



ROYAL ECONOMIC SOCIETY

# NEWSLETTER

Issue no. 152

January 2011

ROYAL ECONOMIC SOCIETY

## Pension reform again

The funding of pensions is again in members' minds. Thomas Kempner, who has contributed on this subject before, was moved by a recent 'Features' issue of the *Economic Journal* to propose a scheme for a 'mutual' pension fund. This involved two coincidences. The first was a report compiled for the Royal Society of Arts that came to a rather similar conclusion just after we received Professor Kempner's article; the second was the regular letter from France by Alan Kirman which looks at the recent disturbances in France provoked by pension reform. Disturbingly, Alan's examination of the details of the reforms suggest that, for all the bitterness created, they may do little to solve the problem of unfunded pensions in France.

We also have shortened versions of the annual reports made to the RES council by the editors of the *Economic Journal* and the *Econometrics Journal* as well as an interesting feature from Ray Rees on plans to change the education and training of bankers. Readers who are concerned with the teaching of economics will also want to read about and will be disturbed by the situation facing the Economics Network.

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# NEWSLETTER

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## Next issue

### Newsletter No. 153 - April 2011

Articles, features, news items, letters, reports etc. should be sent to the Editor by:

**15 March 2011**

Items concerning conferences, visiting scholars and appointments should be sent to the Information Secretary by:

**16 March 2011**

## Contributions from readers

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

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

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# Economic Journal —

## Managing editor's annual report

*The annual report of the editor of the Economic Journal is presented to Council of the Royal Economic Society in November. A shortened version of the 2010 report appears below.*

It has been another year of steady progress for the *Economic Journal*. The sections below outline the various performance indicators that are the main subject of this annual report. We have seen a further increase in number of submissions, a further decrease in the time it takes us to get decisions to authors, we have further reduced our acceptance rates and we have seen another increase in our citation based impact factor.

In the past few years we have undoubtedly witnessed an economic crisis and some commentators have also said this has been a crisis for economics. Looking at the type of submissions that we have received this crisis for economics has either not happened or not been recognised by the profession. I suspect the former is the dominant explanation. As remarked in my report last year, the *Economic Journal*, as a general journal, has always represented a broad spectrum of modelling techniques and methodologies. The crisis inspired critiques of economics tended to be based on caricatures of specific views and models and seemed to be based more on the prevalence of certain views amongst policymakers and commentators rather than the diversity of papers published in general journals. That is not to deny that we are seeing some changes, especially in the area of macroeconomics. Fewer papers are being received on the Great Moderation and more papers are appearing that try and integrate in a substantive way financial systems into macro models. Given the production lags involved in research I suspect this trend will only continue and I look forward to seeing the *EJ* continue to represent the diversity and evolution of the academic output of the economics profession.

### Progress over the year

#### Submissions

After three years of submissions levelling out at a record level of around 700 papers annually the last year saw a further increase to 789, an increase of 12 per cent. Given this has occurred against a backdrop of the launch of a

number of new potentially competing journals this is a welcome surprise.

There have been some changes in the geographical origin of our submissions (table 1). This past year saw the share of papers from the UK rise from the level of 15 per cent to 18 per cent and a decline in North American papers from 29 per cent to 25 per cent. The relative importance of other areas remained constant. A significant proportion of these annual changes are simply i.i.d shocks but it is interesting to see that since 2006 the share of North American papers has declined from 33 per cent, UK submissions have held at around 18 per cent and European submissions have risen to 40 per cent. I am frequently asked what has been the impact on the *Economic Journal* of the launch of new journals and I wonder if it may manifest itself in this geographic shift. However given that we have no geographical policy and our only editorial aim is

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“ The average turnaround time for papers is currently estimated at 8.2 weeks ... Five years ago the average turnaround was 17 weeks ”

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to produce the best quality and most interesting journal we can, these regional statistics are just narrative. As I comment, below both statistics and subjective editorial opinion suggests that the quality of papers accepted continues to improve.

In terms of the subject breakdown of submitted papers there is more stability. One of the most marked trends over the past five years has been a rise in the number of papers in Microeconomics and also Mathematical and Quantitative Methods. Microeconomics is now the largest single subject in terms of submissions (154), followed by International Economics (94), Labour (93), Mathematical and Quantitative Methods (86) and Macro and Monetary Economics (84).

#### Editorial Processing Time

As an Editor the most common questions I am asked is why did we reject the person's paper and why do journals take so long to provide decisions. Answering the first question remains as painful as ever but the second one holds few fears for me now. the *Economic Journal* continues to provide rapid turnaround time and to an extent

that I believe gives us a real advantage as an attractive journal for submitting papers.

authors. The cost is of course that submitting authors do not receive a referee report. To partly offset this increas-

Table 1: Geographical Distribution of Submissions July 2004 - June 2010

	<i>Jun 2010</i>	<i>30 Jun 2009</i>	<i>30 Jun 2008</i>	<i>30 Jun 2007</i>	<i>Jun 2006</i>	<i>30 Jun 2005</i>
UK	144 (18%)	106 (15%)	106 (15%)	127 (18%)	110 (17%)	114 (18%)
USA & Canada	194 (25%)	206 (29%)	205 (29%)	202 (29%)	213 (33%)	205 (33%)
USA	161	181	180	182	188	181
Canada	33	25	25	20	25	24
Europe	316 (40%)	278 (40%)	277 (40%)	259 (37%)	224 (35%)	214 (34%)
Belgium	9	9	8	12	11	4
France	28	22	21	26	18	14
Germany	73	55	55	46	52	54
Italy	28	42	44	37	24	26
Netherlands	32	36	30	26	28	22
Scandinavia	52	43	49	47	35	39
Spain	43	28	28	24	20	24
Other	51	43	42	41	36	32
Other	135 (17%)	112 (16%)	112 (16%)	116 (16%)	95 (15%)	94 (15%)
Australia/NZ	38	19	20	15	16	20
China/ HK	20	15	13	25	18	7
India	7	2	3	4	4	5
Israel	10	13	14	12	12	11
Japan	19	16	16	25	14	15
Other	41	47	46	35	31	36
Total	789	702	700	704	642	627

The average turnaround time for papers is currently estimated at 8.2 weeks (table 2). As there are still a few papers pending from the year concerned this number will probably eventually rise to 9 weeks but this is a further year on year improvement. Five years ago the average turnaround was 17 weeks and so a near 50 per cent reduction is a commendable performance. Currently we only have three papers that are awaiting a decision after six months or more, which given we have had 789 submissions seems to be deserving of the title ‘negligible’.

Examining the statistics more carefully it is clear how this reduction has been achieved. The average referee report still takes around 8-9 weeks to reach us. Improvements in turnaround time has therefore come through further increases in our summary reject rate as well as reductions in editorial time in responding to referee reports. A total of 61 per cent of papers are now dealt with by editors alone compared to around a third five years ago. I have in previous reports both tried to explain and justify this increase in papers dealt with by editors alone. The editorial board has now been in place a long time and with that experience comes a knowledge of what papers you think are suitable for the journal and which papers are likely to be problematic during the refereeing process. If an editor puts a high probability on a paper being rejected by referees then it seems sensible for them alone to make a decision at an early stage. The result is conserving precious referee resources and shortening turnaround time for

ingly editors’ letters are providing more information on why the paper was rejected although editors cannot and should not try and act as referees. Discussing this policy with the research community I get the strong sense that the profession prefers the quicker decision even if it comes at a cost of less feedback. Interestingly we frequently receive from individuals we approach as potential referees the response that they have already reviewed the paper and so are unable to do so again and that the authors have not made any changes to the previous version of the paper. This suggests a deeper problem with how the profession responds to feedback and also helps explain why authors prefer a quicker decision at the cost of reports.

### Acceptances

Over the past year we accepted 36 papers compared to 49 the year before. Calculating a naive acceptance rate (acceptances divided by this years submissions) gives 4.6 per cent, a further reduction. The decline in acceptances represents a conscious decision by the board to further raise standards. Put simply it’s getting harder to publish in the *Economic Journal*. The last five years has seen substantial increases in submissions and despite reducing our acceptance rate we have frequently had to produce an extra issue a year and to produce more papers each issue. We have made the decision to revert to the usual practice of four regular issues a year and 11 papers in each issue and given the backlog of accepted papers this has been achieved by raising acceptance standards.

## Innovations

In recent years we have introduced a number of innovations at both the submission and publishing stage. At the publishing stage authors now benefit from ‘Early View’ so that access and reference can be made to forthcoming publications well before publication date. We have abolished referee fees and shifted to a prize system. We made this change in the belief that relatively small payments to referee made no difference to performance and created significant transaction costs. The fact that since abolishing referees fees the length taken to receive reports has if

## Rankings

The 2009 citation rankings showed an increase in our impact factor (citations made in 2009 to *EJ* papers published in 2007 and 2008) from 1.798 to 1.902. However our relative ranking declined from 24 to 32 (out of 247). This decline in ranking was due in part to an expansion in the number of journals being ranked and our position relative to who we consider to be our major competitors remains unchanged.

Table 2: Turnaround Statistics

	<i>Jun 2010</i>	<i>30 Jun 09</i>	<i>Jun 08</i>	<i>Jun 07</i>	<i>30 Jun 06</i>	<i>30 Jun 05</i>
New submissions received	789	709	703	716	642	627
Papers Withdrawn	5	7	3	12	2	4
Dealt with by editors alone	484	383	358	266	217	182
	(61%)	(55%)	(51%)	(37%)	(34%)	(29%)
Sent to Referee:	300 (38%)	319 (45%)	342 (49%)	438 (62%)	423 (68%)	441 (70%)
Time Distribution for receipt of referee's report Returned within:						
1 Month	22%	21%	16%	16%	18%	18%
2 Months	32%	29%	35%	35%	37%	35%
3 Months	27%	34%	32%	29%	28%	27%
4 Months	13%	11%	12%	12%	10%	10%
Even Longer	6%	5%	5%	8%	7%	10%
Average Length of <sup>†</sup> :	8.5 weeks	8.8 weeks	8.8 weeks	9 weeks	8.6 weeks	9 weeks
Time Distribution for all submissions - excluding withdrawals						
0-1 month	65% (510)	57%	50%	38%	36%	24%
1-2 months	3% (24)	3%	4%	4%	4%	3%
2-3 months	7% (54)	7%	9.5%	8%	8%	9%
3-4 months	7% (53)	10%	13%	10%	10%	11%
4-5 months	7% (55)	10%	8%	11%	9%	13%
5-6 months	4% (30)	6%	6.5%	8%	10%	8%
Even Longer	3% (24)	7%	9%	22%	23%	32%
Average	8.2 weeks**	10.2weeks	11 weeks	14.7 weeks	14 weeks	17 weeks

anything slightly fallen confirms that we have reduced a deadweight loss. Further we felt that a referee prize would go some way to providing public recognition for the very important but anonymous service that referees provide. We are about to announce the first 10 winners of this prize for refereeing service.

