



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE ■

# ECONOMICS REVIEW

2018/19

**FIRST  
YEAR  
CHALLENGE**

*Faculty Interviews*

**NEW**  
APPOINTMENTS  
& VISITORS

**CELEBRATING  
EXCELLENCE AT  
LSE ECONOMICS**

**ALUMNI  
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# WELCOME TO THE 2018/19 EDITION OF THE ECONOMICS ANNUAL REVIEW



This has been my first year as Head of the Department of Economics and I am proud and honoured to be at the helm of such a distinguished department. The Department remains world-leading in education and research, and many efforts are underway to make further improvements.

We continue to attract an extremely talented pool of students from a large number of applicants to all our programmes and to place our students in the most sought-after jobs. This year, our newly-minted PhD student Clare Balboni made us particularly proud by landing a job as Assistant Professor at MIT, one of the very top economics departments in the world. We keep working hard to improve the experience of students. We recruited Dimitra Petropoulou as an Associate Professorial Lecturer on LSE's new Education Career Track. Katarzyna Krajniewska and Junius Olivier joined us as Undergraduate Tutors, working alongside our veteran Departmental Tutor, Judith Shapiro, who has kept our undergraduate ship steady almost single-handedly for a decade and a half. Zarak Mirza and Rafayal Ahmed have joined us as LSE Fellows. All of them have already made a huge impact on our educational offer, and you can read about some of their new initiatives in these pages. We are very proud that the LSE Students' Union selected the Department as runner up for their Departmental Excellence Award.

In terms of research the Department is going from strength to strength. We enjoyed the visits of Ben Moll and John Van Reenen and are delighted that two such stellar economists have decided to join the Department permanently. Ben, who won the 2017 Bernácer Prize (awarded to a European economist under 40 for

outstanding contributions to macroeconomics and finance) and received a BA Global Professorship, will be a Professor of Economics. John will be a School Professor and Ronald Coase Chair in Economics. Our research prowess was particularly visible in the May 2019 issue of the Quarterly Journal of Economics, one of the top journals in the profession: the first four papers out of ten in that issue are co-authored by current colleagues in the Department and two more by our former PhD students Dave Donaldson and Rocco Macchiavello. Rocco is now in the LSE Department of Management, as is Noam Yuchtman, who published another paper in the same issue. This highlights how the strength of economics is growing throughout LSE, reinforcing our links to other departments as a result.

We also celebrated the retirement of Tooke Professor Peter Robinson. Peter has been the intellectual leader in the econometrics field and one of our most prolific colleagues for decades. A highlight of the year for me was to deliver a set of birthday wishes from colleagues around the School to Basil Yamey, former Professor, Convenor of the Department, and editor of *Economica*, on the occasion of his 100<sup>th</sup> birthday.

I would like to thank my Deputy Heads Maitresh Ghatak (Research), who steps down after a three-year term, and Wouter den Haan (Education) for their support, and all the staff in the Department, as well as our many alumni and friends who have made the last academic year such a successful one.

**Professor Steve Pischke**  
Head of Department

## THE QUARTERLY JOURNAL OF ECONOMICS

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# 2

## OUR STUDENTS

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### CELEBRATING EXCELLENCE AT LSE ECONOMICS

In March 2019, the Department hosted its first Celebrating Excellence at LSE Economics evening.

This new annual event brings together current students, alumni and departmental colleagues for an evening of celebration to recognise the extraordinary achievements our students and wider LSE Economics community make in society, the economy and in our lives, both here in the UK and internationally. We were joined by LSE Director and MSc Economics alumna, Dame Minouche Shafik, alumni Ali Uppal (BSc Economics 2012) and Yahya Abdulla (BSc Economics 2004), Professor Alan Manning, Professor Dilly Fung and Professor Sir Charles Bean who all spoke about the Department, teaching, economics and our community.

Minouche Shafik opened the celebrations explaining how the Department of Economics has played a central role in the School's vision of being a place of learning and thought which supports people and ideas that shape the world. She described how LSE and the Department of Economics "has been a critical place in the discipline of economics".

“Many of the most important ideas in economics were invented here and the Department has played an important role in that. The history of academic excellence of our students and our faculty is something that we are all proud of and tonight is an opportunity to celebrate that extraordinary tradition.”

