ANNUAL REPORT

Academic Report 2004-2005
The Report is compiled and prepared by Carol Phillips.
This is the last introduction that I shall write for the Nuffield College Annual Report. There follows after this Letter an edited version of the report that I made to the College Stated Meeting in June 2005, looking back over 11 years as Warden and considering some of the challenges that the College will face in the future. These will be the responsibility of the new Warden, Stephen Nickell. In view of his current appointment at the Bank of England, Professor Nickell is not now taking up the Wardenship until 1 September 2006. I am very glad to say that Laurence Whitehead has agreed to be Acting Warden for the year 2005-2006.

This year saw, sadly, the death of no fewer than five Honorary Fellows. Two were previously Official or Professorial Fellows. Kenneth Robinson was an Official Fellow from 1948 to 1957, while he was Reader in Commonwealth Government, serving as College Fellow Librarian from 1951 to 1957. He later became Director of the Institute of Commonwealth Studies and then Vice-Chancellor of the University of Hong Kong. He was elected an Honorary Fellow in 1984, and until recently was an active participant in College life. Charles Feinstein was a Professorial Fellow of the College for only two years, before moving to the Chichele Chair of Economic History at All Souls, but he profoundly influenced generations of economic history students in the College. His early death has greatly saddened his many friends.

Two of the Honorary Fellows who have died in the past year were former Prime Ministers: Lord Callaghan and Sir Edward Heath. Both had been active Visiting Fellows of the College and continued to be interested in the College. Sudhir Mulji too had been first a Visiting Fellow and then an Honorary Fellow. In both capacities he was a great friend to the College. In recent years, he was a regular visitor, and he is greatly missed by the many members of College who enjoyed his stimulating company. An obituary by Vijay Joshi, published in the Financial Times, appears later in the Annual Report. The last occasion on which Sudhir Mulji was in College was indeed a memorable one, when we hosted the Lunch for the Indian Prime Minister, Dr Manmohan Singh, when he received an Honorary Degree from the University. Dr Singh, a former student of the College, and an Honorary Fellow, made a thoughtful and incisive speech whose references to the British legacy attracted widespread comment in the Indian media.

I am very sorry to report the deaths of two long-serving members of the Library Staff: Eleanor Vallis, who had retired as Archives Assistant in 2000, after 28 years’ service, and Pam Coe, who worked in the Library for 22 years until her retirement in 1992.

This year saw the retirement of two long-serving members of the Senior Common Room. Richard Mayou has been a Fellow of the College since 1976, and has become an Emeritus Fellow on his retirement from his Professorship in Psychiatry. The College has benefited not only from his professional skills, but also from his active participation in College life, most recently as a creative chair of the Art Committee. To his efforts are owed the sculpture in the upper quadrangle and the new paintings in the SCR. The College is also most grateful to him for serving as Assessor in 1999. In this, and other respects, he has been able to bring a wider perspective to bear on issues under discussion in College. Margaret Yee has been Chaplain to the College since 1989, and has played a remarkable role in College life. She has brought many notable people to the Nuffield Chapel and sought to engage a wide range of people in the services and seminars that she has organised. In her pastoral role, she has been a source of support to many College members; and I am most grateful to her for the help that she has given
me in my time as Warden. Above all, she has been, and remains, a good friend to many students, fellows and staff. In pursuing her own academic work, with its international connections, Margaret will remain a member of the SCR. The Politics Group has lost two important members: Alec Stone Sweet, Official Fellow, who is taking up a chair at Yale, and Chris Wlezien, Reader in Politics, who is taking up a chair at Temple University. We are most grateful to them for their contributions to the College, and hope that they will be frequent visitors.

Among the long-serving members of staff retiring this year have been Michaelena Bisson, whose welcome to all who entered the Buttery was much appreciated, and Tony and Sandra Morris, Joint Keepers of Nuffield Place. Tony Morris had fulfilled that role for a remarkable 41 years, and the College owes a great deal to both of them for the way in which they looked after Lord Nuffield’s former home. In April 2005, the Bursar made a presentation to thank them.

This Annual Report describes the achievements of individual members of College. I can mention only a few highlights. Duncan Gallie has become Foreign Secretary of the British Academy. Paul Klemperer has been elected a Foreign Honorary Member of the American Academy of Arts and Sciences. Neil Shephard has been elected a Fellow of the Econometric Society. Ray Fitzpatrick has been invited to be the scientific chair of the National Prevention Research Initiative. Anthony Heath’s study of Oxford’s admissions has received wide national attention, including from the Daily Mail. Bob Allen’s book Farm to Factory: A Reinterpretation of the Soviet Industrial Revolution was a co-winner of the Economic History Association’s Gyorgy Ranki Prize for the best book in European economic history in 2003-2004. Chris Wlezien and Stuart Soroka (former Research Fellow) won the John McMenemy Prize for the best paper published in the 2004 volume of the Canadian Journal of Political Science. Peter Hedström has been elected President of the European Academy of Sociology. In March 2005, Freddie Madden was granted leave to supplicate for the Degree of Doctor of Letters. The two volumes of the History of the University of Oxford dealing with the Nineteenth Century, edited by Michael Brock and Mark Curthoys, received an extensive review in the Oxford Review of Education, which comments that ‘the style of these volumes, incorporating wide-ranging and open-minded scholarship, has been calculated to prompt readers to reflect on the relations between past and present’. Emilie Hafner-Burton won the American Political Science Association Helen Dwight Award for the best dissertation in international relations, law and policy. Berthold Rittberger was elected youngest member of the Young Academy at the Berlin-Brandenburg Academy of Sciences where he is one of only two political scientists. Of the 38 awards of British Academy Postdoctoral Fellowships in 2005, five were won by applicants wishing to hold them at Oxford. Of these, two have been Nuffield students: Clive Bowsher and Kate Meagher. A third, Rafael Hortala-Vallve, has become a Non-Stipendiary Research Fellow of the College. Fellows of the College are much involved in the activities of the University social sciences. The Heads of both the Economics and Sociology Departments are Fellows of the College. John Darwin has been serving as Chairman of the Modern History Faculty. Des King is a Delegate of Oxford University Press. Richard Breen gave the first in a series of lectures to mark the inauguration of the Oxford Centre for Advanced Study in the Social Sciences. Andrew Hurrell is Director of the Centre for International Studies. Geoff Evans is founding director of the Centre for Research Methods in the Social Sciences, located in the Department of Politics and International Relations. In the same department, Iain McLean initiated, and is first Director of, the Public Policy Unit.
The Charter of the College enjoins us to build bridges with the outside world of government, economy and society. Readers of this Annual Report will find a number of instances. My predecessor, Sir David Cox, has continued to be a member of the Independent Scientific Group advising on bovine TB, and represents the Royal Society on the Executive Committee of the Hazards Forum. Paul Klemperer continues to serve as a Member of the UK Competition Commission. David Miller led a discussion on equality for the Cabinet Office Equalities Review. Ian Little wrote a pamphlet in which he asked ‘When does a state have the moral authority to go to war?’. John Muellbauer has been working on issues of housing affordability for the Office of the Deputy Prime Minister. Diego Gambetta’s edited book Making Sense of Suicide Missions was widely reported, and led to him taking part in two events at the Edinburgh Book Festival. Iain McLean is a consultant to two television documentaries on the 40th anniversary of the Aberfan disaster. Karma Nabulsi’s project, based in the College, on civic structures in Palestinian refugee camps and exile communities has involved participatory meetings in over 25 countries. Clive Payne was an observer for the ‘orange revolution’ elections in the Ukraine. This year’s Guardian Fellow, Mukti Jain Campion, reports that several ideas for Radio 4 programmes were stimulated by Nuffield High Table discussions.

Our students continue to excel. Roland Meeks was awarded the Edgeworth Prize for an outstanding DPhil thesis by the Department of Economics. Berthold Rittberger was awarded the prize of the European Unions Studies Association for the best dissertation in EU studies defended between 2002-2004. Together with Johannes Lindner, he won the prize for the best article in the Journal of Common Market Studies for the year 2003. Moreover, their achievements are not limited to the academic arena. In June 2005, Winston Light, a play by Taiye Tuakli-Wosornu, was produced at the Burton-Taylor Theatre, and it was shortlisted for the 2005 new writing festival. Heiko Hesse starred in die champions: Der Traum vom Fussball, a film directed by Christoph Hübner about young footballers at Borussia-Dortmund.

As announced in last year’s Annual Report, the College has begun to circulate a Newsletter to former students, fellows and visitors. We had a good response to our request for information, and the first issue was circulated in October. Please continue to send us information about your current activities.

Last November, I received an appreciative letter from a gentleman who had been visiting Oxford, and outside Nuffield ‘was caught in a thundery downpour which would have impressed Noah. The porter was very kind to me when I took shelter in the [College Lodge] and offered to lend me an umbrella.’ The helpfulness and dedication of College’s staff is indeed appreciated by us all, and I would like to end by thanking them all for their hard work over the year.

Tony Atkinson
October 2005

Report by Warden on his Term of Office at Stated Meeting 11 June 2005

In this report, I would like to offer some reflections on my term of eleven years as Warden of this extraordinary College. I use the term ‘extraordinary’ advisedly, since it is indeed extraordinary to a degree that I did not fully appreciate when I arrived. It is extraordinarily impressive in the quality and range of work undertaken, and it is extraordinary in being unlike any other institution that I know.
In my reflections, I would like to take stock of the present state of the College – presenting a kind of balance sheet – and then consider two of the key challenges that I believe to be facing the College in the years to come. These challenges are to continue the high level of achievement in present activities and to re-position the College in the light of changing external circumstances.

**Balance Sheet**

In presenting today’s balance sheet, I should begin by saying that in all except possibly one respect I took over a College that was in very good shape. I was extremely fortunate in my predecessor, David Cox, and I owe a great deal to the way he steered the College during his 6 years, and to Michael Brock before him. Both of them have – when asked – been an invaluable source of wise counsel.

The first element in my balance sheet is the purely financial. The College has no direct Government funding, nor does it receive any transfer from the University (the Quantum transfer from the University to Colleges is paid only with respect to undergraduates). The College funds some 85-90% of its activities from its endowment income. The value of the endowment today is some 20% higher, adjusted for the rise in the College Cost Index, than it was in 1994. In part this reflects asset revaluation consequent on a fall in yields, but it is considerably better than if the endowment had been fully invested in the FT all share index. I should pay tribute here to the skills and dedication of successive Investment Bursars. They may have been less risk-loving than some of their predecessors, but they have protected the College shrewdly against the excesses of the stock market, notably through the investment in commercial property. At the same time, the College is now very definitely resource-constrained, and I will come back to this under the heading of challenges.

The financial capital is easily measured; the human capital (which is my second heading) is less easily valued. Is the current Fellowship 20% better than 11 years ago? I will not risk a judgment. My colleagues will certainly say that they are under-valued by what they are paid. Academic pay has been a major and recurrent issue. The College has made some significant steps, with the increased Academic Responsibility Allowance, now contributing about a third of the salary of a University lecturer, and with the introduction of the Housing Scheme, allowing for shared equity in Oxford’s expensive housing. But these are at best only preventing us from falling too far behind. The College has been able to make excellent appointments, but in making new appointments, there has not always been the depth of alternative candidates one would like to see. There is equally the problem of retention, although, despite my impression of having spent much of my time here on appointments committees, in fact well over half of the permanent Fellowship pre-date my arrival: the half life of a Nuffield Fellow is significantly more than 11 years.

When it comes to recruiting postdoctoral research fellows, the College is able to compete globally. When I arrived, there were only 7 PRFs in post. I proposed that we seek to elect more, and this we have done. Even despite the intention of reining back in the past 3 years, we have some 14 in post funded by the College, a further 6 based in the College, and 13 not based in College, making a grand total of some 33. In broad terms, the shape of the College is now 1 RF to every permanent fellow to every 2 students. In his valedictory talk in 1978, Norman Chester remarked that the PRF competition had not ‘attracted as many very able candidates as I had hoped’. Twenty-seven years later, I can report that in each of the last 3 years, the top ranked candidates in the politics/sociology competition all accepted. We had no refusals.
In assessing the state of the College’s human capital, I am working backwards through the academic career. Coming to our Students, I will simply say that each year I see them all on arrival, and while they are in one important respect very different from 11 years ago, I continue each year to be very impressed by their abilities and enthusiasm for what they are studying. We cannot always attract all of the top-ranked students, and more funding would help (which is why we have been operating the Studentship Appeal), but our students are outstanding. And contrary to the urban myth, we do have UK doctoral students in economics. The respect in which students today are different may be judged from the fact that in October 1994 only 3 of the entering students were women. Now women make up over 60% of the student body. This is not yet reflected in the permanent Fellowship, and change here has been slower than I had hoped 11 years ago. It should however be noted that all 3 of this year’s PPRF elections in politics and sociology are women.

My third heading concerns infrastructure and support for research and teaching. Here the Library is outstanding, thanks to successive Librarians and Fellow Librarians. Here the Information Systems Department has grown from the preserve of a few specialists to an essential College resource. Then there is Governance, a word much used this year. In discussing the Oxford debate, Laurence Whitehead remarked to me that Norman Chester’s great contribution to the College was leaving it with a Treasury-style administrative structure. The Treasury has evolved since the days when Chester was Secretary of the Beveridge Committee, but so has the College, and I should pay tribute to the new Academic Administration Department, run first by Marion Rogers, and now by Stephanie Wright, who has taken over so successfully, combining the role with that of College Secretary. Marion was of course Warden’s Secretary, and I am very appreciative of all that has been done by her and her successors, Lucy Chevis and now Lin Sorrell. The College is indeed very well served by its administrative and secretarial staff.

The one respect though in which the College in 1994 was not in good shape, literally, was its physical infrastructure. People used to take me aside and ask if I knew the state of the bathroom on Staircase X. Visiting Fellows used to tell me that it reminded them of their student days – and not the best parts. The past 11 years have seen major works in the Library, in the Guest Rooms, and in the Dining Hall and Kitchen. Talking of the Kitchen, we have also seen a major change since 1994 in the College’s cuisine. In all of this, and much elsewhere, a key role has been played by Gwilym Hughes, the Bursar, with whom it has been a great pleasure to work. And the same applies to all the College staff. I have much appreciated their positive attitude. It is a tribute to them that when I announced that ‘the Prime Minister of India is coming to lunch next month’, the reaction was ‘Good, that sounds like a challenge’.

Challenges

Turning to challenges, I believe that the first is simply to go on doing the excellent things that the College does at present. People may criticise universities for their slowness to adapt, but they are among the longest lasting of institutions. The commercial world may say that Oxford is incapable of managing its affairs, but I know of no commercial enterprise that has an uninterrupted history of more than 7 centuries. Few enjoy long runs of success. It is salutary to note that, of the 100 companies in the FT index eleven years ago, when I became Warden, only 54 are still there. The half-life of FTSE 100 membership is not much more than 11 years. (I am grateful to Liz Martin for this research.) The 68-year life of this College is longer than the 62-year period
from 1913 when Lord Nuffield sold his first car to 1975 when British Leyland went bankrupt.

Survival is itself an achievement. And it cannot be taken for granted. There are reasons why the balance sheet that I have drawn contains grounds for concern. I have already indicated the related pressures of shortages of resources and the need to raise salaries to attract and retain the top social scientists. This is going to involve fundraising. The College needs to go beyond the modest fundraising we have done through the Studentship Appeal. Adding to the College’s resources is now a priority.

Related is another area where, in retrospect, I should have devoted more efforts. This is raising the profile of the College. Nuffield College is a remarkable institution but it is not as well known as it ought to be, either inside or outside Oxford. So often when I tell people about some aspect of the College, their reaction is ‘How interesting. I did not know that Nuffield ...’. For example, a distinguished member of the University wrote an article last year suggesting that graduate colleges should specialise, without mentioning Nuffield. He also claimed that Balliol and St Anne’s in 1967 had established the first mixed-sex graduate centre in Oxford! Nuffield is probably better known outside Oxford than within the University, but here too there is much to be done. As I said, I had no real appreciation myself how extraordinary Nuffield is before I came to the College.

The second challenge concerns the definition of the role of the College. I have spent much of my time as Warden explaining that Nuffield is not like other colleges. In some respects, it is like an inter-disciplinary University department. There was a time when this half-College half-department status did not matter very much, but it has become more significant with the changes in the organisation of the University. Not only does the College not fit neatly into the University organisation chart, but also in substantial terms the new Departments have increasingly taken over a number of the roles of the College in the fields of graduate teaching and research. In this major change, the College has actively co-operated, including providing funding for posts and other assistance.

This means that the College needs to rethink its interstitial position in the University of Oxford. It needs to consider how it can complement the social science departments – for example in emphasising its interdisciplinarity, and its relations outside the social sciences, for example with history and with statistics. Interdisciplinarity is, of course, a mantra that is frequently chanted, but I believe that it is usually approached from the wrong direction. In my view the only way in which genuine interdisciplinary research is likely to be fostered is from the bottom up. It requires people well grounded in their own disciplines to want to collaborate on a problem where their skills are complementary. It cannot be imposed from above. The College provides a fertile setting. Just to give an example, of the 6 current or former College members who made up the BBC’s backroom team of election analysts on the night of the General Election, one is an Official Fellow in Economics.

The College has equally a distinctive contribution to make to the University of Oxford by building links with the outside world. I would like to mention two dimensions. The first concerns academic links with international researchers. The Bologna process, with other European universities adopting a structure close to that in the UK, offers both opportunities and threats if Oxford does not respond. Again this cannot be achieved by a top-down approach: contacts have to be organic, bringing together scholars who want to work together. The College, with its experience of such collaboration, is well placed to develop this area. The Harvard-Nuffield-Stockholm Spring Meeting for graduate students in sociology provides an excellent example, not
least because it links Europe with the US. The College’s success in creating, with its
partner institutions, the EQUALSOC Network under the EU Sixth Framework
Programme is another important instance of the role that the College can play.

Secondly, there is the relation with the world outside academia, as exemplified
by our Visiting Fellows. I must confess that I was sceptical, when I first came, whether
busy people could spare the time; indeed we devoted one Stated Meeting Seminar to
discussing the role of Visiting Fellows. The response was overwhelmingly positive,
and very few people have refused the invitation to become a Visiting Fellow. I should
say how much personally I have enjoyed these contacts. At the same time, several
Visiting Fellows have commented to me that we do not make enough use of you, and
this I will add to my list of meae culpae. I will urge my successor to take note.

Certainly the College can be seen as a bridge between Oxford University and
the outside world. I could not help reflecting at the Founder’s Feast last March that
people may say that we are cut off from what is often termed ‘the real world’, but round
the table that evening were people involved in all the top UK news stories of the week:
discussion of the BBC licence fee, the legality or otherwise of Prince Charles’ wedding,
and my guest who had painted a portrait of Michael Jackson. You may of course
question whether the last two count as the real world!

There are many other topics important to the College on which I could have
touched, but I will end simply by thanking all my colleagues for their help, co-operation
and forbearance over the past 11 years. I would particularly like to thank Laurence
Whitehead, who has been Senior Fellow for most of the 11 years. He has been a
constant source of good advice. I am particularly grateful to him for having organised
the election of my successor, to whom I convey my very best wishes. I trust that Steve
Nickell enjoys the Wardenship as much as I have done.

Tony Atkinson

Sudhir Mulji, 1938-2005

Sudhir Mulji, who died on 15 July aged 67, was an extraordinary combination
of entrepreneur, economist, newspaper columnist and country gentleman.

He was born in 1938 in Bombay into a Gujarati business family. His father was
an ardent anglophile, so from the age of nine Mulji was educated in England, first at a
prep school, then at Charterhouse and finally at Christ Church, Oxford, where he read
PPE and was fortunate enough to have Sir Roy Harrod and Maurice Scott as his tutors
in economics. He then returned to India and in 1962 joined Great Eastern Shipping, and
was closely involved for the rest of his life in running this dynamic company, first as a
manager, later as joint managing director and finally, from 1992, as deputy chairman.
His major contribution to India’s shipping industry was recognised by his election as
President of the Indian National Shipowners’ Association in 1999.