The other change that we implemented last year is the option for authors when submitting to attach referee reports from previously unsuccessful submissions at other journals. We believe this gives authors an additional reason for submitting to the *EJ* and should further improve turnaround time. If authors have had a close decision at another journal or have clearly changed the paper in the way the referees from the previous journal recommended then this extra information raises the editorial option of reducing the number of stages till publication. Some authors have been availing themselves of this option but it would be good if we received more submissions that did.

## Prizes and *EJ* Lecture

The Royal Economic Society prize for the best paper published in 2009 was awarded to Marc Flandreau and Clemens Jobst for their paper ‘The Empirics of International Currencies: Historical Evidence’, 119, p 643. The winner of the Austin Robinson prize, awarded to the best paper published in the journal by author(s) within 5 years of graduating with a doctorate, was Simon Luechinger ‘Valuing Air Quality Using the Life Satisfaction Approach’ Vol 119, p 482.

The RES prize for 2010 will be decided by a committee of Professor Richard Blundell (RES President) and Professor Tony Venables (Oxford University) and myself. The winner of the Austin Robinson Prize is selected by the Editorial team of the journal.

The very timely *EJ* lecture at the RES Annual conference was presented by Carmen Reinhart ‘From Financial

Crash to Debt Crisis' and will be published in the Conference Volume in May 2011. The conclusions of the paper suggest that it will be equally timely in 2011 as it was when presented at the conference in 2010.

## Conference volume

Submissions to the conference volume continue to be popular (70 compared to 60 the previous year) and the standard continues to be strong and the integration with the regular EJ issues working well. Of the 70 submissions 34 were summarily rejected, 23 were rejected after seeking referee reports. A total of 12 papers were accepted for publication, including two of the invited lectures, and one paper was moved into the regular issues as a revise and resubmit.

## The year ahead

This is my seventh annual report as Managing Editor and also my last. When taking on the role I naturally had my apprehensions as to the volume of work and the inevitably contentious nature of the position. I am glad to say that overall the experience has been for me a strongly positive one and of course I hope the same can be said for the *Journal*. An important reason for this positive experience has been the hard work and skill of Heather Daly. Heather started her role as Publishing Editor at the same time as me and has quite simply been critical in whatever success we have achieved. I hope that I have left many legacies for the next Managing Editor to build and improve upon. I suspect that hiring Heather is possibly the most substantial one. I also have to offer my genuine thanks for the current Editorial team — Antonio Ciccone, Steve Machin, David Myatt and Steve Pischke — as well as Marianne Bertrand, Leonardo Felli and Jaume Ventura. They have taken their individual roles seriously but have also always been supportive and constructive and made for a genuine sense of collaboration.

Given this is my last annual report it would be inappropriate to say what the aims are for the journal in 2011. I wish the new Managing Editor every success and look forward to seeing the changes that they will make and the continued success for the journal that will undoubtedly occur.

## Circulation update September 2010

In mid-September there were 1,880 institutional subscriptions to the *Economic Journal* compared with 2,016 at the end of 2009. As in previous years we expect further renewals to be confirmed well into the final quarter of the year.

In addition to the above there are 64 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 70 in 2009.

Table 3 below shows the regional breakdown of institutional subscriptions to the *Economic Journal* at 15 September 2010

Table 3: Geographical breakdown of institutional subscriptions\*

Region	2009	Mid-Sept 2010
Canada	53	57
China *	64	67
Europe	572	507
Japan	240	222
Rest of World	332	322
UK	157	137
USA	539	514
Total	2016	1880

\*These figures exclude print subscriptions for the *Economic Journal* in China through our low-priced subscription programme with World Publishing Corporation (WPC). There were 70 in 2009 and there are 64 in 2010.

## Membership

There are currently 2,585 members compared with 2,767 at the end of 2008. This represents an overall renewal rate of 93.6 per cent. Paid members are renewed at just under 96 per cent. There are 2,212 paid members — 3.6 per cent (80) more paid members than at this time last year.

Table 4: Membership by category

Category	2008	2009	Mid-Sept 2010
Ordinary members	1,785	1,592	1,506
Retired members	149	148	152
Student members (3-yr)	603	569	554
Life members (gratis)	464	458	373
Total	3,001	2,767	2,585

Table 5: Membership by region

Region	2008	2009	Mid-Sept 2010
UK	1157	1077	1025
Europe	821	722	588
USA and Canada	567	520	436
Japan	77	77	60
Rest of World incl Aus/NZ and China	379	371	476
Total	3,001	2,767	2,585

We regularly see further growth in membership well into the final quarter. In 2009 membership grew by close to 7 per cent (a further 177 paid members) in the period October - December, by 4 per cent in the period October -December in 2008, by 3 per cent in the same period in 2007 and 4.5 per cent in 2006.

## Report on *Economic Journal* Features

— *Compiled by Stephen Machin*

This brief report summarises the current position of the 'Features' section of the *Economic Journal*.

### *Process of submission*

The nature of 'Features' is heterogeneous in that their submission and selection is considered through a number of routes. The 'typical' one is that a Coordinator submits a possible feature through a proposal with signed up authors and abstracts (sometimes, for example if the feature arises from a conference, complete papers may be available). As Editor I then make a decision about proceeding to the refereeing stage, if necessary consulting with Associate Editors (if the academic content is not close to my areas of expertise).

### *Refereeing and decisions*

When a proposal moves to the refereeing stage, all papers are refereed and referees are asked to look at the whole feature and to appraise its suitability or otherwise. This is quite onerous and demanding, and more so than the usual refereeing request, but my experience is that referees have been very willing. There is again heterogeneity in the outcome here. In some cases, all papers are published, in others only a subset and in other cases all papers are rejected.

### *Book reviews*

The plan to date at 'Features' has been to produce substantive reviews of some of the more interesting and topical books published in academic economics. We have been successful in publishing a number of these, but the process has proven very time consuming and heavy on the administrative side of things.

## Leverhulme Prize in economics

The Leverhulme Trust offers prizes each year in selected disciplines and for the 2011 competition one of the selected disciplines is Economics.

Each Prize has a value of £70,000 and use should be made of the award over a two or three year period. Prizes can be used for any purpose which can advance the Prize holder's research, with the exception of enhancing the Prize holder's salary.

Nominations should be made by a Head of Department or equivalent and nominees should be under age 36 on the closing date. Further details are on the Leverhulme website: [www.leverhulme.ac.uk/funding/PLP/PLP.cfm](http://www.leverhulme.ac.uk/funding/PLP/PLP.cfm)

**The deadline is 17 May 2011.**

## Rising UK unemployment seems inevitable

This is the conclusion of Paul Gregg at the Centre for Market and Public Organisation at the University of Bristol. They point out that while economic growth was more rapid than most commentators expected during 2010 and that this was reflected in an increase in employment of 286,000, unemployment fell by only 17,000. Part of the explanation lies in the growth of working age population as a result, mainly, of young people joining the workforce. But a more unusual development is the increase in older workers staying in work. Some 850,000 over 65's now work, up nearly 100,000 over the last year and some 260,000 since the recession began. Furthermore, women aged between 60 and 65, that is above the normal retirement age now (but where the retirement age is heading over the next decade), have seen a further 80,000 increase over the last year. The result of the two developments, on Gregg's calculations, is that an extra 320,000 jobs are required simply to hold working age employment stable. Given spending cuts and a likely fall in the rate of economic growth over the next year, this looks unlikely.

This, and other policy-related commentary can be read on the CMPO's blog at: [www.bristol.ac.uk/cmpo/blog](http://www.bristol.ac.uk/cmpo/blog)

# Econometrics Journal

## — Managing editor's annual report

*The managing editor, Richard J Smith, made the annual report covering the period July 2009 to June 2010, to the Council of the Royal Economic Society in November. This is a shortened version of that report.*

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.

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.

### Progress

#### *Impact factors*

The third set of data from the ISI Citation Index on the *Econometrics Journal* became available for 2009. The journal impact factor is 0.733 (0.750) with the immediacy index at 0.125 (0.065); 2008 data are given in parentheses. The first of these data ranks the *Econometrics Journal* at 127 (104) out of 247 (209) economics journals. These statistics are very similar to those for 2008 and therefore remain rather disappointing; the corresponding figures for competitor journals are *Econometric Theory* 0.743 (125), *Journal of Econometrics* 1.902 (32), *Review of Economics and Statistics* 2.555, (18), *Journal of Applied Econometrics* 1.635 (42) and *Journal of Business and Economic Statistics* 1.562 (45).

#### *Promotion*

Table 1 which displays the geographical distribution of submissions indicates that proportionately the *Econometrics Journal* is still failing to attract submissions from North America. Indeed in relative terms the

numbers of *submissions* from North America has declined since 2009. In contradistinction Table 2 emphasises the continuing predominance of *accepted* papers originating in North America and Europe.

Consequently the *Econometrics Journal* has requested that Wiley-Blackwell provide a detailed summary of promotional activities specifically devoted to the *Econometrics Journal*. In addition the journal has started to construct its own database of econometricians broadly defined on an international basis. It has also initiated the compilation of a list of international conferences, workshops and meetings that are likely to be of interest to and attended by econometricians.

The intention is that together with the current Wiley-Blackwell efforts on behalf of the *Econometrics Journal* these lists will provide the basis for a focused promotional campaign to assist in achieving the objective of establishing the *Econometrics Journal* as a top international general field journal for the publication of econometric research.

#### *The Denis Sargan Econometrics Prize*

The *Econometrics Journal* on behalf of the Royal Economic Society will initiate The Denis Sargan Econometrics Prize. The prize will be 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 winner of The Denis Sargan Prize will be chosen by The Econometrics Journal Editorial Board (Managing Editor and Co-Editors) and the prize awarded in the year following publication of the winning article. The first award of the prize will be for an article published in *The Econometrics Journal* during 2011. If an article of sufficient quality is not forthcoming in a given year the prize would not be awarded.

#### *Royal Economic Society Annual Conference*

Submissions were invited from presenters at the *Econometrics Journal* Special Session on 'Factor



Models: Theoretical and Applied Perspectives' at the RES Annual Conference 2009 at the University of Surrey. The papers are:

Angelini E, G Camba-Mendez, D Giannone, L Reichlin and G Rünstler: 'Short-term Forecasts of Euro Area GDP Growth'.

Chudik A, M H Pesaran and E Tosetti: 'Weak and Strong Cross Section Dependence and Estimation of Large Panels'.

Ng S and E Moench: 'A Hierarchical Factor Analysis of US Housing Market Dynamics'.

Versions of the papers are now accepted and will appear in a Special Issue of *The Econometrics Journal* scheduled for publication early next year.

The *Econometrics Journal* organized a Special Session on Econometrics of Inequality at the RES Annual Conference 2010 also held at the University of Surrey. Papers were presented by Stephen Donald (University of Texas at Austin) and Russell Davidson (McGill University). Christian Schluter (University of Southampton) presented the discussion.

