



# The Royal Economic Society

## SECRETARY-GENERAL'S ANNUAL REPORT 2010

### *Governance and Management*

Since the last General Meeting, a major item of business for Council and the Executive Committee has been the development of proposals to revise the governance arrangements of the Society so as to ensure that they meet with the Charity Commission's best practice guidelines. The need to do so is a result of developments in charity law and the growth in the annual turnover of the Society. A review was carried out by Kingston Smith. Their advice was that revisions to the Society's governance arrangements were indeed needed. Council and the Executive Committee have discussed this advice in detail over the last six months and as you will see from a later item on the agenda, the proposal is that a reformed Executive Committee be established as the body of charity trustees under the Charities Act 1993, being the persons having general control and management of the administration of the Society. Council will continue to be constituted as at present, with annual elections of members by the Society's membership and the same term of office as is currently the case. In addition, the status quo that five members of Council serve on the Executive Committee will continue. An outline proposal along these lines has been put to the Charity Commission. The Commission has indicated that it would be content with it in principle.

There will need to be considerable discussion over the coming year with the Privy Council (and, indirectly, the Charity Commission) to generate the necessary detailed revisions to the Charter and Byelaws. However, it is anticipated that these will be completed and approved by the Privy Council in time for ratification at next year's AGM.

Among the other matters that Council and the Executive Committee have dealt with have been agreement on a Statement of Investment Principles and confirmation that the reprint charge on articles published in our journals is a matter for discussion and agreement between the requesting party and the Society's publishers, Wiley-Blackwell. On the former, an asset composition and allocation strategy, suitable tolerance levels and a triennial review have all been agreed.

As a final note to this section, I would like to record that Nick Crafts has joined the Executive Committee from the cohort elected to Council last year. I would also like to express my thanks to those members of Council whose terms of office are completed at this meeting: Orazio Attanasio, Wendy Carlin, Amelia Fletcher, Hamish McRae, Mark Stewart and Mike Wickens. They have contributed significantly to the work of the Society in a variety of ways and I would like to use this occasion to thank them publicly.

### *Review of the Society's Activities*

Let me now turn to a review of the activities of the Society in pursuit of its charitable objectives. The Royal Charter of 1902 established the Society to promote and foster the study of economic science and its application. At the end of 2009 the Society had 2767 members spread around the world. Although



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slightly down on last year (the figure then was 3001), two pleasing features were (a) the steady growth in the number of student members in response to the scheme of subsidised student membership introduced five years ago, and (b) the significant number of members who voted in the ballot for Council members – 1521 valid ballot papers were received, 1009 from UK members and 512 from overseas.

To help to achieve its charitable objectives, the Society has established a number of vehicles: publications, conferences, lectures, workshops, and a variety of grants and projects.

## ***Publications***

### *Journals*

The Society's objective is to publish journals that are of international stature, contain articles that are significant in terms of their research contribution and/or scholarship, and are widely read.

In addition to the print subscriptions, on-line access of the Economic Journal and the Econometrics Journal is available and is being widely used. For example, in 2009, articles in the Economic Journal were accessed over half a million times. Wiley-Blackwell, the Society's publishers for both, state that they are among the most accessed journals of those they publish.

As you will see from the annual accounts, the Society's publishing activities play a crucial role in generating the income to allow us to pursue effectively our various charitable activities. Publishing generates some 70% of our total incoming resources and the bulk of that is delivered by the Economic and Econometrics Journals. These flagship journals continue to thrive under the outstanding editorial leadership of Andrew Scott and Richard Smith and they are to be congratulated for their ability to put together and manage such strong and effective editorial teams. Indeed 2009 saw a 10% increase in the number of papers submitted to the EJ.

To help act as an attractant for the best papers in economics, the EJ offers two annual prizes. The RES Prize goes to the best non-solicited paper published in the Journal and the Austin Robinson Memorial Prize, introduced in 2007, is awarded to the best paper published in the EJ by an author who is within five years of completing his/her PhD. In 2009 the RES Prize was awarded to Marc Flandreau and Clemens Jobst for their paper "The Empirics of International Currencies: Historical Evidence" and the Austin Robinson Prize went to Simon Leuchinger (Zurich) for his paper on "Valuing Air Quality using the Life Satisfaction Approach".

### *Scholarly Editions*

As Publications Secretary, Donald Winch continues to manage our portfolio of classics and the associated publishing contracts. Last year, I noted the success of the re-issuing of Keynes's *General Theory* with the



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new introduction by Paul Krugman. This has continued to enjoy substantial sales. Although we publish a range of scholarly editions of classic works, a matter that is currently under active discussion is the possible digitization of the Keynes volumes. While some of these continue to be worth reprinting in the traditional way, there are others, still sought, though on a much lower scale, where print stocks are close to exhaustion and the business case for reprinting rather weak. Digitisation of all the volumes would get around this and ensure that this important scholarly archive would be readily available. Indeed, some thought has also been given to this project as part of a more extensive resource that might be some sort of “Keynes Hub”.

