



**ROYAL
ECONOMIC
SOCIETY**

The RES is a learned society and membership organization founded in 1890 to promote economics. We publish two major journals and organise events including an annual conference. We encourage excellence, diversity and inclusion in all activities.

Issue no. 207
October 2024

www.res.org.uk | @RoyalEconSoc

NEWSLETTER

Social intelligence

Thinkers in search of a
kinder capitalism



The editor:

JONATHAN TEMPLE

A little more conversation

Walter Bagehot, following John Stuart Mill, praised democracy as government by discussion; this issue is partly about what certain economists and philosophers have had to say. In our main feature, we put our questions about the philosophy of John Rawls to Daniel Chandler, author of the recent book *Free and Equal*. Susan Howson writes about the long career of the Nobel laureate and reform advocate James Meade, shown on our front cover. The Labour peer Lord Layard, a

labour economist who has become an expert on wellbeing and public policy, is the subject of our latest profile.

In different ways, other articles this month are also about striving for better societies. In his latest Letter from America, Daron Acemoglu writes about the mental health crisis and what we can learn from its timing. Ercio Muñoz, Melanie Saavedra, and Dario Sansone investigate Latin America's progress towards LGBTQ+ equality and inclusion, while Kiran Krishna

reviews the work of UK WEN since its inception.

We also cover some more conventional economic analyses. Joanna Poyago-Theotoky introduces models of mixed oligopoly, and we present a summary of Dame Rachel Griffith's 2022 Prais Lecture on policies for inclusive growth. Last but not least, Zubin Jelveh, Bruce Kogut, and Suresh Naidu explain how they have used machine learning to infer the ideological leanings of papers, fields, journals, and economists: another good reason to continue the conversation.

Inside this issue...

01 FROM THE PRESIDENT

A Letter from RES President Sir Christopher Pissarides

02 LETTER FROM AMERICA

Daron Acemoglu examines six potential explanations for the mental health crisis

06 INCLUSIVE GROWTH

A summary of Dame Rachel Griffith's 2022 Prais Lecture at NIESR, on inclusive growth

08 THE PROFILE

We put our questions to Labour peer Lord Layard, an expert on wellbeing research

10 MIXED OLIGOPOLY

Joanna Poyago-Theotoky writes about the study of markets where competing enterprises have different motives, and how this literature continues to develop

12 CLOSING THE GAP

Ercio Muñoz, Melanie Saavedra, and Dario Sansone discuss Latin America's progress towards LGBTQ+ equality and inclusion

14 FREE AND EQUAL

Economist and philosopher Daniel Chandler answers our questions on the Rawlsian approach to public policy

18 POLITICAL LANGUAGE

How machine learning can be used to infer ideological leanings in economic research

20 WOMEN'S COMMITTEE

Kiran Krishna writes about the recent work of UK WEN

22 JAMES MEADE

Susan Howson describes the long career of the Nobel laureate and reform advocate James Meade

25 NEWS AND EVENTS

Extended coverage of recent news and events in the world of economics and the Society



From the President:

SIR CHRISTOPHER PISSARIDES

As I sit to write my Letter for the October issue of our quarterly Newsletter, I think at one and the same time that there is too much to say and that there isn't something big to tell you about. No annual conferences since my last Letter, no new strategies, or other things that occupied whole Letters in past issues. But important work is going on, quietly pursuing our objectives as a Society that aims to make a positive contribution to economics in this country and abroad.

The things that have occupied me as President in the last three months have mainly been around two issues, diversity, and publications. We successfully took part in the Pride parade in London at the end of June, as you can see on page 26 of the news section, and the diversity and inclusion group in our office has been active in organising events. Last month we organised an online event with the theme "Improving Diversity in Economics: What Works," with speakers presenting the results of their research about practices that can improve diversity and inclusion. We heard also from Professor Vicki Bogan, co-chair of the Committee

on the Status of Minority Groups in the Economics Profession at the American Economic Association, about what the AEA is doing to improve the status of minority groups in the profession. More events are being planned over the next few months.

Our publications used to be the most important source of revenue for the Society, but with Open Access this is changing. Special issues will play a greater role, as you will see on page 25 of the news section. We strongly support Open Access publications, but we need to rethink how to build it into our new way of operating. As always, quality takes first place, in our stellar publications *The Economic Journal* and *The Econometrics Journal*, and in all other publications that bear our imprint. The role of the recently appointed Chair of the Publications Committee, Professor Fabien Postel-Vinay, in this development will be critical, and I welcome him to the Society.

Finally, let me wish you all a good autumn and winter, and please do not hesitate to tell us your thoughts and any ideas that you might have to promote the objectives of the Society.

“

The things that have occupied me as President in the last three months have mainly been around two issues, diversity, and publications

”



Letter from America:

DARON ACEMOGLU

What accounts for recent trends in mental health?

Daron Acemoglu writes about the crisis in mental health

According to many indicators, the industrialized world is going through a mental health crisis. According to data from the National Survey on Drug Use and Health, the share of 18-25 year-olds in the US reporting anxiety has risen from less than 8% in 2008 to almost 20% in 2022. The same data show a huge increase in the number of youths experiencing a major depressive episode, starting in the late 2000s and early 2010s. Data from the National Youth Risk Behavior Survey indicate a sharp increase in the fraction of young people considering suicide starting in 2009-2010, and the actual number of suicides among young people (aged between 10 and 24) backs this up, showing a striking rise from 6.8 deaths per 100,000 in 2007 to 11.0 deaths per 100,000 in 2021.

The pattern seems to be similar in other industrialized nations, even if the timing is more varied. For example, data from the Global Burden of Disease show an uptick in anxiety disorders and depressive disorder prevalence in the 2010s globally and across all major industrialized nations. What is remarkable is the suddenness of

the increase among the young. The data across a number of nations show a hockey-stick pattern: relative stability, followed by a sudden trend change.

“

Such sweeping changes have broader economic and political causes and implications, so there is a case for economists to be involved in the research and the public debates

”

Of course, the main expertise for understanding these epochal changes lies with social psychologists and to some extent sociologists. Nevertheless, such sweeping changes have broader economic and political causes and implications, so there is a case for economists to be involved in the research and the public debates. In fact, in some of the sub-areas, economists have already contributed significantly to our understanding.

There are at least six distinct broad explanations one could consider for the current mental health crisis.

First, what we are seeing today could just be a measurement issue. Mental health problems have been partially destigmatized, and as a result, more people might be reporting mental health problems – without an increase in the underlying prevalence of the problems. If so, talking of the mental health crisis could be misleading and counterproductive, some argue. It seems plausible that destigmatization will pose a measurement challenge. Yet, it is difficult to explain the sudden uptick, the more general hockey-stick pattern, and the increase in actual suicide rates, with measurement problems.

A second and related explanation is about peer effects. Many social phenomena are shaped by one's peers, and it's only natural that such peer effects are stronger for teens and adolescents, who are going through a formative period in their lives where social acceptance and concerns related to fitting in are particularly important. Some social scientists and medical



“

The share of 18-25 year-olds in the US reporting anxiety has risen from less than 8% in 2008 to almost 20% in 2022

”

researchers have claimed pervasive (and very large) peer effects in all sorts of medical conditions, including mental health. Accordingly, the greater openness with which mental health is discussed may trigger an increase in mental health problems.

There are two problems with this research, however. For one, estimating peer effects is extremely challenging, and many of the medical and social science studies reporting large peer effects are subject to problems very well understood within the economics literature, such as the reflection problem (the tendency of group-level variables to capture group means, which can then lead to spurious estimates of positive peer effects) or common shocks (which affect all members of a group, creating the impression of peer effects when none actually exist). Research by economists attempt-

ing to circumvent these problems by exploiting random assignment of peers does not find evidence for major peer effects in mental health. It is also not clear how peer-effects-based explanations would account for the hockey-stick pattern.

A third group of explanations centre on economic changes, including inequality and job loss, driving mental health problems. There is much evidence that job loss is a major negative contributor to happiness, at least in the short run, and inequality can erode social norms and community relations and generate social tensions via comparison effects. While some social psychologists have claimed that the rise in inequality is a major driver of the decline in mental health, it is difficult for inequality dynamics to explain recent mental health trends. It is not only that existing evidence on this is correlational

and unsystematic. It is also that while inequality surged in the US during the 1980s, 1990s and 2000s, mental health patterns remained stable during those decades and started increasing only more recently, when inequality has not increased as much.

A fourth group of explanations blames the mental health outlook of the young on calamitous events, such as increasing risk from climate change. A consensus in social psychology maintains that disasters can have negative effects on mental health, and if young people perceive climate change, future joblessness, existential risk from AI, or political events, such as Donald Trump's election or increasing polarization, as disastrous, this could impact their mental health. Consistent with this, several studies have found that reported mental health is worse among progressive

youth than conservative youth. Though intriguing, these explanations are not backed by careful econometric studies yet, and it is difficult to see how they would account for the timing of the mental health trends.

A fifth group of explanations is broadly related: mental health problems could be the general outcome of modernity and modernization, which have reduced the importance of local community ties and created a very different environment in which young people grow up and form social bonds today. This explanation, too, lacks solid empirical support, however. Moreover, it would imply a much more gradual worsening in mental health, rather than the hockey-stick pattern we are observing.

