The Report is compiled and prepared by Carol Phillips.
Warden’s Letter

When I meet former Nuffield students and fellows abroad, I am often asked ‘how is the College’? I am sometimes tempted to reply ‘it is still there’. This is meant at least half seriously. Academic institutions in the UK have been under attack for their lack of managerial skills and adverse comparisons have been drawn with the private sector. Yet colleges and universities have exhibited a survival rate higher than that of most commercial enterprises. Only 62 years elapsed between the year in which Lord Nuffield’s first car was produced (1913) and the collapse of British Leyland (into which Morris Motors had been merged) in 1975. Nuffield College was founded 67 years ago and is going strong.

One reason for the demise of Morris Motors was the problem of succession. Academics, unlike industrialists, are not involved in the selection of their successors, and this rule has much to recommend it. In the present case, I am delighted that my colleagues have chosen Professor Stephen Nickell FBA to be the next Warden, from September 2005. Steve was a Professorial Fellow of the College from 1984 to 1998, during which time he directed the University’s Institute of Economics and Statistics. He is currently Professor of Economics at the London School of Economics, member of the Bank of England’s Monetary Policy Committee, and President of the Royal Economic Society.

Outsiders may say that universities survive because they are financed by the government. In the case of Nuffield College, this is not the case. We receive no income from the Higher Education Funding Council. The College’s spending on teaching and research is funded very largely out of endowment income. We owe a great deal therefore to a succession of Investment Bursars. In this context I should refer specifically to Sir Donald MacDougall, who sadly died on 22 March 2004, at the age of 91, and for whom the College held a Memorial Meeting in October 2004. Not only was he a distinguished Faculty, Official and Professorial Fellow, but, together with Ian Little, took over responsibility for investments when the College became fully independent in 1958. They made some excellent decisions, and instilled confidence that the College could manage its own endowment.

This Annual Report is in one sense an answer to the question ‘how is the College?’ It describes the activities of students, Fellows and staff over the past year. The College had 76 students at the beginning of the year, exactly the same number as ten years earlier. At that time, more than 40% were from the UK (32), but the proportion has now fallen to under 30% (22 students). There are now nearly as many students from the rest of the European Union (18) as from the UK. The international nature of the College was well demonstrated in the Prize Postdoctoral Fellowship interviews, where it was noted that the first twelve candidates all came from different countries. In 1993-4, among the students, there were 26 women and 50 men; in 2003-4 the numbers were almost reversed: 47 women and 29 men. The gender balance has not changed among the permanent Fellowship, which remains overwhelmingly male, although of the 38 research fellows in post, 12 are women.

The report describes individual and collective achievements. One innovation this year is that we are including publications by our current students. Both students and fellows continue to win prizes. Jeremy Large was awarded the 2004 George Webb Medley Prize for the best thesis for the Mphil in Economics, and Eric Budish was proxime accessit. Victoria Prowse was awarded the 2004 George Webb Medley Prize for the best performance in written papers in the Mphil in Economics. She also won a
prize scholarship offered by the Journal of Applied Econometrics. Pablo Casas-Arce received a Young Economists Award for his paper presented at the Annual Congress of the European Economic Association. Emily Hafner-Burton won the American Political Science Association Prize for the Best Dissertation in Human Rights. Bent Nielsen has been awarded the title of Reader in Econometrics. Duncan Gallie has been appointed Vice-President of the British Academy. It should also be noted that in 2004 the Presidents of the Royal Economic Society, the American Economic Association and the Econometric Society are all Honorary Fellows (and former fellows) of the College.

After the Indian elections, one of our former students, and an Honorary Fellow, Manmohan Singh, became Prime Minister of India. We are pleased to include photographs of him in conversation with Sudhir Mulji, also an Honorary Fellow of the College. Sudhir brought back a message from the Prime Minister for the celebratory lunch that the College held in June 2004 for three Fellows of the College who had reached the age of 80: David Butler, Sir David Cox, and Maurice Scott. I am very pleased that Frances Cairncross, Visiting Fellow, has been elected Rector of Exeter College, in succession to Marilyn Butler.

We like to hear news of our former members, and this year we are including a request that former students, fellows and visitors send us information about their current activities to be included in a Newsletter to be circulated in the Spring of 2005. If they would like to keep up to date with what is happening in College, then I recommend the new College website designed by Richard Gascoigne and Neil Shephard, http://www.nuff.ox.ac.uk/college/.

This year has seen the retirement of two long-serving members of staff. Ken Stanbrook (Maintenance Assistant) joined the College in 1969, a record only currently matched by the Senior Fellow. We thank Ken for his many years of loyal service. Marion Rogers came to the College as Warden’s Secretary in 1986 when Michael Brock was Warden. David Cox told me how lucky he had been to inherit such an excellent secretary, and I in turn benefited greatly from her friendly efficiency and wise counsel. Her growing role in the College administration was recognised by her appointment as Academic Administrator in 2001, in charge of the new Academic Administration Department. The College owes a great deal to Marion, and we wish her a very happy retirement. She has been succeeded as head of the Academic Administration department by Stephanie Wright, the College Secretary.

I would like to end by thanking all the College staff for their work over the past year. Their dedication and efficiency makes the College such a good place in which to live and work.

Tony Atkinson
Regular Giving

The College is in the process of establishing a Regular Giving programme, building on the Studentship Appeal launched in 1999. The College has long provided financial assistance to students, and, despite the cutbacks that have been necessary in the light of our reduced endowment income, studentship funding continues to be an important part of our spending (of the order of a £¼ million a year). The need for such funding has however increased considerably in the past few years. Outside funding bodies, such as US foundations, are less able to provide full funding. Many students complete their undergraduate education with a significant burden of debt.

We are therefore inviting former students, former Fellows, and former visitors to make regular payments. Initially the funds would be used for the Studentship Fund, but with the option for the donor to agree to the contribution being added to the general endowment. Nuffield students have made their mark on many aspects of life in Britain and world-wide. Support of this appeal will help ensure that this continues for the next generation.
THE COLLEGE IN 2003-2004

Visitor
The Rt Hon The Lord Phillips of Worth Matravers, Master of the Rolls

Warden
Sir Tony Atkinson FBA

THE FELLOWSHIP
At the start of the academic year, the following were Fellows of the College.

Fellows
Laurence Whitehead, Official Fellow
Kenneth Macdonald, Faculty Fellow
Richard Mayou, Professorial Fellow
Christopher Bliss FBA, Professorial Fellow
David Miller FBA, Official Fellow
John Muellbauer FBA, Official Fellow and Chair of Economics Group
David Hendry FBA, Professorial Fellow
John Darwin, Faculty Fellow
Duncan Gallie FBA, Official Fellow and Fellow Librarian
Raymond Fitzpatrick, Faculty Fellow and Dean
Anthony Heath FBA, Professorial Fellow
Margaret Meyer, Official Fellow
Andrew Hurrell, Faculty Fellow
Geoffrey Evans, Official Fellow and Senior Tutor
Neil Shephard, Official Fellow
Lucy Carpenter, Faculty Fellow, Chair of Senior Common Room and Adviser to Women Students
Iain McLean, Official Fellow and Investment Bursar
David Firth, Faculty Fellow
Yuen Khong, Faculty Fellow
Paul Klemperer FBA, Professorial Fellow
Gwilym Hughes, Supernumerary Fellow and Bursar
Alec Stone Sweet, Official Fellow and Chair of Politics Group
Kevin Roberts, Professorial Fellow
Richard Breen FBA, Official Fellow and Chair of Sociology Group
Ian Jewitt, Official Fellow and Investment Bursar
Robert Allen FBA, Professorial Fellow
Christopher Wlezien, Faculty Fellow
Desmond King FBA, Professorial Fellow  
Colin Mills, Faculty Fellow  
Diego Gambetta FBA, Official Fellow  
Peter Hedström, Official Fellow  
Bent Nielsen, Faculty Fellow  

Visiting Fellows  

Angela Coulter, Executive Director, Picker Institute  
Dame Brenda Hale, Judge of the Court of Appeal  
Lord Wilson, Master, Emmanuel College, Cambridge  
David Potter, Founder Chairman and Chief Executive, Psion plc  
David Willetts, MP for Havant, Shadow Secretary of State for Social Security  
Martin Wolf, Associate Editor, Financial Times  
Bill Callaghan, Chairman of the Health and Safety Executive  
Moira Wallace, Director of Criminal Policy Group, The Home Office  
Sir Christopher Bland, Chairman BT  
Vince Cable, MP for Twickenham  
Frances Cairncross, Management Editor, The Economist  
Frank Vandenbroucke, Minister of Employment and Pensions, Belgian Cabinet  
Len Cook, National Statistician and Registrar General  
Gus O’Donnell, Permanent Secretary, HM Treasury  
Sir Ian Blair, Deputy Commissioner, Metropolitan Police  
Norman Glass, Director, National Centre for Social Research  
Mervyn King, Governor, Bank of England  
Sir Howard Newby, Chief Executive of the Higher Education Funding Council  
Andrew Nairne, Director, Museum of Modern Art, Oxford  
David Prentis, General Secretary of UNISON  

Emeritus Fellows  

Ian Little FBA  
Uwe Kitzinger  
John Flemming FBA  
Max Hartwell  
David Fieldhouse FBA  
Freddie Madden  
James Sharpe  
A H Halsey FBA  
David Butler FBA  
Maurice Scott FBA  
Lord McCarthy  
Sir James Mirrlees FBA  
Nevil Johnson  
Noel Gale  
Byron Shafer  
John Goldthorpe FBA  
Clive Payne  
Megan Vaughan FBA  
Jeremy Richardson
Honorary Fellows

Sir Donald MacDougall FBA
Rt Hon Lord Callaghan
Rt Hon Sir Edward Heath
Jean Floud
Kenneth Robinson
Michael Brock
Manmohan Singh
Sir David Cox FRS FBA
The Rt Hon Lord Bingham of Cornhill FBA
Martin Feldstein FBA
Lord Hurd of Westwell
Sudhir Mulji
Lord Runciman FBA
Amartya Sen FBA
Sir Adrian Swire
Sir George Bain
Brian Barry FBA
Robert Erikson FBA
Charles Feinstein FBA
Stephen Nickell FBA
Baroness O’Neill FBA
Ariel Rubinstein
Lord Sainsbury

Research Fellows

Richard Spady, Senior Research Fellow in Economics
Hyun Shin, Senior Research Fellow
Stephen Bond, Research Fellow in Public Economics
Adrian Pagan, Senior Research Fellow in Economics
Jurgen Doornik, Research Fellow
Bent Nielsen, University Lecturer in Economics
Karma Nabulsi, Research Fellow
Hans-Martin Krolzig, Research Fellow
Oliver Grant, Postdoctoral Research Fellow
Elaine Tan, Postdoctoral Research Fellow
James Tilley, Postdoctoral Prize Research Fellow
Michelle Jackson, Postdoctoral Prize Research Fellow
Natalia Letki, Postdoctoral Prize Research Fellow
Mark Kayser, Postdoctoral Prize Research Fellow
Thomas Kittsteiner, Postdoctoral Prize Research Fellow
Francisco González, British Academy Postdoctoral Research Fellow
Heather Hamill, British Academy Postdoctoral Research Fellow
Sarah Harper, Research Fellow
Michael Colaresi, Research Fellow
Edmund Chattoe, Research Fellow
Luca Nunziata, Research Fellow
Alistair McMillan, *British Academy Postdoctoral Research Fellow*
Berthold Rittberger, *Postdoctoral Prize Research Fellow*
Christopher Bowdler, *Research Fellow*
Clive Bowsher, *Research Fellow*
Eric Harrison, *Research Fellow*
Yvonne Åberg, *Non-stipendiary Postdoctoral Research Fellow*
Regina Grafe, *Postdoctoral Prize Research Fellow*
Matthew Bond, *Research Fellow*
Emilie Hafner-Burton, *Postdoctoral Prize Research Fellow*
John Bluedorn, *Research Fellow*
Michela Cella, *Research Fellow*
Clare Leaver, *Research Fellow*
Tuomas Peikarinen, *Postdoctoral Prize Research Fellow*
Christel Vermeersch, *Postdoctoral Prize Research Fellow*
Pablo Casas-Arce, *Research Fellow*
Luke Keele, *Research Fellow*
Christopher Tyson, *Postdoctoral Prize Research Fellow*

*Associate Members*

Robert Andersen
Siem Jan Koopman
Avner Offer FBA
Gavin Cameron
Nanny Wermuth
Andreas Busch
Richard Johnston
Lauren McLaren
Paul David FBA
Nancy Cartwright FBA
Sophie Duchesne
Jouni Kuha
Mathias Winkel
Richard Rose FBA
Claire Donovan
Jim Engle-Warnick

**NEW ELECTIONS 2004-2005**

**PROFESSORIAL FELLOWSHIP**

Peyton Young, Professor of Economics

**VISITING FELLOWSHIPS**

Michael Aaronson, Director General, Save the Children Fund
David Miliband MP, Minister for School Standards, Department of Education and Skills
POSTDOCTORAL PRIZE RESEARCH FELLOWSHIPS

The Postdoctoral Prize Research Fellowships elections attracted a field of 352 candidates. The following were elected to PPRFs:

Yvonne Åberg, (Social Interactions: Studies of Contextual Effects and Endogenous Processes), Stockholm and Nuffield Research Fellow

Florin Bilbiie, (Essays on Fiscal Monetary Policy), EUI Florence

Jordi Blanes i Vidal, (Strategic Information Transmission in the Stock Market and the Firm), LSE

Colin Provost, (Litigation and the Electoral Connection: The Policy Making of Ambitious Attorney General), Stony Brook

Margit Tavits, (When are New Parties Successful?), Pittsburgh

NON-STIPENDIARY RESEARCH FELLOWSHIPS

Vikki Boliver, Departmental Lecturer in the Department of Sociology, Student

Lynn Cooke, Departmental Lecturer in Social Policy, Student

Stefan De Wachter, British Academy Postdoctoral Fellowship, Queen Mary University of London

Martina Dieckhoff, ESRC Postdoctoral Fellowship, Student

Roland Meeks, British Academy Postdoctoral Fellowship, Student

Hongjun Zhong, ESRC Postdoctoral Fellowship, Student

GUARDIAN RESEARCH FELLOWSHIP

Mukti Jain Campion

ASSOCIATE MEMBERSHIPS

David Firth, Professor of Statistics, University of Warwick

James Stimson, Professor of Political Science, Duke University
Crispin Jenkinson, Professor of Health Services Research, University of Oxford
Michael White, Emeritus Fellow, Policy Studies Unit
Sarah Spencer, Director of Policy Research and Deputy Chair of the Commission for Racial Equality
Hans-Martin Krolzig, Chair of Economics, University of Kent at Canterbury
David Myatt, Lecturer, Department of Economics, University of Oxford
David Vines, Professor of Economics, Oxford

COLLEGE OFFICERS 2003-2004

Warden  Sir Tony Atkinson
Senior Tutor  G Evans
Investment Bursars  I McLean/I Jewitt
Bursar  G Hughes
Dean  R Fitzpatrick
Fellow Librarian  D Gallie
Librarian  E Martin
Technical Services Fellow  C Wlezien
Information Systems Manager  R Gascoigne
Keeper of the College Gardens  A Heath
Junior Dean  N Letki
Adviser to Women Students  L Carpenter
Dean of Degrees  H Hamill
Deputy Dean of Degrees  N Letki
Chaplain  M Yee
Chairman of Economics Group  J Muellbauer
Chairman of Politics Group  A Stone Sweet
Chairman of Sociology Group  R Breen
Chairman of Senior Common Room  L Carpenter

COLLEGE COMMITTEES, 2003-04

Strategy and Resources Committee

The Warden  Chair
G Hughes  Bursar
G Evans  Senior Tutor
R Breen  Chair, Sociology Group
J Muellbauer  Chair, Economics Group
A Stone Sweet  Chair, Politics Group
I McLean  Investment Bursar
I Jewitt  Investment Bursar
Personnel and Domestic Committee

The Warden  Chair
G Hughes  Bursar
L Carpenter  Chair, SCR and Chair of Food Committee
A Heath  Keeper of the College Gardens
R Mayou  Chair, Art Committee
L Stannard  Human Resources Manager
E Martin  Co-Chair of Staff Council
P Klemperer
D Miller
N Letki  Postdoctoral Research Fellow
S. Butt  Student
In attendance
C Bunce  Bursar’s Secretary - Minutes

Staff Council

E Martin  Joint Chair
G Hughes  Joint Chair
The Warden
A Hurrell
M Baker
G Gardener
S Matheson
B Safka
G Skidmore
E Hafner-Burton
In attendance
L Stannard  Human Resources Manager
J MacAlister  Minutes

Welfare Committee

The Warden  Chair
L Carpenter  Adviser to Women Students
T. Khan  Student
N Letki  Junior Dean
G Evans  Senior Tutor
G Hughes  Bursar
M Yee  Chaplain
S Wright  College Secretary – Minutes
G Cunningham  University Link Counsellor
N MacLennan  College Doctor
Investment Committee

