research has found, for example, that tax ‘salience’ may lead people to respond differently to different forms of the same tax schedule. Even though the Review sees the link between contributions and entitlements as ‘vanishingly weak’ (p. 127), workers may not see it that way, and may respond differently to social security contributions than to income tax.

If context does matter, should this be exploited when planning taxes? If distraction means that the goose does not notice the feathers being plucked, should we use this device to reduce the hissing? Or should the government seek to make taxes more apparent? This brings us to the normative basis for the Review, where there are several distinctions to be drawn and these could usefully have been made more explicit. The first is between outcomes and process. Outcomes appear in the social welfare function, but process often features prominently in debates about taxation. One of the major arguments made in the Review for the integration of personal income tax and social security contributions is that of transparency. This is a judgment about process — one that I find quite appealing. In contrast, the argument in favour of integration on grounds of administrative simplicity is an argument in terms of outcomes: the cost savings would raise social welfare. In that case, we have to consider the different ways in which outcomes can be assessed. We may decide to focus on individual well-being, but this does not necessarily mean experienced utility. For many years, most recently in *The idea of justice*, Amartya Sen has argued for considering alternative evaluative bases, notably individual capabilities, defined broadly as the freedom that people have to function in key dimensions. Well-being assessed in terms of capabilities may lead to different conclusions.

Moreover, outcomes may be evaluated according to other criteria than well-being. A good example is gender equality. Taxes and transfers can contribute, either manifestly or latently, to reducing gender inequality. This is not considered in the Review, but influences our judgments about a number of the proposals discussed. The within-household distribution of income may be affected by the balance between direct and indirect taxation. Extending VAT to food may leave worse off those in the household who do the grocery shopping. When considering the income-testing of child benefit, we have to remember that an express intention of the legislation was to aid women by making the benefit payable to the mother in the first instance.

Conclusions

The two volumes produced by the Mirrlees Review provide valuable policy analysis and demonstrate the vitality of modern public economics. They are worthy successors to the Meade Report and represent a new landmark in the field. At the same time, my reading of the three topics considered here (just three of many covered by the Review) is that public economics has tended to become separated from other branches of economics (such as industrial organisation and labour economics) — and from other disciplines (such as moral philosophy and psychology). It risks being too narrow in its approach and, by focusing the analysis too sharply, missing important parts of the story.

Note: This is a revised and shortened version of an article that appeared in the *Journal of Economic Literature*, 50(3), Sept. 2012.
Obituaries

Jules Theeuwes

Jules Theeuwes was born October 10, 1944 in Noorderwijk (Belgium). He obtained a degree in Commercial and Consular Sciences from UFSIA (Antwerp) in 1966, and in Economics from the Catholic University of Louvain in 1970, topping it off with a PhD from the University of British Columbia in Vancouver in 1975. From January 1970 until August 1971 he was a Research Assistant at the Center for Economic Studies of the University of Louvain. After obtaining his doctorate in Canada he returned to Louvain, where he worked as a Research Assistant at CORE, the Center for Operations Research and Econometrics. In August 1976, he moved to The Netherlands: 9 years at Erasmus University Rotterdam, interrupted by a sabbatical year at the University of British Columbia (1978-1979), and terminated by a switch to the Free University Amsterdam in 1985. In 1986 he was appointed professor of Economics in the Faculty of Law at Leyden University. From 1998 he was Director of SEO Economic Research and Professor of Applied Research in the Faculty of Economics of the University of Amsterdam. In 2010 he retired as a professor, but not as Director of SEO. He has been Visiting Professor at the University of Wisconsin-Madison (1988) and Stanford University (1996), Fellow at the Netherlands Institute for Advanced Studies (NIAS), Wassenaar (1990 - 1991) and member of the Scientific Council for Government Policies (WRR) from 2002 till 2006. He died November 6, 2012, after living with cancer for three years.

During his doctorate training at UBC, Theeuwes was attracted to three new developments that would dominate labour economics for several decades to come: the strong increase in labour force participation of women, the theory of human capital and the analysis of micro-foundations for the Phillips curve that would lead to the development of search theory. In 1975, he finished his dissertation, ‘Family labour supply and labour force participation decisions’, supervised by Ernst Berndt, John Cragg and Terry Wales. An analysis of postwar developments of female labour supply in the Netherlands was presented at the international comparative workshop in Sussex (UK), organized by Richard Layard and Jacob Mincer, and later published in the Journal of Labour Economics (1985). A simple neoclassical model, with wage, non-labour income and (exogenous) number of children, proved remarkably successful in tracking the labour force participation rate between 1947 and 1979. Essentially the same model was used to highlight the differences among three stages in the lifecycle of married women (European Economic Review, 1983).

