AUSTRALIAN JOURNAL OF LABOUR ECONOMICS
VOLUME 20 • NUMBER 2 • 2017

# Conversations with an Eminent Labour Economist: Edward Lazear

***Professor Edward Lazear (EL)*** is the Morris Arnold and Nona Jean Cox Senior Fellow at the Hoover Institution at Stanford University and the Jack Steele Parker Professor of Human Resources, Management and Economics at Stanford Graduate School of Business.
This interview, with ***Anne Daly (AD)*** of the Centre for Labour Market Research, University of Canberra and ***Boyd Hunter (BH)*** from Centre for Aboriginal Economic Policy Research at the ANU, took place at the inaugural Asian and Australasian Society of Labour Economics (AASLE) meeting in Canberra, December 2017.

AD/BH: *What do you see as the big advantage of using economics ideas and presenting them in a slightly different form for non-economists as you did in personnel economics.*

EL: That's a good question and in some ways an easy one. What economists are very good at doing is stating things in a rigorous and parsimonious way. I'll give you an example. I have a buddy, Charles O'Reilly (Stanford), who is a very distinguished industrial psychologist who works in organisational behaviour; and he is always amazed at how economists can strip away the extraneous to get to a quick and clean answer. Now, of course, he's sometimes critical of the fact that we don't see all the nuances and all the difficulties, but it's clear that he is impressed with the power of the economic analysis and I think that's the same thing that I would say about personnel economics - a field that is especially fuzzy. Basically, the questions in personnel economics are completely traditional. They're the kinds of things that human resources people have been thinking about forever. How do you motivate workers? How do you train workers? How do you retain workers? How do you hire workers? I mean, these are just standard things. But the human resources people would think of them in a very loose way because they didn't have a rigorous disciplinary framework. I think economics forces you to think about things in a stripped down way that allows you to get to a clean answer. That's the big advantage.

AD/BH: *There has been a lot of discussion here in Australia, as in countries all around the world, about the relative pay of CEOs. How significant do you think tournament theory is as an explanation of the rising relative pay?*

EL: Funny you should ask. I was in Sweden two weeks ago speaking to the 20 to 25 leading Swedish CEOs in something called the 'remuneration academy'. They also wanted me to use tournament theory to talk about two questions. The first question is how one can rationalise CEO pay? The second question is more specifically about explaining the rise in CEO pay relative to other remuneration. Can we think about CEO pay in a coherent way using tournament theory? There's an enormous literature now, empirical literature as well as theory (but mostly empirical), that documents how tournament theory works to predict what's actually going on in firms and it works very well. When I say it works very well, it works very well to explain, one, what firms do, and two, how when firms pay attention to this and implement it appropriately what you end up seeing is those firms perform better.

I'll give you an example. Sweden is a very egalitarian society and there's always pressure to monitor the compensation of the CEO and make sure it doesn't get out of line. If anything, the danger that you have to worry about is that no one is ever going to tell you that your CEO is underpaid. Plenty of people will tell you that your CEO is overpaid. And the question is if you compress the pay too much what are some of the consequences of that for the organisation? So, I went through a variety of papers, and a lot of them are in the finance literature because the finance guys are interested in studying compensation and how that motivates people. It's quite compelling. Now, the second question that you asked is a little bit different. What we have seen over time is that CEO pay has gone up and gone up relative to median worker in the firm. The question is why? And, of course, there's sort of the sinister view of that, which is that CEOs are capturing the boards and getting the boards to increase their compensation. There is some evidence for that, but I guess the obvious response is 'what's new'? CEOs were always trying to feather their own nests. I never was surprised by that, but the question is why now or why are they more able to do it now than they were in the past? There's a serious analytic literature associated with [the question]: are there ways to explain the differential? And there are basically two angles on this. One is firm size and the other is risk. The firm size one is best probably captured by work by Xavier Gabaix at Harvard and some of his co-authors. And what they've done is to look at how the change in the distribution of firm size would predict what you would expect for CEOs. So, for example, one of my dearest colleagues and teachers, Sherwin Rosen, who unfortunately passed away quite a few years ago now, had a nice paper on the relationship between size of the firm and CEO compensation (not one of his best - known papers). He found that the elasticity was 0.3 and it was not just true in the United States but it was true in every country that he looked at (Rosen 1992). I don't know why that's true but assume that- take that as a given - there seems to be a relationship between the size of the assets and CEO pay What Gabaix and Landier (2008) do is they essentially say, okay, well, if you look at the firm size distribution and look how that's changed over time that will imply that you're going to get increasing CEO pay and they argue that you can account for all of it by the change in the distribution of firm size. Whether they're right or not is unclear, but it certainly is a rigorous and analytic answer.

