

Economics Program

The Economics Program is committed to enhancing our international reputation as an outstanding research group, strengthening our research into economic problems of national importance; continuing our engagement in economic policy advice; and contributing to the development of the Australian economics profession through the training of graduate students, joint research with members of other universities and the fostering of professional conferences.

Our present research fields include the microeconomic analysis of trade unions; the impact of firing costs on employment; the economics of training and education, personnel economics (including promotion, performance-related pay and career development); immigration, the labour market of China, labour supply, health economics, discrimination in the market place, description and analysis of business cycle behavior and welfare economics. Much of this work has an Australian focus and provides research underpinnings for policy development.

The Program shares staff and resources with the Social Policy Evaluation, Analysis and Research Centre (SPEAR). We also have two informal centres, the Centre for Income and Labour Dynamics in Asia (CILDA) and the Centre for Economic Policy Research (CEPR). The Program also includes appointments that are funded from endowments: the Coghlan Professor of Economic History, and F.H. Gruen Distinguished Fellows.

Members of the Program contribute to teaching in the National Centre for Development Studies, the Faculty of Economics and Commerce and to the Graduate Program in Public Policy.

Overview

The ANU has decided to subject its research output to international peer review in 2004. Accordingly in this Annual Report we focus upon our success in the ARC review process, some of the research of our new junior appointments and our proposed one page submission to the review team.

The Economics group, RSSS, has achieved outstanding success under the new access rules for ARC funding. During 2002, the first year of ARC access, four tenured members received ARC grants (Professors Pagan (\$60,000), Gregory (\$230,000), Chapman (\$260,00) and Dr Cobb Clark (\$108,00)). In addition Dr Breunig (\$260,000), who applied through the Faculties when RSSS was ineligible for funding, was successful in the 2001 ARC round (as was Professor Alison Booth in 2002 with a Leverhulme Trust Award F/00213/H on *Training in Europe: Its Causes and Consequences*, to the value of £57,436 (\$138,301.54 AUD). In 2003 our exceptional ARC success continued with Professor Booth (\$280,00), Professor Pagan and Dr Dungey, (\$62,000) and Dr Cobb Clark, Dr Breunig, Dr Gorgens and Professors Haveman and Wolfe (\$500,000) all receiving grants. Over a two year period we have received grants totalling around \$1.5 million and succeeded in seven of eight applications. Our 88 per cent success rate is unmatched in RSSS, where the average success rate is – per cent

We have also achieved a high success rate relative to other economics groups at the ANU. Over the last two years ANU has received 14 ARC grants listed under Economics and Econometrics of which 7 were allocated to our small group. Especially pleasing is the success of those at the ANU who have held appointment with our group or been our students who account for five of the seven remaining grants. Eighty five percent of the ARC grants to economics at the ANU have been allocated to individuals who hold or have held appointments to our small group in RSSH or have been our students

Our ARC grants include (i) the contribution of inventories to business cycles, (ii) the role of literacy and numeracy in schooling and labour market outcomes, (iii) the relative importance of labour market conditions, income-support policy, and immigrant selection criteria in facilitating the settlement of recent immigrants (iv) changes in family structure, income and welfare reliance among low income families with dependent children (v) intergenerational welfare reliance and (vi) the growth of part-time employment in the Australian economy.

Some Ongoing Research of our Junior Appointment

Dr Paul Frijters, a graduate from the University of Amsterdam, works on a very wide range of projects including the economics of “happiness” and “life satisfaction”. He and co authors Dr Michael Shields and Dr J Hasken de Neu investigate how East Germans’ life satisfaction has been affected by re-unification with West Germany. They find that the expected East German improvement in life satisfaction following re-unification was overly optimistic. However, as time has past, East Germans downgraded their expectations, which are now closer to West German expectations of life satisfaction. The most optimistic East Germans were the highly educated. Older age groups were better at forecasting the impact of the change on their lives. Paul and his co-authors also look at changes in health satisfaction following re-unification and find that these changes are very difficult to explain. Even for those who experienced large increases in income there seems to be little relationship with satisfaction with health outcomes.

Dr Prem Thapa, a graduate from the ANU, has just published his book on the Efficiency of Family and Hired Labour, Illustrations from Nepalese Agriculture. His book addresses the following question. Why is agriculture in most developing countries principally organised around family based farm households? His answer is that the incentives faced by family members are different from those faced by the hired labour who receive a fixed wage. Family workers work harder because they share in the farm profits. Hence small family farms have an advantage and they produce a higher yield relative to larger farms, unless capital and technology offset the family incentive effect. The traditional explanation for the higher yields of small farms is that small farms apply too much family labour, relative to the prevailing market wage rate, and this extra labour is responsible for the higher yield. A higher efficiency of family labour provides an alternative explanation for the higher yields. He suggests that land reforms should take this efficiency difference into account and, other things being equal, should tend to favour family farms.

Dr Facundo Sepulvedo is a graduate from Michigan State. Along with Alison Booth, he has recently finished a draft of a theoretical paper on the relationships between fertility subsidies and the political viability of unfunded national pension scheme.

They show that fertility subsidies can make many levels of pension schemes viable where they would otherwise have to be abandoned. By placing special attention to the dynamics of population change and its responsiveness to taxes and subsidies they place a word of caution in the current debate, where most results indicate a future where the pension system becomes unsustainable, and where fertility continues to fall due to the large costs involved in raising children. The novel feature of their work is that both the economic choices of how many children to raise, as well as the political choices of taxes and subsidy levels to apply to children and pensioners, are endogenous to the model.