**Dame Minouche Shafik, LSE Director and MSc Economics Alumna**



Drawing on her experience as an alumna from the Department, Minouche joked “I never worked so hard in my life as when I did the MSc in Economics in 1986.... [rising] to that kind of intellectual challenge gives you a certain confidence for the rest of your life, that if you can survive that and get through it, it tests you and shows you the limits of your own intellectual ability and for me, I find that among my fellow students wherever I meet them subsequently in my career.”

Alumnus Ali Uppal (BSc Economics 2012) reflected on his time studying at LSE and in the Department, “I think Celebrating Excellence at LSE Economics is a great initiative and

something we should continually do”. Ali likened his time at LSE into four Rs: Rigour, Research, Resource and Resilience.

*“The first is Rigour which is the mathematical training that you get at LSE; second, Research which is the heart of the institution; third, Resource. This isn’t the physical capital that LSE has, it’s more of a human capital. We have world-leading faculty here but also we have an incredible and diverse student body and lastly, something that Minouche mentioned... Resilience. Once you’ve been through LSE, everything else feels fine”.*

Alumnus Yahya Abdulla (BSc Economics 2004) recaptured his anticipation, as he arrived at LSE to begin his studies in economics and how three years later, with degree in hand he felt the same not knowing what to expect as he moved into a career in industry. Yahya highlighted how keeping close to LSE was important to him and how the LSE alumni network “is close at hand to share ideas, experiences and, of course, memories of time on Houghton Street”.



The beauty of an economics degree is indeed the multitude of options that are open to you in terms of how you view the world and of course, your future career. But also in a way, the LSE Economics degree allows you to be like water: you are or soon will be part of an ocean of LSE graduates and can shape the land we live in.

**Yahya Abdulla, BSc Economics Alumnus**



“We like to think just as we taught you, you will be out there teaching other people, non-economists, that economics can be useful and can provide useful insights at a time when not everyone holds that view.”

**Alan Manning,**  
Professor of Economics



Professor Alan Manning spoke about teaching economics and how the impact of teaching economics can be useful in society.

We finished the evening with Professor Dilly Fung presenting the prize giving certificates for our undergraduate and postgraduate students who were awarded departmental prizes for outstanding performance in their exams or written work. Professor Sir Charles Bean presented certificates to our research student prize winners. Professor

Sir Tim Besley and Professor Daniel Sturm were also recognised for their faculty achievements.

You can find out more about the Celebrating Excellence at LSE Economics by watching our video. <https://www.facebook.com/LSEconomics/videos/352486825367473/>

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# STUDENT AWARDS AND PRIZES

We extend our warmest congratulations to the following students, who have been awarded departmental prizes, scholarships and external awards for outstanding performance in their exams or written work in 2018/19. To find out more about our awards and prizes, visit **About our Awards and Prizes**.

## BSc Prizes and Awards

### **Allyn Young Prize**

Outstanding performance in microeconomics in the 2nd year of an undergraduate programme (EC201)

Mr Harvey Martin Bains

### **Allyn Young Prize**

Outstanding performance in microeconomics in the 2nd year of an undergraduate programme (EC202)

Mr Yi De Fong

### **Economics Examiners Prize**

Highest aggregate mark achieved by a first year student

Mr Junsen (Jason) Jia

### **Economics Examiners Prize**

Highest aggregate mark achieved by a second year student

Mr Harvey Martin Bains

And:

Mr Yi De Fong

### **Gonner Prize**

Highest aggregate mark achieved by a third year student

Mr Nok Tak (Bryan) Chan

### **J R (Bob) Gould Prize**

Best performance by a Department of Economics student in Economics B

Mr Chun Hin Martin Chow

### **Premchand Prize**

Outstanding performance in the third year paper in Monetary Economics

Miss Yiyi Dong

### **Rishi Madlani Award**

Top mark in Macroeconomic Principles (EC210) by an undergraduate student

Mr Yi De Fong

### **Departmental Introduction to Econometrics Prize**

Best performance by a BSc Economics Department student in Introduction to Econometrics (EC220)

