



UNIVERSITY OF OXFORD
Department of Economics
MANOR ROAD BUILDING
OXFORD OX1 3UQ

Professor Martin Browning

44 1865 281487 (FAX 271094)
Martin.browning@economics.ox.ac.uk

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Melanie Lührmann

Melanie Lührmann has asked me to provide you with a reference for the position you have. I am happy to do this since I have a high regard for her abilities, her research and her potential. I have known Melanie for about three years. Even though I have never had any formal supervisory role, we have often discussed common research interests. We are currently working together, with Tom Crossley, on an analysis of durables expenditures by older households. I am familiar with her research contributions and her potential.

Her main area of research is applied microeconometrics with a specific interest in empirical demand analysis and household behaviour. Her paper (with Maurer) on the determinants of power within the household is an imaginative and carefully worked contribution to the intra-household allocation literature. The authors analyse responses to questions concerning self reported importance in making important household decisions. This is a very different 'outcome' than most intra-household empirical analyses and represents a novel approach to determining power within the household. The sample is drawn for the 50+ Mexican population. They convert the responses into 5 point scales and model the responses using a semi-parametric double index ordered response framework. About 60% of respondents report that power is shared equally. The covariates that they use to 'explain' power are a mixture of variables that have often been considered (for example, individual incomes) and others that are less common (such as restrictions on daily activities). The econometric analysis is well founded and the methods squeeze just about as much as is possible from the data. The finding that the wife's education and work status are the most important determinants is not a surprise, but it is novel. The asymmetry in the 'response' to the same characteristics for husband and wife is particularly interesting since most analyses using observable outcomes need to impose symmetry for identification. All in all, this is a good contribution to the literature and should find an outlet in a good field journal.

The other paper that I know well is the one on the effects of population ageing on future aggregate demand. This is an ambitious paper that seeks to map out the implications for future demand of the ageing of the population that we are currently seeing. The conclusions are based on household level estimates of demand behaviour that take explicit account of age effects and family composition effects. This allows Melanie to decompose predictions of future effects into those that are due to, say, the greater incidence of single person households, those that are due to having more old people and those that are due to intergenerational shifts in income. As far as I am aware this is the first study that focuses on demand rather than total expenditure ('consumption') and the paper fills this gap impressively. The various components of the paper are based on familiar methods. The pay-off to the micro analysis is an analysis of four different scenarios. The most important finding is that although age and composition effects are very important in explaining micro demand, the future changes in these will have only a modest effect on aggregate demands. The importance of the paper lies mostly in the questions asked rather than in the introduction of novel methods. I would expect that this will finally be published in a second rank international general journal.

The two papers above (and her other work) establish that Melanie is a productive applied micro-econometrician who has a good grasp of state of the art econometric technique and a good eye for a research problem. The work I have done with her on durables and the old reinforces the good impression I have from her papers. I have no doubt that she has a good research future and will continue to produce imaginative and high quality research for many years to come.

A handwritten signature in black ink, consisting of a long, sweeping horizontal stroke that curves upwards at the right end, followed by a small, closed loop.

Martin Browning