

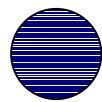


THE AUSTRALIAN  
NATIONAL UNIVERSITY

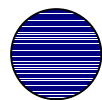
Research School of Social Sciences

# **Economics Group**

## **Annual Report 1999**



**Economics Program**



**Centre for  
Economic  
Policy  
Research**

**Economics Program**  
**Tel: 02 6249 2387/Fax:02 6249 0182**  
**e-mail: econrsss@coombs.anu.edu.au**

**Centre for Economic Policy Research**  
**Tel: 02 6249 2247/Fax: 02 6249 0182**  
**e-mail: catherine.baird@anu.edu.au**

---

---

## **Contents**

	<b>Page</b>
<b>Economics Program</b>	
Staff and Visitors	1
Postgraduate Students and Research Topics	3
Students Awarded the PhD	5
Vacation Scholars	5
Staff and Students Who Left the Program	5
<b>Economics Program Overview</b>	<b>6</b>
Honours and Awards	9
Outside Grants	10
Research Report: The Business Cycle	11
Joint Research	13
Conference and Seminar Presentations	14
Service to Outside Organisations	17
Service to Journals	19
<b>Centre for Economic Policy Research</b>	
Staff and Visitors	21
Postgraduate Students and Topic of Research	21
Staff and Students Who Left CEPR	21
CEPR Advisory Committee	22
<b>Centre for Economic Policy Research Overview</b>	<b>23</b>
PhD Conference Series	25
Conference and Workshop Reports	27
Research Report: The Foregone Earnings from Child Rearing - Revisited	29
Improvements in Access to ABS Data	30
Outside Grants	33
Joint Research	34
Conference and Seminar Presentations	36
Service to Outside Organisations	38
Service to Journals	40

---

---

---

---

Contents...

Page

**Publications:**

<b>Economics Program</b>	<b>41</b>
<b>Centre for Economic Policy Research</b>	<b>46</b>
<b>CEPR Discussion Papers</b>	<b>48</b>
<b>Working Papers in Economics and Econometrics</b>	<b>50</b>
<b>Seminar Program</b>	<b>52</b>

---

# Economics Program

## Staff and Visitors

### Professor and Head of Program

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

### Professor of Economics

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

### Coghlan Professor of Economic History

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

### Senior Fellow

J. Kelley, BA, MA(Camb), PhD(Calif. Berkeley) (International Survey Project)

### Fellows

M.D.R. Evans, BA(Reed Coll, MA(III), PhD (Chic) (to June) (International Survey Project)

D. Mitchell, BEc(Syd), MA(York), PhD(ANU)

### Research Fellows

D. Cobb-Clark, BA, MA (Michigan State), PhD (Univ. of Michigan)

D. Dharmapala, BEc,MEc(UWA), PhD(UC Berkeley)

P. McCalman, BCom(Hons), MCom(Hons), PhD (Wisconsin)

### University Fellow

Dr M. Keating AC, FASSA, FIPAA, Canberra

### Adjunct Professor

Professor D. Soskice, Wissenschaftszentrum, Berlin

### Research Affiliate

Dr J. Borland, University of Melbourne

### Visiting Fellows

Professor M. Veall, McMaster University

### Program Visitors

Professor P. Apps, University of Sydney

Dr R. Breunig, Faculty of Economics and Commerce, ANU

Dr J. Butler, NCEPH, ANU

Dr Lisa Cameron, University of Melbourne

Professor R. Chambers, University of Maryland

Dr T. Crossley, York University, Canada

Dr L. Curtis, Dalhousie University

Professor R. Farmer, University of California, Los Angeles

Dr D. Fretz, McMaster University

Dr C. Gourieroux, CREST-INSEE, France  
Mr B. Haig, Canberra  
Professor J. Hartog, University of Amsterdam  
Dr J. Jasiak, York University, Canada  
Professor P.N. Junankar, University of Western Sydney, Macarthur  
Professor A. Maddison, University of Groningen  
Dr M. Page, University of California, Davis  
Dr D. Prentice, La Trobe University  
Professor Emeritus J.D. Pitchford, Canberra  
Dr R. Sever, Hebrew University, Jerusalem  
Dr W. Vroman, The Urban Institute  
Dr L. Will, La Trobe University  
Dr C. Worswick, University of Melbourne

**Divisional Administrator**

R. Carson

**Program Administrator**

S. Hancock

**IT Support**

W. Naughton, BSc(Adel) (Divisional IT Support)  
M. Wood, BEc(Hons)(Flin), GradDip Computing Studies (CCAIE)  
(part-time)

**Research Assistants**

Y. Dunlop, BEc(Syd) part time  
E. Klug, BAppSci(CCAE) (part-time)

## Postgraduate Students and Research Topics

### **Annie Abello**

*BEc, BStats(UP), Grad DipEcDev, MEcDev(ANU)*

The Deterioration in the Economic Wellbeing of the Indigenous People of North America, 1980-1990

### **Lixin Cai**

*MEcDev(ANU), MLaw(Renmin University of China, BEd(Henan University, China).*

Employment and Social Security Reforms: A Selection of Case Studies

### **Jenny Chalmers**

Why Marry? An Economic Analysis of the Male Marriage Premium

### **Yu-Yu Chen**

*BEcon(Beijing University, China), MEcDev (Australian National University)*

Essays in Economic Uncertainty and Consumption Smoothing

### **Richard Dennis**

*BCom, MCom(Canterbury NZ)*

Essays on Monetary Policy

### **Steven Kennedy**

Labour Market and Health Outcomes

### **Amy Liu**

*DipEconHons(Hong Kong Baptist Coll.)*

Economics of Time Allocation of Children in Vietnam (submitted)

### **Tatjana Maricic (ISP)**

Does Immigration alter the status attainment process?: Human capital resources and labour market outcomes of immigrants from the republics of the former Yugoslavia in Australia compared to their peers who remained at home. (International Survey Project).

### **Yew May Martin**

*BAModLang/Econ(Ucan), GradDipEcons, MEcDev(ANU)*

The Economic Challenge to Indigenous Mothers with Dependent Children (submitted)

### **Haruo Nakagawa**

*MAInternational Affairs(Columbia University, NY)*

*MEc(NCDS, ANU)*

Foreign Ownership, Technology and Wage Premiums

### **Vladimir Pavlov**

*MEc(New Economics School, Moscow)*

Topics in Financial Econometrics

---

**Linda Richardson**

*BAEcon (Hons) (Macquarie University), MEcon (ANU)*  
Incentive Effects of Social Security

**Joanna Sikora (ISP)**

*MSoc(University of Wroclaw, Poland)*  
Attitudes Towards Government Ownership in the Economy: Australia,  
Bulgaria, Finland and Poland in the 1990s. (International Survey Project)

**Julie Smith**

The Changing Redistributive Role of the Tax System in Australia since  
Federation

**Kirill Sossounov**

*Mec(New Economics School, Moscow)*  
Essays in the Modelling of Cycles

**Massimiliano Tani**

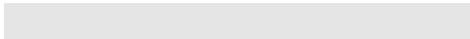
*MSc Econ (London School of Economics, London, UK), Laurea (BA)*  
*Economics and Business (Universita' Bocconi, Milan, Italy)*  
International Trade of Skills in the EU: 1986-1994

**Phan Dinh Thé**

*BA(NEU Hanoi), GradDipEcon, GradDipDemog, MEcDev(ANU)*  
Economics of Multiple Job-Holding: An Application of Discrete Choice  
Models to Vietnam

**Andrew Wait**

*BEc(Adel)*  
Bargaining and Regulation with Incomplete Contracts



## **Students Awarded the PhD**

### **Amy Liu**

National Centre for Development Studies, Australian National University  
Thesis: Children's Time Use and Households in vietnam

## **Staff and Students Who Left the Program and Current Affiliation**

### **Evans, M.D.R.**

Melbourne Institute of Applied Economics and Social Research, University of Melbourne

### **Martin, Y.M.**

Department of Education, Training and Youth Affairs, Canberra

### **McCalman, P.**

Department of Economics, University of California, Santa Cruz

## **Vacation Scholars and Research Topic**

Duy Tran, University of New England  
(1998/99)

An Application of OLS, Melo and Melo1  
Estimators to the Nerlove Model of  
Agricultural Supply

---

## Economics Program Overview

The Strategic Plan developed for the Economics Program during the year focussed on six key objectives: developing and maintaining an international research reputation, providing input to economic policy debate, making direct contributions to economic policy development, assisting policy development through international agencies, providing leadership to the economics profession within Australia, and contributing to the intellectual life of the University.

These key and interrelated objectives provide the framework for this year's overview of the Program's research and activities which are highlighted below.

All members of staff are expected to develop an international reputation in their field of expertise. There is considerable evidence of our success in this year's research output, which includes Professor Pagan's book (with Professor A. Ullah, University of California, Riverside) *Non-Parametric Econometrics* published by Cambridge University Press; Professor Snook's volume *Global Transition: A General Theory of Economic Development*, published by Macmillan and the latest title in his development/economic history series; Dr Dharmapala's work on the relationship between economic policy and politics in the US; and Dr Cobb-Clark's publications on illegal immigrants to the US.

Our international reputation is also evidenced by the number of invitations to deliver major addresses to international conferences. This year both Professor Pagan and Professor Gregory were keynote speakers at the XII World Congress of the International Economic Association, Buenos Aires, where they respectively delivered invited lectures on macroeconomics and on macroeconomics and inequality. Dr Michael Keating delivered an invited address to the International Conference on Federalism in an Era of Globalisation held in Canada. All members of the group are regularly invited to present at international conferences.

The research of Program staff continues to provide important input to economic policy debate in Australia. This year the focus has been on immigration policy, child poverty and on interactions between social security payments, low wages and unemployment.

Dr Cobb-Clark is examining the relationships between immigrant visa categories and labour market success, and between immigrant intakes and short run job prospects of residents. Professor Gregory, together with Dr Meng Xin (Economics RSPaS) are contributing to a major Brookings Institution research project on the relative economic success of immigrants to Israel, the US and Australia.

The emergence of child poverty as an important policy issue led Dr Cobb-Clark and Professor Gregory to convene the conference Labour Market Trends and Family Policies: Implications for Children (see CEPR Conference Reports) to examine the impact of labour market changes on the economic circumstances of children, with a special focus on the increase in the number of children living in job less families. One in three dependent children now live in a household without a full-time employed adult. Dr Mitchell utilised data from the Negotiating the Life

Course Project for two papers assessing the impact of child care costs and mothers' earnings on childrens' economic wellbeing.

Professor Gregory, Dr Keating and Dr Mitchell have written on the interactions between social security payments, low wages and unemployment and the issues raised form a large part of the current economic policy agenda. Dr Keating was one of the 'five economists' who put forward a plan to return Australia to full employment through a system of tax credits, that is wage reductions for low paid workers who would be compensated through the tax system.