The Warden  Chair
I McLean  Investment Bursar
I Jewitt  Investment Bursar
G Hughes  Bursar
C Bliss
J Muellbauer
K Roberts
N Shephard
H Shin
L Whitehead
M Lamaison  Oxford Instruments plc
J Hodson  Taube Hodson Stonex Partners Limited
In attendance
C Leach  Investment Assistant - Minutes

Audit Committee

M Lamaison  Chair
B. Nielsen
A Hurrell
D King
In attendance
G Hughes  Bursar
L Arch  Finance Officer - Minutes

Library Committee

D Gallie  Fellow Librarian  Chair
E Martin  Librarian
The Warden
R Gascoigne  Information Systems Manager
C Bliss
Y Khong
K Macdonald
R Grafe  Postdoctoral Research Fellow
J Castle  Student
In attendance
K Arnell  Minutes

Technical Services Committee

C Wlezien  Technical Services Fellow  Chair
R Gascoigne  Information Systems Manager
The Warden
G Hughes  Bursar
E Martin  Librarian
P Hedström
B Nielsen
M Jackson  Postdoctoral Research Fellow
J Sergeant  Student

In attendance
B Safka  Minutes

Equality Committee
The Warden  Chair
G Hughes  Bursar
C Mills  Fellow
T Pekkarinen  Research Fellow
S Wright  College Secretary
R Shama  Staff Representative
N Cheeseman  Student Representative
L Stannard  Human Resources Manager
J MacAlister  Personnel Assistant - Minutes

STUDENTS

At the start of the academic year 2003-2004, there were 76 students in College. There were 29 men and 47 women. 22 were from the UK, 18 from other EU countries, and 36 from elsewhere. Their distribution by group and status was as shown below:

<table>
<thead>
<tr>
<th>Groups</th>
<th>Economics</th>
<th>Politics</th>
<th>Sociology</th>
<th>Interdisciplinary</th>
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<tbody>
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<td>MLitt/Prob Res/DPhil</td>
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<td>17</td>
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<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>23</td>
<td>26</td>
<td>4</td>
</tr>
<tr>
<td>Visitors</td>
<td>-</td>
<td>3</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>

For the academic year 2004-05, 33 student places were offered including one deferred from 2003-04. In the event, 24 student places were taken up, 10 by men and 14 by women. 5 of the new students are from the UK, 10 from other EU countries, and 9 from elsewhere. The distribution by Group is Economics 6, Politics 8, Sociology 8 and Interdisciplinary 2. 14 current students completed either an MSc or MPhil and 8 will stay on to pursue a DPhil.
NEW STUDENTS 2003/2004

Reena Badiani  MPhil Economics
Tessa Bold   DPhil Economics
Markus Burger  MSc Sociology
Hector Cebolla Boado PRS Sociology
Sonia Exley   PRS Social Policy
Robert Ford   MSc Sociology
Somjen Frazer  PRS Sociology
Julia Giese   MPhil Economics
Stefan Goetze  MSc Politics
Jane Green   DPhil Politics
Heiko Hesse   MPhil Economics
Su Yi Hsu      PRS Sociology
Julia Labeta  MPhil Politics
Teo Matkovic  MSc Sociology
Calum Miller   MPhil Politics
Emre Ozcan   MPhil Politics
Avia Pasternak  PRS Politics
Linda Pialek   PRS Politics
Kelly Register Brown MSc Social Policy
Julia Skorupska  MPhil Politics
Paul Vronsky   MPhil Economics
Paulina Wojtowska MPhil Economics
Ying Zhou    DPhil Sociology

Visiting Students
Lars Benjaminsen  DPhil Sociology
Mayling Birney   DPhil Politics
Elisa Botella Rodriguez  DPhil Sociology
Victor Lapuente Gine  DPhil Politics
Christine Mahoney  DPhil Politics

GRADUATING STUDENTS

During the course of the year, the following students or former students were given leave to supplicate.
(E = Economics; P = Politics; S = Sociology; ID = Interdisciplinary)

DPhil:  Thesis Title:
Rochana Bajpai (P)  The Legitimating Vocabulary of Group Rights in Contemporary India
Clive Bowsher (E)  Papers in Multivariate Dynamic Econometric Modelling
Clare Chambers (P)  Equality and Autonomy for All? Liberalism, Feminism and
Social Construction

Vivien Collingwood (P) Assistance with Strings Attached: Good Governance Conditionality in International Society

Elisa Diaz Martinez (S) The Impact of Social Stratification and Economic Inequality on Individuals' Health: An Analysis of Great Britain and Spain

Rui Fernandes (E) Essays on Financial Stability and Central Banking

Michael Fullilove (P) Special Faith and Confidence: Franklin D Roosevelt’s Personal Envoys and the War in Europe, 1939-1941


Ben Jackson (P) Egalitarian Political Thought on the British Left 1910-64

Akash Kapur (S) Bridging the Digital Divide: Regulating Universal Access in India

Monica Oberkofler (P) The European Court of Justice and the Limits of Supranational Autonomy

Jonathan Quong (P) Deliberation and Diversity: An Essay on Public Reason and Identity Politics


Dominic Tierney (P) Franklin D Roosevelt and the Last Great Cause: US Foreign Policy and the Spanish Civil War, 1936-1939

In the University examinations the following were successful:

**MPhil Economics**

Alberto Behar Are Skilled and Unskilled Labour Complements or Substitutes?

Aleksandra Bienkowska On Resolving the Exchange Rate Determination Puzzle

Eric Budish Internet Auctions for Close Substitutes

Florian Ederer Essays in the Theory of Incentives and Organizations

Jeremy Large Trading on Electronic Exchanges

Victoria Prowse Estimation of Time Demand Elasticities under Rationing,
Robert Ritz

Strategic Delegation and Managerial Incentives

Jeremy Large was winner of the 2004 George Webb Medley Prize for the best thesis and Eric Budish was *proxime accessit*. Victoria Prowse received the 2004 George Webb Medley Prize for best performance in the written papers.

**MPhil International Relations**

Eyi Tuakli Wosornu


**MSc Politics**

Stefan Goetze

Police and Public Order in East Germany: The Case of the 1992 Rostock Riot

**MPhil Sociology**

Alexei Makarevitch

Economic Growth and Market Transition in Russia, 1996-2002

**MSc Sociology**

Markus Burger

Using behavioural game theory to investigate discrimination in Germany

Robert Ford

Local diversity, prejudice and white majority welfare attitudes in the UK

Teo Matkovic

Different ways of being one's own boss: patterns of self employment in Croatia

**APPOINTMENT OF LEAVING/GRADUATING STUDENTS**

Vikki Boliver was appointed to a two-year Lectureship in the Department of Sociology, Oxford.

Vivien Collingwood was appointed to a Postdoctoral Research Fellowship in the Faculty of Law, Tilburg University.

Lynn Cooke was appointed to a one-year Lectureship in the Department of Social Policy and Social Work, Oxford.

Martina Dieckhoff was elected to an ESRC Research Fellowship to be held at Nuffield College.
David Gill was elected to a Junior Research Fellowship at Trinity College, Oxford.

Cameron Hepburn was elected to a Junior Research Fellowship at St Anne’s College, Oxford.

Terry Macdonald was elected to a Junior Research Fellowship at Merton College, Oxford.

John Manton was appointed to a Postdoctoral Fellowship at the Wellcome Unit for the History of Medicine, University of Oxford.

Teo Matkovic is a research assistant in the Social Policy Unit, University of Zagreb.

Roland Meeks was elected to a British Academy Postdoctoral Research Fellowship to be held at Nuffield College.

Hongjun Zhong was elected to an ESRC Research Fellowship to be held at Nuffield College.

VISITORS

Andrew Abbott, University of Chicago. Sponsor: Richard Breen.
Keith Banting, Queen’s University, Kingston, Ontario. Sponsor: David Miller.
Michael Baye, University of Indiana. Sponsor: Meg Meyer.
Lars Benjaminsen, University of Copenhagen. Supervisor: Peter Hedström. (Junior Visiting Scholar)
Elisa Botella Rodriguez, University of Salamanca, Spain. Supervisor: Bob Allen. (Junior Visiting Scholar)
Michael Biggs, University of Illinois at Urbana-Champaign. Sponsors: Diego Gambetta and Peter Hedström.
Magnus Bygren, Stockholm University. Sponsor: Peter Hedström.
Francesca Cappiello, Ministry of Economy & Finance, Rome. Sponsor: Meg Meyer. (Jemolo Fellow)
Roger Congleton, George Mason University. Sponsor: Iain McLean.
Tamás Dávid, Head of Research, Budapest Economics. Sponsor: John Muelbauer.
Luigi Fiorentino, Director General at the Italian Treasury. Sponsor: Alec Stone Sweet. (Jemolo Fellow)
George Frederickson, University of Kansas. Sponsor: Des King.
Matthew Gabel, University of Kentucky. Sponsor: Geoff Evans.
Ayse Güveli, University of Nijmegen, The Netherlands. Supervisor: Colin Mills. (Junior Visiting Scholar)
David M Malone, President of International Peace Academy, New York. Sponsor: Andrew Hurrell.
Christine Mahoney, Pennsylvania State University. Supervisor: Jeremy Richardson. (Junior Visiting Scholar).
Marco Maraffi, University of Milan. Sponsor: Richard Breen.
Richard O’Leary, Queen’s University, Belfast. Sponsor: Anthony Heath.
(Demolo Fellow)
Dorota Pietrzyk-Reeves, Jagiellonian University, Poland. Sponsor: David Miller.
Irene Ponzo, University of Turin. Sponsor: Geoffrey Evans. (Demolo Fellow)
Anders Rahbek, University of Copenhagen. Sponsor: Bent Nielsen.
Yoshihide Sano, University of Tokyo. Sponsor: Duncan Gallie.
Barbara Schmitz, University of Basel, Switzerland. Sponsor: David Miller.
Laura Stoker, University of California. Sponsor: Chris Wlezien.
Peter Temin, Massachusetts Institute of Technology. Sponsor: Tony Atkinson.
Flavia Terribile, Ministry of the Economy and Finance, Rome. Sponsor: Tony Atkinson. (Demolo Fellow)
Frank van Tubergen, Utrecht University, The Netherlands, Sponsor: Anthony Heath.
Richard Unger, University of British Columbia. Sponsor: Bob Allen.

CONFERENCES IN COLLEGE

Michaelmas Term

Does the New Economy have a Past?
(B Allen)

Hilary Term

American Democratization in Comparative Perspective
(D King, L Whitehead, F González)

8th Harvard/Oxford (Nuffield)/Stockholm Conference
(L Salazar and A Makarevitch)

Trinity Term

Colloquium on Africans and the Industrial Revolution in England
(B Allen and J Darwin)

Review of Economic Studies Tour
(N Shephard)

The Challenges of Rising Criminality to Democracy and the Rule of Law in Latin America
(L Whitehead)

Royal Economic Summer School in Econometrics: Financial Econometrics: Realised Variation
(D Hendry, B Nielsen and N Shephard)
Workshop on Perceptions, Preferences and Rationalization: Overcoming the Problem of Causal Inference in the Study of Political Behaviour
(G Evans and C Wlezien)

Experts’ Meeting ‘Foundations for Participation: Civic Structures for Palestinian Refugee and Exile Communities’
(Karma Nabulsi)

SEMINARS IN COLLEGE

Stated Meeting Seminars

November: Economic Policy Making in the United Kingdom
(Gus O’Donnell, Permanent Secretary Head of the Government Economic Service, HM Treasury and Visiting Fellow)

March: Competition, Choice and Equity in the NHS
(Angela Coulter, Chief Executive, Picker Institute Europe and Visiting Fellow)

June: The Changing Quality of Work in Britain
(Duncan Gallie, Professor of Sociology and Official Fellow)

Seminars in College

Graduate Workshop in Economic and Social History Michaelmas, Hilary, Trinity Terms
(Tomas Murphy and Natalia Mora-Sitja)

Macroeconomics and International Seminar Michaelmas and Hilary Terms
(John Muellbauer and Christopher Bliss)

Nuffield Political Science Seminars Michaelmas and Hilary Terms
(Geoffrey Evans, Iain McLean and Chris Wlezien)

Graduate Workshops in Political Science Michaelmas and Hilary Terms
(Oisin Tansey and Nic Cheeseman)

Nuffield Social Science Postdoctoral Seminar Series Hilary and Trinity Terms
(Berthold Rittberger and Michael Colaresi)

Gorman Student Research Workshop in Economics Hilary and Trinity Terms
(Meg Meyer, John Muellbauer and Stephen Bond)

Environmental Economics Theory Seminar Michaelmas Term
(Cameron Hepburn)

Nuffield Seminar in Economic Theory and Econometrics Michaelmas Term
(Bent Nielsen and Ian Jewitt)
Econometrics Seminar *Michaelmas Term*  
(David Hendry)

Media and Politics Seminars *Michaelmas Term*  
(David Butler and Paddy Coulter)

Employment Change and Social Inequality *Michaelmas Term*  
(Duncan Gallie and Colin Mills)

Nuffield Seminar in Economic Theory and Econometrics *Hilary Term*  
(David Hendry and Kevin Roberts)

Nuffield Sociology Seminar Series on Analytical Sociology *Hilary Term*  
(Peter Hedström)

Seminars in Economic History *Hilary Term*  
(Bob Allen)

Nuffield Seminar in Economic Theory and Econometrics *Trinity Term*  
(David Hendry and Meg Meyer)

Graduate Workshops in Political Science *Trinity Term*  
(Jane Green and Victor Lapuente)

Political Economy in Practice and Theory *Trinity Term*  
(Iain McLean and Colin Jennings)

Nuffield Sociology Seminar Series on Education and Social Stratification *Trinity Term*  
(Vikki Boliver and Divya Vaid)

Graduate Workshop in Electoral Behaviour *Trinity Term*  
(S Butt, E Ivarsflaten and M Sobolewska)

**BURSAR’S REPORT**

As indicated in the previous report, the new format of the financial statements now allows us to publish a consolidated balance sheet with a previous year column compiled according to standard accounting convention. 2003 was a difficult year for equity investment but there has been a general improvement since the lows of March 2003. After disposals of surplus assets the operating deficit was £129,000 which may be contrasted with the liability to pay £357,000 to the University fund which is used to increase the funds of under-endowed colleges. Governing Body has approved a number of measures intended to bring the income and expenditure account into balance by 2008.

The long endured project to replace the hot and cold water pipework around College was completed in September 2004. This was accompanied by the modernization of all bathrooms and staircase facilities, so that the existing five year plan for the maintenance
and upgrading of College facilities may be regarded as complete. The obligation of caring for buildings that are intended to last for a very long time is such that continuous programmes are required – so a new schedule of maintenance and preventative work will be prepared for the next few years.

NUFFIELD COLLEGE
CONSOLIDATED BALANCE SHEETS AT 31 JULY 2003 (2002) £000 £000

**Fixed assets**

| Tangible assets | 6,246 | 5,544 |
| Investments     | 0     | 0     |
| **Total**       | 6,246 | 5,544 |

**Endowment asset investments**

| Securities and Cash Deposits | 59,923 | 52,789 |
| Land and property           | 41,096 | 41,147 |
| **Total**                   | 101,019 | 96,044 |

**Current assets:**

| Stocks       | 85   | 70   |
| Debtors      | 287  | 278  |
| Short term investments | 9   | 0   |
| Cash at bank and in hand | 782 | 1,443 |
| **Total**    | 1,163 | 1,791 |

**Creditors:**

| Amounts falling due within one year | -1,030 | -793 |
| **Net current assets**              | 133    | 998  |

**TOTAL ASSETS LESS CURRENT LIABILITIES**

|          | 107,399 | 102,586 |

**Creditors:**

| Amounts falling due after more than one year | -27   | -11   |
| Provision for liabilities and charges       | 0     | 0     |

**TOTAL NET ASSETS**

|          | 107,371 | 102,576 |

**Deferred capital**

|          | 0       | 0      |

**Endowments**

| Specific  | 13,495  | 13,413 |
| General   | 87,524  | 82,631 |
| **Total** | 101,019 | 96,044 |

**Reserves**

| Designated reserves | 1,776 | 2,099 |
| General reserves    | 4,576 | 4,432 |
Staff

The following members of staff retired during the year:

Elizabeth Cunningham (Domestic Assistant from 1 November 1999 to 30 September 2003)
Ken Stanbrook (Maintenance Assistant from 27 October 1969 to 19 July 2004)
Marion Rogers (Warden’s Secretary and then Academic Administrator from 1 July 1986 to 31 August 2004)

The following left the College:

Kim Poulter (Kitchen Porter)
Deborah Clarke (Assistant Librarian)
Eleanor Roberts (Assistant Librarian)
Brian Austin (Relief Lodge Porter)
Lisa Glanville (Graduate Trainee Library Assistant)

The following joined the staff:

Lauren Hoeblyn (Buttery Assistant)
Daniel Begley (Apprentice Chef)
Clare Kavanagh (Assistant Librarian)
Tula Miller (Assistant Librarian)
Justine Crump (Administrative Officer)
Sufyan Alissa (Project Co-ordinator - CIVITAS)
Mike Shepherd (Domestic Assistant)
Rod Oakey (Lodge Porter/Maintenance Assistant)
Mark Summers (Graduate Trainee Library Assistant)
Diego Cornaveira (Pastry Chef)

LIBRARY

This year saw a return to full staffing in the library, thus releasing us from some of the pressure we had all been feeling, and allowing us to resume work on some of the projects that had been halted temporarily.

