A new year (and some other novelties)

This is not the first time that the January issue has struggled to find a home for all the material we wish to publish. For various reasons, January is always the busiest of issues. It is though, the first time that ‘news’ has spilled over to the front and back pages.

This is also an opportunity to report on two new initiatives by the Society to take economics to a wider audience. These involved the webcasting of both the Bristol Festival of Economics and the Society’s Annual Public Lecture. As our brief report confirms, both were a great success and will certainly be repeated in similar form in future.

By comparison, it is a small ‘first’ to note that back copies of the Newsletter are now available online from January 2012 (in their entirety) and back to January 2004 (in ‘selected highlights’). Where possible, we have added links to facilitate cross-referencing. We have also posted a message on the website inviting readers to get in touch if they spot notable omissions. We will get those added in very short order.

Annual General Meeting (AGM)

Notice is hereby given that the Annual General Meeting of the Society will be held during the RES Conference at the University of Manchester on Tuesday 8 April 2014. 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 24th 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.

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

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

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

For membership benefits, subscription fees and how to join the Society, see back cover or go to: www.res.org.uk

Next issue No. 165 April 2014 Deadline for submissions 16 March 2014

Email: peter.howells@uwe.ac.uk
mail@sarum-editorial.co.uk

The Society’s Newsletter

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

The Society’s bee logo

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

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

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Economic Journal
Managing editors’ report

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

Highlights
• We thank Steve Machin, who came to the end of his term this year, for his contribution to the Journal. We welcome Morten Ravn as a new Joint Managing Editor.
• Total submissions to the regular journal increased by 6 per cent to 969. We received a total of 1082 submissions including conference and feature submissions.
• Average turnaround times fell to 7.7 weeks across all submissions.
• The impact factor for the journal rose to 2.118.
• We introduced a trial to scan all accepted papers through anti-plagiarism software before publication.
• The EJ launched its twitter account and participated in the launch of the RES YouTube channel.
• We initiated plans for a special issue of the Journal to mark the 125th Anniversary of the EJ and the RES.

Journal and Editorial Performance
Changes in Editors
This year has seen some changes to the Editorial team at the Economic Journal. Steve Machin stepped down after 15 years as Joint Managing Editor and Features Editor. Morten Ravn joined as Managing Editor in 2013.

The team as of January 2014 will be:
Joint Managing Editors
Martin Cripps, University College London
Andrea Galeotti, University of Essex
Rachel Griffith, University of Manchester and IFS
Morten Ravn, University College London
Kjell Salvanes, NHH
Frederic Vermeulen, University of Leuven

Publishing Editor
Stephanie Seavers, IFS

Submissions (Tables 1-3)
Submissions have continued to increase (Table 1). Regular submissions rose by 6 per cent, feature submissions by 22 per cent and conference submissions by 19 per cent.

The geographic distribution of submissions (Table 2) has remained reasonably steady, with the largest share coming from Europe (42 per cent), a slight decrease from last year, followed by North America (2.05 per cent), a slight increase from last year. UK submissions rose slightly to 20.5 per cent, perhaps owing to the REF 2014.

The subject breakdown of submissions (Table 3) shows the largest percentage of submissions were in the field of Microeconomics (20 per cent), then Mathematical and Quantitative Methods (14 per cent) and Labour and Demographic Economics (12 per cent). All submissions in these areas saw a slight increase from last year.

Editorial Processing Time (Tables 4-6)
Editorial processing and turn-around times (Table 4) have improved. The average turn-around time for the most recent period is 7.7 weeks across all submissions. Around 40 per cent of papers were dealt with by Editors alone (screen rejected) within two weeks. Only 6 per cent of papers took longer than 5 months and only 2 per cent took longer than 6 months.

<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 from previous period</th>
<th>Accepted (as at 2 Sep 2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 – 2013</td>
<td>1082</td>
<td>38</td>
<td>75</td>
<td>969</td>
<td>72</td>
<td>6%</td>
<td>20</td>
</tr>
<tr>
<td>2011 – 2012</td>
<td>1010</td>
<td>31</td>
<td>63</td>
<td>916</td>
<td>94</td>
<td>11%</td>
<td>69</td>
</tr>
<tr>
<td>2010 – 2011</td>
<td>822</td>
<td>33</td>
<td>33</td>
<td>87</td>
<td>33</td>
<td>4%</td>
<td>40</td>
</tr>
<tr>
<td>2009 – 2010</td>
<td>789</td>
<td>87</td>
<td>87</td>
<td>2</td>
<td>-4</td>
<td>-1%</td>
<td>36</td>
</tr>
<tr>
<td>2008 – 2009</td>
<td>702</td>
<td>2</td>
<td>4</td>
<td>-4</td>
<td>-4</td>
<td>-1%</td>
<td>36</td>
</tr>
<tr>
<td>2007 – 2008</td>
<td>700</td>
<td>62</td>
<td>62</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>35</td>
</tr>
<tr>
<td>2006 – 2007</td>
<td>704</td>
<td>15</td>
<td>15</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>85</td>
</tr>
<tr>
<td>2005 – 2006</td>
<td>642</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004 – 2005</td>
<td>627</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The ability of Editors to keep turnaround times down is in no small part due to the quick response we get from referees. Table 4 shows that over 80 per cent of referees responded within 2 months, reducing the average turnaround time for references to just 5.77 weeks.

Table 2: Geographical Distribution of Submissions 1 July – 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>221 (20.5%)</td>
<td>188 (19%)</td>
<td>145 (18%)</td>
<td>144 (18%)</td>
<td>106 (15%)</td>
<td>106 (15%)</td>
</tr>
<tr>
<td>USA &amp; Canada</td>
<td>232 (21.5%)</td>
<td>214 (21%)</td>
<td>208 (25%)</td>
<td>194 (25%)</td>
<td>206 (29%)</td>
<td>205 (29%)</td>
</tr>
<tr>
<td>USA</td>
<td>199</td>
<td>189</td>
<td>181</td>
<td>161</td>
<td>181</td>
<td>180</td>
</tr>
<tr>
<td>Canada</td>
<td>33</td>
<td>25</td>
<td>27</td>
<td>33</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Europe</td>
<td>455 (42%)</td>
<td>445 (44%)</td>
<td>336 (41%)</td>
<td>316 (40%)</td>
<td>278 (40%)</td>
<td>277 (40%)</td>
</tr>
<tr>
<td>Belgium</td>
<td>8</td>
<td>10</td>
<td>14</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>France</td>
<td>60</td>
<td>44</td>
<td>30</td>
<td>28</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Germany</td>
<td>128</td>
<td>127</td>
<td>88</td>
<td>73</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Italy</td>
<td>53</td>
<td>59</td>
<td>49</td>
<td>28</td>
<td>42</td>
<td>44</td>
</tr>
<tr>
<td>Netherlands</td>
<td>33</td>
<td>37</td>
<td>20</td>
<td>32</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>49</td>
<td>47</td>
<td>43</td>
<td>52</td>
<td>43</td>
<td>49</td>
</tr>
<tr>
<td>Spain</td>
<td>28</td>
<td>25</td>
<td>26</td>
<td>43</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Other</td>
<td>96</td>
<td>96</td>
<td>66</td>
<td>51</td>
<td>43</td>
<td>42</td>
</tr>
<tr>
<td>Australasia/Asia/Africa/S.America</td>
<td>174 (16%)</td>
<td>163 (16%)</td>
<td>133 (16%)</td>
<td>135 (17%)</td>
<td>112 (16%)</td>
<td>112 (16%)</td>
</tr>
<tr>
<td>Australia/NZ</td>
<td>38</td>
<td>37</td>
<td>39</td>
<td>38</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>China/ HK</td>
<td>33</td>
<td>22</td>
<td>30</td>
<td>20</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>India</td>
<td>4</td>
<td>7</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Israel</td>
<td>29</td>
<td>19</td>
<td>20</td>
<td>10</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Japan</td>
<td>20</td>
<td>25</td>
<td>16</td>
<td>19</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>50</td>
<td>53</td>
<td>26</td>
<td>41</td>
<td>47</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1082</strong></td>
<td><strong>1010</strong></td>
<td><strong>822</strong></td>
<td><strong>789</strong></td>
<td><strong>702</strong></td>
<td><strong>700</strong></td>
</tr>
</tbody>
</table>

Table 3: Subject Breakdown of Submissions 1 July – 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. General Economics and Teaching</td>
<td>10</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>19(1)</td>
<td>18</td>
</tr>
<tr>
<td>B. Methodology/History of Thought</td>
<td>8 (1)</td>
<td>4</td>
<td>7</td>
<td>8</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>C. Mathematical &amp; Quantitative Methods</td>
<td>156 (2)</td>
<td>118 (8)</td>
<td>83(1)</td>
<td>86 (3)</td>
<td>50 (1)</td>
<td>57 (4)</td>
</tr>
<tr>
<td>D. Microeconomics</td>
<td>211 (2)</td>
<td>201 (8)</td>
<td>161 (9)</td>
<td>154 (8)</td>
<td>138 (8)</td>
<td>137 (10)</td>
</tr>
<tr>
<td>E. Macroe &amp; Monetary Economics</td>
<td>81 (1)</td>
<td>97 (14)</td>
<td>90 (7)</td>
<td>84 (5)</td>
<td>73 (8)</td>
<td>72 (6)</td>
</tr>
<tr>
<td>F. International Economics</td>
<td>64</td>
<td>97 (5)</td>
<td>77 (3)</td>
<td>94 (6)</td>
<td>73 (5)</td>
<td>73</td>
</tr>
<tr>
<td>G. Financial Economics</td>
<td>68 (1)</td>
<td>53 (2)</td>
<td>33 (3)</td>
<td>34 (1)</td>
<td>36</td>
<td>36 (3)</td>
</tr>
<tr>
<td>H. Public Economics</td>
<td>57</td>
<td>37 (7)</td>
<td>53</td>
<td>26 (1)</td>
<td>30 (2)</td>
<td>30 (1)</td>
</tr>
<tr>
<td>I. Health, Education &amp; Welfare</td>
<td>70 (1)</td>
<td>70 (6)</td>
<td>58 (3)</td>
<td>52 (3)</td>
<td>42 (3)</td>
<td>40 (2)</td>
</tr>
<tr>
<td>J. Labour &amp; Demographic Economics</td>
<td>133 (4)</td>
<td>122 (10)</td>
<td>88 (9)</td>
<td>93 (3)</td>
<td>90 (2)</td>
<td>88 (4)</td>
</tr>
<tr>
<td>K. Law &amp; Economics</td>
<td>18 (2)</td>
<td>17</td>
<td>10 (1)</td>
<td>6</td>
<td>8</td>
<td>6 (1)</td>
</tr>
<tr>
<td>L. Industrial Organisation</td>
<td>58 (3)</td>
<td>48 (3)</td>
<td>39(2)</td>
<td>39 (2)</td>
<td>29 (2)</td>
<td>27 (3)</td>
</tr>
<tr>
<td>M. Business Economics</td>
<td>8</td>
<td>11</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>8 (1)</td>
</tr>
<tr>
<td>N. Economic History</td>
<td>13</td>
<td>6</td>
<td>2</td>
<td>8</td>
<td>5 (1)</td>
<td>2</td>
</tr>
<tr>
<td>O. Economic Development</td>
<td>69 (1)</td>
<td>76(3)</td>
<td>66</td>
<td>53 (2)</td>
<td>65 (2)</td>
<td>66 (4)</td>
</tr>
<tr>
<td>P. Economic Systems</td>
<td>10</td>
<td>2</td>
<td>5 (1)</td>
<td>8 (1)</td>
<td>9 (1)</td>
<td>4 (1)</td>
</tr>
<tr>
<td>Q. Agricultural/Natural Resources</td>
<td>21 (1)</td>
<td>20(1)</td>
<td>16</td>
<td>15</td>
<td>8</td>
<td>9 (1)</td>
</tr>
<tr>
<td>R. Urban, Rural &amp; Regional Economics</td>
<td>18 (1)</td>
<td>11(1)</td>
<td>10(1)</td>
<td>11 (1)</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Y &amp;Z. Misc &amp; Special Topics</td>
<td>9</td>
<td>14(1)</td>
<td>8</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1082(20)</strong></td>
<td><strong>1010(69)</strong></td>
<td><strong>822 (40)</strong></td>
<td><strong>789 (36)</strong></td>
<td><strong>702 (36)</strong></td>
<td><strong>700 (41)</strong></td>
</tr>
</tbody>
</table>

Accepted paper tally (in brackets) correct as of 2 Sep 2013

*Submissions before 2012 include regular submissions only. Submissions after 2012 include all submission including conference and feature papers.

www.res.org.uk/view/resNewsletter.html
Table 5 shows response times for revise and resubmit and rejected papers. 55 per cent of rejected authors were informed within 1 month, and only 5 per cent took 6 months or longer to receive a decision. Of authors invited for revision, 38 per cent received a decision within 3 months and 89 per cent received a decision in less than 6 months.