His interest in human capital theory led him to estimate the parameters of a model for optimal accumulation of human capital initially formulated by Sherwin Rosen, and later extended to employ information on job levels. Not only the rate of return to on-the-job training appears increasing in level of education; the same holds for the rate of depreciation. Both papers have been published in the European Economic Review (in 1985 and 1989).

All his life he maintained an intense interest in search theory. He kept a close eye on research developments, published work on labour market flows, and in the 1990’s participated actively in exploring data linking employees and firms. He also considered implications and restrictions relating to privacy and confidentiality. This work with John Haltiwanger, Julia Lane and others mostly appeared in edited books published by North-Holland.

Right from the start of his career he was drawn towards policy issues. Policy mostly meant Dutch economic policy, and it meant participation in Dutch public debates. He became a well-known and widely respected commentator in all the media. As a master of the pointed formulation and of entertaining metaphors, he became an excellent ambassador for the intellectual wealth of economics. He served for four years as a member of the Scientific Council for Government Policies, a publicly funded but independent think tank and in the final stage of his career he found himself a perfect match as Director of SEO, a research institute for commissioned research, mostly for public institutions and government.

Virtually all his publications on economic policy are in Dutch, inaccessible to an international audience. Let me therefore elaborate on just one example, from his early days. In The Netherlands, CPB Economic Policy Analysis is the headmaster of economic policy. Budget proposals, government policy initiatives, electoral programmes of political parties are only taken seriously if CPB has X-rayed them with an econometric model. Initially, forecasts and policy predictions were not published straight from the econometric model, but they were adjusted manually, in an unobserved process. In 1981 Theeuwes published an article in the leading Dutch economic weekly (ESB), under the catchy title ‘The secret of the blue train’. The blue train is a term from indoor cycling: it refers to the group of cyclists that dominates the race and has priority in the area above a blue line painted on the track. To create transparency and to provide the layman with an instrument for policy analysis, Theeuwes regresses the published predicted values of the endogenous variables on all exogenous variables and presents this policy menu including unobserved manual adjustments, in a highly entertaining style, departing from an adapted well-known line of Dutch poetry (‘between dream and act, laws are in the way, and also melancholy that no one can explain’) and finishing with another: ‘Never mount the train without your trunk with dreams’). Entertaining, informative, playful.

His interest in economic policies sent him off to other areas of economics, without ever abandoning his first love. He wrote on labour and taxes for the Royal Dutch Society of Economics, about employment protection for the Council on Government Policies, but he also moved
into competition policy, innovation policy, intellectual property and law and economics. On law and economics he co-authored a textbook in Dutch when he was working in Leyden’s law faculty, and later, in 2008, a text for the international market, ‘clearly the most comprehensive law and economics text for undergraduates’, according to one of the reviewers.

In the last stage of his career, as Director of SEO Economic Research, it all fitted together: focus on economic policy, application of old wisdoms and new truths from economic theory, advising, explaining and commenting, in his reports, on radio, television, in newspapers, in clear, precise yet delicious language that always reflected his sheer joy and passion. Vividly illustrating the advantages of division of labour: policy relevance of economics not only requires relevant theory, it also requires translating theory to the policy maker. Theseus had a comparative advantage in serving clean and clear economic reasoning as a key ingredient to policy makers and to every interested participant in the public debate.

Economics surely was his passion. But not the only one: English literature, movies, good food, good company, spirited conversations. Avidly and eagerly he absorbed life, and abundantly he spread his joy around.

In the early 1990’s we sensed that Europe needed its own outlet of the growing research output in labour economics. We approached Elsevier North Holland and then were invited to become founding editors of Labour Economics, as a broad journal with an international orientation. It was hard work but also lots of fun. We felt privileged that so many of the world’s leading labour economists immediately accepted our invitation to become a member of the editorial board. Apart from the intellectual and professional joy and pride that we got from nursing the journal, we had immense pleasure in the Christmas cards that we sent to our board members, to keep their dedication fully alive. We would go to one of these intimate Amsterdam pubs, have a beer and started tossing up ideas. Jules always came up with the winner. So we showed that our dedication had no limit, by using an issue of Labour Economics as our fig leaf (‘help us dress up the journal’), by posing as junkies (‘don’t send us your hash-beens’), asking angelical help in our efforts, sending a T-shirt inspired by Asterix (showing a Roman figure, thumb down and shouting ‘Reject!’). Yes, work is gratifying, economics is intellectually rewarding, but it all works better if you drench it in playful humour. In September 2013, EALE celebrates its 25th anniversary. It coincides with the 20th anniversary of Labour Economics and Jules and I were invited to set up a special event. Jointly, we selected topics, conference sessions, authors. We hoped intensely that Jules would make it to the celebrations at the Turin conference. But fate withdrew its courtesy and more delays were not to be. I shall miss him dearly, and I know I share this feeling with many.