Submissions have been solicited from the presenters for a Special Issue of the *Econometrics Journal* on 'Econometrics of Inequality'. Special Sessions associated with *The Econometrics Journal* will be arranged at subsequent RES Annual Conferences.

### *EC<sup>2</sup> Special Issue on Recent Developments in Structural Microeconomics*

The Special Issue of the *Econometrics Journal* on 'Recent Developments in Structural Microeconomics' arising from the 19th EC<sup>2</sup> Conference held in Rome on December 19-20, 2008, is now complete and is scheduled for publication later this year. Jean-Marc Robin acted as Editor for this Special Issue. Contributing authors include: F Fève, J P Florens, P Haan, F Iskhakov, I Komunjer, L M Magnusson, V Prowse, A Santos and A Vanhems.

### *Book and software reviews*

Books were received from the publishers Cambridge University Press, Springer, McGraw Hill and University of Chicago Press. The Book Reviews Editor of the journal commissioned a review by G Koop on *A First Course in Bayesian Statistical Methods* (Springer, 2009) authored by P D Hoff. The review was published in Issue 13.1 of the *Econometrics Journal* during 2010.

The Software Reviews Editor of the journal has commissioned a review of Stata. The review has been delayed and is now expected to be published in an issue of the journal in 2011.

### *Publishers*

The difficulties earlier experienced with the typesetting of papers according to the *Econometrics Journal* 'Style Guide' have substantially subsided. Wiley-Blackwell have regularised their procedures which has substantially reduced the number of deviations. The placing of accepted papers on the web-site of the *Econometrics Journal* occurs rapidly usually within a week of receipt of the final version.

### **Editorial process**

The journal's Editorial Office has experienced no particular difficulties with Editorial Express® this year. Editorial Express® has responded promptly to any issues raised with them.

### **Statistics**

#### *Submissions*

A total of 162 new submissions were received under Editorial Express®. This total represents a modest increase of 13 (8.72 per cent) over that reported for 2009. Additionally there were 58 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 204 decisions were made by the Editorial Board. Of these 149 concerned new submissions which also comprised 3 associated with the RES Conference 2008 Special Issue of *The Econometrics Journal*. Of the remaining 146 new submissions 94 (64.38 per cent) were screen-rejections which represents a rise from the figure of 57.64 per cent for 2009. Of the 52 papers not screen rejected, 27 (51.92 per cent) were either return for revision or acceptance decisions (2009: 49.18 per cent), the remaining 25 (48.08 per cent) being rejections. Overall, 122 papers or 83.56 per cent (2009: 79.17 per cent) of decisions were either screen-rejections or rejections. A total of 17 non-Special Issue papers were accepted by the current Editorial Board.

The high number of screen-rejections reflects the continued 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 56 (26, 13, 98) [2009: 60 (28, 14, 98)] for decisions on all submissions and resubmissions. The figures in parentheses are the median, first quartile and third quartile estimates.

**Table 1 : Geographical Distribution of New Submissions**

<i>Region</i>	<i>1.7.09 - 30.6.10</i>	<i>1.7.08 - 30.6.09</i>	<i>1.7.07 - 30.6.08</i>
UK	23 (14.2%)	16(10.7%)	20(14.4%)
USA and Canada	31 (19.14%)	43(28.9%)	40(28.1%)
<b>Total</b>	<b>54 (33.34%)</b>		
Belgium	3 (1.85%)		
France	4 (2.47%)		
Germany	5 (3.09%)		
Italy	2 (1.23%)		
Netherlands	2 (1.23%)		
Scandinavia	13 (8.02%)		
Spain	7 (4.32%)		
Other	14(8.64%)		
<b>Total</b>	<b>50(30.86%)</b>	51(34.23%)	39(28.06%)
Australia/NZ	4(2.27%)		
China/HK	11(6.79%)		
India	5(3.09%)		
Israel	0(0.00%)		
Japan	2(1.23%)		
Other	36(2.22%)		
<b>Total</b>	<b>58(35.80%)</b>	39(26.17%)	40(28.78%)
<b>Total</b>	<b>162</b>	<b>149</b>	<b>139</b>

Kaplan-Meier estimates of the stratified survivor functions for time to decision are also presented. Excluding screen-rejections the respective figures are 91 (94, 45, 124).

The mean estimate for time to decision in days for all decisions on new submissions was 55 (23, 12, 98). The corresponding figures for non-screen rejections and for a resubmission decision were 123 (112, 93,150) [2009: 129 (138, 81,163)] and 125 (110, 93, 154) [2009: 118 (101, 77, 129)]. For resubmissions the mean estimate for time to decision was 62 (50, 21, 98) as compared with 63 days for 2009.

These data indicate a continued improvement in overall decision performance which as previously can be primarily attributed to the policy of intensively screening submissions. As last year a residual concern is that for non screen-rejected papers although decision times mainly are

not too out of line with the four month desired maximum turn-around period decisions for a few papers deviated substantially from the target due to some recalcitrant referees which has given rise to the relatively long tail in these various distributions. 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 is very grateful for the support of the Royal Economic Society and its officers. Particular recognition should be given to the editorial team and anonymous referees whose efforts ensure that the quality of the *Econometrics Journal* is maintained and improved. The publishers Wiley-Blackwell have also been a great support.



## News from the Economics Network of the Higher Education Academy

### The Future of the Economics Network

The Higher Education Academy has decided that it will cease to fund the 24 subject centres, including the Economics Network. We have funding until the 31 July 2011. The plan is then to wind up the subject centres over the following 8 to 10 months, with some 'transitional funding' at a reduced level for this interim period. This was reported in the *Times Higher* on 18 November at <http://bit.ly/aq7Pv5>.

This drastic reorganisation is not primarily in response to the cut in funding. The Academy is facing a cut of 15% from current levels over the next two years. Subject centres could have coped with that. Instead, this is seen as an opportunity by the Executive to move to a centralised management structure in which all support to lecturers will be managed from York. The plan is for consultants and people on short-term secondments to be used to run events and produce materials. The Academy plans to use this model to meet its stated objectives of supporting 'teacher excellence, developing academic practice, and institutional strategy'.

The Economics Network is currently exploring ways that it can continue its work in this new environment. We will keep you informed. The staff of the Economics Network would like to thank you for the support and encouragement you have given to us over the past 11 years. We welcome any suggestions or help you can offer us as we are forced to look to a different future.

### The Economics Network Key Contacts' Regional meetings

The Economics Network is running a series of regional meetings in order to discuss and explore departmental issues. The meetings are being hosted by Network's Associate Directors, Rebecca Taylor and Wyn Morgan and also provide an opportunity to input into how the Network provides departmental support:

- Edinburgh, Wednesday 19 January 2011
- Birmingham, Wednesday 2 February 2011
- London (Queen Mary), Thursday 17 February 2011
- Manchester (MMU), Wednesday 2 March 2011
- Bristol, Thursday 24 March 2011

Further information including online booking from:  
<http://www.economicsnetwork.ac.uk/news/>

### Developments in Economics Education international conference 2011

The Economics Network's biennial conference Developments in Economics Education will be taking place in London on the **6th and 7th September 2011**, venue to be confirmed. Further information including call for papers:

<http://www.economicsnetwork.ac.uk/news/>

### *International Review of Economics Education (IREE)* Special Issue: 'Classroom Experiments'

The Economics Network's international peer-reviewed journal *IREE* aims to promote research into effective learning and teaching in economics in higher education and is published twice a year. The current issue of *IREE* (Vol 9.2) is a Special Issue devoted to Classroom Experiments. Experiments are an increasingly popular form of experiential learning in which students are put in a simulated real world situation in which they make economic decisions. This helps them to see the real world applications of economics. The emerging evidence suggests that experiments promote deeper learning outcomes and make learning fun, which enhances the student experience of economics education.

The Special Issue includes seven papers that deal with the role of experiments and their effects on learning, as well as several studies of novel experiments that instructors could readily apply in their classes.

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## Geoff Harcourt honoured

### The Veblen-Commons Prize

Geoff Harcourt, who recently retired to Sydney and taken an emeritus position at the University of New South Wales, has just been awarded the Veblen-Commons prize by the Association for Evolutionary Economics. In making the announcement, Robert Prasch, President of the AFEE, said 'this award is presented annually by our organization to a scholar who in the view of the organization has substantially advanced our understanding of how economies actually work, in addition to insights that advance economic theory. In our mind, your achievements have been monumental, and our association would like to underscore this fact in bestowing this award'.

### Cambridge Conference

Furthermore, on the occasion of Geoff's 80th birthday next year and to celebrate his outstanding and dedicated service to the journal and to the economics profession, the *Cambridge Economic Journal* is sponsoring a conference at the University of Cambridge on 25th and 26th June 2011. The title is 'The Future of Capitalism'. Further information can be obtained from Stephanie Blankenburg, email: [sb123@soas.ac.uk](mailto:sb123@soas.ac.uk)

# Obituaries

## Robin Matthews

In the October issue of the RES *Newsletter* Geoff Harcourt's obituary of Robin Matthews concentrates comprehensively on Robin's economic publications. There are other important aspects of Robin's life and work, however, which are well worth discussing.

In his obituary Geoff says that Robin felt that his comparative advantage lay much more with scholarship than with attempting to change administrative structures. This was in reference to Robin's attempts to reshape the 'faction-benighted' Cambridge Faculty of Economics. This conclusion was probably generally correct, given Robin's outstanding scholarship. It relied too much however on the problems of the Cambridge Economics Faculty in the 1980's. Robin had considerable success in administration in other spheres, two in particular — the SSRC and Clare College, Cambridge.

Robin was Drummond Professor at Oxford from 1965 to 1975, but in the years 1972 to 1975 he was on leave in order to be Chairman of the Social Science Research Council. This was a major task, running a research council that had been created only seven years earlier. Robin faced opposition to the SSRC from Margaret Thatcher, when she was Secretary of State for Education in the Heath government, but he did not have the major problems that Michael Posner encountered a few years later. Then Sir Keith Joseph objected to social studies being regarded as a science, and threatened the SSRC's very existence, until Posner, with the help of a report by Lord Rothschild, saved it under its new name of ESRC. But Robin did an excellent job as Chairman of the SSRC, with his outstanding mind, his strong sense of fairness, and his ability to steer an acceptable way, in a clear and rational manner, on important funding issues affecting many different institutions and individuals. He showed these same virtues as Master of Clare College, Cambridge, from 1975 to 1993, where his civilised qualities, together with his intelligence and wide learning, and the support of his wife Joyce, made him an admirable head of house. In addition, during his tenure, he led a major fund-raising campaign, which enabled the College to build a new library, common room and musical facilities.