As a result of their research input into economic policy issues, staff members become directly involved in economic policy development usually as consultants or as members of government committees and boards. Professor Pagan, for example, is a member of the Board of the Reserve Bank of Australia. This year Program members been consultants to the Department of Immigration and Multicultural Affairs, Department of Family and Community Services, Department of Education and Youth Affairs, the Department of Employment, Workplace Relations and Small Business, and the Business Council of Australia.

Direct experience in Australian economic policy development is often the precursor to involvement in overseas policy development through consultancies with international agencies such as AusAid (Dr Mitchell, Professor Gregory), the Asian Development Bank (Dr Keating), the World Bank (Dr Keating, Dr Mitchell), APEC and the OECD (Dr Keating).


The combination of international academic excellence with economic policy research interests and direct policy development experience promotes qualities which enable our staff to provide leadership to the Australian economics profession and to contribute to the development of the Australian research environment. Professor Pagan and Dr Kelley are Adjunct Professors of the University of Melbourne where they have research projects and grants; Professor Gregory, who completed his three year term as President of the Economic Society of Australia in September, is a member of the Australian Bureau of Statistics Economics Statistics Users Group. Dr Keating is President of the Australian Institution of Public Administration.

Staff members make an important contribution to the intellectual life of the University outside the Program through their teaching. Dr Cobb-Clark provides semester courses for the National Centre for Development Studies (NCDS). She has developed a new unit on the economics of personnel management which will be an elective in the NCDS Economics of Development Program. Dr Dharmapala also provides semester courses for the NCDS. Professor Gregory and Dr Mitchell delivered lectures in the Graduate Program in Public Policy. All staff members contribute to the Economics Graduate Program and its related activities the PhD Conference in Economics and Business and the PhD Seminar Program.

Members of our group continue to receive awards in recognition of their work. Professor Adrian Pagan received the Economic Society of Australia Distinguished Fellow medal --Professor Trevor Swan and Professor Fred Gruen were also recipients of this award. No other economics group has attained such recognition. Dr Dharmapala was awarded a one-year Postdoctoral Fellowship at the Center for Basic Research in the Social Sciences, Harvard University. Program students also

---

continue to win awards and prizes. Doctoral student Andrew Wait received a grant to study at Harvard for a semester and will return to the Program in mid-2000; Julie Smith captured her third essay prize -- The Brian Frost Prize for Gambling Research, and Richard Dennis won the Best Presentation Prize at the 1999 PhD Conference in Business and Economics.



## Honours and Awards

**Professor Adrian Pagan**, Professor of Economics. Recipient of the Economic Society of Australia Distinguished Fellow Award.

**Dr Dhammika Dharmapala**, Research Fellow. Awarded a one-year Postdoctoral Fellowship, Center for Basic Research in the Social Sciences, Harvard University.

**Mr Richard Dennis**, Doctoral Student, winner of the Best Presentation award at the 1999 PhD Conference in Economics and Business.

**Ms J.P. Smith**, Doctoral Student, winner of the Australian Institute for Gambling Research 1999 *Brian Frost Prize for Gambling Research*, \$5000.

**Mr Andrew Wait**, Doctoral Student. Awarded Special Student Scholarship, Graduate School of Arts and Sciences, Harvard University.

---

---

## **Outside Grants**

\$17,000 Department of Family and Community Services.

Support for the Negotiating the Life Course Project. Dr D. Mitchell.

\$80,000 Australian Research Council

For a project entitled 'Growth and recession in Asia: impacts on wages and employment in Australia and other high wage countries' Dr P. McCalman

\$10,000. Rotary Health Research Fund,

For a study on infant feeding and cost savings to the ACT health system, Women and Children's Health, The Canberra Hospital, jointly with Professor D Ellwood, and Dr Jane Thompson.

---

## Research Report

### The Business Cycle

Adrian Pagan

The business cycle is the name given to fluctuations in the level of economic activity. The phenomenon has been around for as long as data has been collected.

In agricultural societies, it could be attributed to the weather, but its persistence into modern industrial and service-based economies demands some new explanations.

In long expansions such as we are now having, it becomes very fashionable to conclude that the business cycle has disappeared. The 1960s expansion even brought forth books with such names. But, as Paul Krugman of MIT has famously observed, the problem with such analyses is that 'stuff happens'.

'Stuff' is often given the alternative name of 'shocks', and today these are thought of as the drivers of the cycle. Shocks are many and varied. Historically, some positive ones came from technical developments such as the steam engine and electricity; today it is the Internet. But they can also be negative, as in the Asian crisis. What characterises them all is our inability to predict the date of their emergence. Such random variations, and the attendant responses by firms, households and policy makers, end up producing the cycle.

But can we say more about the shocks? In particular, which are the most important? A casual reading of the newspapers produces an enormous list of 'pet shocks' that are routinely mentioned by their proponents to account for business cycles, including such things as waves of pessimism and optimism, conjunctions of Mars and Venus, inept governments, and the increased rapaciousness of unions and employers. Moreover, it is often the case that plausible explanations for a particular episode, for instance the rather weak 1974/5 recession, are transformed into complete explanations of the cycle. Business cycle research is therefore about discovering what are quantitatively the most important of the shocks.

I have spent the past few years in this task of discovery. Part of the work has been done with people at the Melbourne Institute of Applied Economics and Social Research, particularly with the associate director, Don Harding; and part has been done with doctoral students Mardi Dungey and Kirill Sussounov. We have learned quite a few things. One is how to measure business cycles in a way that enables us to assess how useful a particular economic model is in explaining the cycle. It is somewhat surprising that there have been few attempts at such a formal treatment in the past.

We have also learned a number of things about the Australian business cycle. Firstly, the globalisation phenomenon we hear about daily has manifested itself in an increasing synchronisation of cycles in Australia with elsewhere, suggesting that the shocks are increasingly international in character. Using measures that Don Harding and I have developed, we can measure the


'correlation' of the US and Australian cycles. Since 1976 this correlation has risen fourfold, with a major shift since 1983. These dates are significant. The year 1976 saw the beginning of the breakdown in our fixed exchange rate system and 1983 marked the culmination of that trend. From the mid-1980s there was also a major deregulation of the financial system.

Secondly, we can't blame it all on foreigners. Mardi Dungey and I have done work in which we hypothetically removed all international shocks and showed that an Australian cycle would remain, although it would be much less pronounced.

Thirdly, it appears that the major influences on the Australian cycle from the international economy tend to come through financial markets rather than through trade. Finally, some of the cycle has been caused by monetary policy actions, although the cycle would still exist even if no monetary actions were taken. This may seem a surprising outcome since monetary policy actions are often viewed as aimed at offsetting the cycle. However, it arises because of the lags in the effects of monetary policy upon the economy. Such lags mean that predictions must be made about when the economy will be contracting and expanding in the future, and such predictions are extremely difficult. Consequently, monetary policy often has its major effect after the need for it has passed.

Our work has been taken up by others looking at cycles in commodity prices and stock markets, the existence of a European cycle etc. There is still much to be done on questions such as these, as well as providing a more complete analysis of the domestic shocks that drive the Australian business cycle.

Professor Adrian Pagan is regarded as one of the world's leading econometricians. In 1998 in Montreal, he gave the Walras-Bowley lecture at the annual North American meetings of the Econometric Society—the first Australian to be invited to give this prestigious lecture.



## Joint Research

**Dr D. Cobb-Clark:** The Role of the Family in the Labour Market Adjustment of Immigrants. With Dr C. Worswick, Carleton University, Canada, and Marie Connolly, Chatham College.

The Effect of Legalisation on Wage Rates. With Dr S. Kossoudji, University of Michigan.

Women's Sub-Minimum Pay and Occupational Concentration Before and After Amnesty. With Dr S. Kossoudji, University of Michigan.

**Dr D. Dharmapala:** The effects of the sources and concentration of campaign contributions on electoral outcomes in recent US House elections. With Dr K. Filip Palda, Ecole Nationale d'Administration Publique, University of Quebec at Montreal.

The impact of immigration over the 1880-1924 period on the educational and occupational choices of the native-born in the US. With Dr G. Gary Richardson, University of California at Irvine.

The economic analysis of wildlife law, with particular reference to the case *Pierson v. Post* (Supreme Court of New York, 1805). With Dr Rohan Pitchford, ANU.

**Professor R.G. Gregory:** Jobs, Gender and Inequality: A Comparative Study. With Dr J. Borland, University of Melbourne and Professor P. Sheehan, Victoria University of Technology.

**Dr M. Keating:** The Future Governance of Australia. With Professor P. Weller and Professor J. Wanna, Griffith University, and Dr G. Davis, Head of the Queensland Premiers Department. This research is being financed by a large ARC grant.

**Dr D. Mitchell:** Negotiating the Life Course Project: a panel study of Australian families. With Professor F. Jones, Professor P. McDonald, Dr J. Baxter, ANU.

**Professor A.R. Pagan:** Business Cycle Analysis. With Dr Don Harding and Dr Peter Summers, Elbourne Institute of Applied Economics and Social Research, University of Melbourne.

Problems of the GMM Estimator; Forecasting for Policy With Dr John Robertson, Federal Reserve Bank of Atlanta.

**Professor J.D. Pitchford:** The Steady Inflation Rate of Economic Growth. With Dr M. Dungey, La Trobe University.

## Conference and Seminar Presentations

### Dr Deborah Cobb-Clark

*Conference Papers:* 'IRCA, Amnesty, and the Changing Gender Wage Gap Among Formerly Unauthorized Workers' *The Society for Labor Economists Annual Meetings*, Cambridge, MA. May.

'IRCA, Amnesty, and the Changing Gender Wage Gap Among Formerly Unauthorized Workers', *The Impact of Labour Market Trends on Children* CEPR, ANU. July.

'The Impact of National Policy and Occupational Mobility on the Sub-Minimum Wage Employment of Latina Women in the United States', *Marginal Labour Markets in Metropolitan Areas*, CEPR, Dublin. October.

'Out of the Shadows of Unauthorized Employment: Women's Sub-minimum Pay and Occupational Concentration Before and After Amnesty', *Population Association of America Annual Meetings*, Washington. March.

*Seminars:* 'Coming Out of the Shadows: Learning About Wages and Legal Status from the Legalized Population', University of Queensland. September.

'Coming Out of the Shadows: Learning About Wages and Legal Status from the Legalized', Michigan State University. April.

'Coming Out of the Shadows: Learning About Wages and Legal Status from the Legalized Population', ANU, Demography, RSSS. November.

'Getting Ahead: The Determinants of Promotion for Young Men and Women', LaTrobe. August.

'Immigration Policy and the Skills of Immigrants to Australia, Canada, and the United', Georgetown University. May.

### Dr Dhammika Dharmapala

*Workshop Paper:* 'Legislative Bargaining in the Shadow of Lobbying', Economic Theory Workshop, University of Melbourne. February.

*Conference Papers:* 'Policy Outcomes under Unified and Decentralized Appropriations Authority', Public Choice Society, New Orleans, LA. March.

