DEPARTMENT OF ECONOMICS

ANNUAL REPORT*

2001

Department of Economics
The University of Western Australia
35 Stirling Highway
Crawley, Perth, Western Australia 6009
Australia

http://www.econs.ecel.uwa.edu.au/economics

*This report was prepared by Ken Clements, James Fogarty and Gina Yoon.
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INTRODUCTION

In terms of research, teaching and service activities, the Department of Economics had another highly productive year in 2001.

For a small department, Economics at UWA is performing well in research. Highlights of the publications listed later in this report include articles by Paul Crompton in Resources Policy, Nic Groenewold in the Manchester School of Economic and Social Research (co-authored with P. Fraser), Anh Tram Le and Paul Miller in the Economic Record, Michael McAleer in the Annals of Tourism Research (with C. Lim) and Econometric Reviews (with K. Nawata), Paul Miller in Demography (with B. Chiswick) and Yanrui Wu in the Journal of Entrepreneurship.

Several books were either edited or written by staff members, including Simplicity, Inference and Modelling: Keeping it Sophistically Simple, edited by Michael McAleer (with A. Zellner and H. Keuzenkamp) and published by Cambridge University Press, Darrell Turkington’s Matrix Calculus and Zero-One Matrices: Statistical and Econometric Applications, to be published in 2002 by Cambridge University Press, and Abu Siddique’s edited volume International Migration into the 21st Century: Essays in Honour of Reginald Appleyard, published by Edward Elgar.

The Department’s research performance has been recognised in studies that rank Universities on that basis. For example, a recent ranking of the research output of Australian Economics Departments confirmed UWA’s status as one of the leaders in the country. For output of refereed journal articles (adjusted for article length and journal quality), on a per capita basis the Department ranked second over the period 1994-2000, behind the University of Melbourne. In a ranking of the most “productive” economists in the world, Paul Miller and Michael McAleer were among the six highest ranked Australia-based economists to make the list. Additionally, publications by Ken Clements, Paul Miller and Michael McAleer are cited frequently by Australian PhD students in their research.

The Department also has an excellent record of attracting research grants, especially the prestigious grants from the Australian Research Council. During 2001, the Department had three existing ARC Large Grants, and Inaugural Discovery Grants were awarded to Michael McAleer for “Modelling a Portfolio of Financial Assets: Structure, Estimation, Testing and Forecasting”, and Paul Miller and Anh Tram Le for “Youth in Australia: Education and Work”. UWA Research Grants were awarded to Nic Groenewold for “International Transmission of Share-Price Changes: Fundamentals or Speculation?”, MoonJoong Tcha for “Australia and Asia: What Kind of Neighbours?” and Yanrui Wu for “Measuring Economic Openness and its Impacts on Growth, with Application to the Chinese Regions”. In total, research grants worth almost $300,000 were awarded to members of the Department in 2001.

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Another dimension of the vibrant research environment within the Department is the Economics Seminar Series. The seminar meets every week during teaching periods and attracts on average about 25 staff and students. This year, research results were presented in the Seminar by 30 speakers, including David Butler (UWA), Olivier de La Grandville (University of Geneva), Essie Maasoumi (Southern Methodist University), Rohan Pitchford (ANU), MoonJoong Tcha (UWA), Ken Wallis (University of Warwick) and Juerg Weber (UWA). The Seminar Series was organised by Ken Clements, Paul Crompton and Nic Groenewold.

Regarding teaching, the Department offers the unit with the largest enrolment in the entire University, Microeconomics, Prices and Markets 101, which attracted 938 students in 2001, and was co-ordinated by Paul Crompton and Pamela Statham. The other large first-year unit, Macroeconomics, Money and Finance 102, attracted 640 students and was co-ordinated by Paul Crompton. Other units with substantial enrolments include Quantitative Methods for Business and Economics 111 (co-ordinator Paul Miller), with 192 students; Asia and the World Economy 203 (MoonJoong Tcha), 133 students; Monetary Economics 210 (Ken Clements), 149 students; Microeconomics: Policy and Application 233 (Kevin Duncan), 206 students; Macroeconomics: Policy and Applications 234 (David Butler), 193 students; International Trade 235 (MoonJoong Tcha), 129 students; International Finance 236 (Nic Groenewold), 246 students; and Business Econometrics 271 (Yanrui Wu), 147 students. Regarding the quality of teaching, recent results from the Course Experience Questionnaire (a survey of former students from all universities conducted by the Graduate Careers Council of Australia) indicate that the teaching of Economics at UWA is highly regarded.

Part of the professional service activities of members of the Department involves the organisation of conferences. In 2001, the Department was pleased to host, or to be closely associated with, four major conferences, each of which facilitated research and contributed to the role of Economics at UWA. The annual conference of the Economic Society, the Conference of Economists, was held at UWA and Paul Miller was Chair of the Organising Committee. This conference attracted 275 delegates from around the country, as well as from overseas. One of the highlights of the conference was the Shann Memorial Lecture, presented by Ted Evans, formerly Secretary to the Treasury, who spoke on “Shifts in the Focus of Government Economic Policies”. Michael McAleer and Philip Hans Franses (Erasmus University Rotterdam) organised the International Conference on Modelling and Forecasting Financial Volatility, which was held at UWA in September 2001. Keynote speakers at this conference were Rob Engle (New York University and University of California, San Diego), Clive Granger (University of California, San Diego) and Neil Shephard (Nuffield College, Oxford). Mel Davies organised the Economic History Society of Australia and New Zealand Con-Joint Conference in Kalgoorlie. This conference attracted over 80 participants and the keynote speakers were Bob Reece (Murdoch University), Geoffrey Blainey, and Christopher Lloyd (ANU). The final conference that the Department was involved with was the PhD Conference in Economics and Business, organised by Ken Clements. Papers were presented at the conference by 40 PhD students from Australian universities and leading overseas institutions. Lisa Cameron (Melbourne University) gave the Invited Lecture on “Staying Sane While Doing Economics: Enlivening the Dismal Science”.
The work of several members of staff and students received special recognition in 2001. Nic Groenewold was promoted to Associate Professor. After working as a Research Assistant for the Department for some time, James Fogarty was appointed as Associate Lecturer. Adam Sharpe, an honours student, was awarded the David J. Teece-AustLEA Scholarship in Law and Economics. Yihui Lan was judged to be one of a group of four PhD students with the most potential at the 2001 PhD Conference in Economics and Business. Felix Chan, a PhD student, was awarded the Best Student Paper and Presentation Prize in Socioeconomic Systems at the 2001 International Congress on Modelling and Simulation; and another PhD student, Suhejla Hoti, was awarded a Commendation of Excellence for Student Paper and Presentation at the same conference.

It is also pleasing to note the achievements of former students from the Department. Kenneth Leong, a PhD graduate, took leave from the Reserve Bank of Australia to take up the research position of Visiting Scholar with the Bank of Finland. Another PhD graduate, Ye Qiang, recently moved from ABARE in Canberra to the position of Senior Economist with the WA Department of Mineral and Petroleum Resources. Alison Preston had her PhD thesis published as a book entitled The Structure and Determination of Wage Relativities: Evidence from Australia by Ashgate.
STAFF MEMBERS

PROFESSORS

K.W. Clements, MEc (Monash), PhD (Chicago), FASSA.
Professor Clements is a generalist who works in international economics. He is Head of the Department of Economics, on the Editorial Boards of Resources Policy and the International Journal of Finance and Economics, and a member of the Economics and Taxation Committee of the Chamber of Minerals and Energy of Western Australia. Recent publications by Professor Clements include “The World Real Interest Rate: Stochastic Index Number Perspectives” (with L.L. Ong and H.Y. Izan), published in the Journal of International Money and Finance, “The Economics of Marijuana Consumption” (with M. Daryal) and “Who Cites What?” (with P. Wang). In 1992 he won the Inaugural Excellence in Postgraduate Supervision Award at UWA.

M. McAleer, MEc (Monash), PhD (Queen’s, Canada), FASSA.
was a Visiting Professor at the Institute of Social and Economic Research at Osaka University for six months in 2001.

P.W. Miller, BEc (New England), MEc PhD (ANU), FASSA.
Professor Miller’s primary research interest is labour market performance, particularly as it relates to educational attainment, gender, ethnic and racial origin. He has published extensively in both Australian and overseas journals, including the Economic Record, American Economic Review, Canadian Journal of Economics, Economic Journal, Economica, Journal of Human Resources, Journal of Labor Economics, and Industrial and Labor Relations Review. His recent research includes “Genetic and Environmental Contributions to Educational Attainment in Australia” (with C. Mulvey and N. Martin), which appeared in the 2001 Economics of Education Review.

ASSOCIATE PROFESSORS

N. Groenewold, BEc MEc (Tasmania), MA PhD (Western Ontario).
Dr Groenewold teaches in macroeconomics, financial economics, and international finance. His research interests include theoretical and applied macroeconomics, regional economics and financial economics. Dr Groenewold’s recent papers include “The Natural Rate of Unemployment in Australia: Estimates from a Structural VAR” (with A.J. Hagger), published in Australian Economic Papers in 2000, “Mean Variance Efficiency, Aggregate Shocks and Return Horizons”, Manchester School of Economic and Social Research in 2001 (with P. Fraser) and “Tests of Asset-Pricing Models: How Important is the IID-Normal Assumption?” in Journal of Empirical Finance in 2001 (with P. Fraser).

D.A. Turkington, BA (Wellington), MCom (Cant.), MA PhD (Berkeley).
Dr Turkington specialises in theoretical econometrics. He has published in Journal of Econometrics, Journal of the American Statistical Association, and International Economic Review, and is the co-author (with R. Bowden) of the Econometric Society Monograph, Instrumental Variables. Dr Turkington’s current research focuses on the application of matrix calculus to econometric models and has written the book on this topic, Matrix Calculus and Zero-one Matrices: Statistical and Econometric Applications, published by Cambridge University Press.

SENIOR LECTURERS

M.J. Davies, BA (Kent), MA (Adel.).
Mr Davies’ major research interests are in British and Australian economic history, particularly the history of Australian mining. He is currently Secretary of the Australian Mining History Association, on the organising and programs committee of the International Mining History Association and is also the International Secretary of that organization. He is currently working on biographies of the 19th century South Australian mining identity John Benjamin Graham, and the Western Australian mining entrepreneur Claude Albo de
Bernales. In the fields of economic and social history, Mr Davies has a number of publications that include papers in *Australian Economic History Review* and in *Comparative Studies in Society and History*. His recent publications include “Establishing South Australia”, in *The Origins of Australian Capital Cities*, edited by P. Statham; “Cornish Miners and Class Relations in Early Colonial South Australia: The Burra Burra Strikes of 1848-49”, in *Australian Historical Studies*; “Collective Action and the Cornish Miner - An Early Repudiation of the ‘Individualistic’ Thesis”, in *Cornish Studies*; and “Shipping Freight Costs: South Australian Copper and Copper-Ore Cargoes, 1845-1870”, in *The Great Circle*. He is currently updating his 1997 bibliography of Australian mining history and extending this to include New Zealand and Papua New Guinea. A number of other mining related publications are currently being assessed for publication.