Mr Yi De Fong

### **Departmental Principles of Econometrics Prize**

Best performance by a BSc Economics Department student in Principles of Econometrics (EC221)

Mr Hiroki Ogawa





## MSc Prizes and Awards

**Ely Devons Prize for Outstanding Performance in the MSc Econometrics and Mathematical Economics Programme**

Mr Víctor Quintas-Martínez

**Sir John Hicks Prize for Outstanding Performance in the MSc Economics Programme**

Mr Aditya Bhandari

Mr Joscha Krug

## MRes/PhD Prizes and Awards

**Sir John Hicks Prize for Outstanding Performance in MRes Examinations**

Mr Akash Raja

**Sir John Hicks Prize for an Outstanding Doctoral Dissertation**

Dr Karun Adusumilli and Dr Kilian Huber




“The FYC has given me the opportunity to meet friends. I am glad to say that my groupmates and I still keep in touch.”

**FYC participant**



## FIRST YEAR CHALLENGE

New for the 2018/2019 academic year, our first year BSc Economics students were set the First Year Challenge. Designed as an introduction to group research and to academic collaboration, this multimedia assignment gave our new students an opportunity to visit several locations throughout London and explore the links between the locations and the 2007/2008 financial crisis. Students were asked to produce a three minute video which referenced the work of John Maynard Keynes and Friedrich Hayek. With the School's motto in mind, *rerum cognoscere causas*, they analysed three aspects of the crisis: causes, response, consequences.



**BSc EME STUDENT,  
CHAROO ANAND,  
WINS CERGE-EI NET  
COMPETITION 2019**




**BSc Econometrics and Mathematical Economics student, Charoo Anand, won the 2019 New Economic Talent (NET) competition. Organised by the Center for Economic Research and Graduate Education - Economics Institute (CERGE-EI), the final round took place on 31 May 2019.**

Four finalists presented their papers to the CERGE-EI evaluation committee. Charoo's winning paper, which she wrote for her bachelor's dissertation, studies discrimination against African Americans by mortgage lenders in Chicago: 'Do mortgage lenders discriminate against African American areas? An instrumental variable approach.'

Department of Economics alumnus, Sitong Ding (BSc Econometrics and Mathematical Economics 2018) won the competition in 2018 for his paper "Bounded Rationality in Rules of Price Adjustment and the Phillips Curve".

"Charoo's outstanding research on racial discrimination is, in our best traditions, both policy-relevant and econometrically sophisticated. Our Tuesday evening Sen Club was entranced to hear her present the paper in Lent term and I hope it will inspire successors. Coming after last year's NET prize to classmate, Sitong Ding, it shows the rich vein of undergraduate research we continue to develop."

**Dr Judith Shapiro, Senior Lecturer in Practice | Departmental Tutor**

A portrait of Giulia Bovini, a young woman with long dark hair, wearing a black top and a colorful patterned scarf. She is smiling slightly and looking directly at the camera. The background is a lush green tree with sunlight filtering through the leaves. There are two teal circular callouts: one in the top left containing congratulatory text, and one in the bottom right containing the text 'ECONOMICS PHD STUDENT WINS YOUNG ECONOMIST PRIZE'.

The Department of Economics is extremely proud to congratulate Giulia Bovini, PhD student, on winning the young economist award at the annual conference of the Italian Society of Labour Economists. Giulia was awarded the Tarantelli Young Economist Prize for her paper “Prime-age labour supply responses to the transition from DB to NDC public pension system: evidence from Italy”.

ECONOMICS PHD  
STUDENT WINS  
YOUNG ECONOMIST  
PRIZE



**UNDERGRADUATE  
STUDENTS 2018/2019  
OUR YEAR  
IN PICTURES**

# POSTGRADUATE STUDENTS 2018/2019 OUR YEAR IN PICTURES





# RESEARCH STUDENTS 2018/2019 OUR YEAR IN PICTURES

## THE REVIEW OF ECONOMIC STUDIES

*The Review of Economic Studies* was founded in 1933 by a group of young Economists. It is published quarterly by The Review of Economic Studies Ltd, whose objective is to encourage research in theoretical and applied economics.