Business was only one of his many passionate interests. In 1970/71, he spent a
year at Nuffield College, Oxford and was caught up in the intellectual ferment created
by Ian Little, James Mirrlees and Maurice Scott (who had by then migrated to
Nuffield). His love of economics and Oxford was cemented by this experience and
from then on both of these competed with the shipping business as integral parts of his
life. He was made a Visiting Fellow of Nuffield College in 1977 and an Honorary
Fellow in 1998. In the early 1990s, he started an additional career as a regular
columnist for Business Standard, a respected Indian newspaper, and wrote every
fortnight on Indian macroeconomic and financial issues. His last column appeared a
week before his death. His writing was forceful and provocative. Although concerned
with contemporary affairs, it was replete with allusions to literature, history and the
ideas of great economists of the past. Far from being put off, his readers loved his
erudition and he acquired a considerable following.

For academic economists, Mulji was that rare creature, a visitor from the real
world who could speak their language. For policymakers, he was a sounding board for
testing the acceptability of their schemes. Consequently, many eminent theorists as
well as policymakers were his close friends. His world view was a combination of the
microeconomics of Adam Smith and the macroeconomics of Maynard Keynes. In his
policy advice for India, he advocated expansionary fiscal and monetary policies,
floating exchange rates, and capital account convertibility. To the objection that this
was a recipe for inflation he would reply that hidden excess capacity and elastic output
supply would prevent inflation, and in any case some inflation was a price worth paying
for faster growth. Of course, mainstream economists disagreed with his views. But
they continued debating with him because it was instructive and, quite simply, great
fun. As befits someone who loved Oxford, he seemed to specialise in advocating lost
causes. It should be noted, however, that in liberalising the foreign exchange market,
India has gradually moved in the direction he wanted.

There was much more to Mulji’s life than work. He loved good food and wine,
horses, bridge, opera and, in particular, good conversation. He met his wife Rosaleen
Guinness (daughter of Lord Moyne) while they were undergraduates at Oxford, and
relished family life with her and their four children and three grandchildren. The Muljis
were renowned for their hospitality in their elegant houses in Delhi and Ludgershall.
Sudhir radiated warmth and generosity to his many friends. They will miss his life-
enhancing presence.

Vijay Joshi
(The author is a Fellow of Merton College, Oxford)
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 recent years, 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.

Gifts to the Studentship Appeal Fund for the financial year 2004-5 totalling £22,160.65 were received from:

A D Abbot
Dr T A Acton
The Ars Longa Trust
J H Bacon
G S Bain
M Brock
P W Campbell
P D Collinson
A Fletcher
Arthur and Jan Francis
Sir J A Graham
Bryan Guinness Charitable Trust
Hausman Family Charitable Trust
A E Holman
D Lofts
K Kaiser
J H Guy Lord
M M McBriar in memory of Alan McBriar dec’d
A J Odber
M E Paulson (Bruno)
D J Roberts
M F Scott
C Seymour-Ure
Dr and Mrs Simms
S Taylor
E Whybrew
H Woof
Wilmington Trust FSB
G K Wilson
F Gaffney
Gifts to the College for the Civitas Programme for the financial year 2004-5 totalling £37,051.28 were received from:

Ms Lucy Astor
Ms Jemima Khan

The College gratefully acknowledges these gifts, which in total amounted to £59,111.93
THE COLLEGE IN 2004-2005

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, there were in total 90 Fellows of the College (excluding Honorary and Emeritus Fellows), 31 being ‘permanent’ and 59 on fixed-term appointments.

Fellows

Laurence Whitehead, Official Fellow
Kenneth Macdonald, Faculty Fellow
Richard Mayou, Professorial Fellow
Christopher Bliss FBA, Professorial Fellow and Investment Bursar
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, Chair of Sociology Group 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, Adviser to Women Students
Iain McLean, Official Fellow and Investment Bursar
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
Ian Jewitt, Official Fellow
Robert Allen FBA, Professorial Fellow
Christopher Wlezien, Faculty Fellow
Desmond King FBA, Professorial Fellow
Colin Mills, Faculty Fellow
Diego Gambetta, Official Fellow
Peter Hedström, **Official Fellow**
Bent Nielsen, **Faculty Fellow**
Peyton Young, **Professorial Fellow**

**Visiting Fellows**

The Rt Hon Lady Hale, **Law Lord**
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, **Chief Executive, Office for Criminal Justice Reform**
Sir Christopher Bland, **Chairman BT**
Vince Cable, **MP for Twickenham**
Frank Vandenbroucke, **Vice-Minister-President of the Flemish Government**
Len Cook, **National Statistician and Registrar General**
Sir Gus O’Donnell, **Secretary of the Cabinet and Head of the Home Civil Service**
Sir Ian Blair, **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**
Michael Aaronson, **Director General Save the Children Fund**
David Miliband, **Minister of Communities and Local Government, Office of the Deputy Prime Minister**
Alan Rusbridger, **Editor, The Guardian**
Polly Toynbee, **Columnist, The Guardian**
Sir Nicholas Stern, **Second Permanent Secretary, HM Treasury**
Ian Diamond, **Chief Executive, ESRC**
Alan Morgan, **Director, McKinsey & Company, London**
Irwin Stelzer, **Director, Center for Economic Policy, Hudson Institute**

**Emeritus Fellows**

Ian Little FBA
Uwe Kitzinger
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

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
Karma Nabulsi, 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
Sarah Harper, Research Fellow
Michael Colaresi, Research Fellow
Edmund Chattoe, Research Fellow
Luca Nunziata, Research Officer, Modelling NonStationarity in Economic Time Series
Alistair McMillan, British Academy Postdoctoral Research Fellow
Berthold Rittberger, Postdoctoral Prize Research Fellow
Christopher Bowdler, British Academy Postdoctoral Research Fellow
Clive Bowsher, Research Fellow
Yvonne Åberg, Postdoctoral Prize 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 Pekkarinen, Postdoctoral Prize Research Fellow
Pablo Casas-Arce, Research Fellow
Luke Keele, Research Fellow
Christopher Tyson, Postdoctoral Prize Research Fellow
Roland Meeks, British Academy Postdoctoral Research Fellow
Martina Dieckhoff, ESRC Postdoctoral Research Fellow
Hongjun Zhong, ESRC Postdoctoral Research Fellow
Vikki Boliver, Research Fellow
Colin Provost, Postdoctoral Prize Research Fellow
Florin Bilbiie, Postdoctoral Price Research Fellow
Jordi Blanes i Vidal, Postdoctoral Price Research Fellow
Margit Tavits, Postdoctoral Price Research Fellow
Muktij Jain Campion, Guardian Research Fellow
Dmitry Kulikov, Research Fellow
Jochen Prantl, Research Fellow

Associate Members

Robert Andersen
Siem Jan Koopman
Avner Offer
Gavin Cameron
Nanny Wermuth
Richard Johnston
Lauren McLaren
Paul David
Nancy Cartwright
Sophie Duchesne
Jouni Kuha
Mathias Winkel
Richard Rose
Claire Donovan
David Firth
James Stimson
Michael White
Sarah Spencer
Hans Martin Krolzig
David Myatt
David Vines
Domenico Lombardi
Anand Menon
Anthony Murphy
NEW ELECTIONS 2005-2006

JOHN M OLIN VISITING PROFESSORSHIP

George C Edwards III, Texas A&M University

VISITING FELLOWSHIP

Mark Thompson, Director-General, BBC

POSTDOCTORAL PRIZE RESEARCH FELLOWSHIPS

The Postdoctoral Prize Research Fellowships elections attracted a field of 354 candidates. The following were elected to PPRFs:

Elisabeth Ivarsflaten, (Unequal Parties: An Explanation for the Rise of the Populist Right in Western Europe), Student

Adrienne Le Bas, (Polarization and Party Development: Capturing Constituencies in Democratizing Africa), Columbia

Meredith Rolfe, (A Social Theory of Voting Turnout), Chicago

Bruno Strulovici, (Essays in Mathematical Economics and Finance), Stanford

NON-STIPENDIARY RESEARCH FELLOWSHIPS

Scott Blinder, Chicago

Sharon Belenzon, LSE

Sara Binzer-Hobolt, Cambridge

Rafael Hortale Vallve, British Academy Postdoctoral Fellowship, LSE

Mark Pickup, University of British Columbia

Maria Sobolewska, ESRC Postdoctoral Fellowship, Student

ASSOCIATE MEMBERSHIPS

Christopher J Anderson, Professor of Political Science, Syracuse University

Michael Biggs, Lecturer, Queen’s University Belfast

Gunn E Birkelund, Professor, Department of Sociology, University of Oslo
COLLEGE OFFICERS 2004-2005

Warden
Senior Tutor
Investment Bursars
Bursar
Dean
Fellow Librarian
Librarian
Technical Services Fellow
Information Systems Manager
Keeper of the College Gardens
Junior Dean
Adviser to Women Students
Dean of Degrees
Deputy Dean of Degrees
Chaplain
Chairman of Economics Group
Chairman of Politics Group
Chairman of Sociology Group
Chairman of Senior Common Room

Sir Tony Atkinson
G Evans
I McLean/C Bliss
G Hughes
R Fitzpatrick
D Gallie
E Martin
N Shephard
R Gascoigne
A Heath
N Letki
L Carpenter
M Kayser
N Letki
M Yee
J Muellbauer
A Stone Sweet (L Whitehead for MT04 + HT05)
D Gallie and P Hedström (deputy)

COLLEGE COMMITTEES, 2004-05

Strategy and Resources Committee

The Warden
G Hughes
G Evans
D Gallie
J Muellbauer
A Stone Sweet
I McLean
C Bliss
P Hedström
T. Kittsteiner
R Ritz
J Crump
Chair
Bursar
Senior Tutor
Chair, Sociology Group
Chair, Economics Group
Chair, Politics Group (L Whitehead for MT04 + HT05)
Investment Bursar
Investment Bursar
Research Fellow
Student
In attendance
Administrative Officer - Minutes

Personnel and Domestic Committee

The Warden
G Hughes
Chair
Bursar
tbc  Chair, SCR and Chair of Food Committee
A Heath  Keeper of the College Gardens
R Mayou  Chair, Art Committee
L Stannard  Human Resources Manager
K Taylor  Co-Chair of Staff Council
L Carpenter
D King
N Shephard
M Jackson  Research Fellow
A Pasternak  Student

In attendance
J Crump  Administrative Officer - Minutes

Staff Council
K Taylor  Joint Chair
G Hughes  Joint Chair
The Warden
A Hurrell
G Gardener
S Matheson
R Oakey
C McNeill  Minutes
B Safka
G Skidmore
M Tavits  Research Fellow

In attendance
L Stannard  Human Resources Manager

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

Investment Committee
The Warden  Chair
I McLean  Investment Bursar
C Bliss  Investment Bursar
G Hughes  Bursar
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
D Miller
K Macdonald
F Gonzalez  Postdoctoral Research Fellow
J Giese  Student
In attendance
K Taylor  Minutes

Technical Services Committee

N Shephard  Technical Services Fellow  Chair
R Gascoigne  Information Systems Manager
The Warden
G Hughes  Bursar
E Martin  Librarian
R Fitzpatrick
B Nielsen
C Wlezien
R Grafe  Research Fellow
H Hesse  Student
STUDENTS

At the start of the academic year 2004-2005, there were 72 students in College. There were 27 men and 45 women. 22 were from the UK, 25 from other EU countries, and 25 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>
</tr>
</thead>
<tbody>
<tr>
<td>MLitt/Prob Res/DPhil</td>
<td>14</td>
<td>15</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>MPhil</td>
<td>8</td>
<td>7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MSc</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>5</td>
</tr>
</tbody>
</table>

Visitors

For the academic year 2005-06, 34 student places were offered. In the event, 24 student places were taken up (including 2 deferred to 2006-07), 13 by men and 11 by women. 4 of the new students are from the UK, 7 from other EU countries, and 13 from elsewhere. The distribution by Group is Economics 9, Politics 8, Sociology 6 and Interdisciplinary 1. 8 current students completed either an MSc or M Phil and 5 will stay on to pursue a D Phil.

NEW STUDENTS 2004/2005

Rachel Aicher MPhil IR
Ian Carroll MPhil Politics
Christine Cheng PRS Politics
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:**

Donna Chung (P)  

Lynn Cooke (S)  
The Family Game: Policy, the Division of Labor, and Family Outcomes in Germany and the US

Vanessa Gash (S)  
Flexible Labour Markets: Qualities of Employment, Equalities of Outcome

David Gill (E)  
Essays in Political Economy and Industrial Economics

Patti Lenard (P) Trust, Democracy, and Diversity

Elvin Lim (P) Rhetoric and the American Presidency: Pandering and Leadership in a Rhetorical Republic

Domenico Lombardi (E) Modelling Business Investment: Essays on Uncertainty, Heterogeneity and Aggregation

Terry MacDonald (P) ‘We the Peoples’: NGOs and Democratic Representation in Global Politics

John Manton (S) The Roman Catholic Mission and Leprosy Control in Colonial Ogoja Province, Nigeria, 1936-1960

Margaret McCown (P) Drafting a Constitution Case by Case: Precedent and the Judicial Integration of the European Union

Kate Meagher (S) Identity Economics: Informal Manufacturing and Social Networks in South-Eastern Nigeria

Roland Meeks (E) Essays on Credit and Macroeconomics


Kathryn Nwajiaku (P) Oil Politics and Identity Transformation in Nigeria: The Case of the Ijaw of the Niger Delta

Rebecca Stone (E) Essays in Behavioural Economics

In the University examinations the following were successful:

**MPhil Economics**

Julia Giese Level, slope, curvature: characterising the yield curve

Heiko Hesse The Monetary Transmission Mechanism in Thailand: A Cointegrated VAR Approach

Paul Vronsky Lobbying, Contingent Fees, and Information Transmission: An Economic Analysis

**MPhil International Relations**

Calum Miller Imperfect Delegation in International Organisations: The IMF and the Turkish Financial Crisis 1998-2002
**MPhil Politics**

Julia Labeta  
Opting out yet Anchored in: The Dynamics of Differentiated Integration in the EU

Emre Ozcan  
Rethinking ‘We, the People’: Constitutional Patriotism, Social Unity and Democracy

Julia Skorupska  
Liberal Alternatives

**MSc Sociology**

Laurence Lessard-Phillips  
An Examination of the Educational Attainments of Second Generation Immigrants in the United Kingdom

**APPOINTMENT OF LEAVING/GRADUATING STUDENTS**

Tessa Bold was appointed to a Postdoctoral Research Fellowship at New College, Oxford.

Padraig Dixon secured a post with Deloitte.

Vanessa Gash was appointed to a Postdoctoral Research Fellowship at the Max Planck Institute for Human Development, Berlin.

Jeremy Large was elected to a Postdoctoral Fellowship at All Souls College, Oxford.

Rebecca Stone was appointed to a Postdoctoral Research Fellowship in ELSE, Department of Economics, University College London.

Alison Smith was elected to an ESRC Postdoctoral Research Fellowship to be held at the Department of Sociology.

Maria Sobolewska was elected to an ESRC Postdoctoral Research Fellowship to be held at Nuffield College.

**VISITORS**

Andrew Abbott, University of Chicago. Sponsor: Duncan Gallie.
Federica Busillo, University of Salerno. Sponsor: Christopher Bliss. (Jemolo Fellow)
Francesca Cappiello, Ministry of Economy and Finance, Rome. Sponsor: Meg Meyer. (Jemolo Fellow)
Andreas Diekmann, Swiss Federal Institute of Technology. Sponsor: Diego Gambetta.
Anica Dragovik, Institute for Sociological, Political and Juridical Research, Skopje. Sponsor: Edmund Chattoe. (East European Visitor)
Mathew Humphrey, University of Nottingham. Sponsor: David Miller.
Marek Kaminski, University of California, Irvine. Sponsor: Diego Gambetta.
(Jemolo Visitor)
Gerry Mackie, University of Notre Dame. Sponsor: Iain McLean.
Zorica Mladenovic, University of Belgrade. Sponsor: Bent Nielsen. (East European Visitor)
Antanas Mockus, Harvard University. Sponsor: Tony Atkinson.
Tymofiy Mylovanov, University of Bonn. Sponsor: Thomas Kittsteiner.
Anders Rahbek, University of Copenhagen. Sponsor: David Hendry.
Ann Scott, University of Queensland. Sponsor: David Butler.
Roger Scott, University of Queensland. Sponsor: David Butler.
Martin Shapiro, University of California, Berkeley. Sponsor: Alec Stone Sweet.
Yossi Shavit, Tel Aviv University. Sponsor: Richard Breen.
Zoltán Szente, Eötvös Loránd University, Budapest. Sponsor: Alec Stone Sweet.
Isabel Trujillo, University of Palermo. Sponsor: David Miller.
(Jemolo Visitor)
Herman van de Werfhorst, University of Amsterdam. Sponsor: Richard Breen.

CONFERENCES IN COLLEGE

Michaelmas Term

History, the Environment and Economic Growth
(Bob Allen and John Darwin)

Hilary Term

Culture and Law Enforcement
(Antanas Mockus)

Social Welfare and Collective Decisions
(Marc Fleurbaey, Tony Atkinson and Kevin Roberts)

Trinity Term

Graduate Student Workshop in Economic History
(Bob Allen)

The Constitutionalisation of the European Union
(Berthold Rittberger)

National Youth Orchestra of Great Britain
(Alan Rusbridger)
Econometrics Summer School
(Bent Nielsen)

Conference in Memory of John Flemming, Wadham College and Nuffield College
(Colin Mayer and Oren Sussman)

SEMINARS IN COLLEGE

Stated Meeting Seminars

November: Globalisation and the State
Martin Wolf, Associate Editor of the Financial Times and Visiting Fellow

March: Social Justice: What Next?
David Miller, Professor of Political Theory and Official Fellow

June: Public service broadcasting: Does it exist, and how should it be funded?
Sir Christopher Bland, Chairman of British Telecom and Visiting Fellow

Seminars in College

Economic Theory and Econometrics Michaelmas, Hilary and Trinity Terms
(Meg Meyer and Bent Nielsen)

Nuffield Political Science Seminars Michaelmas, Hilary and Trinity Terms
(Geoff Evans and Chris Wlezien)

Graduate Workshop in Political Science Michaelmas, Hilary and Trinity Terms
(Victor Lapuente)

Sociology Seminar Michaelmas, Hilary and Trinity Terms
(Sandra Gonzalez Bailon and Eline de Rooij)

Graduate Workshop in Economic and Social History Michaelmas, Hilary and Trinity Terms
(Tommy E Murphy)

Oxford Intelligence Programme Hilary and Trinity Terms
(Michael Herman and Gwilym Hughes)

Media Seminar Series Michaelmas and Trinity Terms
(David Butler and Paddy Coulter)

British General Election 2005 Hilary Term
(David Butler and Chris Ballinger)

Las elecciones del 2006 y el futuro político de México Hilary Term
(Laurence Whitehead)
BURSAR’S REPORT

The extent of the financial information now routinely included in this Report has been widely welcomed. In addition I reported last year the completion of a series of infrastructure projects which have enhanced the College’s position as an attractive place in which to conduct study and research. Unfortunately an idea seems to have gained currency that problems were encountered with one of these projects of a nature more normally associated with public sector contracts such as the new Scottish Parliament building – in other words overdue and over budget! This is a pity because, as I reported in the Annual Report of 2001-2002, the major Kitchen and East Wing refurbishment was completed on time in April 2002. The actual cost was £1,501,000 some £17,000 within the approved budget. We are very happy with the first class conditions that are now enjoyed by staff as well as ‘customers’ and it is with the intention of maintaining these standards that forward maintenance plans are currently being drawn up.

Closing fund balances of £118.8 million were £11.5 million more than the previous period. This was entirely the result of appreciation of investment assets since the operating deficit for the year increased to £246,000. More details are provided in the consolidated balance sheet which is included in this report. The accounting income of the College increased by 4.8% to £5.9 million whereas the increase of 1.5% in expenditure to £6.2 million was well below inflation. Indeed, gross pay and operating expenses decreased slightly but were unfortunately negated by increases in social security and pension costs.