Joop Hartog
University of Amsterdam

Robin Marris

Robin Marris, who died on 25 September 2012 at the age of 88, is best known for his contribution to our understanding of business corporations. He did important research in other areas, too, and was an active participant in policy debates.

The Economic Theory of Managerial Capitalism (1964) combined the work of Edith Penrose on the growth of firms with earlier ideas about large corporations behaving differently from small owner-managed firms. Robin focused on the separation of ownership from management in large firms and the weakness of shareholder control, which allowed managers considerable discretion. In his view, managers used their discretion primarily to make their firms grow faster than shareholders would prefer, since in larger firms managers get higher salaries and status. The book attracted a lot of academic attention, and Kenneth Galbraith’s use of it in his 1966 Reith lectures and 1967 The New Industrial State made it known to a wider audience.

As Robin recognised in a 1998 revision of Managerial Capitalism, economics and the world have moved on. The existence of large firms is now explained theoretically by their ability to reduce transactions costs, and shareholder control of managers is now analysed as a principal-agent problem. The share of managerial remuneration in the form of stock options and bonuses has also been increased, with the aim of aligning the interests of managers more closely with those of shareholders.

Robin continued to disagree strongly, however, with the common view of dynamic neoclassical firms and undynamic managerial firms. He argued in 1964 that growth-seeking by managers is socially desirable because of positive externalities of the sort later embodied in endogenous growth theory. He was deeply sceptical of the social benefits both of takeovers and of the effects of stock options on managerial behaviour. As he put it, noting the greatly increased pay of top managers, ‘the search for a perfect control contract between shareholders and managers is … liable to be perverted’.

In the 1950s Robin did an innovative study of shiftwork, published in The Economics of Capital Utilisation (1964). The research questions were why capital equipment on average is used for less than a quarter of all the hours in the year and what if anything should be done about this. The book developed a theory and tested it against a wide range of evidence, including questionnaire surveys of eleven industries. Robin’s prior had been that a widespread extension of shiftwork would be socially desirable, but his eventual conclusions were much less clear-cut.

In Reconstructing Keynesian Economics with Imperfect Competition (1991), Robin argued that Keynesian macro theory, of which he was a lifelong advocate, made sense only when combined with the theory of imperfect competition, as Michal Kalecki had recognised much earlier.
Only if firms were able to set their own prices, rather than having to accept the prices set by a perfectly competitive market, would a fall in aggregate demand reduce an economy’s total output, as Keynes claimed, rather than merely reducing the general price level. Curiously, one man, Richard Kahn, played a key role in developing both strands of theory in Cambridge in the 1930s. What kept the strands apart, Robin argued, were tensions in the triangle of personal relationships between Kahn, Keynes and Joan Robinson. Robin’s intriguing book was among the first to include a disk with a simulation model to run on personal computers.

In the mid-1970s, dismayed by the abuse of union power, Robin broke his close links with the Labour Party and became, in his words, ‘hostile to socialism’. But he ‘never swung spiritually to the political right’ and continued to write with passion and insight on social policy issues, becoming a Labour supporter again in the 1990s.

Increasingly interested in research on the human brain, Robin argued in How to Save the Underclass (1996) that universal access to education and Thatcherite liberalisation (of which he approved) had created a ‘severe meritocracy’ in which the least able are left unacceptably far behind. The best solution in his view lay in policies to accelerate growth, which would boost the demand for unskilled labour. Failing that, a generous welfare state financed by higher taxes on the more able would be necessary, though it might have difficulty in attracting electoral support.

Robin’s social concern extended worldwide. In 1964-66 he worked in the Ministry of Overseas Development under Barbara Castle, and in the 1980s did research for the World Bank. In Ending Poverty (1999), he presciently stressed the importance of good macro policies in developed countries and good management of the international financial system, as well as the need for more aid.