**P.B. McLeod**, BEd PhD (Adel.).
Dr McLeod teaches in the area of microeconomics, including microeconomic theory, resource economics and public policy economics. His research interests cover various areas of applied microeconomics including transport, housing, valuation and management of natural resources, production functions and productivity measurement and competition policy. He has published articles in the *International Journal of Transport Economics, Transportation Research, Urban Studies, Environment and Planning, Journal of Economic Psychology, People and the Physical Environment, Accounting and Finance, International Journal of Public Sector Management, Annals of Tourism Research, Journal of Environmental Management* and the *Australian Transport Research Forum*. Dr McLeod has acted as a consultant to several government departments and private firms and has served on a number of Government Committees of Inquiry. He has recently reviewed several pieces of policy legislation under the National Competition Policy including energy legislation, legislation for the sale of the Dampier to Bunbury gas pipeline, and water legislation. Dr McLeod is currently the Executive Dean of the Faculties of Economics & Commerce, Education and Law.

**M.A.B. Siddique**, BA-Hons MA MPhil (Rajshahi), DipResMeth (Dhaka), DipResRurDev (Hawaii), PhD (W.Aust.).
Dr Siddique’s main publications have been in the areas of economic history, economic development (theory and its applications) and applied econometrics with special focus on Southeast Asia, South Asia, and Sub-Saharan Africa. He has published in a number of international journals such as *Environment International*, *Mathematics and Computers in Simulation*, *South African Journal of Economics* and *International Journal of Social Economics*. He has also authored, edited and co-edited numerous books including: *Evolution of Land Grants and Labour Policy of Government: The Growth of the Tea Industry in Assam 1834-1940; A Decade of Shann Memorial Lectures 1981-90 and the Australian Economy; Economic Development and Change: South Asia and the Third World; Economics of Small Island Nations, and External Powers in the International Relations of Southern Hemisphere: Political, Military and Economic Dimensions*. In 2001, he edited *International Migration into the 21st Century: Essays in Honour of Reginald Appleyard* (Edward Elgar, Cheltenham, UK and Northampton, MA, USA) and co-edited *Good Human Resources and Gender Issues in Poverty Eradication*, (New Delhi: Atlantic Publishers and Distributors).
He also co-authored two chapters in the latter two books. Dr Siddique is the Director of the Centre for Migration and Development Studies.

P.C. Statham, BEc-Hons (Monash), PhD (W.Aust.).
Dr Statham’s main research interests are in Australian and British economic history and business history, particularly early Australian economic growth. She has published a number of articles in the Australian Economic History Review and Royal Australian Historical Society Journal, among other journals, but her main contribution has been in books. She was responsible for the first volume in the Dictionary of Western Australians series covering the period 1829 to 1850, then edited a book on the letters of a prominent early settler, and contributed to one on the first Surgeon in Western Australia. She then examined the origins and early growth of all of Australia’s Capital Cities, followed by a study of the contribution made by the New South Wales Corps to early Australian capitalism. Her interest in early trade then led to the co-editorship of a book titled Life on the Ocean Wave: Voyages to Australia, India and the Pacific, from the Journals of Captain George Bayly 1824-1844 (Miegunyah Press, 1998). In between books she has written various reports on heritage matters for the State and Federal Governments, and has researched and written entries on early Australian entrepreneurs for the Australian Dictionary of Biography and undertaken several book reviews for the Australian Economic History Review. Her interests have now turned back to Western Australia, as she is writing a definitive biography of the State’s founder and first Governor, Admiral Sir James Stirling. A paper on Stirling’s role in the Battle of Pinjarra, October 1834, was presented at the joint history conference at Kalgoorlie in September, 2001. It is anticipated that the Stirling biography will be ready for publication in 2002.

M. Tcha, BA (Seoul National University), PhD (Chicago).
Dr Tcha specialises in applied microeconomics, urban economics and international economics. His papers have been published in a range of international journals such as Economic Development and Cultural Change, Economic Record, Resources Policy, International Regional Science Review, Economics Letters, Journal of Asian Business and Papers in Regional Science. His recent research has concentrated on microeconomics (in particular the altruism approach), Asia-Pacific Rim economies, direct foreign investment, comparative advantage and topics in the economics of resources such as the iron ore and steel markets.

E.J. Weber, Lic oec publ (Zurich), MA PhD (Rochester).
Y. Wu, BS (Anhui), MA (Nankai), MA (ANU), PhD (Adel.).
Yanrui Wu is an economist specialising in development economics and applied econometrics. His research interests are the Chinese and Asian economies, economic growth and productivity analysis. He has published extensively in these fields. He is the author of Productive Performance in Chinese Enterprises (Macmillan 1996), China’s Consumer Revolution (Edward Elgar 1999), The Macroeconomics of East Asian Growth (Edward Elgar, forthcoming) and China’s Economic Growth (Curzon, forthcoming), the editor of The Economics of East Asia Steel Industries (Ashgate 1998) and Foreign Direct Investment and Economic Growth in China (Edward Elgar 1999), and the co-editor of China’s Reform and Economic Growth (Asia Pacific Press 1998) and Productivity and Growth in Chinese Agriculture (Macmillan 1999). He has also published in a range of international journals, including Applied Economics, Economics Letters, Journal of Comparative Economics, Asian Economic Journal, Asia-Pacific Economic Literature, Pacific Economic Review, China Economic Review, Health Policy, and Resources Policy. Dr Wu’s teaching interests are in econometrics and development economics.

LECTURERS

D.J. Butler, BA MSc (York), PhD (W.Aust.).
Dr Butler’s research interests focus on the application of experimental methods to the economic theory of individual choice. In particular he researches the adequacy of the expected utility model and its rivals, and the role of motivations such as reciprocity and fairness in game theory. He is Deputy Director of the Australian Centre for Experimental Economics. Dr Butler has published in international journals such as Acta Psychologica, Economics Letters, Journal of Economic Surveys, The Manchester School of Economic and Social Research, and the Journal of Economic Behavior and Organization.

P. Crompton, BBus-Hons (Curtin).
Mr Crompton’s research interests include the econometric modelling of commodity markets, the relationship between metals demand and economic activity and the world iron ore and steel industry. He has published in Journal of Environmental Economics and Management, Agricultural and Resources Quarterly, Resources Policy, and Applied Economics Letters.

ASSOCIATE LECTURERS

A. Ali, BA-Hons (Ceylon), MPhil (LSE), PhD (W.Aust.).
Since obtaining his doctorate in 1980, Ameer Ali has held academic appointments at the University of Ceylon, Murdoch University, the University of Brunei Darussalam, and at the University of Western Australia. His teaching has mainly been in economic theory, economic development and history of economic thought. Dr Ali’s recent research has concentrated on the development problems in Muslim countries, especially in the light of recent revivalist movements. His latest paper, “Islamism: Emancipation, Protest and Identity”, appeared in the Journal of Muslim Minority Affairs, (2000). His
monograph on Brunei was published in 1996 under the title *From Penury to Plenty: Development of Brunei Darussalam 1906 to Present*. His writings have appeared in several international journals including *Asian Survey, South Asia, Asian Profile, The American Journal of Islamic Social Sciences, The Journal of Objective Studies, Asian Profile, and the Journal of Interdisciplinary Economics*.

**B. Gidney**, MA Dip Ed (Cantab.), MACE.
Mr Gidney has taught in a part-time capacity in the Department of Economics since 1966. His teaching areas have included all core theory courses, British, Australian and Russian Economic History, Economic Development, Environmental Economics, International Economics and Business History. Each year since 1988 Mr Gidney has published a revised edition of *Macroeconomic Theory and the Australian Economy*.

**J. Fogarty**, BEc GradDipEcon (W.Aust.).
James Fogarty joined the Department of Economics as an Associate Lecturer in early 2001. He is currently working on his PhD thesis entitled *The Economics of Wine: Pricing, Quality and Rate of Return*. In 2001 he assisted with teaching in the introductory microeconomics and macroeconomics courses, Quantitative Methods in Business Economics 111 and Business Economics 245.

**A. Williams**, BEc-Hons (W.Aust.).
Mr Williams has taught at both UWA and Murdoch since graduating in 1996. His teaching has been mainly in the core theory courses, environmental economics and Business History. He is currently engaged in a project to facilitate interactive web-based learning for the department, which went on-line for first year students in 2001. His present research interests focus on economic development, particularly with respect to the link between governance and economic growth.

**SENIOR RESEARCH ASSOCIATES**

**A.T. Le**, BBus (Curtin), MEc PhD (W.Aust.).
Anh Le’s research interests include labour market choice, gender wage differentials, job churning and the risk of being unemployed. Her recent papers have been published or are forthcoming (with P.W. Miller) in a range of journals, including *Education Economics, Economic Record* and *Australian Economic Review*. She is currently working with Paul Miller on research relating to educational attainment.

**Y.L. Lee**, BEc-Hons (W.Aust.), MEc (W.Aust.), PhD (W.Aust.).
Dr Lee’s research interests include economic returns to education and the wage effects of addictive behaviours. Currently, he is working with Paul Miller on research relating to Neighbourhood Effects and the Immigrant Adjustment Process, and with Dr MoonJoong Tcha on a project relating to the Contribution of Foreign Direct Investment to Industrial Growth in Australia. He has articles published or forthcoming in *Economic Record, Evaluations and Investigation*.
Programme by the Higher Education Division, DETYA, and Australasian Journal of Regional Studies (with Paul Miller).

SENIOR HONORARY RESEARCH FELLOWS

**R. Gabbay**, BSc MA-Econs (Tel Aviv), DrPolSc (Geneva).
Dr Gabbay specialises in contemporary Middle Eastern issues, energy and oil (with special emphasis on OPEC), development economics and tourism in the Indian Ocean island states. He has published ten books and over 65 articles and monographs. Dr Gabbay is now working on his fifth volume of *Australia and the Middle East 1945-2000 (a socio-economic and political study)*, and is supervising one PhD student.

**R.N. Ghosh**, MA-Econs (Delhi), PhD (Birmingham).
Dr Ghosh retired from the Department of Economics at the end of 1994. Since his retirement he has been a Senior Honorary Research Fellow, and has continued to contribute to the Department’s teaching and research activity. He is a specialist in the History of Economic Thought. In comparatively recent years he has published on topics relating to a wide range of development issues such as good governance, corruption and its impact on development, gender issues and the environment. He has also published on the role of tourism initiating development in the LDCs. Dr Ghosh’s latest edited book is entitled *Human Resources and Gender Issues in Poverty Eradication, 2001* (Atlantic Publishers and Distributors, New Delhi). Dr Ghosh is the current chairman of the International Institute of Development Studies (IIDS)- Australia.

**N. Islam**, BScAgEcon-Hons, MScAgEcon (BAU), MS (UPLB), PhD (La Trobe).
Dr Islam is an Agricultural and Resource Economist with the State Department of Agriculture and an Honorary Senior Research Fellow in the Department of Economics. He has been working on the development of a substantial economy-wide model with special focus on the WA Agricultural sector. In 2001, Dr Islam was also involved in the collaborative research project on “The Economics of Value Adding in WA agriculture”, funded by the Department of Agriculture, Western Australia.

