

# ROYAL ECONOMIC SOCIETY/ASSOCIATION FOR HETERODOX ECONOMICS, NOTTINGHAM, 1999

Donald A. R. George  
*University of Edinburgh*

The last RES conference I attended took place at the University of Kent in 1995. Having reviewed the conference for this journal I received a letter from the RES, asking me not to criticise their conferences in print, lest criticisms demoralise organisers of future meetings. These fears were obviously unfounded because the 1999 RES conference was, in general, a well-run and enjoyable occasion. Moreover it was the first RES meeting I have attended which had a fringe: the Association for Heterodox Economics one-day conference also took place at Nottingham, overlapping with (though having no formal connection with) the RES conference. This is a most welcome development and it is to be hoped that it will be repeated in future years. Fringes traditionally add colour and interest to the main event: a little known Arts Festival here in Edinburgh was long ago dwarfed by its Fringe, and even such august events as the AEA meetings have had substantial fringes for some time. Given the huge pressure nowadays to conform to the mainstream in Economics (partly due to the malign influence of the RAE), the Association of Heterodox Economics provides a welcome vehicle by which pluralism can be promoted. Without pluralism, Economics is doomed to a sterile future where rewards go to those who can count the equilibria dancing on a subspace, compact in the Slobolev-3 topology<sup>1</sup>; and if the tax-payer ever finds out that this is what eminent Economics Professors are spending her money on, she may withhold future contributions.

Arriving at Nottingham University in the evening of 29 March, was like boarding the *Marie Celeste*: a deserted campus with no signposting to the Conference, no-one who had even heard of the Royal Economic Society and no-one on the registration desk. Having found my 'Conference Folder' and figured out where my room (with en suite 'facilities') was located, the next step was to find some fellow delegates. With perfect foresight I would have realised that most of them were to be found in the bar. Despite running out of decent beer half way through the Conference, the bar was a useful feature of the Conference, providing a convenient focus for informal discussions and networking. As in previous years, these were more important aspects of the conference than the papers themselves.

The evening panel discussion dealt with 'The Euro and Economic Policy'. It featured Willem Buiter, Olivier Blanchard (who had earlier presented an excellent

Harry Johnson Lecture), Charles Wyplosz and Bernard Connolly. The discussion ranged over issues such as whether central bankers should be trusted with complicated objective functions, the low level of labour mobility in Europe as compared with other single currency zones such as the USA, and the difficulty of combining widely disparate central bank cultures in Europe. A member of the audience contrasted the niggling, tinkering approach of the 'Anglo-Saxons' with the Grand Designs in the minds of Continental Europeans. Perhaps she was thinking of the French Revolution, that Grand Design which was full of sound and fury and signified very little.

The Frank Paish lecture was given by Rebecca M. Blank of Northwestern University and the Council of Economic Advisers. She discussed the appropriate role of government in the provision of social services, including examples from education, criminal justice and health care. Unlike her fellow American Andrei Schleiffer, who gave the Paish lecture in 1995, she did not argue that public sector provision is always appalling compared with its private sector equivalent. Rebecca suggested that government involvement could be justified on informational and distributional grounds. She pointed out that the *quality* of service provision was of vital importance and that the orthodox treatment of quality in terms of signalling provides relatively little guidance for policy. It is vital to examine the factors at work *within* organisations which effect the level of quality, and Rebecca singled out the internal culture and mores of organisations. An obvious application of her ideas is to universities: the endless pressures of 'quality assurance', student questionnaires, countless 'academic audits', 'staff-student liaison committees', etc., etc., etc, completely miss the main determinants of teaching quality. These are the motivation and morale of staff. British (public sector) universities are attempting to implement private sector internal cultures ('line managers', 'staff appraisals', 'performance audits' etc., etc....) while simultaneously relying on public service mores ('loyalty', 'commitment to students', etc.). Unfortunately, if staff are treated like employees instead of colleagues, they will behave like workers. I await with interest the outcome of the AUT ballot on industrial action.<sup>2</sup> As soon as this review is finished, I must complete my input to the course monitoring audit monitoring exercise: this is vital to improve the client/provider interface.

Amongst the ordinary sessions, the range of topics covered was wide, but the standard distinctly variable. One paper which particularly caught my attention was a fascinating piece by Chol-Won Li which concerned endogenous and semi-endogenous growth in a two-R&D sector model. The whole 'Endogenous Growth Theory' session was interesting, and splendidly chaired by Peter Sinclair with his usual urbane charm. It was marred only by the fact that it took place on the final morning, following the Conference Dinner the previous night. This was itself preceded by a wine reception hosted by the Women's Committee and succeeded by animated socialising in the bar. You will, therefore, readily imagine my dismay at discovering a compulsory check out time of 9.30 am. This irritating feature of the Conference remains unchanged since 1995, and continues to mean that

delegates spend the time immediately after breakfast clearing their rooms, and consequently arrive late for the morning sessions, if they arrive at all.

The session on research computer software was another useful feature of the Conference. Efficiently run by Colin Roberts, it featured excellent software reviews by Jan Podvinsky, Paul Williamson and Gordon Sparks. Publishers' stands were once again proof that vast swathes of excellent Economics are published in the form of books. Perhaps the discipline's Establishment will one day wake up to the fact that so-called 'core' journals are not the only, or even the best, medium of publication in Economics.

The Association of Heterodox Economics Programme contained a variety of interesting papers, ranging from methodology to the strategic failure of Japan. Speakers included Victoria Chick (UCL), Keith Cowling (Warwick) and Luigi Pasinetti (Universita Cattolica di Milano), the last of whom also spoke at the RES Conference. Andrew Brown discussed the epistemic fallacy of orthodox methodology, namely its failure adequately to sustain the distinction between ontology and epistemology. Keith Cowling and Philip Tomlinson argued that Japanese transnationals have acted against the broader interests of Japanese society. Historians of thought would have been interested in Richard van den Berg and Gurjeet Dhesi's paper on the little known economist Auxiron, whose early mathematical analysis of dynamic equilibrium foreshadowed current concerns with economic growth. Dynamics also concerned Mark Setterfield (of CEPREMAP), who developed a model of shifting equilibrium which generates Minsky cycles.

The Nottingham experience was thoroughly enjoyable and I am looking forward to the millennial RES conference up the road at St. Andrews. Let us hope the Heterodox Economists will be in attendance.

### Notes

1. I made that up, but you know what I mean.
2. It was in favour of a strike and other industrial action.