Dr Aydogan Ulker graduated from the University of Texas at Austin. His most recent research is focussing on relationships between assets, divorce and remarriage among older American couples. It is commonly believed that divorce leads to financial disadvantage relative to staying together, and this is certainly true for many individuals. But what happens to financial advantage when divorced individuals regroup into a new family? His preliminary results indicate that for those who remarry after divorce there is virtually full recovery from the negative financial shock of separation and an elderly couples' marital history plays a minor role in explaining the level of their wealth holdings. After remarriage divorce seems to have little effect, except that the financial investment in housing tends to fall and investment in other assets tends to rise.

Dr Xiaodong Gong is a graduate of Tilburg. He and Dr Xin Meng (RSPAS) are currently examining the effects of economic reform on consumption of food in China. The reform process has had three large effects: many individuals have lost life time employment; extensive food subsidies have been removed; and many essential services which were provided by the state now need to be privately covered. These include health cover, education and, in many instances, a retirement provision. They find that food consumption has adjusted markedly to the post reform era. Consumption of grain products has fallen considerably but meat consumption has remained constant. The savings from rice consumption have been diverted to non-food expenditures.

Chris Ryan is a graduate from Melbourne University. He is working on a large ARC grant focussed on literacy and numeracy among school children. It is always difficult to untangle how responsive literacy and numeracy is to additional schooling because the more literate and numerate tend to stay at school longer and this confounds attempt to measure the pure school effect. Chris uses a unique event in South Australia where a policy change in the mid 1980s caused some students to undertake an additional year of junior school, while others were unaffected. By comparing the two groups he isolates the effect of an extra year of education and finds that there was a significant and positive effect for the boys and girls who received more schooling. The effect on school completion rates is not so clear-cut. The group improving its numeracy and literacy did not appear to stay on longer in school than the comparison group.

2003 was a particularly demanding period with respect to direct policy advice concerning Professor Chapman. This can be traced to the major higher education financing reforms proposed by the government and debated at length in various policy forums. Professor Chapman's role in the design of HECS and his on-going research into income related loans led to numerous international and domestic invitations for

presentations and analysis. These included two Senate submissions after which he appeared as an expert witness, and many informal consultations with government officials and politicians. Significant aspects of the reforms to be enacted in 2005 reflect his direct input.

Gruen Distinguished Fellows

In 2003 the Gruen Endowment financed the visits of three internationally reknown economists, Professors Jeffrey Williamson (Harvard University), Bobbi Wolfe (University of Wisconsin) and Robert Haveman (University of Wisconsin). Jeffrey Williamson presented work on globalisation and immigration over the long term, and Professors Wolfe and Haveman used their visit to continue their work on retirement and savings behaviour.

Treasury Course

Between November 2003 and March 2004 the RSCSS organised a 12-week intensive course in Introductory Economics for the Australian Treasury. This course was taken by 46 extremely diverse public servants and consisted of 57 contact hours of lectures, of which the majority was given by Paul Frijters. Topics included Welfare Economics, Labour Economics, Fiscal Economics, Monetary Economics, Regulation Economics, Education Economics, Tax Economics, Trade Policy, Environmental Economics, and Health Economics. This course called for new methods of teaching economics, which included take-home assignments, a specifically devised question-website, and excerpts of economic literature. The student evaluations from this course were excellent, which has lead to the Treasury being keen to renew the contract.

Our one page submission to the review team.

Background

Senior members have published papers (over the last five years) in highly ranked journals such The EJ, Labour Economics, JHR, JOLE, ReStat, Journal of Monetary Economics, European Economic Review and the Journal of Economic Dynamics and Control.

Junior members, who on average completed their PhD three years ago, have published or have forthcoming papers in journals such as the AER, EJ, Labour Economics, JHR, and the Journal of Economic Behaviour and Organization

We have contributed seven invited Chapters to International Handbooks in Labour, Economics, Econometrics and Statistics.

Last year we held 15 editorial board memberships and three editorships of international journals.

One colleague has been awarded an honorary doctorate from the University of St Gallen. Another received the Distinguished author Award from the Journal of Applied Econometrics. Members hold research awards from the ESRC, United Kingdom and the Leverhulme Trust.

Some Contributions to Australian economic policy development through research and policy advice

Three colleagues have received Order of Australia Medals for their contribution to the development of economics and economic policy in Australia.

Two individuals have received the Centenary Medal for services to Australia.

Two colleagues have been Board Members of the Reserve Bank of Australia and others are members of Consultative Committees for the Australian Bureau of Statistics.

Two people have received the Distinguished Fellow Award of the Australian Economic Society.

Five individuals have been elected Fellows of the Academy of the Social Sciences. One is a Fellow of the Econometric Society and another is the first non-American to be elected President of the international Public Choice Society.

We have developed a major research centre - the Social Policy Research Evaluation Analysis Research Centre (outside funded budget \$300,000 per annum). It undertakes Australian welfare policy research and has a considerable impact on academic research and public debate in this area.

Our policy contributions include the development of the Higher Education Contribution Charge, the first income contingent loan program for higher education, which has been adopted in Australia and a number of other countries.

Some Contributions to the Australian and international economics profession more generally

We organize and initiate major conferences and training lectures to foster development of the wider economics profession. These include the Labour Econometrics Conference, the Australian Labour Market Research Conference, and courses in Panel data and Duration data analysis for government departments. A special contribution has been our involvement in the Annual Ph D Conference (organized jointly with the University of Western Australia) in which 400 PhD students present their work for academic review at the Annual Ph D Conference. We initiated this conference series twelve years ago.