The final explanation, and the one that has received most attention, is related to the last two, but is also very distinct: social media. Social media has become a major vehicle for young people to communicate with each other, and takes up a significant part of their day. In 2022, 95% of teens reported having used YouTube, 67% Tik-Tok, 62% Instagram and 59% Snapchat. Social media often brings calamitous news and has exacerbated the concerns about the social effects of modernization coming from less frequent in-person, embedded interactions. In fact, social media can have first-order negative effects on mental health going beyond these influences, because it often triggers feelings of envy, unfavourable comparisons or outrage, and leads to addiction-like behaviour, including frequent engagements with social media platforms and fewer hours of sleep due to intensive social media use. Some leading social psychologists, including Jean Twenge and Jonathan Haidt, have claimed that social media is a major driver of the mental health crisis, for all of the reasons mentioned in this paragraph and more.



“

Some leading social psychologists have claimed that social media is a major driver of the mental health crisis

”

Other experts have challenged this, arguing that most of the evidence is correlational. Some social psychologists have also pointed to potential benefits from social media for teens who can find a virtual community to help them with various problems.

It is difficult to adjudicate this debate because we lack reliable causal evidence. Circumstantially, social media could be just the right factor – because it arrived upon us discontinuously in the mid-2000s with smartphones and leading platforms such as Facebook and Instagram, so it could explain the hockey-stick pattern. As Haidt points out, the fact that mental health problems are much worse among teen girls than boys is also consistent, since the

former group uses social media more intensively and more often in activities related to social comparison. But the critics are right that the evidence, which is correlational and not always consistent, is not yet at the level that can support strong claims made by Twenge, Haidt and others.

This is where more careful econometric and experimental work can be useful. The two studies that provide arguably the highest-quality evidence on the mental health effects of social media are by economists. Hunt Allcott, Luca Braghieri, Sarah Eichmeyer, and Matthew Gentzkow designed a randomized control trial in which a subset of users were incentivized to deactivate their Facebook account. They found that those induced to stay off social media spent more time in off-line activities, including in social interactions with friends and family and consuming traditional media. They also report improved subjective well-being and mental health. (The catch was that, despite this, they went back to Facebook after the experiment was over.) This evidence thus supports the view that social media is bad for mental health.

Even more telling is the evidence in the study by Luca Braghieri, Ro'ee Levy and Alexey Makarin, who exploit the staggered rollout of Facebook across US campuses in the mid-2000s. These authors estimate that access to Facebook in a college campus is associated with a large negative impact on various measures of mental health, including anxiety and depression, and their results hint that these effects may be driven by social comparisons induced by this new medium.

There is much more to be done to understand the effects of social media on mental health, happiness and other social outcomes, and economists can play an

important role in building up the evidence here. The more important contribution from economics may not lie in the use of state-of-the-art econometric efforts for evidence, but in providing a more holistic perspective on mental health. Social media is clearly a social phenomenon and its causes and consequences cannot be understood by studying individual behaviour in isolation.

New economics research provides some clues on this social aspect. Work by Leonardo Bursztyn, Benjamin Handel, Rafael Jimenez and Christopher Roth presents evidence from online experiments that social media acts like a "collective trap".

Bursztyn and colleagues find that individual users would be happier if they and their social network were off social media, but do not themselves want to deactivate their social media account when their friends are actively using these networks (which also potentially explains the evidence by Allcott et al. that people went back to Facebook even after their improved individual outcomes during the deactivation period).

Overall, both mental health trends and social media's broader societal and political effects deserve greater attention from economists.

Daron Acemoglu,
2 September 2024

References and further reading

- Allcott, H., Braghieri, L., Eichmeyer, S. and Gentzkow, M. (2020). The welfare effects of social media. *American Economic Review*, 110(3), 629-76.
- Angrist, J. D. (2014). The perils of peer effects. *Labour Economics*, 30, 98-108.
- Braghieri, L., Levy, R. and Makarin, A. (2022). Social media and mental health. *American Economic Review*, 112(11), 3660-93.
- Bursztyn, L., Handel, B. R., Jimenez, R. and Roth, C. (2023). When product markets become collective traps: the case of social media. NBER working paper no. 31771.
- The Economist (2024). Are American progressives making themselves sad? 4 April.
- Fowler J. H., Christakis N. A. (2008). Dynamic spread of happiness in a large social network: longitudinal analysis over 20 years in the Framingham Heart Study. *BMJ*, 337:a2338.
- Gimbrone, C., Bates, L. M., Prins, S. J. and Keyes, K. M. (2022). The politics of depression: diverging trends in internalizing symptoms among US adolescents by political beliefs. *SSM - Mental Health*, 2, 100043.
- Goldmann, E. and Galea, S. (2014). Mental health consequences of disasters. *Annual Review of Public Health*, 35, 169-183.
- Kafka, A. C. (2024). Fighting the mental-health crisis narrative: do young people misunderstand everyday stress? *Chronicle of Higher Education*, 6 September 2024.
- Lucas, R. E., Clark, A. E., Georgellis, Y. and Diener, E. (2004). Unemployment alters the set point for life satisfaction. *Psychological Science*, 15(1), 8-13.
- Macintyre, A., Ferris, D., Gonçalves, B. et al. (2018). What has economics got to do with it? The impact of socioeconomic factors on mental health and the case for collective action. *Palgrave Communications*, 4, 10.
- Manski, C. F. (1993). Identification of endogenous social effects: the reflection problem. *Review of Economic Studies*, 60(3), 531-542.
- Naslund, J. A., Bondre, A., Torous, J. et al. (2020). Social media and mental health: benefits, risks, and opportunities for research and practice. *Journal of Technology in Behavioral Science*, 5, 245-257.
- NCHS: A Blog of the National Center for Health Statistics (2023). Suicide and homicide rates increase among young Americans.
- NIH News in Health (2021). The power of peers: who influences your health? September.
- Selterman, D. (2023). Why I'm skeptical about the link between social media and mental health. *Psychology Today*, March.
- Zhang, A. (2019). Peer effects on mental health: evidence from random assignment into classrooms. SSRN.

Policies for inclusive growth

A summary of the 2022 Prais Lecture by Professor Dame Rachel Griffith

Several decades ago, Sig Prais concluded that the UK's poor industrial performance originated in the low quality of education and training. Professor Dame Rachel Griffith, in her 2022 Prais Lecture at NIESR, made a related argument, drawing attention to the lack of opportunity in the UK for workers who do not succeed in the formal education system. Inclusive growth could be helped by providing opportunities for continued training over a worker's lifetime.

In the UK, there has long been a lack of opportunity for individual wage growth and job progression for workers who do not succeed in formal education. Workers in occupations with lower skill requirements see little pay progression over their career. This contrasts with workers in occupations that typically require a university degree, where average wages more than double in the first ten years of work, and continue to grow after that. The wages of men and women who leave school with less than level 2 qualifications see some wage growth in their early 20s, but after that almost none, compared to workers with higher education, who experience wage growth up until their late 40s or early 50s; see Figure 3 in Blundell et al. (2021).

The policy concern goes beyond a lack of opportunity for productive and rewarding paid employment at the lower end of the wage distribution; there are large and growing gaps in other economic, health, and social outcomes, such as life expectancy and obesity. Looking at educational attainment at age 26, the share of people who grew up in the most deprived areas obtaining



“

Developing these noncognitive skills can increase productivity, and could be a driver of inclusive growth

”

a degree or equivalent was 17%, compared to 49% of people growing up in the least deprived areas and 71% of people going to independent schools (Farquharson et al. 2022).

In the UK, the tax and benefit system has until recently supported incomes at the lower end of the distribution. The growth in average household earnings – before taxes and benefits – between 1994/1995 and 2017/2018 was much higher for higher-income households: at the 10th percentile, growth in earnings was 5%, whereas at the 90th percentile, it was 40%. In contrast, the growth rate in average household net income – after taxes and benefits – was close to constant across the income distribution, at 30%. The expansion of tax credits increased after-tax incomes

“

Can policy encourage growth in these jobs, or help to match workers with soft skills to firms that need them?

”



Dame Rachel Griffith

for lower-income households; see Joyce and Xu (2019), Figure 4.

A growing literature emphasizes the roles of flexibility, teamwork and other noncognitive skills for high-skilled workers (for example, Deming 2017). Less is known about whether these skills and abilities are important for workers without formal educational qualifications. Aghion et al. (2023) combine insights from several literatures to study pay growth for workers in occupations with little or no formal educational requirements. They use matched employee-employer administrative data from the UK to examine the role of social skills – including the ability to work well in a team and to communicate effectively with coworkers – in individual wage growth for workers with few formal educational qualifications. Developing these noncognitive skills can increase productivity, and could be a driver of inclusive growth.

Economists and policymakers need a better understanding of these skills and, for example, whether there should be more emphasis on training for noncognitive skills; whether these skills can and should be accredited; how to improve the educational outcomes of children growing up in poverty; and the types of firms that create

‘good jobs’ which help to develop workers’ soft skills and enhance productivity within firms. Can policy encourage growth in these jobs, or help to match workers with soft skills to firms that need them?

But there are other challenges in achieving inclusive growth. For Paul Johnson of the IFS, in a 2022 speech at the Tony Blair Institute for Global Change’s Future of Britain conference, the ingredients for broader policy include early years education and further education; increased openness to trade; reforms to planning regulations and housebuilding; effective competition policy, suited to the digital age; and ensuring people and markets have confidence in institutions and macroeconomic stability.

The ongoing IFS-Deaton Review of the causes and consequences of increased inequalities, and appropriate policies, has aimed to provide concrete proposals. As the chair of the review, the Nobel laureate Sir Angus Deaton, said, in Britain at the beginning of the 19th century, inequality was vast compared with today; yet by that century’s end wages had begun to rise and mortality had begun to fall. This happened through gradual change in institutions that slowly gave way to the demands of those who had been left behind.

