



## VOX – A NEW WEBSITE ON EUROPEAN ECONOMIC POLICY

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The Centre for Economic Policy Research (CEPR, [www.cepr.org](http://www.cepr.org)) today launches Vox ([VoxEU.org](http://VoxEU.org)), a new policy portal featuring research-based analysis and commentary from Europe's leading economists.

The primary audience is economists and users of economic research in governments, international organisations, academia and the private sector, as well as journalists and commentators specialising in economics, finance and business.

Vox will enrich the economic policy debate in Europe and beyond. On the supply side, Vox will make it easier for serious researchers to contribute. On the demand side, Vox will make the knowledge of researchers more accessible to the informed public.

Editor-in-Chief Professor Richard Baldwin explains the motivation:

'Vox aims to be the focal point for European discussion and analysis of policy-relevant economics.

Vox will raise the level of the debate on economic policy by making it easier for serious researchers to contribute.

Vox columns may be up to twice the length of most newspaper columns and will be written for readers with some training in economics, so authors can use the language of standard economic analysis. Both elements lower the cost to good researchers of contributing to the policy debate.'

'Network externalities' will be the key to success for Vox, Baldwin adds:

'There is room for one such English-language site in Europe. CEPR and its partners will use their combined intellectual market power to trigger self-sustaining network externalities.

Everyone will read Vox since so many high-calibre economists post there – and the best researchers will want to post on Vox since so many influential and high-calibre people visit the site. The result will be a common platform that broadens and enriches the policy debate in Europe and beyond.'

Vox now brings together a consortium of such portals, including Lavoce of Italy, Telos of France and a Spanish site launching later this month, with Dutch and German partners to follow. Members of the Vox consortium will share content: the best contributions in any language will be translated into all the languages and posted on the various sites. A major resource for Vox will be the CEPR network of 750 selected economists, based mainly in European universities and central banks.

This will ensure that good research-based policy commentary and analysis will reach much deeper into the business, financial and policy-making communities than would be the case for a newspaper column written in a single language and posted or published in a single newspaper or website.

Vox has enlisted many leading economists as founding contributors:

Philippe Aghion	Esther Duflo
Alberto Alesina	Barry Eichengreen
Richard Baldwin	Francesco Giavazzi
Giuseppe Bertola	Jeffrey Frankel
Tim Besley	Rachel Griffith
Olivier Blanchard	Philip Lane
Tito Boeri	Philippe Martin
Willem Buiter	Richard Portes
Michael Burda	Anne Sibert
Stephen Cecchetti	Guido Tabellini
Daniel Cohen	Shang-Jin Wei
Juan Dolado	Charles Wyplosz

Biographies of each can be found on the people [page](#) of VoxEU.org.

Vox is directed by a Board of Editors consisting of Richard Baldwin (Editor-in-Chief), Tito Boeri, Juan Dolado, Romesh Vaitilingam and Charles Wyplosz.

Vox was inspired by the success of the Italian-language site [www.Lavoce.info](http://www.Lavoce.info). Lavoce's founder, Professor Tito Boeri, who cooperated closely with CEPR in setting up the site, comments:

‘Vox will provide a much needed forum on issues related to economic policies in Europe as a whole. Through the consortium, it also has the potential to improve interactions in national economic policy debates.’

Vox has undergone beta testing for the past month. Advance comments from leading policy-makers include:

‘Knowing the high quality of the CEPR network, I have no doubt that Vox will be of the greatest interest to all those concerned with the analysis of policies relevant to economists. Influential people who need top quality insights from high calibre economists on the main day-to-day economic, financial and monetary issues will certainly visit the Vox site frequently.’

*Edmond Alphandéry, chairman of the Euro50 Group, supervisory board chairman of the Caisse Nationale de Prévoyance, and former French finance minister*

‘Vox is a powerful and modern voice on policy relevant economics.’

*Leszek Balcerowicz, former deputy prime minister, finance minister and chairman of the National Bank of Poland*

‘Vox helps to bridge the gap between economic policy and economic research. Vox provides a platform that brings together renowned academic economists who provide us, in a very accessible and non-technical way, with their insights on major challenges facing European economic policy makers today. It will be a focal point for European discussion and analysis of policy relevant economics.’

*Henk Brouwer, executive director, De Nederlandsche Bank*

'Viva Vox. Vox is a wonderful innovation as a platform that allows sound economics by CEPR economists to reach a general public as well as fellow economists. The authors are first-rate, articles are relevant to policy but well grounded in economics. Vox economists, vox dei.'

*Takatoshi Ito, professor of economics, University of Tokyo, member of the Council on Economic and Fiscal Policy within the Japanese Cabinet Office.*

'Vox will be very useful in raising the level of the public policy discourse by encouraging leading researchers to apply their knowledge to topical policy concerns.'

*Sir Andrew Crockett, JPMorgan Chase & Co., former General Manager of the Bank for International Settlements*

For further information or to arrange an interview with Richard Baldwin, contact Anil Shamdasani at CEPR: +44 20 7878 2909 or [ashamdasani@cepr.org](mailto:ashamdasani@cepr.org)

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## NOW AVAILABLE ON VOX

### SAVING AFRICA: IMPROVED TRADE PREFERENCES SHOULD BE HIGH ON THE AGENDA

A more effective system of trade preferences for African countries would help them to diversify their exports, create employment and reap the benefits of participating more fully in the global economy. That is the argument of Professors Paul Collier and Tony Venables, writing on the new Vox website for research-based economic policy analysis.