**Table 4: Editorial Turnaround Statistics for Submissions 1 July – 30 June**

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2011-12</th>
<th>2010-11</th>
<th>2009-10</th>
<th>2008-09</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Submissions Received</td>
<td>1082</td>
<td>1010</td>
<td>822</td>
<td>789</td>
<td>709</td>
<td>703</td>
</tr>
<tr>
<td>Papers Withdrawn</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Dealt with by editors alone</td>
<td>(46%)</td>
<td>(55%)</td>
<td>(60.5%)</td>
<td>(61%)</td>
<td>(55%)</td>
<td>(51%)</td>
</tr>
<tr>
<td></td>
<td>(46%)</td>
<td>(45%)</td>
<td>(39.5%)</td>
<td>(38%)</td>
<td>(45%)</td>
<td>(49%)</td>
</tr>
<tr>
<td>Sent to referee:</td>
<td>582</td>
<td>456</td>
<td>325</td>
<td>300</td>
<td>319</td>
<td>342</td>
</tr>
<tr>
<td>Time taken for referee to return report to Editor, within:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Month</td>
<td>32%</td>
<td>26%</td>
<td>25%</td>
<td>22%</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>2 Months</td>
<td>49%</td>
<td>54%</td>
<td>31%</td>
<td>32%</td>
<td>29%</td>
<td>35%</td>
</tr>
<tr>
<td>3 Months</td>
<td>16%</td>
<td>16%</td>
<td>29%</td>
<td>27%</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>4 Months</td>
<td>2%</td>
<td>3%</td>
<td>11%</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Even Longer</td>
<td>1%</td>
<td>1%</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Average Length (weeks):*</td>
<td>5.77</td>
<td>6.16</td>
<td>8.25</td>
<td>8.5</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td>Time taken for Editor to respond to Author with decision:**</td>
<td>991</td>
<td>1119</td>
<td>821</td>
<td>784</td>
<td>702</td>
<td>700</td>
</tr>
<tr>
<td>0-14 days***</td>
<td>39%</td>
<td>43%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-1 month</td>
<td>50%</td>
<td>53%</td>
<td>61%</td>
<td>65%</td>
<td>57%</td>
<td>50%</td>
</tr>
<tr>
<td>1-2 months</td>
<td>7%</td>
<td>7%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>2-3 months</td>
<td>16%</td>
<td>12%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>9.5%</td>
</tr>
<tr>
<td>3-4 months</td>
<td>15%</td>
<td>12%</td>
<td>10%</td>
<td>7%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>4-5 months</td>
<td>6%</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>5-6 months</td>
<td>4%</td>
<td>6%</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Even Longer</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Average Length (weeks)</td>
<td>7.7</td>
<td>7.9</td>
<td>7.9</td>
<td>8.9</td>
<td>10.2</td>
<td>11</td>
</tr>
</tbody>
</table>

* As of 26 Sep 2013. Does not include referee reports not received by time of annual report
** As of 2 Sep 2013. 91 papers (8%) 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 6)**

Table 6 shows the 2 year impact factor for the *Economic Journal*. It has risen to 2.118. The *EJ*’s relative ranking is 38/332 in the Economics category, rising two places from last year (statistics provided by Wiley-Blackwell).

**Plagiarism Checking**

We introduced a new system under which we scan all accepted papers through anti-plagiarism software before publication. We are using Ithenticate software recommended by Wiley. The software has mainly flagged up issues related to authors omitting to reference their own prior work. These omissions have been rectified before publication.

**Social media**

The *EJ* launched its twitter feed in April 2013. The feed provides access to articles, media briefings and news. It was displayed at the RES Conference to encourage debate and interest in the journal and the society. To date, the feed has over 1,200 followers.

The *EJ*, with aid from the Media Consultant Romesh Vaitilingam, commissioned short video interviews of the
winners of the EJ prizes 2012. The videos were launched with the RES YouTube Channel in June. They gave excellent exposure to both the authors and the EJ, and have been viewed over 7000 times.

**Special issue**

We are organising a special issue of the EJ to celebrate the 125th anniversary of the EJ and the RES. The issue will bring together articles by top international economists commenting on seminal papers published in past issues of the EJ.

The issue will be published in February 2015 and special sessions will be given at the RES Conference 2015 to mark its publication.

### Table 5: Editorial Response Times for Decisions Made 1 July – 30 June

<table>
<thead>
<tr>
<th>Letters sent to authors inviting revision</th>
<th>Letters sent to authors rejecting paper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within</td>
<td></td>
</tr>
<tr>
<td>1 month</td>
<td>27</td>
</tr>
<tr>
<td>2 months</td>
<td>12</td>
</tr>
<tr>
<td>3 months</td>
<td>36</td>
</tr>
<tr>
<td>4 months</td>
<td>39</td>
</tr>
<tr>
<td>5 months</td>
<td>33</td>
</tr>
<tr>
<td>6 months</td>
<td>26</td>
</tr>
<tr>
<td>7 months</td>
<td>14</td>
</tr>
<tr>
<td>8 months</td>
<td>6</td>
</tr>
<tr>
<td>Longer</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>195</td>
</tr>
</tbody>
</table>

### Table 6: Impact Factor

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.118</td>
<td>2.346</td>
<td>2.049</td>
<td>2.860</td>
</tr>
<tr>
<td>2011</td>
<td>1.945</td>
<td>2.664</td>
<td>1.375</td>
<td>2.810</td>
</tr>
<tr>
<td>2010</td>
<td>2.271</td>
<td>2.883</td>
<td>1.703</td>
<td>3.113</td>
</tr>
<tr>
<td>2009</td>
<td>1.902</td>
<td>2.555</td>
<td>1.425</td>
<td>2.904</td>
</tr>
<tr>
<td>2008</td>
<td>1.798</td>
<td>2.233</td>
<td>1.358</td>
<td>2.633</td>
</tr>
<tr>
<td>2007</td>
<td>1.548</td>
<td>1.724</td>
<td>0.871</td>
<td>2.539</td>
</tr>
<tr>
<td>2006</td>
<td>1.629</td>
<td>1.766</td>
<td></td>
<td>2.000</td>
</tr>
</tbody>
</table>

In addition to the above there are 40 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 48 in 2012.

### Table 7: Geographical breakdown of institutional subscriptions

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>Sept 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia &amp; NZ</td>
<td>56</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>Canada</td>
<td>57</td>
<td>55</td>
<td>53</td>
</tr>
<tr>
<td>China</td>
<td>65</td>
<td>69</td>
<td>72</td>
</tr>
<tr>
<td>Europe</td>
<td>483</td>
<td>453</td>
<td>432</td>
</tr>
<tr>
<td>Japan</td>
<td>221</td>
<td>221</td>
<td>210</td>
</tr>
<tr>
<td>Rest of World</td>
<td>323</td>
<td>279</td>
<td>267</td>
</tr>
<tr>
<td>UK</td>
<td>143</td>
<td>139</td>
<td>140</td>
</tr>
<tr>
<td>USA</td>
<td>483</td>
<td>455</td>
<td>445</td>
</tr>
<tr>
<td>Total</td>
<td>1,831</td>
<td>1,724</td>
<td>1,672</td>
</tr>
</tbody>
</table>

*Circulation statistics (Table 7)*

There are currently 1672 institutional subscriptions to the Economic Journal. This compares with 1724 at the end of 2012. As in previous years we expect further renewals to be confirmed well into the final quarter of the year.

The number of student members has increased by 19 per cent to 1075 from 903 in 2012, and by 52 per cent since 2011. There are currently 794 student members with online membership, 153 of which joined this year at the new one year only rate.

www.res.org.uk/view/resNewsletter.html
Overall 59 per cent of paid members now have online only membership and do not receive a print copy of the EJ.

Table 8: RES Membership by type

<table>
<thead>
<tr>
<th>Membership category</th>
<th>2011</th>
<th>2012</th>
<th>Sept 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Members Print &amp; Online</td>
<td>1,771</td>
<td>1,051</td>
<td>838</td>
</tr>
<tr>
<td>Ordinary Members Online</td>
<td></td>
<td>814</td>
<td>1020</td>
</tr>
<tr>
<td>Retired Members</td>
<td>181</td>
<td>139</td>
<td>122</td>
</tr>
<tr>
<td>Student members (3-yr) Print &amp; Online</td>
<td>491</td>
<td>471</td>
<td>281</td>
</tr>
<tr>
<td>Student members (3-yr) Online</td>
<td>215</td>
<td>432</td>
<td>641</td>
</tr>
<tr>
<td>Student members (1-yr) Online</td>
<td></td>
<td></td>
<td>153</td>
</tr>
<tr>
<td>Total paid membership</td>
<td>2,658</td>
<td>2,907</td>
<td>3,055</td>
</tr>
<tr>
<td>Life members (gratis)</td>
<td>281</td>
<td>272</td>
<td>267</td>
</tr>
<tr>
<td>Total membership</td>
<td>2,939</td>
<td>3,179</td>
<td>3,322</td>
</tr>
</tbody>
</table>

Table 9: RES Membership by region/country

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>Sept 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>1105</td>
<td>1293</td>
<td>1369</td>
</tr>
<tr>
<td>Europe</td>
<td>829</td>
<td>899</td>
<td>961</td>
</tr>
<tr>
<td>USA and Canada</td>
<td>528</td>
<td>504</td>
<td>506</td>
</tr>
<tr>
<td>Japan</td>
<td>75</td>
<td>66</td>
<td>70</td>
</tr>
<tr>
<td>Rest of World (incl. Aus/NZ and China)</td>
<td>402</td>
<td>417</td>
<td>416</td>
</tr>
<tr>
<td>Total membership</td>
<td>2,939</td>
<td>3,179</td>
<td>3,322</td>
</tr>
</tbody>
</table>

JSTOR Statistics (Tables 10 to 13)

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 2012, JSTOR have provided statistics on who is reading the Economic Journal.

Prizes and EJ Lecture

RES Prize

The 2012 RES Prize for the best non-solicited paper published in the Economic Journal was decided by a committee consisting of Richard Blundell (RES President), Marcel Fafchamps (Oxford University) and EJ Joint Managing Editor, Andrea Galeotti. The prize was awarded to Michael Clemens, Steven Radelet, Rhikil Bhavnani and Samuel Bazzi for their paper ‘Counting Chickens when they Hatch: Timing and the Effects of Aid on Growth’, Volume 122, Issue 561, pp.590-617.

The next Royal Economic Society Prize of £3,000 for the best paper in the Economic Journal for the year 2013 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, adjudicated by the Economic Journal editors, is given annually and includes an award of £2,000.

The 2011 Austin Robinson Memorial prize was awarded to Wen-tai Hsu of the Singapore Management University, for his paper ‘Central Place Theory and City Size Distribution’, Volume 122, Issue 563, pp.903-932.