Two colleagues have been panel members of Research Assessment Exercises; one is a member of the Australian Research Council Expert Panel and the other has been a member of Research Assessment Exercise 2001, Economics and Econometrics in the UK

Over the last few years members of the group have been awarded 7 individual Australian Research Council grants (ARC contribution exceeds \$1.5 million). Since we gained access to the ARC we have received as many grants as any other economics department in Australia

Members of the group have been regularly invited to review Australian economics departments and official forecasting models in other countries.

We host around fifteen visitors each year from leading international research universities who then deliver seminars throughout Australia. Last years visitors included researchers from Harvard, the University of Wisconsin-Madison, Aarhus, Vienna, Rice York, Rennes, Oxford, Toronto, Essex and Bristol.

Honours

Dr M. Keating, Economics Program, was awarded a Centenary Medal for services to Australian society and the economy.

Prof A. Pagan, Economics Program was awarded a Centenary Medal for services to Australian society and the economy.

Prof A. Pagan, Economics Program received the Distinguished Author Award from the Journal of Applied Econometrics.

Grants

Australian Research Council Discovery Projects

A.R. Pagan, Economics Program (with Dr Mardi Dungey, RSPAS)

\$62,000 over one year for “Improving the Theoretical Coherence of Data-Driven VAR Models”

A.L. Booth (with Prof M Coles and Dr T Gørgens)
\$280,000 over three years for “Modelling the Impact of Home and Market Productivities on Employment Status, Part-time and Full-time Wages and Household Formation”.

J. Smith (with Dr J Butler, NCEPH)
\$258,000 over three years for “The economics of mothers’ milk and the market for infant food”.

Australian Research Council Linkage Projects

Dr Deborah Cobb-Clark, (with Dr R Breunig, Dr T. Gørgens, RSSH, Professor J Borland of Melbourne University, Professor R Haveman, Professor B Wolfe of the University of Wisconsin-Madison, and Ms J. Pech, of the Department of Family and Community Services) \$500,000 over five years for “Intergenerational Transmission of Dependence on Income Support: Patterns, Causation and Implications for Australian Social Policy”.

Economic and Social Research Council, United Kingdom

A. Pagan, Economics Program (with Professor J. Muellbauer, Nuffield College, Oxford) £204,724.94 pounds (over three years) for “New Methods for Improving Macroeconometric Modelling”.

Leverhulme Trust Award - F/00213/H

Booth, A. with W. Arulampalam and M.L. Bryan

£57,436 over 2002-2003 for Training in Europe: Its Causes and Consequences.

Economics Program Staff and Visitors

Professor and Head of Program

R.G. Gregory, BCom(Melb), PhD(Lond), FASSA, AO

Professors of Economics

B.J. Chapman, BEc(Hons) (ANU), PhD (Yale), FASSA, AM – Centre for Economic Policy Research

A.R. Pagan, BEc(Qld), PhD(ANU), FASSA

A. Booth, PhD, MSc (Econ) (London School of Economics)

Coghlan Professor of Economic History

G.D. Snooks, BEc, MEc(UWA), PhD(ANU) FRHistS, FASSA

Senior Fellow and Director , Social Policy Evaluation and Research Project

D. Cobb-Clark, BA MA (Mich State), PhD (Mich)

Research Fellows

R. Breunig, BIS SIT (Vermont), PhD (Calif, Riverside)

P. Frijters, MA (University of Groningen), PhD (University of Amsterdam)

X. Gong, BSc (Fudan), MA (Renmin Uni of China), PhD (Tilburg)

C. Ryan, MEc(ANU), BCom, PhD(Melb.)

F. Sepulveda, PhD (Michigan State University), BA (Universidad de Buenos Aires)
P. Thapa, BA(Williams) , MA(Calif, Berkeley), PhD(ANU)
A. Ulker, BSc (Bogazici, Turkey), MSc, PhD (University of Texas at Austin)

Visiting Fellows

Dr M. Keating AC, FASSA, FIPAA, Canberra
Emeritus Prof J. Pitchford, ANU
Dr J. Smith, B.Ec(Hons), BA (Asian Stud) PhD ANU

F.H. Gruen Distinguished Fellows 2002-2003
Dr M. Baker, University of Toronto
Professor A. Booth, University of Essex
Professor T. Hatton, University of Essex
Professor R. Haveman, University of Wisconsin-Madison
Professor B. Wolfe, University of Wisconsin-Madison

Program Visitors

Professor Bobbie Wolfe, University of Wisconsin-Madison (5 January to 8 February)
(Research Affiliate)
Professor Robert Haveman, University of Wisconsin-Madison (5 January to 8
February) (Research Affiliate)
Dr Allan Wurtz, University of Aarhus (February)
Dr Kalvinder Shields, University of Melbourne (3-21 February) (Research Affiliate)
Dr Michael Shields, University of Melbourne (3-21 February) (Research Affiliate)
Dr Uwe Dulleck, University of Vienna (1-14 March)
Professor Simon Grant, Rice University (June to August)
Dr Karen Mumford, University of York (July to December)
Professor Peter Smith, University of York (July to December)
Professor Jeffrey Williamson, Harvard University (August to December)
Dr Sandrine Rospabe, University of Rennes (July to August)
Dr Philip Clarke, University of Oxford (October to December)
Professor Carol Propper, University of Bristol (October to December)