Improved trade preferences would provide a more focused agenda for aid donors, they contend. In countries already close to entering new export markets, aid could target trade-related aspects of infrastructure and the business environment. For the least developed countries, aid could be focused on the longer-term objective of helping them to reach a point where they can benefit from the preference schemes.

Better preferences – like the US ‘African Growth and Opportunities Act’ – should be guided by four principles: 1) rules of origin should be as generous as possible; 2) the coverage of products should be wide; 3) country coverage must extend beyond the least developed countries; and 4) the duration of a scheme should be time-limited.

For the full article, see:

<http://www.voxeu.org/index.php?q=node/40>

### COMBATTING CHILD LABOUR: REDUCING RICH COUNTRIES’ PROTECTIONIST POLICIES WILL BE FAR MORE EFFECTIVE THAN BANS

The problem of child labour will not be solved by banning exports of manufactured goods produced by children, according to Guillermo de la Dehesa, writing on the new Vox website for research-based economic policy analysis. Rather, we need to reduce drastically the protectionist practices of rich countries against agricultural and labour-intensive manufactures produced by developing countries.

These goods are exactly the ones that developing countries can export more competitively to the rest of the world. Blocking their market access on the grounds of ‘social dumping’ prevents parents from finding a reasonable job in the export business and from being able to send their children to school instead of forcing them to work.

Other policies that will be more effective at deterring child labour than an outright ban include letting human rights conscious consumers in developed countries purchase products labelled ‘child labour free’ at a premium to reduce the incentives to employ children. Another is lowering the cost of schooling to attract more children to school, either through conditional cash transfers to their families or lower education fees.

For the full article, see:

<http://www.voxeu.org/index.php?q=node/213>

## INFLATION TARGETING HAS MADE EXCHANGE RATE CRISES A THING OF THE PAST

Inflation targeting is now the formal basis of monetary policy for well over a billion people in countries that constitute over a quarter of the global economy. According to Professor Andrew Rose, writing on the new Vox website for research-based economic policy analysis, countries that target inflation experience lower exchange rate volatility and fewer 'sudden stops' of capital flows.

The 1990s were plagued by international financial crises. Many countries saw their currencies attacked by speculators and their fixed exchange rate policies fall into the dustbin of history. The UK in 1992, Mexico in 1994, Thailand in 1997, Russia in 1998, Brazil in 1999... the list is long. Yet since the collapse of Argentina in 2001, the international financial system has been an oasis of stability.

Some believe this is merely good luck, and that the bad old days will return. They are wrong. Since 1990, a new trend has emerged: countries granting their central banks independence to pursue a domestic inflation target. No country has ever been forced to abandon an inflation-targeting regime. And the domestic focus of inflation targeting seems to have no international costs.

For the full article, see:

<http://www.voxeu.org/index.php?q=node/199>

## THE MASSIVE GROWTH OF FOREIGN EXCHANGE RESERVES IS AN INSURANCE POLICY FOR DEVELOPING COUNTRIES

Over the last decade, central banks around the world have quadrupled the size of their foreign exchange reserves. According to Professor Charles Wyplosz, writing on the new Vox website for research-based economic policy analysis, these massive new reserves, stockpiled by developing countries, are a form of insurance against currency turmoil that might arise from financial market liberalisation.

They are also an insurance against having to borrow from the International Monetary Fund (IMF), as many Asian countries had to do in the wake of the crisis of 1997-8. This was a defining moment: hailed as the development success story of the late twentieth century, these countries suddenly found IMF staffers explaining that nearly everything had been wrong. The IMF then imposed tough conditions for huge loans that did not prevent currency collapses and were never fully disbursed.

The Asian crisis of 1997-8 amply illustrated how an economic development 'miracle' can suddenly turn into a nightmare. Viewed this way, it is entirely reasonable for the developing countries to scale up their reserves in line with their external exposure.

For the full article, see:

<http://www.voxeu.org/index.php?q=node/182>

## UNWINDING GLOBAL IMBALANCES: LIKELY EFFECTS ON THE EUROPEAN ECONOMY

A potential consequence of global imbalances – notably the chronically large US current account deficits and the rising current account surpluses in Asia and the major oil-producing nations – is depreciation of the dollar. According to Professors Philip Lane and Gian Maria Milesi-Ferretti, writing on the new Vox website for research-based economic policy analysis, to the extent that this occurs primarily vis-à-vis the largest creditor countries, the consequences for Europe would not be large.

But they do point to two major risk factors. First, if a disruptive adjustment scenario led to financial distress in the United States, this may trigger correlated negative movements in European financial markets through a ‘sentiment’ channel, even if the linkages in fundamentals are limited.

Second, a reversal in the US deficit that is associated with an increase in global risk aversion may lead to a reassessment of the sustainability of other large deficit positions. While deficit countries such as Spain are relatively insulated through euro membership, the large-deficit countries in Central and Eastern Europe are more exposed, since a reversal in capital flows could trigger attacks on their currencies.

For the full article, see:

<http://www.voxeu.org/index.php?q=node/203>

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