AD/BH: *Can we ask a question about the 'idea of job as a concept' and rent sharing both discussed by David Card at the 2017 AASLE Conference?*

EL: He was talking about monopsony. Monopsony sounds sinister, but I think of it as a more benign phenomenon. Economists sometimes think of monopsony as a bad thing. It's a distortion. I don't think of it that way, and again it's interesting because this came up in the interview that I did in Sweden with one of the largest CEOs and owners of Halverson, which is a huge Swedish conglomerate. They own 'everything' basically. He said someone asked him, why don't you pay your CEO less? You could get away with paying your CEO less. He didn't quite respond the way I would or David would have: but what he said was: look, 'I could pay him less, but then maybe he leaves or something and why do I want to take that chance'. I think we all have been in situations where you're negotiating with a boss over your pay and I'll tell you a personal story. I remember a few years back. I was at Stanford still and University of Chicago was trying to recruit me, trying to get me to move back to Chicago. So the president of the university had me in and the provost had me in and the dean had me in and they're all trying to, make me feel good and warm and cosy and cuddly and everything about Stanford. And I remember the dean saying to me, well, we can look at your salary and see if we can do something. And I said, which is probably pretty unusual, 'don't worry about it. I make enough. You don't need to mess with my salary. I'll decide.' And the reason that I said that is essentially what I think is going on in these rent sharing aspects. That is, that it's best to leave something on the table for each side. So, you don't want to squeeze the worker down to the worker's reservation wage, to the minimum amount that the worker will take. Nor do you want to push the firm up to the point where they're basically indifferent between whether you stay or go. You want both sides to essentially be happy. And if you think about that it's a bilateral monopoly kind of bargain. And what you would say is you want to kind of split the surplus and make sure that both sides are happy because if you do that then the long run situation is better. Now, the implication of that, again, going back to what David was saying is – the way I put it –it's a more benign way of putting it because what I'm essentially saying is there are positive effects on productivity for both the organisation and the worker. There are also positives effect on happiness and utility for the worker. It's not like one side is exploiting the other which is what you think about when you think of monopoly or monopsony. In this case what you're thinking about is sharing the rents in a way that makes each side better off and increases the value of the firm.

AD/BH: *But what of the situation of bilateral monopoly where the worker and the firm had market power?*

EL: Well, David Card called it mark-up but the idiosyncrasy comes in the worker – essentially a worker preference effect. So he [David Card] talked about this BLP, (Barry, Levinsohn and Pakes 2004) kind of approach where everybody is idiosyncratic. The firm is idiosyncratic. The worker is idiosyncratic. If everything is idiosyncratic you have a match. You're going to have some surplus.

AD/BH: *So it's a bilateral monopoly?*

EL: It is implicitly a bilateral monopoly. But again, the question is how do you deal with that? And I think the implication of that is that a bilateral monopoly matters a lot for high level workers. It doesn't matter at all for janitors. Therefore, if you look at the janitors at Google, my guess is they don't make a heck of a lot more than the janitors at any other firm in the Bay area.

AD/BH: *It is not only because of outsourcing it's because of the elasticity of their labour supply.*

EL: Yeah, that's essentially it.

AD/BH: *It's easy enough to replace them.*

EL: Yeah. Nothing idiosyncratic. There's nothing specific. But the story that I'm telling, the way I'm telling it, the bilateral monopoly story, is essentially saying as you get to the high levels of the firm you've got a bigger and bigger surplus. For example, having Zuckerberg at Facebook is a really good match. They've been together for a very long time. He invented the place. He knows a lot more about it and he is much more valuable to Facebook than he is to another firm. Similarly, Facebook is much more valuable to him than another firm (in terms of working there). There's sort of bilateral value on both sides. Therefore, when Facebook was going public, if the board or the shareholders were to say 'hey, we should be squeezing Zuckerberg', that is probably not such a great idea. I think of it in a more benign way because when you say, 'leave something on the table for both sides', you make both sides happy It doesn't sound like a bad thing, it sounds like a good thing. Whereas when you say monopoly or monopsony, it sounds like a bad thing.

