

DEPARTMENT OF ECONOMICS
Newsletter No. 1, October 1997

The departmental Newsletter is normally published four times a year on or around 1st October, 1st January, 1st April and 1st July. It contains news of activities of departmental staff and postgraduates during the three months before publication.

The Newsletter is edited by the Chairman of the department and the Departmental Secretary. Any queries or items for publication can be sent to the Departmental Secretary.

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Chris Jensen-Butler
Professor, Departmental Chairman

Department of Economics
University of St. Andrews
Castlecliffe
St. Andrews
Fife KY16 9AL
Scotland, UK

tel: 01334 462420
fax: 01334 462444
email (secretary): bl2@st-and.ac.uk

EDITORIAL

This Newsletter is the first of the series and in future they will be published four times a year. The aim of the Newsletter is to present a retrospective account of the activities of all members of staff and postgraduates in Economics at St. Andrews during the three month period up to one month before publication date. Future activities are not recorded in this Newsletter, they are to be found in the electronic diary which is sent out to members of the department on a weekly basis.

This first edition is, however, a little different from those that will follow in that there is an extended section on publications, compiled as a stocktaking exercise. This section contains details of publications by members of staff in the period 1st January 1996 to 1st September 1997. In addition, publications submitted by staff members for the 1996 RAE are included, which is why a few publications from before 1996 are to be found in the list.

There is an impressive level of research activity in the department, witnessed by the around 130 publications from all members of academic staff. The sections on conference activities and new research activities, which relate only to a four month period, also show a high level of activity and vigour in the pursuit of new research goals. Of particular note are the professional activities of Professor John Beath, who, in addition to being Head of the new School of Social Sciences, plays an important role in British economics, bringing many benefits to the department. The Department contains the Centre for Research into Industry, Enterprise, Finance and the Firm (CRIEFF) which has a page in the Newsletter. Gavin Reid, its Director, has recently been awarded a Nuffield Foundation Research Fellowship.

There is a feature of the life of the Department of Economics which is impossible to record in a Newsletter - that the department is both harmonious and a good place to work.

During the four months up to 1st September, Joan Reed, Departmental Secretary for many years, retired and I would like to thank her for long and professional service. Barbara Lessels started as new Departmental Secretary on 16th June. Other recent changes in departmental staff will appear in the next Newsletter.

Future editions of the Newsletter will typically have fewer pages, though I would like to make the Newsletter more relaxed and informal and would welcome ideas for change in this direction.

Finally, I would like to thank Matthias Beck for designing the cover of the Newsletter.

Chris Jensen-Butler

30th September 1997

PUBLICATIONS

[1 January 1996 – 1 September 1997
plus RAE submissions, 1996]

Beath JA, Katsoulacos Y, Ulph DT, 1992, Sequential Product Innovation and Endogenous Market Structure In: Gee JMA, Norman GS (eds) *Market Strategy and Structure* (Harvester-Wheatsheaf, Brighton), 329-350. **RAE**

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Reid GC, Siler PA, **Smith JA**, 1994, *Quality of Patenting in the UK Scientific Instruments Industry: Database Construction*. CRIEFF Discussion Paper no. 9412, Department of Economics, University of St Andrews. **RAE**

Reid GC, Terry N, **Smith JA**, 1995, *Risk Management in Venture Capital Investor-Investee Relations*, CRIEFF Discussion Paper no. 9505, Department of Economics, University of St. Andrews. **RAE**

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Bhaskar V, **To T**, 1996, *Minimum Wages for Ronald McDonald Monopsonies: A Theory of Monopsonistic Competition*, Discussion Paper no. 9605, Department of Economics, University of St. Andrews.

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CONFERENCES ATTENDED

[1 May – 1 September 1997]

John Beath attended the Review of Economic Studies European Seminar, Oxford, May 1997.

Matthias Beck was the key speaker at the plenary session of the annual Congress of the *Offshore Industry Liaison Committee* in Aberdeen in May 1997, where he presented a paper titled ‘*Job Creation in the British Offshore Oil and Gas Industry: Myth and Reality*’. The paper compared the job creation record of the Norwegian and UK offshore sectors for various occupations and industries, and received coverage in the Scottish and national Press.