We continued with our successful half-day induction session and lectures for new Nuffield students, in conjunction with the Information Systems Department. This gives new students a good grounding in essential College systems and quickly produces efficient and knowledgeable library users. Students continue to comment (unprompted!) on the helpfulness of library staff, and the excellent range of library and information resources. We also give individual orientation tours for all new users during the course of the year.
We have made considerable progress in automating our Archives handlists, previously in hard-copy only, with the ultimate aim of making them available on the Library website for remote researchers to access. The archives of Frederick Lindemann (Lord Cherwell) are already available on the internet, and their availability has proved very useful both in preventing unnecessary speculative visits, and allowing researchers accurately to identify areas of research prior to arrival.

Library research services this year have played a significant role in helping with source checking and bibliographic research for two newly published monographs by Emeritus Fellows. We are keen to extend the service in the new academic year.

We registered 427 new readers during the year, an increase of 15%, and an additional 197 visitors were admitted to consult items held only at Nuffield, an increase of 21%, including 17 Archives readers. At the end of the year, we had 343 active borrowers, who had borrowed a total of 9169 items during the course of the year. We bought 439 new monographs for the main collections, and a further 73 for the popular Taught-Course reading list reference collection. The number of active periodicals subscriptions is 910, and we registered 7592 separate periodical parts during the year.

The summer period of afternoon-only opening for external readers from mid-July to mid-September, begun last year and continued this year, freed us to undertake an extensive shelf-check in the Tower. This had the multiple purposes of tidying and re-sorting jumbled areas, checking for missing books, re-spacing tight sections and undertaking a space audit. Although external library readers are only admitted to use the library in the afternoons during this period, we generally have made special provisions during the mornings for Archives readers, many of whom make special trips to Oxford from elsewhere in the UK and abroad, and this has been greatly appreciated.

We continue to be grateful for the numerous donations received in the Library from College members past and present, and from external sources. We have formalized our Donations Policy, which can be seen on the Library website (under ‘About the library’ then ‘Acquisitions,’ or requested from the library). A return to full staffing has meant that we have started to process the backlog of donations received over the past couple of years. We are happy to accept most donations to the library, on the condition that we only add to stock anything that falls within our collection policy, and that we do not already have. With the agreement of potential donors, we offer books that we cannot incorporate in our own collection to other Oxford libraries, and then any still remaining to members of Nuffield College. We also explore ways of donating them to third-world charities (who are, however, quite stringent in their requirements). Finally, any books that cannot be found a home are offered for sale.

Processing donations in this way is certainly a labour-intensive, lengthy process, but we feel it is a useful and worthwhile service that we are pleased to offer to members of College.

There were some staff changes during the year. Debbie Clarke left us in November to move to Oxford Brookes Library. Tessa Richards went on maternity leave in January, had a baby boy in February and came back to work in August. Her maternity leave cover was provided by James Butterworth from February to August. Ellie Roberts did not return after her maternity leave, having relocated to Switzerland in the meantime with her husband. Ed Smithson, who covered her maternity leave, has replaced her on a permanent basis. In March we welcomed Clare Kavanagh as Assistant Librarian (part-time) and Tula Miller as Assistant Librarian (Cataloguer). Lisa Glanville was the Graduate Trainee for the year. All staff continued to further their professional development (and maintain a significant profile in Oxford library circles) with a wide variety of training courses, visits and external committee work.
JCR REPORT

The year began when 24 fresh-faced ducklings waddled into Nuffield lodge on October 1st to be greeted warmly by a JCR committee headed by President Maria Sobolewska. As is traditional, the first night hospitality in the bar was noisy, effusive and alcoholic. Many confused students awoke the next morning believing themselves to have had a strange dream where all the new students were called Julia. Upon arriving for lunch that day they realised that this was in fact true.

Freshers were throughout the term treated to an impressive sequence of Nuffield events, co-ordinated beautifully by Social Secretary Florian Ederer and featuring a series of now legendary double acts. First on the term card was the magic spectacle that was the Art Auction, featuring Nuffield’s answer to Paul Daniels and Debbie McGee, Messrs Tilley and Haydock. The only problem here was that James’s descriptions of the exhibits became somewhat repetitive as the evening wore on: ‘You’ll like this. Not a lot, but you’ll like it’. Other notable double acts were on show at the suitably boozy beer and wine tastings. The latter became a huge sell-out and Daniel Lawson and David Gill were every bit as hilarious as those other masters of comedy slapstick Laurel and Hardy. Daniel’s later portrayal in the Nuffield Christmas pantomime by one Stefan Goetze (remember ‘Smell my Cheese’?) provided equal pleasure and a welcome reminder of what a success the night had been.

Speaking of the pantomime, this leads us to consider what may have been in terms of double acts Nuffield’s comedy highlight of the year. Certified ‘sports’ Diego Gambetta and Peter Hedström agreed in late 2003 to take starring roles as Mafiosi villains in ‘GoodFellows’, our artistic portrayal of Nuffield College as a den for organized crime and social deviance. Strong performances were put in by Paul Vronsky as Quanti Don Tony Atkinson, Paulina Wojtowska as David ‘Dalai’ Miller and Julia Skorupska as ‘Alberto Partridge’. Professors ‘Shambetta’ and ‘Headstrong’ spent many long hours rehearsing for this and were thoroughly convincing as a pair of ruthless, nasty and aggressive bullies. Profuse apologies go out to the Professors’ supervisees for whom we hope there will be no future repercussions.

Hilary Term saw the new student ducklings flexing their social muscles properly for the first time, and new Social Secretary Rob Ford struggled valiantly to meet the dark demands of the mysterious J-club for ‘phat choonz’ and thumping beats in a College traditionally accustomed to ‘Best Air Guitar Album in the World . . . Ever’ and the Moulin Rouge soundtrack. In an effort to square this circle, Rob once again tapped the genius of the hooded figure known locally as Karaoke Dave and some stars were born. Where Florian had in Michaelmas led us to believe he could fly, Eric Budish now sought to convince us all – and particularly Maria – that he should be absolved of all responsibility for the mysterious disappearance of A staircase’s white laundry baskets: ‘it wasn’t me’. Nuffield’s loss will be Boston’s gain in 2004/5 as Eric and Florian seek to conquer the American market at Harvard and MIT respectively. Thank heavens Florian’s doppelganger Rob Harris still has 2 years to go. One other very successful event run in Hilary was the return of the Nuffield Annual Women’s Dinner, organized by Tessa Bold and Somjen Frazer and attended by female students and fellows alike. This was intended to strengthen the academic community of women in College. Speeches were given by Lucy Carpenter and Maria Sobolewska, and a good time was had by all.
The MPhil in Economics at Oxford has often been likened to life on a treadmill, but some non-economists this year at Nuffield seem to have taken the metaphor somewhat literally. Successive gym managers Carmel Hannan and Emre Ozcan devoted much of their time and energy to persuading the JCR to purchase this item of equipment. The issue caused the familiar questions to be asked at JCR meetings. ‘How much will it cost?’ ‘When did who say what to the Bursar?’ and of course ‘When is this meeting finishing, we are going to the Phoenix at 9?’ Even though the issue was eventually resolved peacefully, the treadmill saga ran and ran, threatening at one stage to become the biggest College scandal since Cheesegate. Having achieved this victory, Carmel turned her attention to finding a consistent venue for Yoga classes. While she has long fought a one-woman vigilante campaign for the right to contort herself on College property, this attempt to branch out into group activity risked offending those of a delicate disposition. By contrast, Emre was fighting a lonely campaign over in Chicago Rock. Although Turkey performed only moderately in this year’s Olympics, Emre has in college been awarded ‘Nuffield Gold’ through his relentless pursuit of ‘more-and-heavier-weights’. Indeed, he is the only man this side of New Road who could genuinely be described as having the weight of the world on his shoulders.

Trinity Term brought changes at the top. It is a staple fact of British politics that government is dominated by upwardly mobile Scots. The arrival of Edinburgh-born Sonia Exley in the Presidential suite threatened to raise again the dreaded ‘West Lothian question’. In the event this never materialized but crueler observers were heard to remark that it was indeed the only question not asked by Linda Pialek during the year. Spring marked the end of a number of glittering JCR careers. Maria departed from the helm and Divya Vaid surrendered the secretarial minutes file to Tessa Bold. While an exemplary officer in so many ways, Tessa’s custody of this particular folder will at least provide future challenges for historians of College life and indeed for incoming Secretary Maria.

Moving now on to sport, it is difficult to believe that, among all the academic and sporting achievement already found at Nuffield, there is still plenty of hidden talent. The formation of a Nuffield Basketball squad might have appeared pretentious in a College as small as Nuffield and with football and cricket traditionally dominating the sporting scene. But with a dozen Nuffielders regularly showing up to the outdoor playing sessions at Worcester, there was no question that the time had come for Nuffield’s Basketball fanatics to embark upon the journey towards organized, competitive College basketball.

In their first Cuppers tournament in Trinity Term 2004, the newly founded Nuffield Ducks left an impressive mark: Sailing from victory to victory, it took an impressive performance by University College and uncharacteristically underperforming Ducklings to stop the Ducks’ flock at the semi-final stage. Yet, there is no doubt that the Nuffield Ducks have succeeded in leaving a memorable imprint on
College Basketball – and that the future will see the Ducks playing a prominent role in College competitions.

Unlike the basketball team, the cricket team declined to refer to itself as The Ducks. Entering its second year of JCR cricket, the Nuffield team, led with almost aristocratic bearing by Cape Town’s Alberto Behar, combined the experience of established cricketers with the talent and exuberance of debutants from the United States and Croatia. It once again showed its class amongst the undergraduate youngsters from other colleges, coming third out of nine teams. All team members consider themselves most fortunate to have the opportunity to play on wickets and grounds worthy of professional cricketers. Playing on the South lawn of Blenheim Palace and the competitive game against the SCR are unquestionable highlights, yet each and every game was an experience to savour. The only regret was that the season ended so quickly, leaving us watching cricket on television in frustration.

The 2003-04 season was perhaps the most successful in living memory for The Nuffield Lions, and not just by virtue of the veteran campaigners having suppressed the painful memories of seasons past. Once again the club took the brave decision to play in the MCR (postgraduate) league and cup competitions, thus ensuring the need to turn out for sixteen Saturday mornings throughout the winter and many Wednesday afternoon training sessions. Despite early losses to the giants of Magdalen College (the only MCR still operating a height-related admissions policy) and subsequent near misses and ‘might have beens’, the Lions arrived at their final fixture needing only to draw with Lincoln College, and for other results to go their way, in order to be promoted from the dubious sounding Supplementary Division to the Premiership. After leading for two-thirds of the game Nuffield provided an eerie premonition of England’s Euro2004 defeats by conceding two quick goals in the closing stages. The other results did go their way, but the loss meant that the Lions had to be content with third place in the table and narrowly missing out on promotion. The incoming captain was said to be more than content with not having to face Premiership opposition next season.

The tradition of widespread participation in the Teddy Hall Relays by members of Nuffield continued this year, with the College fielding no less than fifteen entrants in what has been described as ‘Europe’s largest midweek relay event’. These hardy individuals from the JCR and SCR turned out on a cold day in March to form two men’s teams, one women’s team and one mixed team. All those representing the College completed their lap of the 3.6 mile course, starting and finishing at the Iffley Road athletics track where Roger Bannister famously ran the first sub-four minute mile fifty years ago.

And so that more or less wraps up the year. The annual Nuffield leaving students’ dinner, where College congratulates former ducklings on making the transition to fully fledged grown-ups and bids farewell to the inevitable exodus across the Atlantic, was held in June. Padraig Dixon gave a characteristically wry and affectionate send-off to all those students who, like him, left us this year. Jokes about a certain female sociologist making use of a dummy were particularly successful, especially given the number of people the dummy in question had offended with the previous year’s speech.
THE WARDEN

Tony Atkinson (Warden). This year much of my research time has been devoted to two official reports. Both dealt with issues outside my usual interests, but they turned out to raise challenging scientific questions. In the first half of the year, I completed, with a team of academic authors, a report for the United Nations, commissioned through WIDER, on new sources of funding for development. To fund the Millennium Development Goals requires, on a conservative estimate, additional flows of resources to developing countries of $50 billion a year. We considered different routes by which this sum – which is broadly equal to current official development assistance – could be raised. We treated the problem as an exercise in global public finance, and our report serves to show how the principles of public finance can be applied at the global level. One novel idea is that of ‘fiscal subsidiarity’, under which national governments contribute according, say, to national carbon emissions, but the governments are free to determine how the revenue is to be raised domestically. One new proposal is for a global premium bond to finance development. The report was one of the inputs into the proposals made by Presidents Chirac and Lula in New York in September 2004. The report is to be presented to the United Nations in November 2004.

In December, 2003, I was asked by the Office for National Statistics, (ONS) to prepare a report on the measurement of government output and productivity in the national accounts. ONS has been in the lead, internationally, in the introduction of direct measures of the output of government services. The task of the team of economists and statisticians established by ONS is to set the basis for a ‘second generation’ of estimates. To this end, the Interim Report, published in July 2004, developed a set of principles for the construction of such indicators, contributing in this way to the implementation of the guidelines provided by Eurostat, OECD and the UN Statistical Commission.

I also worked further on a project on top incomes in conjunction with Thomas Piketty, findings from which were presented at the ChangeQual meeting in College in September 2003. The project now covers more than 15 countries, using income tax data to chart the evolution of top incomes over the twentieth century.

Publications
‘Increased Income Inequality in OECD Countries and the Redistributive Impact of the Government Budget’, in G A Cornia (ed.), Inequality, Growth, and Poverty in...
Yvonne Åberg (Non-stipendiary Postdoctoral Research Fellow) has continued her research on the impact of social interactions on demographic and labour market processes. Her current research focuses on the influence of the marital status of co-workers on the risk of divorce, on the effects of the marital status of former high school peers on an individual’s decision to marry, and the effects of the unemployment level among peers on an individual’s transition rate out of unemployment. During the year she has presented her work at the Conference of the European Research Network on Divorce in Tilburg, and at seminars at the Department of Sociology in Oxford, and at Nuffield College. She recently submitted two articles to leading journals and she is working with Peter Hedström on a simulation model of interaction based social-multiplier effects in unemployment. Her research has been financed by a grant from the Swedish council for working life and social research.

Robert Allen (Professorial Fellow). I have been engaged in several projects this year. First, I am continuing to work on the history of wages and prices from the late middle ages into the nineteenth century. This is indispensable for studying the evolution of incomes, the integration of markets, and testing hypotheses about the causes of economic growth and underdevelopment. The basic material for Europe had been put into computer data bases. I am part of an international network that is trying to extend these data bases to Asia. We have received funding for this and anticipate collecting much important data in the next years.

Second, I have returned to an old interest – English agricultural history. I am working on several papers: one to improve the measurement of productivity growth and others to explain it. I have applied biological models of nitrogen fixation to the cropping innovations of the early modern period to simulate the impact of peas, beans, and clover on the yields of grain. The cultivation of these crops explains much of the rise in yields that occurred. I have also been developing models that endogenize agricultural productivity in the context of economic development. The aim of this research is to write a history of the agricultural revolution that spans – and integrates – the details of farming and the overall evolution of the economy.

Third, I have continued research on the relationship between the scientific revolution of the seventeenth century and the industrial revolution of the eighteenth. As with the agricultural project, the aim is to integrate details of technology with the economic and cultural environment in which they were invented. This project is also being pursued in the context of global history to understand why modern economic growth began in the West.

Publications
Christopher Bliss (Professorial Fellow). Preliminary chapters of my book Trade, Growth and Inequality have received favourable reports from the referees appointed by publishers. The current plan involves a complete final manuscript by March 2005. It is hard to be sure that will happen. My research is a fast-moving stream. The elasticity of inter-temporal substitution (the EIS) measures the root willingness to save, given the rate of return, time discounting, risk, etc. A leading idea of my recent work is that this value will vary with the level of consumption, being lower for the poor than for the rich. Strangely current modelling excludes such a simple notion. I have located a class of utility functions that deliver the required property perfectly. I was assuming implicitly that the EIS might depend upon life-time income. However the literature always assumes additive separability of preferences. This is horribly unrealistic. It means that my willingness to opt for a light lunch in return for the promise of a big dinner will not depend upon whether I have had breakfast. However dropping additive separability makes simple comparisons with established results impossible. So a chapter I thought I had finished is not successfully completed. My referees did not spot this problem, but fortunately I did. Such is the rough path of research and writing it up.

I am close to completing my contribution to the History of Nuffield College, edited by David Butler, ‘Economics at Nuffield’. This has been a fascinating task, over-viewing Nuffield economics over some 60 years. It inescapably involves viewing Oxford economics and pretty much world economics over the same years. It emerges that the part played by our little institution is most impressive, a fact that it gives me great pleasure to record.