AD/BH: *And what of your paper on the 'job as a concept' (Lazear 1990)?*

EL: Well, of all the papers I have written, I feel like I failed most on that paper because it should have been an important paper. I wrote that paper for a conference volume, at Harvard. I had an internal firm - based dataset and I looked at whether the job title mattered in terms of predicting wages (i.e., how much of the variance in wages within the firm do you explain by job title). If you think about basic microeconomic theory, there is no such thing as a job. In fact, in human capital theory it's quite the opposite in that what you do is you take this stock of human capital that a person has, multiply that times the rental price and that's the wage. And it doesn't matter where they're slotted. There's no such thing as slots. There's no such thing as jobs. So, what I did was I walked through a number of different ways that we could think about jobs. One was like in a tournament model. It's essentially a wage level, it's just promotion to a different wage level. Another is a job is a set of tasks, for example. Another is a job is a set of characteristics, non-monetary, non-pecuniary characteristics. And I just thought about different definitions of the job. And then I said, alright, let's see as an empirical matter how important jobs are and, of course, a job explains a whole lot and if you make it very, very detailed the job explains everything because it's essentially a name for a wage. So, if you thought about government workers their job essentially is their wage and so you could get an R square that would be close to 1 if you were thinking like our government.

AD/BH: *Well, as David Card talked about at this conference with an R square of 0.95. So you might not have been taken notice of at the time, but it's a slow burn idea.*

EL: I say it was a failure on my part because I published it in this goofy place. It was obscure. But it was discovered by one of my students, Mike Gibbs and others (Baker, Gibbs and Holmstrom 1994a, 1994b). Essentially, they are the same paper using another firm-based dataset (with a twist). Their paper became a very famous and has been well studied. So I always felt like I kind of lost out on that one. It was sort of my idea but I've gotten enough credit in my life. It's okay.

AD/BH: *Are you a fan of behavioural economics? What do you think is the main contribution of behavioural economics to economics?*

EL: Well, I must say I'm not a fan. In fact, I would say my two most important mentors and role models were Gary Becker and Sherwin Rosen who could be classified as pioneers in behavioural economics. I think of Gary as probably the greatest social scientist of the 20th century. And I think Gary is the quintessential behavioural economist. And the reason I say this is that he thought about behaviour, weird, interesting, novel behaviours, from the time he started his thesis – discrimination, fertility, women's labour supply, family economics. Every possible weird behavioural kind of thing you could think of, but he did it in a hardnosed analytic rigorous way and he won. There is no one who has had more impact on economics than Gary. That's why I say he's the greatest social scientist. Not necessarily the greatest economist. I mean you have guys like Keynes and Milton Friedman and so forth. But in terms of just general social science he changed the field more than anybody else. And his way of thinking about behaviour to me is the right way of thinking about it because what he did was he thought hard. He used very simple models and he pushed them in the most creative substantive way to get results that just no one could ever get and he was right. And he was ridiculed. absolutely ridiculed, when he came out with these ideas. I mean think about calling a child a consumer durable. Who would do that? Even economists found that offensive. But what he did is when you call a child a consumer durable the natural thing you think about is, well, if it's a good it has a price. What's the price? And that led him to think about, well, the main price of a child is a time price. And then he starts thinking, well, what's the time price? It's the mother's wage rate. Well, if it's the mother's wage rate what's the most important implication of that? The implication of that is if you want to lower fertility rates in a country, you educate girls. This is probably the most profound implication that virtually every government and NGO agency that deals with fertility and population has incorporated. They don't even realise it comes from Gary's work. That's the kind of stuff you do when you think hard about stuff. That's the kind of behavioural economics I like.

AD/BH: *Yes. I understand your point - but I've heard it said that what we currently describe as behavioural economics is really nothing that a good used car salesman didn't know already. Do you think that that's unfair?*

EL: I think it's unfair. I would say that my favourite behavioural economist is George Akerlof. I think George is great. I love him. I love him personally and I love him in terms of his work and I will tell you why. George is a real economist. He's a little more out there than Gary was, but not really - it's just a different style. What George does is he writes down economic models. And what I mean by economic models is that they have maximising behaviour and an equilibrium. That's what economists do and do well. That's why colleagues in my university admire economists so much because we know how to formulate a question and we know how to answer it. And so what George does very well is he takes what we might think of as an unusual preference or an unusual kind of behaviour, he builds it into his model and he writes it down formally. He says, what's the equilibrium? Therefore, George thinks about things in a formal hardnosed way. He's not a nose tweaker. He's not a guy who's going out there trying to say, 'well, I can't figure out what's going on, so it must be behavioural.' I don't even know what that means, but you hear that so often. Well, maybe there's something behavioural. What do you mean by behavioural? It means you don't know what's going on so you're not going to think hard about it. You're just going to make up a story. Well, that's not science. That's not scholarship. George never does that. What George does is he thinks hard about it, he writes it down, he works it out, and he comes to a conclusion. It may be wrong but it's a refutable hypothesis that's science.