EJ Referee Prizes

The Economic Journal depends greatly on the service of its referees for the functioning of the peer review process. The EJ Referee Prizes are

Table 10: JSTOR readers by user (2012)

<table>
<thead>
<tr>
<th>Position/Academic Status</th>
<th>2012*</th>
<th>2013</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Student</td>
<td>1518</td>
<td>1137</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>Graduate Student</td>
<td>1080</td>
<td>763</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Other</td>
<td>346</td>
<td>292</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Independent Researcher</td>
<td>292</td>
<td>270</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>PhD Candidate</td>
<td>287</td>
<td>225</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Instructor/Faculty</td>
<td>183</td>
<td>146</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>K-12 Student</td>
<td>73</td>
<td>81</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Librarian</td>
<td>38</td>
<td>30</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>K-12 Teacher</td>
<td>17</td>
<td>18</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Publisher</td>
<td>5</td>
<td>3</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>3839</td>
<td>2966</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 11: JSTOR readers by Discipline (2012)

<table>
<thead>
<tr>
<th>Discipline</th>
<th>2012*</th>
<th>2013**</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economics</td>
<td>1644</td>
<td>1238</td>
<td>43%</td>
<td>54%</td>
</tr>
<tr>
<td>Business</td>
<td>402</td>
<td>273</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Finance</td>
<td>264</td>
<td>161</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Accounting</td>
<td>152</td>
<td>126</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>262</td>
<td>512</td>
<td>36%</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td>1377</td>
<td>2310</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 12: JSTOR readers who sign up to publisher news (2012)

<table>
<thead>
<tr>
<th>Receive news from publisher?</th>
<th>2012*</th>
<th>2013**</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>subscribe</td>
<td>2034</td>
<td>1471</td>
<td>53%</td>
<td>50%</td>
</tr>
<tr>
<td>unsubscribe</td>
<td>1715</td>
<td>1416</td>
<td>45%</td>
<td>48%</td>
</tr>
<tr>
<td>None</td>
<td>90</td>
<td>64</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>3839</td>
<td>2951</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*JSTOR began collecting data in March 2012.
** Data as of September 2013. Data period Jan to Jun 2013.
presented to those referees that have contributed beyond the call of duty through their thoroughness and constructive feedback to the authors, and sometimes through the number of reports that they write. The Editors chose 12 winners for the referee prize for 2012. We thank all of these individuals for their outstanding support of the *Journal*, and the service they have provided to the authors. The 2012 winners are:

- Peter Davis, Compasslexcon
- Matthias Doepke, Northwestern University
- Renato Faccini, Queen Mary University
- Gianluca Femminis, Università Cattolica del Sacro Cuore
- Delia Furtado, University of Connecticut
- David Gill, University of Oxford
- Christian Hilber, London School of Economics
- Friederike Mengel, University of Essex
- Martin O’Connell, Institute for Fiscal Studies
- Jan van Ours, Tilburg University
- Danila Serra, Southern Methodist University
- Fabian Waldinger, University of Warwick

2012 Annual Conference and EJ Conference Volume

The *EJ* Lecture this year was given at the RES Annual Conference at Royal Holloway University of London by Raquel Fernández (New York University) on ‘Female Labour Force Participation and Marital Instability’. Raquel’s paper will be published in the conference volume.

A video interview discussing her research was made at the conference: [http://www.res.org.uk/ view/lecturesEconomic.html](http://www.res.org.uk/view/lecturesEconomic.html).

Keynote lectures given by Charles Manski and Richard Blundell will also be published in the conference volume and video interviews were conducted with these authors. [http://www.youtube.com/user/RoyalEconomicSociety/videos](http://www.youtube.com/user/RoyalEconomicSociety/videos)

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.

Looking forward, we are considering ways that we can work with the publishers to raise the profile of the journal nationally and internationally. The *EJ* will celebrate its 125th anniversary in 2015 and we are planning on publishing a bumper special anniversary issue. We are also running targeted marketing campaigns and considering ways to develop the ancillary resources that are available with published articles.
The period covered in this report is July 1 2012 until June 30 2013. 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 Econometrics Journal is based in Faculty of Economics at the University of Cambridge with Richard J. Smith as Managing Editor of the Econometrics Journal. The Journal was very saddened to hear that Marius Ooms (Free University Amsterdam) Software Reviews Editor and Econometrics Links Editor suffered a relapse during the last year. The Econometrics Journal is very pleased and relieved that Marius is making good but slow progress in his recovery.

Michael Jansson (U.C. Berkeley) replaced Pierre Perron (Boston University) who completed his term as Co-Editor. Andrew Patton (Duke University) replaced Jianqing Fan on his resignation as a Co-Editor occasioned by his taking up a position as Editor of Journal of Econometrics. Pierre had served as a Co-Editor of the Econometrics Journal for a number of years and his expertise and experience were particularly important when the new editorial structure was adopted in 2007. Alexei Onatski (University of Cambridge) replaced Robert Taylor who completed his term as Assistant Editor and Book Reviews Editor and has taken up the position of Editor-in-Chief of the Journal of Time Series Analysis. The Editorial Board is very grateful to Jianqing, Pierre and Robert for the important service, advice and support they provided for the Journal.

At the end of 2012, the Editorial Board of the Journal its annual editorial review with the particular intention of refreshing and renewing its Associate Editors. 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 Yazhen Wang (University of Wisconsin-Madison) who completed his term as Associate Editor for the help and advice he provided. WE ARE pleased to welcome as new Associate Editors Patrick Gagliardini (Università della Svizzera Italiana), Bryan Graham (University of California, Berkeley), Jonathan Hill (University of North Carolina) and Anna Mikusheva (Massachusetts Institute of Technology).

The Econometrics Journal is also delighted that the following have agreed to continue for a further three year term as Associate Editors: Xiaohong Chen (Yale University), Valentina Corradi (University of Surrey), Patrik Guggenberger (Pennsylvania State University), Yuichi Kitamura (Yale University), Offer Lieberman (Bar-Ilan University), Thierry Magnac (Toulouse School of Economics), Elie Tamer (Northwestern University), Robert Taylor (University of Essex), Tim Vogelsang (Michigan State University) and Quang Vuong (New York University).

The complete editorial membership of the Journal can be seen in Appendix A of the full report, available on the Society’s website.

Progress

Impact Factors

The fourth set of data from the ISI Citation Index on the Econometrics Journal became available for 2012. The journal impact factor is 1.000 (0.870, 0.691, 0.733, 0.750, 0.479) with the immediacy index at 0.227 (0.240, 0.176, 0.125, 0.065, 0.034); 2007-11 data are given in parentheses. The eigen-factor score and five year impact
features are 0.00417 (0.00280, 0.00352, 0.00367, 0.00324, 0.00379) and 1.252 (0.964, 1.166) respectively; 2008-11 and 2010-11 figures respectively in parentheses. The journal impact factor ranks the Econometrics Journal at 131 (145) out of 333 (321) Economics journals.

The journal impact factor has pleasingly risen again as compared with previous years as have the eigen-factor and five year impact factor in particular, are volatile measures. The impact factor in previous years although it should be noted that short-term figures, are volatile measures. The impact of the journal therefore may still to give some cause for concern.

Table 1: Geographical Distribution of New Submissions

<table>
<thead>
<tr>
<th>Region</th>
<th>30th June 2011- Ist July 2010-</th>
<th>Ist July 2012- Ist July 2011-</th>
<th>30th June 2013</th>
<th>30th June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30th June 2010-</td>
<td>Ist July 2010-</td>
<td>Ist July 2011-</td>
<td>30th June 2013</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>UK</td>
<td>16 (9.14%)</td>
<td>23 (14.47%)</td>
<td>19 (13.77%)</td>
<td>20 (11.43%)</td>
</tr>
<tr>
<td>USA and Canada</td>
<td>31 (17.71%)</td>
<td>28 (17.61%)</td>
<td>41 (29.71%)</td>
<td>26 (14.86%)</td>
</tr>
<tr>
<td>USA</td>
<td>26 (14.86%)</td>
<td>21 (13.21%)</td>
<td>35 (25.30%)</td>
<td>28 (16.07%)</td>
</tr>
<tr>
<td>Canada</td>
<td>5 (2.86%)</td>
<td>7 (4.40%)</td>
<td>6 (4.35%)</td>
<td>6 (3.43%)</td>
</tr>
<tr>
<td>Total%</td>
<td>26.86</td>
<td>32.08</td>
<td>43.48</td>
<td>36.60</td>
</tr>
</tbody>
</table>

Other

Belgium       2 (1.14%)   0 (0.00%)  3 (2.17%)  3 (1.89%)
France        7 (4.00%)   6 (3.77%)  1 (0.72%)  1 (0.72%)
Germany       7 (4.00%)   10 (6.29%)  6 (4.35%)  4 (2.52%)
Italy         9 (5.14%)   5 (3.14%)  2 (1.45%)  3 (1.89%)
Netherlands   4 (2.29%)   3 (1.89%)  3 (2.17%)  3 (1.89%)
Scandinavia   3 (1.14%)   4 (2.52%)  4 (2.90%)  4 (2.52%)
Spain/Portugal 7 (4.00%)  7 (4.00%)  8 (5.80%)  6 (3.77%)
Other          7 (4.00%)  10 (6.29%)  14 (10.14%) 26.29  28.30  29.71
Total %       26.86  32.08  43.48

Eastern

Australia/NZ 7 (4.00%)  11 (6.92%)  4 (2.90%)  9 (5.14%)
China/HK     20 (11.43%) 15 (9.43%) 10 (7.25%) 10 (6.29%)
India+ Pakistan 11 (6.29%) 6 (3.77%)  1 (0.72%)  1 (0.72%)
Israel        0 (0.00%)  1 (0.63%)  1 (0.72%)  1 (0.72%)
Iran/Iraq     6 (3.43%)   8 (4.94%)  1 (0.72%)  1 (0.72%)
Korea         7 (4.00%)   7 (4.00%)  5 (3.62%)  4 (2.29%)
Japan         9 (5.14%)   7 (4.40%)  5 (3.62%)  6 (3.77%)
Russian Fed’n. 4 (2.29%)   4 (2.29%)   5 (3.62%)  6 (3.77%)
Taiwan        4 (2.29%)  14 (8.00%) 23 (14.47%) 16 (11.59%)
Other         14 (8.00%)  23 (14.47%) 16 (11.59%) 48.86  39.62  26.81
Total %       175  159  138

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 may still to give some cause for concern.

Promotion

Table 1 displays the geographical distribution of new submissions for 2012-13. This table indicates that proportionately the number of submissions attracted from North America by the Econometrics Journal was similar to 2011-12 and continued the return to the historical level of earlier years.

Consequently, the 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 whereas that from the UK fell substantially. Table 2 again emphasises the continuing predominance of acceptances originating from North America and Europe but with the notable exception of the UK.

Table 2: Geographical Distribution of Accepted Papers

<table>
<thead>
<tr>
<th>Region</th>
<th>30th June 2011- Ist July 2010-</th>
<th>Ist July 2012- Ist July 2011-</th>
<th>30th June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30th June 2010-</td>
<td>Ist July 2010-</td>
<td>Ist July 2011-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>UK</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>USA &amp; Canada</td>
<td>10</td>
<td>42</td>
<td>8</td>
</tr>
<tr>
<td>USA</td>
<td>9</td>
<td>38</td>
<td>7</td>
</tr>
<tr>
<td>Canada</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>42</td>
<td>13</td>
</tr>
</tbody>
</table>

Europe

Belgium       1 (4.00%)   4 (2.52%)  10 (6.29%)  14 (10.14%)
France        1 (4.00%)   4 (2.52%)  10 (6.29%)  14 (10.14%)
Germany       2 (9.1)     1 (0.72%)  3 (1.89%)  3 (1.89%)
Italy         3 (1.14%)   4 (2.52%)  4 (2.90%)  1 (0.72%)
Netherlands   7 (4.00%)   7 (4.00%)  8 (5.80%)  6 (3.77%)
Scandinavia   1 (0.72%)   2 (1.14%)  10 (6.29%)  14 (10.14%)
Spain/Portugal 7 (4.00%)  10 (6.29%)  14 (10.14%) 26.29  28.30  29.71
Other          7 (4.00%)  10 (6.29%)  14 (10.14%) 26.29  28.30  29.71
Total %       26.86  32.08  43.48

Other

Australia/NZ 7 (4.00%)  11 (6.92%)  4 (2.90%)  9 (5.14%)
China/HK     20 (11.43%) 15 (9.43%) 10 (7.25%) 10 (6.29%)
India+ Pakistan 11 (6.29%) 6 (3.77%)  1 (0.72%)  1 (0.72%)
Israel        0 (0.00%)  1 (0.63%)  1 (0.72%)  1 (0.72%)
Iran/Iraq     6 (3.43%)   8 (4.94%)  1 (0.72%)  1 (0.72%)
Korea         7 (4.00%)   7 (4.00%)  5 (3.62%)  4 (2.29%)
Japan         9 (5.14%)   7 (4.40%)  5 (3.62%)  6 (3.77%)
Russian Fed’n. 4 (2.29%)   4 (2.29%)   5 (3.62%)  6 (3.77%)
Taiwan        4 (2.29%)  14 (8.00%) 23 (14.47%) 16 (11.59%)
Other         14 (8.00%)  23 (14.47%) 16 (11.59%) 48.86  39.62  26.81
Total %       175  159  138

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 journal’s Editorial Board (Managing Editor and Co-Editors) is currently evaluating those qualifying articles

www.res.org.uk/view/resNewsletter.html
published in the *Econometrics Journal* in 2012. It is hoped that the winner of The Denis Sargan Prize will be announced shortly. There was no prize awarded for 2011.