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## LSE EDUCATION AWARDS

The LSE Education Awards reflect the School's commitment to recognising and rewarding the dedication, innovation and scholarship of its very best teachers. Here we congratulate our staff and students from the Department who have been recognised for their contribution to teaching and education at LSE!

### LSE Excellence in Education Awards

The **LSE Excellence in Education Awards** support the School's aspiration of creating 'a culture where excellence in teaching is valued and rewarded on a level with excellence in research' (LSE Strategy 2020). The awards are made on the recommendations of Heads of Department, to staff who have 'demonstrated outstanding teaching contribution and educational leadership in their departments'.

Nine faculty members received the 2017/18 LSE Excellence in Education Awards:

Professor Nava Ashraf  
Dr Margaret Bray  
Professor Francesco Caselli  
Professor Wouter Den Haan  
Professor Erik Eyster  
Dr Greg Fischer  
Dr Francesco Nava  
Dr Rachel Ngai  
Professor Ricardo Reis

### LSE Class Teacher Awards

**LSE Class Teacher Awards** are given to Graduate Teaching Assistants, Teaching Fellows and Guest Teachers in recognition of their very special contribution to teaching at LSE.

#### Winners

Dita Eckhardt  
Niclas Moneke  
Derek Pillay  
Chen Qiu  
Ragvir Sabharwal  
Chiara Sotis  
Tiancheng Sun  
Di Song Tan

#### Highly Commended

Sarah Charbonnel  
Wesley Jessie  
Julien Martin  
Anthoulla Phella

### 2019 LSESU Teaching Excellence Awards Winners

Nominated by students, the LSESU Teaching Excellence Awards are presented to teachers who have made a real impact on students, whether through excellent feedback, pastoral support, knowledge sharing or sheer inspiration. This year we're thrilled to celebrate that members of the Department have won in three of the seven individual categories and we're also delighted to say the Department of Economics was the runner up for the Departmental Excellence Award!





## LSESU Award for Excellent Welfare and Pastoral Support

### Winner

Junius Olivier  
(Undergraduate Tutor to 1st year students 2018/19)

### Highly Commended

Chiara Sotis  
(EC201 Course Manager)

## LSESU Award for Mentoring and Personal Development

### Highly Commended

Judith Shapiro  
(Senior Lecturer in Practice)

## Award for Sharing Subject Knowledge

### Winner

Izabela Wnuk  
(Graduate Teaching Assistant, EC102 Economics B)

## Award for Excellent Feedback and Communication

### Winner

Kasia Krajniewska  
(Undergraduate Tutor to 2nd year students 2018/19)

### Runner up

Rahul Chauhan  
(Graduate Teaching Assistant, EC210)

## Award for Innovative Teaching

### Runner up

Professor Ronny Razin  
(EC102; EC302)

## Award for Inspirational Teaching

### Runner up

Dr Rachel Ngai  
(EC100; EC301; EC539)

### Highly Commended

Derek Pillay  
(EC210 Course Manager)

Jack Shannon  
(Graduate Teaching Assistant, EC201)

## Departmental Excellence Award

### Runner up

Department of Economics

## STUDENTS AND STAFF FACE TO FACE

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Following the LSESU Teaching Excellence Awards Ceremony, we asked our Course Managers and Graduate Teaching Assistants about the awards and their role in the Department. Here's what they said:

### **How did it feel to be nominated?**

**Chiara Sotis (EC201 Course Manager)**

"This is the third time I have been nominated for awards and every single time I can't really believe it. We talk about non-satiation a lot in Microeconomics and we often question how realistic that assumption is. With Margaret we thought chocolate was a good where this holds fairly well (more of it definitely never hurts!) but I think receiving awards and seeing students appreciate the work and effort you put in is even better. I don't even try not to look like a nerd to my students so I'm always very surprised when they laugh at my jokes and think I'm worthy of awards."

**Derek Pillay (EC210 Course Manager)**

"It felt great to be nominated. It's always nice to be formally recognised for your work, but reading the comments from the students and knowing that they were happy with my teaching was the best reward."