Matthias Beck attended the workshop *Law and Economics and the Labor Market* at Utrecht University in May 1997 where he delivered a refereed paper on the ‘*Law and Economics of Dismissal Regulation*’. The conference was organized by the European Law and Economics Association and its papers will be published in the *Encyclopedia of Law and Economics* (Cheltenham, Edward Elgar Press).

Matthias Beck co-authored a paper on the British Offshore Oil Industry, with Charles Woolfson, in June 1997 which was delivered by the latter at the *Canadian Industrial Relations Conference*, at Memorial University, St Johns, Newfoundland.

Matthias Beck gave a public lecture in June 1997 on the Stakeholder Society at Langside Halls, Glasgow in connection with the *Morning Star Political Festival*, which was attended by trade union activists.

Matthias Beck gave a paper on Occupational Safety in the British Oil Industry at the *Fifth International Industrial Relations Conference* in Dublin in August 1997.

V. Bhaskar presented a paper at the European Meeting of the Econometric Society in Toulouse in August 1997, on history dependent mixed strategies.

V. Bhaskar presented a paper at the 17th Arne Ryde Symposium on Focal Points, Lund, in August 1997, on breaking the symmetry.

V. Bhaskar presented a paper at a department seminar at the University of Essex in May 1997 on moral hazard and private monitoring.

Angela Black participated in a seminar at Department of Economics, University of Newcastle, in May, 1997 where she presented a paper on "The Wage Curve versus the Phillips Curve".

Felix FitzRoy attended a conference on "New Government/New Transport Policies, Learning from Best Practice in Europe" in Edinburgh in July 1997.

Felix FitzRoy attended a Phare-ACE workshop on Transition in Poland and Bulgaria, Kstrzyn, Poland in July 1997.

Bishnupriya Gupta presented a paper at Third World Congress of Cliometrics, Munich, on The International Tea Cartel, July 1997.

Chris Jensen-Butler represented the European Science Foundation's TERM (Tackling Environmental Resources Management) programme at *The 1997 Open Meeting of the Human Dimensions of Global Change Research Community*, IIASA, Laxenburg, Austria in June 1997 where he presented a paper on 'The Environment and the Economy: Spatial Issues and Spatial Perspectives'

Chris Jensen-Butler participated in the ESRC's Regional and Urban Economics Group Annual Meeting in Chester in July 1997.

Michael Nolan attended the conference of the Econometric Society, European Meeting, Toulouse, August 1997.

Gavin Reid represented the Department at the conference in honour of Brian Loasby, at the University of Stirling, August 1997.

Gavin Reid attended the EARIE (European Association for Research in Industrial Economics) Conference at the University of Leuven, Belgium, where he presented two papers on: '*What makes a new business start-up successful?*' (co-authored with Julia Smith); and '*The Evolution of Small Business Financial Structure: Trajectories for Debt, Equity, Assets, Sales and Profits*', August 1997.

Julia Smith represented the Department at the conference in honour of Brian Loasby, at the University of Stirling, August 1997.

Julia Smith attended the EARIE (European Association for Research in Industrial Economics) Conference at the University of Leuven, Belgium, where her co-author Gavin Reid presented their joint paper, '*What makes a new business start-up successful?*', August 1997

Ted To presented a paper entitled "Dynamic Price Adjustment and Oligopoly" at the Society for Economic Dynamics meeting in Oxford, July 1997, and Warwick Summer Research Workshop on Dynamic Games, July 1997.

OTHER ACTIVITIES

1st May – 1st September 1997

John Beath

- Chairman of CHUDE (Royal Economic Society Conference of Heads of University Departments of Economics until 12/99) and ex officio member of RES Council and Executive
- Member of ESRC Research Priorities Board (until 12/98)
- ESRC Representative, ELSE Advisory Group (Centre for Economic Learning and Social Evolution, UCL)
- External Assessor for the Chair of Economics at the University of Sheffield, August 1997
- Chair of the Commissioning Panel for the new ESRC Programme on Informal Economic Activities.
- Member of the Advisory Board ESRC Centre for the Study of Globalisation and Regionalisation, University of Warwick.
- External examiner, M.A. schemes in Economics, University of Essex, B.Sc. in Economics, University of Nottingham, Part II of the Economics Tripos, University of Cambridge.
- Invited to visit the Research School for the Social Sciences at ANU for three months during 1998-99.