### Table 3: Turnaround Statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Submissions received</td>
<td>175</td>
<td>159</td>
<td>138</td>
</tr>
<tr>
<td>Withdrawn + Classified</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Deal with by editors alone</td>
<td>127 (73%)</td>
<td>121 (76%)</td>
<td>87 (63%)</td>
</tr>
<tr>
<td>Sent to referee</td>
<td>48 (27%)</td>
<td>36 (23%)</td>
<td>51 (37%)</td>
</tr>
</tbody>
</table>

**Time distribution for receipt of Referees Report (New Sub) Returned within**

- 1 Month: 26% 4% 12%
- 2 Months: 5% 11% 2%
- 3 Months: 13% 22% 22%
- 4 Months: 25% 37% 33%
- Even Longer: 31% 26% 31%
- Average: 12.7 weeks 13.7 weeks 13.7 weeks

**Time distribution for all new submissions excluding withdrawals**

- 0-1 Month: 73% 81% 66%
- 1-2 Month: 5% 3% 1%
- 2-3 month: 4% 4% 9%
- 3-4 Month: 8% 7% 12%
- 4-5 Month: 5% 2% 5%
- 5-6 Month: 3% 3% 3%
- Even Longer: 2% 0% 4%
- Average: 6.3 weeks 6.2 weeks 7.0 weeks

### Royal Economic Society Annual Conference

Submissions have been invited from the presenters Siem Jan Koopman (Free University Amsterdam) and Raffaella Giacomini (UCL) arising from the *Journal’s* Special Session on Econometrics of Forecasting at the RES Annual Conference 2012 held at the University of Cambridge.

The *Econometrics Journal* organized a Special Session on Heterogeneity at the RES Annual Conference 2013 held at Royal Holloway University of London.

Papers presented were:

- Yuichi Kitamura (Yale): ‘Using Mixtures for Econometric Models with Unobserved Heterogeneity’ and Stephane Bonhomme (CEMFI): ‘Quantile Models for Panel Data’. The discussant was Lars Nesheim (UCL).

### Special Sessions associated with the *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 were published as a Special Issue of the *Econometrics Journal* on the theme of ‘Identification in Econometrics: Theory and Applications’ in Volume 16 Issue No, 1 January 2013.

The papers are:

- Kiviet, J.F. (University of Amsterdam and Nanyang Technical University): ‘Identification and Inference in a Simultaneous Equation under Alternative Information Sets and Sampling Schemes’;
- Henry, M. and I. Mourifié (Université de Montréal): ‘Set Inference in Latent Variables Models’;
- Elie Tamer (Northwestern University), an Associate Editor, and Christian Bontemps (Toulouse School of Economics) acted as guest Editors for the Special Issue.

### Book and Software Reviews

In 2012-13 books were received from the publishers Oxford U P, Macmillan, Cambridge U P and Princeton U P.

Book reviews published:

- By G. Martin on *A Review of The Oxford Handbook of Bayesian Econometrics* by J. Geweke, G. Koop and H. van Dijk (Eds.). Published in Vol. 15 Issue No. 3 (2012).

Book reviews to be published:

- The Book Reviews Editor of the *Journal* commissioned three reviews:
  - By Patrick Marsh on *Non-Parametric Econometrics* (Oxford U P) authored by I. Ahamada and E. Flachaire.
Features

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

Publication

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 reports the top downloaded articles and have increased the number of e-mail campaigns.

Wiley-Blackwell has 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 role in contributing to the preparation of resources for conferences and marketing campaigns.

Publication procedures are currently under review with the possible recruitment of an independent freelance copy editor/proof reader with view to assisting the Managing Editor. The Econometrics Journal is exploring the implementation of a replication policy for articles that include empirical applications and/or simulation experiments. A Supplementary Data policy is already in place which permits authors of accepted to deposit additional material on the Wiley-Blackwell Econometrics Journal website. Procedures for publication of accepted papers, notes and book reviews on the website operate smoothly and efficiently with manuscripts being posted within one week of acceptance of the final version.

JSTOR

Digitization of the Econometrics Journal has been completed. The Econometrics Journal was released on JSTOR in April.

Editorial process

All queries made by the Editorial Office to Editorial Express® have been responded to promptly.

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 175 new submissions were received under Editorial Express®. This total represents an increase of 16 (10.06%) over that reported for 2012. Additionally there were 48 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 200 decisions were made by the Editorial Board. Of these 156 concerned new submissions. Of the new submissions 126 (80.77%) were screen-rejections which represents a rise from the figure of 72.57% for 2012. Of the 30 papers not screen rejected, 15 (50.00%) were either return for resubmission or acceptance decisions (2012: 52.83%), with 15 papers (50.00%) being rejections. Overall, 141 papers or 90.38% (2012: 85.63%) of decisions were either screen-rejections or rejections. A total of 22 papers (2012: 20) papers were accepted by the Editorial Board representing an acceptance rate of 11.00% (2012: 9.05%).

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 top international general field journal for econometric research.

Decision Durations

The mean estimate for time to decision in days was 43 (22, 11, 62) [2012: 50 (23, 12, 103)] for decisions on all submissions and resubmissions. The figures in parentheses are the median, first quartile and third quartile estimates. Kaplan-Meier estimates of the stratified survivor functions for time to decision are also presented. Excluding screen-rejections the respective figures are 88 (88, 29, 122).

The mean estimate for time to decision in days for all decisions on new submissions was 38 (20, 10, 30). The corresponding figures for non-screen rejections and for a resubmission decision were 127 (123, 101,153) [2012: 119 (116, 90,143)] and 127 (114, 100, 143) [2012: 137 (129, 98, 171)]. For resubmissions the mean estimate for time to decision was 61 (53, 17, 88) as compared to 50 (32, 15, 76) for 2012.

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; a previous difficulty with the decision times for a few papers deviating substantially from target producing relatively long distribution 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 outlier papers to the attention of the Editor.

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 journal is maintained and improved. We are also grateful for the assistance offered by the publishers Wiley-Blackwell to the Econometrics Journal.
Letter from France

La France: The sick man of Europe

In his latest letter, Alan argues that the widespread view of France as an economy heading for serious trouble is based upon a very selective reading of the evidence.

A year has gone by since my last letter and little has changed. France is still, we are told, in danger of imminent economic collapse and may still bring the whole of the Eurozone down with it. Recently Standard and Poor's downgraded France's rating and the spectre of the financial markets exacting a much higher level of interest appeared yet again. ‘Ça ne peut pas continuer comme ça!’ (it can’t go on like this!) screamed the opposition. Yet those who know France and the French are aware that this is a national battle cry and reappears before every election. (French municipal elections are to be held early next year.) Nobody specifies what it is that cannot go on as it is but, since everyone has something to complain about, it makes a convenient rallying call.

Yet, you might ask, why the judgement of the rating agencies, with all their problems of moral hazard, and their contribution to the origins of the current crisis should be taken seriously? The answer apparently is that the markets heed them and will increase the interest rate they require on France’s debt. But, you might reasonably respond, why then has the most recent issue of French ten year debt been at 2.2%, close to a record low? Who has got it wrong? The economists, the press, politicians both at home and abroad or the markets? Those same markets where though faced with what was declared to be the imminent collapse of the euro, the exchange rate against the dollar is now around $1.37.

Yet, most of the people who are announcing the demise of the French economy are of the opinion that, in the end, markets should be left free and unfettered, since they will self organise into an efficient state. The current behaviour of the financial markets should then, for them, be paradoxical or is it then that as the Economist once said, the centime has not yet dropped for them. If it is the case that the markets have got it wrong and what people fear is their fierce reaction to the ‘declining’ French economy, why do the critics imagine that they themselves can anticipate this reaction correctly given the apparent incapacity of the markets to evaluate the state of the economy?

So let’s ask how does the French economy, compare with our cross channel cousins whose Chancellor has recently been crying victory?

Some telling comparisons...

On the unemployment front the U.K seems to come out an uncontested winner and some would put this down to the strength of the social safety net in France which, it is claimed, causes people to stay voluntarily out of work.

Yet, this protection against unemployment is again something to which the French are attached and judging from the polls would be reluctant to weaken. But aren’t the French fiscally irresponsible? Not really, since the current budget deficit in France is 4.1% and falling whereas in the U.K it is 6.4% and rising. Public debt in the U.K has now risen to over 90% of GNP and is higher than that in France. The U.K current trade deficit for 2013 will be around 4.3% while in France it will be about 1.8%. GNP growth is at a sparkling 0.8% in the U.K in the last quarter while in the same period, it shrank by 0.1%. in France. However as the end of articles will tell you, in the third quarter of 2013 U.K. GDP was estimated to be 2.5% below the peak in the first quarter of 2008, whilst in France it is now above its lowest level. So despite the prevailing pessimism of economic pessimists France does not seem to be, at least relatively, in so much trouble.

Even in comparison with Germany, things are not as bad as they are made out to be. The productivity of French workers is only marginally different from and, if anything, superior to that of German workers. Unemployment is undoubtedly the Achilles heel but it does not seem likely that reducing labour costs in order to improve competitiveness is the answer despite the claims of the MEDEF, the French employers organisation. French unemployment has a very special structure which means that there is very little mobility among the long term unemployed and all the action is taking place with those with short term contracts. How this could be addressed might be the subject for another Letter from France. Certainly, from the French point of view, a more expansionary policy in Germany would be useful and increasing labour cost and stimulating demand there could do no harm to France nor to German workers, since France is still Germany's biggest trading partner. Nevertheless the overall French position is not totally negative.

...ignored by Standard and Poors

Unfortunately the distinctly wobbly positions taken by Francois Hollande have done little to reassure the French and the critical voices of foreign experts have found a ready ear in some quarters and this has magnified the dark mood of many of the French. Unfortunately the distinctly wobbly positions taken by Francois Hollande have done little to reassure the French and the critical voices of foreign experts have found a ready ear in some quarters and this has magnified the dark mood of many of the French.
But what was the argument the rating agency gave? ‘The French government’s current approach to budgetary and structural reforms to taxation, as well as to product, services and labor markets, is unlikely to substantially raise France’s medium-term growth prospects.’ It is curious that many of the people who have finally been convinced that financial markets left to their own devices do not self organise into an optimal state, still insist that we should maintain this credo for other markets.

But most of the structural reforms in question are addressed to those markets. They are those that would be dictated by the economic theory that has failed us so miserably in the current crisis. But, although many economists agree that we need to re-examine our theory and our macroeconomic theory in particular, few seem ready to make the logical step to reconsidering the prescriptions for economic reform that stem from it. But it is not things at this level which upset most economic commentators. Rather, is the failure of the French to to make cuts in government expenditure and instead to envisage increases in taxes. As Piketty and others have suggested, more courageous would have been not to conform to the rules and simply to increase expenditure but this would have required a very different attitude than that displayed by this government.

The real motives
What is the solution proposed when structural reforms are evoked? In general it is to make the labour market more ‘flexible’, by which is meant to reduce labour costs, thereby making the nation more ‘competitive’. France is viewed as being particularly bad since it is ranked very high in the OECD, Employment Protection, league table! How should this rigidity be reduced? In France, it is suggested, the first target would be to cut the overhead charges which go to pay for the extensive and, by the critics’ criteria, over generous safety net. The second is to reduce wages either by extending the working week or not adjusting with inflation although the latter at 0.7% is hardly rampant. Thus those who are unemployed and leading a comfortable life, according to those who decry them, could be made sufficiently miserable to oblige them to take the jobs that they had previously chosen to refuse. So, those unemployed who now found a job would be less happy, and those who did not even more so. France’s ranking in terms of lower employment would certainly improve. But, since, presumably the object is to increase the general welfare this does not seem the obvious way to go. Increasing taxes to pay for the safety net and increasing public expenditure would, for those currently unemployed, seem to be a better solution whilst the better off would find it less so. Yet this ancient debate depends on how the economy responds to such measures.