Soon after he became Master, Robin together with Alec Cairncross, decided that there was room for an informal group of economists who could tackle conflicting views of the problems of the British economy in as objective and clear manner as possible. Thus was born the Clare

Group, which was in existence from 1976 to 2002. Its members were economists from some dozen different institutions. Among its members from Cambridge were Brian Reddaway, Charles Feinstein, and Michael Posner, from London David Henderson, Tony Atkinson and myself, from Oxford Alec Cairncross, John Flemming and Peter Oppenheimer, and from Warwick Dick Sargent (later chief economist of the Midland Bank) and Marcus Miller. Other members included John Kay, Mervyn King, Alan Prest, and also Brian Tew from Nottingham. Members of the Clare group produced over 50 articles in total, published initially in the Midland Bank Review and then in the National Institute Economic Review. Robin and J R (Dick) Sargent edited a volume of the earlier papers of the group — 'Contemporary Problems of Economic Policy' — in 1983.

As if this was not enough, Robin was distinguished in a completely different sphere — that of chess problems. He once told me that he was far more distinguished as a chess problemist than as an economist. His speciality was to compose problems based on mate in three moves. In the British Chess Magazine in 1957 he published an article on mate in 3 which won the prestigious Brian Harley Award. In 1963 he published, with M Lipton and J M Rice, *Chess Problems — introduction to an art*, and in 1995 *Mostly three-Movers, Collected Chess Problems 1939 to 1993*. In 1939, it will be noted, he was twelve years old! On the occasion of the 1995 publication his publisher described him as 'one of the world's leading composers of 3-movers'. Robin spoke good Russian, in addition to his other linguistic gifts, in order to keep up with the Russian chess literature. His distinction was marked, already in 1965, by being named by the FIDE (*Fédération Internationale des Echecs*) as an 'International Master of Chess Composition'.

Returning to Robin as an economist and a generally wise man: he was awarded the CBE, was a Fellow of the British Academy, and a Foreign Honorary Member of the American Academy of Arts and Sciences. Among other appointments, he was a Managing Trustee of the Nuffield Foundation, President of the Royal Economic Society (1984-6), member of the OECD Expert Group on non-Inflationary Growth (1975-7), Chairman of the Bank of England Panel of Economic Consultants (1977-93), and the recipient of several honorary fellowships and degrees. He was also a cultivated and civilised human being, and a loyal friend. There are very few who can match him.

*Aubrey Silberston,  
Professor Emeritus,  
Imperial College, London.*

## Angus Maddison

In the spring of 1992, a conference was organised by the Economics Department of the University of Groningen to celebrate the 65th birthday of one of its Professors and his outstanding contributions to economics and economic history. It differed from the common *Festschrift*<sup>1</sup> occasion by not being confined to a coterie of disciples in some recondite discipline paying tribute to their retiring mentor. It was attended by 34 economists from 10 different countries.

All of us were intellectual debtors to a large, beefy, ebullient Geordie, Angus Maddison, with a hugely enviable record in his knowledge of the extent, manner, causes and methods for encouraging economic growth. He had given up a career as a senior economist in the Organisation for Economic Co-operation and Development (OECD) in order to have, as he put it, ‘more freedom to pursue my own research agenda’, adding that ‘The University of Groningen was the ideal spot for me’, admitting that he was also attracted by his love of picturesque old towns and ‘a night life which can compete with the Boulevard St Michel and the rue St Denis in Paris’.

Long before, he was a studious lad: the first of his family to attend a university, and, as a 13-year-old schoolboy at his local grammar school in Darlington, already interested in public affairs. This was perhaps not altogether surprising, coming originally from Tyneside where several members of his own family suffered from long-term unemployment. He arrived at Cambridge armed with an astonishing breadth of reading of famous economic texts, and particularly influenced by Keynes’s famous pamphlet *How to Pay for the War* and its reliance on Colin Clark’s pioneer efforts to produce national accounts.

He started as a history student at Cambridge in January 1945, but his long-standing interest in policy veered him towards economics. At that time LSE was still evacuated to Cambridge. He was able to attend the lectures given by an astonishing range of internationally known scholars, such as Hayek, Kaldor, Laski, Arthur Lewis and Tawney from LSE, as well as Cambridge notables such as Michael Postan, Dennis Robertson, Joan and Austin Robinson, and Maurice Dobb, who became his tutor. Nevertheless, Angus averred that ‘peer group was as important in the learning process as the lectures and supervision’, adding that those who contributed most to this aspect of his education were fellow undergraduates Wilfred Beckerman and Robin Marris, who were later to have equally colourful careers.

Much the most interesting professional legacy of his Cambridge years was a firm resolve to follow the career of economist and to specialise in economic measurement. He already had a subject in mind — reasons for differential productivity growth in countries with similar institutional structures. He would then be following the examples of Dobb, Postan and Austin Robinson, who were more attuned to deriving practical results from economic

analysis. They were not engaged in the time-consuming and bitter parochial disputes on high economic theory that were to tear the Cambridge faculty apart.

On graduation in 1949 Angus was given financial support to study across the Pond, first in Canada at McGill in Montreal and then in the United States at Johns Hopkins, Baltimore. Another opportunity was provided to study with outstanding economists. The Johns Hopkins faculty included Domar, Harberger, Clarence Long, Machlup, and ‘visiting firemen’ such as Bergson, Kuznets and Viner. Having his written work subjected to close scrutiny was a revelation. He had already drafted a 20-page paper on Canadian industrial productivity, which he showed to his supervisor, Clarence Long. He was amazed to receive back a 15-page commentary of documented criticism of his sloppy reasoning, weak evidence, poor table layout, inadequate sources and woolly conclusions! He had the good sense to realise that this was ‘exactly what graduate students need and usually do not get’.

On his return to the United Kingdom he already felt he was equipped to write up his findings. He was offered a one-year appointment at the University of St Andrews, where he had time to do so, and by the end of his period of tenure had three articles in line for publication in peer-reviewed journals. It is a matter for regret to me, a St Andrews alumnus, that my Alma Mater were not able to celebrate this astonishing evidence of professional skill by turning his temporary post into an established one. Fortunately, Angus’s talents were soon more clearly recognised elsewhere.

Angus joined the Organisation for European Economic Co-operation (OEEC) — as it then was — in 1953, just at the time when it had ceased to be economic coordinator for the US Marshall Plan and had moved towards fostering economic cooperation among its European members, later extended to include their economic relations with Canada, Japan and the US itself. This called for an immense improvement in the availability of statistics of growth performance and in their diagnostic quality. He was soon accepted as a member of the exclusive club of pioneering ‘*chiffrephiles*’<sup>2</sup> — as he came to label them — which included some top brass of the National Bureau of Economic Research, New York, such as Ed Denison and John Kendrick, both of whom presented papers at Angus’s *Festschrift*.

This considerable input of resources into computing national income data could be justified only if it shed light on the conduct of economic policies other than economic stability. This was symbolised in the link sought between economic cooperation and economic growth when the OEEC was transformed into the OECD.

From the 1960s to the 1980s, Angus became a key figure in answering this call. He identified more clearly the questions that the data had to answer: how to measure and compute growth performance? What causes inter-country

variance in growth rates? Will inter-country growth rates converge? What can be done to help poor countries develop faster? This led him into an extension of both the geographical coverage and the timescale of growth.

Education and technology, by now commonly labelled as 'human capital', became of special interest in the promotion of economic growth. Educational philosophers were horrified by the idea. Considerable opposition was encountered in persuading state educational departments to revise their databases to take account of the requirements of economic analysis.

These activities would have been impossible to pursue had Angus not taken periodic leave free of administrative duties, spending it visiting a plethora of countries ranging from Brazil to Mongolia. He came away from them leaving a trail of admiring officials anxious to help such an impressive, friendly and unstuffy international civil servant. He was not one who only shunted between their offices and some international hotel, hunched over a laptop.

His professional achievement as an economic statistician is obvious. Of particular interest today is the implicit criticism that his statistical methods provide of the projections on economic growth in the IPCC's attempts at estimating the influence of economic growth on climate change. He has forced a rethink of theories of growth, postulating take-off at different points in time for major western economies at which mercantilism was 'suddenly' succeeded by an industrial 'revolution'. His data showed that growth accelerated after 1820 in the West and was synchronous rather than disparate as between countries.

On policy matters he was resolute in his view that rising income per capita was a necessary if not a sufficient condition for the improvement in human welfare, making him sceptical of proposals to deduct estimates of the social costs of growth from per capita figures. This is not surprising, for Maddison knew all about poverty and economic hardship which was there for all to see during his childhood years in the north-east. His own father and mother had been forced to leave school at 12, but were ardent believers in educational improvement. When clever young Angus passed the examination to enter Darlington Grammar School, his Dad annually sacrificed six weeks of take-home pay as a railway fitter to meet the fees. Angus never forgot this.

*Alan Peacock*<sup>3</sup>

**Notes:**

1. Szirmai A, Van Ark B, and Pilat D (Eds) Explaining Economic Growth: Essays in Honour of Angus Maddison. (North Holland, 1993).
2. Maddison A (1994) 'Confessions of a chifrephile' *Banca Nazionale del Lavoro Quarterly Review*, 189, June.
3. This is a shortened version of the obituary that appeared in *World Economy* 11 (3) 2010. We are grateful to the editors and to Sir Alan for permission to publish this revised version.

## Nominations for the 2010 Bernácer Prize

The Bernácer prize is awarded annually to recognise the work of young European economists and to encourage research on macroeconomic and financial issues. Nominations for the Bernácer Prize must be received by **January 31, 2011**.

The prize is awarded annually to European economists under the age of 40, who have made outstanding contributions in the fields of macroeconomics and finance.

The prize includes a diploma and a cash award of €30,000.

Nominees should be economists under 40 at the end of 2010 with the nationality of one of the countries of the European Union.

Nominations should be presented in English and include the following documents:

- Nominee's name, mailing address, telephone, e-mail, present occupation, title and working institution.
- Curriculum Vitae and other supporting documents which provide relevant information of the nominee.
- Name, telephone, e-mail, present occupational title and institution of the person submitting the nomination.

Nominations must be sent by e-mail, under the title The 2010 Bernácer Prize to: [info@obce.es](mailto:info@obce.es)

**by 31 January 2011**

Sixth Conference on

Growth and Business Cycles in Theory and Practice

Call for Papers

30th June - 1st July 2011

The Centre for Growth and Business Cycles Research at the University of Manchester invites submissions of papers for its 2011 conference. Papers should be sent via e-mail to Noemie Rouault at:

[noemie.rouault@manchester.ac.uk](mailto:noemie.rouault@manchester.ac.uk)

The deadline for submissions is **22nd April 2011**.

The Keynote Speakers for this year's conference include Ed Prescott, Costas Azariadis, John Driffill and Domenico Giannone.

## Letter from France

# On te veux pas, vieux !

## The recent pension reform in France

*Alan Kirman reviews the recent upheavals in France over changes to pension schemes and points out a number of misconceptions — on the part of protesters and government*

There have been huge protests and demonstrations this year in France against the pension reform which had, as its main feature pushing the retirement age up to 62 from 60, still well below the age in most other countries. What is going on? Are the French out of their gallic minds? How can the pay as you go pension system survive if the population is aging fast and people are still leaving work so early? Could this be just an emotional reaction reflecting their Latin temperament? Remembering that this is the land of Descartes it is perhaps worth trying to find some more solid explanations.