'Policy Outcomes under Unified and Decentralized Appropriations Authority', American Law and Economics Association, New Haven, CT. May.

'Uniform and Nonuniform Commodity Taxation under Asymmetric Information', Econometric Society Australasian meetings, Sydney. July.

*Seminars:* 'Comparing Tax Expenditures and Direct Subsidies', University of Michigan. March.

'The Holdup Problem in Riding to Hounds' (joint paper with Rohan Pitchford), Faculty of Law, ANU. May.

'Legislative Bargaining under the Influence of Lobbying', University of Adelaide, June.

'Legislative Bargaining under the Influence of Lobbying', Faculty of Economics and Commerce, ANU. August.

'Comparing Tax Expenditures and Direct Subsidies', Harvard University. September.

'Legislative Bargaining under the Influence of Lobbying', MIT. October.

### **Professor Bob Gregory**

*Conference Papers:* "Education and Labour Force Participation Among Immigrants" *Victoria University of Technology*, 12-13 August.

"Children and the Changing Labour Market: Joblessness in Families with Dependent Children", Labour Market Trends and Family Policies- Implications for Children", Canberra, 14 July

"Policies for the Chinese Welfare Sector" State Development Planning Commission, Beijing 27 July

Melbourne Institute of Applied Economics and Social Research, Public Economics, Forum, Key Findings from the Productivity Commission Conference on the Aging Population, Canberra, 21 September.

*Invited Papers:* 'Inequality in the Australian Labour Market', 15<sup>th</sup> World Congress of the International Economic Association, Buenos Aires, August.

"Where is the Economy Going in the Year 2000?" Australian Business Economists Forecasting Conference, 11 November..

Unemployment and the Minimum Wage, Public Lecture, University of Queensland, 4 October.

'The Distribution of the Benefits of the Uplift in Australia's Productivity, Economics Society NSW Branch, Sydney, 8 September.

'The Economic Cost of an Aging Population', Conference on the Ageing of Australia's Population, Productivity Commission, Melbourne Institute of Applied Economics and Social Research, March

'The Policy Implications of Rising Income Inequality in Australia', State Conference of Australian Labour Party, Queensland Branch, 13 June

'The Potential for Common Currency Area Between Australia and New Zealand', Commonwealth Bank Sydney, 12 May.

'Industry Policy for the 21<sup>st</sup> Century', ANU Parliamentary Forum, 31 March

'Key Issues in the Economics of Health', Health and Economics Workshop, NH&MRC, Canberra, 25 March.

'The Impact of Deregulation, Technology and Globalisation on the Australian Labour Market', Six Public Policy Lectures, Australian National University, Canberra

*Presidential Address:* 'Our Children's Future in a Country of Growing Labour Market Inequality', Conference of Economists, La Trobe University, September.

*Seminars:* "The Chinese Cultural Revolution in the Long Run", University of Adelaide 9 Sept

"Reflections on 'Working Nation'", University of Canberra, 10 May.

### **Dr Phillip McCalman**

*Conference Paper:* 'Protection for Sale and Trade Liberalisation', Conference of Economists, La Trobe University, September.

*Workshop Paper:* 'A note on Parallel Imports and the lot of a starving Artist', Economic Theory Workshop, University of Melbourne. February.

*Seminars:* 'Protection for Sale and Trade Liberalisation', ANU, May.

'Protection for Sale and Trade Liberalisation', University of Melbourne. May.

'Protection for Sale and Trade Liberalisation', La Trobe University, May.

### **Professor Adrian Pagan**

*Invited Papers:* 'The Getting of Macroeconomic Wisdom.' 15<sup>th</sup> World Congress of the International Economic Association, Argentinian Economic Association, Buenos Aires. August.

'A Simple Framework for Understanding Bull and Bear Markets.' Queensland Finance Conference 1999, Economics and Finance, Queensland University of Technology. September.

*Panel Discussion (invited):* The Limits to Forecasting Financial Series, Financial Markets Group, London School of Economics. June.

*Conference Paper:* 'Dissecting the Cycle.' 28<sup>th</sup> Annual Conference of Economists, Economic Society of Australia. La Trobe University. September.

*Seminars:* 'The Phillips Curve in Australia' Venue: University of New England, La Trobe University. April, May, June.

### **Ms Julie Smith**

*Seminars:* 'Is the only good tax an old tax? an historical perspective on the GST', ANU, March.

'Progressivity of the Commonwealth Personal Income Tax 1917 to 1997', ANU, June.

'The redistributive role of taxation in Australia', Public Policy Program, September.

'Progressivity of the Commonwealth Personal Income Tax 1917 to 1997', ANU, October.

*Conference Papers:* 'Progressivity of the Commonwealth Personal Income Tax 1917 to 1997', paper read at *26th Annual Conference of Economists*, La Trobe University, September.

'State Income Taxation and the Wage Earner in the Interwar Period', Australasian Economic and Maritime History Conference, Sydney, December.

---

## Service To Outside Organisations

**Dr D. Cobb-Clark:** *Member*, Ministerial Advisory Council on Government Schooling, 1999-2001;  
*Consultant*, Department of Employment, Workplace Relations and Small Business, Best Practice in Labour Market Adjustment Programs in APEC Economies.  
*Consultant*, Department of Family and Community Services, on the Parenting Payment Intervention Pilot.  
Presentations to: Business Council of Australia, August and November.

**Professor R.G. Gregory:** *President*, Economic Society of Australia (to September);  
*Member*, Evatt Foundation; Australian Bureau of Statistics Economic Statistics User Group; Nominating Committee, Chair of Australian Studies, Harvard University; Steering Committee, Centre for Strategic Studies, Victoria University of Technology; CEPM Advisory Board, University of Queensland;  
*Chairman*, Selection Committee, University of Newcastle.  
*Panel member*, NHMRC Health and Economics Workshop, March.  
*Discussant*, Productivity Commission Conference, Policy Implications of the Ageing of Australia's Population.  
*Presidential Address*, Conference of Economists; XII World Congress of the International Economic Association, Buenos Aires.  
*Presentations*: ANU Parliamentary Forum, Australian Business Economists Forecasting Conference; Commonwealth Bank, Elbourne Institute of Applied Economics and Social Research Public Economics Forum, Public Policy Program on industry policy, State Conference of the Australian Labor Party, Queensland Branch; University of Canberra Workshop 'Working Nation; Victoria University of Technology Conference on Earnings Inequality in Australia; Public Forum on Macroeconomics, University of Queensland

**Dr M. Keating:** *Member*, National Council of the Institute of Public Administration.  
*Presentations*: Allocating Roles and Responsibilities; Federal-State Relations Committee, Parliament of Victoria, on Senate Tax Committee, submission and witness on improved incentives; Australian Catholic Health Care Association, Lessons from the Market Place for Health and Human Services; International Conference on Federalism in an Era of Globalisation, Canada

**Dr D. Mitchell:** *Consultant*, report on pension reform; World Bank; Social security reform in China, AusAid.

**Professor A.R. Pagan:** *Board Member*, Reserve Bank of Australia;

*Keynote address*, XII World Congress of the International Economic Association, Buenos Aires;

*Discussant*, London School of Economics Conference 'The Limits to Forecasting Financial Series.

**Ms J. Smith**

*Consultant*, Nursing Mothers' Association of Australia on preparation of submission for public tender on combining employment and breastfeeding.

*Consultant*, Family Planning Australia, on economic evaluation of health programs.

*Policy Coordinator*, Economics and Taxation, Australian Council of Social Services (ACOSS).

*Consultant*, Adelaide University Department of Public Health/Luminis Pty Ltd, on cost-benefit to employers and workplaces of 'family friendly' workplace reforms.

*Member*, Taskforce on GST implementation, Nursing Mothers' Association of Australia.

*Consultant*, The Australia Institute, Impact of the GST on charities.

**Professor G.D. Snooks:** *Presentations:* the Graduate Program, Australian Defence College, and to the Graduate Program, Department of Industry, Science and Resources.

## Service to Journals

**Dr D. Cobb-Clark:** Referee, *Economic Record*, *Research in Economics and Statistics*, *Social Science Quarterly*, *Journal of Population Economics*

**Dr D. Dharmapala:** Referee, *Australian Economic Papers*

**Professor R.G. Gregory:** Member, Editorial Committee, *the Economic and Labour Relations Review*; Associate Editor, *Labour Economics*; referee, *Economica*, *Economic Record*, *Labour Economics*

**Dr M. Keating:** Member, Editorial Board, *Australian Journal of Public Administration*; referee, *Economic Record*, *Australian Bulletin of Labour*, *Australian Journal of Public Administration*

**Dr P. McCalman:** Referee, *Economic Record*, *Journal of International Economics*, *Australian Economic Review*

**Dr D. Mitchell:** Member, Editorial Board, *International Social Security Review*; referee, *International Social Security Review*, *Governance*, *European Journal of Social Policy*

**Professor A.R. Pagan:** Associate Editor, *Journal of Applied Econometrics*, Advisory Board, *Macroeconomic Dynamics*; Editorial Board, *Economic Record*; Co-editor, *Themes in Modern Econometrics*, Cambridge University Press; Associate Editor, *Econometric Reviews*.  
Referee, *Economic Modelling*, *American Economic Review*, *Economic Record*, *Journal of Economic Behaviour and Organisation*

**Professor J.D. Pitchford:** Associate Editor, *Journal of Population Economics*

**Ms J. Smith:** ACT Editor, *Urban Policy and Research*; referee, *Australian Economic Papers*.

**Professor G.D. Snooks:** Member of the Editorial Board of *Environment and History*; General Editor of Macmillan *A Modern Economic History of Southeast Asia* (21 volumes).

## Centre for Economic Policy Research

### Staff and Visitors

#### Professor and Director

Bruce Chapman, BEc(Hons)(ANU), PhD(Yale) FASSA

#### Research Fellows

Thomas Crossley, BSc(Queens), MA, PhD(McMaster) (from August)

Rohan Pitchford, BEc(ANU), PhD(MIT)

#### Visiting Fellow on Secondment

Garry Barrett, BEc(Hons)(Syd), MA, PhD(Br.Col)

#### Visitors

Dr Thomas Crossley, York University, Canada

Professor Meredith Edwards, University of Canberra

Professor John Quiggin, James Cook University

Dr Ging Wong, Human Resources Canada

#### Research Assistants

Catherine Baird, BScEcon(Wales) (part-time)

Tony Salvage, BA(UCan)

### Postgraduate Students and Research Topic

#### Matthew Gray BEcHons(*Adel*)

Effects of Unemployment in the Australian Youth Labour Market

#### Yi-Ping Tseng BSc Economics (*National Taiwan University*)

Changes of Wage Structures in Taiwan Over the Past Two Decades

### Students Awarded the PhD

#### Jeni Klugman

An Empirical Analysis of Labour Markets in Transition: The Case of Uzbekistan

### Staff and Students Who Left CEPR in 1999

#### Matthew Gray

Centre for Aboriginal Economic Policy Research

#### Yi-ping Tseng

Melbourne Institute of Applied Economics and Social Research, University of Melbourne

## **CEPR Advisory Committee**

**Professor Bob Gregory (Chair)**

Head, Economics Program, RSSS, ANU

**Professor Bruce Chapman**

Director, CEPR, ANU

**Mr Geoff Carmody**

Director, Access Economics

**Prof Steve Dowrick**

Economics, Faculty of Economics and Commerce, ANU

**Dr Meredith Edwards**

Deputy Vice Chancellor, University of Canberra

**Mr Chris Foster**

Assistant Secretary, Strategic Policy and Analysis Branch, Dept of Family and Community Services

**Mr Peter Grant**

Department of Education and Training

**Professor Ian McAllister**

Director, Research School of Social Sciences, ANU

**Professor Warwick McKibbin**

Dept of Economics, Research School of Pacific and Asian Studies

**Mr Andrew Podger**

Secretary, Dept of Health and Family Services

**Professor Glenn Withers**

Public Policy Program, ANU

**Mr Bernie Yates**

Labour Market Policy Group Manager, Dept of Employment, Workplace Relations and Small Business

## Centre For Economic Policy Research Overview

One of the CEPR's distinctive and most important contributions to public debate relates to its outreach and educational activities. 1999 was arguably our strongest year ever in this context. There are two types of ways in which members of the CEPR are involved.