Publication


John Bluedorn (Non-stipendiary Research Fellow) spent much of the year completing revisions of papers from his doctoral dissertation in economics. The papers estimate the effect of large hurricanes on the small, open economies of the Caribbean and Central America. Such storms represent large exogenous, physical capital shocks. In the first paper, the estimated effects of the hurricanes are compared to the predictions of an intertemporal current account (ICA) model. Contrary to many results from standard tests of ICA models using a vector autoregression framework, he finds strong qualitative support for the forward-looking saving and borrowing behaviour implied by
an ICA model. Revisions made to the ICA model lead naturally to the econometric tests employed. In the second paper (co-authored with Elizabeth Cascio of UC-Davis), the consequences of a large hurricane shock are estimated for human capital. Using US Census data from Puerto Rico, they are able to estimate the effect of Hurricane Betsy (1956) on educational attainment. This is accomplished by exploiting the differential effect of the storm across cohorts and across geographic regions. Meteorological properties of the storm are used to infer physical capital damage across regions in the revision. They find that the hurricane results in lower educational attainment for individuals from the most affected cohorts and regions, potentially leading to long-lived growth and distributional consequences of the storm. He presented a prior version of this paper at the Oxford Macroeconomics seminar.

Recently, he has begun work on research which attempts to quantify the effects of social and economic networks on international capital and trade flows. Previous work has relied upon aggregate measures of the strength of networks, such as the existence of a common language or colonial past between trading partners. Such measures are likely endogenous, potentially biasing estimates of the trade effects of networks. Continuing his interest in natural or quasi-experiments (such as exogenous hurricane shocks), he is looking at how exogenous changes in international migration flows may be used to estimate the trade effects of networks.

Matthew Bond (Non-stipendiary Research Fellow). In addition to my teaching at undergraduate and graduate levels I have continued my research into intercorporate influences on British corporate political and social behaviour. I have completed two papers using that have modelled the position and role structures of the British network of interlocking directorates using measures of regular and structural equivalence respectively. These papers compare the propensity of corporations in different positions to make donations to the Conservative Party. One of the papers is under review and the other one will be shortly. I am working on a third paper that models the role structure of corporations based on the network of elite ties between their directors. As well as writing papers I also received £34,356 from the ESRC to study the British intercorporate network over the first five years of the New Labour Government.

Publications

Stephen Bond (Senior Research Fellow) continued to work half-time at the College. He is also a Deputy Director of the ESRC Centre for Public Policy at the Institute for Fiscal Studies. This year he was appointed as a Visiting Professor at the Department of Economics, University of Oxford.

He continued to work on a range of projects on the behaviour and performance of companies, corporate taxation, and the econometrics of panel data. One new project started this year, in collaboration with researchers at the Bank of England, investigates the effects of uncertainty on investment spending by large UK firms. Another new project studies the (non-)identification of commonly estimated production function parameters from cross-section data, when all firms face similar prices for both capital
and labour. Other current research looks at distinctive ways in which high-tech firms finance their investment, and a cross-country study investigates the effects of aggregate investment on economic growth.

During the year Bond gave invited seminars at the European Central Bank, and at the annual research conference of the German Bundesbank. He also participated in CEPR conferences in Madrid and Barcelona, and a conference in memory of Professor Tor Jakob Klette at the University of Oslo.

Publications

Chris Bowdler (British Academy Post-doctoral Fellow). I have been working on several projects relating to inflation adjustment in OECD countries. A paper with Eilev Jansen (Norwegian Central Bank) suggests that inflation dynamics in the Euro Area have been influenced by permanent shifts in the equilibrium price-cost markup. This finding is consistent with results from microeconomic studies demonstrating that product and labour market reforms in the European economy have increased price competition over the past quarter of a century. The paper suggests that linear equilibrium correction models, which are often used in macroeconometric analysis, may be inappropriate when modelling periods in which there have been significant structural changes in the economy.

Work with Luca Nunziata (Nuffield College) looks at multi-country models of inflation. A first paper demonstrates that the probability of a large upturn in inflation depends negatively on openness to international trade, a result consistent with standard models of optimal monetary policy but which has not been examined in past empirical research. A second paper examines the determinants of inflation performance in twenty OECD countries during the period since 1960. The principal finding is that variables traditionally emphasized in the literature, such as the conservativeness of the monetary policy authority, cannot account for shifts in inflation regimes over time. Instead, the evolution of labour market structures, for example the degree of monopoly power in the labour market, appears to be a key determinant of inflation performance. The factors traditionally emphasized in this field do, however, play a role in conditioning the impact of labour market variables on inflation outcomes. A parallel paper currently in progress looks at international differences in inflation dynamics, such as the responsiveness of inflation to cost and productivity shocks and the degree of inflation persistence. Previous work in this area emphasizes the importance of monetary policy arrangements such as the exchange rate regime and the independence of the central bank in determining these relationships, but the explanatory power of these variables has been found to be quite limited. The results that we obtain suggest that labour market institutions can explain a much larger proportion of the cross-country heterogeneity in inflation dynamics. One mechanism underpinning these results is that the persistence of shocks to inflation depends on the response of wages to increased consumer prices – if labour market structures induce significant real wage resistance then shocks exert larger
and longer lasting effects. Overall, work in this area suggests that inflation outcomes in OECD countries are best characterized in terms of interactions between policy authorities and the structure of product and labour markets, and are not a simple function of central banks’ aversion to inflation.

Two papers from my DPhil thesis, one using a vector autoregression subject to I(1) and I(2) cointegration restrictions to model a system of prices for the United Kingdom, and another looking at the relationship between trade openness, the exchange rate regime and the slope of the Phillips curve in a cross-section of countries, have been revised. These papers have now been submitted for publication.

I served as co-editor of the Oxford Bulletin of Economics and Statistics and have refereed papers for the Journal of Money, Credit and Banking, the Journal of Macroeconomics and Oxford Economic Papers. I have been responsible for organising the weekly Macroeconomics seminars in college (jointly with John Muellbauer) and have taught a class for the MPhil programme in economics.

During the year I have presented papers in Oxford, at Brunel University and at the Money, Macro and Finance conference held at the Cass Business School in London.

Clive Bowsher (Non-stipendiary Research Fellow) works on the development of econometric models and methods for use in economic and financial decision making. Research in the past year has focused on problems in which the object to be predicted is a random price function. In the Nuffield Economics Discussion Paper, ‘Modeling the Dynamics of Cross-Sectional Price Functions: an Econometric Analysis of the Bid and Ask Curves of an Automated Exchange’, state space functional time series models are developed in which a cubic spline signal function is used to approximate the price curve data. Joint work with Roland Meeks on applying such models to forecasting the term structure of government bonds began towards the end of this year. Other ongoing research during the year included the use of multivariate point processes to model high frequency financial data.

Richard Breen (Official Fellow) finished work on his edited collection, Social Mobility in Europe, which should be published by OUP before the end of 2004. Papers deriving from this research were presented at the Economic and Social Research Institute, Dublin in April 2004, at the RC28 conference in Neuchâtel, Switzerland, in May 2004, and at the University of Leipzig in July 2004. It also formed the basis of an address given at the graduation ceremony of the Juan March Institute, Madrid. As usual, completion of the book does not mean the end of the research, and at present work is continuing with Ruud Luijkx (University of Tilburg), Janne Jonsson (Swedish Institute for Social Research), and other colleagues, analysing social mobility using a cohort perspective, as opposed to the period perspective taken in the book. First results are very encouraging. Further work on social mobility includes an invited review article, co-authored with Jonsson, for the Annual Review of Sociology. Work on poverty dynamics has continued in collaboration with Pasi Moisio (Stakes, Helsinki) and Chris Whelan (ESRI, Dublin). The Breen-Moisio paper mentioned in last year’s report has now been accepted for publication in the Journal of Economic Inequality.

One of his EUI students successfully defended their doctorates during 2003-4: two remain. He continues as a member of the Scientific Committee of the Juan March Institute, Madrid.
Michael Brock (Honorary Fellow), and his wife, brought their editing of Margot Asquith’s Diaries, 1908-16 (for OUP) close to completion. For his lecture to the Kipling Society, 19 November 2003, please see publications below. Sir Charles Wilson, the subject of the first publication mentioned, was a Faculty Fellow of the College, 1943-5.

Publications

David Butler (Emeritus Fellow) continued work (with Chelly Halsey) on the history of Nuffield College. He wrote (with Martin Westlake) British Politics and European Elections, 2004. He lectured in California and he observed the Indian Election. He co-chaired (with Peter Riddell) the Independent Commission on Proportional Representation which reported in March.

Lucy Carpenter (Faculty Fellow) continued her research studying the long-term health outcomes of members of the armed forces who took part in chemical warfare agent trials in the UK at Porton Down between the 1940s and the 1980s. This will involve comparing death rates (and cancer registrations) in around 20,000 members who took part in trials during this period with rates in 20,000 who did not. Data collection for this study is now well underway. Research published this year included methodological work relating to the design of randomized community intervention trials, and further findings from one such trial studying preventive measures for HIV in rural Uganda. While the latter study found the behavioural change programme to have no overall effect on rates of HIV infection, it did appear to reduce the risk of HIV acquisition in women who attended it. The main focus of her current HIV research involves studying relationships between infectious diseases (such as human papillomaviruses) and cancer, in adults and children in Uganda.

Publications

**Pablo Casas-Arce** (Nonstipendiary Research Fellow). During his first year at Nuffield, Pablo worked on the economics of organizations and the theory of incentives. He revised the three papers contained in his PhD thesis presented at Harvard University. He also started a new project with Asis Martinez-Jerez (from the Harvard Business School). The latter paper studies the incentives that were created with the introduction of a tournament by a commodities company among its retailers. We show that the participants in the tournament appear to provide higher effort than non-participants. We also document the impact of the size of the tournament on participant’s motivation, the effects of the dynamic considerations that arise as the tournament progresses, and the implications for multitasking as they decide on their allocation of effort into the sale of different products.

Pablo presented at the Labour seminar in the University of Oxford. He was invited to attend the European Summer Symposium on Economic Theory at Gerzensee (Switzerland). He also presented two papers at the European Economic Association and Econometric Society European Meetings in August 2004. For one of the papers, he received the Young Economists Award, offered by the European Economic Association to the best papers presented at the conference by economists under 30 years of age or with no more than three years past a PhD defence.

**Michela Cella** (Nonstipendiary Research Fellow) has been revising the chapters of her PhD dissertation on informed principal problems and collusion in hierarchies to submit them to journals for publication. Recently her attention has been on problems of corporate governance in public corporations and in not-for-profit organizations. In particular she is interested in analysing with the instruments of contract theory the relationship between the board of directors and both the CEO and the shareholders. Another issue of interest is the understanding of the role that trustees and non-executive directors play on the board of not-for-profit organizations. A deeper understanding of the problem will allow contribution to the ongoing debate on whether non-executive directors should be paid or not.

**Edmund Chattoe** (Non-stipendiary Research Fellow) has spent most of the year developing a synthetic simulation of the labour market for his Nuffield Foundation Fellowship. The objective of this simulation is to be sufficiently simple and behaviourally coherent that it can be well understood but complex enough that it can represent all the commonly recognized forms of ethnic minority disadvantage within the same framework. These include the ‘glass ceiling’, precarious self-employment, disadvantageous wage bargains, simple non-hiring, discriminatory firing and so on. The research has presented some interesting technical challenges, the initialization of socially structured populations for example. The simulation is currently being debugged and calibrated. In addition, two papers, one attempting to repair the confused evolutionary underpinnings of functionalism and one using simulation to explore the role of qualitative research in the study of criminal networks (co-authored with Heather
Hamill), have been submitted to the *British Journal of Sociology* and the *British Journal of Criminology*. Drafts of these two papers can be found at http://www.sociology.ox.ac.uk/people/chattoe.html.

**Sir David Cox** (Honorary Fellow). His research on a wide range of issues in theoretical and applied statistics continued along the general lines of previous years, involving in many cases international collaborations. He continued to work with N Wermuth (Gothenburg), an Associate Member of the College, on Markov Graphs, techniques for handling relatively complex dependencies such as arise in social science and other applications, including the implications for statistical causality, with N Reid (Toronto) on issues connected with likelihood inference, with A Berrington (Oxford) on methodological issues in epidemiology, with K Byth (Sydney) on issues in connected with clinical trials and with M Y Wong (Hong Kong) on methodological topics especially connected with the so-called false discovery rate problem.

He served on a Working Party of the Royal Statistical Society on Performance Indicators with especial reference to Public Services; the report is now available and has received some publicity.

He continued to be a member of the Independent Scientific Group advising DEFRA (previously MAFF) on bovine TB, this involving a wide range of statistical considerations studied in close collaboration with C A Donnelly (IC), also an Associate Member of the College. His work with Lucy Carpenter on methods for the analysis of routine data in occupational epidemiology continued.

He completed a final year as Chairman of Trustees of the *Biometrika* Trust and continued as Chairman of the Advisory Board for the OUP journal *Biostatistics*. He represents the Royal Society on the Executive Committee of the Hazards Forum.

He spent one month visiting Centre for Mathematics and its Applications, Australian National University, Canberra.

He gave a plenary lecture at the 6th International Conference on Logic and Methodology in the Social Sciences in Amsterdam, and spoke at a Conference in Honour of Paul Lazarsfeld in Brussels, and at meetings in Bath (on floods) in Canberra, at CIMAT at Guanajuato (Mexico), and in Oxford and Warwick. In Gothenburg he gave a course on Principles of Statistical Inference to doctoral students and others at Chalmers/Gothenburg University, Institute of Mathematics.

**Publications**


**John Darwin** (Faculty Fellow) completed his third and final year as a member of the History Panel of the Arts and Humanities Research Board. He is a member of the Global Economic History Network, funded by the Leverhulme Foundation, and presented a paper at its January meeting in Los Angeles, where the theme was ‘Imperialism’. In July 2004 he visited Australia to collect research material on Anglo-Australian relations in the 1950s. In September he presented a paper at the Wiles Colloquium at Queen’s University, Belfast, devoted this year to the ‘The British Empire in the 1950s’. Also in September he visited the University of New Brunswick and gave a paper on ‘Writing the history of the British Empire in the 21st century’.

In June 2004, he was elected to serve as (non-executive) chairman of the Modern History Faculty for two years.

**Jurgen A Doornik** (Research Fellow) has been awarded a three-year ESRC research award jointly with David Hendry, entitled ‘Extending the Boundaries of Econometric Modelling’. The objective of the study will be to extend certain types of econometric modelling procedures to handle large amounts of data (large in number of observations, or large in number of variables). The emphasis is on computationally intensive techniques, and our first focus is on automatic modelling procedures (PcGets) when there are more variables than observations, as well as ARFIMA models when the sample size is large.

The ESRC project is a part-time activity. The remainder is spent on the OxMetrics software system. The second OxMetrics User Conference was held at the Cass Business School in London, and again provided a very interesting mix of applications and software.

He presented papers at the Norwegian Central Bank, Queen’s University, Belfast, and the OxMetrics User Conference in London. He contributed to the OxMetrics workshop in Frankfurt, gave an OxMetrics presentation at the ECB, and an advanced Ox course in London.

**Publication**


**Geoffrey Evans** (Official Fellow) took on the role of Senior Tutor as well as becoming the founding director of the Centre for Research Methods in the Social Sciences in the Department of Politics and International Relations. This Centre is expected to
commence operation in October 2004. In the meantime, his research interests were maintained and developed with respect to several themes.

He and Bob Andersen (McMaster) continued their research into the theory of party preference and voting, making use of the British Election Panel Studies to re-evaluate the role of political issues, economic performance, party leadership, political values and newspaper readership in explaining short-term changes in political preferences and voting decisions. With Christopher Wlezien he organised a two-day workshop in May on the closely related topic of the endogeneity of survey responses in political science research that was attended by a wide range of participants from the US and Europe.

With Pauline Rose (Sussex) he is developing a programme of research into the role of education in the process of democratization in Africa. As part of this project a paper on education and democracy in Malawi was presented at the annual meeting of the British Association of Educational Studies in Sussex in September. Further work is expanding this focus using the two multi-country waves of the Afrobarometer directed by social survey analysts based at Michigan. With Paul Mitchell, Brendan O’Leary and several other colleagues he undertook a survey of political attitudes and voting behaviour in the Northern Ireland Assembly Elections of November 2003. Preliminary results of the analysis were presented at an ESRC Devolution Programme Conference in Belfast in September.

Effort was expended on fruitless applications for ESRC research methods nodes and centres while more productively he and Christopher Wlezien organised the annual meeting of the Elections, Public Opinion & Parties section of the PSA at Oxford in September. He also presented papers, acted as discussant etc. at various academic conferences: the Mid-West Political Science Association annual meeting in Chicago; the ESRC Research Methods Festival and the EPOP meeting in Oxford; as well as giving invited talks at the universities of Indiana and North Carolina. He continued as editor of Electoral Studies, reviews editor of the European Sociological Review, and external assessor for the PhD programme in Political Science at Trinity College, Dublin.