Philippe Aghion was quick to declare, in response to Krugman in Le Monde, that we have solid evidence that increasing taxes undermines growth. Yet, is the evidence so clear? Having got beyond the usual examples of Sweden and Canada, it does not seem so obvious. In fact, if there is real public agreement on one thing in France, it is that expenditure on the health system, for example, should not be cut. Although we are constantly being told that the French are being crushed by their fiscal burden the figures do not bear this out and there seems to be a willingness to contribute more rather than see the system partially dismantled. The ‘real tax burden’ in France is lower than that in Belgium and higher than that in Germany but the differences do not seem to be enough to have a major impact on employment. Nevertheless various pressure groups in France have demonstrated recently against tax increases particularly the so-called ‘ecotax’ on fuel, introduced for environmental reasons, which it is claimed will drive Brittany farmers and road transport firms out of business.

These groups appeal to the public by claiming that everyone feels that the government is holding a fiscal knife to their throat and that they are just the latest victims. Furthermore the parties to the right manage to frame things in such a way as to fan the flames. Given the worsening results of France in the PISA estimates of scholastic achievement, the government declared, not unreasonably, that it was going to employ more teachers. The response was to say, ‘our schools are going downhill and all that they can think of is to employ more fonctionnaires’ (teachers are civil servants in France). Yet, most people would accept that there is some economic benefit to be extracted from increased investment in education but a little change in the framing has an effect. Nevertheless, although this sentiment seems to have resonated with some, it does not seem to have generated overall pessimism which some claim to perceive.

Indeed, Francois Hollande has seen his popularity slide to record lows. Yet, putting this down to France’s economic woes is too easy. What have been the major issues in France? First it was the legalisation of gay marriage which brought hundreds of thousands of pro and anti demonstrators out into the streets. These were not the scenes of licence at times. The second and most recent source of agitation has been the passing of a law introducing fines for the clients of prostitutes along Swedish lines. There is room for perfectly reasonable differences of opinion on this, but the fact is that it overshadowed discussion of economic problems for a period. There are those who suggest that the government deliberately brought these issues to the fore in order to distract attention from the economic disaster they had wrought. But, given the way the current government handles affairs, this attributes more Machiavellian skill to its members than is warranted.

In the light of all this are the gloomy predictions about France’s future justified? It is clear that the major problem is unemployment and although France is better than the EU average in this respect it still trails Germany, for example, by a considerable margin. Again a positive con-
tribution to this would be a more expansionary German economic policy, which might start a virtuous upward circle. But, even in a world where more and more policy-makers are becoming worried that inflation is too low, the legacy of the distant past stills weighs heavily and Germany is not yet ready to subscribe to this view.

In this respect, many are worried by the recent decline in German industrial production and fear that the much heralded Eurozone recovery may stillborn and this would indeed be bad news for France. But France like the other Eurozone countries is still hobbled by the Maastricht rules. Most of the economic policies being adopted, in European countries, have at least one eye on these rules. Yet how did the countries involved come to agree to fixed debt and deficit levels independent of the current state of the European economies? Why 3%? The man in the street must find it difficult to believe that the number 3 has any special significance.

But what are the reasons, based on the work of economists, used to justify the fierce insistence on the Maastricht criteria. Two argument have been that if public debt goes above 90% there is a dangerous inflexion point at which growth drops off sharply, yet as all the readers of this letter know, the work of Carmen Reinhart and Ken Rogoff frequently cited in this context was subject to flaws and there is no evidence for such an inflexion point. That the general argument that there is a correlation between rising debt and slower growth remains on the table, is clear but not with any direction of causality and not with any specific and dangerous threshold. What the homme dans la rue could reasonably ask is why the economists at the IMF, the European Union, in government departments such as the INSEE in France were not asked at least to verify the analysis on which economic recommendations were based? Would we conduct a large scale vaccination campaign on such a basis, and yet, even if we did, the consequences would probably be considerably less harmful.

Again, when Olivier Blanchard and Daniel Leigh, indic-
The 45th Annual Conference of the Money, Macro, Finance Group

The 45th Annual Conference of the MMF was held on 11-13th September at Queen Mary University of London. This Report was compiled by the Group's Chair, Jagjit Chadha, and Local Organiser, Francis Breedon.

With some 150 attendees overall and some 120 papers presented this conference was testament to the observation that UK macro is, contrary to many offhand comments, actually in rather rude health (http://www.mmf2013.org/programme). A key feature of this year’s conference was a number of initiatives aimed at attracting policy-makers to the conference and thus to make the conference a forum for discussion between academics and policy-makers as well as a high quality academic conference. We are glad to report that these efforts were largely successful with a significant participation from organisations such as the Bank of England (10 participants) and the Government Economic Service (26 participants). The MMF remains grateful for the support given to its activities by the Bank of England and HMT. The Bank kindly sponsored an event on the first evening for young researchers to interact with more senior members of the profession. As ever, the MMF is also indebted to the Manchester School both for sponsoring the conference and for producing a conference volume (previous versions can be accessed at: bit.ly/18Y7kOc?).

Policy Sessions
The main new policy-focused feature this year was a series of Policy sessions where some key current issues were discussed. The first of these was a panel session on the Bank of England’s remit. The panel (David Miles — BoE and Imperial; Chris Giles — FT, Roger Farmer — UCLA) was chaired by Sushil Wadhwani (Wadhwani Asset Management) and focused mainly on the policy of forward guidance announced a few weeks previously. David Miles made a spirited defence of this policy in the face of a largely sceptical panel (and audience). The panel also discussed Roger Farmer’s proposal that the Bank of England engage in large scale interventions in financial markets to offset mispricing and help stop bubbles.

The second policy session was on the future of the Euro. The session was given by Paul De Grauwe (LSE) and chaired by Gregor Irwin (Chief Economist, FCO). Paul gave a detailed description of the problems facing the Euro-Area and concluded that closer union rather than breakup was the most likely outcome.

The final policy session on Fiscal Consolidations was given by Roberto Perotti (Bocconi) and chaired by Sir Nicholas Macpherson (HMT). Roberto outlined historical instances of successful fiscal consolidations and the conditions required for success. According to Roberto’s criteria, the UK had many features that suggested a successful consolidation would be possible and may be accompanied by export-led growth. Sir Nicholas pointed out that the UK had a long history of awaiting export-led recoveries but in practice it was always consumption that led. That comment seems to have been borne out again by subsequent events.

Peter Smith’s valedictory address
Another major change at this year’s conference was the introduction of a new MMF Chair. Peter Smith (York) has stepped down after 10 years diligent service and been replaced by Jagjit Chadha (Kent). In recognition of Peter’s contribution the conference held a special session which started with Jagjit thanking Peter on behalf of all MMF members for his sterling service in running the MMF. Characteristically, Peter has kept a copy of the programme for every MMF conference he has attended and so was able to give a fascinating and amusing analysis of how the MMF conference has changed over time, he then broadened his theme to take in how macro and finance in the UK had developed over that period and finished with an overview of some important themes for the future.

Keynote speakers
As always the conference was treated to some excellent keynote addresses. First, Harris Dellas (Bern), Enforcement for Sale. Stephanie Schmitt-Grohe (Columbia), The Making Of A Great Contraction With A Liquidity Trap and A Jobless Recovery. The conference closed with a typically fascinating presentation by Elroy Dimson (LBS and Cambridge) on Equity Premia Around the World. By looking across many countries across long periods of time Elroy was able to draw out many of the important characteristics of the equity risk premium and to highlight some important trends for the future.

Special Sessions
There were a number of special sessions across the three days and a common theme was banks and macroeconomic stability. The Bank of England sponsored one such session, chaired by Vicky Saporta (Bank of England) at which both theory and empirical evidence was teased out in a sequence of papers: ‘Dynamic Macropredential Regulation by Frederic Malherbe’ (London Business School), ‘Taming the Real Estate Beast: The Effects of Monetary and Macropredential Policies on Housing Prices and Credit’ by Kenneth Kuttner (Williams College) and Ilhyock Shim (BIS), ‘Three strikes and you’re out: a simple econometric model of systemic banking crises’, Rodrigo Guimaraes (BoE) and Macropredential & monetary policies: Implications for Financial Stability & Welfare by Jose Carrasco-Gallego (Universidad Rey Juan Carlos) and Margarita Rubio (University of Nottingham).

Next steps
The MMF looks forward to its 46th conference in Durham on 17-19th September, but also has been able to...continued on p.19
Tax regimes in a global environment

A recent study by KPMG reported a favourable shift toward the UK’s regime of corporate taxation even though lower tax rates can be found elsewhere. In this article, Gareth Myles explains why this might be, and how national tax systems function in a global environment.

When does corporate tax efficiency become tax avoidance?

HMRC recognises four types of tax compliance behaviour. ‘Tax planning’ is when a taxpayer responds as Parliament intended to a tax incentive. An example would be placing savings in an ISA to benefit from tax-free interest payments. ‘Tax avoidance’ is when tax liabilities are reduced using tax laws to obtain an advantage that Parliament never intended. Whether Amazon assigning its sales to an affiliate in Luxembourg qualifies as avoidance has to be tested against this definition and the relevant EU rules. This has to be distinguished from ‘abusive tax avoidance’ which occurs whenever activities are undertaken solely for the purpose of reducing the tax bill. The recent General Anti-Abuse Rule (GAAR) uses a double-reasonableness test to define abusive avoidance as arrangements ‘the entering into or carrying out of which cannot reasonably be regarded as a reasonable course of action, having regard to all the circumstances’. Arrangements that might be regarded as abusive include the formation of ‘hybrid entities’ which are affiliate companies that exist only to exploit differences in tax rules between countries or the use of financial engineering to create positions that only deliver benefits through tax reductions. The fourth type of behaviour is ‘tax evasion’ which is the false statement of tax liabilities. In short, tax planning becomes avoidance when less tax is paid than Parliament intended, and becomes abusive when unnecessary activities are undertaken to reduce the tax bill. The headline cases that have been reported in the media are all examples of tax avoidance but not of abusive tax avoidance.

Have companies always worked so hard to minimise their tax liabilities or is this a new phenomenon?

Corporations now work so hard to reduce tax liabilities because of the increase in opportunities to do so and the gains that can be made. In an older, simpler world the possibilities did not exist so there was little point in making effort. What has caused the change is the increase in globalisation, the growth of the multinational, evolution in the nature of products, and new ways in which products are traded. Most cases of tax avoidance arise from multinationals making the most of international differences in tax rates and regulations. If the tax rate is lower in one country than another, it makes sense for transactions to be recorded in the low-tax country. The evolving nature of products and new forms of trading assist with this. Intellectual property (IP) has become a more significant component of products and it is very hard to place a fair price on IP.

When a coffee company in the UK states that it has to pay a licence fee to an affiliate in the Netherlands for the IP in a brand of coffee it is very hard for HMRC to determine what this licence fee should be. The company can effectively choose its own licence fee to minimise tax liability. Similarly, the growth of sales over the internet has created a divide between the location of the purchaser and the place to which the sale of the product is assigned. Sellers can select the location to gain a tax advantage without altering the experience of the purchaser. Finally, financial instruments are now available that were unimaginable 30 years ago. This permits complex financial engineering to exploit tax differentials to the full. Companies now work hard to minimise tax liabilities because the potential gains are so significant.

Does the UK need to have a tax system that is favourable to companies to attract businesses and commerce, or does globalisation mean companies can operate in one country but choose to pay their taxes elsewhere?

The consequence of globalisation and the internet is that the identification of where companies operate is becoming ever more difficult. It is known where they are located and registered since this relates to a legal requirement. Identifying the location of a specific transaction is much more difficult. Even if the purchaser believes the purchase is made in the UK it could easily prove to be with, for example, an Irish affiliate. To a considerable degree companies can choose where to pay taxes by suitable locational choices. If the UK wishes to collect corporation tax as it currently operates it does need to ensure that there is an incentive for corporations to declare profit in the UK. Setting the UK corporation tax significantly above competitor countries will see profits relocated elsewhere. The difficulty with this argument is that if all countries follow this advice then tax rates will be driven down as each seeks to gain advantage. This is the ‘race-to-the-bottom’ that EU rules against harmful tax competition are designed to avoid.