Visiting Students

Ms Kanyarat Bhanthumnavin, University of Oxford (January to June)
Ms Danielle Venn, University of Melbourne (March to September)

IT Support

M. Wood, BEc (Hons) (Flin), GradDip Computing Studies (CCAIE) (part-time)
D. Treasure, B.Comm, B.InfoTech (ANU) (part-time)

Research Assistants / Administrators

E. Klug, Bapp Sci (CCAIE) (part-time)
J. Muller, (part time) (ARC Project)
R.Coles, BA (W'Gong), GradDipSc (ANU) (until September)
B. Lawton, (Program Administrator)
D. Trott, (part-time)

Postgraduate Students and Topic of Research

Dandie, S. (The SPEAR Centre)

The Fourth Pillar of Retirement Income in Australia: Older Australians and Part-Time Work

Nakagawa, H.

Current Account Persistence, Exchange Rate Variability, and Exchange Rate Pass-Through: The Case of Japan
(PhD Thesis Submitted)

Haugh, D.

Asset Prices and Confidence over the Business Cycle

Peng, Yu

The Effects of Welfare Arrangements on the Behavior of Welfare Recipients

Students Awarded the PhD

Cai, L.

MecDev (ANU), Mlaw (Renmin Univ of China), BEd (Henan Univ, China)
Employment and social security reforms: a selection of case studies

Richardson, L.

BAEcon(Hons) (Macquarie University), Mecon (ANU)
The mutual obligation initiative and income support dynamics of young unemployment benefit recipients

Smith, J.P.

BEC(Hons), BA(Asian Studies) (ANU)
The changing redistributive role of the tax system in Australia since federation

Chen, Y.

B.Ec, (Beijing University, China), MecDec (ANU)
Intra-household resource allocation and inter-household risk sharing in China

Staff and Students Who Left the Program and Current Affiliation

Richardson, L.

Department of Employment and Workplace Relations
Canberra, ACT

Publications

Antecol, H., Cobb-Clark, D. and Trejo, S.

Human Capital and Earnings of Female Immigrants to Australia, Canada, and the United States. In Reitz, J.G. (ed), *Host Societies and the Reception of Immigrants*, Center for Comparative Immigration Studies, University of California, San Diego. 327-360.

Antecol, H. and Cobb-Clark, D.

Does Sexual Harassment Training Change Attitudes? A View from the Federal Level, *Social Science Quarterly*, 84 (4). 826-842.

Booth, A. and Zoega, G.

On the Welfare Implications of Firing Costs, *European Journal of Political Economy*, 19(4). 759-775.

Booth, A, Francesconi, M. and Frank, J.

A Sticky Floors Model of Promotion, Pay, and Gender, *European Economic Review* 47(2). 295-322.

Booth, A. and Francesconi, M.

Union Coverage and Non-standard Work in Britain, *Oxford Economic Papers*, 55(3). 383-416.

Booth, A., Francesconi, M. and Zoega, G.

Unions, Work-Related Training and Wages: Evidence for British Men, *Industrial and Labor Relations Review*, 57(1). 68-91.

Booth, A., Francesconi, M. and Frank, J.

Labour as a Buffer: Do Temporary Workers Suffer? In Fagan, G, Mongelli, F.P. and Morgan, J. (eds), *Institutions and Wage Formation in the New Europe*, July, Edward Elgar Publishing. (53-68)

Booth, A.

Trade Unions in Western Europe: An Over-view and Prospects for Social Inclusion and Competence-Building. In Conceição, P, Heitor, M.V. and Lundvall, B. (eds), *Innovation, Competence Building and Social Cohesion in Europe: Towards a Learning Society*, Edward Elgar. 240-258.

Breunig, R., Najarian, S. and Pagan, A.

Specification Testing of Markov Switching Models, *Oxford Bulletin of Economics and Statistics*, 65(S1). 703-726.

Breunig, R., and Dasgupta, I.

Are People Ashamed of Paying with Food Stamps? *Journal of Agricultural Economics*, 54(2). 203-225.

Breunig, R., Cobb-Clark, D., Terrill, M.² and Dunlop, Y.

Assisting the Long-Term Unemployed: Results from a Randomized Trial, *Economic Record*, (79(244). 84-102.

Cai, L. and Gregory, R.G.

Inflows, Outflows and the Growth of the Disability Support Pension (DSP) Program, *Australian Social Policy* 2002-03. 121-143.

Chapman, B.

Conceptual Issues and the Australian Experience with Income Contingent Charges for Higher Education. Reprinted in Belfield, C.R. and Levin, H.M. (eds), *The Economics of Higher Education*, The International Library of Critical Writings in Economics 165, Edward Elgar. 595-608.

Chapman, B.

Improving the financing of post-compulsory education. In Dawkins, P. and Kelly, P. (eds), *Hard heads, soft heart*, Allen & Unwin. 84-86.

Chapman, B. and Kapuscinski, C.

Transformations in the labour force. In Khoo, S-E. and McDonald, P. (eds), *The Transformation of Australia's Population*, UNSW Press. 219-237.

Cobb-Clark, D.

Public Policy and the Labor Market Adjustment of New Immigrants to Australia, *Journal of Population Economics*, 16(4). 655-681

Cobb-Clark, D., Antecol, H. and Trejo, S.

Immigration Policy and the Skills of Immigrants to Australia, Canada, and the United States, *Journal of Human Resources*, 38(1). 192-218.

Cobb-Clark, D. and Crossley, T.