Publications


Ray Fitzpatrick (Faculty Fellow) continued a range of research projects with colleagues in Oxford and elsewhere on quality of life and outcomes of care in a range of areas of medicine including neurological, musculoskeletal and infectious disease problems. He began a project with Institute of Child Health, London, to examine the cost-effectiveness of screening for metabolic disorders in infants. In July he finished his period of four and a half years as head of the department of Public Health in Medical Sciences Division. He continued as Governor, BUPA Research Foundation.
Publications
(with A Riazi, J Hobart, J Freeman and A Thompson) ‘Socio-demographic Variables are Limited Predictors of Health Status in Multiple Sclerosis’, *Journal of Neurology*, 250, 1088-93, 2003.
(with J Norquist, C Jenkinson, B Reeves, R Morris, D Murray and P Gregg) ‘Comparison of Rasch with Likert Scoring to Discriminate between Patients’ Evaluations of Total Hip Replacement’, *Quality of Life Research*, 13, 331-338, 2004
Duncan Gallie (Official Fellow) continued to co-ordinate for the EU (DG Research) a cluster of research projects on unemployment, welfare and work with a view to assessing their mutual implications, drawing the practical lessons about the organization of comparative research and considering the policy implications of the research results. The website (UWWCLUS), designed by Anton Verstraete, provides information about the different projects and facilitates access to working papers. A volume based on the work of the cluster was published during the year (see below, Resisting Marginalization).

He was also the local Nuffield co-ordinator for the EU’s Economic Change, Unequal Life-Chances and Quality of Life (Changequal) network. This is a pilot project to bring together into a closer working relationship a number of major European research centres, with a view to applying for longer-term funding as an EU Network of Excellence. Details of the programme can be found on the website at http://www.nuff.ox.ac.uk/projects/ChangeQual.

Together with several other members of the network, he drew up a proposal for a module for the next wave of the European Social Survey. The module, which focused on Work and the Family, was accepted and the group has now completed the design of the interview schedule. The main wave of interviewing is due to be carried out in autumn 2004.

He continued analysis, with Francis Green and Alan Felstead, of a number of surveys examining trends in skills in Britain (the 1992 Employment in Britain Survey and the 1997 and 2001 Skills Surveys). His main contribution was a paper on trends in the task discretion of employees, which, contrary to much received opinion, declined over the period 1992 to 2001.

He served as a member of the Advisory Committee of the ESRC Research Centre on Micro-Social Change (MISOC), of the Advisory Committee of the ESRC’s Future of Work Initiative, of the Board of the European Consortium for Sociological Research and of the Council of the British Academy. He has been a member of the EU’s Advisory Group on ‘Social Sciences and Humanities in the European Research Area’. He has been appointed Vice-President of the British Academy.

Publications


Diego Gambetta (Official Fellow). I arrived at Nuffield to begin my Official Fellowship on 1st October 2003, ‘saddled’ with three unfinished book-length manuscripts, on which I have been working throughout the year. Making Sense of Suicide Missions was delivered to OUP in August and is due out in March 2005. This edited book is the result of a three-year long close collaboration with eight scholars. It includes chapters on the suicide missions by Palestinians and by Al Qaeda, as well as on the Japanese Kamikaze and the less familiar case of the Tamil Tigers. It is unique in providing the first extensive comparative analysis of the phenomenon, with chapters on terrorist organizations that eschew suicide missions and on protesters who kill themselves without killing others.

I am now trying to complete the second manuscript, Streetwise. How Taxi Drivers Establish Customers’ Trustworthiness, co-authored by Heather Hamill, to be published by Russell Sage Foundation in their series on trust. In this ethnographic study we investigate, using signalling theory, how taxi drivers assess the trustworthiness of prospective passengers in two cities – Belfast and New York – that differ in most respects except one: in both cities there are villains, such as terrorists or robbers, who pose as passengers in order to harm drivers. An important feature of our study is that we treat drivers’ trust decisions in conjunction with their ability to ‘read’ the signs displayed by the passengers, and with the sign-management strategies of the other two protagonists, the bona fide passengers and the villains who mimic being passengers. I devoted the little time left to my third manuscript, Crimes and Signs: Cracking the Codes of the Underworld, the revision of which will continue to occupy me in the next academic year and which is (over)due to Princeton University Press.

I took part in the first of a series of symposia celebrating the 250th anniversary of Columbia University, in New York, in October 2003. The symposium was about ‘Constitutions, Democracy, and the Rule of Law’, and I presented a paper entitled ‘Of Truth and Terror: Through the Prism of 9/11’.

Publications


John Goldthorpe (Emeritus Fellow) pursued three main lines of activity. First, he continued to work with Tak Wing Chan on a project on class, status and cultural participation. During the year a research grant was received in support of this project under the auspices of a joint AHRB-ESRC research programme on Cultures of Consumption. Papers resulting from the project were presented at the meeting of the ISA Research Committee on Social Stratification and Mobility held in Neuchâtel in May and at various seminars in Oxford.

Secondly, he collaborated with Robert Erikson, Michelle Jackson and Meir Yaish on a study of the causes of class differentials in educational attainment in Britain over recent decades, which has a particular concern for the problem of distinguishing between ‘primary’ effects (those resulting from class differences in actual academic performance) and ‘secondary effects’ (those resulting from class differences in the educational choices made by young people even when standard of performance is held constant). A paper arising from this project was also presented at the Neuchâtel meeting.

Thirdly, he worked on a new revised and enlarged (two-volume) edition of his book *On Sociology*, which he transferred from OUP to Stanford University Press.

Publications

Francisco González (Non-stipendiary Research Fellow) worked on three projects this academic year. First, he continued developing the work that traces the historical-institutional roots of the democratization process followed by the United States, and the place of Latinos in this process. The result so far has been the writing of three articles (one published, one forthcoming, one in preparation – see below) devoted to this subject, and the aim is to put together enough material for a book entitled *Family Portrait: Latinos and American Political Development*. This project has benefited from the collaboration and advice of Professor Demond King.

The second project that Dr González has worked on is the political and institutional problems that Mexico’s young democracy has faced since the year 2000. Some of this work has been developed as a result of Dr González’s collaboration at the Centre for Mexican Studies, Oxford, directed by Laurence Whitehead. In 2004, the result of this work has been the writing of two articles (one published, one forthcoming – see below). Dr González has also been approached by a Mexican publishing house to write a short book about the key institutional challenges that Mexico faces in the run-up to the country’s next presidential election in the summer of 2006.

The third project that Dr González has worked on is a long term comparative project of eighteen Latin American countries, and their political and economic trajectories since 1940. This project traces regime changes from democracy to authoritarianism and vice versa, as well as big scale changes from closed to open economies. The result so far has been the writing of three articles (one published, one under review, one in preparation – see below). The long-term objective of this project
is putting together enough material for a book on Latin American countries’ political and economic transitions since the Second World War.

**Publications**


**Regina Grafe** (Postdoctoral Prize Research Fellow) embarked this year on her project tentatively titled ‘The tyranny of distance. Trade, markets and backwardness in Spain 1600-1850’. Its objective is to shed new light on a very old question: why was Europe’s most successful early modern country, Spain, shut out of the continent’s subsequent rise to economic world hegemony? The study follows a two-tiered approach testing for the relative importance of both jurisdictional fragmentation within the Iberian Peninsula and technological obstacles to market integration that seem to play a prominent role in holding back specialization in the domestic market. Within (and sometimes on the edges of) this project Regina worked on a paper on the origins and impact of the introduction of a new protein rich foodstuff, dried cod-fish (*bacalao*) as a staple food in Iberia (‘Popish habits vs nutritional need: Fasting and fish consumption in Iberia in the early modern period’, *Oxford Economic History*, wp 55) arguing against received wisdom that supply side forces offering cheap protein rather than religious fasting requirements explain its success. She continued to work on another paper that revises the origins of the 19th century transport revolution through a completely new data set on Norwegian shipping. A further paper questions the argument that warfare was a crucial tool in the making of European trading nations and argues that it served mostly as a catalyst deepening the existing patterns of exchange. The process of research and (re-)writing was greatly helped by presenting papers at various stages in Cambridge, Edinburgh, Bielefeld, Utrecht, Oxford and Bordeaux and by a session organized together with O Gelderbloom for the European Social Science History Conference. Her PhD will now be published by the end of the year.

**Oliver Grant** (Postdoctoral Research Fellow) has continued to work on late nineteenth century German economic history. His first book (Migration and Inequality in Germany 1870-1913) is in proof and will shortly be published by OUP. An article on German emigration to the United States was published in Explorations in Economic History. Two other articles on German income inequality and on agricultural productivity are on ‘revise and re-submit’ for the *Journal of Economic History*. During the year he gave a seminar presentation on ‘World Inequality since 1820’ at the School of Oriental and African Studies, which showed, in contrast to Bourguignon and Morrisson (AER 2002) a substantial rise in global inequality since the early nineteenth century. Other seminar presentations included papers on ‘Mortality in German Cities 1865-1914’ to the Oxford
Economic History seminar series and on ‘Are we living in a converging or a diverging world’ to the Nuffield Postdoctoral series. These two were connected to his main research project, which is to examine the impact of science in Britain and Germany in the nineteenth century, for a second book, provisionally entitled ‘Giant Steps: Science and Economic Progress in Britain and Germany 1850-1914’.

This research has now moved on to consider the impact of education, in particular the role played by German scientific and technical education. Amongst the points of interest which have emerged are, firstly, the role of the federal structure of Imperial Germany in promoting educational innovation and institutional diversity: it was predominantly the smaller states which invested in new forms of technical education and who set up Technische Hochschulen and other institutions for this purpose. Diversity of funding sources was an important factor in the German success in this period (there is surely a lesson for the current British government in this finding!).

A second point of interest is the extremely long lag between institutional investments and economic growth: the new technical education institutions were set up mainly in the 1830’s and 1840’s; these produced gains in high technology industries in the 1870-1914 period, but these were not large enough to significantly affect aggregate growth before 1914; the main gains in this respect were not realised until after 1945 – a lag of 100-120 years!

A third point of interest is the importance of the incentive structures faced by educational institutions: factors such as variable fees, local setting of academic salaries, control over appointments and admissions etc. have effects on the incentives to innovate and the power of vested interests to resist innovation. These considerations are being explored in a paper, ‘German Technische Hochschulen as innovative businesses 1850-1914’ which will be presented at the LSE in October.

The Carters Lodge farm is now costed by the government’s Farm Management Survey. The most recent results showed margins per hectare (‘Management and Investment Income’) which exceeded the average for similar farms (dairy units over 120 hectares) by a ratio of 61:1. As a dairy farmer he is obviously pleased by this result; as an economist he is alarmed by the implications for the applicability of the ‘fully informed profit-maximising’ paradigm.

As of October 2004 Oliver Grant will be a research fellow at the European Studies Centre, St Antony’s College.

Publication

Emilie Hafner-Burton (Postdoctoral Prize Research Fellow) has had a very productive academic year. She has written and published an article for the journal International Organization; revised a manuscript forthcoming at the American Journal of Sociology; and seen through the revise and resubmission of several additional articles, currently pending at the Journal of Peace Research and the Journal of Conflict Resolution. She won the American Political Science Association Prize for Best Dissertation in Human Rights.

Although her work has been generously supported by Nuffield College, Emilie has written two grant proposals to support her research needs for the following academic year. Her proposal to the Economic and Social Research Council requests £40,000 to undertake collection of a new dataset on the human rights and labour
standards in preferential trade agreements. Her proposal to the United States Institute of Peace requests $40,000 to support the invitation of 18 human rights scholars and practitioners to a two-day workshop at Nuffield College, toward publication of a special issue of the *Journal of Peace Research*. Both grants are currently pending.

Throughout the year, Emilie has presented her work at several conferences, including: the European Consortium for Political Research in Marburg, Germany; the International Studies Association, in Montreal, Quebec; Workshop on Forum Shopping in International Relations, in Florence, Italy; the American Sociological Association in San Francisco, California; and the American Political Science Association, Chicago, Illinois.

At present, she continues research of her book manuscript, *Adopting Human Rights: The Great Transformation of Market Integration*, and is writing on gender mainstreaming in international organizations, social networks in international relations, and the efficacy of torture in sustaining domestic tyrants.

**A H Halsey** (Emeritus Fellow). His book *A History of Sociology in Britain: Science, Literature and Society* was published by Oxford University Press in April 2004. The British Academy had arranged a two-day conference on 13th and 14th May 2004 on the history of sociology. It was well attended. Lord Runciman, the President of the Academy chaired the first day and Professor Halsey gave the opening address. Discussion and argument then followed, first from within the discipline, then from neighbouring disciplines and finally from other countries on the second day. Lord Runciman has been asked to edit the proceedings for the British Academy.

He also made progress in 2003-04 in collaborating with David Butler on a history of Nuffield College with the tentative title of *Making Social Science Work*. Publications


**Heather Hamill** (Non-stipendiary Research Fellow) continued work on *The Hoods: Crime and Punishment in Belfast* (forthcoming Princeton University Press). She has completed additional research on a network analysis establishing how patterns of offending have been transmitted between generations and investigating informal policing and punishment amongst Loyalist paramilitaries in Northern Ireland. Work also continued on exploring initiation rites amongst all-female drinking societies and female criminal youth gangs. In addition, she has been working with Edmund Chattoe on two projects. First, on extending the analysis of crime groups as social networks and second looking at the effect of integrated education on children’s social networks in areas of political and ethnic conflict. She presented at the Nuffield Social Science Postdoctoral Seminar Series and was appointed University Lecturer in Sociology and Fellow of St Cross College, Oxford from September 2004.

**Sarah Harper** (Research Fellow) continues her research into the social implications of demographic ageing, with particular emphases on intergenerational relationships and the family, and the decisions and implications of early retirement. She is participating
in a collaborative six-country study on grandparenthood across Western Europe, funded by the EU 5th Framework Programme. She continues to work with Peterson, Waite and Schneider from the University of Chicago, on a cross-cultural study of UK/US grandparenthood with funding from the US National Institute of Ageing. During the year she also worked with Athina Vlanchantoni on late life work and retirement decisions among the self-employed, with George Leeson on the migration of health and social care workers for the Japanese National Council for Social Welfare, and with Iva Ruchieva and Isabella Aboderin on the Impact of migration on multigenerational families.

She continues her professional commitments as a Member, Wellcome Trust Health Consequences of Population Change Panel; Trustee, Third Age Employment Network; Chair, Scientific Committee, Institute of Actuaries, Ageing Population Conference; Member, Help the Aged’s Research Strategy Committee and Help the Aged’s Social Policy Committee and Governor, Pensions Policy Institute. She continues as International Director of the NIA funded collaboration between the University of Chicago, University of Oxford and LSHTM into the demography and economics of ageing. During the year she served as a member of the Board of Electors to the Professorship of Clinical Geratology, University of Oxford. She currently serves as an Advisor to the National Swedish Academy, on their Swedish Institutes of Ageing Initiative. Sarah is joint editor with George Leeson of *Generations Review*, Journal of the British Society of Gerontology.

**Publications**


**Eric Harrison** (Non-stipendiary Research Fellow) spent the year as a junior lecturer in the Department of Sociology. As well as delivering lectures on the Sociology of Industrial Societies and Statistical Methods in the Social Sciences, he continued work on his doctoral thesis, entitled ‘The Changing Experience of Self-employment in Great Britain, 1986-2001’. The thesis compares different types of self-employed workers with those in direct employment across a number of dimensions: job quality; job security; job satisfaction; and social attitudes. He presented a paper on one aspect of this research at the *Work, Employment and Society* conference at the University of Manchester in September.

As has become customary, he combined this with an active role in College sport, being a mainstay of the football team’s back four during the winter and a high
scoring (if frequently fortuitous) opening batsman in the spring. He also completed the Town and Gown 10km fun run in 47 minutes and 20 seconds.

In October 2004 he left Nuffield to take up a post as Senior Research Officer in the Institute for Social and Economic Research at the University of Essex, where he is working with colleagues on the development of a European Socio-Economic Classification (E-SEC) and a re-analysis of W C Runciman’s data on relative deprivation and reference groups.

Anthony Heath (Professorial Fellow) has been working on a number of projects. The first is an ESRC-funded study (part of the Devolution and Constitutional Change Programme) looking at national identity and support for the Union in the wake of devolution. Closely related to this is another ESRC-funded project (with James Tilley and Sonia Exley) on national pride. These projects have shown that there are substantial generational changes in pride in Britain (and support for the union) and that these changes have been proceeding more rapidly in Scotland than in England or Wales.

A second group of projects concerns ethnic disadvantage in the labour market. With Sin Yi Cheung (Oxford Brookes) Anthony Heath has been coordinating a cross-national study of ethnic disadvantage, comparing the British experience with that in other Western European and North American countries. They are also carrying out a project for the Department of Work and Pensions on sectoral differences in ethnic disadvantages. And with Rob Ford and Chris McCrudden a preliminary study of the effects of affirmative action on Catholic/Protestant differentials in the labour market has been completed. It is hoped that this will lead to a further major investigation.