And what exactly makes a tax regime attractive to companies? Last month it was widely reported that the UK had become more attractive to multinationals over the previous year, even though its corporate tax rates were by no means the lowest. What else are they looking for? The location decision of a corporation will involve consideration of a wide range of factors and expectations of the future environment. The level of tax rates will be one factor but need not be decisive. We can think of a corporation weighing the level of profit against the risk to prof-
Features

it when making a location decision. For example, location in a low-tax jurisdiction may increase profit in the short term but this could be threatened in the long-term by political instability leading to the seizure or destruction of assets. The level of risk is reduced if the legal system is fair and transparent, corruption is limited, and the political system democratic and inclusive. These are all attractive features of a potential location. Corporations might have historical attachment to a particular location, or benefit from economies of agglomeration. If sufficiently important these factors will offset the cost of higher taxes.

Could corporate tax ‘avoidance’ have a knock-on effect on individual taxpayers’ morale and ethics (i.e., ‘why should I pay tax in full when companies don’t bother’)?

There is no formal evidence on this issue. The concept of tax morale has been found to be important in empirical studies and the social norms of tax compliance provide a convincing explanation of observed behaviour. The link that is missing how the reporting of corporate behaviour affects tax morale. It is clear, though, that countries can become trapped in a position where the prevalent ethic is the non-payment of taxation. Corporate failure to pay the ‘fair’ amount of tax cannot but push an economy in this direction.

Is there confusion about tax and what it goes towards? A recent example was a car driver who knocked a cyclist off his bike, afterwards stating that ‘he doesn’t pay road tax, I do’ — whereas there is no such thing as road tax.

There are many misunderstandings about tax in all parts of society. The recent press coverage of major corporations has reported the very high sales revenues of firms and the surprisingly small tax payments. Where this is mistaken is that corporations pay tax on profits not on sales, and a high value of sales does not necessarily imply profitability. Amazon, for example, made losses for many years before moving into profit. Going further back in time, a large media fuss was made over a hedge fund manager who ‘paid less tax than his cleaner’. The issue in this case was that the hedge fund manager paid a marginal tax rate of ten per cent whereas the cleaner paid a marginal rate of 25 per cent. This does not imply the manager paid less tax: for example, ten per cent of £2 million is forty times 25 per cent of £20,000. This confusion between the average rate, the marginal rate, and the amount of tax paid is commonplace and hinders discussion. The idea that the road tax (or car tax as it is now called) is collected to pay for roads reveals the time it can take for incorrect beliefs to be revised. The revenue from the tax was hypothecated to pay for roads between 1925 and 1936, but still surfaces 77 years later.

Has any research gone into whether there is a theoretical threshold of where tax levels are likely to become unsustainable (i.e., would trigger widespread tax refusal)?

The response to a tax can take several forms. Take, for example, an increase in the income tax. People can respond to this by working less hard, or moving to a less demanding occupation where pay is lower, or they can engage in tax planning to reduce the tax liability. At the extreme, they can become non-compliant. The observed response to the tax increase will be the sum of all three. The most recent evidence in this area is the issue of whether the marginal income tax rate should remain at 50 per cent or be reduced. The work of HMRC, in agreement with the findings of the ESRC-financed Mirrlees Review, (see Newsletter no. 160 Jan 2013) concluded that tax revenues would be higher if the top marginal rate of tax was less than 50 per cent. This shows that ‘refusal’ need not necessarily take the form of evasion, but can occur through other legally-permissable responses. Another example is the experience of the Community Charge, or ‘poll tax’, of the late 1980s. This tax was met with widespread refusal due to the perceived inequity, which was supported through a well publicised campaign of civil disobedience.

How are some countries able to keep tax levels which would be seen as a no-go in the UK? What does this say about the culture and values of a country such as Denmark where very high taxes are acceptable because they fund very good health, education and welfare systems?

It is becoming increasingly apparent that individual attitudes toward tax compliance have a significant social element. In the academic literature this idea is captured by the concepts of tax morale, social custom, social norm, and network effects. All of these capture the idea that there is a socially-constructed and supported idea of what is acceptable and what is not. In this context, ‘acceptable’ relates to both sides of the social contract between the taxpayer and the state: what is paid in tax, and what is received from the state. When the behaviour of individuals is influenced by social factors there can be multiple potential equilibria supported by distinct sets of social beliefs. This permits societies that are a priori identical to settle into different equilibria where the social beliefs are self-sustaining and coherent with the tax rates and state provision. For a given society to move from one equilibrium (perhaps with low taxes and low provision) to another (with high tax and high provision) may simply not be possible without some external shock to social beliefs. If one looks at the level of public expenditure in the UK before and after the First World War there is clear evidence of a step increase. This has been attributed to an ‘inspection effect’ where many of the privations of pre-war living were exposed by the experience of war, and led to a change in social beliefs about the appropriate level of provision.

Would the UK population welcome much higher taxes if the level of public-funded benefits were far greater?

A common finding in opinion polls is that a majority of the population are willing to pay a higher rate of tax if the revenue is used to fund the health service. The experience of elections is that a party that offers this option is not elected. Two explanations can be offered for these contra-
dictory findings. It is possible that the answer to the poll is given because of social pressure to appear generous and kind-hearted to the pollster. Alternatively, the opinion poll may be eliciting the truth but the political promises on the use of revenue may not be believed. In economics the issue of credibility is an important one. The promises of political parties are unlikely to be judged credible, particularly on the uses of tax revenue. Behavioural economics has also shown that people can hold beliefs that are at variance to the facts. So it is possible that all people can believe that it is everyone except them that will benefit from increased government spending. These observations show why it would be difficult for such a change to receive support even without entering into the debate on whether public or private provision is best.

Does HMRC spend a disproportionate amount of resources on investigating small-scale tax avoidance (such as the landlord who doesn’t declare rental income) rather than large-scale tax frauds by individuals or companies?

HMRC is charged with the objective of maximising revenue. This objective can only be achieved if HMRC makes a careful selection of who to audit with the intention of making the best use of audit resources. The actual strategy they employ is not public information. However, the economic theory tells us that the effort expended on an audit should be proportional to the additional revenue that is expected to be recovered. This implies that small-scale avoidance is worth pursuing if the audit can be conducted quickly and easily, while large-scale avoidance will be pursued even if considerable, but not excessive, effort is required. The best strategy will involve auditing at all levels of evasion provided the chance of successful conclusion is sufficiently great.

Note:
1. Gareth Myles is Professor of Economics at the University of Exeter and Director of the ESRC/HMRC/HMT Tax Administration Research Centre (TARC). This conversation is based on an article previously published in the ESRC’s Society Now magazine. We are grateful to the ESRC for permission to draw on the earlier version.

Letter to the editor

Evidence-based economics

Sir,

We would like to take up a contribution by Michael Joffe\(^1\) in the October 2013 Newsletter in which he argues in favour of a much stronger focus on teaching evidence-based economics in response to the crisis of 2008. As a matter of fact, we enthusiastically share his view and would like to add that evidence-based economics, like evidence-based medicine, is not content with mere speculation about the possible effects of an intervention, but seeks to generate clean evidence, e.g. from randomized experiments, to identify the mechanisms that actually cause an effect. That said, experimental or empirical investigations of such sort must usually be based on a solid theoretical foundation.

In order to educate our students in this spirit we go beyond the customary introduction of additional empirical topics and courses in our bachelor and master programmes. Actually, we have recently also introduced a new doctoral program. The program actually carries the official title Evidence-Based Economics, and it is part of the Munich Graduate School of Economics (that coordinates several programmes), taking in ten fully funded doctoral students every second year in September. More information can be found at: http://www.evidence-based-economics.de/home/

Yours sincerely,

Florian Englmaier, Martin Kocher, Klaus Schmidt, Joachim Winter

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Membership of RES

Women’s Committee

The Women’s Committee would like to remind Members of the Society that they may propose names to be considered for election to the RES Women’s Committee. The formal procedure is that the Women’s Committee considers all such names and puts forward a list to the Executive Committee. This is then the subject of a ballot of all members of the Society in the autumn. The successful candidates join the Women’s Committee after formal adoption at the following AGM.

Any member of the Society wishing to make a nomination may contact me at karen.mumford@york.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 June, I would be grateful to receive any nominations by 15th May at the latest.

Karen Mumford, Chair, Women’s Committee
University management and performance

While no one doubts that there is such a thing as ‘good’ and ‘bad’ management, it is often thought that management practice makes little difference to the performance of academic institutions, where the nature of the work is so critically dependent on the motivation and skills of individuals. Recent research by John McCormack, Carol Propper and Sarah Smith challenges this view.

In recent years this issue has taken on a new importance as institutions of higher education have faced an increasingly competitive environment with declining sources of assured public funding. The need to recruit students, nationally and internationally, the need to achieve a good result in research and teaching evaluations and a high position in popular league tables, matters now as never before. Thus, the quality of management has come under scrutiny as one of many 'inputs' that may influence these outcomes.

Recent research by John McCormack, Carol Propper and Sarah Smith challenges this view by comparing management performance in UK universities with measures of research and teaching quality. They find that universities with better management have better performance. This holds for all types of universities, and the results are not driven by differences in resources. Recruitment, retention, and promotion are the most important aspects of

The survey

Operations:
1. Standardized process: Presence of clear processes for research development and mentoring of junior staff.
2. Continuous improvement: Processes (research/teaching) are reviewed and opportunities for improvement are actively sought.

Monitoring:
3. Performance tracking: The overall performance of the organisation (department/university) is tracked using meaningful metrics and with appropriate regularity.
4. Performance review: Performance of individual members of staff is reviewed in a comprehensive way and systematic way.
5. Performance dialogue: Individual performance review is well structured.
6. Consequence management: Differing levels of personal performance lead to different consequences.
7. Clarity/ comparability: Performance measures are easily understood and openly communicated.

Targets:
8. Target balance: There are meaningful targets for the organisation — in particular beyond external processes such as the regular research assessment process.
9. Target interconnection: Targets cascade well through the organisation and are responsive to individual department needs.
10. Target horizon: The organisation is actively engaged in pursuing long-term goals, with appropriate short-term targets.
11. Target stretch: Targets are appropriately difficult to achieve.

Incentives:
12. Rewarding high performers: Good performance is rewarded proportionately.
13. Removing poor performers: Organisation is able to deal with underperformers.
15. Managing talent: Emphasis is put on talent management.
16. Retaining talent: Organisation will go out of its way to keep its top talent.
17. Attracting talent: The organisation has a clear employee value proposition.
management in universities, but management at the level of academic departments — not human resources departments — is what matters.2

The method
The researchers distinguished four groups of universities. (1) The ‘Russell Group’; (2) ‘Other Old’ universities, founded before 1992; (3) ‘Former Polytechnics’ and (4) ‘Other New’ universities (primarily former further and higher education colleges and specialist colleges). In order to be able to examine the relationship between management and research performance (inter alia) the institutions selected for the study consisted of universities that made a submission to the most recent Research Assessment Exercise (RAE), carried out in 2008. For each university the departments chosen for study were Psychology, Computer Science, Business & Management, English and Human Resources.3 The final sample contained information on management practices in 248 departments within 112 UK universities.

At the centre of the method is a survey of operations-focused management practices developed by Bloom and Van Reenen (2007).4 This measure is a survey tool which has been applied to over 10,000 organisations in manufacturing, hospitals, schools, and even social care organisations (e.g. Bloom and Van Reenen 2012, Bloom et al. 2010). The survey looks at 17 indicators of management practices, grouped into four subcategories, as shown in the box. Each practice was independently scored by two interviewers on a scale of 1 (weak) to 5 (strong).

The findings
• Firstly, in contrast to multi-plant manufacturing firms or even hospitals, university management is relatively decentralised. Consequently -
  • One department within a university can have good management practices whilst another has poor ones. In addition, there are significant differences across universities in the quality of management practices.
  • The management scores of the Russell group were the highest, followed by the other old universities, the former polytechnics, and the other new universities.
  • There are differences in resources across the types of universities but these differences do not explain the results.
  • The main driver of differences in the overall management score is management differences in the areas of recruitment, retention, and promotion.
  • Performance in terms of targets and monitoring are broadly similar and contribute little to the differences in performance.
  • Departments which are better managed also have better performance in terms of research, but also in terms of student satisfaction and a wider set of metrics.
  • It does not seem to be the case that there is one management style which is appropriate to the highly research-intensive universities and another to universi-

Conclusion
As public funding for higher education becomes more selective, the question of how best to compete for the available funds clearly becomes more pressing. What this research shows is that success and failure are unlikely to be explained by age, or type of university, or even (beyond a certain point) to the resources available to their managers. This research shows that it is the quality of management itself that matters.