AD/BH: *What do you think are the key issues now for labour economics?*

EL: Well, I would say two things. They're the same as they've always been. What people care about is job security and earning a decent standard of living. That's at the centre of labour economics and is what we always care about. The question, of course, is how do you guarantee those two? I would say that what we tend to do is we sometimes focus too much on the trees and ignore the forest. Let me give you an example. We talk a lot about inequality and it comes up all the time as it should. It's a very important issue. What's happened to inequality over time? Inequality has gone down not up. Way down. Why has inequality gone down? Because two of the poorest countries in the world are enormous, they're a third of the world's population and they've had huge growth and as a result of that the inequality in both of those countries, India and China, has gone way up – China particularly – but the average level has gone way up which means that you've taken, close to a billion people and raised them from one meal a day into the middle class – that is an enormous change. And the reason I say that that's the forest and not the trees is you have to ask what caused that? What brought that about? It wasn't that we figured out a way to tax the rich. It wasn't that we figured out a way to get the CEOs to take less money. It's that essentially what we did in China and in India was we went through reforms that let the market work and that had a huge effect on growth. I mean there's no doubt about it. Deng Xiaoping, to my mind, is the most important figure of the 20th Century.

Why? Because he took an enormous country and he said, 'we're not going to say that being rich is bad anymore' and completely reformed the whole economic system. Obviously, it's still communist and they still may have problems. There's a lot of social problems. But that to me is a key thing. Alright, now, why do I raise the example of China? Vietnam, by the way, is doing the same thing right now. India, of course, has done that as well. Why do I raise it? Well, because what I worry about is 'why are we so concerned about how much do the rich guys make'? I will give you an example. I was on a panel with Joe Stiglitz, a good friend. We have different political views, but we certainly get along. We were talking about inequality and I said, 'Joe, my guess is you're richer than I am, but that's not a major social problem'. I'm rich enough. The major social problem is not how wealthy the wealthy are, even though you may not like that. You may be jealous of them, but that's a relatively minor issue. What we really care about is worrying about the lowest 20 per cent of the distribution and what do you do to raise those individuals up? And that maps both into wages and into job security. It may be a cliché but it's always about human capital. There's just no other solution to this. In the long run you've got to raise the human capital of these individuals.

China figured out a way to do that through schooling and so forth and then letting these people use their human capital in the most effective way. We're struggling with that right now in the US. I know Australia has done a pretty good job over the past decade or two, but it's not been true in the US. It's not been true in Europe. It is not just a problem at the tails of distribution. It's true throughout the distribution. So, if you look at the wages of a high school graduate, who is essentially the median person in the US, relative to the college graduate, you will see is that they do a lot worse than the person with vocational training. In turn the wage of those with vocational training in the US is roughly equivalent to the high school graduate in Germany measured relative to their college graduates. Why is that? Well, because Germans with vocational qualifications actually have some skills and as a result they're productive. In some sense it's a reflection of American optimism, so it's arguably a good thing. We always think everybody can make it and we don't want to write someone off as they do in Germany at age 12. You don't want to do that. But the point is that what ends up happening in our high schools is if you end up not being on the college track in your junior year, it's clear, you're just not going to get into a college. What do schools do? They've give you a watered down academic curriculum. Instead of giving you calculus or trigonometry, they're giving you some lower level maths that you're not going to use when you leave school. I think that's a problem in our system that we have to think hard about. Community colleges have done a little bit, but it's not been very successful. As a country we are struggling with that.