Prais Lecture

This is a summary of Professor Griffith’s Prais Lecture, given at NIESR on 23 November 2022. The Lecture drew heavily on the Deaton Review, including Professor Griffith’s work with Philippe Aghion and Richard Blundell, and is forthcoming as an open access article in the National Institute Economic Review, <https://doi.org/10.1017/nie.2024.2>

References

- Aghion, P., Blundell, R., Griffith, R. and Bergeaud, A. (2023). Social skills and the individual wage growth of less educated workers. IZA DP No. 16456.
- Blundell, R., Costa Dias, M., Goll, D. and Meghir, C. (2021). Wages, experience and training of women over the lifecycle. *Journal of Labor Economics*, 39, S1, S275-S315.
- Deming, D. J. (2017). The growing importance of social skills in the labor market. *Quarterly Journal of Economics*, 132(4), 1593-1640.
- Farquharson, C., McNally, S. and Tahir, I. (2022). Education inequalities. IFS Deaton Review Report, August 2022.
- Johnson, P. (2022). Future of the welfare state. Tony Blair Institute for Global Change’s Future of Britain conference, 1 July. <https://ifs.org.uk/publications/future-welfare-state>
- Joyce, R. and Xu, X. (2019). Inequalities in the twenty-first century: Introducing the IFS Deaton Review. IFS Deaton Review Report, May 2019.

The Profile: Richard Layard

Wellbeing research and the case for optimism

The labour economist Professor Lord Richard Layard of LSE is an expert on wellbeing and public policy

What brought you to economics?

I started with a history degree and became a school teacher. But, to educate myself, I came to LSE in the evenings to do sociology and from doing that I was invited to be the research officer for the Robbins Committee on Higher Education. On my first day, there arrived on my desk a note from the Treasury asking “Should we direct more spending towards higher education or towards the regeneration of our northern cities?” I realised I had no way to answer the question. However Bill Bowen of Princeton University turned up and explained that cost-benefit analysis could answer such questions. So I became an economist.

I started on the economics of education, which then led me on to labour economics and then eventually to the economics of wellbeing. But my interest was always in doing research which helped answer policy questions. So all along I was also dabbling in cost-benefit analysis.

Are there people you especially admire?

I admire people who ask big questions and come up with simple (but not too simple) answers. Thus I learned a lot on labour from Orley Ashenfelter and Steve Nickell, on macro from Rudi Dornbusch and Olivier Blanchard, and on wellbeing from the late and much-lamented Danny Kahneman.

Is there a book or paper that you think all economists should read?

All economists should read Kahneman’s *Thinking, Fast and Slow*. He shows the complexity of human behaviour and thus the fundamental weakness of the economic assumption of an exogenous, unchanging utility function for each one of us, which we are assumed to maximise. Instead he wants us to study what actually determines behaviour and what determines measured wellbeing. From that he wants us to choose policies which maximise measured wellbeing. To my delight, the UK Treasury’s Green Book has now opened the way to this type of evidence.

Is there a book or paper that you wish someone else would write? Are there areas of economics which you think are under-researched?

Yes. We need a whole field of wellbeing research to be opened up within economics. Economists are the natural people to lead this work (with epidemiologists), because we are ultimately interested in using the data to optimise policy (public or private). This endeavour of course requires us to learn some psychology and some sociology and this is actually essential if we want to explain what happens in the world. There is nothing worse than research that simply shows a price response and then says QED.



“

We need comprehensive explanations of phenomena if we are to recommend sensible policy prescriptions

”

We need *comprehensive* explanations of phenomena if we are to recommend sensible policy prescriptions.

Do you have a favourite among your publications? Is there one you would like to be better known?

In a way I most like my most recent book *Wellbeing: Science and Policy* (with Jan De Neve). This is our attempt to lay out the use of measured wellbeing as an integrated field of study. Anyone who looks at it can see pretty well how much is known and how much remains to be known. The answer of course is that most remains to be known. We need thousands of RCTs with decent long follow-ups to inform policy. And we

need major cross-national studies to pin down socially-determined effects on well-being. But the time will surely come when most public policy analysis is based on this type of evidence.

Thus, in some sense, wellbeing science could become the overarching social science. And each other science would feed in its own insights (on the effects on wellbeing of personal factors, social factors, economic arrangements, law, war and peace, environment and so on).

What makes you pessimistic about the world, and what optimistic?

I am basically optimistic. As psychologists show, most humans are very adaptable. They do not adapt to everything. Pain, mental or physical, is very difficult to adapt to – and has therefore to be a central target of policy. And, as the World Happiness Report shows, both poverty and conflict are bad for wellbeing.

But humanity has adapted to many challenges, which is why wellbeing is probably as high as it has ever been – despite the astonishing rise in human population. Clearly, social media has lowered the average wellbeing of adolescents and young adults (relative to what it would have been). In fact most technological change brings good and bad effects, and the bad effects eventually get tamed through regulation. Cars killed 7,000 Britons a year in 1930 and nearer 2,000 today – they are regulated hand over fist. The same will happen with social media, AI and carbon emissions.

I also believe that wellbeing science will itself bring major blessings. It is three centuries since philosophers and economists concluded that the best situation was the one that produces the most wellbeing. Economic science has done much to improve wellbeing. But wellbeing science offers something even more potent than traditional economics.

I also think that most humans have a strong potential for pro-social action, as well as for selfishness. As Rutger Bregman showed in *Humankind: a hopeful history*, many of the stories about our selfishness (as in *Lord of the Flies*) are plain wrong. But it is the job of culture to cultivate the pro-social streak.

So the wellbeing movement has both a scientific side and an ethical purpose. If we can understand ourselves better and love each other more, life on earth can only improve.

Studying markets with more than one motive

An introduction to models of mixed oligopoly and their relevance to public policy

The author

JOANNA POYAGO-THEOTOKY
UNIVERSITY OF SALENTO



The concept of an oligopoly is rather well understood, as a market structure where a limited number of firms operate and where their actions on pricing, production and so on, are interdependent or strategic. But a mixed oligopoly? A mixed oligopoly is defined as an oligopolistic market structure where a good (or service) is provided by a relatively small number of firms possessing market power and the objective of at least one of them, usually a public enterprise, differs from that of the other competing firms (De Fraja and Delbono 1990).

The striking difference with the standard oligopoly model is the differing firm objectives: profit maximisation is the almost universally accepted aim for firms; however, in a mixed oligopoly there is a public enterprise whose objective is much wider, usually a notion of social welfare. In this manner a public firm, in its interaction with private firms, can act as a regulatory instrument and address the multitude of failures associated with imperfect or distorted competition.

Indeed, exploring whether a public firm can be effective in this role has been the topic of a vast

theoretical literature, starting with the seminal contribution of Merrill and Schneider (1966) more than half a century ago. Related issues pertain to privatisation (or partial-privatisation) of public firms, the optimal share of government participation, and nationalisation or creation of new state firms. A recent detailed review and synthesis of this literature appears in Poyago-Theotoky (2024).

Despite the privatisation waves of the 1980s, public (or state-owned) firms are present in many sectors of an economy across many countries. They operate in diverse sectors such as transportation, telecommunications, finance, and public utilities, among others. They are prevalent in China, but also in other developing and emerging economies, as well as several European economies; see OECD (2017) for further details on the size and sectoral distribution of state-owned firms. In the UK, where recent polls by YouGov pointed to widespread support for the nationalisation of utilities and public transport, the new Labour government has introduced legislation to renationalise the railways.

To understand how public and private firms interact, models of mixed oligopoly have relied on the application of game theory, paying particular attention to the formulation of the objective function of the public firm(s): usually this is taken to be social welfare, defined as the sum of consumer and producer surpluses, but it can also take the form of a weighted average of welfare and profit, where the weights indicate the extent of a government's shareholding or control in the public firm.

This makes it possible to consider partially-privatised public firms, as the majority of state-owned firms are not fully owned by the state, and address the policy-related issue of the optimal extent of privatisation, namely the degree of government ownership in a privatised firm.

References and further reading

- De Fraja, G. and Delbono, F. (1990). Game theoretic models of mixed oligopoly. *Journal of Economic Surveys*, 4(1), 1-17.
- Grönblom, S. and Willner, J. (2014). Organisational form and individual motivation: public ownership, privatisation and fat cats. *Journal of Economic Policy Reform*, 17(3), 267-284.
- Merrill, W. C. and Schneider, N. (1966). Government firms in oligopoly industries: a short-run analysis. *Quarterly Journal of Economics*, 80(3), 400-412.
- OECD (2017). The size and sectoral distribution of state-owned enterprises. OECD Publishing.
- Poyago-Theotoky, J. (2024). Mixed oligopoly and public enterprises. Cambridge University Press, Cambridge.

In general, the answer to this depends on the underlying market considerations, technological factors, extent of competition, and so on. In this respect, mixed oligopoly models echo the richness of results obtained in the field of industrial organisation, having also examined the role of product differentiation, R&D, optimal subsidies, strategic trade policy, and banking competition.

The versatility of the mixed oligopoly framework has ensured its resilience in that it can be usefully applied to new directions, such as building connections with behavioural and psychological aspects in the management of public firms. In considering intrinsic motivation, social norms, and their interplay with external rewards, the traditional focus on ownership structure and the objectives

of firms (and their principals) is redirected towards the selection and motivation of the managers of state-owned firms. In this new guise, the old question of the relative efficiency of public versus private firms is re-cast in terms of intrinsic motivation and reward structure (Grönblom and Willner 2014), and also considers the potential of motivation crowding out. The impact of changes within an organisation may be more important than a simple change of firm ownership, from public to private or vice versa. Considerations of this sort are germane in sectors of public provision such as health and education.