**ADJUNCT PROFESSOR**

**A.J. Jakeman**, BSc-Hons (UNSW), PhD (ANU).
Tony Jakeman is Professor of Environmental Systems, Centre for Resource and Environmental Studies, Institute of Advanced Studies, and Foundation Director of the Centre for Integrated Catchment Assessment and Management (ICAM), at the Australian National University. Since 1987 Professor Jakeman has been President of the Modelling and Simulation Society of Australia and New Zealand, and since 1999 the Foundation President of the International Environmental Modelling and Software Society. He is presently a member of the Board of Directors of the International Association for Mathematics and Computers in Simulation and on the Executive Boards of several international...
Professor Jakeman is on the editorial boards of a number of international journals, including *Environmental Modelling and Software* (Editor-in-Chief), *Journal of Forecasting* (Associate Editor), *Environmetrics* (Associate Editor), the Editorial Advisory Boards of *Ecological Modelling*, *Hydrological Processes*, and *Systems Analysis Modeling Simulation*, and the Advisory Boards of the *Encyclopedia of Life support Systems* and the *Numerical Insights Book Series*. He is a world renowned scholar, with research interests in the identification, analysis and resolution of environmental policy problems, particularly those in hydrology, water quality and air quality management. Professor Jakeman leads several projects in the ICAM Centre, including "An Integrated Water Resource Assessment Framework for the Ping Basin, Thailand." This project involves economic, sociocultural, biophysical and information technology aspects and is funded by the Australian Centre for International Agricultural Research. He is a prolific publisher, with well over 200 books and articles in international journals in his two decades at the ANU. Professor Jakeman has been a Visiting Scholar at Stanford University and a Visiting Researcher at the Institute of Hydrology in the UK. In 1998 he was an Invited Visitor to the Isaac Newton Institute at the University of Cambridge. He was appointed to the position of Adjunct Professor in the Department of Economics at UWA in November 1995.

**L.A. Sjaastad**, BA MA PhD (Chicago).

Larry Sjaastad is Professor of Economics at the University of Chicago. His research has been highly influential in three areas: migration, international economics and economic policy. He has published widely, and his papers “The Costs and Returns to Human Migration”, published in the *Journal of Political Economy*, and *How Protection Taxes Exporters* (with K. Clements), published by the Trade Policy Research Centre, London, are regarded as classics and are widely cited. Recent publications include “The Price of Gold and the Exchange Rate” (with F. Scacciavillani) and “On Exchange Rates, Nominal and Real”, both published in the *Journal of International Money and Finance*. Professor Sjaastad has made major contributions to economic policy in Latin America and, in 1993, was awarded the highly-prestigious honorary degree of Doctor Honoris Causa from the Universidad Nacional de Tucuman, Argentina. Professor Sjaastad was appointed to the position of Adjunct Professor in the Department in March 1996.
OTHER ACADEMIC STAFF

In addition to members of staff, the Department has benefited from the assistance in teaching of the following:

Mr Andrew Ainsworth  Dr Yew Liang Lee
Ms Marcia Bauer      Mr Richard Lilly
Ms Elisa Birch       Mr Liam McCarthy
Ms Renae Bothe       Ms Danielle Pender
Mr Chris Branston    Mr Kim Radalj
Mr Paul Branston     Mr John Roberts
Mr Felix Chan        Mr Adam Sharpe
Mr Paul Flatau       Ms Vanessa Smith
Ms Katherine Gilders Ms Anna Spadaccini
Mr John Gould        Ms Nicola Taylor
Ms Jane Harrison     Ms Patricia Wang
Ms Suhejla Hoti      Mr Greg Watkinson
Ms Jodie Kampf       Ms Jasslyn Yeo

GENERAL STAFF

Research Assistants  Ms Vanessa Smith, BEc (W. Aust.).
                     Ms Gina Yoon

Administrative Officer  Ms Glenys Walter

Administrative Secretary  Ms Vicky Karagiannis

Senior Clerk/Typists  Ms Helen Reidy
                     Ms Sue Turner
SEMESTER SERIES

In 2001, 30 speakers presented their research findings in the Department of Economics Seminar Series. Many of the speakers invited to participate in the seminar series also presented seminars at Curtin University and Murdoch University, and the co-operation of these universities has enabled high standards to be maintained. Most members of staff took an active interest in the seminar series, and found the contact with academics from other institutions rewarding. Highlights of the year included the contributions by Kevin Duncan (University of Southern Colorado), Olivier de La Grandville (University of Geneva), Essie Maasoumi (Southern Methodist), Ken Wallis (University of Warwick), and Zhang Zhaoyong (National University of Singapore). The convenors of the seminar series in 2001 were Paul Crompton and Ken Clements in first semester, and Nic Groenewold and Paul Crompton in second semester.

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<td>Juerg Weber (UWA)</td>
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<td>Gavin Wood (Murdoch University)</td>
<td>Effective Capital Gains Tax Burdens Under Alternative Tax Rules: Microsimulation Results for Real Estate Investments</td>
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<td>Paul Flatau (Murdoch University)</td>
<td>The Neoclassical Theory of Distribution: History of Thought and Methodology Perspectives</td>
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<td>Ken Wallis (University of Warwick)</td>
<td>The Cambridge SVAR Model: More Shocking Stories</td>
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<td>Kenneth Leong (RBA)</td>
<td>Changes in the Determinants of Inflation in Australia</td>
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<td>6/4/01</td>
<td>Zhang Zhaoyong (National University of Singapore)</td>
<td>Is East Asia an Optimum Currency Area?</td>
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<td>27/4/01</td>
<td>Kevin Duncan (University of Southern Colorado)</td>
<td>Faculty Productivity, Seniority and Salary Compression</td>
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<td>4/5/01</td>
<td>Yihui Lan (UWA)</td>
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<td>Steven Schilizzi (UWA)</td>
<td>Long-Term Resource Allocation: Why So Many Voices and So Little Consensus?</td>
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DISCUSSION PAPERS

Research findings from the Department of Economics were circulated in 2001 through the Economics Discussion Papers Series. These Discussion Papers are distributed to universities, government bodies and individuals throughout Australia, Northern America and Europe. In many instances the Discussion Papers are distributed as part of reciprocal arrangements that ensure the constant flow into the Department’s library of discussion papers from leading overseas and Australian universities. In 2001, 26 Economic Discussion Papers were published, the titles of which are listed below. Copies may be obtained from the Department of Economics or via the Departmental web site at:


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PUBLIC LECTURE PROGRAM

The Department of Economics presented two major public lectures during the academic year, the Shann Memorial Lecture and the Economics Teachers’ Seminar. The first Shann Memorial Lecture was presented in 1961, and since then the Lecture has earned an enviable reputation for a high standard of scholarship, with the annual address making a substantial contribution to economic debate both inside and outside Western Australia. A volume of the Lectures delivered during the 1980s, *A Decade of Shann Memorial Lectures 1981-90 and the Australian Economy*, was edited by Dr Abu Siddique in 1993. The Economics Teachers’ Seminar was an innovation in 1994 and has proved to be very successful. Details on the lecture program in 2001 are provided below.

THE SHANN MEMORIAL LECTURE

This lecture is held in memory of the contribution made to the University of Western Australia by Edward Shann, the Foundation Professor of Economics. The lecture is organised jointly by the Department of Economics at UWA and the WA Branch of the Economic Society of Australia.

Professor Shann was born in Hobart in 1884, coming to Perth in 1913 at the establishment of the University. He was the Professor of History and Economics for 22 years until he moved to the University of Adelaide early in 1935.

Past lecturers, who have distinguished themselves in Economics or Finance in Australia and overseas, have included Dr H.C. Coombs (1963), Professor Sir John Hicks (1967) (Nobel Prize Winner in Economic Sciences, 1972), Professor Adrian Pagan (1996), Professor John Freebairn (1997), Mr Ian Macfarlane (1998), Professor Allan Fels (1999) and Professor Peter Lloyd (2000).

The 2001 Shann Memorial Lecturer was Mr Ted Evans. Ted Evans graduated from the University of Queensland in 1969 with Honours in Economics and joined the Australian Treasury. From 1969 to 1975 he was involved in a variety of research and policy advising on domestic economic matters, primarily on the macroeconomic side. For three years from 1976 he was a member of the Australian Permanent Delegation to the OECD in Paris. Returning to Australia in 1979, he was promoted within Treasury to the Senior Executive Service in 1980 as head of the Fiscal and Monetary Policy Branch and, in 1982, to head of the General Financial and Economic Policy Division. From 1984 to 1989 he held the position of Deputy Secretary and was heavily involved in taxation and microeconomic reform. He joined the Board of the International Monetary Fund in 1989 as Executive Director representing Australia and a number of other countries, mainly in the Asia Pacific region. He returned to Australia in May 1993 to assume the position of Secretary to the Treasury, a position he held until his retirement in April 2001.

The title of Mr Evans’ lecture was “The Changing Focus of Government Economic Policies”. This was delivered on Monday, September 24 as part of the 30th Annual Conference of Economists. In his Shann Lecture, Mr Evans reflected on the changes
in the focus of economic policy over the past thirty years. He described this period as one of contrasts in Australia’s economic performance, with the seventies representing a period of extremely poor economic performance, and the 1990s a period of extremely good economic performance. The strong Australian economy of the nineties was all the more remarkable given the underperformance in much of the rest of the world during this period. Mr Evans felt that Australia’s strong economy over the past decade was the result of a long series of policy improvements, which came together throughout the decade in a mutually reinforcing way.

Mr Evans noted that Edward Shann had an unshakeable belief that market forces will prevail. The key role played by market forces was also a dominant theme of Mr Evans’ Lecture in which he suggested that policy should be focused on the fundamentals such as improving the operation of markets, using resources more productively, and setting appropriate prices for resources that currently carry a zero price tag. Mr Evans argued that Governments clearly have a role in setting rules for markets and in ensuring markets are informed.

Mr Evans’ address was warmly received by the 150 academics, policy makers and business professionals who attended the lecture.

**ECONOMICS TEACHERS’ SEMINAR**

The annual Economics Teachers’ Seminar was presented on Tuesday, May 15. This seminar was organized with the assistance of the Economics Teachers’ Association of Western Australia, the Reserve Bank of Australia, and the WA Treasury. The primary aim of the seminar is to promote professional interaction between high-school teachers and staff in the Department of Economics through the sharing of ideas about recent thinking in economics and how the subject can be taught in an interesting and effective way. The 2001 seminar featured presentations by Tom Rohling from the Reserve Bank of Australia and Paul Crompton from the University of Western Australia.