The first is through individual professional interactions, and in 1999 these involved all CEPR staff, and these interactions are now documented. Dr Thomas Crossley, a new member of the CEPR, worked extensively with the Commonwealth Department of Family and Community Services (FACS). In April Dr Crossley presented research (undertaken with Garry Barrett, a visitor to CEPR and Dr. Chris Worswick, of the University of Melbourne) which examined trends in the inequality of consumption in Australia. This was very well received, and subsequently written up in FACS's research newsletter.

Since joining the CEPR, Dr Crossley has served as an external referee on FACS in-house research. Perhaps his most important service to FACS is his role as Academic Adviser and member of the steering committee for the Household, Income and Labour Dynamics in Australia survey (HILDA), which is a major new FACS panel survey currently being developed. In his role as academic adviser and steering committee member, Dr Crossley assisted with the implementation plan for the survey, and in help to organise the reference group for the survey.

In 1999 Dr Garry Barrett (on secondment to the CEPR from the University of New South Wales), with Dr Crossley and Dr Deborah Cobb-Clark of the Economics Program, advised on the design of a pilot project to test the efficacy of counselling parenting payment recipients. He also helped FACS with strategies for evaluating the impact of moving to Australia's New Tax Systems.

Dr Rohan Pitchford continued and further developed his direct policy involvement and influence with the Australian Competition and Consumer Commission. His guidance was particularly sought on regulatory matters related to airport pricing, credit card fees, and he also helped sort out policy issues concerning gas and electricity. The ACCC's obvious interest in maintaining an on-going and expanded relationship with Dr Pitchford is a testament to the quality of his input.

Professor Bruce Chapman also made significant individual contributions to the broader research and policy community, in several different ways. One of these was his involvement in the changes to the ABS pricing policy concerning Confidentialised Unit Record Files (CURF), a process described in the article at the beginning of this RSSS Annual Report.

A second individual contribution from Professor Chapman relates to the numerous occasions in 1999 in which he assisted Government Departments, Australian University groups and international institutions help define their policy and/or their research agendas. These interactions usually meant attendance and active participation in meetings, the production of new empirical material,

presentations on policy issues and the provision of detailed commentary on written work matters of mutual interest.

It is critical to understand that contributions come about because of the high regard in which individuals' academic talents are held. Moreover, the interactions should not be seen in isolation from pure research; invariably they both reflect and lead to more traditional research outputs.

The other way in which the CEPR contributed to outreach in 1999 took the form of more institutionalised and formal arrangements. Perhaps the most significant example was the organisation of the third annual Economic Policy Development Workshop, a series designed to help inform relatively junior economists in the Australian bureaucracy of the current state of play with respect to Australian policy issues. The 1999 two day program included some of the most influential current policy makers and researchers, and attracted 70 participants. It is seen widely as the best economic policy educational arrangement in Australia, a perspective reinforced by the highly supportive assessments offered by those attending.

A second institutional form of CEPR outreach in 1999 was the 11th Annual Australian Labour Market Research Workshop, organised by Professor Chapman and Ms Cathy Baird in conjunction with both the Department of Workplace Arrangements and Small Business (DEWRSB), and with financial help from the Victoria Institute of Technology. About 70 Australian labour economists and bureaucrats attended the Conference with 12 research papers being presented. The occasion also afforded the opportunity for the Australian Bureau of Statistics, DEWRSB and FACS to explain their research, policy and data developments to the domestic labour economics research community.

The third method of communication of research and analysis to the wider community in 1999 took the traditional form of the CEPR's contribution - our highly successful Discussion Paper series. In 1999 we made the DP series available on the web, an arrangement that will guarantee even wider circulation than in the past. In 1999 there were 20 papers.

It is important to understand that academic staff of the CEPR also undertakes the traditional responsibilities of all academics in RISS: the production and dissemination of world leading research in the social sciences. In 1999 this took the forms of: Dr Tom Crossley in the areas of consumption smoothing and social security policy; Dr Garry Barrett, with respect to econometric analysis of the effects of alcohol consumption on labour market success and Australian parenting policy; Dr Rohan Pitchford in the areas of privatisation and the theory of contracts; and Professor Bruce Chapman with respect to the relation between immigration and unemployment, unemployment traps and higher education financing. In 1999 our group, always numbering less than 3 full-time equivalent staff, made around 20 conference presentations, gave 18 seminars and wrote about 25 papers.

Finally, it is apposite to note that 1999 saw the retirement of our administrator, Ms Cathy Baird, a critically important member of the CEPR since

its inception in 1980. Ms Baird has held the place together in the most significant ways: she ensured that the conferences and workshops worked wonderfully (of which there were more than 100 in her time); she guaranteed the success of the Discussion Paper series through her attention to detail and administration (of which there were more than 420 in her time); and she made sure the institution was always characterised by professionalism, creativity and fun. We thank and acknowledge Cathy Baird, whose commitment and talent has been an excellent example for all of us in the CEPR, and RSSS generally.

### **THE PhD CONFERENCE SERIES**

The PhD Conference in Economics and Business series started in 1987 at the initiative of the Economic Research Centre. The Centre hosted conferences in Perth in 1987, 1988 and 1989. Since 1991, the conference has been organised every year jointly by the Economic Research Centre at UWA and the Centre for Economic Policy Research at the Australian National University (ANU). The 1999 conference was held at UWA from 3-5 November.

The objective of the PhD Conference series is to help with the training of promising doctoral students in economics and business by giving them the opportunity to gain feedback on and exposure for their research. It also enables PhD students to meet with their peers and to make contact with senior academics and researchers with similar interests. Furthermore, it acts as an informal job market in which the students can demonstrate their abilities and attract attention to their prospects. The conference also benefits the academic community at large by keeping it abreast with current research in economics, and by encouraging interaction between universities, business and government. It also plays a unique and very important role in economic and business research.

The number of students involved in the conference series now totals 283 and many of Australia's leading economists have acted as discussants. Some students who had presented papers at earlier conferences have become established academics and have taken part in later conferences as discussants. The conference series has, no doubt, made a major impact on graduate training in Australia and beyond. This year 32 students presented papers, 28 from Australian universities, one from Oxford University in the UK, two from the University of Nottingham also in the UK, and one from the University of Chicago, USA. The papers covered a diverse range of topics including international finance, welfare measurement, trade and knowledge intensive industries, transport and regional economics, international trade and development and productivity analysis. Professor Ron Bewley from the University of New South Wales gave this year's Invited Lecture on 'The Economics of Lobbying (and the Lobbying of Economics)'.

In keeping with tradition, a prize was awarded for the best student presentation and the best discussant. This year, the students had an additional incentive to work hard as Poynton and Partners sponsored a \$1,000 prize for the best student paper in business economics, determined by participants. The student

presentation award went to Mr Richard Dennis from the ANU for his paper entitled 'Solving for Optimal Simple Rules in Rational Expectations Models'. An honourable mention was made to Ms Hsiao-chuan Chang also from the ANU for her paper entitled 'Wage Dispersion, Trade, Productivity Growth and Education: A Theoretical Analysis'. The prize for the best discussant went to Associate Professor Denzil Fiebig from the University of Sydney with an honourable mention to Associate Professor Vance Martin from the University of Melbourne. Ms Sibel Yelten from the University of Chicago was awarded the Poynton and Partners business economics prize for her paper entitled 'Real Effects of Movements in Nominal Exchange Rates: Application to the European Monetary Union'. Certificates of commendation were awarded to Ms Vivian Salim from UWA for her paper entitled 'A New Approach to Scheduling Urban Road Projects' and to Mr Shiguang Ma from the University of Adelaide for his paper entitled 'Tests of Weak-Form Efficiency on China's Stock Markets'.

The conference would not have been possible without the generous financial support of a number of sponsors to whom we are most grateful.

## **Conference and Workshop Reports**

### **Labour Market Trends and Family Policies: Implications for Children, 14-15 July.**

Convened by Dr Deborah Cobb-Clark and Professor Bob Gregory. The conference explored the impact on young children of growing inequality of both earnings and employment opportunities, and brought together researchers and policy makers to discuss how policy might enhance economic outcomes for children. Professor John Micklewright, Head of Research, UNICEF International Child Development Centre presented 'A View From Europe'. Economics Program Visitors Dr Lori Curtis (Dalhousie University) and Dr Marianne Page (University of California, Davis) presented papers relating to education, family structure and low income. Professor Gregory's overview paper 'Children and the Changing Labour Market: Joblessness in Families with Dependent Children' received considerable media attention. Researchers from universities across Australia and representatives of Australian and New Zealand government departments made up the fifty participants. The papers are published in the CEPR Discussion Paper series.

### **Economic Policy Development Seminar 15-16 September.**

Organised in conjunction with the Economic Society of Australia (Canberra Branch) and convened by Professor Bruce Chapman. The third annual seminar in this very successful series attracted seventy first-year graduate economists from eleven government departments. The seminar offers young economists a unique opportunity both to both hear high profile speakers with significant expertise in economic policy and the policy process, and to engage them in discussion.

The speakers were Professors Adrian Pagan, Ross Garnaut and Bruce Chapman, ANU; Professor Meredith Edwards, University of Canberra, Mr Andrew Podger, Secretary, Department of Health and Aged Care, Professor Richard Snape, Productivity Commission, Mr Bernie Yates, Department of Employment, Workplace Relations and Small Business, Dr Sandy Cuthbertson, Centre for International Economics, Dr Nicholas Gruen, Business Council of Australia, and Mr Ross Gittins, Economics Editor, Sydney Morning Herald. The seminar is now regarded by a number of government departments as an important part of their graduate training.