A Brief Introduction to the Econometrics of Evaluation , *The Economic Record*, 79(247).491-511.

Ferrer-i-Carbonel, A. and Frijters, P.

The effect of methodology on the determinants of happiness, *Economic Journal*, forthcoming. Also *Tinbergen Institute Discussion paper*..

Gørgens, T.

Semiparametric estimation of censored transformation models, *Journal of Nonparametric Statistics*, 15(3). 377-393.

Harding, D. and Pagan, A.R.

A comparison of two business cycle dating methods” *Journal of Economic Dynamics and Control*, 27. 1681-1690

Harding, D. and Pagan, A.R.

Rejoinder to James Hamilton, *Journal of Economic Dynamics and Control*, 27. 1695-1698.

Pagan, A.R. and Sossounov, K.

A Simple Framework for Analysing Bull and Bear Markets, *Journal of Applied Econometrics*, 18. 23-46.

Keating, M.

The public service and management of the public sector. In Ryan, Susan and Bramston, T. (eds) *The Hawke Government: A Critical Retrospective*, Pluto Press, Melbourne. 367-380.

Keating, M.

The Labour Market and Inequality, *The Australian Economic Review*, 36(4). 374-396.

Keating, M.

In the Wake of 'A Certain Maritime Incident': Ministerial Advisers, Departments, and Accountability, *Australian Journal of Public Administration*, 62(3). 92-97.

Smith, J.P.

Tax expenditures: the \$30 billion twilight zone of government spending. Research Papers, No.8, Information and Research Services, Department of the Parliamentary Library.

Snooks, G.D.

The Collapse of Darwinism or The Rise of a Realist Theory of Life, Lexington Books, Rowman and Littlefield, Lanham Ma and Oxford. xvi + 341.

Thapa, P.

Modelling the Efficiency of Family and Hired Labour: Illustrations from Nepalese Agriculture; Ashgate, Hampshire, UK. xvi + 204.

Thapa, P. and Jha, R.

India's Infrastructure Sector. In Jha, R. (ed), *Indian Economic Reforms*; Palgrave Macmillan: Hampshire, UK. 334-54.

Van Praag, B.M.S., Frijters, P. and Ferrer-i-Carbonel, A.

The anatomy of subjective well-being, *Journal of Economic Behavior and Organisation*, 51. 29-49.

Conference and Workshop Reports

Debt, Risk and the Role of Government: The Bond Market in a Wider Context

27th February, 2003, ANU.

A one day Symposium hosted by the Centre for Economic Policy Research with the Economics Program, RSPAS, and organized with support of ICAP.

Fiscal Policy and Financial Markets

28th October, 2003, Ian Wark Lecture Theatre, The Shine Dome, Canberra

Hosted by the Centre for Economic Policy Research with the Economics Program, RSPAS and organized with the support of ICAP and the SFE Corporation Limited.

Migration and Migration Policy in the Long Run

4th December, 2003, ANU.

An interdisciplinary workshop on Migration and Migration Policy in the Long Run was held on Thursday 4th December 2003. The organisers were Tim Hatton (ANU) and Jeff Williamson (Harvard). The overall objective was to assess recent trends in immigration to Australia as compared with the past and as compared with other major immigration countries in order to assess challenges for the future. Particular emphasis was given to the evolution of immigration policies in response to these emerging trends. The six papers included presentations by James Jupp (ANU), Graeme Hugo (Adelaide) and Ross Garnaut (ANU). The audience included academic specialists from a range of disciplines as well as representatives of organisations including the ABS, DIMIA and the Productivity Commission.

Joint Research Projects

Prof A. Booth

Training in Europe: Its Causes and Consequences. With W. Arulampalam, University of Warwick and M.L. Bryan, University of Essex.

Dr R. Breunig

Food and Housing Insufficiency among the poor in the United States (panel data from USDA and SIPP data). With C. Gunderson, U.S. Department of Agriculture.

Non-Parametric Panel Data Methods. With N. Roy, University of Victoria, Canada.

The Ethics of Taxation and Government Policy in the Family. With Prof P. Apps, University of Sydney and Prof R. Rees, University of Munich.

Intra Household Models and the U.S. Food Stamp Program. With I. Dasgupta, Nottingham University.

Markov Switching in Singaporean GDP. With A. Stegman, RSPAS, ANU.

Productivity in Australian Industry. With M.H. Wong, AJRC, ANU.

Prof B. Chapman

The Economic Costs of Divorce for Australian Mothers and Their Children. With Dr M. Gray, Australian Institute of Family Studies.

Using financial incentives and income contingent penalties to detect and punish collusion and insider trading. With Richard Denniss, the Australia Institute.

Using the tax system to collect fines. With Arie Freiberg (University of Melbourne), John Quiggin (University of Queensland) and David Tait (University of Canberra).

Self Financed Training After Job Loss. With Thomas Crossley (McMaster University) and Taejong Kim.

An Income-Related Proposal for Drought Relief for Farm Business. With Linda Botterill, The National Europe Centre, ANU.

Credit Constraints and Training after Job Loss. With Thomas Crossley (McMaster University) and Taejong Kim.

Income Contingent loans for Higher Education: Implementation Issues for Developing Countries. With Jane Nicholls (Office of Senator Kim Carr).

Learning to Live with Loans? Policy Transfer and the Funding of higher Education With David Greenaway, (University of Nottingham).

Profit Related Loans for Economically Disadvantaged Regions. With Ric Simes (ICAP, Australia).

Cobb-Clark, D.