Furthermore, in health care provision, education, and other highly regulated sectors, the quality of the service provided is an important element. Public firms/providers are often present in these markets while competition takes place primarily along the quality dimension. This is yet another area where the mixed oligopoly framework has proven helpful, in that it has incorporated and adapted various facets of the modelling of vertical product differentiation.

Another area where once again the framework of mixed oligopoly has been usefully applied relates to the optimal design of environmental policies and the use of policy instruments such as emission taxes, standards, or emission permits, when some of the polluting firms are public enterprises. The basic idea here is that a state-owned enterprise can act as an additional regulatory instrument in addressing environmental externalities.

In closing, the concept and analytical framework of a mixed oligopoly has a much broader appeal, as the original analysis has been enriched to explore the interaction between providers of public sector services as opposed to traditional goods. With this shift in emphasis, this old friend is now receiving a new lease of life.

Diversity and Inclusion Network

Closing the gap

Latin America's journey towards LGBTQ+ equality and inclusion

The authors

ERCIO MUÑOZ
INTER-AMERICAN
DEVELOPMENT BANK

MELANIE SAAVEDRA
UNIVERSIDAD DE CHILE

DARIO SANSONE
UNIVERSITY OF EXETER
AND IZA

Countries in Latin America have recently sought to close socio-economic disparities by sexual orientation and gender identity. For instance, Argentina passed the Gender Identity Law in 2012; Brazil legalized same-sex marriage in 2013; while Chile introduced anti-discrimination laws in 2012 and legalized same-sex marriage in 2022. In Mexico, same-sex marriage has been progressively legalized across many states, and anti-discrimination laws have been strengthened to protect lesbian, gay, bisexual, transgender, queer, and other sexual and gender minority (LGBTQ+) individuals. Despite these efforts, stigma and discrimination continue to undermine the social inclusion of these subpopulations.

The share of self-identified LGBTQ+ adults in the region ranges from 15% in Brazil to 4% in Peru (Ipsos 2023). But the economic conditions of LGBTQ+ people in the region are not well understood, in part due to data limitations (Martinez et al. 2023). This article summarizes insights from recent studies addressing some of the knowledge gaps.

Evidence from census data

In a recent study on same-sex and different-sex couples in Latin America (Muñoz et al. 2024a), the authors used one of the largest datasets about LGBTQ+ people,

across eight countries: Argentina, Brazil, Chile, Colombia, Guatemala, Mexico, Peru, and Uruguay. The analysis showed that people in same-sex couples were younger and less likely to identify as Indigenous, with variations for African descendants depending on the country. People in same-sex couples also had higher education levels and were less likely to live with children compared to different-sex couples. In addition, homeownership rates were lower among same-sex couples.

Examining unemployment rates by couple type and sex, the study found significant variations by country. Income differentials were then analysed in more detail for Brazil and Mexico. In Brazil, both women and men in same-sex couples had higher average incomes than those in different-sex couples. In Mexico, women in same-sex couples also had higher average incomes than women in different-sex couples, whereas men in same-sex couples earned less on average compared to men in different-sex couples.

The case of Mexico

Another recent study (Muñoz et al. 2024b) used data from a nationally-representative survey in Mexico that was specially designed to better capture lived experiences by LGBTQ+ people, the first of its kind in a developing country.

The data revealed that, while most of the population identified as heterosexual and cisgender, 5.30% identified as a sexual minority and 1.05% as a gender minority, representing almost five million people. The main findings of the study focused on discrimination and labour market disparities. LGBTQ+ individuals faced higher rates of workplace discrimination and rejection compared to their heterosexual and cisgender peers. Furthermore, LGBTQ+ individuals exhibited lower labour force participation and higher unemployment rates compared to the general population. These disparities varied considerably among different LGBTQ+ groups.

Addressing the invisibility of intersex people

Despite growing attention to LGBTQ+ issues, intersex populations have remained largely ignored in social studies. Intersex individuals, whose sex characteristics do not fit the typical binary notion of male and female bodies, face unique challenges. These variations – ranging from differences in genitals, gonads, chromosomes, and hormone patterns – may be visible at birth, become evident during puberty, or not be physically apparent at all. Historical references to intersex figures, such as Hermaphroditus in Greek mythology, underscore this long-recognized diversity. However, the mere existence of intersex individuals challenges the widespread notion of sex as binary. Indeed, intersex individuals often face non-consensual medical interventions aimed at “correcting” these differences, which can cause irreversible physical and mental damage.

Another recent study used a large, nationally-representative survey in Mexico containing information on sex variations at birth (Muñoz et al. 2024c). According to the data, approximately 1.6% of individuals aged 15 to 64 were intersex. The analysis also



References and further reading

Ipsos (2023). LGBT+ pride 2023: A 30-country Ipsos global advisor survey.

Martinez, K., Hidalgo, J. A. and Muñoz, E. (2023). LGBTQ persons in Latin America and the Caribbean: What does the evidence say about their situation? IDB Policy Brief 392.

Muñoz, E., Sansone, D. and Neciosup, M. Y. (2024a). Socio-economic disparities in Latin America among same-sex and different-sex couples. IDB Technical Note 2948.

Muñoz, E., Saavedra, M. and Sansone, D. (2024b). Socio-economic disparities by sexual orientation and gender identity in Mexico. IDB Technical Note 2946.

Muñoz, E., Saavedra, M. and Sansone, D. (2024c). The lives of intersex people: socio-economic and health disparities in Mexico. IDB Technical Note 2955.

revealed that intersex people experienced higher rates of stigmatization and harassment from childhood into adulthood, affecting their mental health with higher incidences of insomnia, depression, and suicidal thoughts. Education and employment data indicated lower levels of post-secondary education among intersex individuals and challenging work environments, with higher rates of exclusion and harassment compared to their non-intersex counterparts.

Looking forward

There is growing interest among researchers and policymakers in understanding and addressing the socio-economic disparities faced by LGBTQ+ people. Indeed, advocates and practitioners have been stressing the importance of LGBTQ+ equality as human rights, as well as from a business perspective: homophobia and transphobia have high economic costs for individual people, firms, and societies at large. One step towards achieving greater equality will be to collect additional data on sexual orientation and gender identity in nationally-representative surveys, to shed light on existing disparities.

How to start from an original position



We put our questions to Daniel Chandler, economist and philosopher at the LSE, and author of *Free and Equal*, on a Rawlsian approach to public policy. Sir Angus Deaton has described the book as ‘A beautifully written and compelling argument that Rawlsian political philosophy can heal our broken societies and make us, indeed, free and equal’.

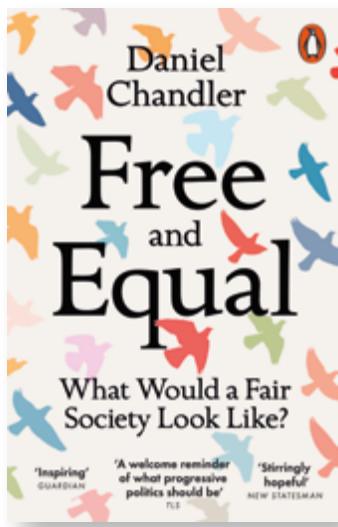
For readers new to Rawls, how would you introduce his work?

John Rawls, whose seminal work *A Theory of Justice* was published in 1971, is widely regarded as the most influential political philosopher of the 20th century. In the words of the philosopher G. A. Cohen there are ‘at most two books in the history of Western political philosophy [that] have a claim to be regarded as greater than *A Theory of Justice*: Plato’s *Republic* and Hobbes’s *Leviathan*’.

At the heart of Rawls’s theory is the “original position” thought experiment, which asks us to imagine the principles a rational agent would choose to organise society if they didn’t know their future social position or individual characteristics – their talents, religious beliefs, gender, ethnicity, etc. – as if behind a ‘veil of ignorance’. This leads to his two principles of justice: the ‘basic liberties’ principle, which says that every citizen is entitled to a set of fundamental personal and political freedoms, consistent with others having the same freedoms; and a second ‘equality’ principle, which says we should organize our economy such that everyone has ‘fair equality of opportunity’, and where the least well off workers are better off than under any alternative (the ‘difference principle’).

How did you first become interested in Rawls?

I first encountered Rawls as a History undergrad at Cambridge. I was struck by the ambition and coherence of his theory, its sheer moral force, and how it offers a practical framework for thinking about public policy. After my BA I spent about six years working in various policy roles – as a civil servant in the PM’s Strategy Unit, and at think tanks including the IFS and the Resolution Foundation – and kept coming back to Rawls’s ideas, albeit in a pretty casual way. It was whilst doing my PhD in Economics at the LSE that I really started engaging with his ideas more



“

At the heart of Rawls's theory is the “original position” thought experiment, which asks us to imagine the principles a rational agent would choose to organise society if they didn't know their future social position

”

deeply (mostly outside of my PhD work!), and started to see how they could help us grapple with big questions about inequality and the future of capitalism.

What ambitions did you have in writing *Free and Equal*, your account of his ideas and what they imply?

I had three main goals: first, to rehabilitate liberalism as a public philosophy; second, to introduce Rawls's to a broader audience; third, and maybe most importantly, to connect his ideas to a practical agenda that could help address the pressing challenges of our time, from questions about free speech to the design of the electoral system, the role of private money in politics, education, inequality, and workplace democracy. As an economist, the economic ideas are especially close to my heart. I also wanted to show how Rawls's philosophy points towards a policy agenda that goes well beyond the familiar focus on redistribution.