### **PhD Conference in Economics and Business 3-5 November.**

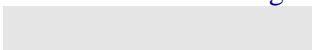
This annual conference is organised jointly by the Economic Research Centre, University of Western Australia and the Centre for Economic Policy Research, ANU, and held alternately in Perth and Canberra. At this year's meeting in Perth the 32 papers were presented by 29 students from Australian universities and one student each from Oxford University, University of Nottingham and

University of Chicago. The papers covered a diverse range of topics including international finance, welfare measurement, trade and knowledge intensive industries, transport and regional economics, international trade and development and productivity analysis. Professor Ron Bewley from the University of New South Wales gave the Invited lecture on 'The Economics of Lobbying (and the Lobbying of Economics)'. The workshop makes a significant contribution to the training of promising doctoral students by giving them the opportunity to gain feedback on and exposure for their research; it enables them to meet with peers and to make contact with senior academics and researchers with similar interests, and it acts as an informal job market in which students can demonstrate their abilities and attract attention to their prospects. The prize for the best student presentation was won by Mr Richard Dennis, ANU, and the Poynton and Partners prize for the best student paper in business economics was awarded to Ms Sibel Yelten, University of Chicago.

The conference was made possible through the generous financial support of a wide range of corporate and public sector sponsors who are listed in the full conference report, which is available on request.

**Australian Labour Market Research (ALMR) Workshop, 23-24 November.**

Organised by CEPR in conjunction with the Department of Employment, Workplace Relations and Small Business, and the Victoria University of Technology. Convened by Professor Bruce Chapman. Contemporary economic policy issues provided the unifying focus for the thirteen paper program. The papers, which are mainly at the research in progress stage, explored a wide range of topics: education and training, effects of unemployment on the earnings of young Australians, casual employment and career advancement, targeting of social assistance, incidence and determinants of self-employment, labour market adjustment costs, economic losses of retrenched workers, employment and labour force participation of indigenous and non-indigenous Australians. The Department of Employment, Workplace Relations and Small Business, the Australian Bureau of Statistics, and the Department of Family and Community Services each gave presentations on their current and future research agendas and data collections. The Workshop has become the premier annual meeting for labour economists and one of its very important roles is to provide economists in the early stages of their career with the opportunity to meet with peers and senior members of the profession. Over seventy participants attended, representing fourteen Australian and two New Zealand Universities and eight federal and state government departments.



## Research Report

### The Foregone Earnings from Child Rearing Revisited

Bruce Chapman

One of the projects that the Centre for Economic Policy Research was engaged in during the year was the analysis of the implications of the presence of children for mothers' earnings, with some striking results. Currently, an average 25-year-old Australian woman with one child would be expected to earn around \$200,000 less over her lifetime (in 1997 dollars) than an otherwise similar but childless woman. Each additional child is associated with a further decrease in lifetime earnings of around \$60,000. Thus having three children implies a decrease in lifetime earnings of about \$320,000.

All adults face choices concerning fertility: whether or not to have children; how many to have; and when to have them. A critical aspect of this decision making relates to how their lives will be changed. Among other things there are implications for time allocation: whether or not a parent will participate in the paid workforce and if so, how many hours of paid work will be undertaken.

The study argues that many parents trade off market work for time with their children, which results in decreased income often labelled 'the foregone earnings from child-rearing'. The estimation of how large these foregone earnings might be has been an area of research pursued by the Centre for Economic Policy Research for over a decade.

The data used for this particular project are for 1997, and come from an Australian random sample study initiated by RISS in 1996 known as the Negotiating the Life-course Survey. Current plans are to maintain the survey and develop it into an on-going panel data set. The technique used in the foregone earnings exercise is to use econometric modelling to test the extent to which the earnings of women are affected by age, education, marital status, partner's income, and other variables-most importantly the presence, number and age of children. In turn this allows simulations of the earnings consequences for women under various hypothetical scenarios.

Among other things the exercise focussed on the role of education, and it turns out that this is a critical variable associated with foregone earnings estimations. For example, women with university degrees are less likely than women who have not completed high school to leave the paid labour force for extended periods after the birth of a child. However, the foregone earnings of the former group are higher in absolute terms because more highly educated women typically earn higher hourly wages. This is because the 'opportunity cost' of each hour spent child rearing is relatively high for university educated women. Specifically, a first child is associated with a lifetime earnings loss of \$240,000 and \$167,000 respectively for women with high and low levels of education. For the same groups, having three children is associated with foregone earnings of about \$400,000 and \$250,000.

Of great interest is the comparison of the results with an almost identical exercise carried out by John Beggs and Bruce Chapman using data for 1986. It turns out that there has been a dramatic fall in the foregone earnings from child rearing in a little over a decade. Specifically, the earlier work revealed that on average, in 1997 dollars, a first child was associated with foregone earnings of around \$435,000 and for three children, about \$570,000.

The major reason that foregone earnings from child rearing have fallen by about 45 per cent in the 1986-97 period is that by the end of this time women with very young children were much more likely to be in paid employment. For example, in 1997, in the first year after giving birth to their first child, 25 year old women with average levels of education had participation rates which were three times higher than they were in 1986 for a similar women.

Two points should be highlighted. One, the foregone earnings figures should not be interpreted simply as a further cost of children. Instead, they reflect women's time allocation decisions made in the context of household decision-making. Two, it is very clear that these foregone earnings calculations have fallen significantly in recent years. This strongly suggests that the current data very likely overstate the foregone earnings from child rearing for women in the future.

Work on this topic was presented in July at the Labour Market Trends and Family Policies conference financed and organised by CEPR with assistance from the Department of Family and Immunity Services. Full details have been published as Bruce Chapman, Tonne Dunlop, Matthew Gray, Amy Liu and Deborah Mitchell, 'The Foregone Earnings from Child Rearing Revisited ' Centre for Economic Policy Research Discussion Paper No. 407.

## **Improvements in Access to ABS Data**

**Bruce Chapman**

Just for a minute or two indulge in the following happy tale. This story is arguably RSSS' most important recent contribution in terms of data availability and means that all Australian social scientists now have much greater access to the best Australian Bureau Statistics (ABS) data.

The issue concerns pricing policy related to confidentialised unit record files (CURFs). CURFs contain information on individuals, for example the Income Distribution Surveys, and are frequently used by economists, sociologists and demographers and other researchers.

Before 1999 researchers paid between \$7,000-\$10,000 for each data file. That is, research based on analysis of several CURFs over a period of years might require outlays of up to \$20,000 just for the data. This arrangement had two implications, one for researchers, and one for the ABS.

On the research side, this meant that some Australian academics were becoming more interested in other countries: data from the US and Canada, are

available, inexpensive and appropriate for analysing current issues. For the ABS the inappropriate pricing policy produced low levels of revenue.

The economics of the matter is that while the marginal costs of providing such files is close to zero, there are high fixed costs. This implies that the right way to charge would be some sort of fixed costs fee between the ABS and universities with low additional costs for each file.

An approach like the above operates in Canada, and is known as 'Data Liberation', a system explained and promoted to the ABS by RSSS researchers in the 1990s. This came through Roger Jones, Director of the RSSS Social Science Data Archives, and the Australian Council of Social and Political Research Inc., with its current President, Professor Frank Jones from the Sociology Program of RSSS, offering strong support.

To move the process further the Centre for Economic Policy Research, at the initiative of Professor Bob Gregory and Dr Tom Crossley, invited and financed the visit of Dr Ging Wong. Dr Wong was critical to the institution of 'Data Liberation', and is one of Canada's most significant social policy-makers. His visit is arguably a watershed in the 1999 ABS reforms.

We introduced Dr Wong to the Australian bureaucracy, and most of his interactions with government touched on issues of data availability. In these meetings Dr Wong always took the opportunity to explain and promote the advantages of the Canadian system.

Afterwards, the Director of RSSS, Professor Ian McAllister, organised a lunch with the Commonwealth Statistician, Mr Bill McLennan, and his Deputy, Mr Tim Skinner. I was there, and so too were other RSSS economists: Dr Deborah Mitchell and Dr Sue Richardson, an RAI visitor.

The lunch had one conversation only: CURF pricing policy. There seemed to be agreement on two points: the contemporary Australian arrangements should be revisited; and the Canadian model was worth exploring as a possible alternative.

However, it seemed to us from RSSS that what was needed was the support of an institution representative of Australian universities: enter the Australian Vice Chancellors' Committee (AVCC). After the lunch we phoned both Stewart Hamilton and John Mullarvey, respectively the Director and Deputy Director of the AVCC, to promote the suggested changes. They both became involved with enthusiasm and commitment, and over the ensuing year or so at the AVCC and ABS drew up a new contract.

The suggested system had all the best characteristics of the Canadian model promoted by RSSS: a fixed fee with a zero cost for each file. All that was now needed was the financial commitment of Australian universities.

The ABS set a deadline for participating universities to sign up - January 20th 1999. However, with only a few days to go only about six universities had agreed, and this was not enough to make the scheme viable. Urgent action was needed.

Ian McAllister, Bob Gregory and Bruce Chapman then spent much of the next few days doing what academics are usually not good at: lobbying, coercion, manipulation, and persuasion. Thankfully, when the deadline arrived, 19 universities had signed up to the suggested reform, and it came about. A year later all but a few of Australia's 36 universities have joined.

The ABS now has a secure income source from CURFs, and there will now be more use of their data. Participating universities pay less than \$6,000 for the privilege, and their social scientists have free access to around 100 files<sup>1</sup>. Further, the initiative is currently leading to further progressive reforms in terms of ABS data distribution. Even so, none of these changes will compromise ABS' rigorous stance on confidentiality.

In this period of reform fatigue we can do worse than reflect on the achievement of some of RSSS' wider purposes. The new CURF system is a consummate example.

Bruce Chapman, Tom Crossley and Ging Wong (1999) 'The New Confidentialised Unit Record File Arrangements', *Australian Economic Review*, 32(4), 404-409.

---

<sup>1</sup> For details of participating universities and files available, see Chapman, Crossley and Wong (1999).

---

## **Outside Grants**

\$46,000 for three years, 1999-2001, from the Social Science and Humanities Research Council of Canada—regular grant competition: 'The impact of job displacement and unemployment on short and long term living standards' (Dr. Thomas Crossley).

\$3,000 for two years, 1998-1999, from the Social Science and Humanities Research Council of Canada—small grant competition: 'Tax Expenditures, Housing Choices and Savings Behaviour: A Canada- US Comparison' (Dr. Thomas Crossley)

\$165,000 from the Medical Research Council of Canada and \$67,000 from the Ontario Ministry of Health. 1997-1999 'Global Physician Expenditure Caps and Physician Services Utilizations: A three Province Study' (Dr. Thomas Crossley with J. Hurley, lead investigator and P. Grootendorst).

\$22,350 and \$22,350 1998-1999—Human Resources Development Canada for 'Job Finds and Job Starts' (Dr. Thomas Crossley with P. Kuhn).

\$22,800 1998-1999 from Human Resources Development Canada for 'Employment Insurance and the Long Run Costs of Job Loss' (Dr. Thomas Crossley with M. Browning).