The increase in the College Contribution Fund to £408,000 from £357,000 was due to an increase in the marginal tax rate to 15%. The calculation of the Contribution is recognised as being unfair to colleges which are more dependent on endowment income. The Council of the University has therefore agreed to change the way this liability is calculated from 2004/05 until the current scheme ends in 2008, so that the total available for redistribution remains constant but the burden will be more widely spread between colleges. This should reduce the cost to Nuffield College by around 25%.

Endowment investments continued to recover from the lows of 2003. There was little change in the composition of the portfolio, the main assets being held in property (41%) and equities (47%) with the remainder allocated to bonds and cash.

Governing Body has approved the following statement of practice in respect of socially responsible investing:

‘Nuffield College seeks to invest in companies that will successfully develop their businesses financially in the interests of their shareholders. It is common sense that good companies will normally be ones which demonstrate responsible employment and best corporate government practice, are conscientious with regard to environmental performance and human rights and act with sensitivity to the communities in which they operate. The use of ‘positive’ ethical criteria is thereby incorporated within our policy on socially responsible investment.’
**NUFFIELD COLLEGE**  
**CONSOLIDATED BALANCE SHEETS AT 31 JULY 2004**  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>6,974</td>
<td>6,246</td>
</tr>
<tr>
<td>Investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,974</strong></td>
<td><strong>6,246</strong></td>
</tr>
<tr>
<td><strong>Endowment asset investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities and Cash Deposits</td>
<td>66,527</td>
<td>59,923</td>
</tr>
<tr>
<td>Land and property</td>
<td>45,901</td>
<td>41,096</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112,428</strong></td>
<td><strong>101,019</strong></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>112</td>
<td>85</td>
</tr>
<tr>
<td>Debtors</td>
<td>275</td>
<td>287</td>
</tr>
<tr>
<td>Short term investments</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>254</td>
<td>782</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>649</strong></td>
<td><strong>1,163</strong></td>
</tr>
<tr>
<td><strong>Creditors:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>-1,202</td>
<td>-1,030</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td><strong>118,848</strong></td>
<td><strong>107,399</strong></td>
</tr>
<tr>
<td>Creditors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due after more than one year</td>
<td>-12</td>
<td>-27</td>
</tr>
<tr>
<td>Provision for liabilities and charges</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>118,836</strong></td>
<td><strong>107,371</strong></td>
</tr>
<tr>
<td>Deferred capital</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Endowments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific</td>
<td>14,806</td>
<td>13,495</td>
</tr>
<tr>
<td>General</td>
<td>97,622</td>
<td>87,524</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112,428</strong></td>
<td><strong>101,019</strong></td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated reserves</td>
<td>128</td>
<td>1,776</td>
</tr>
<tr>
<td>General reserves</td>
<td>6,280</td>
<td>4,576</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,408</strong></td>
<td><strong>6,352</strong></td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td><strong>118,836</strong></td>
<td><strong>107,371</strong></td>
</tr>
</tbody>
</table>
Staff

The following members of staff retired during the year:

Michaelena Bisson (Buttery Assistant from 21 January 1991 to 4 February 2005)
Sandra Morris (Joint Keeper of Nuffield Place from 1 April 1980 to 26 April 2005)
Tony Morris (Joint Keeper of Nuffield Place from 31 March 1964 to 26 April 2005)
David Newman (Lodge Supervisor from 2 January 2001 to 22 July 2005)
Hazel Parsons (Domestic Assistant from 1 May 2000 to 11 March 2005)
John Grundy (Lodge Porter from 29 July 2002 to 30 September 2005)
Anthony Fillis (Lodge Porter from 2 August 1999 to 28 December 2004)
Don Richings (Lodge Porter from 3 April 2002 to 18 February 2005)

The following left the College:

Diego Cornaviera (Pastry Chef)
Bridget Ducker (Domestic Assistant)
Otared Haidar (Project Administrator, Civitas)
David Hinkin (Domestic Assistant)
Lauren Hoeblyn (Buttery Assistant)
Jane Macalister (Personnel Assistant)
Claire Moran (Buttery Assistant)
Ligiam Stefanos (Chef de Partie)

The following joined the staff:

Renata Aguiar (Domestic Assistant)
Agnese Canto (Buttery Assistant)
Jesus Cano Tocino (Buttery Assistant)
Brian Clare (Chef de Partie)
Anna Colgan (Human Resources Assistant)
Russell Dunn (Lodge Porter)
Otared Haidar (Project Administrator, Civitas)
David Hinkin (Domestic Assistant)
Marina Makarova (Finance Assistant)
Rabie Masri (Project Officer, Civitas)
Robert Nex (Lodge Porter)

LIBRARY

The Library has had a steady year, maintaining its core activities while still seeking ways to improve services to our readers. For example, monthly book approvals lists to Fellows, the basis of our selection and purchasing policy, have been enhanced by adding links to publishers’ and Amazon websites so that Fellows can find out more about our new books without having to come into the library in person, or having their email in-boxes extended greatly.

The Fellow Librarian gave a well-received report on library developments to the Governing Body Stated Meeting in March which outlined the central role the Library
plays in the academic life of the College and identified the challenges facing it in the future. He also discussed the rapidly-changing library scene in Oxford.

We held a missing book amnesty in March and posted up details of our missing books on each of the library floors. While it did not produce much by way of results in returned missing books, it was a useful exercise in raising awareness of the problem, which I am pleased to say is far less significant than in many other Oxford libraries.

The retro cataloguing project continues steadily on several fronts: government publications, pre-1980 periodicals, pamphlets and special collections. We also undertook to re-barcode some of our collection in order to eliminate duplicate numbers, in preparation for the new Library Management System (of which more below). The benefits of having most of our collection on OLIS becomes particularly evident, for example, when we are checking batches of donations, and when other libraries request some of our more obscure items on Inter-Library Loan. It is still very gratifying for us to be able to fulfil Ranganathan’s second and third laws of Library Science in this electronic age: ‘Every reader his or her book; Every book its reader.’

We started up a new service in the Spring called ‘The Book Exchange’ for all members of College. This is the provision within the library of an informal central point for recreational reading e.g. fiction, humour, biography. Readers are encouraged to bring/swap/take/redistribute and donate money and the scheme is proving very popular. All financial proceeds (plus unwanted items) will go to Oxfam.

The annual pantomime is a traditional baptism by fire and bonding process for the new students. This year, we were happy to make their lives just a little easier by making previous years’ scripts available on a new library webpage complete with a picture of the (in)famous Nuffield horse, and sound effects (http://www.nuff.ox.ac.uk/library/collonly/pantomime/pantopage.asp) but available from within College only). The scripts read very well, though the webpage obviously cannot reproduce the full raw, raucous feel of the live performance! We also keep copies in the College archives.

We continue to be grateful for the numerous donations received in the Library from College members past and present, and from external sources. Of particular note this year was a significant and extensive collection on statistics from Sir David Cox, a major collection on corporate governance from Bob Tricker, plus many items from the Warden, Chelly Halsey and Richard Rose.

We registered 365 new readers during the year, and an additional 125 visitors were admitted to consult items held only at Nuffield, including 19 Archives readers. At the end of the year, we had 331 active borrowers, who had borrowed a total of 7993 items during the course of the year. We bought 636 new monographs for the main collections, and a further 21 for the popular Taught-Course reading list reference collection. The number of active periodicals subscriptions is 887, and we registered 7002 separate periodical parts during the year.

In the Data Library, the Data Services Officer produced two major compilations of UK data over time: 40 quarters of the Labour Force Survey and 30 years of the General Household Survey. These will be widely used by researchers here, and will be made available to the wider community. She has advised ONS and the Economic and Social Data Service who are preparing similar compilations. Data Library holdings have continued to expand this year, with about 30 additions, and all of the major series of survey datasets have been updated with new editions. These include the British and European Household Panel Studies, and all the UK government surveys from ONS and other providers. Demand for use of the data service remained steady this year, with 128 uses; 54 were members of College, and
those who are outside mostly have a College connection, such as a supervisor or colleague. The service includes negotiating licensing and access arrangements, maintenance of the data holdings, assistance with data searches, downloads and transfers, and the management of complex datasets.

This year was a very stable one in staffing terms. Mark Summers was the Graduate Trainee for the year, otherwise there were no changes, although Kirsty Arnell changed her name on marriage to Taylor. We were sad to record the deaths this year of two long-serving ex-members of Library staff: Eleanor Vallis in December and Pam Coe in January. All staff continued to further their professional development (and maintain a significant profile in Oxford library circles) with a wide variety of external committee work as well as training courses and visits. The Librarian made useful contacts and gained ideas on visits to the House of Commons Library and the British Library of Political and Economic Science at LSE. The Data Services Officer was a member of the Programme Committee for this year’s IASSIST (International Association for Social Science Information Service and Technology) conference in Edinburgh. Four members of staff – Gill Skidmore, Tessa Richards, Tula Miller and Kirsty Taylor – made significant and notable contributions to working parties during the thorough and protracted selection process for the successor system to OLIS. A system called Virtua by VTLS has been selected and will be implemented during the summer of 2006, which will necessitate much hard work and training during the coming year behind the scenes before it is finally unleashed on Oxford’s library users.

EQUALSOC – European Network of Excellence

A significant event in the academic year was Nuffield’s active participation in drawing up a successful bid for one of the European Union’s prized grants, under the 6th Framework Programme, to establish a European Network of Excellence. The network, which will link the College with twelve other European research centres, is designed to bring together expertise and stimulate research on the theme of Economic Change, Quality of Life and Social Cohesion. It is an interdisciplinary project, involving researchers in economics, social policy, sociology and political science.

It will be organised around six main research groups, focusing upon:

- Employment and the Labour Market
- Income Distribution, Consumption and Income Mobility
- Education and Social Mobility
- Family and Social Networks
- Cultural and Social Differentiation: Ethnicity, Urban Inequalities and Life-Style Differentiation
- Trust, Associability and Legitimacy

The research of the network will make a major contribution in integrating and developing the evidence base available to policy makers. The issue of social cohesion will undoubtedly be one of the core issues that the European Union will have to confront in the coming decade. It is essential to develop our knowledge of the conditions that lead to mutually reinforcing policies with respect to economic growth, employment and social welfare. The network will have direct relevance to the policy concerns of modernising the European social model, investing in people and combating social exclusion, within a broader policy agenda of ‘quality’ as the driving force for a thriving economy, higher levels of employment, better quality jobs and an inclusive society. It will contribute to a better understanding of the factors relating to
work and the family that may underlie low fertility. Its work will also provide a critical assessment of the value, limitations and possibilities for modification of social indicators used by both the EU and the member states and enhance the use of already collected information stored in data archives in several member countries.

A central aim of the network is to provide an infrastructure for training the rising generation of young researchers in the skills of comparative research. The network will run a summer school and dedicated methods workshops (organised by the Department of Sociology and the Centre for Research Methods in the Social Sciences at Oxford). The research meetings of the network will bring together permanent academic staff, post-doctoral fellows and doctoral students from each country. There will be an active programme of visits between centres for both established researchers and doctoral students. The network then will enable our research students to become much more familiar with research in other countries and it should make an important contribution to opening up career opportunities within a wider European labour market.

The other research centres involved in the Network are:
AIAS-SCHOLAR, Amsterdam, Netherlands
Centre for Social Policy (CSB), Antwerp
CNRS, Paris, France
ESRI, Dublin, Ireland
MZES, Mannheim, Germany
Swedish Institute for Social Research, Stockholm, Sweden
Unimib, Universita degli Studi di Milano, Italy
University of Pompeu Fabra, Barcelona, Spain
University of Tartu, Estonia
University of Torino, Italy
University of Trento, Italy
WZB, Berlin, Germany

The overall co-ordinator of the Network is Professor Robert Erikson, Swedish Institute of Social Research (who is an Honorary Fellow of Nuffield College). Nuffield College has been asked to set up and maintain the website for the Network, which will the pivot for its internal communications. For further information, consult: http://www.equalsoc.org/.

_Duncan Gallie_

**JCR REPORT**

Another year at Nuffield began with a multinational infusion of fresh blood, delivered to our doorsteps at the beginning of October. As usual the college veterans, exhausted by long summer months starved of gossip, seized upon this social opportunity by throwing a series of wild parties. Still clutching the welcome packs dished out by President Sonia Exley, the freshers were ushered through a whirlwind of activities coordinated by the enterprising Anglo-German Partnership of social secretaries Tessa Bold and Rob Ford

Festivities began with the traditional student raid on the college’s wine cellars, thinly veiled as a ‘wine tasting’. Nuffield’s own Morecambe and Wise: suave vinophile Butler Daniel Lawson and shambolic lager fan Rob Ford, hosted an event featuring lewd puns, pond-swimming, light sabres and, er, a lot of wines. Sore and spinning heads had little time to recover their bearings before being hauled into the JCR once
more for the annual college art auction, hosted by Nic ‘Maurice Saatchi’ Cheeseman. The good, the bad, and the downright hideous were all pretentiously marketed, and effectively flogged at vastly inflated prices to the naïve student audience. Mr Cheeseman was last seen boarding a midnight flight to a dubious African nation with a large suitcase of Art Rep cash. After a week of indulgent haute couture, it was time for a move downmarket with a trip to the dog track, followed by a return to the same venue (sans greyhounds) for the annual Go Karting ‘Grand Prix de Nuffield’. Never happy to be elbowed out of the limelight by grape lovers, Bar Manager Emeritus Jamie Sergeant organised his own successful beer tasting evening, showcasing a range of international brews as fine as anything Daniel stows in the wine cellar. As Homer Simpson observed, ‘Here’s to beer. The cause of, and solution to, all life’s problems’.

Talk of Homer brings us nicely on to the annual Pantomime, which this year featured a plot raided from Homer past, imparted by Homer present. New prize research fellow Colin Provost was a star turn as yellow skinned narrator Homer of Springfield, unfolding the classic tale of love, conflict and regressions: ‘the Nufiliad’. Classical Greek epic was effortlessly translated into English Christmas farce, with memorable performances from Sandra Gonzalez-Baillon as the goatee sporting Paris Rittberger, Laurence Lessard-Phillips as the muscular Achilles of Ozcan and Nathaniel Frank as the sage Paulus Klemperus. New singing and dance acts worthy of ‘Pop Idol’ were also on display: an accomplished pole dance by Fabian Eser which left many wondering what he did with his time before coming to Nuffield, as well as an unforgettable rendition of R Kelly’s ‘I Believe I Can Fly’ from Matthias Ederer which may have surpassed even his elder brother Florian’s legendary Karaoke night performances.

Hilary Term saw many changes in the corridors of student power. While the Westminster rumour mills rattled with talk of a Scottish succession, Nuffield’s students elected to move in the opposite direction, with Edinburgh-bred executive Sonia Exley replaced in the Presidential hot seat by Surrey’s finest Rob Ford. Over in the Treasury, a reign as lengthy and illustrious as Mr Brown’s came to an end, as Alberto Behar decided to move his focus from JCR revenues to the finances of his native South Africa. Entertainment duties were handed over to an impressive Dutch-German alliance of Caroline Fehl and Eline de Rooij, while the tradition of statistician-bar managers was continued (after a brief interruption) as Ruth ‘Su Doku’ Keogh inherited the crown of Messrs Sergeant and Spirling.

The new social secretaries set about their task with aplomb, seeking to bring a touch of continental sophistication to the Nuffield social calendar. Regular thespian outings were organised by the two enlightened young ladies, with trips to plays such as *Talking to Terrorists* and *Accidental Death of an Anarchist*, as well as concerts such as *Carmina Burana* and *Peter and the Wolf*. The enterprising duo also managed to tempt Nuffield’s students out of Oxford altogether, with a trip to Salisbury and Stonehenge, organised with assistance from Jane Green. Amid all this cultural activity, the regular college events also continued, from the ritual embarrassment of the Karaoke night to the regular bar parties. Many thanks to Caroline and Eline, whose hard work ensured Nuffield’s students always had plenty to do, when tempted away from the libraries.

Moving now onto sport, Nuffield continued to punch above its weight, fielding competitive teams in virtually every University sport available. After an impressive debut in Trinity 2004 Cuppers, the newly founded Nuffield Ducks faced their first full season in college basketball with expectations high. The team began the College League with confidence and remained unbeaten throughout Michaelmas 2004. The departure of team founder (and spiritual leader) Berthold Rittberger weakened the team,
but with boldness the Ducks managed to bounce back, reaching the third position in a very tough first division of the League. Trinity 2005 Cuppers witnessed an uneven performance from the Ducks, who could not make it to the top, but there is no doubt that the team 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 third year of JCR cricket, the Nuffield team had to cope with a college selection policy that is decidedly anti-Commonwealth and increasingly anti-male. The team once again showed its ability to use talent from unlikely sources like Norway and Turkey. Boosted by talented members of the buttery, we managed to outwit and occasionally outplay the undergraduate youngsters from other colleges, finishing in the middle of the table. All team members consider themselves most fortunate to have the opportunity to play on wickets and grounds worthy of professional cricketers as well as the South Lawn of Blenheim Palace. Playing against Social Science rivals St Antony’s for the famed ashray, we lost a nailbiter by a handful of runs in a game that proved to be a prophetic curtain raiser for the thrilling Ashes series between Australia and England. As desperate as England were to reclaim the Ashes, so too are Nuffield to reclaim the Ashtray from St Antony’s next year.

The Nuffield Lions’ 2004-2005 season started off with two consecutive games against Balliol College, the first one being a friendly match which the Nuffield Lions won 3-2 thanks to a first half hat trick from Heiko. The second Balliol battle ended with an unlucky draw, unlucky not only because Balliol was awarded a penalty out of thin air to equalise last minute, but also because as it saw star-player Heiko limping off the pitch with a knee injury and thus starting a series of injuries that would severely weaken the Lions throughout the season. A painful 4-0 loss to Worcester in which Captain Jamie Sergeant incurred his injury that would see him sidelined for the rest of the season finally woke up Nuffield’s offensive players who crushed a weak Merton/Hertford defence in a convincing 5-0 victory the following Saturday. Another offensive firework was to be seen the following Saturdays when Christ Church and Pembroke were beaten 5-1 and 7-3 respectively. Pembroke however must have mixed up rugby and football players that day. Unnecessary fouls lead to further injuries and most significantly to Colin Jennings’ broken foot which overshadowed Nuffield’s victory. Despite a strong performance the Lions lost to Exeter and Osler the following weekends and thus finished in the mid table region of the MCR supplementary league.

The Cuppers tournament, which started off with a group phase in term 2, showed the high level of Nuffield’s football team. After a draw against Mansfield and a win over Christ Church, only the goal difference prevented the Lions from qualifying for the quarter finals as they came second behind St John’s who subsequently reached the final.

The tradition of widespread participation in the Teddy Hall Relays by members of Nuffield continued this year, with wide participation from the college in what has been described as ‘Europe’s largest midweek relay event’. 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.

A Phoenix-like remergence from the ashes of its previous glories saw Nuffield return to competitive tennis in 2005 for the first time in a number of seasons. And the results were more worthy of a Mini Adventure than a Rover Collapse. Boasting an international array of players, the Nuffield squad’s experience was built on hard and clay courts. By the end of the summer term, all had been converted to the particular
pleasure of playing on pristine grass courts at the idyllic Worcester sports fields. Playing in the graduate league of the inter-college competition, Nuffield triumphed over Linacre, Harris Manchester and Wolfson. Against the undergraduate colleges granted wild-card entry to the veterans’ league, the results were more balanced: a walkover against St Peter’s but a defeat to St Hugh’s. The Nuffield team ended the season runners up to St Hugh’s: a fine return to the inter-collegiate stage.

And so that more or less wraps up the year. The annual Nuffield leaving students’ dinner, where the college congratulates those who have somehow survived to the end of their courses, and bids farewell to the inevitable exodus across the Atlantic, was held in June. Jenny Haydock gave an entertaining and affectionate send-off to all those students who, like her, leave us this year. Many are not going far: the large numbers moving into the continuing students’ office may reflect the cumulative successes of past social secretaries, the growing competitiveness of the postgraduate job market, or maybe a reluctance to leave these cosy Cotswold surroundings – especially when the JCR has just invested in a new home cinema system.