## *Conferences, Lectures and Workshops*

Through the organization of such events, the Society seeks to communicate directly economic science, its understanding and its applications. Through their variety it hopes to attract a wide and varied range of audiences: international researchers in the discipline, economists working in industry and government, school teachers, young scholars working in universities (both in the UK and abroad), and schools. The key events here are the annual conference, the Young Economist of the Year essay competition, the Annual Public lecture and the PhD Job Market conference.

## *Annual Conference*

The annual conference held at the University of Surrey last spring was highly successful. Though attendance was lower than in 2008, the 300+ participants enjoyed an excellent and very full programme of lectures, symposia, presentations and social events. Surrey had taken over running the conference at rather short notice and for the organizational success of the conference I would like to thank Jo Evans (and her team) on behalf of the Society. Last year the conference programme was organized by Robin Burgess and Henrik Kleven, who have handed over this year to Morten Ravn and Jeremy Lise. They have assembled an excellent programme for us this year. In 2011 we will be visiting Royal Holloway and discussions on arrangements are already under way.

Last year, as an experiment, the main lectures and symposia were recorded on video. The podcasts have been made available on the web and have attracted, and continue to attract, considerable traffic. The latest data we have shows that they are now being accessed between 120 and 150 times per month. Since visits are generally 40-45 minutes, this means that on average total monthly visits are over 100 hours.

Robin Naylor steps down this year as Conference Secretary in June and Gareth Myles from Exeter has agreed to take over this role. I would like to pay tribute to Robin for the superb job that he has done during his period of appointment and to extend a warm welcome to Gareth on behalf of the Society. It is good to know that this important role is passing from one very safe pair of hands to another.



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## *Annual Lecture*

The Annual Public Lecture was first held in 2001. It is held in London and in one other venue around the UK. It has always been a highly successful event with demand for places often exceeding the capacity of the venue, especially so in London. The 2009 lecture was again successful and was attended by approximately 830 people (2008: 900 people, 2007:1,300 people). As part of the London event, the prize for the Young Economist of the Year Competition is presented.

Partha Dasgupta delivered the Annual Lecture for 2009 in November, in London and in Bristol (at the Bristol Grammar School), on the topic of Law and Morality in Economic Life. Both events attracted large and lively audiences and the feedback has been excellent. The 2010 lectures will be given by John Van Reenen. The venues for this year will be London (again at the Royal Institution) and the University of Manchester. The Society is grateful to Keith Blackburn for agreeing to take responsibility for the local arrangements there.

## *Young Economist of the Year*

The Society organizes an annual essay competition in conjunction with Tutor2U to find the Young Economist of the Year. The 2009 essay competition was on the theme "Are economic recessions inevitable?" The selection panel of John Vickers, Stephanie Flanders and Charlie Bean chose Tiffany Young as the winner and Doug Swift as the runner-up and the prizes were awarded at the London Annual Lecture. For 2010, candidates have been invited to choose one of five topics. The shortlist for final judging will be drawn up by an ensemble of teachers under the baton of Geoff Riley and the final selections will be made by this year's judging panel - Richard Blundell, Stephanie Flanders and Charlie Bean. The winner will be announced in August and the Young Economist of the Year award once again presented to the winner at the London Annual Lecture.

## *Masterclasses*

The Easter School in Economics has been a regular feature of our year. At Birmingham in 2009, the topic was Auctions and Networks. This was ably led by Paul Klemperer and Sanjeev Goyal. As a result of the Society's support, and with the help of funding from the ESRC's Researcher Development Initiative, it will be possible to run two schools in each of 2010, 2011 and 2012. One of these will be devoted to a topic in macroeconomics and the other on microeconomics. In 2010, the Easter School will be held between 18-22 April and will be led by Nobu Kiyotaki and Stephen Morris, both from Princeton and will be on the topic of Finance and Business Cycles. There is always keen competition for a place in these "masterclasses". For the upcoming one, there were 67 applicants for the 25 university sector places, a record. The Council decided to make a substantial financial commitment to allow the establishment of a second annual event. Thus, between September 20 and 23, the first Autumn School will be held - also at



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Birmingham. The topics are Game Theory and Energy Markets and the school will be led by Peyton Young from Oxford and Richard Green from Birmingham. All departments in the UK, and a number overseas, have been circulated with details, with a May deadline for applications. The Society owes an incredible debt of gratitude to Peter Sinclair for the time and energy he has put into organising and chairing these key events.

## *Postgraduate Conference*

The Postgraduate Conference was held for the first time in 2006 (24 universities attended) and due to its success has continued to be held each January. For 2010, City University acted as the host and there were 270 participants from 24 institutions and the Society is grateful to Saqib Jafarey and his colleagues for their hospitality. City will also host the 2011 event, scheduled for 15<sup>th</sup> and 16<sup>th</sup> January. The Executive Committee has agreed that it would be useful to obtain feedback from participants so that thought can be given as to how to enhance this event and steps are in train to do so.