Matthias Beck

- Member of the executive of the newly founded *Scottish Occupational Health and Safety Network*. SOHSN receives financial support from STUC affiliated unions, maintains a homepage, publishes a newsletter and maintains an office at Strathclyde University.
- Fellow of the *Royal Society for the Encouragement of Arts, Manufactures and Commerce* (FRSA) as acknowledgement of his research on the UK Oil Industry.

Andrew Burke

- Chairperson/Secretary 1997-8 of the British Isles Group of the Association of Cultural Economics (BIG ACE).

David Cobham

- Elected Senate Assessor on Court as from August 1997
- Invited to act as external examiner for the MSc in International Economics, Banking and Finance at Liverpool John Moores University

Chris Jensen-Butler

- Invited to participate as an expert in a seminar organised by Glasgow Development Agency on European Cities in Competition in July 1997.

Gavin Reid

- Invited to be a member of the editorial board of *Small Business Economics*.
- Member of the University's *Investment and Property Committee*.

NEW RESEARCH ACTIVITIES

1st May – 1st September 1997

John Beath, Yannis Katsoulacos (Athens), Robert Owen (Nantes) and David Ulph (UCL) have jointly been awarded funding under Programme CNRS Les Enjeux Economiques de L'Innovation to conduct research on R&D Cooperation, Competitiveness and Technology Policy.

Angela Black is participating in a new project with Peter Macmillan using survey based expectation data to form expected term premia to account for predictability in UK and European Stock Prices and returns. They are seeking explanations for the apparent ability for the term structure to predict stock market returns in the US but not in the UK.

Angela Black is participating in a new project with R. MacDonald (University of Strathclyde) on a forecasting model for stock and bond prices. Using VAR methodology and cointegration for a five variable system including stock prices, dividends, long and short interest rates, and a foreign interest rate.

Angela Black is participating in a new project which is an extension of previous work with F. FitzRoy looking at the stability of the parameters on the coefficients of interest in the Wage and Phillips curve literature over the time period 1978-1995.

Andrew Burke, William Baumol (Princeton & New York University) and David Audretsch (University of Atlanta) are co-operating to edit a special issue (journal to be confirmed) on "Competition Policy in Dynamic Markets".

Andrew Burke and Patrick McCloughan (University of Liverpool) have initiated research on a stochastic model of the dynamics of the music singles and albums charts.

Andrew Burke, Felix Fitzroy and Michael Nolan are to begin work on a longitudinal analysis of an earnings function.

Andrew Burke and Michael Nolan are conducting a panel data analysis aimed at estimating the economic cost (static and dynamic) of counterfeiting in the international music record industry.

Felix FitzRoy has been awarded European Union Funding (Phare ACE) for a project on transition in Poland and Bulgaria with Potsdam University.

Felix FitzRoy is working on employee ownership in privatization for International Labour Office, Budapest.

Felix FitzRoy is engaged in a project, with Andrew Burke and Michael Nolan on determinants and consequences of self-employment in the UK.

Felix FitzRoy is investigating Wage and Phillips curves with Angela Black.

Felix FitzRoy is involved in a study of high tech employment in U.S. cities with S. Acs and Ian Smith.

Felix Fitzroy is involved in a DFG funded project with K. Kraft, (Essen), on codetermination in German firms.

Felix FitzRoy is working on European rail transport with Ian Smith.

Felix FitzRoy is engaged in a study of returns of scale and working time in German manufacturing with M. Funke (Hamburg).

Bishnupriya Gupta has been awarded a research grant by the Nuffield Foundation for a project entitled "Collusive agreements in Indian industry during the inter-war period: the case of tea and jute" for the period May 1997 - November 1998.