The seminar was attended by approximately 50 people, of whom 5 were economics teachers from a wide cross-section of high schools in Perth. All teachers who attended received complimentary compilations of key macroeconomic data prepared by James Fogarty from the Department of Economics, a copy of the edited volume of Proceedings from the Seventh Annual Teaching Economics Conference, and copies of the March Quarter Western Australian Economic Summary prepared by the Western Australian Treasury, the Reserve Bank of Australia’s May 2001 Statement on Monetary Policy, the materials from the presentations by Tom Rohling and Paul Crompton, and various pieces of information on the Department of Economics and courses at the University of Western Australia.

Tom Rohling is an economist with the Western Australian Office of the Reserve Bank of Australia. He spoke to the topic “The Economy and Monetary Policy”. Tom reviewed the objectives of monetary policy, and then looked at how monetary policy works. He noted that the Reserve Bank is able to affect the cash rate as it is the monopoly supplier of cash to the monetary system. After an overview of the movements in the cash rate and other interest rates in Australia over the 1990s, Tom
proceeded to examine how monetary policy affects the economy. Each of the channels of influence of monetary policy was discussed and linked to relevant empirical evidence. Against this background on the operation of monetary policy, Tom then gave an overview of the economic conditions in Australia, and also in Western Australia. Particular attention was paid to the events of the past year, which had led to a series of adjustments to the cash rate. Tom’s insights into the operation of monetary policy, his linking of changes in economic fundamentals to monetary policy, and his informed discussion of domestic economic conditions, were warmly appreciated by the audience.

Paul Crompton spoke on the topic “Economic Growth: Models and Evidence for Australia”. Paul commenced his presentation by developing a simple model of economic growth. Starting with a production function, all quantities were expressed relative to the size of the labour force. This then permitted a focus on output per worker, which is a good measure of economic well-being. Output per worker was related to the amount of physical capital per worker, human capital per worker, natural resources per worker and technological progress. The model outlined was shown to provide a suitable framework for the study of the major economic phenomena of the convergence in economic growth rates across countries, the spectacular economic growth rates of many Asian countries during the early 1990s, and Australia’s growth performance over the past four decades. Paul’s interpretation of economic data from the perspective of his model of economic growth helped Seminar participants understand why countries vary so much in their standards of living.

The Economics Teachers’ Seminar provided an opportunity for the winners of the Bachelor of Economics Bursaries to be presented with their certificates. These bursaries were established in 1995 to encourage promising students in the field of economics. The three students awarded bursaries this year were Louise Carter (Rossmoyne SHS), Chelsea Gray (Santa Maria College) and Luke Iustine (Trinity College). The presentations were made by John Duncan on behalf of the Economics Teachers’ Association of WA.

The Seminar concluded with refreshments. This gave economics teachers the chance to interact with each other, to raise outstanding issues with the speakers, and with members of the staff of the Department of Economics. Many issues were raised during these discussions, including the future of economics as a discipline. The Economics Teachers were reassured that the demand for economics graduates was very strong. Attention was drawn to the recent developments in Singapore, where an Economist Service has been set up within the Civil Service. This body had recently advertised positions where the annual salary for an economist with at least 6 years experience began at $117,000, and the annual salary for Senior Economists was $300,000. These salary levels are in line with earnings of economists in the private sector in Singapore.
RESEARCH CENTRES ASSOCIATED WITH THE DEPARTMENT

There are three research centres attached to the Department of Economics. They are the Economic Research Centre, the Centre for Migration and Development Studies and the Centre for Labour Market Research. Each of these centres has been instrumental in raising the national and international profiles of the Department. This has been achieved through the organisation of seminars and conferences, the research conducted and through the visitors attracted to the centres. The major activities of each centre are listed below.

THE ECONOMIC RESEARCH CENTRE

Having been established in 1986, the Economic Research Centre (ERC) has been contributing to the enhancement of the research profile of the Department through conducting a substantial amount of economic research, attracting numerous visiting academics, and actively participating in honours/postgraduate research training. The Centre has a number of Research Associates including MoonJoong Tcha, Juerg Weber and Yanrui Wu from the Department of Economics, Robert Greig from the Commonwealth Treasury, Ye Qiang and Helal Ahammad from ABARE, Meher Manzur from Curtin University, Antony and Saroja Selvanathan from Griffith University, Larry Sjaastad from the University of Chicago, Andrew Feltenstein from Virginia Polytechnic Institute, Dongling Chen from SGEG Jianyang Network Co. Ltd, Li Lian Ong from Macquarie Bank, Hong Kong, John Roberts from the Water Corporation and Nazrul Islam from Agriculture Western Australia.

Research conducted by the ERC includes international trade and finance, mineral and energy economics, the world metals economics, migration economics, demand analysis, the economics of marijuana consumption and the compliance costs of taxation. Its work on economic issues in Western Australia is consistent with the expectation that the University of Western Australia should, wherever possible, build on contacts made with local industry. The Centre’s capability for research has been widely recognised and is reflected in its record of winning outside research grants from various sources such as the ARC, Woodside and POSCO.

The ERC has close professional relationships with a number of institutions, including ANU, The University of Chicago, Colorado School of Mines, SungKyunKwan University, Seoul National University, Korea Development Institute and POSCO Research.

The ERC co-organises with ANU the PhD Conference series. These conferences have involved over 340 PhD students, who have presented papers, as well as some of Australia’s leading economists who have acted as discussants. Through their presentations, the PhD students gain valuable experience, exposure and help with their research. Students from all the major Australian universities have participated in the conferences, as have students from some of the top institutions in the world, such as the University of Chicago, MIT, Oxford, LSE and Nottingham.
CENTRE FOR MIGRATION AND DEVELOPMENT STUDIES

The Centre for Migration and Development Studies (CMDS) was established in 1987 to facilitate and encourage research on the migration-development process in general, the impact of permanent migration on Australia’s socio-economic development, and the impact of migration on socio-economic change in developing countries. In addition, members of the CMDS have undertaken policy-oriented research on developing countries. Between 1995 and 2001, the CMDS completed four major research projects which were funded by AusAID: (i) South Pacific Migration: New Zealand Experience and Implications for Australia; (ii) Tourism in the Seychelles; (iii) South Africa and Australia: Possibilities of Economic Co-operation and (iv) The Labour Market in the Maldives.

Academic staff associated with the CMDS have published articles and books on development issues, including several volumes in conjunction with UNESCO and the National Centre for Development Studies at the Australian National University. Between 1995 and 2001, members of the Centre published a number of books including the four-volume Emigration Dynamics in Developing Countries (Edward Elgar); Contemporary Issues in International Business and Marketing (Academic Press International); International Migration into the 21st Century: Essays in Honour of Reginald Appleyard (Edward Elgar); Human Resources and Gender Issues in Poverty Eradication (Atlantic Publishers and Distributors); Good Governance Issues and Sustainable Development: The Indian Ocean Region (Atlantic Publishers and Distributors); Economic Management of Resources: A Critique of Classical Economics (Centre for Migration and Development Studies); Economic Development and Change: South Asia and the Third World (New Age International); Economics of Small Island Nations (New Age International); Facing the Bow: European Women in Colonial Malaysia (Centre for Migration and Development Studies); and External Powers in the International Relations of the Southern Hemisphere: Political, Military, and Economic Dimensions (Observatoire Des Relations Internationales Dans L’Hémisphère Sud).

The Centre is also very active in organising international seminars and conferences on contemporary development-related issues. In 1999, it hosted an international conference on International Migration into the 21st Century. The papers from this Conference were published in 2001 in a volume titled, International Migration into the 21st Century: Essays in Honour of Reginald Appleyard by Edward Elgar under the editorship of M.A.B. Siddique. During 2000, the CMDS (in collaboration with Observatoire Des Relations Internationales Dans L’Hémisphère Sud, France, and the International Institute of Development Studies Australia) organised another major conference on Small and Middle Powers in Southern Hemisphere in Relation to Northern Neighbours: Economic Political and Military Dimensions.

Through its sustained program of research on the Indian Ocean region since 1987, the CMDS has established the experience necessary to understand the causes and likely impacts of the region’s economic and political change, and to identify the role that Australia could play in facilitating these changes. Since the early 1990s, members of the CMDS have also carried out research on Southeast Asia, South Africa, and the Pacific island countries. This work has dealt with economic development and change; the role of economic aid; sustainable development and environment; economic liberalisation.
and trade reform; tourism in relation to economic and social change; and intra-regional migration.

THE CENTRE FOR LABOUR MARKET RESEARCH

The Centre for Labour Market Research (CLMR) is a consortium of Murdoch University, the University of Western Australia, Canberra University, Edith Cowan University and Curtin University of Technology. It has been operating for 16 years and has significant economic research capabilities. The Centre, currently located at Murdoch University, is scheduled to move to the University of Western Australia in 2002. Its Director is Professor Charles Mulvey, Dean of the Faculty of Economics and Commerce at UWA. The Centre also has 26 Research Associates who hold academic positions in several disciplines including economics, education, psychology, management and industrial relations at the five universities. The Centre employs a full-time research fellow, one research assistant and an administrative assistant, plus several casual research assistants.

Since its inception in 1985 the Centre has become a highly regarded and nationally recognised research organisation with an enviable record of contract research and publication in all aspects of labour market and education research. In recent years the Centre has undertaken major research projects, either through contracted research or research grants, for: the Department of Employment, Workplace Relations and Small Business, AusAID, the Department of Education, Training and Youth Affairs, the Economic Planning and Advisory Council, the Australian Bureau of Statistics, the Australian National Training Authority, the Full Employment Project at Melbourne University, the Bureau of Immigration and Population Research, the Department of Tourism, the Western Australian Departments of Training and Employment, Commerce and Trade, Education and Productivity and Labour Relations, the New South Wales Treasury, the Western Australian Ministry of Premier and Cabinet, the Western Australian Department of Education Services, the National Centre for Vocational Education Research and the Technology and Industry Advisory Council of Western Australia and the Commonwealth Department of Health and Aged Care.
CONFERENCES

During 2001 the Department of Economics was involved in four major conferences: the 30th Annual Conference of Economists; the International Conference on Modelling and Forecasting Financial Volatility Conference; the Economic History Society of Australia and New Zealand Con-joint Conference 2001; and the PhD Conference in Economics and Business. These activities contributed to the Department’s research environment and helped raise the profile of the discipline at UWA. Details on these conferences follow.

30th ANNUAL CONFERENCE OF ECONOMISTS

The 30th Annual Conference of Economists was held at the University of Western Australia on the 23rd to 26th of September. This Conference aimed to provide a forum where Australian and international economists could meet to discuss issues of economic theory and policy that are of relevance to Australia and to the economics profession. Presented by the Western Australian Branch of the Economic Society of Australia, in conjunction with the UWA Department of Economics, the Conference featured sessions on a large number of topical issues, including Asia and Financial Crises, The Economics of Information, Productivity in Australia, Tax Reform, Health Policy, Sustainable Development, Teaching Economics, Labour Economics and Financial Economics.

Economists from all States and Territories in Australia attended the Conference, together with economists from the UK, South Africa, Brunei Darussalam, India, Germany, Fiji, Switzerland, Malaysia, New Zealand, the US, Singapore, Portugal, and Japan.