NUFFIELD WOMEN’S GROUP

At the beginning of the year Lucy Carpenter, one of the college’s two female fellows and advisor to women’s students, held an evening to welcome the new students.

Thanks to the college another dinner to celebrate International Women’s Day was held in Hilary Term, arranged by Lucy Carpenter and Louise Laxton. Not only was this a rare opportunity for the women students and fellows of Nuffield to meet as an academic community, but also a lovely time was had by all. The chocolates and champagne were much appreciated. The evening was attended by Judith Atkinson as a special guest and speeches were given by Lucy Carpenter and Louise Laxton.

Anna Dimitrijevics took over as women’s officer at the end of the Easter term 2005. More freshers’ events and talks to welcome the new intake of women students are planned for Michaelmas term. It is hoped that the role of the women’s officer can be brought greater definition with the help of the female students.
INDIVIDUAL REPORTS

THE WARDEN

Tony Atkinson (Warden). Clearing both my College office and my study at 39 Park Town, I have been sorting unfinished research into differently coloured box files. Unfortunately, the range of colours available from Oxford’s stationers is not sufficient for the number of different projects that remain incomplete. This includes some of those described in earlier Annual Reports, such as the Top Incomes project, conducted jointly with Thomas Piketty. It includes my projected book on Global Public Economics.

In part, the large number of incomplete projects is due to much of my research time this year being devoted to two official reports. As reported last year, I was asked by the Office for National Statistics (ONS) to review the measurement of government output and productivity in the national accounts. This proved to be a subject of considerable public interest and to raise some challenging welfare-economic questions. As a number of countries have found, use of purely demographic indicators for the output of education (say) suggests that productivity is falling, but these indicators appear to be missing a significant part of the story. The Final Report of the Review was published in January 2005. A number of the recommendations have already been accepted and implemented. The ONS has decided, in the light of the Review, to create a UK Centre for the Measurement of Government Activity.

As part of the Luxembourg Presidency of the European Union, I was asked, together with Bea Cantillon, Eric Marlier and Brian Nolan, to prepare a Report on ‘Taking Forward the EU Social Inclusion Process’. The Report had to take account of the changed status of the Inclusion Process following the decision by the EU to give priority to employment and growth. It considered the evidence about poverty and social exclusion now available on a comparable basis about the 25 Member States, and the impact of Enlargement. It made proposals for a common framework for policy analysis, and for further development of the EU common social indicators. The Report described how the Process can be streamlined and made more effective. The Report formed the basis for a Scientific Conference organised by the Luxembourg Presidency in June 2005.

These reports now finished, I hope that my period as a Research Fellow, which I am going to spend partly in the Hague, Rome and Paris before returning to the College, will allow me to reduce my box file system to primary colours!

Publications


**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 coworkers 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 World Congress of the International Institute of Sociology, and at a multi-disciplinary Stata User Group Meeting. She has submitted one article to a leading journal and she has been revising another one. She has been working with Peter Hedström on empirically calibrated simulation models of interaction based social-multiplier effects in unemployment. The first paper from that project will be published later this autumn. She has also devoted a great deal of time to the assemblage of data and the construction of a large database on the entire Stockholm population during the 1990s. The database contains detailed longitudinal individual-level information on the social, economic, and demographic situation of more than 1.5 million individuals, and it will be the base for her research over the next few years.

**Robert Allen** (Professorial Fellow). I have worked in two main areas during the past year. One has been the measurement of wages and prices in Asia and their comparison with Europe. In previous work, I have developed databases of wages and prices between the middle ages and the nineteenth century for many European cities. I have used this information to study changes in living standards, and it is also essential for measuring market integration. In recent years, the ‘great divergence’ – that is when and why Europe pulled ahead of Asia and the rest of the world – has become a central question in economic history. A quantitative approach to this question requires Asian prices and wages that can be compared to those in Europe. With scholars in other countries and students at Nuffield College, I have been developing databases of Asian wages and prices from 1595 to 1920 that can be compared with each other and with Europe to measuring the timing and explore the causes of the great divergence. I am engaged in writing one paper on China and Japan and another on India aimed at using this information to charting changes in living standards across Eurasia in the pre-industrial period.

Comparing prices in different cities in the seventeenth and eighteenth centuries requires that the relevant systems of weights and measured be translated into metric units. It is not easy to find this information. Tommy Murphy and I have created a computer database of pre-metric conversion factors for all regions of the earth. A first
version of this research instrument has been completed. Many improvements are anticipated. This is being put on the web for the use of scholars and the public.

I have continued research on invention during the industrial revolution. I plan to write a book relating the industrial revolution to the history of wages and prices, and in that way, to reposition British economic history in a global context.


**Publications**


**Research Instrument**

(with Tommy Murphy) ‘Just before the Metre, the Gram, the Litre: Building a Rosetta stone of Weights and Measures in the Early Modern World’, 2005 at http://www.nuff.ox.ac.uk/users/murphy/measures/before_metre.htm

Florin Bilbiie (Postdoctoral Prize Research Fellow). I have continued to work on the papers included in my PhD thesis dealing with the implications of limited asset market participation for monetary and fiscal policy, business cycles and the propagation of shocks in a dynamic general equilibrium framework.

I have started a new large research project together with Fabio Ghironi (Boston College) and Marc Melitz (Harvard). In a series of papers, we study the implications of firm dynamics (entry and exit) and heterogeneity for business cycles, welfare, monetary and fiscal policy and asset pricing.

I have also started two more empirical projects. In the first, together with Roland Straub (IMF), we are using Bayesian estimation techniques to assess the change(s) in asset market participation and in the way monetary policy was conducted in the US, in a dynamic stochastic general equilibrium model. In the second, together with Andre Meier (IMF) and Gernot Mueller (Goethe University Frankfurt), we use minimum distance estimation of a dynamic stochastic general equilibrium model to assess the factors beyond the change in the effects and transmission of government spending shocks over time in the US.

I have also held a non-stipendiary Research Associate position with the Centre for Economic Performance at the London School of Economics. I have refereed papers for the Journal of the European Economic Association and the Economic Journal.
I taught a class in Macroeconomics for first year MPhil students at the Department of Economics and co-organised (with Chris Bowdler and John Muellbauer) the Macroeconomics Seminar at Nuffield. This year I will be teaching a course module on the MPhil programme in Dynamic Stochastic General Equilibrium Macroeconomics.

I have presented some of my work at the Summer Institute of the NBER in Cambridge, MA, the European Summer Symposium in Macroeconomics of the CEPR and the Workshop on Dynamic Macroeconomics at IGIER – Università Bocconi. I also gave talks in seminars at the London School of Economics, Bank of England, Birkbeck College, CREI – Universitat Pompeu Fabra, and IGIER – Università Bocconi.

Jordi Blanes i Vidal (Postdoctoral Prize Research Fellow) has spent much of the year revising papers from his doctoral dissertation. In the first paper (co-authored with Marc Möller, at Universidad Carlos III) they have studied the incentives of organisations to share hard information surrounding a decision with the workforce. While keeping workers informed allows them to adjust their effort to the productivity of the organisation, it can also tempt the leader/decision-maker into overweighting hard (to the detriment of soft) information in order to increase the workers’ motivation. The authors show that organisations which are headed by more self-confident leaders and where the contractibility of effort is lower will find sharing information with the workforce more valuable.

In the second paper, he has studied the transmission of information between securities analysts and investors in the stock market. Securities analysts are famous for being optimistically biased in their public advice. Two issues had been particularly debated by regulators and practitioners: whether analysts are deliberate in their optimism, and whether investors are able to anticipate such bias in their trading decisions. The author has first constructed a strategic communication game between an investor and a (possibly) biased securities analyst. He has found theoretically that (a) the investor reacts more to bad news than to good news, and (b) the difference in this reaction is higher when the investor has a greater prior suspicion that the analyst is a biased type. The author has then used parametric and nonparametric techniques and a large database of earnings forecasts to test these predictions, and found that the evidence largely supports them. He has therefore concluded that both investors and analysts interact in the stock market with significant strategic sophistication.

Lastly, he has also started a new project (joint work with Clare Leaver, at the Department of Economics and Nuffield College) studying empirically senior judicial appointments in England and Wales. Focusing on appointments from the High Court to the Court of Appeal between 1985 and 2005, they are quantifying the importance of the following factors in determining ‘promotion’: (i) performance on the High Court bench (affirmations, reversals, citations by subject and court; rulings in judicial reviews; specialism); (ii) past performance at the Bar (ranking; specialism (including experience as a circuit judge); chambers) and (iii) social and educational background (gender, school, university). Over the period 1997-2005, the authors’ preliminary results suggest that educational background has strong direct and indirect effects on judicial promotions.

Christopher Bliss (Professorial Fellow). My work on a variable elasticity of inter-temporal substitution (EIS) finally came together in the form of explicit solutions using a class of well-behaved utility functions, plus numerical analysis confirming that the
same class can give a continuum of solutions for the much-used Diamond overlapping-generations capital model. The resultant paper is under review by a leading journal. My book *Trade, Growth, and Inequality* I promised to the publishers for May 2006. It progresses well. My latest work has taken me into the field of the economic under-performance of Sub-Saharan Africa. That area stands out in our globalised world on account of its low participation in non-primary exports. For that reason it has attracted the attention of the World Bank and many writers with several studies, theoretical and empirical, including comparisons with other regions. The theory is loose, and I have been able to tighten it significantly. Also I add a study of the Arab world, another economic under-performer, which comparison is illuminating and of great interest in itself.

**Publication**


**John Bluedorn** (Non-stipendiary Research Fellow). I have begun a series of papers joint with Christopher Bowdler (Nuffield College) investigating the effects of monetary policy upon the open economy. Previous empirical work has typically found a weak and/or perverse relationship between monetary policy and exchange rates. Chris and I argue that such work is likely to suffer from endogeneity and anticipatory biases which make inference suspect. To address such concerns, we employ Christina and David Romer’s recent reformulation of narrative approach-identified monetary policy shocks. We find a larger and faster exchange rate response. This is consistent with theoretical exchange rate models which involve some form of mild sluggishness (such as learning or bounded rationality). Another paper reconsiders the evidence on international monetary policy transmission and current account dynamics. We compare the evidence from linear vector autoregression systems (VARs) which are a standard analytical tool, with that derived from local projection methods. Local projection methods are more robust to misspecification of the data-generating process than are VARs. We find important differences in the empirical inference, suggesting that non-linearities and misspecification may be an important driver of the sometimes perplexing dynamics found in earlier work.

I am also engaging in joint empirical work with Ethan G Lewis (Federal Reserve Bank of Philadelphia). We are exploring the relationship between trade, networks and international migration, in particular considering the case of Hong Kong. In addition to these joint projects, I am also extending some of my previous work on hurricanes and the open economy. Specifically, I am investigating the relationship between such shocks and the evolution of production in the economy. This provides a natural framework within which to reconsider the Rybczynski theorem from international trade.

I presented my paper ‘Hurricanes: Intertemporal Trade and Capital Shocks’ at several conferences this past year, including the Canadian Economics Association Annual Meeting, the Western Economic Association Annual Meeting, the Econometric Society World Congress, and the European Economic Association Annual Meeting. I also presented the paper in a seminar at the University of Manchester.
Matthew Bond (Non-stipendiary Research Fellow). In addition to teaching and admin, I have been working on an ESRC funded project into corporate networks. I have also submitted to papers to journals which I am waiting to hear about. I have also been working on converting my PhD into a book, which should be published in 2006. I also collaborated with Geoff and Judy Payne on the ‘Health’ chapter in a book called Social Divisions.

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.

During the last year he began to work on a new research project on the investment behaviour of firms in developing countries, and the relationship between institutions (economic, financial, legal and political), investment and economic growth. This project is funded by the ESRC as part of their World Economy and Finance programme. The aim is to assess the extent to which business investment is limited by factors such as underdeveloped credit markets and high levels of uncertainty, particularly in sub-Saharan Africa; and to use cross-country data to investigate which institutional environments promote high levels of investment, and/or encourage positive effects of investment on growth and development.

Other research continued on a range of issues, including the effects of recent dividend tax reforms in the UK, and the econometric estimation of production functions. During the year, he presented papers on dividend taxation at the Royal Economic Society annual conference at the University of Nottingham, and at an international conference on Corporate Income Tax in the 21st Century at the University of Michigan. A paper on uncertainty and investment was presented at the Econometric Society World Congress, held at University College London. He also taught a course on panel data econometrics at the 2005 summer school run by the Instituto Superior de Economia e Gestão in Lisbon.

Publications

Chris Bowdler (British Academy Post-doctoral Fellow). I have spent most of the year working on two papers. The first (with Adeel Malik) demonstrates a robust negative effect of openness to trade on inflation volatility. This relationship can be explained by (i) the tendency for trade to shift consumption and productions towards high value added goods for which the terms of trade are more stable and (ii) the greater monetary policy discipline observed in relatively open economies. The second paper (with John Bluedorn) asks whether or not the weak and delayed response of exchange rates to monetary policy is the result of endogenous and anticipated movements in interest rates. A measure of interest rates purged of these influences is shown to exert much larger and faster effects on bilateral US dollar exchange rates. It is shown that exchange rate adjustment is relevant to monetary policy transmission in the US and abroad.

I have also revised two papers that have now been accepted for publication. The paper ‘Trade Openness and Inflation Episodes in the OECD’ (with Luca Nunziata) is forthcoming in the *Journal of Money, Credit and Banking*, and ‘Inflation Adjustment in
Richard Breen (Official Fellow). My edited volume Social Mobility in Europe was published by OUP in December 2004 but work in this area is continuing. This includes a paper, co-authored with Ruud Luijkx (Tilburg University), Walter Müller and Reinhard Pollak (both University of Mannheim) on inequality of educational opportunity in nine European countries during the 20th century, and a paper with Janne Jonsson (SOFI, Stockholm) reviewing recent work on inequality in social mobility and educational attainment, which will appear later this year in Annual Review of Sociology. A joint paper with Cecilia García-Peñalosa (GREQAM, Marseille) on the relationship between income inequality and macro-economic volatility was published in Review of Development Economics and we are continuing our work on income inequality in a new project, which has some funding from CNRS, on the role of capital income in accounting for levels and trends in income inequality between households in the UK, US, France, Germany and Sweden.

I spent Trinity 2004 on sabbatical at the Juan March Institute in Madrid and afterwards I visited GREQAM for three weeks: in both places I was made welcome and spent a fruitful and enjoyable time. I have returned with a deeper appreciation of the research facilities provided by Nuffield. During the year I was appointed to the Editorial Board of the Annual Review of Sociology, to the Scientific Advisory Board of the Mannheim Centre for European Social Research and to the Standing Committee of Section S4 (Sociology, Demography and Social Statistics) of the British Academy.

I gave seminars at the University of Edinburgh, the Institute for Education, London, and at the University of Bamberg. In January 2005 I delivered the first in the series of lectures to mark the inauguration of Oxford’s Centre for Advanced Study in the Social Sciences.

Publications
‘Why Did Class Inequalities in Educational Attainment Remain Unchanged over Much of the Twentieth Century?’, in A F Heath, J Ermisch and D Gallie (eds.),
Michael Brock (Honorary Fellow) and his wife made progress (despite two accidents) with their editing of *Margot Asquith’s Diaries, 1908-16* (for OUP). The supporting material is now practically complete except for the editorial comments on the war years. Fortunately these are less lengthy and complicated than the pre-war comments, which have now been composed.

David Butler (Emeritus Fellow) wrote (with Dennis Kavanagh) the sixteenth book in the Nuffield series *The British General Election of 2005*. He also finished (with Martin Westlake) *British Politics and European Elections 2004*. He worked with Gareth Butler on *British Political Facts 1979-2005*, a new version of a work started in 1960. With Marilyn’s retirement he moved from Exeter College back to 151 Woodstock Road. He plans now to return to completing the history of Nuffield College, building on the work of Norman Chester, Chelly Halsey, Chris Bliss and other colleagues.

**Publication**

Mukti Jain Campion (Guardian Research Fellow). I have greatly enjoyed being part of the college community for the past year. My research involved interviewing over 100 programme-makers about the practical barriers and solutions to improving the cultural diversity in public service programme output. The project has greatly benefited from the different insights gained at seminars and dinner table conversations with members of the College. During my Fellowship I was also invited to speak at the international conference ‘Radio 2005’ in Melbourne where I presented a paper entitled ‘Listen To Me Too: Radio and Cultural Diversity in the 21st Century’. My report and Guardian Lecture (to be delivered on October 31st 2005) are entitled ‘Look Who’s Talking: Cultural Diversity, Public Service Broadcasting and the National Conversation’. I hope the report will have a wide-ranging impact on the broadcasting industry. I would like to thank everyone at Nuffield for making my Fellowship so stimulating and pleasurable. (You may also be interested to know that several future Radio 4 programme ideas were hatched at Nuffield High Table and will be on the airwaves next year!)

Lucy Carpenter (Faculty Fellow) continues her research studying the long-term health of nearly 20,000 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 the subsequent rates of death and cancer diagnoses experienced by them with those of 20,000 similar members of the armed forces who did not take part in these trials. Data collection for this cohort study is now well underway. She also continues to maintain involvement in epidemiological research into HIV. Her current work in this area primarily involves studying relationships between infectious diseases and cancer in children in Africa.
Pablo Casas-Arce (Non-stipendiary Research Fellow). During his second year at Nuffield, Pablo worked on the economics of organisations and the theory of incentives. He continued work on a joint project with Asis Martinez-Jerez (from the Harvard Business School). The paper studies the incentives that were created with the introduction of a tournament by a commodities company among its retailers. He also started three new projects. The first studies career concerns incentives in markets where principals are heterogeneous, and workers put effort to gain a reputation that allows then to enjoy a match with a good principal in the future. The second is a joint paper with Albert Saiz (from the Wharton School). It studies the effect of the efficiency of the legal system at enforcing contracts on the development of the rental housing market. The paper documents strong cross-country evidence of a positive effect of the legal system on the proportion of properties that are rented. Finally, together with Thomas Kittsteiner he started to analyse the trade-off between a firm’s incentives to enhance welfare and its incentives to circumvent contractual obligations in an incomplete contract framework.

Pablo presented at the economic theory and the departmental workshops in Oxford. He was also invited to present at the American Economic Association Meetings in Philadelphia, the University of Essex, the European Summer Symposium on Economic Theory at Gerzensee (Switzerland), and the Econometric Society World Congress in London.

Michela Cella (Non-stipendiary Research Fellow) has been revising some chapters of her PhD dissertation on informed principal problems, one of them is now forthcoming in the Review of Economic Design.

She has started a new project with Pablo Casas, also at Nuffield, on the optimal promotion rules within an organisation where there is uncertainty on the productivity of agents in different tasks. She had been on maternity leave for part of the academic year.

Edmund Chattoe (Non-stipendiary Research Fellow) and Nuffield Foundation New Career Development Fellow, Department of Sociology, is now in the final year of his Fellowship and is devoting all of his time to drafting and securing a contract for the resulting book on simulating ethnic minority labour market disadvantage. Instead of simply reporting the simulation results as was originally intended, the book will now devote more space to the question of how simulations can be developed systematically in areas where large quantities of published research (qualitative and quantitative) already exist. A draft paper on this topic, currently being revised for submission, can be found at http://www.sociology.ox.ac.uk/people/chattoe.html. My subsidiary interest in evolutionary approaches to change has also resulted in a simulation paper submitted to the British Journal of Sociology. This suggests that (in the dynamic case) the
Iannaccone ‘strict churches are strong’ argument is incorrect and that the environment does not tend to ‘select’ strict churches over liberal ones.

**Lynn Prince Cooke** (Non-stipendiary Research Fellow) was given leave to supplicate in August 2004 and commenced a Departmental Lecturership in Oxford’s Comparative Social Policy program shortly thereafter, where she co-taught the post-graduate core paper, developed a new option paper in Gender and Social Policy, and presented the PPE seminar on family policy. She continued to write, revise and publish six articles based on her thesis, which explores the effect of policy in Germany and the United States on the household division of paid as well as unpaid labour and effects of this on couples’ fertility and marital stability. In addition to the two articles published listed below, a third article assessing the role of preferences in couples’ division of labour in East and West Germany and the United States was accepted for publication in *Social Politics: International Studies in Gender, State and Society*, and an article comparing how policy shapes couples’ household division of labour and alters the risk of divorce in the former West Germany and the United States has recently been accepted for publication at *American Journal of Sociology*. Another article on the effects of variation in family law within the United States on couples’ division of housework is currently under review at *Journal of Social Policy*. A final article from the thesis is nearing completion, comparing the division of housework and childcare in the former East and West Germany.