Publications

Peter Hedström (Official Fellow). Most of my time this year has been spent on my book Dissecting the Social: On the Principles of Analytical Sociology. I expect it to be finished by early 2005. As far as my other research is concerned I have submitted two articles to leading journals and I am working with Yvonne Åberg on a simulation model of social-interaction based multiplier effects in unemployment. During the year I organized a Nuffield Sociology seminar series on analytical sociology, I continued as a member of the editorial board of Annual Review of Sociology, I submitted several research proposals, and as one of the main organizers of the 2005 International Institute of Sociology World Congress (see http://www.scsss.uu.se/IIS2005). I have spent a fair amount of time making sure that this will be a sociology conference of the very highest quality.
David F Hendry (Professorial Fellow) commenced research under his ESRC financed Professorial Research Fellowship on Economic Forecasting. A theory of economic forecasting was derived from the fundamental concept of unpredictability, and its implications for practical forecasting were explored. Incomplete information was not a major factor in accounting for forecast failure, whereas changes in the ‘location’ of a time series played a central role. Such implications suggested potential solutions for the non-robustness of econometric forecasting models, especially by attenuating shifts in equilibrium means. Moreover, the theory highlights why so-called ‘naive’ forecasting devices might perform well.

Further advances were achieved in the automatic procedure for selecting econometric models. In research with Julia Campos and Hans-Martin Krolzig, we established that the procedure provided a consistent selection device. We also investigated how to estimate regressions where there were more candidate variables than observations, and with Søren Johansen, focused on the special case of adding an impulse (zero-one) dummy for every observation. That approach was applied to re-examining the literature on growth regressions. The methodology also suggested how to determine the structure of a simultaneous system of linear equations without having any a priori restrictions, provided the weak exogeneity conditions were known.

Professor Hendry presented invited lecture series on ‘econometric modelling and forecasting’ to the IMF and the ECB, gave the Journal of Applied Econometrics Annual Lectures, and the Sargan Lecture at the Royal Economic Society Conference, as well as delivering keynote addresses to the Australasian Meeting of the Econometric Society, Melbourne, and the International Forecasting Symposium, Sydney. He gave invited addresses to the Econometric Modelling of Accession Countries Conference, EUI, Florence; Bank of England Modelling Conference; Predictive Methodology in Economics and Finance, UC San Diego; Macromodels Conference, Warsaw; Workshop on Econometric Time-Series Analysis, Linz; the first OxMetrics Conference, London; the ESF-EMM Conference, Rome; the inaugural meeting of the Singapore Econometric Study Group; and the Advances in Econometrics Meeting, Brisbane. He presented papers at the (EC)² Conference on Endogeneity, Instruments and Identification in Econometrics, UCL, and delivered seminars at the Stern School of Business, New York; the Marshall Society, Cambridge; the City University CASS Business School; the Reserve Bank of Australia; the University of Technology, Sydney; and Singapore Management University.

He was a consultant to Ofcom on Econometric modelling of TV advertising revenue; Chairman of the Economics Department, and served on the Vice-Chancellor’s Financial Strategy Group, the University’s Finance Committee, and the Resource Allocation Working Group, as well as chairing OXONIA.

Publications


Andrew Hurrell (Faculty Fellow) works on international relations theory and the international relations of the Americas. He was on leave during Michaelmas and Hilary Terms. From August to December he was a Global Research Fellow at the New York University School of Law. His research in New York focused on the relationship between hegemonic power and institutionalization – revising for publication earlier papers on ‘Power, Institutions and the Production of Inequality’ and ‘Hegemony and Regional Governance in the Western Hemisphere’, and completing a new paper on ‘Hegemony and World Order’. This is the penultimate chapter of *International Society and the Problem of World Order*, the completed draft of which is almost ready for delivery to OUP. He participated in discussions and meetings for an on-going research project between Oxford and NYU on Global Administrative Law, on which a workshop will be held in Oxford in October 2004. He also co-taught a class on the History and Theory of International Law, participated in various meetings of the International Peace Academy, with which Oxford has close links, and gave talks at Brown University and Haverford College. Whilst in New York, he completed the Portuguese edition of his joint work with Monica Hirst on US-Brazilian relations.

He continued to work on comparative regionalism, participating in meetings in Bruges in April and in Singapore in May and completing a paper on ‘The Regional Dimension of International Relations Theory’. He returned briefly to work on global environmental politics, completing a paper on ‘The State’ for a forthcoming CUP volume on *Political Theory and the Ecological Challenge*. Finally, he wrote a draft paper with Amrita Narlikar on ‘A New Politics of Confrontation? Developing Countries at Cancun and Beyond’. This forms part of the three-year project funded by the Nuffield Foundation on ‘Emerging Powers and International Regimes: A Comparative Study of Brazil and India’. Material from the project was presented in papers given at the International Studies Association in Montreal in March and at the Brazilian Political Science Association in Rio de Janeiro in July. In September he spent two weeks in Argentina, lecturing at the University Di Tella and at the Foreign Ministry’s Institute of Foreign Service and speaking at a conference on ‘What sort of multilateralism do we need?’. In late September he gave a paper on ‘US Hegemony and North America’ at a conference in Mexico City on ‘Canada-US-Mexican Relations after 11 September’. Also in September he took over as director of the Oxford Centre for International Studies.

Publications


Michelle Jackson (Postdoctoral Prize Research Fellow) has continued working on the determinants of occupational attainment, and the role of employers in social stratification processes. She has written a paper arguing that employers value both meritocratic and non-meritocratic characteristics of individuals when recruiting for new employees. Another paper looks at where poorly educated individuals end up in the occupational structure, and argues that a lack of qualifications is more of a penalty for those from working class backgrounds than for those from middle class backgrounds. She has written a paper examining the effect of personality characteristics on occupational attainment; holding educational attainment constant, an individual’s personality has a substantial impact on what kind of occupation they achieve. She has also been working with Robert Erikson, John Goldthorpe and Meir Yaish on a paper looking at class inequalities in educational attainment.

She has presented her work at two conferences. The first, a meeting of Research Committee 28 (Social Stratification and Mobility), was held in Neuchâtel in May. The second was a meeting of the European Consortium for Sociological Research in September.

She has been awarded a grant by the British Academy to study whether employers discriminate against individuals from working class backgrounds when recruiting. The project will run over the next academic year.

Publication

Ian Jewitt (Official Fellow) Ongoing projects, which have already been mentioned in previous annual reports, aim to clarify the meaning of, and role played by, better information in a variety of situations such as decision problems, implementation problems, and strategic situations such as auctions. Most of this work has now been put in something like final form. As for new departures, he began working with Sujoy Mukerjee on a project how to characterize one action or decision as more ambiguous than another. The aim is to better understand how ambiguity and the ambiguity aversion of decision-makers impacts on economic decision-making such as portfolio demand. This departure into behavioural economics is complemented by his participation in a successful bid for a new EC RTN project entitled the European Network for the Advancement of Behavioural Economics (ENABLE). Another new project joint with Heski Bar Isaac (NYU) and Clare Leaver concerns human capital management. In many modern innovative companies by far the most valuable assets are the human capital embodied in the workforce. Workers often acquire valuable general human capital as a by-product of doing their job, but cannot necessarily pay for these skills up-front and neither do their employers want to pay all the rents to the workforce. The research takes a fresh look at Becker’s analysis of general versus specific human capital and in some respects turns on its head to investigate firm strategies for retaining skilled workers and capturing the rents from acquired general human capital. Another new project builds on research reported in last year’s annual
report and resulted in a paper that clarifies when the existence of markets increases or decreases inequality in context of a model of occupational selection.

Nevil Johnson (Emeritus Fellow) completed a book on British constitutional thinking, the contemporary state of the constitution, and the impact on it of the reform programme pursued since 1997. The work develops a number of related themes and topics, of which the most important are questions about the preconditions of substantive constitutional argument and understanding, the weakening of the traditional practices of the informal customary constitution during the twentieth century and in particular during the past thirty years or so, and the nature and implications of the extensive reform programme pursued since 1997. The aim of the book is not to offer prescriptions or recommendations for further reform, but rather to contribute to critical reflection about constitutions and constitutionalism, to analyse changes in British political institutions bearing directly on traditional notions of what normative requirements the British constitution has supposedly imposed on officeholders, and to present and examine critically and in some detail the most significant of the constitutional reform measures enacted or attempted by the Blair Government since 1997.

Publications

Luke Keele (Non-stipendiary Research Fellow) is currently conducting research on specification errors in heteroskedastic probit models and alternative estimators for heterogeneity in discrete choice models. He also wrote two papers developing time series techniques suited to analysing political dynamics and change. Luke has also continued his ongoing research on how both government performance and social capital have influenced the movement in trust in government in the US over the last forty years.

Finally, he has started two new projects, one on dynamics in presidential nominating campaigns, and another on Bayesian random coefficient models for panel data.

Yuen Foong Khong (Faculty Fellow)’s research focused on completing a co-authored book manuscript with Neil MacFarlane (St Anne’s College) on The United Nations and Human Security: A Critical History, and starting a new project on the role of identity in American foreign policy, with special emphasis on US-UK and US-China relations in the 20th century. He obtained a Leverhulme Trust Fellowship, which will allow him to go on leave from the University during 2004-05, to research the topic. In 2003-04, he continued to serve as Director of Oxford’s Centre for International Studies. He also completed two new papers. The first, ‘The Elusiveness of Regional Order: Leifer, the English School, and Southeast Asia’, was presented at a conference on the work of Michael Leifer, organized by the London School of Economics and Political Science and the Institute of Defence and Strategic Studies (IDSS), Singapore. The second, co-authored with Helen Nesadurai, ‘Hanging Together, Institutional Design, and Cooperation in Southeast Asia’, was presented at a joint Harvard-IDSS workshop. At
the International Studies Association Meeting in Montreal Canada, he chaired a round-
the course of the year, he was also joined the editorial board of *International Security*.

**Publications**

‘Coping with Strategic Uncertainty: Institutions and Soft Balancing in ASEAN’s Post-
Cold War Strategy’, in Peter Katzenstein, Allen Carlson and J J Suh (eds.),
*Rethinking Security in East Asia*. Stanford, CA: Stanford University Press,
2004.

**Desmond King** (Professorial Fellow). His scholarly research in American and
comparative politics continued. First, his work on topics and problems in American
Political Development was pursued in several directions. A workshop conference on
the application of recent advances in democratization theory to American Political
Development was held at Oxford (with several colleagues in the Nuffield Politics
Group) and selected publications from this workshop are in various stages of progress;
the paper on ‘democratization and the state’ (with F E González), which helped set the
intellectual agenda for this workshop, appeared in the *British Journal of Political
Science*. The conference participants were among the leading scholars of American
political development in the US. Second, in comparative politics he has continued to
research on the relative roles of ideas and institutions in shaping comparative variations
in policy outcomes, with a (co-authored) paper on the limits of ‘path dependency’
completed. Other research included new papers on workfare and labour market policy,
and progress on the four country comparative-historical study of eugenic policy (with
Professor Randall Hansen, University of Newcastle), which is funded by the Wellcome
Trust.

Among several external peer reviewing activities, he served as a member of the
Post-doctoral Fellowship Scheme International Assessment Board, of the Irish Research
Council for the Humanities and Social Sciences.

Aside from the usual paper giving at APSA, he gave the inaugural Tocqueville
Lecture at the University of Colorado, Boulder, at the founding of the Tocqueville
Center, entitled ‘Why America is not an Empire and Why It Matters’.

For the University he served as a member of the Executive Committee of the
Rothermere American Institute and contributed to the MPhil programme in Politics. He
is Director of Graduate Studies (Politics) in the Department of Politics and International
Relations, and has also become RAE Co-ordinator for the Department’s submission in
2007.

He is a Delegate of Oxford University Press, where he is a member of the
Finance Committee.

He is a Fellow the British Academy and a member of several editorial boards
including the *British Journal of Political Science, Comparative Political Studies,*
*Governance* and *Utilitas*.

**Publications**

(with F E González) ‘The State and Democratization: The United States in Comparative

(with Mark Freedland) ‘Contractual Governance and Illiberal Contracts’, in Els Sol and
Mies Westerveld (eds.), *Contractualism in Employment Services*. Amsterdam:
University of Amsterdam Press, 2004, pp 24-41 (reprinted from *Cambridge
Journal of Economics*).

Thomas Kittsteiner (Postdoctoral Research Fellow) worked at the University of Bonn as a lecturer (wissenschaftlicher Assistent) during the academic year 2003/04. Apart from teaching, he continued the joint project with Benny Moldovanu (University of Bonn) on priority allocation in queues by means of auctions. This project resulted in two papers. One explores the properties of auctions in a scheduling framework, i.e. in situations where all customers arrive at the same time and the other explores the properties of auctions in a queuing framework, where customers arrive stochastically. The second paper is forthcoming in Management Science.

Thomas also continued the work with Maria-Angeles de Frutos (former research fellow of Nuffield College, now Universidad Carlos III, Madrid) on partnership dissolution with buy-sell clauses. He also finished the project with Erik Eyster (former PPRF, now LSE) on electoral competition.

Thomas revised an older paper on sequential auctions (joint work with Jorg Nikutta and Eyal Winter) which is forthcoming in the International Journal of Game Theory.

Thomas presented papers at the 2nd world congress of the Game Theory Society in Marseille, at the European meeting of the Econometric Society in Madrid, at the annual meeting of the German Economic association in Zürich, at the SFB-TR conference in Gummersbach and at the conference on the economic aspects of congested networks and queues in Bonn.

Publication

Paul Klemperer (Professorial Fellow) continued to write about industrial economics, competition policy and auction design.

In his public policy work, he wrote about auction design for initial public offerings, and about intellectual property – he expressed considerable concern about the gradual expansion of intellectual property protection including, for example, the recent EU draft directive on patenting computer implemented innovations.

His talks on public policy included presentations in No. 11 Downing Street and HM Treasury.

He continued as a Member of the UK Competition Commission, and also advised other UK and foreign government agencies.

His book Auctions: Theory and Practice was published in May by Princeton University Press, and his recent papers can be found at www.paulklemperer.org.

Among his talks to academic audiences, he gave the inaugural series of the Toulouse Lectures in Economics in Toulouse, France, and a plenary lecture to the VIth Meeting on Game Theory and Practice in Alicante, Spain.

He is a Fellow of the British Academy and a Fellow of the Econometric Society. He serves on the Council of the Econometric Society, on the Council of the European Economic Association, and on the Council and the Executive Committee of the Royal Economic Society. He also serves on four editorial boards and directs the university’s MPhil in Economics programme.
Natalia Letki (Postdoctoral Prize Research Fellow) continued her work on the causes and consequences of social capital. She has finished a paper on the link between social capital and political participation in East-Central European states, which is forthcoming in the Political Research Quarterly. She has also completed a paper for the British Journal of Political Science, jointly with Geoffrey Evans, on the role played by social trust in democratization of the post-communist states, and a contribution to an edited book (also with Geoffrey Evans) on the link between various aspects of social capital and levels of political disaffection in the post-communist states. Another completed paper, focusing on the individual, community and country level determinants of civic morality, is currently under review at a political science journal.

She has begun two new projects addressing the issues of the link between multiculturalism and social capital in Britain. Following her earlier research on lustration and democratization in East-Central Europe, she has also been acting as an academic expert on the EU/USAID project ‘Disclosing hidden history: Lustration in the Western Balkans’, aimed at strengthening good governance and the rule of law, with a particular focus on enhancing lustration legislation and practices and extending citizen participation in the public debate on the past.

Publication

Kenneth Macdonald (Faculty Fellow) has continued work on the interconnections between perceptions of domestic justice and other variables, on the deployment of ‘straightforward’ statistical techniques in mainstream journals, and on the nature of particular and adventitious goods (this involving some exploration in mediaeval – particularly Jewish mediaeval – ethical writing). Much work-in-progress, but unfortunately little output this year.

Lord McCarthy (Emeritus Fellow) continued to serve as a member of the Arbitration Panel of the Advisory Conciliation Service and as a member of the Civil Service Arbitration Tribunal.

He advised the Secretary of State for Work and Pensions on the Regulatory impact of Age Discrimination Legislation.

He wrote reviews for the Industrial Relations Journal and continued to provide biographies of past trade union leaders to the new Oxford National Dictionary of Biography.

He began a study of the roots of Industrial Tribunal demand, with special reference to the impact of Part 3 of the 2002 Employment Act.

Iain McLean (Official Fellow) continued his programme of UK public policy research. The report to the Office of the Deputy Prime Minister ‘Investigating the flow of domestic and European public spending into the English regions’, mentioned in last
year’s report, is now available on the College and ODPM websites. It has received a number of favourable mentions in HM Treasury’s policy documents supporting the Budget and the Spending Review in 2004. Ministers have adopted most of the changes we recommended and the series Public Expenditure: Statistical Analyses has been revised for years back to 1998/99. Material from this work was made available to the Warden for his work on the measurement of government output and productivity.