Keynote addresses were presented by Patricia Fraser (University of Aberdeen), Olivier de La Grandville (University of Geneva), David Greenaway (University of Nottingham), Heather Joshi (Centre for Longitudinal Studies), Graham Loomes (University of East Anglia), Stan Metcalfe (Manchester University), Catherine Morrison Paul (University of California, Davis), Mark Skousen (Rollins College and Forbes Columnist) and Don Stammer (ING Australia).

The Conference also incorporated the 2001 Shann Memorial Lecture, presented by Mr Ted Evans, who was Secretary to the Treasury from May 1993 until his retirement in April 2001. The title of Mr Evans’ address was “Shifts in the Focus of Government Economic Policies”.

Among the approximately 190 Contributed Papers were analyses of the impact of the GST, opportunities to reform state taxes, tools for fighting recessions, whether Australia is a new or old economy, and papers titled “Post-Bubble Japan and the World Recovery: After the World Trade Centre Attack” and “Higher Education and Regional Australia”. These subjects and titles show that economic debate in Australia is alive and well, focusing on issues of central importance to the country. Because of this relevance, the Conference made an exciting contribution to policy debate and
formation in Australia, and delegates were in strong demand to participate in sessions on talkback radio.

While a number of delegates were unfortunately not able to make it to Perth for the Conference, due to either the September 11 crisis in the US or the aftermath of the Ansett collapse, the Conference program was still exceptionally strong, and exceeded the expectations of all concerned. The consensus view of the 275 delegates was that the Conference was a major success.

Ken Clements, Paul Crompton, Nic Groenewold and Juerg Weber from the UWA Department of Economics assisted with the organisation of the Conference. Paul Miller was the Chair of the Conference Organising Committee.

THE INTERNATIONAL CONFERENCE ON MODELLING AND FORECASTING FINANCIAL VOLATILITY

Rob Engle published “Autoregressive Conditional Heteroskedasticity with Estimates of the Variance of United Kingdom Inflation” in *Econometrica* in 1982. Few papers in econometrics before or since have surpassed this seminal piece in terms of measured citations. Engle developed the Autoregressive Conditional Heteroskedasticity (ARCH) model, which underlies all time-varying models of volatility (or risk). Together with Clive Granger, Engle invented Cointegration Analysis, the most widely used technique for non-stationary time series processes. The classic papers by Engle on ARCH, and by Engle and Granger on Cointegration, are widely regarded as two of the five most important papers in econometrics over the last three decades.

In recognition of the approaching anniversary of the publication of Engle’s ARCH paper, Michael McAleer (UWA) and Philip Hans Franses (Erasmus University Rotterdam) organised the International Conference on Modelling and Forecasting Financial Volatility, which was hosted by the Department of Economics at UWA from 7-9 September 2001. Ken Clements, Head of the Department of Economics, opened the conference. The conference was without parallel in terms of the distinguished keynote speakers and other contributed paper presenters in modelling and forecasting financial volatility.

On the Twentieth Anniversary in 2002 of Engle’s classic publication, the *Journal of Applied Econometrics* will be publishing a special issue, to be edited by Philip Hans Franses and Michael McAleer, dedicated to *Modelling and Forecasting Financial Volatility*. This special issue will be based on a selection of papers presented at the conference. In addition, the *Journal of Economic Surveys* will be celebrating the anniversary with a special issue on *Financial Econometrics*, to be edited by Michael McAleer and Les Oxley. This special issue will also be published as a monograph by Blackwells, which continues the recent successful survey series.

The keynote speakers were R.F. Engle (New York University and University of California, San Diego), C.W.J. Granger (University of California, San Diego), and Neil Shephard (Official Fellow, Nuffield College, Oxford, and Professor of Economics, University of Oxford). Clive Granger invented Granger Causality, the
most widely used test of causality in the social sciences, and is regarded as one of the most important figures in the history of time series analysis. Neil Shephard is one of Europe’s leading theoretical econometricians, and has an astonishing publications record. He is a leading contributor to the literature on stochastic volatility models, and his work is highly influential and widely cited.

In addition to the three keynotes, there were three participants from the USA, five from the Netherlands, four from Australia (including two PhD students from the Department of Economics at UWA, Felix Chan and Peter Verhoeven), two from Taiwan, two from Spain, and one from each of Belgium, Canada, New Zealand, Singapore, and Sweden. In total, there were representatives from 11 countries. The program comprised three keynote and five regular sessions, with the innovative use of an additional poster session. Although common in the natural, physical, biological and medical sciences, poster sessions have not been particularly popular in economics. Other participants came from Melbourne, Sydney and the Gold Coast, Queensland, as well as from Hong Kong, Japan, the Netherlands, New Zealand, Sweden, Taiwan and the UK, who did not present papers but attended various conference sessions. UWA participants included several members of staff from various departments in the Faculty of Economics and Commerce, and most of the PhD students in the Department of Economics, both full-time and part-time. A number of Honours and third-year students in the Faculty of Economics and Commerce at UWA also attended various sessions. In total, 75 registered delegates attended the conference.

The conference was supported by the UWA Vice-Chancellor’s Discretionary Fund, the Department of Economics at UWA, the Faculties of Economics & Commerce, Education and Law at UWA, and Erasmus University Rotterdam. Felix Chan, Suhejla Hoti and Lee Kian Lim contributed to the organisation of the conference, and were assisted by Clinton Watkins, Jasslyn Yeo and Mahendra Chandra.

Both the Department of Economics and the University of Western Australia gained substantial international exposure from this conference.

ECONOMIC HISTORY SOCIETY OF AUSTRALIA AND NEW ZEALAND CON-JOINT CONFERENCE 2001

Between 23-27 September, Mel Davies, Secretary of the Australian Mining History Association, organized and hosted a con-joint conference at the Kalgoorlie School of Mines that involved the Australian History Association, the Economic History Society of Australia & New Zealand, and the Australian Mining History Association.

The theme of the conference was that of ‘Empire, Nation, Region and Identity’, which was chosen to identify with the celebration of the Centenary of Australian Federation. The conference attracted over 80 participants from Australia, New Zealand and the United States. The proceedings were opened by the Hon. Clive Brown, MLA, Minister for Development, Tourism and Small Business, with a local welcome being given by Mr Jamie Murphy, Chairman of the ATSIC Wongatha, Regional Council. This followed a civic reception provided by the Kalgoorlie-Boulder City Council. Keynote speakers were Professor Bob Reece, Murdoch University, for the AHA;
Professor Geoffrey Blainey, AC, for the Mining History group; and Dr Christopher Lloyd, ANU, who opened the sessions for the EHSANZ.

David Myton of Campus Review was present to gather material for a forthcoming publication on ‘100 years of higher education’, and the conference had wide publicity in the Goldfields region with interviews being conducted on local radio, including the ABC. In particular, the local media zoomed in on the papers that were presented on facets of goldfields history.

There was a full social program that included mine site and museum visits and a dinner at the old Hannan’s Loco Shed. This adjoins the recently opened Australian Prospectors and Miners Hall of Fame, to which the conference attendees were conducted on a pre-opening tour.

PhD CONFERENCE IN ECONOMICS AND BUSINESS

The 2001 PhD Conference in Economics and Business was held at the University of Western Australia in Perth from 7-9 November, 2001. It was the fourteenth in this series of conferences and is a joint venture between the Economic Research Centre at the University of Western Australia and the Centre for Economic Policy Research at the Australian National University. This year, for the first time, the Graduate School of Management at UWA also participated, with students in Marketing and Management presenting papers at the conference. Financial support was obtained through the ARC-ANZAM research initiative to support the extension of the conference to include such students. A large number of other institutions also generously sponsored the conference.

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.

This year 40 students presented papers, 33 from Australian universities, two from the University of Nottingham in the UK, one from the University of Chicago, USA, one from Queen’s University in Canada, one from SungKyunKwan University in Korea and two from Victoria University of Wellington in New Zealand. As in previous years, each student was assigned a discussant who read the student’s paper in advance and prepared a written set of comments. The discussants were drawn from a wide range of Australian universities, with one discussant coming from SungKyunKwan University in Korea. Senior economists from the Productivity Commission and the Reserve Bank of Australia also acted as discussants.

The conference was officially opened by the Executive Dean of the Faculties of Economics & Commerce, Education and Law, Paul McLeod. Lisa Cameron from the University of Melbourne gave the Invited Lecture entitled “Staying Sane While Doing Economics: Enlivening the Dismal Science” which stimulated considerable debate. The conference concluded with a dinner on the Friday evening at Tawarri Reception.
Centre. The after dinner address was given by Ken Clements from UWA who spoke on the challenges of fundraising for the conference.

Several prizes were awarded to participants. Poynton and Partners sponsored prizes for the Best Papers in Finance, with $700 for the winner and $300 for the runner-up. A prize of $500 for the Best Paper in Industrial Economics was sponsored by NERA. An additional prize of $100 worth of books was donated by McGraw-Hill Australia for the student with the most potential. In keeping with tradition, the prizes for best student presentation and best discussant were decided by a ballot.

The prize for the Best Paper in Finance was awarded to Paul Duncan from the University of Newcastle for his paper entitled “The Pricing of High Yield Equity Notes”. The award for runner-up went to Peter Pham from Monash University for his paper entitled “Optimality in Ownership Structure of Newly Listed Companies – Evidence from Director and Substantial Shareholder Trades in Australia”. The Poynton and Partners prizes were presented by Tracey Horton of Poynton and Partners, and a UWA Economics graduate. Stefan Dodds, from Queen’s University, Canada, was the winner of the Best Paper in Industrial Economics for his paper entitled “Monitoring and Privacy: When Private Information is a Public Good”.

The prize for the Best Student Presentation was awarded to Remy Cottet from the University of Sydney for his paper entitled “Bayesian Modelling and Forecasting of Intra-Day Electricity Load”. The runner-up was Gudrun Meyer-Boehm from Griffith University for her presentation “Has Convergence been Replaced by Divergence? Labour Productivity in Specific Industries of the States of the USA, 1982-1998”. The Best Discussant award went to Heather Anderson from Monash University, and the runner-up was Richard Heaney from ANU.

Choosing the Student with the Most Potential proved to be a difficult decision. The field was narrowed down to Alex Joiner from Monash University (for his paper “Monetary Policy Effects in an Australian Bayesian VAR Model”), Yihui Lan from the University of Western Australia (“The Long-Run Value of Currencies: A Big Mac Perspective”), Tomoya Suzuki from ANU (“Is the Lending Channel of Monetary Policy Important in Australia?”) and Deok-Ki Kim from University of New South Wales (“Did Animal Spirits cause the 1997-98 Economic Crisis in Southeast Asia?”). As there was nothing to separate these students, the name of the winner, Alex Joiner, was drawn from a hat.

The Conference Convenor was Ken Clements and Sandra Pollock was the Coordinator. The organisation of the conference was assisted by Elisa Birch, James Fogarty, Peter Johnson, Yihui Lan, MoonJoong Tcha, Patricia Wang, Juerg Weber, Yanrui Wu and Gina Yoon.