Assessing the Immigrant/Native-Born Wealth Gap in the United States. With Dr V. Hildebrand, McMaster University, Canada.
Sexual Harrassment in the US military. With Dr H.Antecol, Claremont-McKenna College.

Dr X. Gong

Labour supply in Urban China. With Junsen Zhang, Chinese University of Hong Kong.
Impact of Income Growth and Economic Reform on Nutrition Intake in Urban China: 1996-2000. With Xin Meng, RSPAS and Youjuan Wang, State Statistic Bureau of China.

Dr T. Gørgens

Persistence in Youth Labor Market Histories. With Dr D. Doiron, University of New South Wales
Unemployment duration and Search Methods: The case of young Australians 1989-1994. With Dr. D. Doiron, University of New South Wales.
How does public regulation affect growth? With M. Paldam and A. Würtz, University of Aarhus.
Selection and stunting effects of famine. With R. Vaithianathan, University of Auckland, and Meng Xin, RSPAS.

Prof R.G. Gregory

Disability inflows and Duration in Australia, with Lixin Cai, Melbourne Institute of Applied Economic and Social Research, University of Melbourne.

Prof A.R. Pagan

Inventories and the Business Cycles. With Professor L. Maccini, Johns Hopkins University
Matching Theory and Evidence in Policy Oriented Macro-econometric Models. With Dr G. Kapetanios, Queen Mary College and Mr A. Scott, Bank of England.
Synchronization of Cycles. With Dr. Don Harding, University of Melbourne.

Dr C. Ryan

Factors Affecting Year 12 Retention Across Australian States And Territories In The 1990's. With Dr Louise Watson, University of Canberra.

Dr F. Sepulveda

Green Taxes and Double Dividends in a Dynamic Economy. With Prof Gerhard Glomm, (Indiana University, Bloomington) and Asst Prof. Daiji Kawaguchi, Tsukuba University, Japan.
Is corruption harmful to growth? Evidence for a cross-section of countries. With Asst Prof Fabio Mendez, University of Arkansas.

Dr P. Thapa

Regional Income Inequality in Nepal :A Decomposition and Marginal Analyses. With Prof. S. Paul, University of Western Sydney, and G. Prenusshi, The World Bank.

Dr A. Ulker

Age, Cohort Effects and Inequality. With Prof D.T. Slesnick, The University of Texas at Austin.

Consumption Patterns around the Time of Retirement: Evidence from the Consumer Expenditure Surveys. With Prof D.T. Slesnick, The University of Texas at Austin.

Service to Outside Organisations

Prof A. Booth

Nomination Committee, European Association of Labour Economists 2001-2004

Prof B. Chapman

The World Bank. Consultancy and presentation “Mexican Higher Education Financing”, Mexico City, November, 2003.

The Government of Colombia. Consultancy and presentation on “Reforming Colombian Higher Education Financing”, Cartagena, Colombia, November, 2003.

The Government of Thailand. Consultancy and keynote address “An Income Related Loan for Thailand Higher Education Students”, Bangkok, Thailand, November, 2003.

The Leverhulme Institute. Invited presentation on the international transfer of economic policy the conference *Globalisation of Economic Policy*, New Orleans, May, 2003.

The Melbourne Institute. Chair of the HILDA Reference Committee, 2000-2004.

The Australian Bureau of Statistics, Member, Labour Statistics Advisory Committee. Vice-President, Australian Society of Labour Economists.

Treasurer, Academy of the Social Sciences in Australia.

Australian Senate, invited expert witness, Education Committee Inquiry into Australian Higher Education Financing, October, 2003.

University of Sydney Senate, advice on the effects of changes to HECS on student access.

University of Western Australia Senate, advice and modelling on the effects of changes to HECS on student access.

Australia Centre/Hochschul Rektoren. Invited address, “Student Charging Mechanisms: The Australian Experience with Income related Charges”, German-Australia Conference on Higher Education Financing, Australian Embassy, Berlin, Germany.

Academy of Social Sciences in Australia. Invited presentation to the Colloquium, “A critical review of the government’s higher education proposals”, ANU.

Australian Association of Student Assistance. Invited presentation to the Annual Conference, “The 2003/04 Federal Higher Education Budget”, Melbourne..

Curtin University of Technology, “A critical review of the government’s higher education proposals”, November, Curtin University of Technology.

National Farmer’s Federation, address and analysis of alternatives to current drought policy.

Chifley Research Centre, analysis of the potential for the application of profit-related loans for the financing of community investment projects.

The Economics Society of Australia (Queensland Branch), address on the 2003/04 Federal Budget, August, 2003, Brisbane.

Batten Institute, Darden Graduate School of Business Administration, University of Virginia, invited address and video interview, “Australia’s Higher Education

Contribution Scheme”, at the conference *Financing Human Capital*, University of Virginia, Charlottesville, Virginia, June, 2003.
MacQuarie University. Examiner, PhD thesis.

Dr R. Breunig

Consulting for Department of Family and Community Services

Dr D. Cobb-Clark

Member, reference committee, Household Income and Labour Dynamics in Australia (HILDA) panel survey, University of Melbourne.
Research fellow of IZA (Institute for the Study of Labor, Bonn).

Prof R.G. Gregory

Member, Social, Behavioural and Economic Sciences Expert Advisory Committee, Australian Research Council.