Work on the Barnett Formula and its possible replacements continued, but this year Iain’s focus shifted to formula funding of local public expenditure in England, and options for local taxation. This issue continued to trouble central government which set up, and then sidelined, a review of the balance between central and local taxation. Iain has becoming increasingly convinced of the case for the taxation of land values and spoke and wrote extensively on the issue during the year. He continued to serve as a special adviser to the Treasury Select Committee.

The pamphlet examining the establishment of the Church of England and the Church of Scotland, and the implications of disestablishment, mentioned in last year’s report, was launched in summer 2004. It was immediately attacked by the National Secular Society and the British Humanist Association, which may (slightly) increase its credibility with the Church of England.

The Leverhulme ‘Attitudes to the Union’ project, which stimulated most of the above projects, has now concluded. Iain planned to submit the manuscripts of both the project books in autumn 2004: State of the Union (with Alistair McMillan; OUP), and The Fiscal Crisis of the UK (Palgrave).

A book chapter on Thomas Jefferson was published. An idealized Monticello remains Iain’s dream home, though Jefferson’s magnificent inconsistencies as the slaveholder author of the Declaration of Independence continue to intrigue and infuriate.

Papers were given at the Public Choice Society annual meeting, Baltimore, MD; at the Regulation seminar in the Department of Politics; to the British Academy/Royal Society of Edinburgh conference on the 400th anniversary of the Union of the Crowns; to the ESRC Devolution Programme conference in Strathclyde; and at government and think tank meetings (including IPPR, Devon County Council, Westminster City Council, Local Government Association, HM Treasury, North-west Regional Assembly). With Colin Jennings (Economics, The Queen’s College), Iain convened a seminar on ‘Political Economy in Practice and Theory’ to which seven distinguished social scientists who are or were involved in public policy spoke. In September 2003, Iain was one of three Fellows who attended an IPPR seminar in Slaley, Northumberland, on social exclusion attended by the Chancellor of the Exchequer and our new Visiting Fellow David Miliband MP.

During the year Iain qualified as Controller A (higher grade), Welshpool and Llanfair Light Railway. He has not yet been responsible for any head-on collisions.

Publications

Alistair McMillan (Non-stipendiary Postdoctoral Research Fellow) began his British Academy Postdoctoral Research Fellowship, looking at developments in Indian electoral behaviour. In collaboration with Professor Yogendra Yadav and the Lokniti team (based at the Centre for the Study of Developing Societies, Delhi) he worked on the National Election Study of the 2004 Indian Elections. This survey of some 25,000 members of the Indian electorate will form the basis for research leading to future publications on regional effects on voting behaviour. He helped write a special supplement, ‘How India Voted’, published in The Hindu newspaper (20 May 2004).


He continued his work with Professor McLean on the ‘Attitudes to the Union’ project, writing a book entitled State of the Union, to be published by OUP.

Richard Mayou (Professorial Fellow) has continued to publish on psychological issues relating to major physical illness and to functional physical symptoms. He has been particularly interested in developing and promoting a more useful terminology and understanding of functional symptoms for use in everyday practice and also to overcome
the many lay misunderstandings that hinder effective treatment of some of the commonest of clinical problems in all medical settings. He has also worked with lawyers and insurers on proposals for more effective procedures for managing personal injury claims for psychological injuries.

Publications


Margaret Meyer (Official Fellow) continued research on the economics of incentives and began two new projects on sorting and learning.

‘Inefficiency in Sorting and Matching’, with Michael Rothschild (Princeton), studies procedures for matching workers with employers, papers with journals, etc., in environments where there is uncertainty \textit{ex ante} about the qualities of the workers (or papers), where the efficient assignment would match high-quality workers (papers) with high-quality employers (journals), and where different sorting/matching procedures generate and use different information. We first define a partial ordering that can be used to rank different sorting procedures according to how closely the matches they generate resemble the efficient match. We then focus initially on three very stylized procedures. The ‘one-shot’ procedure generates a single noisy sample of observations on all of the workers and assigns them based on that. In the ‘top-down’ procedure, the best firm samples all of the workers and chooses one on the basis of its sample; then the second best firm resamples all of the remaining workers and chooses one based only on its own observations; and so on until all workers are matched with a different firm. In the ‘bottom-up’ procedure, sampling begins at the worst firm and continues with the second worst firm, etc., with each firm selecting the worst of the remaining workers based on its own sample of observations. The ‘top-down’ and ‘bottom-up’ procedures are approximate representations of the different sorting procedures used by economics journals and law journals, respectively. Each one involves on the order of \(n^2\) observations when there are \(n\) agents to be sorted, whereas the ‘one-shot’ procedure involves just \(n\) observations. Despite the much lower sampling cost of the ‘one-shot’ procedure, we show that there are cases where the ‘one-shot’ procedure generates better matches than the ‘top-down’ procedure, and other cases where it performs better than ‘bottom-up’. On the other hand, we provide sufficient conditions for both ‘top-down’
and ‘bottom-up’ to dominate ‘one-shot’. We also examine more efficient ways of aggregating the information generated by the ‘top-down’ and ‘bottom-up’ procedures. ‘Expectations, Learning, and the Decision to Cohabit or Marry’, with Richard Breen (Nuffield College), addresses a long-standing puzzle in the sociology literature, namely the empirical finding that marriages preceded by cohabitation appear to have a higher likelihood of ending in divorce than do marriages not preceded by cohabitation. This finding is puzzling since it is natural to suppose that cohabiting partners acquire information about themselves which is useful in predicting whether or not they would be ‘successful’ if they decided to marry. We develop a model in which couples differ in their prior expectations about their likelihood of being ‘successful’ if they were to marry, and based on these expectations, choose whether to marry right away, or cohabit to acquire more information, or separate. In addition to providing conditions under which the model’s predictions accord with the empirical finding cited above, we also develop new, empirically testable predictions regarding the effect on relative marriage ‘success’ rates of changes in the ‘cost’ of cohabitation.

Meg organized the European Summer Symposium in Economic Theory in Gerzensee, Switzerland. At the WZB (Berlin) conference on ‘Psychology and Economics’, she acted as the discussant for Gerd Gigerenzer's overview of his work on bounded rationality.

David Miller (Official Fellow) undertook preparatory research for a large project on national responsibility and global justice, mainly in the form of a paper on ‘Inheriting Responsibilities’ which he presented in Oxford, College Station and Austin, Texas and Chicago. This investigated the conditions under which national membership in the contemporary world might carry with it obligations to redress acts of injustice perpetrated by previous generations. Most writing in this area focuses on the question whether the descendents of victims of injustice can claim redress (e.g. whether African-Americans today are owed reparations for slavery). But equally problematic is the issue of why we might be liable for the sins of our forefathers.

In March he attended a conference on global justice organized by the American Philosophical Association and gave a lecture entitled ‘Against Global Egalitarianism’.

He also wrote and presented two papers on immigration, the first to seminars at UCL and Essex, the second to a conference in Cambridge organized by CRASSH. The first paper gave reasons why liberal states may be justified in restricting immigration and challenged the idea that there is a countervailing human right to free movement; the second explored what terms such states can reasonably impose on immigrants who wish to become citizens.

Towards the end of the year he worked with IPPR on a new social justice project, which aims to assess theoretical and practical developments in social justice in the ten years since the Social Justice Commission delivered its report. He gave overview talks at the Institute, emphasising that social justice cannot be reduced simply to questions of income and wealth distribution, and drafted the opening chapter of their book, scheduled to be published towards the end of 2004.

He continued to act as Associate Editor of Ethics, and as editor of the series Oxford Political Theory. He accepted an invitation to join the Philosophy Sub-Faculty (without however renouncing his primary allegiance to the Politics Department).

Publications


**John Muellbauer** (Official Fellow) served as a consultant to the Barker Review of Housing Supply, helping to edit the Interim Report published in December 2003 and took part in a number of meetings at the Treasury and the Office of the Deputy Prime Minister. John gave presentations on this theme and policy options for stabilising the housing market to the British Property Federation annual conference, Brighton, the Joseph Rowntree Foundation, the Royal Economic Society Conference, Swansea, the European Network of Housing Research conference in Cambridge and to the European Central Bank. He also took part in several media and other public discussions of the issues.

A paper with Luca Nunziata extending earlier research on forecasting the US business cycle finally appeared as a CEPR discussion paper. The methods presented are strikingly better at forecasting business cycle turning points than standard methods and the Survey of Professional Forecasters. An early version was presented at the Federal Reserve Board in Washington as a Visiting Scholar, along with a paper on UK credit conditions. Work began on extending the approach to the rest of the G7 economies. Already, interesting differences between economies in the impacts of asset prices have come to light.

Joint research with Gavin Cameron on regional differentials in UK labour markets and on mortgage arrears continued. The website housingoutlook.co.uk continues to attract attention.

A presentation based on work with Olympia Bover of the Bank of Spain on measurement issue in international house price indices and their implications for central banks was presented at a European Central Bank/Bank of Spain/CEPR conference in Madrid.

Work with Justin van den Ven on deducing the attitudes of governments to households of different types by examining tax and benefit systems reached completion. The evidence suggests the Australian government treats households of different types fairly consistently. Preliminary evidence for the UK suggests that this is not the case here.

Research on South Africa with Janine Aron has continued under the third consecutive grant from DFID, beginning in October 2003. South Africa began inflation targeting in 2000. Four new working papers were produced this year. The first is a
multi-equation inflation model of the inflation process in South Africa, which helps explain the speed and extent of exchange rate pass-through, and the various channels of monetary transmission. Inflation is a far from homogeneous phenomenon, a fact ignored in most work on consumer price inflation. A second paper uses a novel methodology grounded in theory, to model the ten sub-components of the consumer price index (excluding mortgage interest rates, or CPIX) for South Africa.

While the CPIX measure became relevant to monetary policy setting and wage contracts only from 2000, and is published monthly only from 1997, a far longer time series is required for the forecasting and modeling exercises of the South African Reserve Bank (SARB), National Treasury and others. In a third paper, previously unavailable estimates of CPIX back to 1970, were produced on a consistent methodology, using monthly price indices, the appropriate weights, and linking correctly when rebasing. This paper contains the only technical account of the methodology of construction of the consumer price index (CPI) and CPIX by Statistics South Africa, in the absence of any published official technical bulletins.

The fourth paper constructs the first coherent set of aggregate, personal sector wealth estimates at market value for South Africa. This research has lead to joint work with the SARB, with a senior economist visiting Nuffield in September, 2004. Extending this work, the resulting measures of net total wealth and liquid and illiquid wealth are planned to be published regularly in the Quarterly Bulletin of the SARB, and used in their macro-model for the first time.

Presentations from this project were given at the IMF, the South African Reserve Bank, the South African Treasury, various South African universities and the Economic Association of South Africa, as well as in seminars in Oxford and at the Econometric Society Meetings in Madrid.

John was chair of the Economics Group at Nuffield and interviewed PPRF candidates for the College and the Department at the AEA meetings in San Diego.

Publication

Karma Nabulsi (Research Fellow). Archival research continues on a book about the mid 19th century underground society Young Europe, with help from a generous Leverhulme Research Grant which has provided brilliant research assistants (all drawn from the Nuffield graduate community), and some travelling to the archives myself. As director of the British Academy sponsored network, ‘National and International Networks in the Construction of State in 19th Century Europe’, I convened two meetings of historians and political philosophers, one at Paris and one at the EUI at Florence, and also gave a paper at the Department of History at the EUI. I also gave papers at a Yale conference on international conflict and order, at Haifa on political structures in exile, and on democracy in Palestine at a conference at the Dead Sea convened by Chatham House and UNSCO, amongst others. But the year was largely taken up with establishing and directing Civitas, an EU sponsored project which will facilitate the creation of civic structures in Palestinian refugee camps and exile communities. I made four trips to Palestine, holding a series of workshops on the project in various refugee camps under occupation; ran two pilots of the project in the refugee camps in Jordan and Lebanon over the summer, and convened an Experts’ meeting at Nuffield to help think through the logistical and conceptual steps needed
before the deliberative debates early in 2005. We now possess several Nuffield regional outposts, from London to Lebanon.

The main body of writing undertaken this year was for a Select Committee report as Specialist Advisor. Endless paragraphs and drafts were constantly purged and re-inserted in a relentless war of attrition over the autumn and winter months; the whole finally emerging under the name of the International Development Committee’s *Report on Development Assistance and the Occupied Palestinian Territories* (February 2004). This apparently holds the record for the most lengthy Report process in the Committee’s history, and was, of course, a delightful experience. Two other publications due out earlier this year were delayed at press and should emerge any time soon. One is an analysis of the ideological underpinnings of the concepts of patriotism and internationalism in *Young Europe*’s ‘Oath of Allegiance’ for the *European Journal of Political Theory*, the other on theories of justice in war for an edited volume of philosophies of war, *The Ethics of War*, for Ashgate. I was elected to a University Lectureship in International Relations and as Politics Fellow of St Edmund Hall, both to be taken up in September 2005 (although I have been made a Fellow of the enchanted Teddy Hall in the interim). The boys of Primal Scream, Spiritualised, and Nick Cave kindly held a benefit gig for my charity the Hoping Foundation at the Brixton Academy, entitled *Hoping for Palestine*, to fund community projects for children.

**Publications**


**Bent Nielsen** (Non-stipendiary Research Fellow) continued to work on statistical models for explosively growing processes. The idea of this methodological work is to use cointegration analysis in the presence of explosively growing processes as seen in hyperinflations. This new tool is then used for analysing monetary data from Yugoslavian hyper-inflation of the early 1990’s. He also finished a paper with T Kurita on cointegrating analysis when there are structural changes in the short term dynamics change.

This year he organized the fourth Royal Economic Society Easter School in econometrics funded by an ESRC grant held jointly with David Hendry and Neil Shephard. He also joined the editorial board of the Review of Economic Studies. He gave departmental seminars in Southampton and Copenhagen and presented a paper at a workshop organized by the ESF-Network on ‘Econometric Methods for the Modelling of Nonstationary Data’ held on Sardegna.

**Publications**


**Luca Nunziata** (Non-stipendiary Research Fellow) started to work on a new ESRC project entitled ‘Improving Methods for Macro-econometric Modelling’, with Adrian Pagan and John Muellbauer. He wrote a paper with John Muellbauer on forecasting
and explaining US Business Cycles. Furthermore he continued his work on labour market institutions and the determinants of OECD unemployment. He completed a paper with Winfried Koeniger and Marco Leonardi on Labour Market Institutions and Wage Differentials and started to work with Gavin Cameron and Chris Wallace on OECD investment patterns. In addition, he started to work on a two equation model of OECD unemployment and Union density with Daniele Checchi that takes explicitly into account the problems of endogeneity of multi-country models of labour market institutions. Finally he wrote a paper and a note on OECD inflation with Chris Bowdler.

Seminar and conference presentations include talks in Oxford, Milan, Venice, Novara, the US Federal Reserve, IZA-Bonn, CentER-Tilburg and the EALE conference in Seville. He was also invited to present his research on labour market reforms at the UK Government Department of Trade and Industry and at the European Commission-DG Employment and Social Affairs.

Publications


Adrian Pagan (Senior Research Fellow) continued to work on macro-econometric modeling issues with a number of researchers and students. As the project that was begun on business cycle analysis some years ago was coming to an end, some time was spent in finishing three papers on synchronization of cycles, duration dependence in the business cycle, and the role of non-linear models in business cycle analysis. Much of this work will appear as a set of lectures to be given at the International Monetary Fund in September 2004. Two of the papers have now been accepted for publication. Work also continued with Dr A Scott of the Bank of England and Dr G Kapetanios of Queen Mary College on how to integrate models that emphasize economic theory with those statistical models that aim to produce a close fit to the data. A preliminary paper was produced and presented to a number of central bank seminars.

During the year he was a keynote speaker at the African Econometrics Meeting in Stellenbosch, South Africa, the METU International Conference in Ankara, and the International Institute of Forecasters Seminar in Madrid. In the US seminars were given at the University of Pennsylvania, Johns Hopkins University, The University of Rochester, the Board of Governors of the Federal Reserve Bank and the Federal Reserve Banks at Atlanta and San Francisco. In Europe seminars were given at the Bank of Norway and the Bank of Belgium. A presentation was also made to the Spanish Economic Association meetings and he discussed papers at the European Business Cycle Network conference and at the European Central Bank meeting on new methods in forecasting. In Australia papers were presented to the Econometric Society Meetings, the New Zealand Econometric Study Group meeting, the Queensland University of Technology and the University of New South Wales. He also attended the Reserve Bank of Australia’s Annual Conference.

Publications


**Clive Payne** (Emeritus Fellow) His professional activities were mainly concerned with elections, of various sorts. He did the BBC’s European election-night forecast (with David Firth) in June, audited the British Council-sponsored exit poll in the Georgian Parliamentary election in Tbilisi in March and was an election observer at the Municipal elections in Bosnia and Herzegovina in October 2004. He continued his stint as Visiting Professor in the Department of Sociology at the University of Surrey where he gave several courses.