The PhD Conference plays a unique role in economic and business research in Australia. Overall, about 340 students have now been involved in the conference series and it has made a major impact on graduate training in Australia and beyond. For details of previous conferences, see Ye Qiang and K.W. Clements “Ten Years of the PhD Conference”, Economic Record 75 (1999): 301-12.
VISITORS TO THE DEPARTMENT

The Department of Economics was pleased to welcome thirteen visitors during 2001. These visitors came from Japan, the Netherlands, New Zealand, Scotland, Singapore, Spain, Switzerland, and from within Australia. During their visits to the Department, the visitors presented seminars, collaborated with members of the Department on research, and taught in the undergraduate program. Details of each visitor’s program are provided below.

**M. Angeles Carnero**, BA (Universidad de Santiago de Compostela) PhD Candidate (Universidad Carlos III de Madrid)

Angeles Carnero is a PhD Candidate in Economics in the Department of Statistics and Econometrics at Universidad Carlos III de Madrid, Spain. During her PhD studies, Ms Carnero has visited the Department of Mathematics and Statistics at Lancaster University, England, for 2 months in 1998, the Graduate School of Business at the University of Chicago for 3 months in 1999, the Department of Statistics at Colorado State University for 2 months in 2000, and the Department of Mathematics and Statistics at the University of Canterbury, New Zealand, for 2 months in 2001. During her academic visit to Australia and New Zealand, she presented seminars in the Department of Economics and the Department of Mathematics and Statistics at the University of Canterbury, and the Department of Economics at the University of New South Wales. Ms Carnero visited the Department of Economics at UWA in September 2001 to present a paper at the International Conference on Modelling and Forecasting Financial Volatility. In October 2001 she visited the Department for one week to undertake joint research with Professor Michael McAleer on Financial Time Series Econometrics. Ms Carnero’s primary research interests are modelling stochastic volatility and modelling outliers in the presence of conditional heteroscedasticity. Ms Carnero gave two lectures to graduate students in the Department of Economics at UWA on Stochastic Volatility Models and The Effects of Level Outliers on the Estimation of GARCH models. One of her papers on outliers and the dynamic evolution of conditional variances is to appear in *Estadística*.

**Professor K.C. Duncan**, BA (California at Riverside), PhD (Utah)

Kevin Duncan is a Professor of Economics at the University of Southern Colorado, where he has produced telecourses and served as Director of the Center for Business and Economic Research. Many of his published papers focus on gender and racial earnings differences. His visit during Semester 1 was arranged in cooperation with the School of Economics and Finance at Curtin University. During his sabbatical visit Kevin shared his experiences in the delivery of distance education. He also served as course controller for Microeconomics 233. A research project addressing the impact of the Fair Wage and Skill Development Policy on construction costs in British Columbia was completed during his visit and appeared in the Department’s Discussion Paper Series (01.11). Kevin presented seminars in the Department’s Seminar Series and at Curtin University. He is currently examining salary compression and gender earnings differences among university faculty in the U.S.
Professor **P.H.B.F. Franses**, MSc (Groningen) PhD (Erasmus University Rotterdam)
Philip Hans Franses is Professor of Applied Econometrics, Econometric Institute, and Professor of Marketing Research, Department of Marketing and Organization, both at Erasmus University Rotterdam. His research interests include applied econometrics, empirical finance, marketing research, and diverse areas such as environmetrics and political science. He is editor-in-chief of *Statistica Neerlandica*, and Associate Editor of seven international journals, including the *Journal of Applied Econometrics* and the *International Journal of Forecasting*. Professor Franses has published prolifically in numerous leading international refereed journals, including *Journal of Econometrics*, *Journal of Business and Economic Statistics*, *Review of Economics and Statistics*, *Journal of Time Series Analysis*, and *Journal of Marketing Research*. He is the co-author of various books with Cambridge University Press and Oxford University Press, including *Time Series Models in Business and Economic Forecasting* (1998) and *Quantitative Models in Marketing Research* (2001), both of which are extremely popular. Professor Franses visited the Department of Economics in September 2001 to co-organise the "International Conference on Modelling and Forecasting Financial Volatility", at which he presented a paper, as well as to hold discussions with staff and students, and undertake joint research. He is currently working with Professor McAleer on non-linear time series models, especially in the context of modelling financial returns and volatility.

Professor **P. Fraser**, MAEcon-Hons (Dundee), PhD (CUBS)
Professor Fraser is the Aberdeen Asset Management (AAM) Professor of Finance and Investment Management at the University of Aberdeen, Scotland. She has previously taught at the University of Dundee and the University of Stirling, and was appointed to the AAM Chair in Finance in 1995. Professor Fraser was appointed to the Houblon-Norman Fellowship at the Bank of England in 1992 and has previously visited the University of Western Australia in 1997, 1998, 1999 and 2000, to undertake joint research with Dr Nic Groenewold. Many of her published papers focus on aspects of the behaviour of asset prices. She visited the Department for five weeks in September and October. She was a keynote speaker at the Economists’ Conference held at UWA in September and a member of the Economics Department Review Panel. She also undertook work on a continuing project with Nic Groenewold on the Estimation of Models of Share Prices.

Professor **O. de La Grandville**, MEc DEcon (Geneva)
Olivier de La Grandville, who is the Professor of Economics at the University of Geneva, visited the Department in September and October. He was a keynote speaker at the Australian Conference of Economists and he presented seminars in the Departments of Economics, and Mathematics and Statistics. During his visit he continued his research on the immunization of bond portfolios to changes in the term structure of interest rates.

Professor **M. Kobayashi**, BA MA DEcon (Tokyo)
Masahito Kobayashi is a Professor of Economics in the Faculty of Economics at Yokohama National University. Prior to moving to Yokohama National University in 1990 he was a Research Associate in the Institute of Economic Research at Kyoto University from 1984-88, and an Assistant Professor in the
Faculty of Economics at Kyoto University from 1988-90. Professor Kobayashi is an econometric theorist and visited for six days in September to undertake joint research with Professor Michael McAleer on time series econometrics and statistical inference for models of financial volatility. He has previously been a Visiting Scholar at the Institute for Monetary and Economic Studies at the Bank of Japan. Professor Kobayashi has published papers in leading international journals in econometrics and statistics, such as *Econometrica, Econometric Theory* and *Journal of the American Statistical Association*.

**Dr M.L.C. Lim**, BEc-Hons MEc PhD (W. Aust.)
Christine Lim completed her PhD with Distinction at the University of Western Australia in 1999. Dr Lim is currently a Senior Lecturer in the School of Tourism and Hotel Management at Griffith University, where she has been Acting Head on a number of occasions. Prior to taking up her present position, she was a Lecturer and then Senior Lecturer in the School of Finance and Business Economics at Edith Cowan University. Dr Lim visited the Department twice in September. Her first visit was for three days for joint research with Professor Michael McAleer on modelling and forecasting the volatility of international tourist arrivals to Australia, and to attend the International Conference on Modelling and Forecasting Financial Volatility organised by the Department. Her second trip of five days was solely for joint research. In 2001 Dr Lim received the Early Career Research Excellence Award of the Modelling and Simulation Society of Australia and New Zealand. Her current research interests are in tourism modelling and forecasting, tourism management, and applied time series econometrics. Dr Lim has published several papers in the three leading journals in tourism research, namely *Annals of Tourism Research, Journal of Travel Research*, and *Tourism Management*, as well as in *Tourism Economics, Applied Economics*, and *Mathematics and Computers in Simulation*.

**Professor K. Morimune**, FMSSANZ, BA MA DEcon (Kyoto), MS (Statistics) PhD (Stanford)
Kimio Morimune is Professor of Economics at the Institute of Economic Research at Kyoto University. He visited the Department for three days in September for joint research with Professor Michael McAleer on time series econometrics, and to attend the International Conference on Modelling and Forecasting Financial Volatility organised by the Department. Professor Morimune has previously been a Visiting Professor at Stanford University, University of Illinois, and UWA. The foremost journals in economics, econometrics and statistics, such as *Econometrica, International Economic Review, Journal of Econometrics, Econometric Theory*, and *Journal of the American Statistical Association*, are regular outlets for his research.

**Professor L. Oxley**, FMSSANZ, BA-Hons (Wales), MA (Money and Finance) (Sheffield), PhD (Tilburg)
Les Oxley is Professor of Economics in the Department of Economics at the University of Waikato and at the University of Canterbury. He visited for four days in September for joint research with Professor Michael McAleer on macroeconometrics and financial econometrics, and to attend the International Conference on Modelling and Forecasting Financial Volatility organised by the Department. Professor Oxley has previously been a Visiting Research Fellow at
the Australian National University and Visiting Senior Lecturer at Monash University and UWA. He is one of the Foundation Editors of the Journal of Economic Surveys, which is published by Blackwell, and has edited a number of scientific monographs in economics, econometrics, and financial econometrics. Professor Oxley publishes regularly in the leading international journals in economics, applied econometrics and economic history, including Explorations in Economic History, Economic History Review, Journal of Economic History, Review of Income and Wealth, Applied Economics, Economic Record, Australian Economic History Review, and Environmental Modelling and Software. He currently holds two prestigious and highly competitive Royal Society of New Zealand Marsden Fund grants and two New Zealand Foundation for Research, Science and Technology grants.

Dr M. Reale, Laurea (Rome I), PhD (Lancaster)
Dr Marco Reale is a Lecturer in the Department of Mathematics and Statistics at the University of Canterbury. He visited the Department for one week in November for joint research with Professor Michael McAleer on univariate and multivariate financial time series econometrics. As a result of his visit, Dr Reale is presently working on research papers with Michael McAleer and Felix Chan regarding the small sample properties of estimators of various volatility models in finance. This visit was the first of a series of visits around the world (namely, Lancaster University, University Carlos III, University of Rome III, University of New Mexico, University of California, Santa Cruz, and University of California San Diego) for three months for purposes of seminar presentations and the exchange of ideas concerning the teaching of statistical tools for economics and finance students. Dr Reale gave a lecture to graduate students in the Department of Economics at UWA on time series, causal inference, and simulation in statistics and econometrics. His primary research interests are in time series, causal inference and likelihood, with applications to monetary economics and finance. Dr Reale has previously worked in a monetary economics research centre at the LUISS, University of Rome. He has published in leading international journals such as Biometrika, Statistical Methods and Applications, and Estadistica.

A/Prof E.A. Selvanathan BEcon-Hons (Jaffna), NSc (Bucurest), PhD (Murdoch)
Associate Professor Antony Selvanathan visited the Department of Economics for a week in October. He worked with Professor K.W. Clements on an ongoing joint project on stochastic index numbers and also with Dr Abu Siddique on another project “Savings and Growth of the ASEAN Economies”.

A/Prof S. Selvanathan BSc-Hons (Jaffna), MPhil (Murdoch), PhD (W.Aust.)
Associate Professor Saroja Selvanathan visited the Department for a week to discuss research with Professor K.W. Clements associated with her forthcoming book, co-authored with E.A. Selvanathan, Consumer Demand: OECD verses LDC (World Scientific).