\$10,000. from Rotary Health Research Fund, for a study on infant feeding and cost savings to the ACT health system (Julie Smith, Professor D Ellwood, and Dr Jane Thompson, Women and Children's Health, The Canberra Hospital).

\$18,000, 1999, from the World Bank. Higher Education Financing Reform in Ethiopia (Professor Bruce Chapman).

\$16,000, 1999, from the World Bank. Public Expenditure Review of the Malaysian Economy. (Professor Bruce Chapman).

## Joint Research

**Dr G. Barrett:** Analysing trends in income and consumption inequality in Australia. With Dr T. Crossley, ANU, and Dr C. Worswick (University of Melbourne).

Deriving the statistical properties of tests for Lorenz dominance and stochastic dominance, and the statistical properties of inequality and poverty indices. With Dr S. Donald, Boston University.

**Professor B. Chapman:** The Unemployment trap meets the age-earnings Profile: an examination of the extent of and contingencies associated with welfare traps in the presence of returns to on-the-job training. With J. Jordan and K. Oliver, Commonwealth Department of Family and Community Services, and Professor J. Quiggin, James Cook University.

**Dr T. Crossley:** Unemployment, Consumption Smoothing, and the Demand for Durables. With Dr M. Browning, University of Copenhagen.

The Long run Costs of Job Loss. With Dr M. Browning.

A Model of Search and Consumption. With Dr Martin Browning, University of Copenhagen and Dr Eric Smith, University of Essex.

Testing Hyperbolic Absolute Risk Aversion Preferences. With Dr Martin Browning and Dr Mette Erjnaes, University of Copenhagen.

Trends in Consumption Inequality in Australia. With Dr Christopher Worswick, University of Melbourne, and Dr Garry Barrett, ANU and UNSW.

Uptake of Benefit Payments by Immigrants to Canada. With Dr Christopher Worswick, University of Melbourne and Dr Ted McDonald, University of Tasmania.

Specification and Testing of Immigrant Assimilation Profiles. With Dr Christopher Worswick, University of Melbourne.

A Distributional Analysis of Prescription Drug Subsidies. With Dr Michael Veall, Dr Paul Grootendorst and Sule Korkmaz, McMaster University.

The Impact of the 1987 Tax Reform on Charitable Giving. With Dr Michael Veall, McMaster University, and Taejong Kim, York University, Canada.

On the Reliability of Self Assessed Health Status. With Mr Steven Kennedy, ANU.

Statistical Models for Repeated Short Panels. With Dr Vincent Hildebrand, York University, Canada.

Physician Responses to Billings Caps: Evidence from Three Provinces. With Dr Jerry Hurley and Dr Paul Grootendorst, McMaster University.

Progress on Child Poverty in Canada?. With Dr Lori Curtis, Dalhousie University.

Demand for Training Among the Unemployed. With Dr Bruce Chapman, ANU and Dr Taejong Kim, York University, Canada.

Job Starts and Job Finds. With Professor Peter Kuhn, University of California, Santa Barbara.

**Dr R. Pitchford:** The Hold-Out Problem. With Dr F. Menezes, ANU; Corporatisation. With Professor S. King, University of Melbourne; Attribution Hierarchies. With Dr K. Meagher, University of New South Wales.

## Conference and Seminar Presentations

### Dr Garry Barrett

*Invited Conference Papers:* 'Sole Parents, Income Support and Family Well-being', *Labour Market Trends and Family Policies: Implications for Children*, Centre for Economic Policy Research Conference, 1999 ANU. July.

*Invited Workshop Paper:* 'The dynamics of participation in the Sole Parent', *Labour Market Research Workshop*, Department of Family and Community, Department of Family and Community Services, Canberra. March.

*Seminars:* 'The effect of alcohol consumption on earnings', *Labour Econometrics Workshop*, University of Melbourne. April.

'The effect of alcohol consumption on earnings' ANU and McMaster University, February (ANU), May (McMaster).

### Professor Bruce Chapman

*Invited Conference Papers:* 'Children and Their Mother's Earnings' (with Yvonne Dunlop, Matthew Gray, Amy Liu and Deborah Mitchell), *Labour Market Trends and Family Policies: Implications for Children*, Centre for Economic Policy Research Conference, ANU. July.

'TAFE Charges', *Post-compulsory Education Policy Developments Conference*, Centre for Lifelong Learning, University of Canberra. August.

'Labour Force and Unemployment: Past and Future', *Australia's Population: 1970-2030*, Research School of Social Sciences Demography Program Conference, ANU. October.

'Avoiding Recessions and Long-term Unemployment', *Pathways to Full Employment*, Centre for Full Employment and Equity Conference, University of Newcastle. December.

*Conference paper:* 'The Determinants of Ideology', (with Marian Simms), *Social Justice and Policy*, University of NSW. July.

*Seminars:* 'From Rubbish to Publish', Institute of Applied Economic and Social Research, the University of Melbourne. March.

'Would Increasing the Skills of the Unemployed Solve the Australian Unemployment Problem?', Institute of Applied Economic and Social Research, the University of Melbourne, Melbourne. March.

'The Unemployment Trap Meets the Age-earnings Profile', Institute of Applied Economic and Social Research, the University of Melbourne, Melbourne. March.

'The Unemployment Trap Meets the Age-earnings Profile', Economics Department, The Faculties, ANU. October.

**Dr. Thomas Crossley**

*Conference Papers:* 'Consumption and Income Inequality in Australia', Symposium of the Australian Academy of Social Sciences, Canberra. November.

*Workshop Papers:* 'The Long Run Costs of Job Loss as Measured by Consumption Changes'. Australian Labour Market Research Workshop, Canberra. November.

'Consumption and Income Inequality in Australia', Labour Econometrics Workshop, University of Melbourne, Melbourne. April.

*Seminars:* 'The Long Run Costs of Job Loss as Measured by Consumption Changes', University of New South Wales.

'The Long Run Costs of Job Loss as Measured by Consumption Changes', University of British Columbia, Canada.

'The Incidence and Adequacy of UI Benefits in Canada 1969-1996' McMaster University, Canada.

'The Long Run Costs of Job Loss as Measured by Consumption Changes', Institute for Fiscal Studies, University College. London.

'The Long Run Costs of Job Loss as Measured by Consumption Changes', University of Essex.

'The Long Run Costs of Job Loss as Measured by Consumption Changes', University of Copenhagen, SFI Denmark.

'The Long Run Costs of Job Loss as Measured by Consumption Changes', York University, Toronto.

'Shocks, Stocks and Socks: Consumption Smoothing and the Replacement of Durables', Carlos III, Madrid.

'Shocks, Stocks and Socks: Consumption smoothing and the Replacement of Durables', Department of Family and Community Services, University of Adelaide.

'Shocks, Stocks and Socks: Consumption Smoothing and the Replacement of Durables', University of Adelaide

'Consumption and Income Inequality in Australia', The Australian National University, Canberra. March.

‘Consumption and Income Inequality in Australia’, Danish National Institute of Social Research, Denmark.

‘Consumption and Income Inequality in Australia’, Department of Family and Community Services, Australia.

## Service to Outside Organisations

**Professor B.J. Chapman:** *Consultant*, World Bank Public Sector Review of Malaysia; World Bank, Ethiopian Higher Education Financing;

*Member*, Australian Bureau of Statistics Labour Market Advisory Committee;

Research Associate, National Institute of Labour Studies Flinders University; Research Associate, Centre for Labour Market Research (a consortium of Curtin University, Edith Cowan University, Murdoch University and the University of Western Australia).

*Invited member*, International Forum of Labour Economists;

*Committee member*, Economic Society of Australia, Canberra Branch;

*Visiting Professorial Fellow*, University of Melbourne.

*Invited commentator on the Five Economists plan*, Parliament House, Canberra, March.

*Invited address*, ‘The Role and Evaluation of Labour Market Programs’, Productivity Commission, Canberra. April.

*Invited address*, ‘Unemployment Duration and Policy’, to a Chinese Government Delegation, Public Policy Program, ANU, May.

*Referee*, Australian Research Council granting competition;

**Dr T. Crossley:** *Member*, Canadian International Labour Network;

*Consultant*, Department of Human Resource Development, Canada, on tracing and non-response issues in the Canadian Out of Employment Panel Survey;

*Consultant*, Federal Department of Family and Community Services (Australia), on evaluating tax reform, evaluating the parenting payment intervention pilot study, on the design of a new household panel data set;

*Referee*, Department of Family and Community services on internally produced research;

*Referee*, Australian Research Council granting competition;

*Discussant/Commentator* on other researchers' papers at the following conferences: Australian Health Economist Society Annual Conference, Canberra, July; Canadian Economic Association Annual Meetings, Ottawa, May; Australian Macroeconomics Workshop, Canberra, April.

**Dr G. Barrett**, *Consultant*, Department of Family and Community Services, The Dynamics of Participation in the Sole Parent Pension.

**Dr R. Pitchford**: *Consultant*, Australian Competition and Consumer Commission (ACCC) on airport pricing, credit card fees, specific questions in gas and electricity;

*Invited Speaker*: ACCC Forum on Depreciation; Microeconomic Reform Session, Conference of Economists.



## Service to Journals

**Professor B.J. Chapman:** Member, editorial board, *Education Economics and Economics of Education Review*. Referee, *Economic Record*, *Journal of Industrial Relations*, *Australian Economic Review*, *Journal of Public Economics*, *Economics of Education Review*.

**Dr T. Crossley:** Member, editorial board, *Canadian Journal of Economics*; Referee: *Labour Economics*, *Canadian Journal of Economics*, *Economic Journal*, *Economic Record*

**Dr G. Barrett,** Referee, *American Economic Review*, *Australian Economic Review*, *Canadian Journal of Economics*, *Economic Record*, *Journal of Industrial Relations*, *New Zealand Social Policy Journal*

**Dr R. Pitchford:** Referee, *American Economic Review*, *Economic Record*, *Journal of Law, Economics and Organization*, *Economic Theory*

## **Publications\* : Economics Program**

### **Apps, P.**

Reforming the Australian Tax-Transfer System, CEPR Discussion Paper No. 413.

### **Patricia Apps Ray Rees**

Household Savings, Time Allocation and Taxation, Working Papers in Economics and Econometrics No. 381.

### **Chapman, B.J. and Cobb-Clark, D.**

A Comparative Static Model of the Relationship Between Immigration and the Short-Run Job Prospects of Unemployed Residents, *Economic Record*, 75(231), 358-368.

### **Cobb-Clark, D.**

Do Selection Criteria Make a Difference? Visa Category and the Labour Force Status of Australian Immigrants, CEPR Discussion Paper No. 397.

Reassessing the Role of Child Care Costs in the Work and Care Decisions of Australian Families, CEPR Discussion Paper No. 409

What Do We Know About the Relationship Between Immigration and Unemployment? Some New Australian Evidence, *Growth*, 47, 77-87.