AD/BH: *What do you think about the balance of what gets taught in an economics degree: the balance between theory, history and technique.*

EL: Well, I'm in a very theoretical group. Ironically, and somewhat surprisingly the business school at Stanford is kind of mostly highbrow theory people. I'm not a high brow theorist obviously, but I would say that there's a danger of doing too much of that. However, I would say the danger now is more in the other direction. Rather than too much theory, there is too much rushing to the data. It's very easy to find a dataset, create an instrument, find some natural experiment or do a field experiment or do a lab experiment and grind out some results. People do not think hard enough about what the truth is and no one really cares very much about what the data means. It reminds me of the old expression in the United States, 'it's dance with who brung you'. I don't know if you guys use that turn or phrase.

The basic idea, and the reason I use that expression, is we've got some terrific skills, we've got some terrific techniques and that's what differentiates us from other social sciences. I think we shouldn't just become demographers or statisticians or just go out data grubbers, we really should use what we have to shed light on these issues. I think that's always been my kind of trademark. I've learned it from others. I think Sherwin was good at that. Gary was good at that. There are plenty of others at University of Chicago and other places that are good at it. But I think it serves you well and I'm concerned that we're moving a little bit away from that. George Akerlof feels the same way. He told me it is hard to get ideas published now in the major journals. There's sort of a formula. They want structural industrial organisation or they want an instrument or some cute thing. Even if you've got a new idea that may actually be profound, it can be hard to publish. If George is saying that, then it is an issue for anybody.

AD/BH: *What would you be saying to someone who was thinking about doing a PhD in economics? Would you be encouraging them? Or would you be telling them to go and get a job?*

EL: No, I think getting a PhD in economics is one of the high callings of mankind.

AD/BH: *You said that with a straight face.*

EL: I'm serious. I love economics. I think it's one of the most powerful sciences that we have ever come up with. I was chairman of the Council of Economic Advisors so I was the president's Chief Economic advisor. Does he have a Chief Sociological advisor? Does he have a Chief Psychological advisor? You know, he really doesn't even have a Chief Political advisor except to the extent that his Chief Political advisor is someone who is telling him how to get votes. In government and public policy the only social science is economics. It really is. And there's a reason for that. That's not just all of us are good at scheming and capturing government officials. There's a reason they actually listen to us and it's because we actually have something substantive to say.

AD/BH: *The reason we're laughing is we deal with some anthropologists who are suspicious of economists and some claims made by economists.*

EL: Yeah, and many sociologists have a similar distrust of economists as well.

AD/BH: *One of the things in Australia which is a bit peculiar for some reasons, is that economics has got a bit of a bad name, the number of students doing economics degrees has been declining and people have been moving across into broader business degrees. Is that sort of trend happening in the US?*

EL: It is. I would say it takes a slightly different form in different places. Certainly at places like Stanford -and I don't mean to be snooty - but we have plenty of applicants. What you do see at Stanford is a fabulous undergraduate population, but few of those individuals go into academia. Instead they go to law school. They go to medical school. They go to business school. They go to the professions. And I think it is because they can just make so much money. The truth is academics at the top universities are pretty darn well paid. I'm certainly not complaining about my salary. I've lived a good life and have enough to leave to my daughter who is a public school teacher and I think that's just fine. I'm kind of happy to be working and being able to do what I think is very valuable for society but unfortunately society doesn't necessarily pay adequately for it. But the point is if you're looking at becoming a lawyer, becoming a CEO at a big firm or going to a start-up, or even working at a place like McKenzie, there is a lot of competition for the best students. I'm sure it's true in Australia as well.

AD/BH: *Yes. But something else has happened — there is an idea that undergraduate economics is too hard. So, students veer away from economics before they even begin it.*

EL: I haven't sensed that in the US. Well I shouldn't say 'in the US' because my experience is limited to two universities both of which are great universities. The undergraduates at University of Chicago and Stanford are superb. They're just brilliant kids. So, you're not going to see it there. I couldn't really speak to it elsewhere.

AD/BH: *What is the best way for economists to engage with policy makers in constructive debates.*