The first thing to recall is that the current crisis has changed the nature of the discussion on pensions. It has completely eliminated any idea of France changing to a system of financing pensions by capitalisation. So what is under discussion is the current pay as you go system. The argument in favour of capitalisation, which is that returns on investment have been higher than growth has been undermined for the time being by the volatility of those returns and by the fear induced by watching pension funds elsewhere running into difficulties. It is also worth recalling that many arguments were made against capitalisation long before the current crisis. It was forcefully argued in the 70s for example that ‘the investment incentive provided by pay-as-you-go payroll tax financing is for collective investment by each generation in capital that will enhance the income of persons who will be working during the generation’s years of retirement’. The pay as you go system was seen as a manifestation of social solidarity and this is, at least in part, why it has been so disliked by the right. In any event whatever the nature of previous debates, the pay as you go system is now, in France, the only game in town.

What is the basic argument that suggests that the system is in difficulty and that even increasing the retirement age by two years may not solve the problem? The standard answer is simply that the proportion of the population over 60 is going to steadily increase until 2050 and that

the burden of paying the old cannot be borne by the young, unless pension benefits are decreased or pension contributions are increased or unless people work longer. However, a closer look at the demographic evidence suggests that France is not really in trouble in comparison to other countries and that the alarmist picture painted is exaggerated. The French fertility rate is 2.02 and current U.N and OECD predictions are that by 2050 France will have the largest population in the European Union with 75 million ahead of Germany. Thus though the proportion of seniors will increase the problem is less serious than elsewhere. The downside of this, from certain political points of view, is that the largest contribution to the increased fertility comes from immigrants. 25 per cent of the growth in population is from immigrants who only make up 10 per cent of the population even if defined in

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“ The pay as you go system was seen as a manifestation of social solidarity and this is, at least in part, why it has been so disliked by the right. In any event whatever the nature of previous debates, the pay as you go system is now, in France, the only game in town. ”

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the broadest way, (at least one grandparent born abroad). As an example over 55 per cent of new-borns in the Paris area last year have at least one foreign born parent. Many years ago this spectre was already rising and I found pamphlets, left on the windscreen of my car, warning me to beware

of *les immigrés avec leur taux de natalité galopant* and with three children I was definitely in the line of fire. The recent French reaction to what is thought of as too high immigration is to ship out undesirable and illegal immigrants, often in violation of European Union law. However, conveniently those who are sent ‘home’ and who are described as non-contributors have also ethnic backgrounds which make them less willing or able to adopt ‘republican norms’. It is also a popular illusion in France that the majority of immigrants come from Africa and in particular the Magrheb, whereas the majority of immigrants are European. Be this as it may, immigration is providing a partial solution to the pensions problem.

However, it is true that, even with the increasing birthrate, as things stand, the social security the system will be increasingly in deficit, unless changes are made. What are the solutions? The usual answers are a rise in contributions or a decrease in benefits or a reduction of the num-

ber of people collecting pensions. Given the nature of the system this would seem to follow from simple arithmetic. The last of the three is what has been legislated for by the government. Contributions have been increased by making the number of quarters worked before one is entitled to a full pension higher. Alternatively this can be described in a reduction in benefits for somebody with a given working life. The French system is complicated, since one first retires and then at a later age, now 65 moving up to 67 one gets a full pension. Thus in the intermediate period before that age but after moving out of the workforce one receives less. Furthermore if, by the time one reaches retirement age, (65 at the current time and 67 in the future), one has not worked the full number of quarters necessary the pension is reduced accordingly. Thus already it becomes clear that what is involved in the current reform is not simply collecting a full pension at 62 rather than at 60. Indeed, in part, the uproar that greeted the reform is fuelled by the fact that before collecting a full pension one will now have to wait till 67 and will have a period with lower income before the full pension is available. This is particularly unjust for those in the lower income range since their life expectancy is shorter.

But, there is another question. Does this reform actually economise much? It surely would have done so if, as the law states in its preamble, the reform were to result in an increase in the length of the average working life. However, there are good reasons to doubt that this will be the outcome. Despite several major measures: the *accord national interprofessionnel relatif a l'emploi des seniors* in 2005, the *plan national d'action concerté pour l'emploi des seniors* in 2006, the imposition of fines from 2009 for firms who did not specify measures for increasing their senior employment and the relaxing of the restrictions on cumulating pensions and salaries. Despite all of this the rate of employment for the 55-59 year age group is still very low at 54 per cent. This means that many people will be on unemployment benefits two years longer. Furthermore, at least part of the medical insurance for these people will fall on the *Mutuels* who provide complementary insurance and since the average age of the people covered by these will rise, so will the fees. In other words what looks like an improvement in the financial state of the pensions system will largely be transferred to other parts of the public sector and will not go far to reducing the national debt. What savings will be made will be made at the expense of those in the limbo period where they have left, usually involuntarily, the labour force and are not yet able to claim a pension. The savings are not great but they do hurt those with low incomes who, in any event, do not have a very substantial pension to look forward to. It was this vision of being out of work but having less than their limited pension that touched a raw nerve with the demonstrators rather than the prospect of having to work longer.

It should be clear by now where the real problem lies. France has been less successful than the other OECD

countries in keeping seniors at work. The situation is radically different from that in the Scandinavian countries, often taken as an example, where the employment rate of seniors between 60 and 64, in Sweden is over 60 per cent whereas in France it is around 16 per cent. For workers between 55 and 59 it is 80 per cent in Sweden and only 57 per cent in France. The immediate reaction to any action to improve this situation is to argue that increasing senior employment will merely reduce opportunities for the young. Yet econometric studies such as that by Ben Salem et al. (2008) show that, even correcting for the overall unemployment rate there is no evidence that reducing labour force participation of the old provide jobs for the young. Indeed the evidence suggests that to use their words 'the correlation between youth labour market outcomes and older worker's labour force participation pleads more in favour of a positive association between younger and older workers' employment'.

One standard explanation for the situation is that incentives for individuals to leave the work force early are too high. The pension system and various legal measures give older individuals too high a reservation wage and that is why they stay unemployed. This is not really consistent with the evidence which suggests that very few employers are willing to take older workers on and are, on the contrary, happy to let them go early, or if in a position to do so, to fire them. The major problem is that they are very unwilling to take on senior workers and as the latter try to remain on the labour market after losing a job they find very few doors open.

So we come to the last piece of the puzzle. Why do French employers have such a poor view of older workers? In response to questionnaires employers suggest that seniors' efficiency is limited by a lesser degree of mobility, reduced adaptability to change and new technologies, and health problems (limited work capabilities). In some studies slightly lower age-related productivity can be observed, which may be partly attributable to a noticeably diminished capacity for training.

Yet what was emphasised in the campaign to induce employers to take on more seniors in Finland for example was, that the advantages of employing seniors include high levels of expertise in specific areas, their knowledge of the working environment, professional conscientiousness and low training costs. This human capital it was explained is a national asset. In comparison it is worth looking at how the French government set about trying to change the attitude towards seniors. They ran a campaign, in which sprightly golden oldies said things like 'I can still run a marathon faster than you so why can't I work with you?' or worse, 'I can make love better than you so why won't your firm take me on?'. From a psychological point of view this was ludicrous since the idea was even more clearly implanted in those watching the ads, that these people were exceptions and that the great majority of seniors could hardly run and probably had



given up making love ! Hardly the best way of improving their image !

As a sociologist Anne-Marie Guillemaud has argued, what is really necessary is a radical change in the perception of the usefulness of seniors and this was unlikely to be achieved in this way. A substantial increase in the senior unemployment rate coupled with the favourable evolution of the fertility rate would essentially remove the threat of a collapse in the pension system. For example, although it is little mentioned there is a group of people, still a minority in France who are unhappy at the idea of having to retire. One obvious way of using this to reduce the weight of the unoccupied is to allow people to choose, subject to some minimum when they retire. This is anathema to the unions who argue that people will be blackmailed into staying on. Yet this is so much at odds with the attitude of employers as revealed by the statistics on job offers to older workers that it seems a more political than real argument.

Of course there are many other aspects of the problem that I have not touched upon. One of these is the existence of a black economy which has an impact on seniors' activity, since they often take on undeclared temporary jobs, Another is the restrictive measures which prevent some people who receive a pension from earning more than a limited sum.

Most of the econometric models used to make predictions about the evolution of pensions do not address this problem directly. They take the age structure of the employed as essentially fixed. Nevertheless, international comparisons suggest that this could be modified and that it is, in large part, the attitude of employers rather than the unwillingness of the unemployed to accept job offers that is preventing such a change from happening. This is not to suggest that the attitude of workers is not involved. A typical response in recent survey on the attitudes to work of seniors was, 'I prefer to be a young pensioner than an old worker'. There has been a co-evolution of the attitudes of employers and employees.

All of this helps to explain the roots of the pension problem in France but does not seem sufficient to explain the massive strikes and protests against the recent reform. For this it seems to me there is a last and very important argument which is a political one. A non-cooperative game was being played. Two parties the government and the trade unions were on the opposing sides with respect to the reform. One of the primary aims of the government was to show that it was firm in its resolve to push through its reforms and was not going to be deviated from its path by public opposition however vocal. They had two implicit justifications for this. First, 'we were elected on a platform that included pension reform' and second, 'this is the only way to save the pay as you go pension system'. The unions argued that the system is particularly inequitable and that it penalises the poor and those who have jobs which are *penible*. The latter argument has

been used with great success by the unions. The idea of somebody who does a back breaking job having to continue even longer than now has been extensively used to oppose the current reform. The government's insensitive response was to suggest allowing doctors to examine candidates for early retirement, with physically demanding jobs and to decide to what extent their health had already been ruined!

Whatever the rights and wrongs of the two positions, essentially no real negotiations took place. The government, in forcing the legislation through, believes that it has consolidated the support of its natural constituency the conservative right, whilst the left with demonstrations, even after the legislation had passed, consider that they have reinforced their identification with more compassionate and equitable policies which they believe will stand them in good stead at the 2012 elections. Being seen to be in opposite and irreconcilable positions was, in the view of both sides, an important element of their longer term strategy.

But, abstracting from the polemic surrounding the question it is clear that the heart of the problem is the way in which senior citizens are perceived by employers and by themselves. Changing this has been an objective, albeit a transient one, for many years of many governments. Yet the prevailing impression, reinforced by the unions, is that work is the purgatory that one has to go through to reach the paradise of retirement. Given the attitude of employers and their fellow workers it is not surprising that French senior citizens are, in the great majority, anxious to leave the work force as soon as possible. It should be clear by now that aging in France, particularly at work, is not without problems. However, it is worth remembering what Maurice Chevalier had to say when asked whether getting older didn't worry him, 'Not' he said, 'when I consider the alternative.