She also began to extend analyses to additional countries. Her analysis of husbands’ share of childcare and likelihood of second birth in Italy and Spain is currently being translated into French for publication in 2006 by the *Caisse Nationale d'Allocations Familiales*, the branch of the French social security administration that deals with family policy. Funding for this analysis was provided by a grant from the EU’s Integrated Research Infrastructure in the Social Science (IRISS) program. Analyses of Australia and Great Britain have just gotten underway. She also wrote the introductory chapter and outline for a book, *Policy, Gender Power, and Family Outcomes*. A synopsis of the book was featured in the June 2005 quarterly newsletter of the US National Council on Family Relations.

She presented the work at the International Sociological Association RC19 annual meetings in Paris (September 2004) and Chicago (September 2005), the RC28 meeting in Los Angeles (August 2005), the Max Planck Institute for Human Development in Berlin (May 2005), and the Vrije Universiteit in Amsterdam (April 2005).

In July, she moved to Brisbane, Australia, to take up a three-year postdoctoral fellowship at the University of Queensland.

**Publications**


**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 (Chalmers/Gothenberg University), 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 A Berrington (Johns Hopkins) on methodological issues in epidemiology, especially on the role of interaction; with V S Isham (UCL), I Rodriguez-Iturbe (Princeton) and A Porporato (Duke) on aspects of rainfall and soil moisture; with K Byth (Sydney) on issues connected with clinical trials, with M Y Wong (Hong Kong) on methodological topics especially connected with the so-called false discovery rate problem; and with John Goldthorpe and Michelle Jackson on class differentials in education. He has prepared commentaries on some of his earlier work as part of two volumes of his papers to be published later in 2005 by Cambridge University Press.

He has given invited talks in a number of places in particular to the Portuguese Statistical Society in Évora, to the Australian Statistical Society in Sydney, to an International Conference of Actuaries in Zurich and to an international Conference on statistics in Particle Physics and Astrophysics in Oxford.

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.

He is a Trustee 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 was elected an Honorary Member of the Portuguese Statistical Society and awarded the degree of DSc (*honoris causa*) of the University of Leeds.

**Publications**


**John Darwin** (Faculty Fellow) has been serving this year as the (Non-Executive) Chairman of the Modern History Faculty (from this year just ‘History Faculty’).
Together with Robert Allen (and with much help from Carol Phillips) he organised the third in the series of Nuffield’s one-day conferences on global economic history which was devoted this year to the interaction of economies and environments and discussed the major new book by John Richards.

He completed a study of European expansion in the Eurasian context to be published by Penguin in 2006, and presented a paper at a conference to mark the fortieth anniversary of the Unilateral Declaration of Independence by Rhodesia held in Cambridge in September.

Publications


Martina Dieckhoff (Non-stipendiary Postdoctoral Research Fellow) recently started her fellowship and defended her doctoral thesis in August. She is continuing her comparative work on the effects of initial and continuing training on labour market outcomes. Martina is currently preparing chapters of her thesis for publication. Furthermore she is involved in a joint research project within the Equalsoc network.

Jurgen A Doornik (Research Fellow). He continued his half-time research on a three-year ESRC award jointly with David Hendry, entitled ‘Extending the Boundaries of Econometric Modelling’. Simulation methods pervade all aspects of econometrics, and, at the foundation of this lies the generation of uniform and normal pseudo random numbers. His research focused on reviewing and extending recent developments in random number generation. Notably, this involved presenting more efficient implementation of high-resolution uniform generators, and, built on top of this, improved fast normal generators using the so-called Ziggurat method.

The remainder of his time was spent on extending the OxMetrics software system. Currently, a complete user-interface rewrite is taking place with the objective to provide multi-platform and multilingual support. The third OxMetrics User Conference was held at the Cass Business School, and again provided a very interesting mix of applications and software.

He presented papers at the XXVIth Brazilian Econometric Meeting, the University of Bologna at Rimini, the University of Canterbury, and Exeter University, and the OxMetrics User Conference in London. He contributed to the OxMetrics workshop in São Paolo.

Publications


Geoffrey Evans (Official Fellow) continued his research in various domains of interest. *British political attitudes*. His studies of Euroscepticism over the last decade were further developed by an encompassing analysis of the transformation of attitudes
towards the EU over the last twenty years or more with respect to party-driven versus voter-driven models of issue evolution and the implications this has for the possibilities of Britain endorsing either the EU constitution or the Euro in any potential future referenda (with Sarah Butt). A more recent interest in political tolerance was also revisited via a descriptive over time examination of the relationship between attitudes towards multiculturalism and support for welfare provision for a volume edited by Keith Banting and Will Kymlicka.

**Explaining political preference.** After several years of resistance from the ‘economic perceptions explain elections’ tendency in political science, his work (with Bob Andersen) on the political conditioning of economic perceptions was accepted for publication in *The Journal of Politics*. Other research into the endogeneity of the types of political perceptions routinely employed to account for political preference formation continues. At the same, the exogenous impact of party leaders is again re-asserted in an analysis of the 2005 British election, where even with all reasonable alternative factors taken into account, Tony Blair’s loss of his Teflon coating is shown to have cost his party a very substantial number of votes — though as his main competitor (Howard) was even less popular, and views on Kennedy were simply not very important, it failed as we know to remove all of Labour’s substantial advantage in the polls.

**Democratisation.** A piece from his long-standing project (with Stephen Whitefield) explaining class voting in post-soviet Russia was revised for publication in *Political Research Quarterly*. He and Whitefield were also recipients of an EU Framework 6 (Citizens and Governance in a Knowledge-based Society) award for a major cross-national project on social inequality and the economic and democratic development of communist Central and Eastern Europe. The project will collect data from national probability samples, focus groups and expert surveys of party and elite stances in thirteen countries and will replicate and further develop their cross-national study of the region conducted in the early 1990s. In addition, he worked on an article for the *Annual Review of Sociology* on the social divisions underlying politics in post-communist Eastern Europe, while Pauline Rose and he continued their work on education, tolerance and democracy in Africa (initially, Malawi) extending the study of schooling and support for democracy to include tolerance and liberal values.

**Devolution and Northern Ireland.** With several colleagues he presented a preliminary analysis of political attitudes and voting behaviour in the 2003 Northern Ireland Assembly Elections at a Devolution Programme conference in Belfast in January. They are now collaborating on a book examining change in politics and public opinion since the 1990s in Northern Ireland. In a related project, a paper with Roger Mac Ginty containing analyses of public responses to the question: ‘Is devolved government better government?’ was presented at an ESRC Devolution Programme conference in Edinburgh in November 2004 (there is some evidence that the Scottish ‘honeymoon’ with devolution has ended while the Welsh have if anything warmed a little to the idea, with Northern Ireland predictably unmoved).

In October 2004 he became the founding director of the Centre for Research Methods in the Social Sciences (Department of Politics and International Relations). He also presented papers, acted as discussant etc., in the usual academic conferences: the annual meeting of the American Political Science Association in Washington; EPOP in Essex. He continued as joint editor of *Electoral Studies*, and reviews editor of the *European Sociological Review*.

**Publications**


Ray Fitzpatrick (Faculty Fellow) continued with a range of health service research projects into the management of various chronic diseases, collaborating with clinical colleagues in Oxford and elsewhere. He was appointed scientific chair of the National Prevention Research Initiative (NPRI). NPRI is a unique collaboration between twelve UK funding bodies including ESRC, MRC, Department of Health, Food Standards Agency, British Heart Foundation and Cancer Research UK, to develop and establish on a firmer footing, research to understand and change behaviours that may be risk factors for cancer, heart disease and diabetes. He was appointed a member of the Panel B of RAE 2008 and will chair the sub-panel: health services research, an interesting challenge as the subject has not previously had separate assessment. However far more challenging will be carrying out a contract that he and colleagues in Oxford and Institute of Psychiatry, London were awarded by Department of Health and Home Office to carry out an evaluation of services for the assessment and treatment of dangerous people with severe personality disorder!

Publications


Noel Gale (Emeritus Fellow) emeritus University Professor of Archaeological Science, has continued his work in applying scientific methods to the study of Bronze Age trade and cultural interactions in the Mediterranean region. In October 2004, with the assistance of the Hellenic Mining Company and the UNFICYP force, he carried out field work in Cyprus both in the Apliki region of the buffer zone and the Mavrovouni region of the Turkish zone, as part of continuing work on the Bronze Age shipwreck of Uluburun.

He gave invited papers at the following conferences: Archeometallurgia in Sardegna, in Cagliari and Iglesias, Sardinia; the 2005 annual meeting of the Archaeological Institute of America in Boston; Aegean Metallurgy in the Bronze Age, Rethymnon, Crete; Metallurgy, a Touchstone for Cross-cultural Interaction, British Museum, London.

Papers are in press within the Proceedings of the latter two conferences. A paper is also in press within the Proceedings of the Colloquium on Cycladic Prehistory held in Cambridge in 2004.

He has contributed two articles to the monograph which will accompany the exhibition Das Schiff von Uluburun – Welthandel vor 3000 Jahren, to be held in the Deutsche Bergbau-Museum Bochum from October 2005 to July 2006.

He remains Overseas Editor of the *Geochemical Journal* and Assistant Editor of the *Revue d’Archéometrie*, and is a member of the scientific committee of the Institute of Archaeometallurgical Studies, Institute of Archaeology, University College, London.

**Publication**


Duncan Gallie (Official Fellow) worked primarily on issues relating to the quality of working life. He completed a paper on trends in task discretion which showed that, contrary to much conventional wisdom, the initiative that British employees exercise in their jobs has declined rather than risen. In recent years this trend has been particularly marked in the public sector. He also completed a paper on work intensification, showing that the trend to rising work pressure levelled off in the second half of the 1990s in most EU countries.

He was Nuffield co-ordinator for the EU’s Economic Change, Unequal Life Chances and Quality of Life (Changequal) network and took an active part in developing the successful proposal for a new EU Network of Excellence (EQUALSOC). The Network of Excellence is designed to bring together thirteen research institutions in the European Union to integrate and develop research on Economic Change, Quality of Life and Social Cohesion.
Together with Alan Felstead and Francis Green, he drew up a proposal for a new national skills survey that will provide a picture of change over time in Britain from the mid-1980s. This has been jointly funded by the ESRC and a number of government departments. The fieldwork is due to begin in Spring 2006.

He was a member of the Advisory Committees of the ESRC Research Centre on Micro-Social Change (MISOC) and of the ESRC’s Future of Work Initiative, of the Board of the European Consortium for Sociological Research (ECSR) and of the Council of the British Academy. He has also been a member of the EU’s Advisory Group on ‘Social Sciences and Humanities in the European Research Area’ which provides DG Research with advice on the themes and organisation of the Sixth Framework Programme. He has served as Vice-President of the British Academy and has been appointed Foreign Secretary of the Academy with effect from summer 2006.

Publications
(with Alan Felstead and Francis Green) ‘Changing Patterns of Task Discretion in Britain’, *Work, Employment and Society*, 18, 2, 243-266, 2004

**Diego Gambetta** (Official Fellow). Michaelmas term was spent attending to the publication of an edited book, *Making Sense of Suicide Missions*, which proved extremely time-consuming, and completing the manuscript of *Streetwise. How Taxi Drivers Establish Customers’ Trustworthiness*. The former was published by OUP in March 2005 in the UK and in June 2005 and the US (the Spanish rights to the volume have been sold to the Mexican publisher Fondo de Cultura Economica and the translation is under way). The latter, which is co-authored by Heather Hamill, was published in June 2005 by Russell Sage Foundation in New York. Various promotion activities of both books took a considerable share of my time also in the rest of the year.

In June I completed a new preface for the first Spanish edition of *The Sicilian Mafia*, which will be come out 13 years after the first edition of this book, and will also be published by Fondo de Cultura Economica, probably in the autumn of 2005.

I shall now devote most of my time to completing the manuscript of *Crimes and Signs: Cracking the Codes of the Underworld*, which is due to Princeton University Press. This involves revising nine completed chapters and writing a tenth devoted to the signalling value of physical self-harm in criminal communications. I am also laying the foundations of a new study on trust. With John Ermisch at the University of Essex, we have been designing a new trust experiment to be administered to subjects who are part of a large panel survey in the UK. We will apply for funding in the near future.

With regard to other activities, in October 2004 I gave the Eilert Sundt Annual Lecture at Oslo University. In Hilary 2005 I organised the seminar series on Analytical Sociology in College. Then I was asked by the ESD Summer School in Economics, which takes place yearly in Steyr, Austria, to be the ‘scientific organiser’ of this year’s summer school on ‘Economics, Extra Legal protection and organised crime’. This took place in July 2005 and lasted for five, very intense and interesting days. It involved
eight lecturers, half of them economists and the rest from other social sciences, and about 25 participants, both graduates students and junior faculty, from nearly as many countries. In August I took part in two events at the Edinburgh Book Festival in connection with Making Sense of Suicide Missions, which attracted much interest.

Publications

John Goldthorpe (Emeritus Fellow) continued his work with Tak Wing Chan (Department of Sociology) on social status and cultural consumption. Papers were presented at meetings of the ASA in Philadelphia and of the ISA Research Committee on Social Stratification and Mobility in Oslo and Los Angeles. A meeting was held in Oxford in May to inaugurate the comparative side of the project which includes researchers from Chile, France, Hungary, the Netherlands and the USA. Consultancy work was undertaken with the Department of Culture, Media and Sport and close collaboration is being maintained with Arts Council England.

Work also continued with Robert Erikson, Michelle Jackson and Meir Yaish on primary and secondary effects in class differentials in educational attainment (i.e. effects of class differences in actual academic performance and effects of class differences in educational choices, given performance). A statistical problem that arose was resolved in collaboration with David Cox and a publication resulted. A paper was presented to the Oxford branch of the Royal Statistical Society, and this and related work formed the basis of lectures given at a meeting of the CHANGEQUAL network in Stockholm and at Cornell University and of a seminar at the Institute of Education in London. This research is now attracting interest from the Department of Education and Skills.

Also in course of the year a new revised and enlarged (two-volume) edition of On Sociology was completed, to be published by Stanford University Press.

Publications

Francisco González (Non-stipendiary Research Fellow). During the last year of his British Academy post-doctoral fellowship he signed a contract for the publishing of the work for which the post-doctoral award was made. The contract was signed with the Fondo de Cultura Económica (FCE). This house is the largest publisher of academic works (science, humanities, social science, art, music) in the Spanish-speaking world.
It has a presence throughout Latin America and Spain. The working title of the publication is *The Political Economy of Dual Transitions from Authoritarian Rule*.

During the academic year 2004-2005, he taught the ‘Comparative Government’ paper in the MPhil in Politics at Oxford. He carried out this work during the first two terms of the year, and subsequently helped students to revise for their first year qualifying exam. He also co-supervised an MPhil thesis on the impact of new electoral arrangements in new democracies in the developing world.

He gave lectures at the Weekly Seminar series of the Johns Hopkins University SAIS, Washington DC (September 2004), the Political Science seminar in Nuffield College (November 2004), and the British Academy Post-doctoral Seminar annual series (April 2005). In addition, he organised a two-day workshop in Nuffield College, Oxford, which brought together members of Mexico’s Federal Electoral Institute and a judge from the country’s Federal Electoral Court with the Oxford community to discuss the issues, challenges and prospects of next year’s presidential election in Mexico.

From 1 September his new post will be Riordan Roett Assistant Professor of Latin American Studies at Johns Hopkins University SAIS, Washington DC.

**Publications**


**Regina Grafe** (Postdoctoral Prize Research Fellow) continued to work this year on her main research theme, the integration of Spanish markets within and without from the mid-16th century onwards. As part of this ongoing research she wrote two papers (with M A Irigoin) on the political economy of the Spanish Empire (‘The Spanish Empire and its Legacy: Fiscal Re-distribution and Political Conflict in Colonial and Post-Colonial Spanish America’ and ‘Bargaining for Absolutism: A Spanish Path to Nation State and Empire Building’). Using a set of re-worked fiscal data these papers show that the Spanish rule was more bargained between regions and the centre and amongst political actors in the Spanish territories than hitherto assumed and trace the political and economic consequences of such a system.

Focusing on the role of private market institutions in fostering commercial development she wrote a paper titled ‘A Comparative Analysis of Commercial Institutions in Pre-Modern Europe: The Organisation of Foreign Merchant Communities in Spain and the Low Countries’ (with O Gelderblom) that uses a newly compiled set of data for merchant organisations in a multivariate analysis of their rise, persistence and decline, challenging the well-known accounts of Greif, Milgrom, Weingast and others. Together with O Gelderblom she received a grant from the Netherlands Science Foundation to hold a three-day workshop on mercantile organisation in Antwerp that will take place in November 2005.

Her study of the introduction of a new staple foodstuff into the Iberian diet and the internal market, (‘Popish Habits vs. Nutritional Need: Fasting and Fish Consumption in Iberia in the Early Modern Period’, University of Oxford Discussion Papers in Economic and Social History No 55) is currently under revision for resubmission to the *Journal of Economic History*. 
A first paper on the role of decreasing shipping costs in the 19th century (‘A Long Distance Affair. Shipping and Global Integration in the 19th Century’ with C Brautaset) was published in late 2004 and a second, co-written paper using our newly compiled data for 19th century shipping (‘The Quiet Transport Revolution: Returns to Scale, Scope and Network Density in Norway’s 19th Century Sailing Fleet’), has been submitted to the *Journal of Economic History*.

A Spanish translation of her dissertation, financed by the Basque government, has finally reached the printing press. Progress on these various papers was greatly aided by presentations given to seminars at the LSE and the Observatoire Français des Conjunctures Économiques/Sciences Po (Paris), as well as at the Global Economic History Network Conference ‘Imperialism’ (Istanbul), European Historical Economics Society Biannual Conference (Istanbul), the 74th Anglo-American Conference of Historians (London) and the Colloquium ‘History, the Environment and Economic Growth (Oxford). Short term research stays in Spain, the Netherlands and the US made life and work even more agreeable.

**Publications**


**Emilie Hafner-Burton** (Postdoctoral Prize Research Fellow). The year was a busy one for Emilie Hafner-Burton. Emilie spent four months on the US academic job market. She interviewed at eight universities, received four offers, and accepted a position as Assistant Professor at the Woodrow Wilson School of Public and International Affairs and the Department of Politics at Princeton University, to begin in September of 2006.

Emilie presented papers at the annual meetings of the International Studies Association and the American Political Science Association, as well as at several workshops at the European Union Institute and the University of Florida, Miami. In addition to presentations, Emilie spent three month conducting interviews for her current book project in Brussels, Paris, and Washington DC.


Her current projects include a book manuscript on the adoption of human rights into preferential trade agreements, as well as articles on forum shopping, human rights compliance, and social networks.

In addition, Emilie is organising and editing two special journal issues on human rights compliance (Journal of Peace Research) and on the effects of intergovernmental organisations (Journal of Conflict Resolution).

Publications


A H Halsey (Emeritus Fellow). He has edited two books this year, one (with H Lauder and P Brown) on Education Society and Globalisation, the other (with W G Runciman on Sociology from Within and Without. He also placed three chapters of the history of Nuffield College on his website.

Most of his time was spent absorbing a large literature on the leadership of the British Labour Party from James Keir Hardie to Tony Blair in search of an answer to the question of why leaders have allegedly betrayed the movement.

Anthony Heath (Professorial Fellow) has in the final stages of coordinating a cross-national study of ethnic minority disadvantage in the labour market. The focus is on the second generation, who have been born and educated in the country of destination, rather than on the first, migrant generation. The study covers the classic immigration countries of Australia, Canada, Israel and the USA together with some of the main Western European countries. Britain appears to have more in common with the classic immigration countries than with the European countries such as Austria, Belgium and the Netherlands. In Britain, the second generation continue to experience major difficulties in securing jobs, but those who are fortunate enough to have jobs obtain work broadly commensurate with their qualifications. In some of the other European countries, however, there are disadvantages both in gaining work and in the level of work obtained.

