

GCLE

NEWS BULLETIN

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US ECONOMISTS WIN NOBEL PRIZE FOR WORK ON CLIMATE AND GROWTH

Two American economists at the forefront of work on climate change and the role of governments in boosting growth have been jointly awarded the prestigious Nobel Memorial prize for economics.

The Royal Swedish Academy of Sciences said William Nordhaus and Paul Romer were being honoured for their research into two of the most “basic and pressing” economic issues of the age.

Nordhaus made his name by warning policymakers during the first stirrings of concern about climate change in the 1970s that their economic models were not properly taking account of the impact of global warming and he is seen as one of the pioneers of environmental economics.

<https://www.theguardian.com/world/2018/oct/08/two-us-economists-win-nobel-prize-for-work-on-climate-and-growth-william-nordhaus-paul-romer>

THE VOICE OF HOBBSAWM: HOW HIS MARXIST IDEAS ENDED UP ON THE BOOKSHELVES OF INDIAN CIVIL SERVANTS AND BRAZILIAN HOUSEWIVES?

Brilliant piece by Prof. Emile Chabal of University of Edinburgh. It tracks how Eric Hobsbawm’s ideas transcended beyond Britain, both to east and west of the island nation.

Of the many 20th-century Marxist figures whose ideas travelled the world, Eric Hobsbawm is perhaps an unexpected choice. While many know of his writings, he is not usually considered to be a Marxist ‘thinker’. He did not, at first glance, contribute much to Marxist theory during his seven productive decades from the early 1940s to the late 2000s. As a life-long communist, few

would dispute his Marxist credentials, but there is precious little in the way of explicit invocation of Marxist concepts in most of his texts from the early 1960s onwards. Indeed, young people who first encountered him through his history of the 20th century, *Age of Extremes* (1994), could be forgiven for not knowing that he was a Marxist at all. However, when it came to global influence, there were few Marxists who could match him. By the time Hobsbawm died in 2012, he was probably the best-known English-language historian, and quite possibly one of the most famous historians in any language.

<https://mostlyeconomics.wordpress.com/2018/10/09/the-voice-of-hobsbawm-how-his-marxist-ideas-ended-up-on-the-bookshelves-of-indian-civil-servants-and-brazilian-housewives/>.

TYRANNY OF THE TOP 5 ECON JOURNALS

The paper is amazing. Heckman et al. examine a range of data from a variety of perspectives, analyze them thoroughly, obtain stunning results, and pull no punches in describing them. I love the paper. There is a lot I could add, maybe in a future post, but my blood pressure is already high enough for today. So, I'll just leave you with a few choice quotes from the paper ["T5" means "top-5 economics journals"]: "The results ... support the hypothesis that the T5 influence operates through channels that are independent of article quality." "Reliance on the T5 to screen talent incentivizes careerism over creativity." "Economists at highly ranked departments with established reputations are increasingly not publishing in T5 or field journals and more often post papers online in influential working paper series, which are highly cited, but not counted as T5s."

<https://fxdiebold.blogspot.com/2018/10/tyranny-of-top-5-econ-journals.html>

ECONOMIC GAINS FROM GENDER INCLUSION: NEW MECHANISMS, NEW EVIDENCE

Team of IMF researchers in this new paper:

While progress has been made in increasing female labor force participation (FLFP) in the last 20 years, large gaps remain. The latest Fund research shows that improving gender diversity can result in larger economic gains than previously thought. Indeed, gender diversity brings benefits all its own. Women bring new skills to the workplace. This may reflect social norms and their

impact on upbringing and social interactions, or underlying differences in risk preference and response to incentives for example. As such, there is an economic benefit from diversity, that is from bringing women into the labor force, over and above the benefit resulting from more (male) workers.

<https://mostlyeconomics.wordpress.com/2018/10/09/economic-gains-from-gender-inclusion-new-mechanisms-new-evidence/>

MEDIA UNDERPLAYING NUMBER OF IMMIGRANTS AFFECTED BY TRUMP'S "PUBLIC CHARGE" PROPOSAL

Bloomberg published a recent [article](#) on how the Trump administration's proposal to radically reinterpret the obscure "public charge" provision is contrary to the administration's pledge to reduce paperwork and other regulatory burdens. As I previously [wrote here](#), the Trump proposal would require immigration officials to predict whether an immigrant who is otherwise eligible for a green card might receive even small amounts of supplementary assistance (like SNAP and Medicaid) at any time in the future.

The Bloomberg article does a good job of highlighting some of the new burdens the proposal would place on visa applicants. Unfortunately, the article underestimates the impact of the proposal by saying that "it is expected to affect some 383,000 people annually."

<http://cepr.net/blogs/cepr-blog/media-underplaying-number-of-immigrants-affected-by-trump-s-public-charge-proposal>

WE LET OUR READERS PRACTICE INTERNATIONAL TRADE. THEY STARTED A BUNCH OF TRADE WARS.

Why couldn't we all just get along?

Last week, we published an article on the game theory of international trade and trade wars. The article included an interactive game in which you (yes, you) were elected president and could pick your own foreign economic policy. Your goal was to maximize the payoff for your country. You

could be friendly and cooperative, allowing free trade into your country, or you could be unfriendly and betraying, imposing tariffs. You were then matched against a random FiveThirtyEight reader who had their own strategy. If both sides opted for a lot of betrayal, a trade war broke out, and payoffs were diminished for both sides.

<https://fivethirtyeight.com/features/we-let-our-readers-practice-international-trade-they-started-a-bunch-of-trade-wars/>

BILLIONAIRES INNOVATION LEADERSHIP MONEY CONSUMER INDUSTRY LIFESTYLE FEATURED BRANDVOICE LISTS OCT 8, 2018, 08:33AM OPTIMISM SURROUNDING SEC'S BITCOIN ETF APPROVAL COULD BOOST BITCOIN PRICE MASSIVELY BY MID-2019

Bitfarms signage sits on display next to racks of cryptocurrency mining rig components at the company's technology lab in Saint-Jean-sur-Richelieu, Quebec, Canada. Photographer: James MacDonald/Bloomberg

September turned out to an overall bad month for cryptocurrencies, as improving market sentiment towards the end of August took a hit in early September after reports of Goldman delaying plans for its proposed cryptocurrency trading desk surfaced. Bitcoin pricing fell from more than \$7,300 to below \$6,300 within days of the news, and remained largely around this level for the whole month. Notably, investor sentiments did not improve much despite Goldman's clarification that it is keen on offering custody services for crypto funds, and also plans to allow its clients to trade in Bitcoins through non-deliverable forwards soon. Reports of other Bitcoin-linked derivatives being supported by peers Morgan Stanley and Citigroup in the near future also failed to pique investor interest.

<https://www.forbes.com/sites/greatspeculations/2018/10/08/optimism-surrounding-secs-bitcoin-etf-approval-could-boost-bitcoin-price-massively-by-mid-2019>