## References

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# Banker Re-education

*In this short article, Ray Rees describes a recent initiative to reduce the risk of another major financial crisis. As the report shows, the initiative has so far had little success. Ray is emeritus professor at the University of Munich and programme director at the Centre for Economic Studies (CES).*

In her visit to the London School of Economics in November 2008, HM the Queen asked her now-famous question: why had no-one foreseen the banking crisis that was now devastating the Western economies? In response, the British Academy swiftly convened a conference with leading representatives of business and the City of London, financial regulators, academic economists and civil servants to find an answer. This answer was contained in a letter written to her Majesty by Professor Tim Besley and his colleague Professor Peter Hennessy, which I'm sure many of you have read.<sup>1</sup> The result of this was the formation of the Commission to Re-educate Bad Bankers (CReBB), whose activities are the subject of this note.

The Commission decided to set up a School of Banker Re-education (SoBRe) and gave the well-known behavioural psychologist Professor T Sharpe of Porterhouse College, Cambridge the job of designing the re-education programme. Since the government now owns large parts of most of the major British banks, it was able to require the senior bankers to attend the short courses held at the School, which Professor Sharpe designed.

On entering the programme, the first thing the bankers received was a good haircut. Then they were ushered into a darkened cinema-like room with comfortable seats and a large screen. The bankers were asked to put on a headset which, unknown to them, contained a set of sensors. A sequence of words was then flashed on the screen: **Bonus**; **Stock Options**; **Mortgage-Backed Securities**; **Credit Default Swaps**; and so on. If the sensors registered a warm glow of pleasure or approval from the banker, the seat was programmed to deliver to him a small but perceptible electric shock. This is of course a very standard behavioural training device.

Unfortunately, the supervisors found, after a few repetitions of this treatment, that there was in fact an *increase* in the warm glow the bankers experienced at the sight of these words, even after the shocks had been administered.

This made them suspect that bankers were not at all like the standard subjects in psychological tests. Professor Sharpe's request to be allowed to increase the voltage of the shock considerably was turned down at the highest level, and so he had to rethink his strategy.

His next idea was the Bad Bankers' Maze. Each banker, alone, equipped with a briefcase labelled **Risky Assets** and a rolled-up umbrella, had to enter a maze of corridors. He was then led by a series of subliminal signals to a small room with a door marked EXIT. Just to the left of the door was a recess set into the wall, and on a shelf in this recess was a large pile of bundles of one-hundred

pound notes. A small sign above the notes said: **Capital Reserves**. If, as they all did, a banker took some of these reserves and stuffed them into his risky assets briefcase, a loud noise would sound, red lights would flash, and a small stick, labelled **Regulator**, would come down and rap the banker lightly on the back of his hand. The door would then open onto the

start of the maze and the banker would have to go through the maze again

Unfortunately this did not work either. The bankers responded by running back through the maze as fast as they could go to the shelf with the money, and then stuffing more of the capital reserves into the risky asset briefcases. They would then take the regulator's rap on the knuckles with a smile, and set off back through the door to go around the circuit again. Some of them even used their rolled-up umbrellas to lever the bundles of notes into their briefcases more quickly, and so they received a second rap on the knuckles for 'excessive leverage'. They did this until only about 5 per cent of the original pile of money was left. The supervisors labelled this the 'take the money and run' strategy. Once again, Professor Sharpe's request to have the Regulator deliver a sharper rap on the knuckles was rejected. Clearly major rethinking was necessary.

The members of the CReBB were very unhappy at this lack of progress under Professor Sharpe and asked

“ Unfortunately this did not work either. The bankers responded by running back through the maze as fast as they could go, to the shelf with the money, and then stuff more of the capital reserves into the risky asset briefcases. They would then take the regulator's rap on the knuckles with a smile... ”

Professors Besley and Hennessy to explain to him the main point they had made in their letter to the Queen. This was that the chief underlying cause of the crisis had been that each part of the banking system concentrated only on the risks it itself took in its investment banking activities, but no-one had taken account of the way in which all these risks interacted to undermine the stability of the system as a whole, the systemic risk. Once he had understood this, Professor Sharpe hurried off to design the definitive re-educational instrument.

This he called the *Banker's Dilemma Game*. A large wooden platform was constructed over a big plastic tank containing very cold water, to a depth of about five-and-a-half feet. On the platform were 10 computer screens, placed in what looked like voting booths, so that no screen was visible to anyone but the banker who sat in front of it. On each screen were two small circles. Next to the first circle was the message:

**I give you 2% return with no systemic risk**

Next to the second circle was the message:

**I give you 25% return with huge systemic risk**

Each banker had to touch one of the circles on the screen. If five or more bankers chose the 25 per cent return, the platform floor would open up and gently but firmly all ten bankers would be propelled into the cold water.

Professor Sharpe assured the Commission that no banker would come to any physical harm. All they had to do was to wade through the water, helping themselves along by flailing their arms in a kind of swimming motion, until they reached the side of the tank, where they would be helped out by attendants who would wrap them in soft towels and give them a warming drink. A little to his surprise, he was given permission to go ahead with this game.

Unfortunately, on its first trial, things went badly wrong. eight bankers chose the 25 per cent return and according to plan all the bankers were tipped into the water. But Professor Sharpe had overlooked the fact that some of the bankers were rather large and overweight and not able to propel themselves to the side of the tank. They were, so to speak, too big to flail. It took some time to rescue them and some of them contracted bad chills and had to be released from the course.

For the moment SoBRE's activities have been suspended, Professor Sharpe has been fired and CReBB is deeply divided on the next steps to take. So if you have any suggestions, you could send them to Professors Besley and Hennessy, or perhaps to Her Majesty the Queen, who I'm sure will warmly welcome them.

**Note:**

1. Printed in this *Newsletter*, No. 147, October 2009.

## VoxEU and the global economic crisis

In his editorial of 25th December, Richard Baldwin (editor-in-chief of VoxEU) shows how recent crises have demonstrated the value of electronic commentary and analysis of the kind provided by the Vox team. The clearest evidence lies in the way in which the traditional media have drawn on Vox commentary, published a few days before. Two examples:

- When Martin Wolf used his *Financial Times* column to explain that the Paulson Package would not be the solution he bolstered his logic by citing the experts — all of whom posted on Vox days before.

In September 2008, the *FT* invited Daniel Gros and Stefano Micossi to publish a shorter, dumbed-down version of the Vox column ('The beginning of the end game...') they had posted 4 days before.

More recently, Carmen Reinhart published three Vox columns anticipating the Eurozone sovereign debt crisis.

What all the recent upheavals have shown is that there are times when events move too fast for the traditional media and when this happens, the Vox-model comes into its own. The figures say it all. In July 2008, Vox had 194,625 pageviews by 69,424 visitors. By June 2010, the figures were 1.5m pageviews by over 5,000,000 visitors.

The editorial can be read at:

<http://voxeu.org/index.php?q=node/5974>

## Examiner opportunities at Edexcel

Edexcel is currently recruiting Economics specialists to mark GCE Economics examinations. They are keen to recruit Economics experts who are teachers, lecturers or occupational professionals.

Examiners undertake a vital role in education, shaping the future of thousands of students. As experts in this field, they will already possess high levels of commitment and dedication. Comprehensive training and support will be offered throughout the assessment process, whether this involves scripts marked traditionally or online.

The marking period is between May - July with an average allocation of scripts taking around 45 hours to mark.

For more information and to complete an online application form, please visit [www.edexcel.com/aa-recruitment](http://www.edexcel.com/aa-recruitment).

Queries by email can be addressed to:  
[aaresourcing.relations@edexcel.com](mailto:aaresourcing.relations@edexcel.com).

# Can We Save Defined Benefit Pensions?

*In the light of the recent issue of the Economic Journal (no. 548, November 2010) featuring articles on financial literacy, Thomas Kempner<sup>1</sup> revisits an issue that he raised in these pages in 2005 and makes a concrete proposal for the redesign of pension schemes.*

A recent issue of the *Economic Journal* contained fascinating articles about financial and economic literacy and the effect on incomes at older ages. Very briefly, the articles show that most people do not have enough knowledge or experience when choosing a pension: which pension companies to choose or trust, nor understand the long-term outcome for their retirement income.

The gradual disappearance of defined benefit schemes could not have come at a worse time. We expect an ageing population whose numbers will increase, an uncertain economic outlook and cuts in State-funded benefits. The last article in the *EJ*, 'The Role of Private Finance in Paying for Long-Term Care', showed the importance of good, well-funded and predictable pensions that should be the basis of care for the aged.

So far, no proposal for pensions, however ingenious, comes close to resolving the above problems. I believe that the only solution would be defined benefit pensions of the right kind, if only we could find a way of resurrecting them! I have been concerned about this for years and in the *Newsletter* of April 2005 suggested that pensions similar to the University Superannuation Scheme — USS — might solve the problem. I repeat some parts of that note here.

USS is a mutual scheme with employers and employees contributing a percentage of pay. Trustees chosen from the members run USS plus a few others co-opted for their special knowledge. USS is an index-linked final salary scheme, with good benefits for dependents. The trustees employ professional staff for administration and investment advice. USS is solely for the benefit of its members and their dependents. There are no shareholders or dividends and no normal marketing costs. USS is run by its own Trustees and not by the Government.

USS is unusual because its 'business', which is in the public sector, is unlikely to contract despite government meddling and control. Could USS be adapted to restore final salary pensions in the private sector? Let's call it a BSS or Business Superannuation Scheme for now. Like USS, Trustees would run the scheme for the benefit of all members.

In a BSS many costs now associated with insurance companies or fund managers could be reduced or absent. In good years the Trusts may accumulate surpluses greater

than required by actuarial calculations. Such surpluses should never result in contribution holidays (that have done so much damage to many company schemes), but should be used as a cushion against the downturns that are inevitable over the long term. All contributions should be for the benefit of individual employees and, when they move to new jobs, their company fails or is taken over, the pension rights stay with the employees.

It is vital to provide incentives for businesses to move back to final salary pensions and this should include a guarantee that never again will governments raid pension funds. The financial reporting rules when estimating the value of the assets held by the Trustees need to be reconsidered. There should also be good tax incentives for firms and employees.

It would be too risky for any scheme to be based on a single firm, however large, or an industry or even a geographical region because all these can decline or fail. I suggest encouraging variety and experiments on the size and type of scheme; from these the whole system can learn. Companies might group together for size, location and type of business. Professional Associations, Chambers of Commerce and similar organisations could also become pension trusts especially for smaller firms. There may be other and better ways of allocation provided there is protection from the risk of failure if the trust is too narrowly based or is seen to be ineffective. The objective is to protect pensioners and, as far as possible, give a secure income in retirement. Not perfect, but better than anything now available.