### **Cobb-Clark, D. and Chapman, B.**

The Changing Pattern of Immigrants' Labour Market Experiences, CEPR Discussion Paper No. 396.

### **Cobb-Clark, D. and Dunlop, Y.**

Gender and Promotion, *Monthly Labor Review*, 122(12), 32-38.

### **Cobb-Clark, D. and Koussoudji, S.<sup>1</sup>**

The Shadows of Unauthorized Employment: Women's Sub-Minimum Pay and Occupational Concentration Before and After Legalization. In *Women's Progress: Perspective on the Past, Blueprint for the Future*, Institute for Women's Policy Research, Washington DC. 366-369.

- 
- 1 Not a member of the ANU
  - 2 Former member of or former visitor to the Program
  - 3 Member of or visitor at another RSSH Program
  - 4 Member of a part of the ANU other than RSSH
  - 5 Student in the Program
  - 6 Current visitor to the Program
  - 7 Former member of the ANU
-

Did Legalization Matter for Women? Amnesty and the Wages of Formerly Unauthorized Workers, *Gender Issues*, 17(4), 5-15.

**Dennis, R.**<sup>5</sup>

Conditionally optimal rules in a simple closed economy model under discretion and commitment, Working Papers in Economics and Econometrics No 361.  
Discretionary Monetary Policy With Costly Inflation, *Economics Letters*, 65, 91-96.

Optimal and Conditionally optimal Targeting Rules for Small Open Economies, Working Papers in Economics and Econometrics No 362.

**Dharmapala, D.**

Comparing Tax Expenditures and Direct Subsidies: The Role of Legislative Committee Structure, *Journal of Public Economics*, 72(3). 421-454.

Tax Expenditures versus Direct Subsidies: A Review of the *Issues*, *Proceedings of the Ninety-First Annual Conference on Taxation*, National Tax Association-Tax Institute of America.

**Dungey, Mardi and Pitchford, John**

The Steady Inflation Rate of Economic Growth, CEPR Discussion Paper No. 414.

**Evans, M.D.R. and Jonathan Kelley**

Small Families or Large? Australia in International Perspective, *Australian Social Monitor*, 2(1):13-19.

*Time Use in Later Life: Employment, Family, Leisure, Adult Education, Charity and the Arts among Older Australians*, Report for the National Strategy for an Aging Australia, Office of the Aged/ Aged and Community Care (Commonwealth government). 1-135.

**Gregory, R.G.**

Labour Market Institutions and the Gender Pay Ratio, *Australian Economic Review*, 32(3) 273-8.

Children and the Changing Labour Market: Joblessness in Families with Dependent Children. CEPR Discussion Paper no. 406.

Competing with Dad: Changes in the Intergenerational Distribution of Male

Labour Market Outcomes in the UK, NZ, Australia and the US: Observations on the Impact of Labour Market and Economic Reforms, CEPR Discussion Paper no. 401.

Labour Market Income. In *Australian Social Policy*, Dept of Family and Community Services. 115-132.

Policy Implications and Reflections. In *Australia's Young Adults: The Deepening Divide*, Dusseldorp Skills Forum, April. 207-209.

**Gregory, R.G., Eva Klug and Yew May Martin**

Labour Market Deregulation, Relative Wages and the Social Security System. In S Richardson (ed) *Reshaping the Labour Market: Regulation Efficiency and Equality in Australia*, Cambridge University Press: Melbourne. 200-222.

**Gruen, D.<sup>1</sup>, Pagan, A.R. and Thomson, C.<sup>1</sup>**

The Phillips Curve in Australia, *Journal of Monetary Economics*, 44(2), 223-258.

**Keating, M.**

The Public Service: Independence, Responsibility, and Responsiveness, *Australian Journal of Public Administration*, 58(1), 39-47.

**Kelley, Jonathan**

Attitudes to Foreign Trade in 16 Nations, *Australian Social Monitor*, 2(2). 42-43.

Confidence in Universities: Australia 1984-1996, *Australian Social Monitor*, 2(3). 49-56.

Australians' Views about the Theory of Evolution, *Australian Social Monitor*, 2(6).

**Kelley, Jonathan and M.D.R. Evans**

*ISSSA 1999 Data Archive: Australian ISSSA Data on CD-ROM (2<sup>nd</sup> edition)*. (22,000+ cases) Melbourne Institute of Applied Economics and Social Research, University of Melbourne. (Available worldwide from [www.amazon.com](http://www.amazon.com))

*International Social Science Survey/Australia 1999/2000, Inequality - Round 3 and International Survey of Economic Attitudes Panel: Codebook and Machine Readable Data File*. (Preliminary Release; 1,196 variables and 1,535 cases) Melbourne Institute of Applied Economics and Social Research, University of Melbourne.

Australian and International Survey Data for Multivariate Analysis: The ISSSA, *Australian Economic Review*, 32(3). 298-303.

Non-Catholic Private Schools and Educational Success, *Australian Social Monitor*, 2:1-4.

Attitudes toward Abortion: Australia in Comparative Perspective *Australian Social Monitor* 2(4). 83-91.

**Kelley, Jonathan, M.D.R. Evans and Peter Dawkins**

*Security and Pay in Government and Private Employment.* Melbourne Institute of Applied Economics and Social Research, University of Melbourne. 1-93.

**Kelley, Jonathan, M.D.R. Evans, Malcolm Mearns and Bruce Headey**

Monarchy, Republic, Parliament and the People: 20 Years of Survey Evidence  
*Australian Social Monitor* 2(5). 104-113.

**Kelley, Jonathan and Krzysztof Zagorski**

Changing Attitudes Toward Income Inequality in East and West  
*Australian Social Monitor* 2(1). 5-8.

**McCalman, P.**

Reaping What you Sow: An Empirical Analysis of International Patent Harmonization, Working Paper No. 374

**Mitchell, Deborah**

Family Policy and the State. In Hancock, L (ed) *Women, Public Policy and the State.* MacMillan, Melbourne. 73-85.

Labour Market Regulation and Low Wages: A Lifetime Perspective. In Richardson, S. (ed) *Equity and Productivity in the Australian Labour Market.* CUP: Melbourne. 159-175.

**Pagan, A.R.**

The Getting of Macroeconomic Wisdom, CEPR Discussion Paper NO. 412.

The Tilburg Experiments: Impressions of a Drop Out. In J. R. Magnus and M. S. Morgan, (eds) *Methodology and Tacit Knowledge: Two Experiments in Econometrics* John Wiley and Co, Chichester/New York, 369-374

Some Uses of Simulation in Econometrics, *Mathematics and Computers in Simulation*, 1616, 1-9.

**Pagan, A.R. and V. Martin**

Simulation Based Estimation of Some Factor Models in Econometrics. In T. Schuermann and R.S. Mariano (eds) *Simulation Based Estimation in Econometrics*, Cambridge University Press, Melbourne.

Some Uses of Simulation in Econometrics. *Mathematics and Computers in Simulation*, 1616, 1-9.

**Pagan, A.R. and Ullah, A.<sup>1</sup>**

*Non-parametric Econometrics.* Cambridge University Press, New York. 424pp. Smith, J.P.<sup>5</sup>

Human Milk Supply in Australia, *Food Policy*, 24(1). 71-91.

---

**Smith, J.P.**

Australian Gambling Taxation, CEPR Discussion Paper No. 402.

Human Milk Supply in Australia *Food Policy* 24(1). May 71-91.

Is the Only Good Tax an Old Tax? A Historical Perspective on the GST Debate, CEPR Discussion Paper No. 398.

**Snooks, G.D.**

*Global Transition. A General Theory of Economic Development.* Macmillan/St Martin's Press, London/New York. xiv+395.

*Longrun Dynamics. A General Economic and Political Theory* (2<sup>nd</sup> edn), Macmillan/St Martin's Press, London/New York. xvii+284.



**Publications: Centre for Economic Policy Research**

**Barrett, Garry, T. Crossley and C. Worswick,**

Consumption and Income Inequality in Australia, CEPR Discussion Paper No. 404.

Demographic Trends and Consumption Inequality in Australia 1975-1993, CEPR Discussion Paper No. 403.

**Chapman, B.J.**

Could Increasing the Education of the Unemployed Solve Australia's Unemployment Problem? In Richardson, S. (ed) *Efficiency and Equality in Australia*. Cambridge University Press, Melbourne. 176-199.

**Chapman, B.J. and Cobb-Clark, D.**

A Comparative Static Model of the Relationship Between Immigration and the Short-Run Job Prospects of Unemployed Residents, *Economic Record* 75(231). 358-368.

**Chapman, B., Crossley, T.F. and Wong, G.**<sup>2</sup>

A New Arrangement for Confidentialised Unit Record Files, *Australian Economic Review*, 32(4). 404-409.[Data Surveys Section].

**Chapman, Bruce, Yvonne Dunlop, Matthew Gray, Amy Liu, Deborah Mitchell**

The Foregone Earnings from Child Rearing Revisited, CEPR Discussion Paper No. 407.

**Crossley, T.F. and Kuhn, P.**<sup>2</sup>

Job Starts and Job Finds: Employment Insurance and the Micro-dynamics of Unemployment Spells. Human Resources Development Canada, Ottawa.

**Crossley, T. and Browning, M.**

Unemployment Insurance Benefit Levels and Consumption Changes, CEPR Discussion Paper No.405.

Shocks, Stocks and Socks: Consumption Smoothing and the Replacement Durables During an Unemployment Spell, Working Papers in Economics and Econometrics No. 376.

**Crossley, T., McDonald, J.T and Worswick, C.**

Immigrant Benefit Receipt: Sensitivity to the Choice of Survey Years and Model Specification, Working Papers in Economics and Econometrics No. 370.

**Grant, S and Quiggin, J.**

Public Investment and the Risk Premium for Equity, Working Papers in Economics and Econometrics No. 360.

The risk premium for equity: implications for Clinton's proposed diversification of the social security trust fund, Working Papers in Economics and Econometrics No. 368.

**Pitchford, R.**

Judgment-Proofness, *The New Palgrave Dictionary of Economics and the Law*. Newman, Peter, ed., New York, Stockton Press, London: Macmillan Reference.

**Pitchford, R. and King, S.**

Privatization in Australia: Understanding the Incentives in Public and Private Firms. *Australian Economic Review*, 31(4), December, 313-28. 365

**Pitchford, R. and Snyder, C.M.**

Property rights, Incomplete Contracts and Social Harm, Working Papers in Economics and Econometrics No. 365..

---

## **CEPR Discussion Papers 1999**

The Discussion Papers of the Centre are intended to make available to a wider audience a series of economic research studies. These studies will have been undertaken by the Economics Group research staff, visitors and students or have been presented to conferences held under the auspices of the Centre. The Centre also publishes as Discussion Papers studies of relevance to economic policy which have been undertaken by individual academics attached to other research groups within the University, or where the Centre is able to act as a focal point for such research.