Member Prime Ministers Science, Engineering and Innovation Council Working Group, Promoting Healthy Ageing in Australia

Consultant, Department of Family and Community Services

Member Editorial Board, Australian Journal of Labour Economics

Member, Editorial Committee, Economic and Labour Relations Review

Member, Economic Statistics User Group, Australian Bureau of Statistics

Seminar, University of Melbourne

Seminar, Australian Defence Force Academy

Key Note speaker, International Microsimulation Conference on Population Ageing and Health: Modeling our Future, Canberra, 8-12th December.

Our Failure to Create Sufficient Full time jobs. Pursuing Opportunity and Prosperity Conference Institute of Applied Economic and Social Research, University of Melbourne, 13-14 November

The Growth of the Australian Welfare State, Key Note Speaker, The IXth Commonwealth Study Conference

Work and Welfare in the Northern Economy, The Charles Darwin Symposium Series, North Australian in the 21st Century, 22nd May

Work and Welfare, the Unresolved Conflict, The Future of Work Conference, Australian Council of Trade Unions, Sydney

Chief Ministers Round Table, Draft Social Priorities for the ACT,

Summing up the Debate, Fiscal Policy and Financial Markets, Canberra

Where are we now? Debt, Risk and Role of Government: The Bond Market in a Wider Context, Canberra

FACS Conferences

Where to now on Welfare Reform, Social Policy Research Workshop Department of Family and Community Services, 24-25th November

Partnerships and the Welfare Tax LDS User Workshop, November 26 Department of Family and Community Services

Changing Disability Patterns and the Australian Workforce. Carers National Conference, Canberra.

Dr M. Keating

Advice to the Western Australian Government regarding approval of the Gordon project.

Seminar to the Victorian Treasury on The Labour Market and State Government policies to improve equality and social inclusion.

Seminar to Melbourne Institute of - Earnings and inequality: Some Policy Implications.

Seminar to Fabian Society – Current Issues and Opportunities in Tax Policy in Australia.

The Centre for Corporate Public Affairs, Melbourne. How is Policy Made? DEWR. The labour market and inequality.

Prof A. Pagan

Member, Nominating Committee for Fellows, Econometric Society

Member, Committee for Award of the Aigner Prize by Journal of Econometrics

Inquiry into Modelling and Forecasting at the Bank of England

Assistance in Model development to the Bank of Norway

Keynote Address to the Eighth African Econometrics Meeting at University of Stellenbosch, South Africa

Keynote Address ERC Seventh International Conference in Economics at the Middle East Technical University (METU) in Ankara, Turkey

Invited Speaker, Econometric Society Meeting, Australasian Chapter, Sydney.

Dr C. Ryan

Consulting to Commonwealth Department of Education, Science and Training, Commonwealth Department of Health and Ageing, and to the Australian Vice-Chancellors' Committee

Other services to The Victorian Department of Premier and Cabinet and to the Longitudinal Surveys of Australian Youth Steering Committee

Dr J. Smith

ACT Inquiry into Revenue Raising, ACT Public Accounts Committee, April. By invitation.

Policy Advisor, Australian Council of Social Services.

Members, National Board of Directors, Australian Breastfeeding Association.

Project Manager, Healthpact/Australian Breastfeeding Association.

Service to Journals and Book Series

Prof A. Booth

Editor-in-chief, *Labour Economics*

Dr R. Breunig

Book review editor, *Economic Record*

Referee for *Econometrica*, *Journal of Population Economics*, *Econometric Reviews*, *Empirical Economics*, *Economic Record*, *Australian Economic Review*, *Review of International Economics*, Social Science and Humanities Research Council (Canada) and Reader for Australian Research Council.

Prof B. Chapman

Associate Editor, *Education Economics*.

Member, Editorial Board, *The Economics of Education Review*; *The Australian Journal of Labour Economics*.
Refereeing: for *The Australian Journal of Labour Economics*; *The Economic Record*;
Education Economics; *Economics of Education Review*

Dr D. Cobb-Clark

Editor, *Journal of Population Economics*
Editorial Board, *Australian Journal of Labour Economics*, *Journal of Population Economics*
Referee: *International Migration Review*, *The Economic Record*, *The Journal of Labor Economics*, *Journal of Policy Modeling*, *Social Science Quarterly*

Dr X. Gong

Referee, *Labour Economics*

Dr T. Gørgens

Referee, *Econometric Theory*, *Econometrica*, *Journal of Econometrics*.

Prof R.G. Gregory

Member Editorial Board, *Australian Journal of Labour Economics*
Associate Editor, *Labour Economics*
Member, Editorial Committee, *Economic and Labour Relations Review*

Dr M. Keating

Editorial Board, *Australian Journal of Public Administration*
Referee, *Australian Journal of Public Administration* and *Australian Economic Review*
Book Reviewer, *Agenda*

Prof A. Pagan

Associate Editor, *Econometrica*
Editorial Board, *Journal of Applied Econometrics*
Associate Editor, *Econometric Reviews*, 1996–
Editorial Board, *Economic Record*
Editorial Board, *Australian Economic Review*
Editorial Board, *Macroeconomic Dynamics*
Editorial Board, *Journal of Financial Econometrics*
Co-Editor, *Advanced Texts in Econometrics*, (Oxford University Press),

Dr C. Ryan

Referee, *Labour Economics*

Dr J. Smith

Referee, *Australian Economic Review*.

Prof G.D. Snooks.

Editorial Board, *Social Evolution and History*
General editor, *Macmillan Economic History of Southeast Asia*
Book Reviewer for *Journal of World History*, and *EH.Net*.