Robin graduated from Cambridge in 1947, his studies having been interrupted by war service. After periods of work in the Treasury and with the UN in Geneva, he returned to Cambridge in 1951 as a fellow of King’s College and a lecturer (later a reader) in the Faculty of Economics, posts he held for the next 25 years. He was a popular and inspiring teacher, and a long series of students, including me, benefited from his lively mind and warm personality.

In 1976, for a mixture of personal and professional reasons, he moved to a chair at the University of Maryland, where for three years he was head of department, and in 1981 to Birkbeck College, London, again serving as department head and retiring in 1987. Dennis Snower, who knew him in both places, writes that:

In Maryland, Robin came with many fresh ideas and had a deep interest in promoting insightful, pathbreaking research, regardless of whether it was fashionable. He was also interested in promoting the careers of promising young researchers. His administration was unconventional and often erratic, but there is no doubt that the ambitions and visibility of the department rose during Robin’s chairmanship. At Birkbeck he did not have a similar invigorating effect, to put it blandly. He did himself no favours by choosing a path of academic leadership. He could have fared better by focusing on activities that engaged his greatest strengths.

Robin’s life was complicated by three failed marriages. But, and not unrelatedly, he was an intensely attractive person. He was also wonderful company — in seminars, at home, at restaurants, at parties or on his little boat on the Solent — full of ideas and information, witty, charming and generous. He made many friends and is remembered affectionately even by most of those with whom he crossed swords.

Adrian Wood
Department of International Development, Oxford

Obituaries

Bank of England Interactive database

The Bank of England’s Statistics and Regulatory Data Division is preparing to upgrade its interactive database of statistics with new functionality:

http://www.bankofengland.co.uk/boeapps/iadb/newintermed.asp

Mark Robson (Head of the Division and Honorary Treasurer of the RES) would be very pleased to hear views of regular, occasional or first time users to help shape the future service.

He says: ‘Our public interactive database is heavily exploited by different types of researcher and commentator (about 10 million data hits per quarter, mostly automated of course). Unfortunately we don’t know very much about the universe of users, but we do know that many are academics and students. I am embarking on a project to enhance significantly the structure, scope and functionality of what we can provide through this medium, particularly built around new freeware SDMX tools (in addition to retaining current Excel and CSV formats). But I do need a few real or virtual focus groups on whom to try out ideas over the course of 2013, so we can be confident of getting the new service right. RES volunteers, or anyone just wishing to comment or find out more, without further commitment, are most welcome to email us at SRDD_IADB_COMMS@bankofengland.co.uk. Many thanks.’
Membership of the RES Council
from John Beath, Secretary-General

Members of the Society are reminded of their right as members to propose names to be considered for election to the RES Council.

The formal procedure is that the Nominating Committee, which meets early in February, considers all such names and puts forward to Council a list for approval. This is then the subject of a ballot of all members of the Society in the autumn. The successful candidates join Council after formal adoption at the following AGM.

Any member of the Society who would like to make a nomination may contact me at royaleconsoc@st-andrews.ac.uk.

In addition to the name(s), there should be either a brief CV or a link to one. As the process needs to get underway in early February, I would be grateful to receive any nominations by 31st January 2013 at the latest.

New Chair for CHUDE

From January 1, Professor Eric Pentecost, Head of Department at Loughborough takes over from Neil Rickman as Chair of CHUDE.

It has been normal practice for the Executive Committee to co-opt the Chair of CHUDE and, at its meeting on 15th November, Council gave its consent in this case. Accordingly, Professor Pentecost will attend Executive Committee meetings with effect from February 21st.

Annual General Meeting (AGM)

Notice is hereby given that the Annual General Meeting of the Society will be held during the RES Conference at Royal Holloway, University of London on Thursday 4 April at 6.30pm. All members of the RES are cordially invited to attend. Notice of business will be published on the website nearer the time and sent to all members by 10 days prior to the meeting. If there are any matters of business that a member wishes to raise, please write by 1st March 2013 to the Secretary General at Office of the Secretary General, Royal Economic Society, University of St Andrews, School of Economics & Finance, St Andrews, KY16 9AL.

Please contact the Secretary-General at royaleconsoc@st-andrews.ac.uk or by post to:
The Royal Economic Society
Secretary General’s Office
School of Economics and Finance
University of St. Andrews
St. Andrews, Fife, KY16 9AL

Special project grant funding

This funding scheme provides one-off grant for support of activities that further the understanding and use of economics. Examples include seminars, workshops and mini-conferences, events to disseminate research and policy findings, and activities that support teaching and learning.