What were the main challenges in writing the book?

Rawls himself said very little about the practical implications of his ideas, and a key aim of my book was to pick up where he left off and think about how to put his ideas into practice. Bridging the gap from Rawls's principles to specific policy ideas was a much bigger job than I had anticipated! I wanted the ideas to stand up to academic scrutiny, and that involved both going quite deep into Rawls's philosophy and the enormous literature around it, and getting my head around a lot of empirical and policy work.

What are the strengths of his approach compared to utilitarianism?

That question really deserves a book-length answer! One key advantage is that Rawls's theory offers a more direct and robust justification for individual freedoms and democratic institutions, and in this sense fits better with the spirit of a liberal democratic society, and most people's moral intuitions. Utilitarianism, by contrast, could justify abandoning democracy or persecuting minorities if this would increase aggregate welfare. On a deeper level, Rawls argues that utilitarianism fails to respect the “separateness of persons” – that by seeking to maximize overall happiness or utility, utilitarianism treats society as a single entity, whereby individual interests can be sacrificed for the greater good. Rawls's theory is designed to ensure that no one is treated merely as a means to an end but rather as an individual with distinct rights and claims to justice.

Rawls's theory is also grounded in a more realistic moral psychology. While utilitarianism assumes that people will act to maximize overall happiness without concern for their own interests, Rawls assumes that people are willing to cooperate on terms that are mutually beneficial and fair. In other words, it's based on reciprocity rather than altruism.

Could you explain how a maximin interpretation of Rawls is far from the whole story?

Within economics, Rawls's theory is often equated with the ‘maximin’ (or ‘Rawlsian’) social welfare function, whereby social



“

Rawls (above) himself said very little about the practical implications of his ideas, and a key aim of my book was to pick up where he left off and think about how to put his ideas into practice

”

welfare depends solely on the welfare of the least well-off person. For a start, this ignores Rawls's 'basic liberties' principle, and his commitment to 'fair equality of opportunity', both of which have important implications for economic policy. But it also misinterprets the difference principle, which isn't about maximising welfare, but about maximising access to 'primary goods' – not just income and wealth, but positions of power and control, and what Rawls calls the 'social bases of self-respect'. Moreover, the aim is to maximize the lifetime opportunities of the least well off, rather than their resources at a given point in time. This recognises the importance of fairness and reciprocity: rather than simply maximising the income of the poor through redistribution, the aim is to create an economy in which the lowest paid have fair opportunities to earn a decent living.

Amartya Sen argues that we should compare the justice of outcomes under alternative scenarios, rather than work from an ideal outcome. What are the best defences of the Rawlsian approach?

I was lucky to study with Amartya during a year at Harvard, and have been hugely influenced by his work. I agree that political philosophy should help us compare different policies and scenarios, but I think Rawls's philosophy can help us do exactly that. Strictly speaking, knowing what perfect justice would look like is neither necessary nor sufficient to compare policies that could make society incrementally better. But Rawls doesn't just help us to imagine an ideal society. We can use his principles to compare policies on the basis of how far they are likely to promote individual freedom, improve equality of opportunity, raise the living standards of the least well off, and so on.

How does economic democracy fit within Rawlsian thought?

As I mentioned before, the difference principle is concerned not only with the distribution of income and wealth, but with the distribution of power between workers and owners, and the 'social bases of self-respect', including access to meaningful work. As with income, a degree of workplace hierarchy can be justified since we can all benefit from economies of scale, but this has to be weighed against the inherent downsides of unequal power relations, and their tendency



About the author

Daniel Chandler is an economist and philosopher based at the London School of Economics, where he is Research Director of the Programme on Cohesive Capitalism, and author of *Free and Equal: What Would a Fair Society Look Like* (Penguin, Allen Lane: 2023). He has degrees in economics, philosophy and history from Cambridge and the LSE, and was awarded a Henry Fellowship at Harvard where he studied under Amartya Sen. He has worked in the British Government as a policy advisor in the Prime Minister's Strategy Unit and Deputy Prime Minister's Office, and as a researcher at think tanks including the Resolution Foundation and the Institute for Fiscal Studies.

to generate dull and degrading work. It's not obvious how to strike the right balance, but the latest evidence on German-style co-management (Jäger et al. 2022) suggests that we can increase worker power and improve working conditions without any significant cost in terms of company performance. From the perspective of Rawls's theory it's a no brainer that we should be moving in this direction.

Could you say a little about the influence of James Meade, a Past RES President, on Rawls?

Yes, James Meade, and especially his 1965 book *Efficiency, Equality and the Ownership of Property*, was a very important influence on Rawls's economic thinking. In that book, Meade explores four economic regimes – a trade union state, welfare state, property-owning democracy, and socialist state – all of which seek to harness the efficiency of markets while achieving a more equal distribution of resources. Although Rawls is often interpreted as advocating for more redistribution, he was an early advocate for what we would now call pre-distribution, and borrowed Meade's term property-owning democracy to describe his ideal economic regime. In contrast to what he called 'welfare state capitalism', which is based on "the redistribution of income to those with less at the end of each period", a property-owning democracy would seek to ensure "the widespread owner-

ship of productive assets and human capital (that is, education and trained skills) at the beginning of each period".

For readers of your book who would like to know more about Rawlsian ideas, what references would you especially recommend?

If you want to read Rawls, I would recommend his final (2001) book *Justice as Fairness: A Restatement*, which is a concise statement of the mature version of his theory, taking on board various modifications and clarifications to *A Theory of Justice*, and which also contains his most detailed discussion of economic institutions. My go-to general reference book on Rawls is Samuel Freeman's brilliant *Rawls* (Routledge, 2007). For an excellent collection of essays exploring Rawls's economic ideas, see Martin O'Neill and Thad Williamson (eds.), *Property-Owning Democracy: Rawls and Beyond*, Blackwell, Chichester, 2012.

What would be your top three policies for the new UK government to pursue?

- (1) A cap on private donations to political parties combined with an increase in public funding, ideally a 'democracy voucher' system that would give every citizen (say) £20 per election cycle to give to the party of their choice; (2) a serious strategy to tackle child poverty, including removing the two-child benefits cap, re-linking working age benefits to average earnings, and investing in early years education; (3) embracing workplace democracy through workers on boards and empowered work councils, as part of a wider reassessment of the shareholder primary model.

Reference

- Jäger, S., Noy, S. and Schoefer, B. (2022). What does codetermination do? *ILR Review*, 75(4), 857-890.

Political language in economics

Machine learning can be used to infer the ideological leanings of academic papers and researchers

The authors

ZUBIN JELVEH
UNIVERSITY OF MARYLAND

BRUCE KOGUT
COLUMBIA BUSINESS SCHOOL

SURESH NAIDU
COLUMBIA UNIVERSITY/SIPA

Academic economics permeates public policy, both in public debates and in more opaque arms of the administrative state. In the US, cost-benefit analysis, antitrust analysis, and budget scoring of tax proposals in Congress all rely on economic research and analysis. The rigorous methods of economists and the purportedly value-neutral results of economic research make it compelling for the adjudication of policy debates, sometimes in domains like health, education, and crime that are far from economists' core focus on prices and quantities. As public intellectuals, economists engage and educate the public and policymakers in the interpretation of economic trends and prognostications about the virtues of a variety of policies. The reliance of policy and politics on economics raises a critical question: To what extent does the political ideology of economists shape the field itself – from the questions asked and methods used, to the results that inform evidence-based policy?

This question is at the heart of our recently published paper “Political Language in Economics” in *The Economic Journal*. As sciences beyond economics also come to inform policy, like climate science, and as partisanship increasingly influences all epistemic norms, our study might be a model for how to infer subtle ideological influences in other technical domains.

To investigate these issues, we developed a novel method to measure the political leanings of economists based on their academic writing. Using machine learning techniques, we analyzed the text of over 60,000 academic papers to predict the ideology of economists as measured by their political contributions and signatures on policy-relevant petitions. We then validated our approach by comparing our predicted ideologies with economists' responses to policy-relevant questions from the Initiative on Global Markets (IGM) Economic Experts Panel. Our predictions, based solely on the text of academic papers, exhibit robust correlations with the panel responses despite the IGM data being entirely distinct from the data used to train our model.

Applying this method to a large sample of economists and journals, we find wide evidence of ideological differences throughout economics, and significant ideological sorting across research areas and institutions. Unsurprisingly for those in the discipline, labour, development, and public economists tend to be more liberal, while financial, macro, and trade economists lean more conservative. Consistent with recent research conducted by one of us on the role of law-and-economics within the judiciary, we find that law-and-economics is quite conservative, as are economists employed in business schools. We also find



evidence for professional folk wisdom: those at “saltwater” schools (typically coastal universities in the US) tend to be more liberal than those at “freshwater” schools (often Midwestern universities in the US).

Since we have the predicted ideology for each article, we can decompose article ideology into time, journal, and author fixed effects. We find that journals account for about 20% of the variation in article ideology, even when accounting for author fixed effects, and that author fixed effects account for the bulk of the explained variation. The ranking of the journal fixed effects is consistent with other research on the ideological positioning of journals, with the *Journal of Post Keynesian Economics* the most left-wing, and *Public Choice* the most right-wing. All the “Top-5” journals are somewhat right of the average, with the *Journal of Political Economy* the most right-wing.