Requests for papers should be directed to CEPR Publications: e-mail [cepr@anu.edu.au](mailto:cepr@anu.edu.au); tel: 61 (0)2 6249 2118; fax: 61 (0)2 6249 0182

- 396 Cobb-Clark, Deborah and Bruce Chapman  
The Changing Pattern of Immigrants' Labour Market Experiences.
- 397 Cobb-Clark, Deborah  
Do Selection Criteria Make a Difference? Visa Category and the Labour Force Status of Australian Immigrants.
- 398 Smith, Julie  
Is the Only Good Tax an Old Tax? A Historical Perspective on the GST Debate.
- 399 Castles, F  
Decentralization and the Post-War Economy.
- 400 Gregory, R.G  
Competing with Dad: Changes in the Intergenerational Distribution of Male Labour Market Income.
- 401 Gregory, R.G  
Labour Market Outcomes in the UK, NZ, Australia and the US: Observations on the Impact of Labour Market and Economic Reforms.
- 402 Smith, Julie  
Australian Gambling Taxation.
- 403 Barrett, Garry, Thomas Crossley and Christopher Worswick,  
Demographic Trends and Consumption Inequality in Australia 1975-1993.
- 404 Barrett, Garry, Thomas Crossley and Christopher Worswick,  
Consumption and Income Inequality in Australia.
- 405 Browning, Martin and Thomas Crossley,  
Unemployment Insurance Benefit Levels and Consumption Changes.
- 406 Gregory, R.G.  
Children and the Changing Labour Market: Joblessness in Families with Dependent Children.

- 407 Chapman, Bruce, Yvonne Dunlop, Matthew Gray, Amy Liu, Deborah Mitchell  
The Foregone Earnings from Child Rearing Revisited
- 408 Marks, Gary and John Ainley  
School Achievement and Labour Market Outcomes.
- 409 Cobb-Clark, Deborah, Liu Amy, Deborah Mitchell  
Reassessing the Role of Child Care Costs in the Work and Care Decisions of Australian Families.
- 410 Dolan, Alex  
Family Income Support Policy Issues.
- 411 Barrett, Garry  
Sole Parents, Income Support and Family Wellbeing.
- 412 Pagan, Adrian  
The Getting of Macroeconomic Wisdom.
- 413 Apps, Patricia  
Reforming the Australian Tax-Transfer System.
- 414 Dungey, Mardi  
Pitchford, John  
The Steady Inflation Rate of Economic Growth.

## **Working Papers in Economics and Econometrics 1999**

This series is published under the joint auspices of the Economics Program, Research School of Social Sciences and the Faculty of Economics and Commerce. Papers are contributed by staff, postgraduate students and visitors.

Requests for papers/lists of papers should be directed to Zann Miranda, Dept of Economics, Faculty of Economics and Commerce, Australian National University, E-mail: Zann.Miranda@anu.edu.au. Tel: (02) 6249 3365.

- 359 Chris Jones  
Subsidising Private Contributions to a Pure Public Good: A Diagrammatic Analysis.
- 360 Simon Grant and John Quiggin  
Public Investment and the Risk Premium for Equity.
- 361 Richard Dennis  
Conditionally optimal rules in a simple closed economy model under discretion and commitment.
- 362 Richard Dennis  
Optimal and Conditionally optimal Targeting Rules for Small Open Economies.
- 363 Flavio Menezes  
Auctions of identical objects with single-unit demands: A Survey.
- 364 Matt Bengt  
Marginal Excess Burdens of Taxes on Capital and on Labour Income in a Small Open Economy.
- 365 Rohan Pitchford and Christopher M. Snyder  
Property rights, Incomplete Contracts and Social Harm.
- 366 Flavio Menezes and Paulo K. Monteiro  
Synergies and Price Trends in Sequential Auctions.
- 367 Rod Tyers and Yongzheng  
European Unemployment, US Wages and the Asian Emergence.
- 368 Simon Grant and John Quiggin  
The risk premium for equity: implications for Clinton's proposed diversification of the social security trust fund.
- 369 Matt Bengt  
Gains to Australian shareholders from Perturbations in Corporate Financial Policy.
- 370 Thomas F. Crossley,  
James Ted McDonald Christopher Worswick  
Immigrant Benefit Receipt: Sensitivity to the Choice of Survey Years and Model Specification.

- 371 Matt Benge  
The Ralph Report Depreciation Proposals and Investment Neutrality.
- 372 Yongzheng Yang and Rod Tyers  
The Asian Recession and Northern Labour Markets.
- 373 Chris Jones  
Miller's Equilibrium and Uncertainty.
- 374 Philip McCalman  
Reaping What you Sow: An Empirical Analysis of International Patent Harmonization.
- 375 Simon Grant, Atsushi Kajii and Ben Ploak  
'Third down and a yard to go': the Dixit-Skeath conundrum on equilibria in competitive games.
- 376 Martin Browning and Thomas Crossley  
Shocks, Stocks and Socks: Consumption Smoothing and the Replacement Durables During an Unemployment Spell.
- 377 Paul Chen, Asep Suryahadi and Rod Tyers  
Openness, Technological Change and Labour Demand in Pre-Crisis Indonesia.
- 378 Rod Tyers and Yongzheng Yang  
Agricultural Trade Reform after the Asian Recession: A Bridge too Far?
- 379 Tuong Nhu Che, Tom Kompas and Neil Vousden  
Incentives and Static and Dynamic Gains from Market Reform in an Emerging Profits Model.
- 380 Ben Smith  
The Impossibility of a Neutral Resource Rent Tax.
- 381 Patricia Apps Ray Rees  
Household Savings, Time Allocation and Taxation.
- 382 Robert Breunig and Indraneel Dasgupta  
Are People Ashamed of Paying with Food Stamps.

## Economics Group Seminar Program 1999

**Convenor:**

The weekly seminars in this series are generally held on Friday afternoons commencing at 2pm in one of the H.C. Coombs Building seminar rooms. Seminars may be held at other times and venues in order to accommodate particular speakers. Seminar information may be obtained from the Economics Program Administrator, Stephanie Hancock Tel: (02) 6249 2387 or e-mail econsrss@coombs.anu.edu.au. Papers are usually available prior to the seminar and copies are available on request.

Date	Speaker	<i>Seminar Paper</i>
22 Jan	John Quiggin James Cook University and Robert Chambers University of Maryland at College Park	<i>Exploitation in agrarian relationships</i>
29 Jan	Rita Sever Hebrew University of Jerusalem	<i>Israel and its immigrants</i>
12 Feb	Deborah Mitchell, ANU	<i>An overview of the Life-Course Project</i>
19 Feb	Garry Barrett University of NSW	<i>The Effect of alcohol consumption on earnings</i>
26 Feb	Hideo Owan Stanford University	<i>Specialization, multi-skilling and human capital: complementarity vs substitutability</i>
5 Mar	Tom Crossley York University	<i>Consumption inequality in Australia</i>
12 Mar	Bengt-Arne Wickstrom Humboldt University of Berlin	<i>Behavioral sclerosis, myopia, and the development of the welfare state</i>
26 Mar	Michael Veal McMaster University	<i>Allocating awards across noncomparable categories</i>
9 Apr	Elizabeth Wilman University of Calgary	<i>Incentives to participate in an international environmental agreement</i>
23 Apr	James Vercammen University of British Columbia	<i>Irreversible investment under uncertainty and the threat of bankruptcy</i>
30 Apr	Robert Waschik Wilfrid Laurier University	<i>Union bargaining power, relative wages, and efficiency and the threat of bankruptcy</i>
7 May	Jean-Yves Duclos University of Laval	<i>Statistical inference for stochastic dominance and for the measurement of poverty and inequality</i>
14 May	David Vines Oxford University	<i>Is Article XXIV bad?</i>
21 May	Adrian Pagan, ANU	<i>The Phillip's curve in Australia</i>
28 May	Flavio Menezes, ANU	<i>Synergies and price trends in sequential auctions</i>

---

**Economics Program Seminars...**

---

<b>Date</b>	<b>Speaker</b>	<b>Seminar Paper</b>
4 Jun	Paul Oslington Deakin University	<i>How much of our unemployment is structural?</i>
11 Jun	Wayne Vroman Urban Inst. Washington DC	<i>The costs of unemployment schemes with special reference to Asia</i>
18 Jun	Danny Quah London School of Economics	<i>The weightless economy in economic development</i>
25 Jun	Richard McAdams Boston University	<i>The entrapment defense: an economic analysis</i>
30 Jun	Yoram Amiel Ruppin Inst. Israel	<i>Income inequality</i>
2 Jul	Timur Kuran University of Southern California	<i>Availability cascades and risk regulation</i>
6 Jul	Rhema Vaithianathan University of Auckland	<i>Holdup in the health insurance market</i>
13 Jul	Phillip Leslie University of California, LA	<i>A structural econometric analysis of price discrimination in Broadway theatre</i>
23 Jul	Marianne Page University of California, Davis	<i>Correlations between brothers and neighboring boys in their adult earnings: the importance of being urban</i>
30 Jul	Lori Curtis Dalhousie University	<i>The role of permanent income and family structure in the determination of child health in the Ontario child health study</i>
6 Aug	Roger Farmer University of California, LA and European Inst.	<i>Interdeterminacy and sunspots in macroeconomics</i>
13 Aug	Elizabeth Webster Melbourne Inst. Of Applied Economic and Social Research	<i>The growth of enterprise intangible investment in Australia</i>
20 Aug	Paul Lau The Faculties, ANU	<i>Can the Solow-Swan model be a good approximation to the Ramsey-Cass-Keepmans model</i>
27 Aug	Friedrich Breyer University of Konstanz	<i>Demographic change and the political economy of pension reform</i>
10 Sept	Patrick Francois University of Melbourne	<i>Work ethics, transition and (under)development</i>
17 Sept	Nils Petter-Lagerloef University of Sydney	<i>Gender roles, fertility, and growth</i>
24 Sept	Max Tani London School of Economics	<i>The international trade of skill in the European Union: 1986-1994</i>
8 Oct	David Prentice La Trobe University	<i>Quality-adjusted price indexes for Australian automobile market</i>

---

*Seminar Program*

---

---

**Economics Program Seminars...**

---

<b>Date</b>	<b>Speaker</b>	<b><i>Seminar Paper</i></b>
15 Oct	Hodaka Morita University of NSW	<i>Choice of technology and labour market consequences: an explanation of US-Japanese differences</i>
29 Oct	Raul Barreto University of Adelaide	<i>Taxes, corruption, and endogenous growth</i>
5 Nov	Gary Marks Aust. Council for Education Research	<i>Longitudinal studies of Australian youth: educational participation and early labour market experiences</i>
12 Nov	Meng Xin, ANU	<i>The impact of interruption to education on earnings</i>
19 Nov	Peter McDonald and Rebecca Kippen, ANU	<i>Population futures for Australia: the long term perspective</i>
3 Dec	Bill Cardak Deakin University	<i>Ability, education and income inequality</i>
17 Dec	Alison Booth Essex University	<i>Training, rent-sharing and unions</i>

---

---