Notes and references:
1. This notion that the primary loyalty of an academic is to scholarship and the development of knowledge in his/her selected field is reflected in the use of the term ‘affiliation’ to describe an academic’s relationship with an institution that in ordinary language would be described as their employer (ed.)
3. The departments were selected to give a large sample and to spread across the sciences, social sciences and humanities. Unfortunately, had economics been chosen, it would have yielded only 35 departments concentrated in the Russell and ‘older’ groups of universities.
4. A more detailed description of the survey and its use, as well as a list of participating universities/departments can be found in a technical Appendix to the paper at http://www.bris.ac.uk/cmipo/publications/papers/2013/wp308.pdf
For many years, the RES has seen the promotion of eco-
nomics and economic understanding to the widest possi-
ble public as one of its major responsibilities. To this 
end, for example, it has organised the annual public lec-
ture and it has offered a prize for the 'Young Economist 
of the Year'. November 2013 saw two further develop-
ments in this part of the Society's work. Firstly, through 
the efforts of Diane Coyle, it supported a series of events 
at the Bristol Festival of Ideas (a 'Festival of 
Economics') using the internet to take the events to a 
much wider audience than could attend in person, and 
the annual public lecture (given by Tim Harford) was 
also broadcast live over the internet, with the opportuni-
ty for members of the cyber-audience to pose questions 
at the end. We report briefly on both events, drawing on 
comments from a number of those that took part.

Festival of Economics
The Bristol Festival of Ideas was inaugurated in 2004 
and has grown to a major event in the UK cultural calen-
dar. In 2012 it hosted approximately 150 events with 
some 40,000 people participating. In the same year the 
Festival added the first of a series of parallel events, in 
this case a Festival of Economics, suggested and organ-
sed by Diane Coyle. This first venture had just four ses-
sions; the 2013 Festival had 12 sessions with 43 speak-
ers spread over three days (21-23 November). The full 
programme and the speakers can be seen at 
http://event.wavecastpro.com/festivalofeconomics. 
What is immediately striking about the 2013 Festival is 
the range of participants. Of course, there were many 
well-known economists. Simon Wren-Lewis, Will 
Hutton, Andrew Sentence and Margaret Heffernan 
debated the ‘State of Economic Recovery in the UK’. 
David Hughes, Paul Johnson, Sarah Smith, and David 
Walker discussed the ‘Reform of Social Services’; and 
Stewart Lansley and Steve Machin led a discussion on 
‘Inequality — why does it matter?’. In this, they were 
joined by Polly Toynbee of the Guardian who made a 
number of trenchant (and well-received) criticisms of 
the way in which an anti-welfare discourse had acquired 
such dominance in public debate. Polly Toynbee’s con-
tribution was a striking demonstration of the Festival’s 
determination to widen the engagement of the public 
with economics and vice-versa. One of the earliest ses-
sions discussed the popular question of whether the UK 
was in the process of producing a ‘jilted-generation. 
Contributors to this popular session included Katherine 
Whitehorne of the Observer and the writers and com-
mentators Bonnie Greer, Shiv Malik and Owen Jones.

The Friday afternoon session was notable for three infor-
mal sessions: A seminar on the relationship between the 
public and private sectors In which twelve officers from 
the Government Economic Service took part and two 
sessions hosted by Tim Harford (Financial Times) in one 
of which he talked to students from two local schools 
about his work. This was a very popular event that looks 
set for expansion next year.

The expansion of the programme was accompanied by a 
substantial rise in attendance (3857 from 1300 in 2012). 
It is estimated that 25 per cent of those who took part 
were under 25 and at least 350 came from schools.

The Festival was supported by: Business West, Bristol 
Chamber, Joseph Rowntree Foundation; Royal 
Economic Society, the Government Economic Service, 
Princeton University Press and Wiley. Support was also 
received from the University of Bristol, The Economics 
Network and others. It was managed by Bristol Cultural 
Development Partnership (Arts Council England, Bristol 
City Council and Business West) who managed the fes-
tival. In addition to providing core support, the Royal 
Economics Society provided funding for the festival to 
be webcast live by Wavecast Pro. Some viewing statisti-
cs are given in the box above.

Some stats: 
- 46 countries logged in during the live broadcast 
- 805 Unique visitors came to the site across the 3 live 
days. 
- 270 via mobile, 210 via tablet. 
- 72 users logged in to view the broadcast live

The 2014 Festival will be held on 20-22 November.

www.res.org.uk/view/resNewsletter.html
The public lecture
Inaugurated in 2001, this initiative aims to bring the best communicators in the economics profession into contact with a wide public and to show the importance of top-quality economic research. Traditionally delivered in two centres, the Public Lecture has always been over-subscribed and so the decision was made this year to make the lecture available live via the internet (with the help of Wavecast Pro) and to leave a recording available for viewers to watch subsequently. More ambitiously still, arrangements were made to take questions at the end of the lecture, from listeners to the video streaming.

The lecture was given by Tim Harford, FT columnist and well-known broadcaster and writer on economics who took as his title ‘How to Run — or Ruin — an Economy’. The main feature of the lecture was a colourful account of the life of ‘Bill’ Phillips and the origin of the Phillips Curve. The message was that while macroeconomists are always desperate for reliable data, it is not a good idea to base macroeconomic policy upon a statistical relationship that we do not understand. A small and unscientific sample of opinion taken after the lecture thought the message could have been clearer but all agreed that it was a very polished and entertaining talk.

Some stats:
- 17 countries logged in to the site on the live broadcast (We had a very active participant in New Zealand!)
- 259 Unique visitors came to the site on the live broadcast
- 56 visits were via their mobile; 31 visits were via their tablet
- 77 individual accounts (school groups, users) actually watched live. Average viewing time was 76mins.

Turning to the technological innovation, there was some criticism of limited camera angles and range of shots (there were no visual aids to focus on). There seemed also to be a problem with the management of questions from the ‘in house’ audience. These were inaudible to viewers of the webcast and the consequences were made worse by Tim’s inviting three questions together before beginning an answer. The questions from remote viewers, however, were regarded as a great success, as is the decision to leave a recorded version available online. There was universal agreement that it was a worthwhile experiment and that it should be repeated.

Thanks for information and comment are due to:

Alex Bridges - Wavecast Pro
Romesh Vaitilingam - RES Media Consultant
Tom Rutter and colleagues at Bishop Wordsworth School, Salisbury

Obituary

Ronald Coase

Ronald Coase was one of the world’s most influential economists. His work has had a profound and lasting impact on public policy, on the study of economics and of law, and on social scientists throughout the world.

Ronald Coase was born on December 29, 1910 in London. In a paper describing his life that he wrote for the Nobel Prize committee, Coase writes charmingly of his youth. Because of a weakness in his legs he was sent to a school for physical defectives as a child where he was taught basket weaving. Eventually he was able to study in earnest, and in 1932 he earned a bachelor’s degree from the London School of Economics, not in economics but in commerce. Later in life he made a point of the fact that he did not get his undergraduate degree in economics. He viewed this as an advantage, giving him a fresh perspective on the economic problems he encountered in his early research. Coase eventually received a Doctor of Science in Economics from the University of London in 1951.

When Coase finished his course work towards his bachelor’s degree, he gained a Cassel Travelling Scholarship, enabling him to travel in the US in 1931-1932. This was a time of great foment, when economists were debating how to confront the great depression and the merits or demerits of Russian economic planning. Coase’s conversations with the US businessmen he met shaped his views of these debates. It was during his travels in the US that Coase conceived the ideas that he presented in a lecture when he was only 21 and that resulted in the seminal article, ‘The Nature of the Firm’ (published in Economica in 1937.) He often expressed his gratitude for the Scholarship, as well as his confidence in the capacity of young scholars to see things clearly, and the value of empirical analysis that ‘changes the way we look at a problem.’

Coase went on to an academic career in the United Kingdom, teaching at the Dundee School of Economics and Commerce, the University of Liverpool and the London School of Economics. During the Second World War he served in the Central Statistical Office, Offices of the War Cabinet of the United Kingdom. This strongly influenced his thinking. He often talked about how he was impressed and depressed by the petty, rule-bound, and backbiting behavior of the bureaucracy even as the country was fighting for survival. Seeing bureaucracy at its worst alerted Coase to the risks of government failure.

In 1951 Coase migrated to the US citing his ‘lack of faith in the future of Socialist Britain, a liking for life in America, and an admiration for American economics.’ He served on the faculty of the University of Buffalo (1951-1958) and the University of Virginia (1958–1964), before moving to the University of Chicago Law School where he remained until he retired
Coase developed this idea further in his most influential paper, ‘The Problem of Social Cost’, which was published in 1960. Social costs, which economists usually call externalities, are the costs that an economic activity imposes on other parties not involved in the activity. Pollution is the most commonly cited example of a social cost. Coase criticized the usual approach of economists, which is to treat noise, pollution, or other harmful effects as a deficiency in the system that should be remedied through regulation, taxation, or other government intervention. Coase argued that a better approach would be to analyze closely the actual situation, examine the effects of a proposed policy change, and ‘attempt to decide whether the new situation would be, in total, better or worse than the original one.’

Coase further suggested that, if transaction costs were zero, then it would not matter which of the affected parties were found to be legally liable for a social cost, since they could costlessly negotiate agreements to maximize their wealth; and the right to use property, make noise, or pollute would end up in the hands of the one who values the right the most. This idea, later called the Coase Theorem by George Stigler, was not central to Coase’s argument about social costs, but it has been extensively analyzed by economists, many of whom ignored or misinterpreted Coase’s point.

Coase was not arguing that transaction costs or property rights are unimportant or that we should study a world of zero transaction costs, quite the reverse, saying that the insights gained from studying a world of zero transaction costs are ‘without value except as steps on the way to the analysis of the real world of positive transaction costs. We do not do well to devote ourselves to a detailed study of the world of zero transaction costs, like augurs divining the future by the minute inspection of the entrails of a goose.’

‘The Problem of Social Cost’ has been hugely influential, reshaping the way many scholars think about the workings of firms, markets, law, politics, and society. It inspired the burgeoning field of new institutional economics and helped spawn the field of law and economics. From 1964 to 1982 Coase nurtured and shaped the field of law and economics as the editor of the Journal of Law and Economics (founded in 1958 by Aaron Director). Coase was a proactive editor who sought out contributions and worked with authors to form and sharpen their arguments. The ‘Nature of the Firm’ and ‘The Problem of Social Cost’ are Coase’s most famous papers, but they are by no means his only insightful and influential works. For example, in a 1959 paper he famously proposed that the Federal Communications Commission auction rights to the radio spectrum rather than allocate their use by administrative fiat. He argued that radio frequencies were no different from other industries in which scarce resources are allocated through the price mechanism and efficient usage is motivated through competition. The main reason for regulation is to prevent interference that occurs when several signals are transmitted simultaneously on a given frequency. But interference can occur with many scarce resources; (Coase gives the example of trying to use a piece of land simultaneously as a wheat field and a parking lot). It may be possible for the operators to negotiate a deal to reduce interference if they hold transferable rights to part of the spectrum. But Coase did not rule out regulation; he argued that if market solutions are too costly to be practical, it may be preferable to impose special regulation.

Most recently Coase co-authored with Ning Wang a book, How China Became Capitalist, published in 2012 when he was 102. The book argues that China’s reforms were not the result of a concerted attempt to create a capitalist economy. Rather ‘marginal revolutions’, grassroots reforms by actors marginalized in Mao’s socialist economy, introduced the market and entrepreneurship back to China. The book ends with a warning that China’s enormous potential for further growth is clouded by the government’s monopoly of ideas and power, and calls for greater freedom in the market for ideas. The Chinese edition of How China Became Capitalist has been widely read and discussed in China; it sold about 40,000 copies in its first three months and has been widely reviewed and commented on by government officials, academics, and entrepreneurs. The book shows how Coase maintained his intellectual curiosity and his commitment to transformative ideas to the end of his life.