Anthony Heath (in collaboration with Sin Yi Cheung, Oxford Brookes) has also been writing a report for the DWP on ethnic disadvantage in the labour market. This work has suggested that there are interesting differences in ethnic minorities’ experiences in the public and private sectors respectively.

Publications


**Peter Hedström** (Official Fellow). Much of my time this year has been devoted to finishing my book *Dissecting the Social: On the Principles of Analytical Sociology* which will be published by Cambridge University Press in the autumn. My other research during the year has to a large extent been related to MMCOMNET, an Oxford centred project on the measurement and modelling of complex networks. This project includes researchers from the social as well as the natural sciences, and we are all concerned with the role of networks in explaining various outcomes, be they biological, physical, or social. We received generous funding from the so-called path finder initiative of the European Commission, and the focus of my research group is on the importance of social networks and social interactions for explaining various socio-economic outcomes.

During the year I continued as a member of the editorial board of *Annual Review of Sociology*, and I was one the main organisers of the 2005 International Institute of Sociology World Congress – a major international sociology conference with more than 1500 participants. I have also been active in various research networks, and during the year I was elected President of the European Academy of Sociology, and Secretary General of the International Institute of Sociology.

**Publication**


**David F Hendry** (Professorial Fellow) continued research under his ESRC financed *Professorial Research Fellowship on Economic Forecasting*, as well as commencing new analyses under the auspices of his ESRC financed research project on *Extending the Boundaries of Econometric Modelling* with Dr Jurgen Doornik.

Under the first grant, the theory of economic forecasting was extended to establish the extent to which more information generally helped predictability. Ten ‘gaps’ between predictability and successful forecasting were investigated, to ascertain ways of retaining the benefits of more information improving predictability but potentially worsening forecasting performance by estimation uncertainty. The implications pointed up a solution for the non-robustness of econometric forecasting models faced with shifts in equilibrium means, and demonstrated that the resulting approach should outperform ‘naive’ forecasting devices. An extension to evaluate the
role of disaggregate information in models of aggregate inflation (with Kirstin Hubrich of the ECB) both entailed a new method for improving forecast performance and highlighted an important condition for model selection in forecasting.

Under the second grant, our research with Søren Johansen and Carlos Santos established the exact distributions of estimators of the mean and variance after adding an impulse (zero-one) dummy for every observation. We confirmed the findings with extensive simulation studies, opening the door to tackling many new problems. In particular, despite the apparent impossibility of computing regression estimates when there are more variables than observations, by using ‘repeated block entry’ and cumulation of intermediate results, our methods extend to that setting. Pilot simulation analyses for 40 variables when there are 20 observations confirmed its feasibility and conformity with the theory.

In research with Jennifer Castle, we examined non-linearities in modelling and forecasting, discovering the key detrimental role played by both high correlations between linear and non-linear terms and outliers, and suggesting simple yet effective solutions, the latter depending on our breakthroughs in understanding impulse saturation. This work will not only allow automatic testing and modelling of a class of non-linearities, but is integral to our research into forecasting predictable but unanticipated location shifts. Moreover, drawing on another implication of the saturation approach, more non-linear functions can be evaluated than data observations.

Further advances were achieved in the automatic procedure for selecting econometric models (with Hans-Martin Krolzig). A non-expert module was developed that made many more of the modelling decisions, particularly for time series. We also completed the basic theory explaining the remarkable performance of PcGets, including how to interpret the estimates after data-based selection.

Professor Hendry presented invited lecture series on ‘econometric modelling and forecasting’ to the IMF and on behalf of the EU funded PHARE program, and gave a CASSS Inaugural Lecture. He delivered the American Economic Association Nobel Prize Talk on Clive Granger in Philadelphia, and gave invited addresses to the ‘Reasoning, Models and Causes’ Conference, LSE and ‘Evaluation of Macroeconomic Models’ Conference, Oslo, as well as a lecture on Causality at the Oxford Econometrics Summer School, and on Forecasting Pitfalls to the Oxford University Business Economics Program. He presented papers at the Econometric Society World Congress; Econometric Study Group; and OxMetrics Conference, and was a discussant at the Bank of England Forecasting Workshop. He delivered seminars at the Stern School of Business, New York; Board of Governors of the Federal Reserve System, Washington; McGill University, Montreal; Catholic University, Oporto; and York University.

He visited Otago University, Dunedin during September and presented a public lecture on ‘Forecasting Pitfalls’ and a seminar, as well as giving seminars at the Reserve Bank of New Zealand and the University of Canterbury, Christchurch, plus a short TV-NZ interview on forecasting.

He was Chairman of the Economics Department, and served on 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. His research interests cover theories of international relations, with particular reference to international law and institutions; theories of global governance; the history of thought on international relations and the history of international law; comparative regionalism; and the international relations of the Americas, with particular reference to Brazil.

In October 2004 he participated in a workshop on Global Administrative Law which was part of the on-going collaboration between Oxford and NYU School of Law. In February 2005 he spoke at the 50th anniversary conference of the Japanese Association of International Relations in Tokyo on the subject of ‘Pax Americana or the Empire of Insecurity?’ In March and April he spent five weeks as San Tiago Dantas Visiting Professor of International Relations at the University of Brasilia and also lectured at the Brazilian Diplomatic Academy (Instituto Rio Branco). During this period he organised a conference on ‘US Hegemony, Liberalism and Global Order: What Space for the Would-be Great Powers?’ The conference was sponsored by two Oxford centres, the Centre for International Studies and the Centre for Brazilian Studies, and by the University of Brasilia. It examined the recent policies and future aspirations of Brazil, Russia, India and China. Papers from the conference will appear in a special issue of International Affairs in January 2006. Whilst in Brasilia he also continued to work with Amrita Narlikar on their Nuffield Foundation-funded project which compares Brazilian and Indian policies in international institutions (dealing with trade, environment and international security). In June he gave a paper in Florence on ‘Swords into Plowshares in an Age of Global Governance’. He also lectured at Birmingham University and at the Royal College of Defence Studies. A good deal of his work has been concerned with the relationship between power, law and institutions. One recent paper on ‘Legitimacy and the Use of Force’ will appear in Review of International Studies in January 2006; a second on ‘US Hegemony and North America’ is due to appear in the International Journal in Spring 2006.

His teaching for the Oxford graduate programme involved classes on contemporary and classical theories of international relations and on foreign policy analysis, and looking after his 11 doctoral students. In October 2004 he took over as director of the Centre for International Studies. Based in Department of Politics and International Relations, the Centre is one of the largest and most active centres in Europe for research into questions of globalisation, global governance, and violence and armed conflict. Existing research includes two major five-year programmes, one on
Global Economic Governance, the second on The Changing Character of War. New externally-funded projects include Protracted Refugee Crises and Insecurity (funded by the Ford Foundation) and Civil Resistance and Power Politics (funded by International Centre for Non-Violent Conflict). Projected work for the coming year includes state-building, principles of global political justice, and comparative regional orders. In October 2005 he will take over as chair of the Politics Group in College.

**Publications**


Michelle Jackson (Postdoctoral Prize Research Fellow) has spent most of the past year immersed in collecting data for a research project funded by the British Academy. The project, *Disadvantaged Through Discrimination?*, aims to find out whether employers discriminate against candidates from working class backgrounds when recruiting for professional and managerial occupations. The project uses an experimental design which allows for the comparison of recruitment chances of equally qualified candidates from different class backgrounds. The data from the project will be analysed in the near future. In addition to data collection, she has continued her work on class inequalities in educational attainment in England and Wales. She has finished work on a paper co-authored with Robert Erikson, John Goldthorpe and Meir Yaish which argues that class inequalities in educational attainment can be attributed both to differences in performance and differences in the educational choices made by children of different class backgrounds. Even at the same level of performance, middle class children are more likely to choose to continue to higher levels of education than children from working class backgrounds. She also co-authored a paper with David Cox, Robert Erikson, John Goldthorpe and Meir Yaish which introduced a method for determining the relative importance of the effects of performance and choice in creating class differentials in educational attainment. This paper was published in June in *Proceedings of the National Academy of Sciences*.

She has presented her work at a meeting of Research Committee 28 (Social Stratification and Mobility), held in Los Angeles in August, at a meeting of the Ecological and Evolutionary Anthropology Group (Oxford), and in two seminars held in Nuffield.

**Publication**

**Ian Jewitt** (Official Fellow) He continued working with Sujoy Mukerji on the characterisation and application of ambiguity in economic decision-making. Their previously conjectured characterisation turned out to be false – the condition being sufficient only. He spent some time on the abstract study of symmetry in economic modelling: specifically to characterise what might be called quasisymmetric environments – these are constructed to simplify what would otherwise be intractable modelling situations but in a less drastic way than the existing literature. The essential idea is that symmetry allows aspects of equilibria to be determined trivially; the challenge is to get away with the minimal amount of symmetry that achieves this. Abstract characterisations are easy but asserting whether a particular environment has the property remains challenging. He also continued working with Heski Bar Isaac and Clare Leaver on training and human capital. With Clare Leaver and Jordi Blanes i Vidal he wrote a paper for the Department for Constitutional Affairs setting out some of the economic issues arising from the Clementi report proposals for Legal Services reform.

He gave talks at LSE; UCL; MEDS, Northeastern University; Stern School of Business, New York University; Olin Business School, Washington University, St. Louis; WISE, 2nd Workshop for Italian PhD Students in Economics. He joined the editorial board of the new journal *Theoretical Economics* which has been set up partly in response to high prices and profits of many existing journals in the hope that it serves as an exemplar for similar enterprises.

**Nevil Johnson** (Emeritus Fellow) completed a contribution on the future of Parliament for a volume celebrating the fortieth anniversary of the founding of the Study of Parliament Group in 1964. The Study of Parliament Group brings together staff of both Houses of Parliament and academics who have taken a serious interest in Parliament and published work on it. Nevil Johnson is a past chairman of this body. He has more recently been engaged in the preparation of an essay on the political philosophy of Michael Oakeshott for eventual publication in Germany.

**Publications**


**Mark Andreas Kayser** (Postdoctoral Prize Research Fellow) wrapped up two solo papers on election timing, completed initial manuscripts for two co-authored projects on the political institutional determinants of real price levels, and began two new projects on economic voting. The completed papers, one published in the *American Political Science Review*, the other forthcoming in the *British Journal of Political Science*, concern (1) the trade-off between politically motivated manipulation of the economy and opportunistic timing of elections and (2) the temporal clustering of elections under
international business cycles, respectively. The ongoing projects, co-authored with Ronald Rogowski, Eric C C Chang, and Drew Linzer, comprise an article and book manuscript on how electoral institutions influence the balance of consumer-producer power, regulation, and, ultimately, real price levels. The paper is currently under journal review and the book manuscript will hopefully hit referees’ desks soon. Finally, he turned to new interests in economic voting, completing a manuscript co-authored with Christopher Wlezien on the mediating effect of partisanship on the economic vote, presented at the 2005 Annual Meeting of the American Political Science Association in Washington. The other new project explores the role of international business cycles on co-movements in partisan governance in Western European democracies. He has now returned to his position at the University of Rochester.

Publication


Luke Keele (Non-stipendiary Research Fellow) continues work on the application of statistical methods to substantive problems in political science. He is currently working on modelling nonlinear function forms in Cox models as well as developing new techniques for understanding heterogeneity in discrete choice models. He also continues studying various topics in American politics including how institutions shape the presidential primary process and the effects of uncompetitive elections.

Publications


Yuen Foong Khong (Faculty Fellow) was on sabbatical for the first two terms of the year. In early October, he completed a book manuscript with his co-author, Neil MacFarlane (St Anne’s College), on Human Security and the United Nations: A Critical History, which will be published in 2006. He used his sabbatical to begin research on a book about identity and United States foreign policy. The project, supported by a Leverhulme Trust Fellowship, examines how America’s self-image and its conception of what it stands for, have affected its relations with Britain and China in the twentieth century. In February, he participated in a round table discussion celebrating the 50th Anniversary of the University of California, Berkeley’s Institute of International Studies. The discussion theme, ‘Power and Influence: United States Foreign Policy for a Global Future’, was also the subject of a day-long workshop the following day. In May, Dr Khong took up an invitation by the Dean of the Faculty of Arts and Sciences, Harvard University, to be part of an external review committee assessing the contributions of the United States-Japan Relations Program at Harvard’s Weatherhead Center for International Affairs. In August, he spoke on ‘The United States’ response to a Rising China’ at the Asia Pacific Programme for Senior Military Officers organised by the Institute of Defence and Strategic Studies, Singapore.

Publication
Desmond King (Professorial Fellow) undertakes scholarly research in American and comparative politics. In American political development a paper dealing with the problem of racial orders (co-authored with Rogers M Smith, University of Pennsylvania) was completed and published; and a book on American national identity appeared with the Press. Further research on these topics is underway. In comparative politics research continued with Randall Hansen (now University of Toronto) on the four country comparative-historical study of eugenic policy; and research commenced with David Rueda (Merton College) on the political economy of labour markets. A paper on ideas and historical institutionalism was completed.

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 served as Director of Graduate Studies (Politics) in the Department of Politics and IR and as 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, Governance and Utilitas. He will hold a Leverhulme Trust Major Research Fellowship from October 2005.

Publications

Thomas Kittsteiner (Postdoctoral Prize Research Fellow) started three new projects during the academic year 2004-5. In co-operation with Erik Eyster (LSE) he worked on the effects of betting markets on election outcomes. A no-arbitrage condition for these markets was established: no bettor-voter can be pivotal with positive probability. In particular, there can be no uncertainty about the election outcome. Together with Pablo Casas-Arce he started to analyse the trade-off between a firm’s incentives to increase welfare and its incentives to circumvent contractual obligations in an incomplete contract framework. He also worked on the allocation of priority in a scheduling system where agents have private information about their deadlines. The model turns out to be one with interdependent valuations (as an agent’s valuation depends on the
deadlines of the agents given priority to her, as they might drop out if they learn that they cannot meet their deadline).

Thomas was appointed as lecturer in managerial economics at the LSE and started the employment in September.

Thomas presented papers at the Universities of Bristol, Birmingham, Essex, Hamburg, Munich, Frankfurt, Amsterdam at UCL, LSE, University College Dublin, Royal Holloway, the Zeuthen-Workshop at the University of Copenhagen and at the ESRC Game-Theory Workshop in London.

**Publications**

**Uwe Kitzinger** (Emeritus Fellow) as Affiliate of the Centre for European Studies and of Lowell House at Harvard has continued work on the transatlantic relationship and the ongoing problems of the former Yugoslavia.

**Paul Klemperer** (Professorial Fellow) continued to write about industrial economics, competition policy and auction design, and to talk to both academic and public-policy audiences on these issues. (His recent discussion papers are at [www.paulklemperer.org](http://www.paulklemperer.org).)

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

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.

He was this year elected a Foreign Honorary Member of the American Academy of Arts and Sciences. It is a reflection of the strength of Nuffield economics that of the six Foreign Honorary Members of the AAAS holding full-time UK academic posts, three (Atkinson, Hendry, Klemperer) are based in Nuffield (and two further UK economists who are Foreign Honorary Members are Nuffield Visiting Fellows – King and Stern).

**Publications**

**Clare Leaver** (Nonstipendiary Research Fellow) works on public and labour economics, in particular careers and behaviour in the public sector. In a new project with Jordi Blanes i Vidal (Nuffield College) she has been studying the extent to which socio-economic background influences judicial appointments. While no significant effect is apparent in the raw data, once we control for performance and specialism at the Bar and on the Bench individuals from ‘traditional’ educational backgrounds appear to have markedly lower chances of promotion. Our preliminary interpretation is that,
rather than facing discrimination, judges from ‘non-traditional’ backgrounds are being fast-tracked to the higher courts. Other research has focused on the interaction between transparency (e.g. performance measurement systems), recruitment and retention. An earlier paper that sounded a note of caution against transparency in public sector organisations has been revised and extended. An ongoing project with Heski Bar Isaac (Stern, NYU) and Ian Jewitt (Nuffield College) has shown that transparent organisations can provide high levels of general human capital. In future work we intend to explore the implications for government sponsored training schemes such as Modern Apprenticeships.

Clare gave seminars at Birmingham, Bristol and Northwestern Universities. She also presented at the Public Economics Weekend at Essex and, together with Jordi Blanes i Vidal, was invited to report her preliminary findings on judicial appointments to the Commission for Judicial Appointments. Other activities included organisation of the forthcoming Public Economics Weekend in Oxford and consultancy for the Cambodian government on the introduction of performance based salary incentives in the health sector and the UK Department for Constitutional Affairs on the reform of legal service delivery (both with Jordi Blanes i Vidal and Ian Jewitt).

Natalia Letki (Postdoctoral Prize Research Fellow). I continued my earlier work on the relationship between structural factors and social norms, relations and behaviour. My paper evaluating the effect of group membership, interpersonal trust and democratisation on political participation in ten East-Central European countries was awarded the Western Political Science Association award for the best article published in the Political Research Quarterly in 2004. The first part of a project on the link between social capital and racial diversity in British neighbourhoods was completed, which resulted in a paper presentation at the 2005 APSA meeting in Washington DC and a paper submission to a political science journal.

I have been invited to give a presentation on the individual, community and structural determinants of civic norms at the conference The Quality of Government: What It Is, How to Get It, Why It Matters at the Quality of Government Institute, Department of Political Science, Göteborg University, in November 2005. I have also been invited to contribute a number of entries to the SAGE Encyclopedia of Governance. Finally, a paper on the ‘Lustration and the Quality of Governance’, which builds up on my earlier research on the link between screening procedures and democratisation in post-Communist states, has been accepted for the presentation at the 2006 IPSA meeting in Fukuoka, Japan.

Academic year 2004-2005 brought two new collaborative projects: with Christopher Garner (Nuffield College) on the determinants of voting behaviour among British and Canadian MPs, and with Dorota Pietrzyk-Reeves (Jagiellonian University) on the models of democracy emerging in East-Central Europe. On October 1, 2005, I take up the position of Assistant Professor at the Political Science Department of Collegium Civitas, Warsaw, Poland.

Publications

Ian Little (Emeritus Fellow) A pamphlet entitled ‘Going to War and Global Morality: some thoughts’ was published in November 2004 by the Centre for Policy Studies. There is nothing further to report.

Freddie Madden (Emeritus Fellow) was awarded the degree of DLitt. Before he came to Nuffield in 1958 as Reader in Commonwealth Government and a Charter Professorial Fellow he had conspired with Kenneth Wheare, who had lived on the same staircase in Christ Church, with the idea of pursuing the records of colonial government in historical depth. They had then thought that his research might begin with the establishment of the East India Company in 1600 and finish with the war in 1945. In fact his eight volumes of constitutional documents began in 1172 and ended in 1997. Sadly Margaret who always gave him sterling support and played a substantial role – by typing, proof reading, indexing and copying – died a year ago from a dog bite inflicted when she was delivering raffle prizes in the village. The large clot led to a succession of coronaries.

Kenneth Macdonald (Faculty Fellow) has continued research which critically assesses the use of basic predictive techniques (OLS and logistic regression and such) in mainstream politics and sociology journals – the nature of the prose that researchers seek to attach to their analyses suggests that these analyses should routinely be differently conducted. He completed work on the interpretation of social service performance indicators, and on perceptions of domestic justice. He hopes during the coming academic year, whilst on University sabbatical leave, to bring closure to some other longstanding projects.

Iain McLean (Official Fellow) continued his programme of UK public policy research, with two main new initiatives during the year: a project in the ESRC’s ‘Public Services Programme’ and a monograph on Adam Smith. He initiated, and is the first Director of, the Public Policy Unit in the University’s Department of Politics and International Relations.

The ESRC project is entitled ‘Correlates of Success in Performance Assessment’, and details are at http://www.publicservices.ac.uk/our_research/Correlates_of_Success.asp. The Research Officer, Dirk Haubrich, started work in August. We plan to publish both policy-oriented and academic outputs.