Many questions remain. These include: firstly, should all trusts collect the same percentage contribution from employers and employees? Secondly should there be a single set of rules of governance for all schemes? Thirdly, some regulation is inevitable, but it should be lightly applied and allow the system to evolve and not hamper innovation with excessive detail.

Many readers of this *Newsletter* will be members of USS or, like me, be a pensioner member and very grateful for our good fortune. Even if members had to pay a few per cent more, it would still be an excellent pension investment. The writers of the articles in the *Economic Journal* have very clearly shown us a dire picture for future generations.

...cont on p.21

# RES Annual Lecture

*Professor John Van Reenen, director of the Centre for Economic Performance, gave the Royal Economic Society's annual public lecture at the Royal Institution in London on Thursday 2 December and at the University of Manchester on Friday 3 December.*

The coalition government's current focus on macroeconomic policy is taking attention away from essential microeconomic reforms to help restore growth. In particular, we need a way forward built on improving the UK's managerial capacity — especially in manufacturing.

This was one of the conclusions of Professor John Van Reenen, director of the Centre for Economic Performance, when he presented the Royal Economic Society's annual public lecture last month.

He argued that key ways of raising productivity growth by improving management include increasing education and skills (at both the high and low end of the skill distribution); promoting competition and innovation; and tax reform that gets rid of the distortions that promote inefficient family-run firms.

The lecture drew on a large body of research on the impact of management practices on firm performance and national productivity growth, which has collected and analysed data on firms across Asia, Europe and the Americas. Among the findings of this research:

- At the firm level, better management practices are strongly associated with higher firm-level productivity, profitability and survival. It seems clear that they also play an equally important role in country-level productivity growth.
- US firms have the best management practice on average, with a 'Premier League' of the Germans, Japanese and Swedes just below. The UK is distinctly mid-rank alongside France, Italy and Poland but ahead of Southern Europe and developing countries — Brazil, China, Greece and India — which stand at the bottom of the management league.
- Tougher competition boosts management quality. In particular, the tail of badly managed firms shrinks in highly competitive markets. Competition policy is a powerful tool for improving productivity.
- Firms that are both family-owned and family-managed tend to be very badly run. The worst managed firms are those that hand down the top position using the ancient practice of primogeniture (succession of the eldest son). Policy should encourage meritocratic selection of chief executives.
- Multinationals have good management practices wherever they are located — so multinational subsidiaries located in Brazil, India and the United States all appear to be well run. Policy should avoid protectionism and encourage greater trade openness.

- Raising productivity through better management does not come at the cost of making workers miserable. Firms with better management scores also have superior work-life-balance and more family friendly policies.

In terms of the government's fiscal policy, Professor Van Reenen concludes that extreme austerity is no answer: 'Rebalancing the economy by reducing public spending and raising taxes is necessary, but the speed and scale is a political choice. The planned fiscal contraction will have long-lasting negative effects on economic prosperity.'<sup>1</sup>

## **Note:**

1. Professor Van Reenen's views on the government's fiscal austerity programme are set out more fully in *Newsletter* no. 150, July 2010

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## **Saving defined benefit pensions** ...cont from p.20

Surely, we economists should try to find a solution. Of course, there are always people who will instinctively find 22 reasons for killing off any ideas. Let's not listen to the. We ought to give it a try!

### *Addendum*

When he wrote to accept the above note, the Editor of this *Newsletter* drew my attention to a recent Royal Society of Arts proposal for a 'People's Pension' which I have now seen. It is a very good and comprehensive guide to defined benefit and defined contribution pensions and why both are now having problems. They show that the fees and costs of private, non-state, pensions are much too high and produce inadequate results. The RSA proposes large, collective, pension schemes to be run by trustees to replace occupational and private pensions that they say are 'not fit for purpose'. Large size, covering many organisations, would bring economies of scale and lower risk. Pensions, the RSA says, could be at least 50 per cent higher.

The RSA and I are both searching for safe, reliable pensions with good retirement incomes in which employers and employees will have confidence. Collective or Mutual similar to USS or both — let's go for it; we need them!

## **Notes:**

1. Prof Kempner is Emeritus Professor at Henley Management College and Brunel University. In earlier years he was Principal at Henley Management College, Chairman of the Henley Centre for Forecasting Ltd and Chairman of the Council of Brunel University. His earlier article appeared in the April 2005 *Newsletter*, no 129.

# RES

## news items

### 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 2011 at the latest**.

John Beath  
Secretary-General

### New Special Project Grant Funding

The Society has decided to introduce a further funding stream for financial assistance on a one-off basis for the 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 to:

The Administrator, Royal Economic Society, School of Economics and Finance, University of St. Andrews, St. Andrews, Fife, KY16 9AL, UK  
or by email to royaleconsoc@st-andrews.ac.uk.

### Women's Committee Elections

The election of members onto the committee had lapsed resulting in very long service periods for the current members. A call for nominations successfully generated a list of candidates which the RES Executive Committee approved to be included in the ballot that took place in September/October. Those elected to serve from April 2011 are Professors Wiji Arulampalam, University of Warwick (until 2015); Sarah Smith, University of Bristol (until 2015); Richard Disney, University of Nottingham (until 2014); and Maria Goddard, University of York (until 2014).

For further details on the work of the Women's Committee please see the website: [www.res.org.uk/society/women.asp](http://www.res.org.uk/society/women.asp) or contact the Chair, Professor Karen Mumford at [kam9@york.ac.uk](mailto:kam9@york.ac.uk).

### Visiting Lecturer Scheme

In order to assist the objectives of the Society, the RES has decided to reinstate their Visiting Lecturer Scheme with effect from 2011. The conditions of the scheme are as follows:

- Economics departments in any UK university may suggest the name of a distinguished economist for a visit to their department. Such visitors may be from within the UK or from overseas. The Society will make up to five awards in each financial year, though the visit need not necessarily take place in the financial year in which the award is made.
- The visiting lecturer is expected to give a series of lectures, seminars or workshops and to be available for consultation by staff and students. At least one of the lectures etc. should be open to those outside the host University and should be publicised, for example in the *RES Newsletter*.
- It will be the responsibility of the host department to cover the costs of travel and hospitality. The Society will pay a fee of £2000 to the lecturer. At the conclusion of the visit both the visiting lecturer and host department should submit a report to the Secretary-General. Payment of the fee will be conditional on both reports being received.

Applications should be made in writing to the Secretary-General of the Society and will be considered by the Executive Committee in February and in October. 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](mailto: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

## QE Conference

The *Economic Journal* is organising a conference on 17 and 18 November 2011 in association with the Bank of England. All papers accepted for the conference can be submitted to the *Economic Journal* for possible publication in a special 'Features' issue.

The intended focus of the conference will be mainly on the UK's recent experience, but papers with a broader international or historical perspective are also welcome. Papers should be sent to [QEConference@bankofengland.co.uk](mailto:QEConference@bankofengland.co.uk)

For further information see p. 14 above and: <http://www.bankofengland.co.uk/publications/events/QEConference/callforpapers.htm>

## RES Training Schools

The Royal Economic Society has granted funds to the University of Birmingham to provide an Easter School for twenty years. The RES is delighted that RES financial support combined with success in obtaining funding from the ESRC's Researcher Development Initiative will enable the University of Birmingham to now run two schools in 2010, 2011 and 2012. One school will be devoted to some aspect(s) of macroeconomics, and the other to subjects of a microeconomic character.

These training schools are intended primarily for advanced postgraduate students doing doctoral research but are also open to members of the teaching and research staff. The purpose is to enable participants to become acquainted with the latest developments in the selected fields of economics, to have the opportunity for study and discussion with two internationally renowned experts in the topics covered, and to meet other young researchers. Places are usually available for 25 resident participants. Accommodation and meals are provided for the duration of the course. Nominations are made through the applicant's Head of Department and should be supported by a short CV, a reference, and a note on the applicant's research interests.

Application dates are provided on the RES website, the RES newsletter and emailed to University Heads of Economics Departments via CHUDE.

The twenty-first Easter School will be held at The University of Birmingham from Sunday 27th March 2011 - Thursday 31st March 2011. In 2011, the subject of the school will be Fiscal Policy. The lecturer will be Professor Fabio Canova (Universitat Pompeu Fabra, Barcelona).

For further details on how to apply (deadline is **31 January 2011**) please see the RES website or contact the RES Easter Training School Secretary by email: [easter-school@contacts.bham.ac.uk](mailto:easter-school@contacts.bham.ac.uk).

## Support for small academic expenses

The Society is able to offer financial support to members who require small sums for unexpected expenditures. The type of expenditures which could qualify for support under this scheme include travel expenses in connection with independent research work, the purchase of a piece of software, expenses for a speaker at a conference being organised by the applicant's University or Institute, etc.

Please note that the awards under the grant schemes are highly competitive, and selection will be based on the following criteria. Preference will be given:

- for initiatives which are for the benefit of new entrants to the profession;
- to initiatives which cannot ordinarily be funded from other sources, such as existing research grants.

Please note that no awards will be made to any applicant who has received an RES grant (under the Conference Grant or Support for Small Academic Expenses schemes) in the 3 previous years.

The closing dates for applications are **31 January, 31 May, and 30 September** each year and applications will only be considered at these times.

## Conference grant fund

The Society's Conference Grant Fund is available to members who are presenting a paper, or acting as a principal discussant at a conference; support of up to £500 is available. Awards are made three times a year.

The closing dates for applications are **31 January, 31 May, and 30 September** each year in respect of conferences which take place in the ensuing four months.

Please note that the awards under the conference grant scheme are highly competitive, and selection will be based on the following criteria. These criteria should be addressed by the Head of Department in his/her supporting statement on the application form.

Preference will be given:

- to applicants who are new entrants to the profession;
- for attendance at high-impact international conferences;
- to applicants whose attendance cannot ordinarily be funded from other sources, such as existing research grants.

Please note that no awards will be made to any applicant who has received an RES grant (under the Conference Grant or Support for Small Academic Expenses schemes) in the 3 previous years.

Application forms and further particulars may be obtained from either:

[www.res.org.uk/society/grants\\_fellowships.asp](http://www.res.org.uk/society/grants_fellowships.asp)  
or Professor Anton Muscatelli, Principal and Vice Chancellor, University of Glasgow, University Avenue, Glasgow, G12 8QQ. E-mail: [k.gray@admin.gla.ac.uk](mailto:k.gray@admin.gla.ac.uk)

# Conference Diary

2011

january

*January 12*

*Warwick*

**Technology in teaching and assessment workshop** (Economics Network) at the University of Warwick. Presented by Juliette Stephenson and Carlos Cortinhas from the University of Exeter.

*Further information including booking:*  
[www.economicsnetwork.ac.uk/news/](http://www.economicsnetwork.ac.uk/news/)

*January 19-21*

*Pisa, Italy*

**ICEE 2011 — 4th Italian Congress of Econometrics 7 Empirical Economics.** This biennial conference is organized by the Italian Econometric Association (SIDE-Società Italiana di Econometria). Economists, statisticians and econometricians are invited to submit theoretical and applied papers in all areas of econometrics and empirical economics.