EL: Again, this is a question I've actually thought about. I was on a panel on exactly this topic about six months ago and, basically, I said if 'you want to influence policy the best way to do it is to get lucky and become the Chief Economic advisor to the President of the United States or to the Prime Minister of Australia'. It's very difficult for outsiders, even people like me who were very well connected, to influence policy. I still have the opportunity once in a while. I was in Washington a few weeks ago talking to congress and talking to the White House and so forth but it's rare. Again, I'm just using my personal experience because I don't know about Australia. But what we did when I was in the White House, every morning we called a senior staff meeting which was the president's chief people. So the national security advisor would be there and we'd have the press secretary and we'd have the legislative affairs person and then you'd have the economics guys. And we would all talk about our various portfolios and brief the other members of the cabinet and senior staff on exactly what was going on. The press secretary every day, at least in our administration, would summarise for us the most important op-eds in the top newspapers. If you can't get into the government (or actually work in the government), the best thing to do is write. I don't know the Australian journalism scene, but if I were doing this in the US I would put my stuff in the Wall Street Journal. They always read the op-eds in the Wall Street Journal. Especially, article written by someone that they know personally. Even if you're just a distinguished academic/business [person]/CEO, they will take that seriously and those articles are discussed in those meetings. So, if you can't be there the best thing to do is to write stuff for the popular press, but make it a serious article not just an opinion piece. Give them numbers. Give them facts. And they will take it seriously.

AD/BH: *A concern recently is this idea about the death of expertise. You know, the idea that everyone's opinion is as good as anyone else's so why bother consulting an expert when you can look it up on Wikipedia? Do you think that's affected the ability of economists to have worthwhile input into policy debates?*

EL: Not at all. I don't know if you have been following this but we're in the process doing tax reform right now in the US. It's always a political process. I led a team to Washington with other senior people: Jim Poterba, who is the head in the NBER and a very distinguished public finance/tax economist; and Michael Boskin who is also a distinguished tax economist and also had a position in the Bush (senior) administration. It was bipartisan and included some younger people. The team talked to the White House over one afternoon and then the next day we started at 7am in the morning and we were going until 9pm at night. It was just totally exhausting. When we were talking to Senators and the House of Representatives (both sides), they were just dying to hear from us. Absolutely dying to hear from us. And they kept asking us lots of questions, technical questions, serious questions. A meeting was supposed to last an hour, but an hour and a half goes by and we are still there. We say we got to get to the next meeting. These guys were thirsty for expertise because we weren't just giving them loose talk.

Our responses focused on the most efficient way to do tax reform. For example, at one point we argued: 'don't do this tax cut, but use the 179 provision to increase benefits for small business because they're the ones that do the most investment'. What they really wanted was our data. They wanted facts that they could then use both to persuade, but also to structure policy. I just don't believe that they're not interested. And these are politicians. who have to run for office every two years. So if they're interested in policy and data, I just don't think that indifference to expertise is a serious concern. At least not in my experience.

AD/BH: *That's optimistic and encouraging.*

*Turning to the global economy, how do you think that we in Australia and Asia and Oceania can fit in to the global economy as economists?*

EL: Well, I guess I would turn that around. The question is, will the US and Europe still be able to fit in, in a decade or two from now? I think we have to worry that these aging societies do not suffer from a sort of sclerosis by becoming too old, too fat and content. You guys are dynamic and young. I love Australia. I got to tell you, I love it because it reminds me of where I grew up, which was California in the '50s and '60s. A little bit rough. A little bit crazy. A little wild, fun loving and relaxed (even loose). A very entrepreneurial and dynamic place. Over time the US population has tripled and it's a very different place now than it was when I was growing up, so I think you guys are in the prime of your lives.

AD/BH: *You set up the Society of Labour Economics in the US. In setting up the Australasian and Asian Society of Labour Economics, we face more challenges in the sense there is a very different cultural context across the whole of the Asia Pacific. How can we organise the Society to ensure that it engages with both Asian and non-Asian perspectives?*

EL: Yeah, I thought about this in the context of something that I guess David Card mentioned at this conference in terms of founding societies. I was thinking, I think, why do you guys need a society? I think – well, if I'm in China or I'm in Japan or something why don't I just come to a society of labour economists that's already a well-formed society with lots of great papers, where lots of people come every year? What people are trying to do when they go to these conferences is not just learn about 'hot ideas'. They are actually trying to expose their ideas. And, so, the reason that you guys need this society is not because you need me, David Card, Steve Machin, Thomas Lemieux or people like us coming over. What you need is to give the young people in Asia and Australia an opportunity to present their work and to publicise what they're doing. To me, that is the role of your particular association. The integration is natural because first of all you are close to Asia, but also because you're English-speaking. Australia and New Zealand would be the natural places to do that because no one is going to learn Chinese in Europe and the United States. Maybe eventually but it's just too hard in the short-term. So, in the meantime they have to learn English.

*AD/BH: Thanks, Edward, it was great talking to you.*

EL: It was a pleasure.

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