Chris Jensen-Butler has been invited to co-author a chapter on regional growth and industrial policy in Denmark in a book commissioned by the Swedish Ministry of the Economy and the Royal Swedish Engineering Academy

Peter Macmillan is undertaking a comparative study, with Angela Black, of the relationship between stock market returns and business conditions in the US and UK, focusing on the information present about future macroeconomic conditions in the term spread.

Peter Macmillan is undertaking, with Ronnie MacDonald, an analysis of the US term premium at the short end of the maturity spectrum using survey data on expectations.

Peter Macmillan is undertaking, with Alison Watson, an investigation of the relationship between exchange rate volatility and trade within the EC economies.

Gavin Reid and Falconer Mitchell (Edinburgh University), together with **Julia Smith**, gave a team presentation to the Chartered Institute of Management Accountants (CIMA) at their headquarters in London. This subsequently led to the award of £25,000 to CRIEFF for research into '*The nature and development of management accounting systems in SMEs*', with effect from 1 September 1997.

Gavin Reid has been awarded a Nuffield Foundation Research Fellowship to the value of £24,000. This will enable him to further investigate '*Growth and development in the new small firm*', with effect from 1 September 1997.

Peter Robson is currently working on an evaluation of the alternatives of discriminatory v. non-discriminatory tariff reduction for a transition economy (Georgia)

Peter Robson is currently working on a two-country two-factor two-product model of a common market with variable capital stock.

CRIEFF NEWS

1st May – 1st September 1997

CRIEFF (Centre for Research into Industry, Enterprise, Finance and the Firm) is a research centre within the Economics Department whose aim is to foster rigorous research in industrial economics. The research agenda includes mainstream industrial organisation, R&D and technological diffusion, the organisational theory of the firm, the economics of the household, health economics, the environmental consequences of firms' activities, micro-modelling of the firm for macroeconomic purposes, multinational firms, the economics of the single European market, marketisation and privatisation. Currently, the main research projects being conducted within CRIEFF are: an Esmée-Fairbairn Trust funded project on venture capital; a Nuffield Foundation funded project on quality of patenting; projects on speculative bubbles, entrepreneurship, and the performing arts; and a Leverhulme Trust funded project on life cycle effects in new small firms.

POST-GRADUATE NEWS

1st May – 1st September 1997

Graduations

- **John-Dennis Salavrakos** and **Mathilde Cheix**, both supervised by Gavin Reid, successfully defended their PhD theses and graduated this summer.

Publications

- Bowie C, Beck S, Bevan G, Raftery J, **Silverton F**, Stevens A, 1997, *Estimating the Burden of Disease in an English Region*, Journal of Public Health Magazine, vol 19, no. 1, pp. 87-92.

Conference Participation

- **Wilson C**, 1997, *Empirical Results of A Willingness-to-Pay Study for A Reduction in pesticide Pollution in a Developing Country*. Paper accepted for presentation at the International Conference of PhD students in Hungary, 11-17 August 1997.
- Senanayake, S., Nandane, C., Rajapakse, S., Fernando, N., and **Wilson C**, 1997. *Cost of Epilepsy in a Developing Country in South Asia*. Paper presented by the first author at the 22nd International Epilepsy Congress, Dublin, 19 June – 4 July 1997.

Awards/Recognition

- **Sarah Beattie** has gained a Russell Trust award to help finance her forthcoming trip to Hong Kong.
- **Ben Gully** has been accepted as a visiting scholar at the University of British Columbia, Vancouver from beginning of November 1997 to mid-January 1998.
- **Martin Kuehle** gained a Russell Trust award which helped fund his trip to Tokyo where he worked for the German Bank West LB from mid-July to mid-September 1997.
- **Francesca Silverton** has gained an ESRC research studentship for 1997/8 and 1998/9.
- **Clevo Wilson** was winner of the University of St. Andrews Postgraduate Research Essay Prize 1997 (Gray Prize).

PERSONNEL

1st May – 1st September 1997

Barbara Lessels joined the Department as Secretary from 16 June 1997 following the retirement of Mrs Joan Reed after 24 years of service to the Department.

PERSONAL

1st May – 1st September 1997

Peter Macmillan's son (Thomas Michael Macmillan) was born on 16 July 1997.