Dr Z. Zhang, BA (Shandong), MBA PhD (KU Leuven)
Zhaoyong Zhang is a Senior Lecturer and Director of the Centre for the Study of Transitional Economies, Department of Economics, National University of Singapore. Dr Zhang’s research interests are in International Trade and Finance,
Monetary Economics, Financial Markets in East Asia, Foreign Direct Investment, the East Asian Financial Crisis and Economic Integration, and International Macroeconomic Policy Coordination. He has published papers in journals such as the *Asian Economic Journal, World Development, Japan and the World Economy, Journal of Economic Development, Journal of Economic Integration, Development Policy Review, Economia Internazionale, American Asian Review*, and a number of chapters in books on foreign direct investment and regional integration. Dr Zhang visited for five weeks in July and August to undertake joint research with Professor Michael McAleer on modelling economic growth in East Asian Economies and the establishment of optimal currency areas in East Asia.
RESEARCH GRANTS

The Department of Economics was highly successful in 2001 in obtaining Australian Research Council Discovery Grants, UWA Research Grants, and a variety of other competitive grants, for 2002.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Project Title</th>
<th>Amount</th>
</tr>
</thead>
</table>
| **AUSTRALIAN RESEARCH COUNCIL**
  **Inaugural Discovery Grants**
  Professor M. McAleer | Modelling a portfolio of financial assets: structure, estimation, testing and forecasting. | $107,373 |
  Professor P.W. Miller, Dr A.T. Le | Youth in Australia: Education and Work | $53,000 |
| **Continuation of Existing Large Grants**
  Professor K. Clements, Dr X. Zhao | Modelling Illicit Markets: The Case of Marijuana | $47,000 |
  Professor M. McAleer | Modelling the Sensitivity of Interest Rate Volatility to Interest Rate Levels: Testing Alternative Models in Economics and Finance | $70,219 |
  Professor P.W. Miller | Neighbourhood Effects and the Immigrant Adjustment Process | $54,000 |
| **UWA RESEARCH GRANTS**
  Dr N. Groenewold | International Transmission of Share-Price Changes: Fundamentals or Speculation? | $11,290 |
  Dr M. Tcha | Australia and Asia: What Kind of Neighbours? | $15,864 |
  Dr Y. Wu | Measuring Economic Openness and its Impacts on Growth, with Application to the Chinese Regions | $19,057 |
**OTHER GRANTS**

**DETYA LSAY Analysis Grants**

Professor P.W. Miller  
Education Attainment in Australia: A Cohort Analysis  
$11,266

**Korea –Australia Research Centre**

Dr M. Tcha  
The Economic Crisis and the Korean Economy at the Cross-Roads  
$4,000

Dr M. Tcha  
Dr J. Kim  
The Bootstrap Approach of Steel Price Dynamics and Forecasting: The Implications for Korea.  
$2,000

**ECEL Individual Research Grant**

Mr F. Chan  
Estimating and Evaluating Smooth Transition Volatility Models  
$2,500

Ms S. Hoti  
Modelling Country Credit Risk and Financial Volatility  
$2,250

**Ford Foundation**

Dr Y. Wu  
Economic Aspects of China  
$19,104

**Other Sources**

Dr R. Gabbay  
Australia and the Middle East: 1945-2000  
$27,216
PUBLICATIONS

During 2001 members of the Department of Economics published their work in a substantial number of books, learned journals or as contributions to books. A list of these publications, which appeared in 2001, are presented below under the following headings:

Books and Edited Books/Journals
Journal Articles
Chapters in Books and Conference Proceedings
Book Reviews

BOOKS, EDITED BOOKS/JOURNALS


JOURNAL ARTICLES


Fraser, P. and Groenewold, N., “Mean Variance Efficiency, Aggregate Shocks and Return Horizons”, Manchester School of Economic and Social Research, Vol. 96, No. 1, 2001, pp. 52-76.


**CHAPTERS IN BOOKS AND CONFERENCE PROCEEDINGS**


BOOK REVIEWS


PUBLICATION NOT INCLUDED IN PREVIOUS REPORT

Staff of the Department of Economics made numerous presentations of their research during 2001. Below are details of these presentations.

**David Butler** presented his paper entitled “Indirect Reciprocity in One-Shot Prisoner’s Dilemma and Chicken Games: A Theory and Some Evidence”, at the Department of Management and Policy, University of Arizona, in April, the Institute of Advanced Studies, UWA in July and to the Department of Economics, UWA in August.


**Mel Davies** presented “Heritage and Entrepreneurship -What motivated Claude Albo de Bernales?” at the con-joint conference of the Australian Mining History Association/Australian Historical Association/Economic History Society of Australia & New Zealand, at The Kalgoorlie School of Mines in September. The paper was also presented to the West Australian Prospectors and Leaseholders Association, Perth, July 2001.


**Nazrul Islam** presented his paper entitled “An Analysis of Productivity Growth in Western Australian Agriculture”, at the workshop on WA Agricultural Growth and the State Economy, Agriculture Western Australia, South Perth, 2001.

**Michael McAleer** presented 16 seminar papers and 15 conference papers in 2001. His seminar presentations were as follows: “Estimating Smooth Transition Autoregressive Models with GARCH Errors in the Presence of Extreme Observations and Outliers”, “Recursive Statistical Analysis of the GARCH(1,1) Process for Stock Prices”, “Evaluating the Forecast Performance of Smooth Transition Volatility Models”, and “Non-linear Modelling and Asymmetries in Conditional Volatility” at the Department of Economics, Bocconi University, Milan, Italy; “Recent Theoretical Developments in Modelling Time-Varying Volatility” at the School of Economics and Finance, Curtin University of Technology; “Recent Theoretical Developments in Modelling Time-Varying Volatility” at the School of Business and Applied Economics, Edith Cowan University; “Estimating Smooth Transition Autoregressive Models with

Paul Miller presented a seminar at the Queensland University of Technology in August and contributed a paper entitled “Immigrant Occupational Mobility in Australia”, to the 30th Annual Conference of Economists held in Perth in September.
Abu Siddique convened and chaired a seminar (jointly with the Transparency International Australia and the Anti-Corruption Commission) on “Domestic and International Focus on Corruption” held at the Anti-Corruption Commission in November 2001.


Juerg Weber has presented “The Misuse of Central Bank Gold Holdings”, in the Department of Economics Seminar Series, UWA.

Yanrui Wu presented papers at the Allied Social Science Associations (New Orleans), University of Groningen (the Netherlands), Nankai University (China), Eindhoven University of Technology (the Netherlands), National University of Singapore and International Workshop on the Chinese Economy (Shanghai).
Enrolments in several of the Department’s key units remained large, with 938 students enrolled in Microeconomics, Prices and Markets 101, and 640 in Macroeconomics, Money and Finance 102. Eight other courses had enrolments in excess of 100 students, and a further three had 60 or more students.

A list of units offered by the Department in 2001, together with course co-ordinators and enrolments, follows.

<table>
<thead>
<tr>
<th>Unit Number</th>
<th>Title</th>
<th>Co-ordinator</th>
<th>Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>400.101</td>
<td>Microeconomics, Prices &amp; Markets 101</td>
<td>Dr P.C. Statham</td>
<td>938</td>
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<td></td>
<td></td>
<td>Mr P. Crompton</td>
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<tr>
<td>400.102</td>
<td>Macroeconomics, Money &amp; Finance 102</td>
<td>Mr P. Crompton</td>
<td>640</td>
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<td>400.106</td>
<td>Economic History 106</td>
<td>Mr M.J. Davies</td>
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<tr>
<td>400.107</td>
<td>Economic History 107</td>
<td>Mr B. Gidney</td>
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<td>400.111</td>
<td>Quantitative Methods for Business &amp; Economics 111</td>
<td>Prof. P.W. Miller</td>
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<td></td>
<td>Quantitative Methods for Business &amp; Economics 111</td>
<td>A/Prof. D. Turkington</td>
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<tr>
<td>400.203</td>
<td>Asia in the World Economy 203</td>
<td>Dr M. Tcha</td>
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<td>400.210</td>
<td>Monetary Economics 210</td>
<td>Prof. K.W. Clements</td>
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<td>400.233</td>
<td>Microeconomics: Policy &amp; Applications 233</td>
<td>Prof. K. Duncan</td>
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<td>400.234</td>
<td>Macroeconomics: Policy &amp; Applications 234</td>
<td>Dr D.J. Butler</td>
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<td>400.235</td>
<td>International Trade 235</td>
<td>Dr M. Tcha</td>
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<td>400.236</td>
<td>International Finance 236</td>
<td>A/Prof. N. Groenewold</td>
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<td>400.242</td>
<td>Australian Economic History 242</td>
<td>Dr P.C. Statham</td>
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<td>400.245</td>
<td>Business Economics 245</td>
<td>Dr D.J. Butler</td>
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<td>400.252</td>
<td>Business History 252</td>
<td>Mr B. Gidney</td>
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<td>Enrolment</td>
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<td>400.262</td>
<td>Japanese Economic History 262</td>
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<td>400.270</td>
<td>Middle East Economies 270</td>
<td>Dr R. Gabbay</td>
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<td>400.271</td>
<td>Business Econometrics 271</td>
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<td>400.272</td>
<td>Mathematics for Economists 272</td>
<td>A/Prof. D. Turkington</td>
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<td>400.310</td>
<td>History of Economic Analysis 310</td>
<td>Dr R.N. Ghosh</td>
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<tr>
<td>400.350</td>
<td>Money, Banking &amp; Financial Markets 350</td>
<td>Dr E.J. Weber</td>
<td>94</td>
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<tr>
<td>400.364</td>
<td>Microeconomic Theory 364</td>
<td>Prof. P.W. Miller</td>
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<td>400.365</td>
<td>Macroeconomic Theory 365</td>
<td>A/ Prof. N. Groenewold</td>
<td>37</td>
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<td>400.371</td>
<td>Econometrics 371</td>
<td>Prof. M. McAleer</td>
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<td>400.372</td>
<td>Mathematics for Economists 372</td>
<td>A/Prof. D. Turkington</td>
<td>10</td>
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<td>400.401</td>
<td>Australian Economic Problems &amp; Policies 401</td>
<td>Dr E.J. Weber</td>
<td>11</td>
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<td>400.402</td>
<td>Microeconomic Theory 402</td>
<td>Prof. P.W. Miller</td>
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<td>400.407</td>
<td>Topics in Post-War Australian Economic History 407</td>
<td>Mr M. Davies</td>
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<td>400.408</td>
<td>Topics in Economic Development 408</td>
<td>Dr Y. Wu</td>
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<tr>
<td>400.413</td>
<td>Topics in Applied Econometrics 413</td>
<td>Prof. M. McAleer</td>
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<td>400.415</td>
<td>International Finance 415</td>
<td>Prof. K.W. Clements</td>
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<td>Macroeconomic Theory 418</td>
<td>Dr E.J. Weber</td>
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<td>Monetary Economics</td>
<td>Dr E.J. Weber</td>
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<td>400.423</td>
<td>Financial Economics 423</td>
<td>A/Prof. N. Groenewold</td>
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<td>Dr M. Tcha</td>
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<td>Middle East Economies 470</td>
<td>Dr R. Gabbay</td>
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<td>400.491</td>
<td>Microeconomics: Theory &amp; Applications 491</td>
<td>Prof. P.W. Miller</td>
<td>11</td>
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<td>Unit Number</td>
<td>Title</td>
<td>Co-ordinator</td>
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<td>Macroeconomics: Theory &amp; Applications</td>
<td>A/Prof. N. Groenewold</td>
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<td>400.507</td>
<td>Topics in History of Economic Analysis</td>
<td>Dr R.N. Ghosh</td>
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PhD STUDENTS’ TOPICS

During 2001 the Department had 19 students enrolled in the PhD program. Details on the students, their topic and arrangements for supervision are as follows:


Chan, F., Modelling Smooth Transition Financial Volatility, supervised by Professor M. McAleer.

