

New thinking on public organisation



In June the Centre for Market and Public Organisation (CMPO) organised a major conference on Public Organisation. It attracted academics from across the world and policy-makers from the Cabinet Office and the Ministry of Justice.

Professor Simon Burgess, Director of CMPO, writes: 'The first papers covered the role of markets in the provision of public services. Marty Gaynor, from Carnegie Mellon University in Pittsburgh, presented strong evidence on the impact of the scale of operations in hospital efficiency in the US. Ian Jewitt, now of Oxford but a founder member of the CMPO, talked about the difficult issues involved in setting up an efficient market for legal services. I presented evidence on the equity implications of the pseudo-market for education in education; showing that children from poor families face a lower chance of attending a high-performing school and that most of this gap is due to where they live.

'The next papers focused on showing that family and neighbourhoods are also important in producing public service outcomes. Victor Lavy, from the Hebrew

University in Jerusalem, used a dataset from Israel to trace the long-run effects of neighbourhood characteristics in a child's early years. Paul Gregg presented the latest evidence on social mobility trends in the UK.

'The second day started with a controversial topic in public services: the role of pay and motivation for public servants. Margaret Meyer, from the University of Oxford, showed that the conventional wisdom favouring clear and precise incentive targets may be wrong – strategic ambiguity has a place in target-setting. Professor Carol Propper argued that national pay-setting in the NHS has detrimental effects on hospital performance.

'The final session addressed issues where the public and private sectors meet. Paul Groot discussed the importance of personal attributes and motivation in the decisions of regulatory bodies in the UK. Tim Besley, of the LSE and the Monetary Policy Committee of the Bank of England, returned to the third sector theme and proposed a model of social entrepreneurship.'
www.bristol.ac.uk/cmipo

Welcome

2007-08 was a busy and important year for the school. The Research Assessment Exercise took much of our attention in the autumn; the results of this are due in December and will affect our reputation and funding for research. In October last year 270 MSc students arrived, which is our largest number ever. Undergraduate numbers were also above target.

In March we had our five-year review. A panel of senior University staff and external experts reviewed all aspects of our activities. We produced a major document which outlined what we have been doing and where we see the school going in the next five years. The panel were keen to congratulate us on most of what we do. They agreed with our argument that we need to grow, and they made some constructive comments on areas where we can improve.

So as we enter the new academic year we have much to do, but with a sense of optimism and pride in what has been achieved.

Dr Steve Lyne

Head of the School of Economics, Finance and Management

Inside



Study to reveal universities' impact on UK

The largest study ever undertaken into the social and economic impact of higher education across the UK is under way. The CMPO's Helen Simpson (BSc 1995) is working with the Institute for Fiscal Studies to investigate the links between research in higher education institutions and the private sector. The three-year venture, funded by a £3 million grant, involves experts from 15 institutions.

Student essay success

Economics student Bob Denham took second prize in the Economics Network 2008 National Student Essay Competition. Bob's essay was a plea for course directors to make their subjects more appealing. He put the argument in these terms: 'Just as social planners in this country have recently taken greater responsibility for the obesity of the nation, so too should our course directors over the intellectual flabbiness of its students.'

He suggests reducing this intellectual flabbiness by making courses more interesting and more social. Bob also suggests that course directors provide incentives to keep students working throughout the year – such as more frequent assessments rather than relying exclusively on the end-of-session exam.

Welfare reform review

The Government's Department of Work and Pensions has invited Professor Paul Gregg to lead a review of welfare reform options.

James Purnell, the Secretary of State for Work and Pensions, claims that the conditions and sanctions for welfare payments introduced by the Government have helped people off benefits and into work. The review will look at how this can be further developed.

Professor Gregg explains: 'Over the last decade the welfare system has been a central part of what has worked best in recent British welfare policy – over a million fewer people on out-of-work benefits. The next phase of reform is to shape a far more personalised system, matching support with expectations of individuals that are effective, appropriate and challenging. I am delighted to be leading this review.'

Peer impact in the classroom

Boys better at English in single-sex classes

The effects of peer group environment on educational success have been investigated in two recent CMPO working papers.

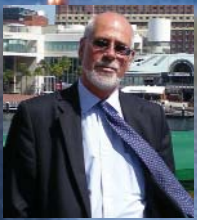
In 'The impact of classroom peer groups on pupil GCSE results', Adele Atkinson, Simon Burgess, Paul Gregg, Carol Propper and Steven Proud find that more able peer groups have a positive effect on GCSE results.

In 'Girl Power? An analysis of peer effects using exogenous changes in the gender make-up of the peer group', Steven Proud reports on the 'large significant negative effects of a more female peer group on boys' outcomes in English'.



Can pay regulation kill?

Joint research by the CMPO and the London School of Economics has found that labour market regulation of nurses' pay can have harmful consequences. Because nurses' pay rates are centrally negotiated, hospitals in rich areas encounter recruitment difficulties not found in poorer areas. As a result hospitals in rich areas treat fewer patients and have worse results than those in poorer areas. It concluded: 'Relaxing the regulatory system to allow local wages to reflect local market realities would improve productivity and save lives.'