The Society will not normally consider requests that exceed £5K and would in any case expect to see evidence of significant co-funding. Successful applicants would be required to submit a report on and a set of accounts covering the event within two months of its date.

Applications will be considered three times a year by January 20, May 20 and September 20 with decisions to be made within 28 days where possible. Applications should be made to: The Administrator, Royal Economic Society, School of Economics and Finance, University of St. Andrews, St. Andrews, Fife, KY16 9AL, UK or by email to royaleconsoc@st-andrews.ac.uk.

Visiting lecturer scheme

The Society would like to encourage University departments to consider the reinstated RES Visiting Lecturer scheme when they are planning lectures. The conditions of the scheme are as follows: Economics departments in any UK university may suggest the name of a distinguished economist for a visit to their department. Such visitors may be from within the UK or from overseas. The Society will make up to five awards in each financial year, though the visit need not necessarily take place in the financial year in which the award is made.

The visiting lecturer is expected to give a series of lectures, seminars or workshops and to be available for consultation by staff and students. At least one of the lectures etc. should be open to those outside the host University and should be publicised, for example in the RES Newsletter. It will be the responsibility of the host department to cover the costs of travel and hospitality. The Society will pay a fee of £2000 to the lecturer. At the conclusion of the visit both the visiting lecturer and host department should submit a report to the Secretary-General. Payment of the fee will be conditional on both reports being received.

Applications should be made in writing to the Secretary-General of the Society and will be considered by the Executive Committee by January 20 and September 20. The application should give the dates of the proposed visit and details of the arrangements for the programme of lectures, seminars and workshops.

Please contact the Secretary-General at royaleconsoc@st-andrews.ac.uk or by post to:
The Royal Economic Society
Secretary General’s Office
School of Economics and Finance
University of St. Andrews
St. Andrews, Fife, KY16 9AL
Events

RES PhD presentation meeting and job market

The Sixth PhD presentation meeting will be held on Saturday 19 and Sunday 20th January 2013 at Queen Mary University London. The aim of the event is to provide a service both for UK and European university economics departments who wish to recruit lecturers, and for PhD students seeking academic jobs in the UK or elsewhere in Europe. This annual meeting has grown to be an extremely successful event, well supported by both students and potential employers. The event consists of two days of students’ presentations and poster sessions. Participating institutions attend these presentations and are also allocated a table at the conference site in order to arrange individual appointments with participating students during the course of the conference. We hope to carry a report of the event in the April issue of this Newsletter.

RES Training Schools

The Royal Economic Society has granted funds to the University of Birmingham to provide an Easter School for twenty years. Further RES financial support combined with success in obtaining funding from the ESRC’s Researcher Development Initiative has now enabled the University of Birmingham to run an Autumn School for the last three years. One school is to be devoted to some aspect(s) of macroeconomics, and the other to subjects of a microeconomic character.

RES Easter Training School 2013 — The twenty-third Easter School organised by the Royal Economic Society, with financial support from the Economic and Social Research Council, will be held at The University of Birmingham from Sunday 14th April, 2013 - Thursday 18th April, 2013.

The subject of the school will be ‘DSGE Modelling and Financial Frictions’. The lecturers will be Professor Mike Wickens (Cardiff University, University of York and CEPR) and Professor Paul Levine (University of Surrey), with Dr Cristiano Cantore (University of Surrey) and Professor Joe Pearlman (City University).

Places are available for 25 resident participants. Accommodation and meals will be provided for the duration of the course. Nominations must be made through the applicant’s Head of Department and should be supported by a short CV, a reference, and a note on the applicant’s research interests. Applications should be submitted no later than Friday 11th January 2013 by post to the Royal Economic Society Easter School Secretary, Department of Economics, The University of Birmingham, Edgbaston, Birmingham, B15 2TT or by email: easterschool@contacts.bham.ac.uk. Successful applicants will be informed in February 2013.

RES 2013 Annual Conference

3 April to 5 April
Royal Holloway, University of London

Keynote Lectures
Raquel Fernandez, New York University (EJ Lecture)
Matthew Jackson, Stanford University (Hahn Lecture)
Charles Manski, Northwestern University (Sargan Lecture)
Richard Blundell, University College London (Presidential Address)

Plenary Sessions sponsored by:
the Bank of England
LSE Growth Commission

Conference Grant Scheme

The Society’s Conference Grant Fund is available to members who are presenting a paper or acting as a principal discussant at a conference; support of up to £500 is available. Applications will be considered three times a year by January 20, May 31 and September 20.