The Adam Smith project arose from several recent speeches by Chancellor Gordon Brown, in which he asks whether Adam Smith (1723-90) would today feel more at home in the left-of-centre (John) Smith Institute or the right-of-centre Adam Smith Institute. Iain shares the Chancellor’s view that the correct answer is the first. A book is under contract to Edinburgh University Press for delivery in late autumn 2005. It will among other things examine Smith’s views on church and state, incorporating some of Iain’s recent work in this area.
Papers from completed research projects continued to work their way through to publication. A paper (with Chris Wlezien and Stuart Soroka) analysing the changes made, following our investigation, to the PESA (Public Expenditure Statistical Analysis) time-series on public expenditure in the English Regions is in press at the Journal of the Royal Statistics Society – Series A. Work on formula funding and local taxation policy led to an article in Public Policy Research and consultancy for the Lyons Committee on local taxation. Iain sat on the advisory committee for a project led by James Gallagher (Scottish Executive, seconded to Glasgow University) on possible alternatives to the Barnett regime for Scotland. He managed to combine one of these trips with reading Robert Burns’s copies of the works of Adam Smith in Glasgow University Library. (O wad some Pow’r the giftie gie us / To see oursels as ithers see us!).

Last year’s seminar series with Colin Jennings has led to a book in press at Palgrave: Applying the Dismal Science: when economists give advice to governments. The contributors are an eminent team of scholar-practitioners and we are confident that the book will make an impact.

The Leverhulme ‘Attitudes to the Union’ project has now concluded and publications from it are appearing steadily. State of the Union (with Alistair McMillan; OUP) will appear in autumn 2005. The Fiscal Crisis of the UK (Palgrave) appeared in May. It is too soon to assert that it fell dead born from the press, but Iain does not expect it to make his fortune. Other articles and papers are in press.

The Thomas Jefferson retirement project mentioned last year had to give way temporarily to Adam Smith, but Jefferson will have a walk-on part in the Smith book. Iain is a consultant to two television documentaries on Aberfan being prepared for the 40th anniversary of the disaster in 2006. He served as the expert witness to the City of Wakefield Metropolitan District Council in their objections to Boundary Commission’s proposed apportionment of seats to West Yorkshire, for which he had to give evidence for a day, half of it under hostile cross-examination.

Papers were given at the American Political Science Association annual meeting, Washington, DC; at several ESRC Public Services Programme events in Oxford, London, and York; to the EPOP conference, Oxford, September 2004; to the Canada Seminar, Lady Margaret Hall; to HM Treasury (on the 1909 Budget); and a plenary lecture to the Mannheim Centre for Social and Economic Research.

Government and think tank meetings addressed included IPPR and the Scottish Liberal Democrats’ Policy Commission (land tax); Tourism Scotland (the future of Barnett), and HM Treasury. With Colin Jennings (Economics, The Queen’s College), Iain again convened a seminar on ‘Political Economy in Practice and Theory, this year under the auspices of the Public Policy Unit.

Publications

Alistair McMillan (Non-stipendiary Postdoctoral Research Fellow) worked on UK and Indian politics, looking at voting behaviour, institutional structure, and political attitudes.

He completed a book, *Standing at the Margins*, on the provisions in the Indian Constitution for guaranteed representation of Scheduled Castes and Scheduled Tribes in legislatures, which concluded that such measures may deliver symbolic benefits, but evidence for substantive improvements for members of these disadvantaged groups is much more elusive. He presented papers on the outcome of the Indian general election of 2004 at Queen Elizabeth House, Oxford, and on multi-party politics in Indian elections to the Nuffield College Political Science seminar. This work contributes to a broader project explaining the nature of party competition and political change in India since the 1970s. He collaborated with members of the Lokniti network at the Centre for the Study of Developing Studies, Delhi, on a major cross-national study of political attitudes in South Asia.

With Iain McLean, he continued to work on the history and politics of the United Kingdom, and the relationship between institutional structure and political attitudes across nations and regions. The most significant output of this work was a book, *State of the Union*, published by OUP.

He was appointed to a temporary post as Lecturer in Politics at Trinity College, Oxford, involving teaching and administrative duties, and delivered undergraduate lectures for the Department of Politics. He also undertook a Postgraduate Diploma in Learning and Teaching in Higher Education, offered by the Institute for the Advancement of University Learning.

**Publications**


Richard Mayou (Professorial Fellow) has been progressively retiring from his University duties and is an emeritus fellow from October 2005. During this time he has continued to write and publish on psychological and social consequences of physical symptoms and disorders, particularly heart disease, diabetes and hypochondriacal worries. Freedom from having to worry about obtaining research grants and the increasing pressures for ‘high impact’ publication has allowed him new directions.
He has concluded prolonged period of involvement in Medical Sciences and University administration. After five years of major change the pace of reform has inevitably and rightly become even more hectic and managerial. He retains Chairmanship of the College Art committee and he hopes continue to achieve purchases and improved display in line with an overall strategy of a broad representation of contemporary British Art.

Publications
(with R Peveler, K Bryden, A Neil, C Fairburn and D Dunger) ‘The Relationship of Disordered Eating Habits and Attitudes to Clinical Outcome in Young Adult Females with Type 1 Diabetes’, Diabetes Care, 28, 2005.

Roland Meeks (Postdoctoral Research Fellow) has spent the first year of his Fellowship developing papers in macroeconomics written for his DPhil thesis, and on forecasting in financial markets, joint with Dr Clive Bowsher. Their joint work is in so-called ‘functional time series’ (Bowsher, Nuffield College Working Paper, 2004), where the object to be predicted is a random price function. They apply a novel Functional Spline Signal Plus Noise (FSSN) model to two areas that are of considerable current interest: (a) bid/ask curves of an automated limit order book; (b) yield curves for US government bonds. For the latter, their results suggest comparable forecasting performance to recent published work (see Diebold and Li, forthcoming in the Journal of Econometrics). A paper, currently under revision, was invited for presentation at the European Winter Meeting of the Econometric Society. It examines the two-way links between the macroeconomy and the financial position of the corporate sector. The vehicle is a standard business cycle model, which has been extended to give a role for firm financing in a way that resembles a corporate bond market. Comparisons with selected features of the data are made, whilst allowing for forms of model uncertainty. The main conclusion draws into doubt the strength of the asymmetric information story that theory uses to link firms’ financial health and aggregate economic activity. Current research extends this work to assess the importance of intermediated finance, and comparisons are drawn. Finally, he was awarded the Edgeworth Prize for an outstanding DPhil thesis by the Department of Economics, Oxford University.

Margaret Meyer (Official Fellow) continued research on the economics of information and incentives, focusing on three projects:
‘Stochastic Dominance Theorems for the Measurement of Interdependence in Multivariate Distributions’: this project is motivated by the observation that in many
group settings where individual outcomes (e.g. rewards) are \textit{ex ante} uncertain, members of the group may be concerned, \textit{ex ante}, about how unequal their \textit{ex post} rewards will be. This concern is, moreover, distinct from concerns about the mean level of rewards and about their riskiness. An aversion to \textit{ex post} inequality can be formalised by adopting an \textit{ex post} welfare function that is ‘supermodular’ (or more loosely, complementary) in the realised utilities of the different individuals. We then want to know: when can we rank mechanisms (formally, joint distributions of random utilities) according to the level of expected welfare they generate, imposing on the \textit{ex post} welfare function only the assumption of supermodularity? Answers to this question take the form of stochastic dominance theorems characterising partial orderings representing a notion of greater interdependence in multivariate distributions.

Such stochastic dominance theorems can be useful in many other settings as well. In economics, they can be applied to the comparison of the efficiency of (many-sided) matching mechanisms and to the comparison of multidimensional distributions of economic status. In finance, they can be applied to the comparison of the dependence among assets in a portfolio, and in insurance, to the comparison of the dependence among claim streams. Meg presented an early version of this research in March at the Nuffield workshop on ‘Social Welfare and Collective Decisions’, organised by Marc Fleubaey, Tony Atkinson, and Kevin Roberts.

‘Eliciting Information from Multiple Biased Experts’: when decision-makers try to elicit information from self-interested experts, the divergence in preferences between the experts and the decision-maker typically results in less than full transmission of the experts’ information. This project shows that full transmission of information can emerge in a broader class of environments than previously recognised.

‘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 pieces of noisy 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 on several very stylised procedures and show how the ranking of these procedures depends on the nature of the noise in the sampling process.

Meg continued as an organiser of the European Summer Symposium in Economic Theory in Gerzensee, Switzerland, and joined the editorial board of the Journal of the European Economic Association.

\textbf{David Miller} (Official Fellow) worked mainly in two areas. The first involved further preparation for a book on national responsibility and global justice which he hopes to complete during 2005-6. He wrote and presented a paper broadly defending John Rawls’ position on collective responsibility and global inequality. One key issue is how far domestic culture and institutions determine whether a country becomes rich and poor, an issue on which there is considerable disagreement among economic historians. A second paper explored different ways of justifying human rights. Human rights are often appealed to as a way of specifying a global minimum standard of provision below which no-one should be allowed to fall. But in a culturally plural world, is it possible to
specify such a minimum without introducing a cultural bias? The paper argues that this can be done by developing a generic account of human needs.

His second area of research was social justice, an overview of which was presented to the Stated Meeting seminar in March. Two specific projects were undertaken. One was on equality of opportunity and the family, and involved both an engagement with the empirical literature on how far families influence the life-chances of their offspring, and a conceptual exploration of the idea of equality of opportunity. Versions of this paper were presented to a conference at Stanford University to honour Susan Okin, and at an ECPR workshop on equality of opportunity in Granada, which he co-directed with Dr Ian Carter. The other project was on multiculturalism and the welfare state. Keith Banting and Will Kymlicka at Queen’s University, Ontario convened a conference in October 2004 to explore the question whether countries that had adopted multicultural policies had as a result been forced to reduce expenditure on the welfare state. This question has been widely discussed in political circles, and various reasons have been put forward as to why this effect might occur: however the evidence to date does not support the hypothesis of a multiculturalism/welfare state trade-off. The resulting book will contain comparative and single-country studies of this issue, and he will contribute an overview-chapter on the outstanding theoretical issues.

As well as the three conferences mentioned above, he gave lectures at the universities of Basel, Cambridge, Manchester, Reading and Zurich. In July he led a discussion on equality for the Cabinet Office Equalities Review team, which is writing a report on the causes of persistent inequality in British society in preparation for the new Commission for Equality and Human Rights.

Publications

John Muellbauer (Official Fellow) devoted a substantial part of the year’s research to the development with Gavin Cameron and Anthony Murphy of a regional model of house prices, labour markets and regional migration. This was the core part of a project on Housing Affordability commissioned by the Office of the Deputy Prime Minister and co-ordinated by Professor Geoff Meen of Reading. Altogether 14 economists from five Universities worked on this project, which began in November and produced a final report in May 2005. House price to earnings ratios now far exceed previous records in all regions of the UK. ODPM’s aim is to understand what will be the impact of expanding housing supply in the different regions on affordability, which they define by the ratio of the lower quartile of house prices to the lower quartile of individual earnings. This requires an understanding of all the important feedbacks. For example, if more house building in the South East largely attracts more migrants into the region,
there may be little impact on affordability. This path-breaking model enables such questions to be answered. At the time of writing, the final report has not yet been released by ODPM, given the political sensitivities involved. However, a large amount of additional work towards completing a series of papers on regional employment and unemployment, regional migration (presented at a Departmental workshop) and the regional housing markets has been carried out.

John hosted several overseas visitors. The first of these was Keiko Murata from the Japanese Prime Minister’s Cabinet Office with whom John worked on several themes. The first was forecasting Japanese per capita GDP and household non-property income using methods developed as part of John’s ESRC continuing research programme with Adrian Pagan, ‘Improving Methods for Macroeconometric Modelling’. The second used these forecasts to help understand Japanese consumption and household saving behaviour. In turn, this has helped understand the monetary transmission mechanism in Japan.

Unlike the UK, the consumption function for Japan shows a negative real land price effect: when real land prices rise, young households and other renters have to save more. This dominates the wealth effect for older households, partly because of the inheritance tax advantages in Japan of leaving housing assets to one’s children. Other factors include the relatively uncompetitive nature of the banking sector in Japan, as well as Japanese attitudes to risk. The demand stimulus from lower short-term rates is thus far less in Japan than the UK.

Professor Ben Smit, Director of the Bureau of Economic Research, South Africa’s premier national economic research institute, came to work with John and Janine Aron on a DFID funded project. Progress was made on a small model for South Africa to evaluate policy related questions, such as measuring the speed of pass-through from the exchange rate into consumer prices, and evaluating the impact of the shift in the terms of trade on the exchange rate. Johan Prinsloo, from the South African Reserve Bank was another visitor and John and Janine worked with him on a return visit to the Reserve Bank on incorporating household sector wealth estimates for the first time into South Africa’s national accounts. For the same DFID project, Janine and John completed a 70 page evaluation of monetary policy in South Africa in the first decade of democratic rule. South Africa introduced inflation targeting in 2000 and there are many signs of improvements in policy transparency and predictability. Though policy was put under strain by the exchange rate volatility of 2001-2, interest rate policy performed well given the information at the Reserve Bank’s disposal. However, South Africa was not well served by serious data errors, which led to consumer headline inflation being overstated by 2.3 percent by March 2003. Janine and John published an article on problems in measuring inflation in South Africa. In the absence of a handbook published by Statistics South Africa, this involved detective work of amazing complexity.

Regarding the ESRC project mentioned above, further progress was made with Luca Nunziata, forecasting GDP growth one year ahead in the G7 countries. Heiko Hesse contributed to the German model. There are many satisfying parallels in the role of asset prices, interest rates and oil prices in the different countries, but also signs that institutional differences matter. In the course of the year, Luca Nunziata took up an appointment as Associate Professor at the University of Padua. The project is fortunate that Anthony Murphy, Senior Lecturer in Economics at University College, Dublin will be able to work join it for the last 12 months.

This year also saw the completion of final drafts of four DPhils supervised by John, one successfully examined, three to be examined in Michaelmas, 2005. The
disruption (and ultimate pleasure) of moving house contributed to making this a busy year. John continued as chair of the Economics Group at Nuffield and interviewed PPRF candidates for the College and the Department at the AEA meetings in Philadelphia. He continued as MPhil macro co-ordinator. He served as consultant to Oxford Economic Forecasting. He spoke at a number of conferences, in particular on the themes of credit markets, and property taxation.

**Publications**
‘UK Household Debt: A Threat to Growth or Stability?’, *Economic Outlook*, 29, 1, 5-10, 2005.

**Karma Nabulsi** (Research Fellow). This year was spent directing the collective research project, ‘Foundations for Participation: Civic Structures in Palestinian Refugee Camps and Exile Communities’, funded by the EU. Its aim is to assess how Palestinian refugee communities living in exile in the Middle East, Europe and further afield can build civic structures and mechanisms to enable better communication with their national representative the PLO and its institutions, the host country, the humanitarian agencies that serve them, and other refugee communities, both inside and outside of Palestine. During a series of publicly convened debates (run by local activists as voluntary facilitators), each community held their own needs-assessment exercise where they determined for themselves which mechanisms they might need – for example, by strengthening existing structures such as unions, associations, and elected committees; by regular newsletters; twinning between refugee camps, exile communities and Palestinian cities; and local, party, and national parliamentary elections.

A series of pamphlets, ‘Foundations For Participation’, ‘Guidelines for Running the Debates’, ‘Existing Channels of Communication in Palestinian refugee society’, ‘Principles and Purposes’ were written, published, and disseminated from Nuffield in Arabic and English in their thousands after the practices were agreed at a workshop for debate moderators from all over the world at Cyprus in November 2004. Preparatory, planning, and training meetings were held in dozens of cities and camps in over 25 countries across the Middle East, Europe, North America which were visited from December 2004 by the project team. The series of debates and workshops began in March 2005 and continue up until today. Cities, towns, and refugee camps in each of the following countries organised meetings: Lebanon, Jordan, Syria, Iraq, occupied Palestine, the UAE, Saudi Arabia, Yemen, Sudan, Egypt, Oman, Spain, Germany, the Netherlands, Denmark, Sweden, Austria, Greece, Norway, Italy, France, Canada, the United Kingdom, Australia, and the United States; meetings will be held in Chile and Brazil in October. In Lebanon alone there were more than 21 public and syndicate meetings in the refugee camps. The participation was unprecedented, and the talent, courage, and spirit of the younger generation of Palestinian refugees central to the mobilisation process was one of the most valuable findings of the project.
The early findings of these popular meetings were made available in a series of briefings to the camps’ committees inside Palestine and the various national and international institutions in Ramallah, Tunis, Amman, and Gaza in July and August 2005. A final moderators’ meeting was held at Cyprus in late August to determine future steps. A second experts’ meeting with the heads of UNRWA, the UNDP, and other interested officials was convened at the Dead Sea in order to discuss and develop ways of implementing the findings of the final report, which is now being written, and will be published in January 2006. The report will be based on the notes, tapes, and dvds of these debates, which are being transcribed, translated, and collected into a database at Civitas Central at 3 George Street Mews.

Publications

Bent Nielsen (Faculty Fellow) continued to work on developing statistical models for the analysis of monetary data from hyperinflations. He finished papers on the analysis of co-explosive processes, and an application thereof to the Yugoslavian hyperinflation. Together with J Reade he also developed a method for simulating properties of explosive autoregressive processes.

A study of a regression model with a latent time series was carried out with L H Hansen and J P Nielsen. It was shown that the predicted time series and the latent time series have similar properties.

This year he organised the fifth Royal Economic Society Summer School in econometrics funded by an ESRC grant held jointly with D F Hendry and N Shephard. This year the topic was causality.

He served on the editorial board of the Review of Economic Studies. He gave departmental seminars in Oxford and in Trondheim and presented papers at ‘Common features in London’ and at a workshop on ‘Model Evaluation in Macroeconomics’ in Oslo.

Publication

Luca Nunziata (Non-stipendiary Research Fellow) continued to work on forecasting the business cycle with John Muellbauer, mainly focusing on the US and Italy. He continued his research on the impact of labour market institutions on the economic performance of OECD countries. In particular he worked with Marco Leonardi and Winfried Koeniger on the analysis of the determinants of wage differentials in OECD
countries, with Daniele Checchi on a joint model of union density and unemployment, and with Chris Bowdler on the impact of institutions on inflation regimes and performance.

His work has been presented at various conferences and seminars, including the IZA/SOLE Transatlantic Meeting of Labor Economists, the ESPE conference, the ‘Labor Markets and Institutions: Determinants and Outcomes’ conference at IZA Bonn and the EALE conference. He was invited to speak at the European Central Bank, the European Commission and the UK DTI.

Publications

**Adrian Pagan** (Senior Research Fellow) continued work on the construction, estimation and evaluation of macroeconomic models that are increasingly being used in the policy process. This research has been funded by an ESRC grant with Professor J Muellbauer for the past few years. Mostly this year has been a preparatory one for a number of papers on this topic to be presented in the second half of 2005.

A set of lectures on business cycles delivered at the IMF led to some work that tried to explicate issues that arise in the definition of events associated with cycles and financial crises. The lecture coming from this work was given as a keynote address to the Canadian Econometric Study Group meeting in Toronto in September 2004. Presentations were also made to the Australasian Econometric Society meeting in Melbourne in July 2004, the ‘Macroeconomics and reality: 25 Years Later’ conference held in Barcelona in April 2005, and the Conference on Vector Autoregression Models held at the Reserve Bank of New Zealand in May 2005. He also attended the Reserve Bank of Australian’s annual conference.

Seminars were presented at Cambridge University, Bocconi University, European University Institute, Tor Vergata University, the Bank of Italy and the Queensland University of Technology and to the Working Party on Forecasting at the European Central Bank

Publications


**Clive Payne** (Emeritus Fellow). His academic activities were primarily focused on elections. He was a member of the BBC election night forecasting team (headed by
David Firth and with Neil Shephard) which produced a very accurate exit poll-based forecast on the night of the UK General Election in May. He was an OSCE election observer for the ‘orange revolution’ presidential elections in the Ukraine in November and December. He continued his stint as a Visiting Professor in the Department of Sociology, University of Surrey.