Most strikingly, we find evidence that an economist’s predicted ideology correlates with

References and further reading

- Ash, E., Chen, D. L. and Naidu, S. (2022). Ideas have consequences: The impact of law and economics on American justice. NBER working paper no. 29788.
- Jelveh, Z., Kogut, B. and Naidu, S. (2024). Political language in economics. *The Economic Journal*, ueae026.
- Schumpeter, J. A. (1949). Science and ideology. *American Economic Review*, 39(2), 346-359.

their research findings. Across multiple policy-relevant areas, we find that more conservative economists tend to report results that align with more conservative policy prescriptions and vice versa. For instance, more conservative economists tend to

find larger labour supply elasticities, which imply lower optimal tax rates. Similarly, they tend to estimate larger negative effects of minimum wages on employment. While researchers that estimate labour supply elasticities tend to be slightly left-of-centre by our measure, we find that the optimal top tax rate using the taxable income elasticity estimated by the most left-wing author would be 84%, falling to 58% using the elasticity found by the most conservative author.

While we find strong correlations, our study cannot establish causality. We cannot determine whether ideology causes differences in research outcomes or if other factors, such as methodological preferences or data availability, might explain both ideology and results. Additionally, it’s worth noting that our data primarily cover the period up to the late 2000s. The political and academic landscape has undergone significant changes since then, with both more challenges to academic expertise and more rigour in research design. Recent studies have highlighted issues like p-hacking and lack of replicability in empirical work. Our results suggest ideological bias may be an additional factor shaping research outcomes. As the field works to address methodological concerns, it should also grapple with how political views may influence economic analysis. While strategies like pre-analysis plans, data sharing, and replication studies are important for reducing poor empirical practices, our paper shows that ideology may influence more fundamental aspects of research, like which questions to pursue. As Joseph Schumpeter (1949, p. 5) suggested, “That prescientific cognitive act which is the source of our ideologies is also the prerequisite of our scientific work. No new departure in any science is possible without it... And so – though we proceed slowly because of our ideologies, we might not proceed at all without them.”

The Women's Committee

Partnering for progress: The work of UK WEN

The author

KIRAN KRISHNA
INFORMATION
COMMISSIONER'S OFFICE

The UK Women in Economics Network (UK WEN) was launched by the RES Women's Committee in 2023 to improve the status of women in economics, and membership has rapidly grown. UK WEN works with existing initiatives that share our goals, driven by a Steering Group of women economists from academia, the public sector, and the private sector. These collaborations are designed not only for more efficient use of resources for diversity & inclusion (D&I), but also to build a strong community supporting women in economics.

partnership opportunities, such as becoming a UK WEN Champion, Partner, or Event Sponsor, or developing a more tailored partnership. It has been wonderful to see the range and quality of organisations that have made use of these, as well as how these organisations have matched our passion for our work. For example, the Bank of England was our launch event partner and continues to provide us with volunteer support.

Our first UK WEN Champion was the University of Exeter. Professor Loukas Balafoutas, Head of the Economics Department at the University of Exeter Business School, stated “Through this partnership we aim to support the activities of the UK Women in Economics Network, which – along with other initiatives such as Discover Economics, the Diversity & Inclusion Network, and the Active Bystander initiative – can be a catalyst for change in our profession and help us build a truly inclusive and respectful environment for all.” This enthusiasm is shared across the Department. Dr Helena Fornwagner, a Senior Lecturer, said, “We hope to be joined by more economics departments and look forward to working together within the UK WEN.” Professor David Boughey, Interim DPVC and Dean of the University of Exeter Business School, said: “Our Champion status is a recognition of our drive to improve gender representation

“

UK WEN works with existing initiatives that share our goals, driven by a Steering Group of women economists from academia, the public sector, and the private sector

”

The mission of UK WEN is to support career development of UK-based women in economics by monitoring representation, by providing support for women in their careers as economists, and by enhancing the visibility of women economists and their interests across all sectors.

We have worked with incredible partners since 2023 to achieve this mission. We offer a range of

A UK WEN and
J. P. Morgan event



To find out more

If you are interested in joining our mailing list or becoming a partner, more information can be found on our website at

<https://res.org.uk/committees/womens-committee/women-in-economics-network>

If instead you would like to directly organise an initial discussion, please contact Adam Bryan at a.bryan@res.org.uk

There are many benefits to partnering with UK WEN:

- Being seen as an employer committed to furthering diversity, equality and inclusion efforts within the economics discipline.
- Enhancing the ability to attract and retain top talent.
- The opportunity to host senior women economists at an event.
- Digital brand awareness on the UK WEN web pages, in e-comms, and on social media channels.
- The opportunity to speak at relevant UK WEN events.
- Guaranteed in-person places at relevant UK WEN events.
- The opportunity to contribute and influence event content.
- The opportunity to network with women economists.
- The potential to contribute relevant content for the UK WEN newsletter.

in economics, and will enable us to elevate this work, allowing us to attract more external speakers, host WEN events and encourage further action.”

We have built UK WEN to be a network that provides support and progression for its members whilst bringing visible brand association with supporting diversity and gender equality within economics.

It is important to UK WEN that our reach covers all sectors in which there are economists. We are therefore delighted that our partners include private sector organisations such as Oxford Economics, who have stated: “This annual partnership elevates our commitment to advancing the careers of UK-based women in economics and we hope to further our efforts by bringing in external speakers, hosting events, and driving continued action.”

Moreover, Karen Ward, Managing Director and Chief Market Strategist for EMEA at J. P. Morgan Asset Management (JPMAM), one of our event partners, has said: “JPMAM and UK WEN share a common objective which is to encourage the brightest minds to study and enter the field of economics and finance and provide opportunities for those in the industry to share knowledge and develop ideas.

This objective is more pressing than ever. The global economy

faces considerable challenges, including delivering growth that is shared equally amongst society, climate change and the energy transition, and dealing with the pressures of an ageing population.

At JPMAM we need to ensure our clients are best positioned to understand the risks associated with our changing world as well as potential investment opportunities. We need the best talent, from all walks of life, working on these issues.”

Our other event partners include Cardiff Business School, the Government Economic Service, Haver Analytics, Nomura, the Society of Professional Economists, and Vanguard. Elsevier also provided pioneering support as our first core funder.

D&I is ultimately about enabling a variety of people to work together to their full potential towards common goals. To achieve this, this ethos should be reflected even in how we conduct our D&I work – we should be co-operating with others, creating space for different perspectives, and facilitating growth and benefits for all participants. We are proud that the words of our partners show that UK WEN has been following this path.

We are excited for what UK WEN will continue to achieve – with both our existing partners and through the partnerships we will forge in the future.

Reading: James Meade

Seeking to make the best of both worlds

How the Nobel laureate and Past RES President James Meade made the case for mixing capitalism and socialism

The author

SUSAN HOWSON
UNIVERSITY OF TORONTO

James Meade, the Cambridge Professor of Political Economy 1957-68 and President of the Royal Economic Society 1964-66, is usually remembered as an economic theorist. Yet his main concern was 'always... with the contribution which economic analysis has to make to the solution of problems of practical economic policy'; he was also 'an inveterate explorer of improvements in economic arrangements' (1988c, 67, 275).

His theoretical work includes his role in the 'Cambridge Circus' group of young economists who set Maynard Keynes on his path to *The General Theory of Employment, Interest and Money*, the first Keynesian textbook (1936), his 1950s work at LSE on *The Theory of International Economic Policy* (1951, 1955), for which he was awarded a Nobel Memorial Prize in Economic Sciences in 1977, his writings on growth theory in Cambridge, and in many other areas of economics.

His practical achievements include the creation (with Richard Stone) of the first official national income accounts in 1940/1, the preparation of the memoranda that resulted in the British government's 1944 White Paper on *Employment Policy*, the first proposal for an 'International Com-

mercial Union' (to complement Keynes's International Clearing Union) which led to the 1947 General Agreement on Tariffs and Trade, the drafter of the employment clauses of the Charter for an International Trade Organization approved at the 1948 United Nations Conference on Trade and Employment and of the 1949 International Wheat Agreement, two *World Economic Surveys* for the League of Nations in 1938 and 1939, and two 'Meade Reports', *The Economic and Social Structure of Mauritius* to the Governor of Mauritius in 1961 and *The Structure and Reform of Direct Taxation* for the Institute for Fiscal Studies in 1978.

James was brought up in Bath, Somerset, and educated at Lambrook School, Malvern College and Oriel College Oxford. At Oriel (1926-30) he joined the Oxford University Labour Club and rowed for his college. After two years he switched from Classics to Philosophy, Politics and Economics, concentrating on economics because 'Like many of my generation I considered the heavy unemployment in the United Kingdom in the inter-war period as both stupid and wicked' (1988a, 1).

It was in 1930/1 that, as a newly appointed fellow of Hertford



Commonwealth Talks, London, October 1946: James Meade is on the second right of the speaker, Sir Stafford Cripps.

College Oxford, he spent a post-graduate year in Cambridge and fell under the spell of Keynes. At Hertford he wrote his first book (1933), published on Keynes's recommendation, and his first policy pamphlet, *Public Works in their International Aspect* (1988a, 6-25), as well as his textbook, before taking leave of absence to work in the Financial Section of the League of Nations in Geneva. He managed to leave Geneva in May 1940 with his wife and three small children in a small car across falling France in order to join the economists already working for the British government.

His most decisive influence on economic policy came while he was working for the government during and after the Second World War, first for the Churchill coalition government in what became the Economic Section of the Cabinet Office, then, as Director of the Section until 1947, for the first majority Labour government in Britain under Clement Attlee.

He had begun to advise the Labour Party on economic policy

About the author

Susan Howson has edited the Collected Papers of James Meade and is the author of *James Meade: The Utopian Economist*, which is to be published by Cambridge University Press.