Coase was critical of economics for being static and preoccupied with formalizing concepts that date back to Adam Smith. He believed that the goal of economists should be to change fundamentally the way we view a problem. This goal was part of the inspiration behind the Ronald Coase Institute, formed n 2000 to assist young scholars whose research has the potential to help transform their economies. Coase’s support for these young scholars was an act of generosity illustrative of a lifetime of scholarly generosity and confidence in the power of ideas. Ronald Coase himself was an outstanding example of an economist who changed fundamentally the way we think about problems, and the profound impact of his ideas is still felt today and will continue to be felt in the future.

Mary M. Shirley
President, Ronald Coase Institute

Note:
1. This obituary first appeared on the website of the Ronald Coase Institute (www.coase.org). We are grateful to the Institute for permission to republish it here.
Paul W Miller

Paul W Miller, a leading scholar in labor economics, lost his long and heroic battle with cancer on Wednesday, November 27, 2013 in Perth, Australia. Paul was a prolific scholar who expanded and deepened the boundaries in labor economics, particularly in the fields of labor markets and the economics of immigration, of language, and of human capital. He published extensively on three continents and received numerous awards for his research.

Paul W Miller was born on December 30, 1955 in Dunedoo, New South Wales, Australia. He earned his Bachelor’s degree with Honors from Australia’s University of New England and went on to receive his Master’s degree (1978) and his PhD (1982) in Economics from the Australian National University in Canberra. Paul’s academic career was based in Australian universities, although in the first decade after receiving his PhD he accepted several visiting appointments in Canada, the UK, and the US. For much of his career (1987-2010) he was at the University of Western Australia in Perth. During this period he demonstrated his keen administrative skills as Head of the Department of Economics (1994-2001) and Inaugural Head of the School of Economics and Commerce (2003-2005). He left university administration because his passion was academic research. In his last five years at UWA he was Australian Professorial Fellow of the Australian Research Council. In 2010 he became Professor of Economics at Curtin University in Perth, a position he held until his death.

Paul was best known for his research on the economics of immigration (the topic of his PhD dissertation), labor markets, the economics of language, and the economics of education. His forte was in developing new models or adapting pre-existing models to new circumstances, developing testable hypotheses and skillfully testing them. Paul had a deep respect for data, and was very concerned about the quality of the data he analyzed. His empirical work was thoughtful, and he was careful not to draw inferences and conclusions beyond what his model and data analysis could support. He believed in the importance of testing for the robustness of findings, sometimes by applying alternative statistical techniques to a given data set, sometimes using alternative data sets, often from different countries, for the same test, and sometimes both. He also believed in the importance of clear exposition, avoiding formalism unless it advanced the analysis. His interest was in using economics and econometrics to enhance our understanding of skill formation and its labor market consequences.

Paul’s greatest impact was through his scholarly publications. His published work included more than 170 articles in refereed journals, 32 papers as chapters in books, and numerous shorter pieces and book reviews. He published ten books and monographs and at the time of his death was co-editing a major volume, the Elsevier Handbook on the Economics of International Migration. (The Handbook will be completed with Paul as co-editor as a memorial to his impact on research on the economics of immigration.) His papers were published in leading general economic journals on three continents (American Economic Review, Economic Journal, Economic Record), as well as major journals in several fields, including labor economics, immigration, economics of education, and population economics. The impact of this research was both demonstrated and enhanced by the numerous reprinting of his papers, and his Institute for the Study of Labor (IZA) Discussion Papers were downloaded often enough to place him in the top one per cent of IZA DP authors.

Paul was highly effective as a sole author, but he also seemed to enjoy collaborative relationships. Among his refereed journal articles he had 31 different co-authors, some involving only one paper but with others there were multiple papers published over a span of many years. His co-authors included students (or former students), research assistants, colleagues, and others, myself included. He was an easy person to have as a co-author — original, smart and generous, he listened, responded and shared. He was gracious and modest, confident but not self-important.

I benefited both professionally and personally from my collaborative relationship with Paul. I was invited to serve as an external reader of his ANU PhD dissertation on immigrant earnings in Australia and was immediately impressed by the quality of his analysis and his ability to extract insights from the limited data available for Australia at that time. We met shortly thereafter during his first visiting appointment in North America and began our research collaboration that spanned three decades, producing over 60 journal articles and chapters in books and several edited volumes. It was a pleasure to watch Paul mature as a scholar. Initially his shy nature discouraged him from giving papers at academic conferences, but as his confidence grew so too did his conference presentations, and they were always outstanding. Two aspects that never changed, however, were his willingness and ability to work hard on his research and his commitment to producing research of the highest quality.

Paul’s impressive research contributions were acknowledged formally as well as informally. He received several ‘best paper’ awards, was Elected Fellow, Academy of the Social Sciences in Australia, was inducted into the ANU Distinguished Alumni Hall of Fame, and received the Honorary Fellow Award of the Economic Society of Australia. He was an IZA Research Fellow (since 2004). He is included in Who’s Who in Economics based on the high frequency of citations to his research. Paul W Miller’s death is a great loss to the economics profession. He will be missed.

Barry R. Chiswick, Professor and Dept Chair
Department of Economics
George Washington University
Washington D C
RES news

Membership of the RES Council

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 at the latest.

Thank you to all members who took part in the online and postal elections in October 2013. The results are confirmed at the Annual General Meeting (see below).

Annual General Meeting (AGM) (see front cover)

Funding

Special Project Grant Funding

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

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 in writing to the Secretary-General of the Society 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 on: 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

The Young Economist Essay Competition

In the Spring term of each year school students are invited to write an essay of between 1,000 to 2,500 words, on a subject set by the President of the Royal Economic Society, calling on key elements of their A Level or International Baccalaureate courses, examples from the world around them and imaginative discussion. The winner of the Young Economist of the Year prize is announced in August each year, with the prize presentation to be made at the RES Annual Public Lecture in London.

Last year we received more than 1150 entries and Ellie Heatherill of Runshaw College, Leyland, Lancashire presented the best essay entitled ‘Does the international mobility of talent make it impossible to tax the rich?’ She received her award and £1000 with runners up each receiving £500 at the Annual Public Lecture in London and the winning essays can be read on the website.

The topics for the 2014 competition will be loaded to the website and publicised through Tutor2U by the end of January 2014.

Events (see p.8)

Live Feeds to RES sponsored Events

As part of our continuing development of benefits for members the Society invested in Wavecast Pro technology in 2013 to offer a remote audience participation in both our Annual Public Lecture at the Royal Institution (Tim Harford on ‘How to Run or Ruin an Economy’) and the RES sponsored Second Festival of Economics at Bristol, via a live feed from our website, www.res.org.uk Economists and other experts from around the UK debated with each other - and their audiences - some of the key economic questions of our times. (See pp. 22-30 above).

As well as the webcasts of previous Conference speakers, you can continue to watch these events via the link on the website for up to a year and we welcome your feedback to the RES office (royaleconsoc@st-andrews.ac.uk).
Conference Diary

2014

January (See April 28-29 below)

March

March 21-22 Munich, Germany
Conference on Social Economics, organised by (Center for Economic Studies and Ifo Institute for Economic Research CESifo). The conference welcomes contributions to new developments in social economics. Keynote Speakers: Prof Frank Cowell (LSE) and Prof Luigi Guiso from the European University Institute & The Einaudi Institute.

Further information: J.Costa-Font@lse.ac.uk and mmacis@jhu.edu. http://www.cesifo-group.de/ifoHome/CESifo-Group/ce

March 20-21 Washington D.C., USA
14th OxMetrics User Conference. The OxMetrics User Conference provides a forum for the presentation and exchange of research results and practical experience within the fields of computational and financial econometrics, empirical economics, time-series and cross-section econometrics, and applied mathematics. We expect several OxMetrics developers (Jurgen A. Doornik, Sir David F. Hendry, Siem Jan Koopman, and Sébastien Laurent) to be present. The conference is open to all.

Further information: Neil R. Ericsson, co-chair (ericsson@frb.gov) Frederick L. Joutz, co-chair (fred.joutz@kapsarc.org) or www.oxmetrics.net

April

April 7-9 Manchester, UK
2014 Annual Conference of the Royal Economic Society, Manchester, UK April 2014. (See p.8)

April 9-10 Edinburgh
Conference on monetary analysis and monetary policy frameworks. Keynote speakers include Ben Friedman and Charles Goodhart.

Further information: David Cobham (d.cobham@hw.ac.uk)or Yuka Scott (y.scott@hw.ac.uk).

April 28-29 Mannheim, Germany
2014 Public Finance Conference: Centre for European Economic Research (ZEW). Call for Papers open until January 31 2014. The focus of this year’s conference will be on the role of public administration, in particular tax administration, for fiscal and economic performance. We also invite paper submissions covering other topics in public finance. You are invited to submit either an extended abstract or, preferably, a full paper. Submissions should be sent by e-mail and as PDF file to publicfinance2014@zew.de by January 31, 2014. Acceptance of proposals will be notified by February 28, 2014. Completed papers will be required no later than April 4, 2014.

Further Information: www.zew.de/publicfinance2014

April 28-30 Perth, Scotland
Scottish Economic Society Annual Conference. The SES places particular emphasis on the application of economics to policy and there will be invited sessions in separate policy and pedagogy streams. Wednesday’s events have been re-designed to provide a well-rounded sub-programme for day delegates and contain sessions that aim to support PhD students and young lecturers.

Further information: www.scotecon.org/

May 9-10 Lisboa, Portugal
The Welfare State in Portugal in the Age of Austerity
It is expected to be a meeting of academics, who are dedicated to the study of social policy across a spectrum of different scientific disciplines.

Further information: https://aquila.iseg.utl.pt/aquila/instituciao/ISEG/docentes-e-investigacao/conference-theme

June

June 6-10 Jordan
17th World Congress of the International Economics Association (IEA). Daily keynote lectures, numerous policy sessions and many invited sessions and the Congress will host the latest and most engaging research in any field in economics in the many contributed sessions. The Congress will provide an excellent forum to present research results. Call for papers before 31 January 2014.

Further information: www.iea-world.com

June 18-21 Braga, Portugal
The 28th Annual Conference of the European Society for Population Economics (ESPE). Erik Plug (University of Amsterdam) will serve as the program chair and Priscila Ferreira (University of Minho) as coordinator of the local organizing team. The keynote speakers will be Christian Dustmann (University College London) and Michele Tertilt (University of Mannheim). The presidential address will be given by James Albrecht (Georgetown University). Papers must be submitted electronically at: http://editorialexpress.com/conference/ESPE2014/ by February 1, 2014.

June 13-21 New York, USA
The Levy Economics Institute is pleased to announce the fifth Hyman P. Minsky Summer Seminar. Organized by Jan Kregel, Dimitri B. Papadimitriou, and L. Randall Wray, the Seminar program is geared toward graduate students and those at the beginning of their academic or professional careers. Application deadline: March 1, 2014.

Further information: www.levyinstitute.org/news/?event=51

June 29 - July 2 Rotterdam, Netherlands
The International Symposium on Forecasting (ISF) is the premier forecasting conference, attracting the world’s
leading forecasting researchers, practitioners, and students. Speakers include: Jan Peter Balkenende, Former Prime Minister of the Netherlands; John Geweke, University of Technology, Sydney Australia; Angelien Kemna, CIO APG Group; Jos Nijhuis, CEO, Schiphol Group. Abstract submissions invited by: 19 March.

Further information: http://forecasters.org/isf/

30 June - 2 July Sheffield

Third Sheffield Political Economy Research Institute Annual Conference: The Global Contours of Growth & Development beyond the Crisis. The 2014 SPERI conference seeks to take discussion of the political economy of the crisis beyond its British and European contexts to focus centrally on the dynamics and patterns of the distribution of growth and development across the entire global political economy.

Speakers include: Linda Weiss, Tony Payne, Greg Chin, Wang Dong, John Mathews, Craig Murphy, Andy Sumner, and Raphael Kaplinsky. Please send abstracts (of no more than a page) of proposed papers/panels to Sarah Boswell by emailing speri@sheffield.ac.uk by no later than Friday 31 January 2014.

Membership of the Royal Economic Society

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

- Copies of the Economic Journal, the journal of the society, eight times a year.
- 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 2014 are £48 ($82, €57)*

Three year ‘online only’ membership is £100 ($170, €120)

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 (2014-2016 incl.) for the price of £17/ $29/€20 or one-year online only for £10/£14/€12 is available to full-time students.

* All ‘hardcopy’ customers in the UK should add 10% 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% GST or provide evidence of exemption. For EU members, please add VAT at the appropriate rate.

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