Support for Small Academic Expenses

The Society is able to offer financial support to members who require small sums for unexpected expenditures. Applications will be considered three times a year by January 20, May 31 and September 20.
January 16-18  Genova, Italy
Fifth Italian Congress on Econometrics and Empirical Economics. Papers in any area of econometrics, theoretical or applied, as well papers in empirical economics are welcome. Keynote Speakers: Claudia Olivetti and Barbara Rossi. Registration deadline: Jan 16 2013

Further information: Contact Valentina Corradi, University of Warwick. v.corradi@warwick.ac.uk

March 14-16  Berlin, Germany
3rd Humboldt-Copenhagen Conference on Financial Econometrics. JEL classification(s): G

Further information from: www.hu-ku-conference.de/html/contact.html

March 21-22  London
Rethinking the Economics of Pensions: Is There a Crisis of Pensions or of Pensions Governance and Regulation? A two-day conference organized by the Financial Services Knowledge Transfer Network, the Centre for Competitive Advantage in the Global Economy (CAGE), University of Warwick to take place at the Royal Statistical Society, London.


May 9-10  Porto, Portugal
Energy and environment: bringing together Economics and Engineering. JEL classification(s): A, F, I, M, O, Q, Z

Further information from: www.fep.up.pt/conferences/icee/

April 3-5  London
Royal Economic Society Annual Conference to be held at Royal Holloway, University of London. General Sessions and Special Sessions from academic, government and business economists in any field of economics and econometrics. Online Registration will be open from January. Financial support is available for RES member postgraduate students attending the Conference.

www.res.org.uk/view/resNewsletter.html
ments regarding the recent debt crisis. Deadline for sub-
missions to contributed sessions: **April 8, 2013.**

*Further information from:* secretary@rcfea.org.

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**30-31 May**  Cambridge

**Conference on Cross-sectional Dependence in Panel Data Models.**

*Further information from:* www.econ.cam.ac.uk/CSDPDM/
panel-econometrics-conf/submission.html

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**29-31 May**  Wageningen, Netherlands

**International Conference: Cooperation or Conflict?**
Economics of natural resources and food. JEL classification(s): D, F, O, Q, R, Z

*Further information from:* www.sectioneconomics.wur.nl/UK/CC-Conference2013/

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**June**

**14-22 June**  New York, USA

The Levy Economics Institute is pleased to announce the fourth **Hyman P. Minsky Summer Seminar** which will be of particular interest to graduate students, recent graduates, and those at the beginning of their academic or professional career. Application deadline: **March 31, 2013.** A small number of travel reimbursements may be available to participants.

*Further information from:* www.levyinstitute.org/news/?event=42

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**July**

**1-3 July**  Limassol, Cyprus

**World Finance Conference.**

*Further information from:* http://www.world-finance-conference.com

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**September**

**5-6 September**  Exeter

**CALL FOR PAPERS**

**Developments in Economics Education conference 2013.** The keynote address will be given by John Kay, one of Britain's leading economists and a patron of the Economics Network. Proposals for sessions and papers are welcome, and the deadline for all proposals is **Thursday 28th March 2013.**

*Further information from:* www.economicsnetwork.ac.uk/

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Membership of the
Royal Economic Society

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

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

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

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

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

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

• Discounts on registration fees for the Society’s annual conference.

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

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

Details and application form are available from: The Membership Secretary, Royal Economic Society, University of York, Heslington, York, YO10 5DD.

Membership rates for print and online for 2013 are £48 ($82, €57)*
‘online only’ membership for 2013 is £38 ($65, €45)

There is a reduced rate of £23 ($42, €28) for members who reside in developing countries (with per capita incomes below US$500) and for retired members.

A special ‘online only’ offer of three years membership (2013-2015 incl.) for the price of $29/€20/£17 or one-year online only for £10/$14/€12 is available to full-time students.

* All ‘hardcopy’ customers in the UK should add 10 per cent and ‘online only’ customers 20% VAT to these prices or provide a VAT registration number or evidence of entitlement to exemption. Canadian customers please add 5 per cent GST or provide evidence of exemption. For EU members, please add VAT at the appropriate rate.

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

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

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Name:

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