Chandra, M., Modelling Volatility Transmission Across International Equity Markets, supervised by Professor M. McAleer.

Crompton, P.L., The Economics of the East Asian Steel Industry, supervised by Professor K.W. Clements, Dr M. Tcha and Dr E.J. Weber.

Fogarty, J., The Economics of Wine: Pricing, Quality and Rate of Return, supervised by Professor K.W. Clements.


Giles, M.J., Economic Analysis of Road Crash Statistics, supervised by Professor K.W. Clements and Professor P.W. Miller.

Hendrie, D., An Economic Evaluation of Healthway’s Sponsorship Program, supervised by Dr P. McLeod and Associate Professor M. Knuiman (Department of Public Health).

Hoti, S., Modelling Country Credit Risk, International Capital Flows, and Volatility, supervised by Dr N. Groenewold.

Hu, B., Modelling Economic Growth in China, supervised by Professor M. McAleer.

Johnson, P.L., Aspects of Regional Economic Modelling, supervised by Professor K.W. Clements.

Lai, E.K., A Time Series Analysis of the Fishing Industry in Western Australia, supervised by Professor M. McAleer.

Lan, Y., The Big Mac Approach to Economics, supervised by Professor K.W. Clements.

Loh, E., An Assessment of Trading Based on Macroeconomic Models of Share Prices, supervised by Dr N. Groenewold.

Pershin, V.Y., Essays in the Economics of Foreign Direct Investment, supervised by Professor K.W. Clements and Dr M.J. Tcha.

Verhoeven, P., *The Effects of Outliers and Extreme Observations in Modelling Volatility*, supervised by Professor M. McAleer.


RECENT PUBLICATIONS BY
GRADUATE STUDENTS

One of the factors contributing to the reputation for excellence of the Department of Economics is the record of its recent graduates. In recent years our honours and postgraduate students have had their research published in an impressive range of refereed journals, chapters of books, and conference proceedings. The following list provides a selection of these publications since 1998.


OTHER PROFESSIONAL ACTIVITIES

Members of the Department have been very active in contributing to the organisation of various academic societies, and in visiting academic institutions for research purposes. A selection of these activities follows.

David Butler is a member of the American Economic Association, the Economic Science Association and the Australian Economics Society. He has refereed for a variety of international journals including the American Economic Review, Economic Journal and Economica. He visited the Department of Management and Policy at the University of Arizona during the first half of 2001. Also, he has attended conferences in the USA and Canada during the first half of 2001.

Ken Clements is a member of the ARC Expert Advisory Committee in the Social, Behavioural and Economic Sciences, the Research Committee of the Institute of Public Affairs and the Council of Advisors of the Centre for Independent Studies. He is also a member of the Council of Currie Hall and the University’s Board of Postgraduate Studies. He also was Convenor of the PhD Conference in Economics and Business, held at UWA in November.

Paul Crompton worked as a consultant for Hamersley Iron and BHP Billiton in 2001. He is also a member of the American Economic Association and the Australian Economic Society. Paul was also co-convenor of the Department’s 2001 Seminar Series throughout the year.

Mel Davies was re-elected as Secretary/Treasurer of the Australian Mining History Association in 2001. In that capacity he was responsible for producing the quarterly newsletter and organising the annual Association conference and con-joint conferences of the Australian Historical Association and Economic History Society of Australia and New Zealand at Kalgoorlie in September. He was a member of both the Program and Organising committees for the 5th International Mining History Congress at Milos, Greece, and was elected at the Business Meeting to serve on the co-ordinating committee for the 6th International Congress, to be held in Japan during 2003. At the Annual Conference of the American Mining History Association, held in July at Butte, Montana, he was nominated and elected as Secretary of the International Mining History Association.

Brian Gidney was a member of the marking panel for TEE examinations in Economics, and also presented revision seminars in Economics for TEE students.

Nazrul Islam was invited to give a lecture on ‘The Economic Importance of the WA Rangelands in a Wider Agricultural Perspective’ for the MSc-Natural Resource Management students of the Faculty of Agriculture, UWA.

Michael McAleer has been Vice-President of the Modelling and Simulation Society of Australia and New Zealand since 1991; Foundation Chair of the International Association for Mathematics and Computers in Simulation Technical Committee on Modelling Socio-economic Systems since 1992; Member of the International Task Force on Forecasting Environmental Change at the International Institute for Applied Systems Analysis, Laxenburg, Austria since 1993; Foundation Member of the Technical Advisory Board, International Institute of Environmental Sciences and Environmental Computing since 1997; Member of the Leading Team for the design and implementation of a Diploma in Environmental Sciences, International Institute of Environmental Sciences and Environmental Computing since 1997; Foundation Vice-President of the International Environmental Modelling and Software Society since 1999; Foundation Vice-President of the Australia and New Zealand Chapter of the Society for Computer Simulation since 1992; Member of the Scientific Advisory Board, Program Committee and Student Prize Committee of the 2001 International Congress on Modelling and Simulation, Canberra, Australian Capital Territory; Convenor of the International Workshop on Modelling and Forecasting Volatility, Perth, Western Australia, 2001; Member of the Scientific Program Committee of the International Environmental Modelling and Software Society World Congress, Lugano, Switzerland, 2002; Member of the Advisory Committee of the 2002 Australasian Meeting of the Econometric Society, Brisbane, Queensland; referee for the National Science Foundation (USA), Hong Kong Research Grants Council, Nuffield Foundation for Research in the Social Sciences (UK), and the Centres of Excellence evaluation for the Royal Society of New Zealand; external graduate thesis examiner for the Department of Economics at the National University of Singapore; referee for numerous international refereed scholarly journals; and beta testing of computer software for scientific publishers. For research purposes, he was a Visiting Professor at the Institute of Social and Economic Research, Osaka University, with a Japanese Government (Monbu-Kagakusho) Foreign Research Fellowship for six months in 2001. During his study leave, he visited the Osaka School of International Public Policy at Osaka University, the Faculty of Economics at Hiroshima University, the Faculty of Economics at Yokohama National University, the Faculty of Economics at Nagoya University, the Institute of Economic Research at Kyoto University, the Institute of Economic Research and the Faculty of Economics at Hitotsubashi University, Tokyo, and the Department of Economics at Bocconi University, Milan, Italy.

Paul Miller was the Chair of the Organising Committee for the 30th Annual Conference of Economists held at the University of Western Australia in September. He gave an address at the launch in Perth of the May/July TMP Worldwide Job Index Survey. He continued his involvement with the External Reference Group of the Household, Income and Labour Dynamics in Australia (HILDA) Survey.
Abu Siddique is a member of Observatorie Des Relations Internationales Dans L’Hémisphère Sud (ORHIS) Biviers (France). He has been a Member of the Economics Syllabus Committee of the Curriculum Council of Western Australia since 1994 and Convenor of the Tertiary Nominating Panel for Economics of this organisation. He is a member of ECEL’s Equity Committee and one of the course advisers of the Faculty of Arts. He also is a member of the editorial board of the *International Journal of Business Studies*, Vice-President of Bengali Music and Cultural Centre and State (WA) co-ordinator of Transparency International Australia. In 2001 he chaired the ‘Applied Analysis’ session of the 30th *Annual Conference of Economists*, organised by the Economic Society of Western Australia (WA Branch), and the ‘Development Economics’ session of the *PhD Conference in Economics and Business* organised by the Economic Research Centre (UWA), the Centre for Economic Policy Research (ANU) and the Graduate School of Management, held at UWA. He also visited the University of Cape Town to meet colleagues and collect data for his research project on “Immigration to the Republic of South Africa: International and National Perspectives”.

Pamela Statham has continued to represent the Faculty on the University Scholarships Committee. She has been a member of the Centre for Western Australian History since its inception. She attended the conference on the Convict Contribution at Fremantle Gaol in May, where she was invited to give the wrap up address, and in December attended a weekend conference of the Australian Economic History Association at Woollongong as the UWA representative.

MoonJoong Tcha was on the organising committee for the First Biennial International Symposium on Korean Studies at UNSW, and assisted with the organisation of the Trade and Globalisation sessions of the Conference of Economists. He also served as a session chair at the PhD Conference. He was an external columnist of the *Global Environment Weekly* and refereed papers for leading journals including *Economic Development and Cultural Change*. At UWA, he served as a member of the Faculty’s Teaching and Learning Committee and the Faculty’s Information and Technology Committee. He also served as a member of the Social Science and Humanity Panel for the UWA Small Research Grant Scheme.

Juerg Weber serves as Honorary Consul for Switzerland in Western Australia.

Yanrui Wu visited Peking University, Chinese Academy of Social Sciences, Development Research Centre of the State Council (Beijing), Shanghai Academy of Social Sciences and East Asian Institute, National University of Singapore for research purposes. He is the President of the Chinese Economic Studies Association (Australia). He is also the convenor of the *International Workshop on the Chinese Economy* (held in Shanghai, China).
AMP/THE AUSTRALIAN ECONOMICS AND BUSINESS STUDIES COMPETITIONS WA PRESENTATION EVENING

The objectives of the AMP/The Australian Economics and Business Studies Competitions are to stimulate the teaching and learning of economics and business studies, to foster interest and to recognise excellence in these fields. The major sponsors of the competitions were AMP, The Australian Newspaper, Economic and Business Studies Educators (NSW), and the University of New South Wales.

The competitions attracted over 24,000 participants throughout Australia and New Zealand. In Western Australia, 1,384 students (from 41 schools) entered the Economics competition, and 91 entered the Business Studies competition (from 5 schools). Both competitions involved answering forty multiple-choice questions in a duration of fifty minutes.

The Western Australian Presentation Evening for the competitions was held at UWA on the 2nd August, 2001. Approximately 150 prize winners, parents, teachers and friends, together with UWA staff, attended. Guests were welcomed to the University by Maurice Tan and Trish Ho on behalf of the Competition Coordinators. Two short speeches followed. Angus Davies, Manager, Business Development, Corporate Superannuation and Employee Benefits, AMP, spoke on the importance of studying economics as an integral discipline for future careers in business. Ken Clements, Head of the Economics Department at UWA, presented the second address on “Why Economics is Anything but Boring”.

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