Further reading

Atkinson, A. B. and Weale, M. (2000). James Edward Meade 1907-1995. *Proceedings of the British Academy*.

Howson, S. (2000). James Meade. *Economic Journal*, 110(461), 122-145.

in 1932 when Hugh Dalton, the future Chancellor of the Exchequer, was trying to devise an economic programme for a future majority Labour government. In memoranda for Dalton and in an 'Outline of Economic Policy for a Labour Government' (1988a, 33-78) James's recommendations included, besides

Keynesian employment policies (monetary and fiscal), the planning of public investment, a capital levy (a one-off tax on wealth rather than income), a managed floating exchange rate, and the nationalization of major industries (with marginal cost pricing and any profits used to redeem national debt).

His first postwar book *Planning and the Price Mechanism* (1948) made a strong case for the 'liberal-socialist' way of running a capitalist economy. Besides macroeconomic control of inflation and deflation, this required measures for redistributing income and wealth, including a 'social dividend' (now known as basic income), a version of which he had already argued for in 1938, educational reforms, taxes on wealth and inheritance (but not, given postwar high interest rates and tax rates, a capital levy), control of monopoly and restrictive practices, and adjustable exchange rates.

He emphasized the conflict between economic efficiency and distributional justice and its policy implications even more strongly

in his Wicksell Lectures (1964), commenting in his preface: 'In Sweden there is (i) a progressive tax on capital gains, (ii) a progressive annual tax on total personal wealth, (iii) a progressive tax on gifts *inter vivos*, and (iv) a progressive tax on individual bequests. I implore any of my fellow countrymen who read this book not to object: "It can't be done."

A decade later, after resigning the Cambridge chair and as a research fellow at Christ's College Cambridge completing a four-volume *Principles of Political Economy* (1965, 1968, 1971, 1976), he repeated his longstanding policy recommendations in *The Intelligent Radical's Guide to Economic Policy* (1975). Its chapter on fiscal measures for redistribution and property proposed an accessions duty payable by the recipients of gifts and inheritances in place of death duties, the social dividend – which he had also advocated in his Sidney Ball Lecture 'Poverty in the welfare state' in Oxford in 1972 (1988b, 317-51) – and a consumption expenditure tax as an alternative to income tax, all of which were seriously considered by the Meade Committee in 1976-8.

“

He emphasized the conflict between economic efficiency and distributional justice and its policy implications

”

Having been worried about UK inflation since the early postwar years – he wrote a major memorandum on the control of inflation for the Treasury's Budget Committee in 1946 and chose the subject for his 1958 Cambridge inaugural and his 1971 Wincott Memorial lectures (1988a, 275-342) – he took the opportunity of his Nobel Lecture in 1977 (1988a, 349-62) to redefine the concept of 'internal balance' used in his Nobel prize-winning work as now requiring both full employment and price stability. Thereafter he advocated using demand management to keep the rate of growth of the money national income to a fixed target, which he christened 'New Keynesianism'.

After the tax committee he led a major research project on the means of controlling stagflation (1982, 1983), advised the newly formed Social Democratic Party, and wrote on labour-management cooperatives and the share economy. In *Agathotopia: The Economics of Partnership* (1989), which is 'addressed to all capitalists and socialists who seek to make the best of both worlds', he added to his familiar recommendations the development of labour-capital partnerships where economically feasible, as well as what he had come to call 'topsy-turvy nationalization', acquisition of a 'net national asset' to generate revenue and help finance the social dividend.

James wrote his last book in the last year of his life. In *Full Employment Regained?* (1995) he 'ended up producing a conglomerate of practically every reform of macroeconomic policy that I have ever advocated over my 63 years as a working economist' (1995, xvi-xvii). It is hard to think of any economist, other than his mentor Keynes, who can be said to have done more to promote the reform of capitalism in order to make capitalist societies better to live in.

References to Meade's writings

- (1933). The rate of interest in a progressive state. Macmillan, London.
- (1936). An introduction to economic analysis and policy. OUP, London.
- (1938). Consumers' credits and unemployment. OUP, London.
- (1948). Planning and the price mechanism: The liberal-socialist solution. Allen & Unwin, London.
- (1951, 1955). The theory of international economic policy Volume I The balance of payments, Volume II Trade and welfare. OUP, London.
- (1964). Efficiency, equality and the ownership of property. Allen & Unwin, London.
- (1965, 1968, 1971, 1976) Principles of political economy Volume I The stationary economy, Volume II The growing economy, Volume III The controlled economy, Volume IV The just economy. Allen & Unwin, London.
- (1975). The intelligent radical's guide to economic policy. Allen & Unwin, London.
- (1978). The structure and reform of direct taxation. Allen & Unwin, London.
- (1982, 1983). Stagflation Volume I Wage-fixing, Volume II Demand management. Allen & Unwin, London.
- (1988a, b, c). The Collected Papers of James Meade Volume I Employment and inflation, Volume II Value, distribution and growth, Volume II International economics. Unwin Hyman, London.
- (1989). Agathotopia: The economics of partnership. Aberdeen University Press.
- (1995). Full employment regained? An Agathopian dream. CUP, Cambridge.

News...

A round up of news and events from the world of the RES

Special Issues Editor appointed for The Economic Journal

RES is pleased to announce that The Economic Journal will publish special issues from late 2025. Alberto Bisin, Professor of Economics at New York University, has been appointed as the inaugural Special Issues Editor, effective from September 2024. Papers published in the special issues (or in special sections of regular issues) will be high quality, themed, focused on questions of high relevance to society and academia, and subject to fast editorial turnaround processes, with content generated through open calls. To stay up to date with special issue news, please keep an eye on our website and follow the Royal Economic Society on X and LinkedIn.

RES Publications Committee: Co-opted external member vacancies x 2

RES is seeking to appoint two co-opted external members to the Society's Publications Committee. The Publications Committee oversees the scholarly publishing activities of RES, ensuring that the Society's strategic and financial goals for its publications are achieved, given the Society's overall charitable mission. Applicants should submit a current curriculum vitae and a covering letter setting out their experience relevant to the role and their motivations for wishing to take on the position. Please send your application by email to Liza Aberkane Barranco, Governance &

Advocacy Officer, resoffice@res.org.uk by 16 October 2024. More information about the role can be found on the RES website.

RES appoints Chair of Publications Committee

RES is pleased to announce that Fabien Postel-Vinay, Professor of Economics at University College London and Research Director at the Institute for Fiscal Studies, has been appointed Chair of the Society's Publications Committee from October 2024.

The Society would also like to thank the outgoing Chair, Professor Morten O. Ravn, for his long-standing support for RES publications in leadership and editorial roles over many years.

Call for Nominations: RES Council 2025-2030 and President-Elect 2026-2027

RES members are invited to propose names for both the RES Council (for the period Spring

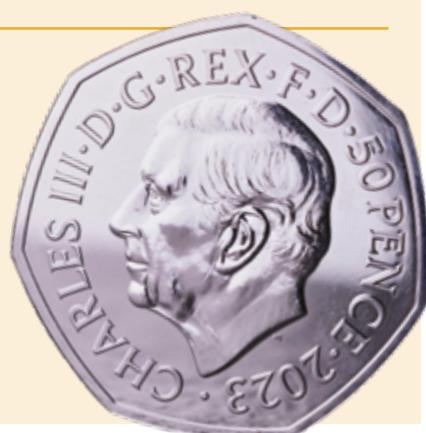
2025-2030) and President-Elect for Spring 2026-2027, then President 2027-2028. The latter will follow Professor Tony Venables who has been confirmed as President-Elect 2025-2026 and President 2026-2027. Any member of the RES who would like to make a nomination should email the Elections Officer, Professor Miguel Costa-Gomes, at RESoftice@res.org.uk by 14 October 2024.

Discover Economics news: Young Economist of the Year Competition

The 2024 Young Economist of the Year competition, sponsored by KPMG, saw the highest levels of student engagement to date, with 2,796 students participating, up from 1,922 last year. Discover Economics was delighted by the scale and standard of the submissions. The share of entries from non-fee-paying schools has continued to increase, by twelve percentage points for those entering in 2024, up to 67% of submissions. There was also an increase in group submissions, with

Royal Patronage

The Royal Economic Society is delighted to report that, earlier this year, His Majesty the King kindly agreed to accept the patronage of the Society. The Society takes great pride that His Majesty becomes the fifth monarch to accept the Patronage since our Royal Charter was bestowed by His Majesty's Great-Great Grandfather in 1902.



RES at Pride

The Royal Economic Society marched at the Pride in London parade on Saturday 29 June 2024. We were delighted to be accompanied by members who brought their family and friends. This was a historic moment for the Society, visibly representing economists and the discipline at Pride. Among those who attended, Professor Imran Rasul (UCL, and RES President-Elect) said that he found the day to be 'really enjoyable, and one to be repeated!' Dr Dario Sansone, a member of the RES and the LGBTQ+ community, felt the 'RES sent an important signal by attending the London Pride.'

As a Society, we want to celebrate and support diversity in all its forms, including representation of LGBTQIA+ economists. This aligns closely

with our strategic mission and priorities: bringing communities of economists together, and improving diversity, inclusion and integrity in the profession. The RES is committed to facilitating and promoting the change required for the discipline to become more diverse and inclusive. The Society can reach a large number of economists through its activities and partnerships and strives to use those opportunities to improve EDI within the discipline.

Our Diversity Hub brings together this work which can be found on the RES website. If you would like to get involved with our diversity work, or are interested in getting involved with future LGBTQIA+ events, please contact us at: resoffice@res.org.uk.