*Publication*


**Tuomas Pekkarinen** (Postdoctoral Prize Research Fellow) worked on two projects that use Finnish linked employer-employee data. Using the detailed information on task complexity in these data, he analysed the effect of the complexity of the firm’s production process on wage inequality and, with Juhana Vartiainen (Trade Union Institute for Economic Research, Stockholm), examined the causes behind the gender differences in the allocation of workers across tasks of different complexity. The results from these projects indicated that increasing technological complexity of the production process tends to widen wage differentials both within and between tasks and that the productivity threshold of promotion to complex tasks is higher for women than for men.

During the past academic year, Pekkarinen also started two new research projects. With Chris Riddell (University of British Columbia), he began to study the effects of piece-rate contracts on wages and worker effort. In this project, the goal is to study whether the piece rate premiums on these variables – a result often reported in case studies on individual firms – are driven by unobservable factors at the firm level. In another project that uses longitudinal census data from Finland, the aim is to examine how the effect of social background on secondary education choices changes when these choices are postponed to a later age. The study uses the Finnish comprehensive school reform from the 1970’s as a natural experiment.

Pekkarinen presented papers at the University of Bristol, ‘Nature of Discrimination’ Workshop at the Institute for the Study of Labor (IZA) in Bonn, as well as at the Annual Meeting of the European Economic Association in Madrid.
Jeremy Richardson (Emeritus Fellow) has continued to edit the *Journal of European Public Policy*, now entering its twelfth year. After two years of ‘sabbatical’ from writing, he is now editing a third edition of *European Union: Power and Policy Making* and is writing several pieces on the EU policy process, lobbying in the EU, and ‘policy styles’. More importantly, he has taken over the Chairmanship of a fund-raising campaign for Tessa and Molly’s primary school in Oxford and needs to raise £20,000 over the next six months so that the school can purchase new equipment for the playground. Finally, he is about become a helper with the North Oxford Brownie pack, probably a unique event in Nuffield’s history. Stand by for path-breaking articles on the ‘Europeanisation of Children’s Playgrounds’ and ‘Brownies and Lobbying in Brussels’!

Berthold Rittberger (Postdoctoral Prize Research Fellow) spent much of his first year as PPRF revising and expanding his dissertation manuscript which was accepted for publication by Oxford University Press in October 2003. The manuscript entitled *Building Europe’s Parliament. Democratic Representation beyond the Nation State* will be published in spring 2005. In preparing the manuscript for publication, a new chapter was added which explores how the European Parliament’s powers were affected by the more recent events, including the Convention for a Constitution for Europe.

His dissertation work also inspired a joint project with Frank Schimmelfennig at the Mannheim Centre for European Social Research (MZES) at the University of Mannheim. They received a €100,000 grant from the Thyssen Foundation for the period from June 2004-May 2006 for work on a project entitled ‘Constitutionalisation in the European Union: The processes of parliamentarisation and the institutionalization of human rights’. With the grant money, one PhD student and one postdoc based at the MZES were employed to help work on the project. In the preparation of this project, Frank’s ground-breaking theory of rhetorical action in international cooperation and Rittberger’s theory of representation in international polities were combined to develop a novel theoretical perspective to shed light on constitutional choices in the domains of human rights and the powers of the European Parliament in the EU.

Furthermore, Rittberger is involved in the preparation of a volume on *Debating the Democratic Legitimacy of the EU* which he co-edits with Professor Beate Kohler-Koch at the University of Mannheim. Roman and Littlefield have expressed interest in the manuscript, and finalization of the manuscript is planned for winter 2004.

Rittberger has given conference papers at the Council of European Studies (CES) conference in Chicago and the European Consortium for Political Research (ECPR) Joint Sessions at Uppsala. He was invited to give talks at the University of Kentucky and the University of Leiden. Rittberger was elected member of the editorial board and review section editor of the *Journal of European Public Policy* and acted as referee for *Comparative European Politics*, and the *Journal of European Public Policy*. In Hilary and Trinity Terms, he organized and convened (together with Michael Colaresi) the fortnightly Nuffield Social Science Postdoctoral Seminar Series (NSSPSS) which saw eight postdoctoral fellows presenting their work and attracted a very respectable audience. Rittberger also founded and captained the College’s new Basketball team, the ‘Nuffield Ducks’. In their first appearance in the inter-collegiate Cuppers tournament, they made it all the way to the semi-finals.

*Publications*


Jane Roberts (Data Services Officer) managed the Data Library, which continued to expand with new and revised datasets from around the world, and provided support with data acquisition, licensing, management and analysis to Oxford social scientists. A survey of social science data usage in Oxford demonstrated a growing need for such data support.

She maintained close links with researchers, data libraries and archives outside Oxford and she remained an active member of the International Association for Social Science Information Service and Technology, which encourages communication between data producers and managers worldwide. She has co-founded DISC-UK (Data Information Specialists Committee) with the UK’s other university-based data managers, in order to foster understanding between data users and providers, raise awareness of the value of data support in universities, and share information and resources among data managers.

Kevin Roberts (Professorial Fellow) continued his work on a number of problems relating to a theory of dynamic behaviour in situations where there are conflicting preferences. Taking the Condorcet paradox from voting theory as a classic example of where it is unclear which outcome will be chosen, he has investigated the idea of utilizing an extensive form which specifies who can make proposals and when, and then examining resulting equilibria – the idea that the existence of voting cycles can lead to a perpetual motion between outcomes is not an appealing notion of equilibrium. This work relates to his more general interest in theories of the dynamic behaviour of individuals and organizations when preferences are endogenous, work which is still ongoing. The use of a particular extensive form is also a characteristic of his joint work with Leonardo Felli (LSE). This work originally set out to investigate inefficiencies associated with the so-called hold-up problem and, in particular, it sought to examine the extent of inefficiency in a competitive environment. In this problem, the extensive form is used to specify how heterogeneous buyers and sellers interact; there is no auctioneer to set prices and prices and trades are determined in equilibrium by the buyers and sellers. In more recent work, they have been working on a weakening the structure of the extensive form to permit the notion of competition to play a greater role. In other work, he has been evaluating the literature on the use of interpersonal comparisons in social choice theory.

Neil Shephard (Official Fellow). Most of my year was spent on developing a new idea called multipower variation. This is a device, which I introduced with my co-author Ole Barndorff-Nielsen, which splits up the variation of financial prices into that due to their smooth evolution and that due to discontinuities. We have used this method to demonstrate that there are many more jumps in financial markets than is commonly believed.
Publications


**Hyun Song Shin** (Senior Research Fellow) worked on topics in asset pricing, disclosures and financial stability. With Franklin Allen and Stephen Morris, Shin investigated the asset pricing consequences of taking seriously Keynes’s metaphor of financial markets as ‘beauty contests’ where the object is not to pick the asset with the best fundamentals, but to pick the one that average opinion expects the average opinion to deem the best. The paper finds that the price deviates from the average beliefs of fundamental value, with this deviation being largest for those assets whose payoffs come further in the future. With Haresh Sapra and Guillaume Plantin, Shin wrote a paper on the market-wide consequences of accounting rules that insist on marking assets to market – that is, assessing the value of assets at current market prices rather than at historical cost. The controversy surrounding the new international accounting standards on this issue provides the backdrop for the analysis. Critics of the new standards (banks and insurance companies) argue that the new rules generate artificial volatility by shortening the decision horizons of the market participants. The paper finds that far from being an esoteric debate on measurement, accounting rules have a
far-reaching effect on the efficiency of the market mechanism and have consequences for real decisions. Marking to market generates most damage when the key items on the balance sheet are long-lived, illiquid and senior. With central bank colleagues Rodrigo Cifuentes and Gianluigi Ferrucci, Shin examined the systemic risk consequences of mark-to-market accounting when combined with illiquidity in the financial market. Existing research on systemic risk highlights the importance of balance sheet interlinkages. Cifuentes, Ferrucci and Shin find that systemic risk from such a source is limited by the small size of the interbank market. Rather, the largest effects come from the price feedback effects of distressed selling.


**Publications**


Alec Stone Sweet (Official Fellow) works in the fields of comparative and international politics, and comparative and international law. He published a book, *The Judicial Construction of Europe*, thereby ending active research on European integration. The next long-term project will focus on the development of (private and a-national) governance structures for transnational business. During Trinity Term, as the first Vincent Wright Chair at the Institute of Political Studies-Paris, he lectured on European integration, and taught a course for doctoral candidates on qualitative methods and research design. He also gave invited presentations in Madrid, Paris, Rome, and Urbino.

**Publications**


James Tilley (Postdoctoral Prize Research Fellow). I have been mainly continuing my work on political knowledge in Britain that I reported on last year. I have had one paper (co-authored with Anthony Heath (Nuffield College) and Bob Andersen (McMaster
University) accepted at the British Journal of Political Science. This looks at how levels of political knowledge vary over the electoral cycle, with election years being characterized by higher levels of knowledge and a stronger relationship between political values and party preference. Two other papers concerned with knowledge are currently under review. The first, co-authored with Anthony Heath, examines how more knowledgeable people tend to have a stronger relationship between vote choice and social group characteristics. The second paper, co-authored with Patrick Sturgis (University of Surrey), looks at how political interest and political knowledge are linked, and uses British panel data to try and establish the causality of the relationship between interest and knowledge.

I have also been involved in two other major projects, both cross-national surveys; firstly the British leg of the 2003 International Social Survey Programme 2003 of which I am a Co-investigator, and secondly the British leg of the 2004 European Election Study (EES) of which I am Principal Investigator. The ISSP is a cross-national examination of national identity, and the EES is primarily addressed at investigating citizens’ perceptions of the ‘democratic deficit’ within EU institutions. A number of papers with my co-authors, for the ISSP, Anthony Heath and Sonia Exley (Nuffield College), and for the EES, Christopher Wlezien (Nuffield College), are currently in progress.

My work on Ireland, both North and South, has also continued. A paper with Michael Marsh (Trinity College, Dublin) uses panel data from Ireland and Britain to examine how the attribution of government responsibility to policy outcomes affects vote choice. I am also continuing work with Claire Mitchell (Queen’s University, Belfast) that looks at how determinants of support for the Democratic Unionist Party and Sinn Fein in Northern Ireland have changed over the last 15 years. To this end we have included some questions on the 2004 Northern Ireland Life and Times Survey that replicate earlier measures of unionism/nationalism, left/right economic values and social conservative/liberal values.

From next academic year, I have been offered, and accepted, a university lectureship in quantitative political science associated with Jesus College, Oxford, and so have resigned my Prize Research Fellowship. I have enjoyed my time at Nuffield, both as a student (1998-2001) and as a PRF (2002-2004), and I am sure I will be around for the odd dinner in the future.

**Publications**


Christopher Tyson (Postdoctoral Prize Research Fellow) very much enjoyed his first year at Nuffield. He carried out an extensive, *de novo* revision of an old paper on the role of time in bargaining, which offers a critical revaluation of earlier game theoretic work on this topic. The goal of the project is to distinguish those predictions about the outcome of a negotiation that are genuinely implied by the time preference (i.e. patience or impatience) characteristics of the negotiants from those stronger predictions that require assumptions about the resolution of ‘static’ bargaining problems with no temporal aspect. It is argued that the relevant literature tends to ignore this distinction, and that the precise predictions available in game theoretic models of bargaining often rely upon unwarranted static assumptions of this sort.
Christopher also continued to work on constructing journal-length articles out of his doctoral dissertation on revealed preference analysis of choice under cognitive and information-processing constraints. He began a new paper on time inconsistency and self-awareness in capital budgeting problems. And he did some travelling, participating in the Risk, Uncertainty, and Decision Making conference at the Kellogg School of Management; attending the ESRC Game Theory Workshop at the University of Warwick; and speaking at the European Summer Symposium in Economic Theory in Gerzensee, Switzerland.

Christel Vermeersch (Postdoctoral Prize Research Fellow) continued working on several projects in Kenya. The projects investigate the effectiveness of various interventions at improving the quality of education at the nursery and primary school level. The evaluation of effectiveness is based on randomization: within the sample that participates in each project, some schools receive the project inputs and others do not, and the decision of which schools receive the inputs is based on random allocation.

She finished the data cleaning and preparation of an empirical project on the impact of school meals on school participation and other educational outcomes, which was also the subject of her doctoral thesis. The paper is currently being expanded with a theoretical model to explain how school finance and competition is affected by the provision of free school meals. This is joint work with Michael Kremer from Harvard University.

With Michael Kremer, she also continued working on a project that investigates the potential for increased parental and community participation in rural primary schools in Kenya. Fieldwork for the project started in late 2002 and will continue until March 2005. The project experiments with several components: the project trains school committees, which are composed of parent representatives, in proper school supervision and management; the school committee also awards prizes to teachers who perform exceptionally well according to community-defined criteria; finally, the project fosters increased interaction between the representatives of the ministry of education (inspectors and educational officers) and the parents/school committees. This kind of intervention is popular with international donors like the World Bank, who have argued that increased decentralization and parental involvement improve the quality of schools. Preliminary results suggest that this might be a mistaken conclusion, as data on teacher absenteeism and teaching methods do not show that there is a difference between the schools that were treated and those that were not.

She is a member of the Scientific Council of the newly established Institute for Empirical Research in Political Economy, Cotonou, Benin, and co-taught the Institute’s first summer school in empirical methods with Leonard Wantchekon, Department of Politics, New York University. The summer school took place in Cotonou from 2-16 July 2004, and attracted 81 students with at least a Master’s degree. With Leonard Wantchekon, she has started the fundraising phase of a new project on decentralization, information and the provision of public goods in Benin.

Laurence Whitehead (Official Fellow) continued to write mainly on the comparative politics of democratization. During the year he presented a series of papers on the South American cases, notably in Bogotá, Los Angeles, Uppsala and La Paz. These culminated in his keynote address to the Annual Conference of the Brazilian Political Science Association in Rio de Janeiro (July 2004), which set out an agenda for
collaborative research in the lead up to the 20th IPSA conference scheduled to be held in Japan in 2006. Other Latin American research concerned Cuba and Bolivia (where he served as external adviser to the ‘mock’ constituent assembly convened in August 2004). In his second year directing the university’s incipient Centre for Mexican Studies he concentrated mostly on promoting work on Mexican foreign policy (the Centre organized three conferences in Oxford and one at the Ministry of Foreign Affairs), although he also worked on citizen security, executive-legislative relations, and fiscal decentralization.

Other research initiatives included the founding (with support from the IDB) of a Euro-Latin American Network concerned with ‘governability for development’. Bolivia was an initial priority for this network, which contributed to some of his work there. In June the network, together with the Centre for Mexican Studies and the Latin American Centre, sponsored a two-day conference in Nuffield on the Challenges of Rising Criminality to Democracy and Rule of Law in Latin America. In July 2004 he contributed to a thirtieth anniversary reassessment of the international politics of democratization, in Obidos (Portugal).

In conjunction with Professors Desmond King and Guillermo O’Donnell he also helped organize a conference in College on the ‘Democratization of the USA’ (March 2004), contributing a study focusing on the second class citizenship accorded to Puerto Ricans.

On the university side this was his third and final year as chair of the Area and Development Studies Committee (about to be transformed into the School for Interdisciplinary and Area Studies).

An unexpected additional responsibility this year arose from his status as the Senior Fellow of the College. In this capacity he presided over the electoral body which chose the next Warden, following the present incumbent’s decision to stand down in 2005.

Publications


Christopher Wlezien (Faculty Fellow) was on leave from university teaching for the year and took visiting appointments at Columbia University, the Juan March Institute and McGill University. During this time, he completed various papers and one book manuscript, entitled The Timeline of Election Campaigns, which is co-authored with Robert S Erikson. The book considers the evolution of voter preferences over the course of the campaign in all US presidential elections since 1940, and currently is under review. With Nuffield’s former post-doctoral fellow, Stuart Soroka, he also started a second book on Degrees of Democracy. It focuses on the dynamic interrelationships between public preferences and policy in various issue domains in Canada, the UK, and the US. During the year, related articles on the UK and Canada were accepted for publication in the British Journal of Political Science and the Canadian Journal of Political Science.

Wlezien also was involved with other activities. With Geoff Evans, he organized the Annual Meeting of the Elections, Public Opinion, and Parties group of the Political Studies Association, held at Oxford’s new Social Science Building in September, and a workshop on ‘Perceptions, preferences, and rationalization: Overcoming the problem of causal inference in the study of political behaviour,’ held in College in May. With Iain McLean and Geoff Evans, he convened the Nuffield Political Science Seminar in Michaelmas and Hilary terms. He served as Vice Chair of and instructor in the ESRC-sponsored Oxford Spring School in Quantitative Methods for Social Research. He presented papers at conferences in Chicago and Corpus Christi (Texas), and gave seminars at the Juan March Institute, University of Pittsburgh, University of Rochester, and Temple University. He was elected President of the Southwest Political Science Association (US) and served on the advisory board for the British Election Study (2005) and the editorial boards of Political Analysis, Social Science Quarterly, Electoral Studies, the Journal of Political Marketing, and the Journal of European Public Policy. He was external examiner for Birkbeck College. He was Technical Services Fellow for the College.

Publications

STUDENT PUBLICATIONS

Simone Bunse

Sarah Butt

**Sonia Exley**

**Teo Matkovic**

**Emily Tanner**

**Divya Vaid**