*Further information:*  
[http://virgo.unive.it/side/?page\\_id=188](http://virgo.unive.it/side/?page_id=188)  
or Franco Peracchi, email: [franco.peracchi@uniroma2.it](mailto:franco.peracchi@uniroma2.it)

*Jan 20-21*

*Paris, France*

**International Conference on Social Cohesion and Development**

*Further information:*  
Contact: Martha Baxter  
[SocialCohesion.Conference@oecd.org](mailto:SocialCohesion.Conference@oecd.org)  
or [www.oecd.org/dataoecd/20/58/45964694.pdf](http://www.oecd.org/dataoecd/20/58/45964694.pdf)

*January 26*

*Edinburgh*

**Setting up and managing student placements** workshop (Economics Network) at Heriot-Watt University, Edinburgh. Presented by Dorothy James from the University of the West of England

*Further information including booking:*  
[www.economicsnetwork.ac.uk/news/](http://www.economicsnetwork.ac.uk/news/)

march

*March 20-22*

*Oxford*

**The Centre for the Study of African Economies** Conference 'Economic Development in Africa' to be held at St Catherine's College, Oxford. The CSAE is celebrating its 25th anniversary during 2011. The conference is to be expanded both in the range of topics and in the number of available places.

*Further information:*  
[www.csae.ox.ac.uk/conferences/](http://www.csae.ox.ac.uk/conferences/)

april

*April 4-6*

*Perth*

CALL FOR PAPERS

**Scottish Economic Society Annual Conference.** The SES invites submissions of papers for presentation and proposals for dedicated paper sessions at its Annual Conference in Perth. Papers and proposals for organised sessions from all areas of Economics, Economic Policy and Econometrics are invited from academics and practitioners in government, local authority, NDPBs, private sector and charitable organisations. The Society places particular emphasis on the application of economics to policy and there will be separate policy and pedagogy. Closing date: **14 January 2011**

*Further information:*  
Klaus Beckmann, email: [klaus.beckmann@hsu-hh.de](mailto:klaus.beckmann@hsu-hh.de)  
or [www.scotecsoc.org/](http://www.scotecsoc.org/)



April 14-16

Melbourne, Australia

CALL FOR PAPERS

**17th International Symposium on Econometric Theory & Applications (SETA 2011)** at the Department of Econometrics and Business Statistics, Monash University, Melbourne, Australia. Submission deadline: **14 January 2011** Registration deadline: **11 March 2011**

*Further information:*

[www.buseco.monash.edu.au/ebs/events/seta/index.php](http://www.buseco.monash.edu.au/ebs/events/seta/index.php)

April 18-20

London

**The Royal Economic Society 2011 Annual Conference** will be held at Royal Holloway, University of London from 18th April to 20th April 2011. Financial assistance available for postgraduate members of the Society.

*Further information:* [www.resconference.org.uk/](http://www.resconference.org.uk/) and [www.res.org.uk](http://www.res.org.uk)

may

May 6-7

San Diego, California, USA

CALL FOR PAPERS

**Conference in Honor of Halbert L. White Jr's** lifelong achievements on the occasion of his 60th birthday will be attended by leaders in the field of econometrics, including, among others, the numerous co-authors, current and former students of Halbert L. White, Jr. Deadline: **October 30, 2010**.

*Further information:*

<http://economics.ucsd.edu/events/conferences/2011HalWhite/index.html>

May 21

Rimini, Italy

**Rimini Centre for Economic Analysis (RCEA) workshop on 'Advances in Business Cycles and Economic Growth Analysis'**. Deadline for one-page abstract: **March 31, 2011**. Notification of acceptance: April 15, 2011. Registration: **April 30, 2011**

*Further information:* [www.rcfea.org](http://www.rcfea.org)

May 23-24

Singapore

CALL FOR PAPERS

**Two annual conferences: Accounting and Finance and Qualitative and Quantitative Economics Research.** Conference Chair: Prof. the Hon. Dr. Stephen Martin . Deadline for papers: **16 March 2011**

*Further information:* [www.qq-economics.org](http://www.qq-economics.org) and [www.acc-finance.org](http://www.acc-finance.org)

31 May - 3 June Agios Nikoloas, Crete, Greece

**4th CHAOS 2011 International Conference.** The study of nonlinear systems and dynamics has emerged as a major area of interdisciplinary research and found very interesting applications. This conference is intended to provide a widely selected forum among Scientists and Engineers to exchange ideas, methods, and techniques in the field of Nonlinear Dynamics, Chaos, Fractals and their applications in General Science and in Engineering Science.

*Further information:* [www.cmsim.org/](http://www.cmsim.org/)

june

June 15-17

Rhodes, Greece

CALL FOR PAPERS

**II World Finance Conference.** Deadline **December 12 2010**

*Further information:*

[www.world-finance-conference.com/](http://www.world-finance-conference.com/)

June 20-21

Catanzaro, Italy

**2nd International Workshop on Applied Economics of Education (IWAE)** to be held in Catanzaro, Italy. Keynote speakers are Andrea Ichino (Bologna), Steve Machin (UCL) and Petra Todd (UPenn). Programme will include invited lectures, contributed sessions and poster sessions. Deadline for submissions is **March 1 2011**; we will consider contributions across all areas of applied economics of education.

*Further information from:* [www.iwae.org](http://www.iwae.org)

June 20-22

Marseille, France

CALL FOR PAPERS

**The 10th Journées Louis-André Gérard-Varet Conference in Public Economics** organized by Institut D'Économie Publique — IDEP / Institute for Public Economics This yearly conference aims at encouraging production and diffusion of high quality research in public economics, with a special emphasis toward results that clearly contribute to shed light on various aspects of 'real world' public decision making. Deadline for submission of papers: **March 15 2011**. Two of the keynote lectures will be given this year by Roger Myerson, University of Chicago, Nobel Laureate 2007, and Emmanuel Saez, University of Berkeley.

Further information: [www.idep-fr.org](http://www.idep-fr.org)  
Or email [nicolas.gravel@univmed.fr](mailto:nicolas.gravel@univmed.fr)

June 23-24

London

International Journal of Central Banking Third Spring Conference on the topic of **'The Real and Financial Effects of Basel III'**. The 2011 conference will be hosted by the Bank of England and is organised by Douglas Gale, Rafael Repullo and Frank Smets. Complete manuscripts (not abstracts) should be sent in PDF format to [ijbspringconference@ecb.europa.eu](mailto:ijbspringconference@ecb.europa.eu) and must be received by **February 15 2011**.

Further information:  
[www.ijcb.org/ijcbconf/fsconf062011.pdf](http://www.ijcb.org/ijcbconf/fsconf062011.pdf)

June 23-24

Reading

CALL FOR PAPERS

**The 28th Symposium on Money, Banking and Finance** organised by the C.N.R.S. Research Group on Monetary and Financial Economics will be held at the University of Reading, on the 23rd and 24th of June 2011.

Further information: <http://www.univ-orleans.fr/deg/GDRecomofi/Activ/call2011.htm>

June 30 - July 1

Manchester

CALL FOR PAPERS

Sixth Conference on **Growth and Business Cycles in Theory and Practice**, hosted by The Centre for Growth and Business Cycles Research at the University of Manchester. Keynote speakers include Ed Prescott, Costas Azariadis, John Driffill and Domenico Giannone. Deadline for papers: **22nd April 2011**. Papers should be sent to Noemie Rouault, email: [noemie.rouault@manchester.ac.uk](mailto:noemie.rouault@manchester.ac.uk)

july

July 4-8

Beijing, China

CALL FOR PAPERS

International Economic Association Sixteenth World Congress, **Approaches to the Evolving World Economy** will take place at Tsinghua University, Beijing. Submissions of contributed papers are welcome in all areas of economics, including areas of particular interest to countries throughout the region. Proposals for papers are to be submitted by the end of **February 2011** through <https://editorialexpress.com/conference/IEA2011>.

Further information at: [www.iea-congress-2011.org/](http://www.iea-congress-2011.org/)

July 6-8

Paris, France

**New Directions in Welfare, OECD Paris**. The range of papers and topics will follow a similar pattern to the Oxford 2009 Conference which was attended by over 130 economists and generated a special issue of the *Journal of Public Economics* in honor of Professor Amartya Sen.

Further information: [oxcon09@gmail.com](mailto:oxcon09@gmail.com)

July 8-9

Cambridge

**Association of Christian Economists (UK) Annual Conference**, Sidney Sussex College, University of Cambridge.

Further information: [www.christian-economists.org.uk](http://www.christian-economists.org.uk)  
Or contact Michael Pollitt e-mail: [m.pollitt@jbs.cam.ac.uk](mailto:m.pollitt@jbs.cam.ac.uk)

## august

*August 25-29*

*Oslo, Norway*

### CALL FOR PAPERS

**The Congress of the European Economic Association** is the main European conference that covers all aspects of economics, with a scientific program reflecting the very best work in the profession. The program will include lectures by Per Krusell (IIES, Stockholm University), Randy Wright (University of Pennsylvania) and Christopher Pissarides (LSE). To submit a paper visit the Congress website, click on 'Submit Paper' and follow the instructions. Submissions deadline is **February 15, 2011**. Notification of acceptance will be sent by mid-April 2011.

Please note that one must be a member of the EEA in order to submit a paper. To become a member visit <http://www.eeassoc.org/>

*Further information:* [www.eea-esem2011oslo.org](http://www.eea-esem2011oslo.org)

## september

*September 5-7*

*London, UK*

**Developments in Economics Education international conference 2011.** The Economics Network's biennial conference Developments in Economics Education will be taking place in London on the 6th and 7th September 2011, venue to be confirmed.

*Further information:*

[www.economicnetwork.ac.uk/news/](http://www.economicnetwork.ac.uk/news/)

*September 15-17*

*Birmingham*

**Money Macro and Finance Research Group Annual Conference 2011.** The 43rd Annual Conference will be held at Birmingham Business School, University of Birmingham.

*Further information* on paper submission dates etc in due course at: [www.york.ac.uk/res/mmf/index.htm](http://www.york.ac.uk/res/mmf/index.htm)

*November 17-18*

*London*

### CALL FOR PAPERS

**Bank of England/Economic Journal Conference on QE.** In association with *Economic Journal*, the Bank of England is organising a conference in London on 17 and 18 Nov 2011 which will bring together researchers from both the international academic and policy communities to discuss what has been learned about Quantitative Easing (QE) and other unconventional monetary policies during the financial crisis. All papers accepted for the conference can be submitted to the *Economic Journal* for possible publication in a special Features issue.

To aid researchers, the Bank has made available a unique dataset covering the recent UK QE period. Submission deadline: **1 February 2011**.

*Further information:* [www.bankofengland.co.uk/publications/events/QEConference/callforpapers.htm](http://www.bankofengland.co.uk/publications/events/QEConference/callforpapers.htm)

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