Tuomas Pekkarinen (Postdoctoral Prize Research Fellow) worked on two research projects during the past academic year. In a joint project with Chris Riddell (Queen’s University, Ontario), Pekkarinen studied the selection of workers to pay-for-performance contracts. The previous literature that has studied the incentive effects of pay-for-performance contracts has used data on firms that change their compensation mechanisms. However, the reasons why these changes take place are often not clear. Pekkarinen and Riddell use linked employer-employee data where one can observe workers changing contracts for various reasons. The results from this project indicate that the productivity effects of pay-for-performance are highest when the workers change contracts voluntarily and substantially lower when contracts change for exogenous reasons.

Pekkarinen also started a project in which the aim is to evaluate the effects of the Finnish comprehensive school reform. This reform changed the curriculum in the primary and secondary education and postponed the tracking of students from the age of 11 to 16. This project consists of three separate studies and it uses the gradual adaptation of the reform as a natural experiment. The project is partly joint work with Roope Uusitalo (Labour Institute for Economic Research, Helsinki). The aim of this project is to study how the reform affected gender differences in educational attainment, intergenerational income mobility, and the mean and variance of standardised test scores.

Pekkarinen presented papers at London School of Economics, Uppsala University, ZEW in Mannheim, and at the Second World Meeting of SOLE and EALE in San Francisco.

During the academic year 2005-2006, Pekkarinen will be on leave to visit Uppsala University in Uppsala, Sweden.

Colin Provost (Postdoctoral Prize Research Fellow). My work of the past year has focused mostly on the judicial and regulatory policy decision making of American state attorneys general. One paper deals with the various political and case factors that influence state participation in amici curiae briefs before the US Supreme Court. I presented this paper at the Nuffield Political Science Seminar in November 2004 and at the American Political Science Association meeting in 2005 and I recently submitted it to State Politics and Policy Quarterly. Additionally, I have worked on two versions of a paper that analyses the political and economic factors that influence state participation in multi-state consumer protection lawsuits, the first of which is being revised for publication in Political Research Quarterly. The second version was presented at the 2005 meetings of the Midwest Political Science Association and the European Consortium of Political Research. More recently, I started writing papers dealing with state attorney general performance before state supreme courts and the institutional, political and policy factors that influence state attorney general progressive ambition (the decision to run for higher office). Also under review is a brief definition of the
term ‘regulatory negotiations’ that will appear in Sage’s *Encyclopedia of Governance* in 2006.

**Jeremy Richardson** (Emeritus Fellow) continues to edit The Journal of European Public Policy, now entering its thirteenth year. He has also finished a third edition of European Union. Power and policy-making (Routledge) to be published in November 2005.

The school playground project at Tess and Molly’s Primary School in Oxford is now complete (see Annual Report last year) and the children at the school have great fun using the ‘dynamic’ (Danish) play equipment (so much fun that some of them feel sick when they get off the ‘spinning’ structures!). Jeremy is now advising another Oxfordshire primary school (which had been destroyed by fire last year and is now being rebuilt). No doubt there will be an increase of nausea there too (a good example of policy transfer perhaps! Thus, being generally disruptive as a career does not seem to have changed with ‘retirement’.

After rather a long rest from writing (how did Political Science manage these past few years?) he has bashed out the odd chapter or two during the past year and plans one or two more.

**Publications:**


**Berthold Rittberger** (Postdoctoral Prize Research Fellow). In January 2005 Berthold Rittberger left Nuffield College to take up a position as Junior Professor in Comparative Politics at the Kaiserslautern University of Technology in Germany. During the past academic year, Rittberger continued to work on his project ‘The Constitutionalisation of the European Union’ which he co-directs with Frank Schimmelfennig (ETH Zürich). In June 2005 he organised a two-day workshop at Nuffield on the project topic in preparation for a special issue of the *Journal of European Public Policy* which is to appear in 2006. Rittberger presented papers at conferences in Honolulu (International Studies Association) and Austin (European Unions Studies Association) where he was awarded the prize for the best dissertation in EU studies defended between 2002-2004 as well as the prize for best article in the *Journal of Common Market Studies* for the year 2003. This article was co-written with Johannes Lindner, also a former student of the College. In spring 2005, Rittberger was elected youngest member of the Young Academy at the Berlin-Brandenburg Academy of Sciences where he is one of only two political scientists. The Young Academy is a project of the oldest German Academy of Sciences whose aim is to bring together young scholars to promote dialogue between the academy and society at large as well as to promote interdisciplinary research among its members.

**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. She maintained close links with researchers, data libraries and archives outside Oxford. 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, and was a member of the programme committee for this year’s conference in Edinburgh. She is a member of DISC-UK (Data Information Specialists Committee) which fosters awareness of the value of data support in UK universities, and the sharing of information and resources among data managers.

**Kevin Roberts** (Professorial Fellow) continued his interest in the analysis of intertemporal voting problems. He investigated rational behaviour and outcomes in a majority voting situation where there is the possibility of changing the chosen outcome from one period in the next period. Dynamic equilibria can be complex – there can be multiple equilibria, some exhibiting steady states and other exhibiting cycles (giving foundation to such things as Condorcet cycles as equilibrium phenomena), or there can be no equilibria (no belief about future behaviour can induce that behaviour as a rational response). The complexity arises in simple problems with only three voters and, in this case, all equilibria can be characterised. The analysis serves to reinforce the importance of expectations in intertemporal decision problems.

Another interest in collective choice problems related to the way that information can be used by social welfare functions to generate social preference orderings. If there is information parsimony, particularly relating to utility information, then social welfare functions must be very restrictive, e.g. the Arrow impossibility theorem. It is well known that richer information structures permit the implementation of more appealing functions. However, work has suggested that with quite rich information structures, social welfare functions remain restrictive. This restrictiveness relates, first, to the way that different individuals’ utilities can be traded-off. Second, it relates to the way that utility and non-utility information can be combined. If social welfare functions give priority to utility information in certain circumstances, e.g. the so-called Pareto criterion is invoked, then social welfare functions must be welfarist and ignore non-utility information in almost all decisions. However, even if the Pareto criterion is not invoked, it is still the case that rich information structures are required
before utility and non-utility information can be usefully incorporated into social welfare functions.

Away from collective choice problems, he has continued with his interest in the efficiency of quasi-competitive markets and he has started looking at incentive compatible incentive schemes under adverse selection from the viewpoint of characterising schemes by the payoffs that they can deliver.

**Neil Shephard** (Official Fellow). Again most of my research was carried out jointly with Ole Barndorff-Nielsen (Aarhus University). I spent around half a year writing a long review of a new area of financial econometrics which uses high frequency asset price data to learn about changing financial volatility. This review was for a symposium in financial econometrics which took place at the 2005 World Congress of the Econometric Society. I also gave the Hiemstra Lecture at the 13th Annual conference of the Society of Non-linear Dynamics and Econometrics in London, the keynote address at the 3rd Nordic Econometric Meeting in Helsinki and as a Special Invited Lecture at the 25th European Meeting of Statisticians in Oslo. I also gave a paper at the Common Factors conference at City University, London. Finally I gave a seminar at Harvard University.

I continued to serve on the editorial boards of *Econometrica* and *Review of Economic Studies*. In 2004 I was elected a fellow of the Econometric Society. Despite being on sabbatical I spent quite a lot of time preparing for the new graduate degree in Financial Economics, being jointly run between the Economics Department and the Business School and also served as the College’s academic in charge of computing.

Finally, I was involved in the statistical analysis behind the BBC and ITV’s election night program. At 10pm on May 5th the BBC and ITV predicted that Labour would win the election with a majority of 66 – which turned out to be exactly correct. The team which carried out this analysis was lead by John Curtice and David Firth. Also involved were Colin Rallings, Steve Fisher and Clive Payne.

The pattern of electoral change indicated by the exit-poll returns on the day was far from obvious: broadly the picture was of a 3% swing from Labour to the Conservatives, but with Liberal Democrat performance highly variable from one place to another and overall less strong where it was in competition with the Conservatives. Conventional ‘swingometer’-style calculations of the consequences of a 3% swing would have implied a Labour majority of more than 100 seats. But the use of careful statistical modelling, to allow both for the substantial systematic variation in swings between different types of seats as well as the likely level of random variation, meant that the BBC/ITV team was able to predict more accurately the number of seats that Labour would lose on election night.

**Publications**


Hyun Song Shin (Senior Research Fellow) spent the latter half of the academic year at the International Monetary Fund in Washington, as Resident Scholar in the Research Department. Scenarios for the unwinding of global imbalances and their impact on the financial system and housing market formed the constant backdrop for his stay there. He continued his work on liquidity issues and financial stability, and made some attempts to relate them to monetary policy debates. In a paper on risk and liquidity in a system context (in fact, this is the title), he explored the pricing of debt and other claims a financial system where the assets that borrowers hold to meet their obligations include claims against other borrowers. Assessing financial claims in a system context captures features that are missing in a partial equilibrium setting. For instance, it is possible for spreads to fall as debts rise, as debt-fuelled increases in asset prices and stronger balance sheets reinforce each other. Conversely, it is possible that de-leveraging leads to increases in spreads, as is often observed during crises. In a related paper written for this year’s Reserve Bank of Australia conference, he suggested that the housing boom in the United States (that came on the heels of similar booms elsewhere) should be seen as a consequence of the loose monetary policy in the US in the recent past. The traditional distinction between the central bank’s monetary policy role and its role in maintaining financial stability is not as sharp as is sometimes portrayed. With Haresh Sapra and Guillaume Plantin, he explored (for the Bank of Japan policy conference this year) the unintended (and undesirable) consequences of marking pension liabilities to market, where rising asset prices leads to lengthening duration of liabilities, forcing pension funds to chase longer-dated bonds to match duration.

With Stephen Morris, he continued his work on global games, but with a focus on replying to a literature that has grown up recently that questions whether endogenous
public signals (such as market prices) undermines the basic presumptions underlying the global game approach. On the contrary, strategic uncertainty is likely to remain even with endogenous signals, as long as the description of the world is rich enough so that the first and second level beliefs are not sufficient statistics for all higher order beliefs.

In a more applied piece on monetary policy transparency co-authored with Morris for this autumn’s meeting of the Brookings Panel, he looked into arguments for and against the central bank disclosing its forecasts for the output gap and the policy rate. Monetary economists advocating inflation targeting have argued for disclosures of forecasts, but disclosures of forecasts alter the time series of macro outcomes themselves. The “fan chart” for many quantities turns out to be much fatter when the central bank talks too much, and the optimal control problem has to bite on less information. The welfare effects are ambiguous, and so there can be such a thing as a central bank that talks too much. This result reflects the dual role of the central bank – both as the vigilant observer and the active shaper of outcomes. If it performs the latter role too effectively, then when it holds the mirror to the economy for signs of imbalances, it merely sees its own reflection.

Publications

Alec Stone Sweet (Official Fellow) works in the fields of comparative and international politics, and comparative and international law. In October 2005, he leaves Nuffield to take up the Leitner Chair of Law, Politics, and International Studies, a joint appointment in the Yale Law School and the Yale Department of Political Science. He wishes to express his gratitude to colleagues and staff for all of their kindness and support over the past eight years. He is presently working on a book on global constitutionalism and human rights (under contract with Oxford University Press), and continues research on the development of (private and a-national) governance structures for transnational business.

Publications

Margit Tavits (Postdoctoral Prize Research Fellow) continued her work on party system formation and stabilisation in new democracies. The main results of her work indicate that stabilisation may follow a curvilinear pattern with initial upsurge in instability and subsequent stabilisation; that instability is mostly driven by opportunistic
elite level behaviour rather than by indecisiveness by voters; that voters learn to be
more strategic when they become more familiar with how the democratic process
functions, and that political competition in young democracies is mostly policy based,
rather than personalistic or clientelistic as argued by much of the existing literature.
Some of these results have been published or are forthcoming at the American Journal
of Political Science and Electoral Studies (co-authored with Taavi Annus), others were
presented at the Annual Meeting of the Midwest Political Science Association and are
currently under review at a journal.
In addition to working on parties and elections in new democracies, Margit has
also completed a manuscript arguing that corporatist interest intermediation discourages
the emergence of new parties in established democracies. This manuscript is
forthcoming in Party Politics. Another manuscript, co-authored with David Barker and
Adam Lawrence and forthcoming in Electoral Studies, considers primary elections in
the US and argues that Democratic voters emphasise different candidate traits than
Republican voters. A third theme that Margit has been working on for the past
academic year considers causes of corruption. She has completed two manuscripts that
are currently under review. First, she has considered institutional determinants of
corruption and argued that corruption tends to be lower when political institutions
provide greater clarity of responsibility. Second, considering individual level
determinants of corruption, she has detected strong socialisation effects on the decision
to engage in corrupt activities. A version of the latter manuscript has also been

Publications
‘The Development of Stable Party Support: Electoral Dynamics in Post-Communist
(with Taavi Annus) ‘Judicial Behavior after a Change of Regime: The Effects of Judge

Christopher Tyson (Postdoctoral Prize Research Fellow) has few complaints after
two comfortable and productive years at Nuffield. During 2004-2005 he devoted
considerable time to finishing a paper, begun in the previous year, that investigates the
resource-management behaviour of an agent with time-inconsistent preferences. Such
preferences lead the agent to formulate plans today that he will not wish to carry out
tomorrow, and as a result of this incongruity he may over time be observed to allocate
resources in a manner that is not optimal from the perspective of any particular
instant. Since allowing for this type of inconsistency adds a layer of complexity to the
standard intertemporal choice problem, a major objective of the paper is to identify
sets of assumptions under which the generalised model is sufficiently tractable to be
used in applied work. These analytical results are both confirmed and extended by a
second component of the project, which endeavours to implement the theory
computationally using the Mathematica system.

Christopher also completed and submitted for publication the work on
bargaining described in last year’s Report, as well as a paper superseding two chapters
of his doctoral dissertation on bounded rationality and revealed preference. With
David Ahn (UC Berkeley), he began to design experiments to test certain hypotheses
in behavioural game theory. He gave invited seminars at Birmingham, Essex, Paris I,
and INSEAD. And he attended the Risk, Uncertainty, and Decision Making
conference in Heidelberg; the European Summer Symposium in Economic Theory in
Laurence Whitehead (Official Fellow) completed his book on ‘characterising’ Latin America, which tackles the more general issue of how to analyse and compare the distinctive characteristics of large world regions. He also finalised a collective volume on ‘statecrafting’ monetary authority, extending and updating earlier work focused on the Central Bank of Brazil. In addition, he neared completion of an edited volume of ‘Cuban political exceptionalism’. Another area of collaborative work included participation in a series of scholarly events to mark the twentieth anniversary of the publication of the Transitions from Authoritarian Rule volumes. These took place at the Wilson Center in Washington DC (October 2004) and at the WZB in Berlin (in December) and the Global Foundation for Democracy in Santo Domingo in April 2005. In these events his role was mostly to reassess the international dimensions of democratisation in the light of developments since the mid-1980s. He also continued his collaboration with Desmond King and Francisco González in the project on the ‘democratisation of the USA’. All of these activities benefited from the close collaboration of Guillermo O’Donnell (who, together with his wife Gabriela, were the category A politics visitors in college in Hilary Term). In June he presented O’Donnell at an honorary degree ceremony in the Free University of Berlin. O’Donnell and Whitehead have just signed up with Oxford University Press to produce an Oxford Handbook of Democratisation.

In a separate area he has also been working on US-EU co-operation in the area of democracy promotion. A first stage of this project was initiated at Stanford in October 2004, and a second stage took place at CEPS in Brussels in June 2005.

He also continued his study of Bolivian politics, and undertook several initiatives in Mexico related to the development of an Oxford Centre of Mexican Studies. That Centre held one conference in college this year, on the integrity of the Mexican electoral system (jointly with the Federal Electoral Tribunal). It also hosted lectures by the Minister for Public Administration and the head of the Mexican Research Council (CONACYT), together with various more standard academic events.

As Chair of the IPSA Research Committee 13 on Comparative Democratisation he has been involved in preparation for the 20th Congress, and as Chair of the LASA section on EU-Latin American relations he is also working on the programme for next year’s conference in Puerto Rico.

In college he served as Acting Chair of the Politics Group for the first half of the year, and he stepped in for one year as Acting Warden from September 1st 2005.

Publications
‘Notes on Human Development, Human Rights, and Auditing the Quality of Democracy’, in Guillermo O’Donnell, Jorge Vargas Cullell and Osvaldo M...


**Christopher Wlezien** (Faculty Fellow) spent much of the year fulfilling his university teaching and administrative responsibilities but he also did some research. With Pippa Norris, he edited *Britain Votes* (Oxford University Press), which was the first scholarly examination of the 2005 British election, and penned the concluding chapter on ‘Whether the campaign mattered and how.’ He continued work on two other books. With Robert S Erikson, he put finishing touches on a book entitled *The Timeline of Election Campaigns*, which considers the evolution of voter preferences in US presidential election years since 1952. He also is in the midst of another book, with former Nuffield post-doctoral fellow Stuart Soroka, on *Degrees of Democracy*. It addresses the interrelationships over time between public preference inputs and government policy outputs in Canada, the UK, and US. A related article on Canada was awarded the John McMenemy prize for the best paper published in the 2004 volume of the *Canadian Journal of Political Science*.

Wlezien presented papers at conferences in Boston, Essex, New Orleans and Washington, DC, and gave a seminar at Harvard University. With Geoff Evans, he convened the Nuffield Political Science Seminar in all three terms. He served as President of the Southwest Political Science Association (US) and Vice Chair of the ESRC-sponsored Oxford Spring School in Quantitative Methods for Social Research. He was named co-editor of the new *Journal of Elections, Public Opinion, and Parties*, beginning in 2005. He served on the advisory board for the British Election Study (2005) and the editorial boards of *Political Analysis*, *Social Science Quarterly*, *Electoral Studies*, *Forecasting Letters*, the *Journal of Political Marketing*, and the *Journal of European Public Policy*. In Oxford, he was course director for the MPhil in Comparative Government, an examiner for the Master’s in Politics, and a member of various departmental and college committees. In September, 2005, he began a Professorship in political science at Temple University in Philadelphia.

**Publications**


**Peyton Young** (Professorial Fellow) continued his research into how people learn in strategic situations. His book on this subject, *Strategic Learning and Its Limits*, was published this past November by Oxford University Press, and is based on his earlier Arne Ryde Memorial Lectures at the University of Lund.

In this book, he examines alternative models of learning behaviour, ranging from simple reinforcement models to sophisticated forms of Bayesian updating, and identifies the circumstances under which they converge to equilibrium. He also studies the limits of what can be achieved; in particular he proves that in some strategic environments there exist no learning rules, of any degree of complexity, that guarantee convergence of the players’ behaviour to Nash equilibrium.

Among his presentations to academic audiences, he gave plenary lectures at the International Congress of the Game Theory Society in Marseille, the 16th International Conference on Game Theory at Stony Brook, New York, and the Condorcet Lecture at the International Congress of the Society for Social Choice and Welfare in Osaka. In addition to serving on several editorial boards, he is Vice-President of the Game Theory Society, a Fellow of the Econometric Society, and Co-Director of the Center on Social and Economic Dynamics at the Brookings Institution in Washington DC. He also holds the Scott and Barbara Black Professorship of Economics at Johns Hopkins University.

**Publication**


**Hong Zhong** (Non-stipendiary Research Fellow) started his one-year postdoctoral research fellowship from May 2005 after finishing his DPhil thesis. Now he is revising his papers. The goal is to submit them to journals and get them published eventually. Hongjun finished the translation of Paul Klemperer’s *Auctions: Theory and Practice* into Chinese and the Chinese version will come out late October. Hongjun also participated in the translation of Fudenberg and Tirole’s *Game Theory* into Chinese, which was published in 2004.

His paper ‘License Auctions and Market Competition’ has been accepted by the Chinese Economic Association and will be presented at the fifth CEA annual conference to be held in Xiamen mid December this year.
STUDENT PUBLICATIONS

Caroline Fehl


Jane Green


Jennifer Nou