Blue plaque for Joan Robinson



On 9 April, Joan Robinson's daughter Barbara Jeffrey unveiled an English Heritage blue plaque at 44 Kensington Park Gardens, the house in Notting Hill, London where Joan Robinson lived while attending St. Paul's School (she was then Joan Maurice). Later, it was from this house that she went to marry Austin Robinson. The unveiling of the plaque was covered by the BBC and the London Evening Standard. The photo shows, from left to right, Riccardo Bellofiore, Barbara Jeffrey, and Jan Toporowski.

You can read more about Joan Robinson and the new blue plaque on the English Heritage website, at <https://www.english-heritage.org.uk/visit/blue-plaques/joan-robinson/>

a quarter of submissions choosing to enter as a group, up from 19% in 2023. Discover Economics is now in the process of selecting the finalists and arranging the in-person final at KPMG offices in Canary Wharf, to be held on 10 October.

October issue of *The Economic Journal*

The October issue of *The Economic Journal* is out now, including 'Fair Pension Policies with Occupation-Specific Ageing' by Volker Grossmann (University of Fribourg), Johannes Schünemann (University of Göttingen) and Holger Strulik (University of Göttingen). Explore the issue at the OUP website.

Diversity & Inclusion Network Event, 10 September

On 10 September, the RES Diversity & Inclusion Network held its latest meeting, featuring key

“
To ensure you receive details about all our Diversity & Inclusion events, sign up to the D&I Network mailing list
”

speakers: Professor Nick Drydakis (Anglia Ruskin University) who spoke about discrimination in the labour market based on sexual orientation and gender identity, and Professor Vicki Bogan (Duke Sanford School of Public Policy) who shared the wide range of programmes and initiatives of the AEA's Committee on the Status of Minority Groups in the Economics Profession (CSMGP). In addition, there were talks from Sam McLoughlin (Discover Economics), who gave an overview of the campaign's outreach activities, and

Shoumeli Das (University of Liverpool) who talked about the D&I Network resource page. A recording and further slides will be added in due course. To ensure you receive details about all our Diversity & Inclusion events, sign up to the D&I Network mailing list. For more information, visit the RES website.

IFS and BCU renew group membership with RES

We are pleased to announce that the Institute for Fiscal Studies (IFS) and Birmingham City University (BCU) have renewed their group membership with the Royal Economic Society. Through group membership, staff or students receive the various benefits of membership, including access to the journals and the Collected Works of John Maynard Keynes, a discounted submission fee for *The Economic Journal*, discounted registration for the annual conference, and more. For more information contact Adam Bryan at a.bryan@res.org.uk

Events...

RES Summit November 2024: Artificial Intelligence and Jobs

Register your place for this year's annual RES Summit. It will focus on the topic of artificial intelligence and its impact on jobs, and will consist of two parts. Part one draws together a panel of experts who will explore the impact of AI in relation to jobs, with speakers Professor Nava Ashraf (LSE), Professor Sir Christopher Pissarides (LSE), Professor Jolene Skordis (UCL), and Dr Daniel Susskind (King's College London), chaired by Professor Kirsten Sehnbruch (The British Academy). Part two will cover teaching artificial intelligence in the economics classroom, with speakers Professor Anton Korinek (University of Virginia), Professor Stefania Paredes Fuentes (University of Southampton) and Dr Petar Stankov (Royal Holloway, University of London), chaired by Professor Cloda Jenkins (CTaLE). For more information and to book your place visit the RES website.

RES PhD Conference 2024

Bookings are now open for the RES PhD Conference 2024. The conference will take place on Wednesday 4 December at the University of Portsmouth. The keynote lecture will be given by Professor Martin Kocher (University of Vienna, and current Federal Minister of Labour and Economy of Austria). For more information visit the RES website.

RES Doctoral Training Programme

Bookings for our first RES Doctoral Training Programme (RES DTP) webinars are now open. The ESRC has awarded the Royal Economic Society funding to deliver a training programme for doctoral candidates in economics, beginning in the academic

year 2024/25. The RES Doctoral Training Programme builds on the work the RES already does to support PhD students and aligns with RES's strategic aims for 2024-2028.

The Programme includes expert workshops on skills necessary for economics doctoral students and masterclasses in important domains of research. For registration links and more information on the programme, visit the RES website.

Consciously Inclusive Mentoring

RES is pleased to offer a 'Consciously Inclusive Mentoring' short programme for members, which aims to provide mentors with training on inclusive mentoring practices and to improve understanding of how conscious and/or unconscious biases affect the mentor-mentee relationship. The programme includes some self-guided work and a two-hour live session to be held on Zoom on 23 October, 11:00 – 13:00. To express an interest in joining the 2024 programme, please fill in the form on the RES website.

RES Conference 2025 news and updates

To help with planning, here are key dates leading up to our RES 2025 Annual Conference taking place on 30 June - 2 July 2025 at the University of Birmingham.

- October 2024: Call for papers and posters launches
- October 2024: Applications for the RES PhD Scholars Fund open
- Mid-January 2025: Applications for papers and posters close
- Early March 2025: Application outcomes sent
- Mid-March 2025: Bookings for Conference open

The 2025 Conference will also include a 'Speed Session' pres-

entation format. Many will know our rejection rate is high, and these additional sessions will give another 40 presenters the chance to showcase their research. More information about the conference is available on the RES website.

How to Prepare for EJME 2024

To help postgraduates prepare for the December virtual job market, the RES will host a one-hour webinar where you will hear from hiring academics as well as new recruits. The webinar will take place on Wednesday 13 November, 14:30-15:30, and will be joined by a panel including Professor Tai-Wei Hu (University of Bristol), Dr Apurav Bhatiya (University of Birmingham), Dr Martina Uccioli (University of Nottingham) and Professor Mary S. Morgan (LSE). To book your place and for more information visit the RES website.

To contribute to the Newsletter

The Newsletter welcomes contributions from a diverse range of voices, backgrounds, and interests, reflecting the membership of the RES. If you have an idea for a feature, details of an event, a proposal for an obituary, memories of a well-known economist, or would like to contribute a Letter to the Editor, please write to Jon Temple at jon.temple@zohomail.eu and cc your message to Cesilia Sinur at media@res.org.uk

In the next issue

- RES Summit on AI and Jobs
- The Letter from France
- Our latest profile



ROYAL ECONOMIC SOCIETY

2 Dean Trench St, Westminster,
London, SW1P 3HE

T: +44 (0) 203 137 6301
E: resoffice@res.org.uk
W: www.res.org.uk

- @RoyalEconSoc
- www.linkedin.com/company/royal-economic-society
- www.youtube.com/user/RoyalEconomicSociety

The Royal Economic Society is a Registered Charity no. 231508.

© The Royal Economic Society

Chief Executive:
Leighton Chipperfield
l.chipperfield@res.org.uk

Digital Communications Officer:
Cesilia Sinur
media@res.org.uk

Editor: Jonathan Temple
jon.temple@zohomail.eu

Design: Phil McAllister
phil@philmcallisterdesign.com

Printed in the UK by Stephens and George Print Group

Disclaimer: Whilst every effort has been made to ensure the quality and accuracy of the information contained in this newsletter at the time of going to press, the Royal Economic Society, its affiliates and any person, firm, corporation or organisation who or which has been in any way concerned with the furnishing of the information assume no responsibility as to the accuracy or completeness of and, to the extent permitted by law, shall not be liable for any errors or omissions or any loss, damage or expense incurred by reliance on information or any statement contained in this newsletter. Any views or opinions expressed do not necessarily represent the views or opinions of the RES, its affiliates or any person, firm, corporation or organisation who or which has been in any way concerned with the furnishing of the information in this newsletter.

The Royal Economic Society is one of the oldest and most prestigious economic associations in the world. We are a learned society, founded in 1890 to promote the study of economic science. Our members include student, academic and professional economists from around the world. Membership is open to anyone with an interest in economic matters.

Member benefits and information

Become a RES member today and receive the following member benefits:

- Digital access to The Economic Journal and The Econometrics Journal
- Save up to a 1/3 on registration for our Annual Conference
- Receive our quarterly newsletter which includes topical articles, comments and letters
- Apply for the Society's grant schemes and attend our series of events
- Tax Relief for UK members on RES membership fees
- Access the Members Only portal on the Society website
- Online access to the digital editions of the Collected Writings of John Maynard Keynes. Members also receive a special 30% discount on the printed edition
- Print+online members additionally receive a printed copy of The Economic Journal published 8 times a year
- Student members may attend the Symposium of Junior Researchers, the Job Market, and can apply for financial assistance to attend the Annual Conference.
- Get involved in the organisation of the Society, nominate the President, and vote for Council members

Find out more at: www.res.org.uk/membership

Promoting the study of economic science



Promoting economics • Supporting economists • Improving diversity

Membership Directory

The RES Member Directory is a searchable database available only to RES members.
By building a profile on the directory members can:



Search to find fellow members by career stage, profession, region, specialism and more



Build a profile to connect with economists with shared research interests



Find the contact details and CVs of members who have shared their details

Join the RES at: www.res.org.uk

 LinkedIn: www.linkedin.com/company/royal-economic-society
 Twitter: @RoyalEconSoc

2 Dean Trench St, Westminster, London, SW1P 3HE
Telephone: +44 (0) 203 137 6301
Email: resoffice@res.org.uk

The Royal Economic Society is a Registered Charity no. 231508 VAT registration: 214168584



**ROYAL
ECONOMIC
SOCIETY**