## ***Grants, Fellowships and Projects.***

Grants are provided to undertake projects that conform to the Society's objectives and enable recipients to meet research expenses and the costs of attendance at conferences where they are presenting the results of their research.

During the year the Society supported a large number of projects and spent just over £164K on this line. However, this result was a little disappointing given that last year the equivalent figure had been over £180K. Renewed efforts will be made in the course of 2010 to encourage suitable applications for project support and grants for charitable purposes and thought is being given to developing a more formal and transparent system to deal with such requests.

We continue to offer financial support to scholars by way of small grants for research expenses and conference attendance and travel. This scheme continues to be very effectively run from Glasgow University by Anton Muscatelli.

The call for applications for the Junior Fellowship scheme for 2010-11 has been advertised with a deadline for applications of 7 May and all Heads of Department in the UK have been individually notified. For the 2009-10 scheme, thirty one applications were received, significantly up from the eighteen in the previous year. Each application was reviewed by two referees and, in the end, four candidates were awarded fellowships:

- Konrad Burchardi (London School of Economics)
- Daniel Marszalec (Nuffield College, University of Oxford)
- Asako Ohinata (University of Warwick)



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- Andrew Rhodes (Nuffield College, University of Oxford)

I would like to thank Alan Carruth, Jonathan Thomas and David Webb who helped in the selection of these four excellent candidates from what was a strong field. They will continue to act as referees for the scheme this year.

## *Other Activities*

This year the Society has initiated a review of its website. There are two working parties: one chaired by Marius Ooms dealing with the practical features of the website and its appropriate design and the other, chaired by Richard Blundell, concerning itself with more strategic issues. However both groups are working closely together with the intention that over the next year, these reviews will be complete and decisions taken on where to go with the development of an enhanced website.

For many members, one of the highlights of the year is receiving the quarterly *Newsletter*. This provides members with all the news about the Society and its activities, more general information about economic issues and events, and of course the ever-readable “Letter from ..” feature. Peter Howells continues to edit that with great skill and the Society is grateful for all the work that he puts into it.

Effective dissemination of economic ideas and research results is a central concern of the Society. We are lucky to have, in Romesh Vaitilingam, a media consultant who provides sterling service. He plays a very important role in ensuring wide media coverage for the material that appears in our journals as well as the papers that are presented at the Annual Conference.

My report would be incomplete were I not to mention the work of the Society in responding to consultations (on the Research Excellence Framework and on the ESRC’s Postgraduate Training proposals and its Peer Review College) and actions it has taken to protect public investment in the discipline and in social science more generally. Many members will be aware how valuable the Economics Network has been in fostering interest in economics among young people and the invaluable resource it has provided to teachers in the discipline through its undergraduate website and its innovative and targeted staff development activities. Members may be less aware that its future is under threat as a result of the cut in funding to its parent body (the Higher Education Academy) and the way that the latter has reacted to that by proposing that subject centres such as the Economics Network bear the brunt of the cuts. The Society considers this an ill-targeted approach to a budgetary cut and we have been lobbying hard in the hope that damage may be limited.

Beyond the discipline, the Society is a member of the Strategic Forum for the Social Sciences at the British Academy and has been working through that and through involvement with other major learned societies in the social sciences to highlight not only the value of the social sciences per se but also to



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emphasise the key role for social science element in ensuring the effective application of advances in STEM research areas. This last is an important but rather neglected element of impact.

## *RES Committees*

CHUDE continues to play a key role in the link between the Society and UK Departments of Economics and in interaction between the discipline and the ESRC and the Funding Councils. Neil Rickman and Tim Worrall have provided great leadership of the committee and I would like them to know how much the Society appreciates the work that they and their colleagues on the Steering Committee have done over the past year.

Karen Mumford has taken over from Jane Humphries as chair of the Women's Committee and the Society's thanks go to Jane for her work on the committee. The Society is grateful to Karen for taking up the reins, and also would like to thank her for all the work that she has done on the new gender and ethnicity survey. This regular output from the Committee provides an important statistical picture of the profession and allows us to monitor developments on the equal opportunity front.

## *Acknowledgments*

Finally, I would like to say a special thank you to those with whom I have worked closely on Society business. On the Executive Committee, John Vickers and Mark Robson have been first-class counselors. Kathy Crocker has provided excellent support in all matters related to membership. There is of course one person whose support has been quite crucial: Amanda Wilman, the Society's Administrative Officer.

As everyone will know, John steps down from the Presidency at this meeting and will be succeeded by Richard Blundell. I am looking forward to working with Richard over the next three years. Over the past two years, since taking on the role of Secretary-General, I have worked very closely with John and have benefitted greatly from the detailed care and attention he has given to the Society's affairs. The Society owes him a great debt of gratitude.

*John Beath, St. Andrews, March 2010*