Q&A Douglas McLeod

Douglas McLeod (BA 1968) is Chairman of the Association of Scottish Shellfish Growers.

At what age did you become interested in economics and what sparked this interest?

I studied O-level Economics and then continued through to A-levels.

What do you miss about Bristol?

In terms of the University, the collective buzz of intellectual development and social interaction; in terms of the city, the pleasures of the Downs, the Avon Gorge and Clifton.

Why did you choose Bristol?

I considered it the best option, without spending a year 'treading water' while awaiting entry to Oxbridge (the alternative at that time).

How useful has your degree from Bristol been?

Very helpful – my first major employment opportunity, in Canada, was facilitated by the appreciation the interviewer had about the quality of a Bristol degree.

What attracted you to the aquaculture sector?

I returned from North Africa, to be a freelance energy economics consultant, and, living in the Highlands of Scotland, sought a local activity to enable me to develop a connection with my new home environment. So I started an oyster farm, and then was drawn into the Association of Scottish Shellfish Growers and the rest is history!

Aquaculture is a dynamic, international and rapidly expanding industry, and will be increasingly significant in food supplies for the planet, and for economic development, both in developed and developing nations.

What are the biggest challenges in this field?

For shellfish, water quality – it's a constant challenge to protect growing waters from pollution.

Have you got any tips for any graduates who want to work in this field?

After the first degree, either go for specialist second qualification or vocational qualifications combined with practical experience 'on the farm', selecting whichever species you have an interest in, from salmon to sea bass to trout to mussels to oysters to crayfish. Aquaculture is an international industry – if you enjoy productive travel, it could be the career for you.

What are your plans for the future?

I've just moved from the Isle of Skye to Adelaide, because my wife has secured a great job with a research institute. My aim is to continue with my consultancy activities, continue my journalism work, and perhaps get involved with local industry. We expect to return to Europe at some point in the future.

Staff update

Professor Robert Sauer has been appointed Professor of Economics. Rob previously taught Economics at the University of Southampton, at the Hebrew University of Jerusalem and Tel Aviv University in Israel, and at Brown University in the US. He completed his PhD in Economics at New York University in 1995.

Other recent new appointments include: Dr Adriana Korczak as Lecturer in Accounting; Dr Evarist Stoja as Lecturer in Finance and Dr Patricia Gaya Wicks (PGCE 1972) as Lecturer in Management.

Alumni update

Steve Rawlins (MSc 1983) worked in the City as a Foreign Exchange Dealer for Chemical Bank until 1992. He then worked for Bank of America until October 1998, when he retired. He now trades a broad range of financial markets including foreign exchange, shares, stock indices, and oil. He lives in Woodchurch, Kent, with his wife Heather and four children.

Please email your news to econ-alumni@bristol.ac.uk and we'll do our best to include it.

Editor: Pam Franklin
email econ-alumni@bristol.ac.uk
www.bristol.ac.uk/efm

If you need this publication in Braille, in larger print or on tape, please contact the Campaigns and Alumni Relations team.
Tel: +44 (0)117 331 7496

Former student wins Olympic gold

Former Economics student, Iain Percy (BSc 1998), won a gold medal with crew Andrew Simpson in sailing's Star class at the Beijing Olympic Games at Qingdao. In a close finish, Percy and Simpson finished just ahead of the Swedish boat in the medal race.

Iain won a gold medal in the Finn Class in the 2000 Sydney Olympics

and consequently was awarded an MBE. In 2005 Iain took a break from Olympic sailing classes and was helmsman of +39 Challenge in its unsuccessful appearance in the 32nd America's Cup. Iain subsequently moved to the Star class and won gold at the 2002 World Championships. He is currently 12th in the world rankings.

Professor Tony Brewer retires

This summer Professor Tony Brewer retired from the University. Tony is in a very rare group of academics who have taught at Bristol for over forty years. Professor Paul Grout, Head of the Economics Department, writes: 'Tony has been a leading academic figure in the history of economic thought and will be remembered by many alumni for his teaching of Microeconomics, the History of Economic Thought, and Economics and Philosophy. He joined the

University in 1967 after graduating from Cambridge and teaching for a year at the University of Leeds. Tony became the Professor of the History of Economic Thought in 1998 and was the last Head of the Department of Economics before it merged into the School of EFM. He has written numerous books, was on the editorial board of the *History of Political Economy* for many years and has held visiting positions at Duke University and Chuo University, Tokyo.'

Mary Harthan has retired from her post in the School's Information Office. With over 35 years' service, she must be one of the longest serving support staff in the University. Mary started work in the Department of Economics in February 1973 as a secretary to Professor J Sandee.

Kate Steele, School Administrator, writes: 'Mary's first priority was the students. She acted as personal tutor to many of them and there are many graduates out there who would have struggled with University life if it hadn't been for Mary's support.'



Finals examination results 2008

Total number of graduates: 234
Awarded 1st: 50
Awarded 2.i: 125