Dr P. Thapa
Referee, *Economic Record* (Australia)

The Social Policy Evaluation, Analysis, and Research Centre

The Centre

The Social Policy Evaluation, Analysis, and Research Centre is devoted to the analysis and evaluation of Australian social policy.

An outstanding feature of the SPEAR Centre is its focus on and expertise in econometric and statistical methods of program evaluation. Centre staff and affiliates are introducing modern program evaluation techniques into the broader Australian research community. SPEAR Centre researchers have a detailed knowledge of a range of large-scale, nationally representative data sources as a result of having established a close working relationship with the Department of Family and Community Services and the considerable amount of research utilising these data that Centre staff are currently undertaking. Additionally, members of the research team have considerable experience in the use of randomised social experiments as a method for evaluating social policy.

In 2004 the Centre's research agenda will include projects in the following three streams:

Financial Stress

1. A family perspective on financial stress
2. The effect of financial stress on labour supply, reliance on income-support and marital breakdown

Children and Youth

3. Employment choices and work patterns of parents with young children
4. The path to self-reliance for young people

Work and Income Support

5. Social participation outcomes among income support recipients: evidence from HILDA.
6. An analysis of the supplementary Disability Support Payment (DSP) Inflow Survey
7. The relationship between partnering and income support reliance

The SPEAR Centre's commitment to meeting standards of academic rigor through a growing publication record and active participation in academic meetings facilitates our ability to attract and accommodate international experts of the highest calibre. It has also been instrumental in our success in attracting additional resources for our social policy research agenda through the Australia Research Council's (ARC) funding arrangements.

The Intergenerational Transmission of Dependence on Income Support: Patterns, Causation and Implications for Australian Social Policy Research is a project which has been approved for funding through the ARC Linkage Grants Scheme. The researchers on this project are Dr Deborah Cobb-Clark, Dr Robert Breunig, Dr Tue Gørgens of the Australian National University and Professor Jeff Borland of the University of Melbourne. The aim of this project is to examine the consequences of growing up in an income-support family. The first stage will describe the relationship between parents' and children's income-support receipt to

determine whether these children are more likely to access income-support programs themselves. Stage 2 will identify the causal mechanisms through which parental income-support receipt influences children's outcomes. Identification of these transmission mechanisms is a necessary first step in formulating policies targeted towards breaking any cycle of welfare dependence. This project is innovative in its use of survey data merged to unique administrative data that link the income-support records of some 53,000 young Australians and their parents.

Training

One of the Centre's primary goals is to contribute to the development and expansion of Australia's capacity to undertake program evaluation generally. An important part of achieving this goal is the Centre's active training program which promotes a firm understanding of current methods of program evaluation among interested policy makers and academics. Centre members maintain strong links with government departments, as well as with other organisations and academics engaged in social policy evaluation

In February 2004, the Centre will conduct a Panel Data Course combined with HILDA (Household, Income and Labour Dynamics in Australia) data user training. This course is aimed at persons with a professional or academic interest in social policy making and social policy evaluation.

This course will be presented by Dr Robert Breunig of the Australian National University, Dr Robert Breunig of the Economics Program, RSSS and the School of Economics, The Faculties, and by Ms Nicole Watson, of the Melbourne Institute of Applied Economic and Social Research, The University of Melbourne.

Dr Breunig's section of the course is aimed at policy makers and policy analysts interested in learning more about the usefulness and analysis of panel data. The main focus is on the usefulness of panel data for addressing questions of economic and social behaviour which are not easily answered using data from only one point in time. The course demonstrates how the longitudinal nature of panel data allows for the use of simple techniques to solve otherwise intractable problems.

Ms Nicole Watson is the Survey Manager for the HILDA project. Ms Watson's HILDA Training has been designed in sections so that participants may attend for the sessions most relevant to their needs and interests. The first session covers the basics of the HILDA Survey and the datasets available to users - it includes the survey design, the basic database structure, weighting and imputation and some useful tips and tricks. The second session provides more information on how to use the HILDA data for longitudinal analysis and includes a worked example of some of the techniques covered in the second morning session. The final session focuses on selected aspects of the dataset, including income and family derived variables, and provides more details of the weighting and imputation. A worked example using more advanced panel data techniques will also be included.

Staff and Visitors

Fellow and Director

D. Cobb-Clark, BA MA (Mich.State) PhD (Mich)

Research Fellows

T. Gørgens, Cand. Oecon (Aarhus), PhD (Iowa)

Centre Visitors

Professor Richard Burkhauser, Cornell University (SPEAR visitor 14 January to 25 February)

Callum McKenzie, Dept of Family and Community Services (Part-time)

Kay Fisher, Dept of Family and Community Services (Part-time)

Mr Oliver Bruttel, Social Science Research Centre, Berlin (SPEAR Visitor, 21 September to 4 October)

Research Assistants/Administrator

S. Fong Kong, (part-time until December)

S. Lindsay, BA (ANU) (part-time)

D. Venn, BCom, BEcon (Hons)(UNE) (part-time from October)

2003

Migration and Migration Policy in the Long Run

Organized by two of our Gruen Distinguished Fellows; Professor Tim Hatton (Essex/ANU) and Professor G Williamson (Harvard)

Economics for Australian Treasury Officials, Lecture Series

Economics Program Dr Frijters

Macro Conference Series

Debt, Risk and the Role of Government

Economics Programs RSSH/RSPaS and ICAP (Professor Gregory).

Fiscal Policy and Financial Markets

Economics Programs RSSH/RSPaS and ICAP (Professor Gregory)

Talk about the new Treasury course.