“To be honest, it came as a surprise. I got the mail while I was watching Avengers: Endgame and at first thought of it as some phishing mail. But when I read the details of how rigorous and competitive the recognition process is, I felt incredulous at getting a Runner-up award. I was appreciated by the person who nominated me for my punctuality, motivating words in the feedback I gave and my responsiveness.”

**Rahul Chauhan, EC210 Graduate Teaching Assistant**



**What do you like most about your role (working with students)?**

**Rahul Chauhan (EC210 Graduate Teaching Assistant)**

“It was being able to engage in class discussions that were not only intellectually stimulating but also challenging. As a teacher, I was often questioned and was expected to defend several assumptions that I previously took for granted. The privilege of being in that situation and to be able to satiate students with my explanations was extremely satisfying. It boosted my confidence and interest in Macroeconomics to a considerable degree.”

**Chiara Sotis (EC201 Course Manager)**

“I love working with people that are as diverse as the LSE students. Every year new people come in with their stories and their approach to life and our two-hour classes allow me to see quite a

lot of that. I think I’m also nosy enough that after some time most of them open up and that’s always amazing. Being around my students and the lecturers for my course is such a high privilege and these people have so many stories to tell and even just being able to listen is great. When it comes to students I think my favourite part is still that lightbulb moment you get to witness every now and then. That concept or exercise that made no sense whatsoever and then in class it clicks. It’s amazing to be part of that and exciting that students think it might have happened because of me!

In the last two years the other amazing part has been being able to have a say on contents. I talked with Tim, Margaret and Erik a lot to decide what to do in the two-hour format and it made me grow so much as a person and as an academic. Now that students read papers, it’s great to see student’s reactions and to be a part of making this decision - a couple

of the ones we picked this year should be on everyone’s reading list and the students were so engaged!”

**Derek Pillay (EC210 Course Manager)**

“I like interacting with people, and the LSE students are great. They are very talented and motivated, and come from very diverse backgrounds. I enjoy discussing macroeconomics with them and I hope that, in the process, I can make a small contribution to creating a positive LSE experience for them.”

**What does a typical day entail for a GTA?**

**Derek Pillay (EC210 Course Manager)**

“Depending on the day, I teach classes, run office hours, and attend the EC210 lectures. In addition, I have a number of admin tasks as Course Manager that I attend to throughout the week - marking, managing the Moodle material and answering questions on the online forum, and ensuring that the GTAs and lecturers



Our work was spread across the week. As new GTAs we were supposed to attend 9am EC210 lectures with the students, which were often also scheduled just before our MSc lectures.

I took two classes every Friday morning. On Thursday evenings I used to sit down to check and give feedback on assignments for the week prior, read that week's notes and prepare for teaching that week's problem set. Apart from that, I hold office hours every Thursday morning.

**Rahul Chauhan, EC210 Graduate Teaching Assistant**



for the course are all in-sync. As a PhD student, I also need to balance these duties with my own research responsibilities."

**Chiara Sotis (EC201 Course Manager)**

"To be incredibly honest I don't quite know what the average day for a GTA looks like. I've been the course manager on EC201 for two years now and taught for another and there isn't a day that looks like the other just yet!

There are some common things during the week. I receive emails from worried students, the work on problem sets and meetings with the GTAs. My favourite part after all this time is still the day of actual teaching. There is a lot that goes on behind the scenes, between thinking about examples to make the students understand a concept (I've used Game of Thrones and

Avengers a lot this year and in general try to look at real-life examples so students forget things less) and making sure I can explain the same thing in at least three different ways so if someone doesn't understand it the first time, I know what other things I can say. I also make a point to dig a bit deeper in the technicalities so I can challenge the students that are doing really well.

And yet every class is different and students react to the same story in so many diverse ways. Teaching the 2-year MSc is great, especially because at this level it becomes much more of a dialogue than a top-down lesson. Plus these people come from all sorts of countries and backgrounds so I get to learn a lot too!"

## STUDENTS TAKE OVER OUR INSTAGRAM

On 25 February 2019, five students took over @lse.economics on Instagram for one week. BSc and MSc students shared pictures and videos of their lives as LSE students, everyday life in the Department and living in London.

The aim of the takeover was fourfold: to showcase the student experience from a student perspective; to increase student voice and presence in our social media; to increase student engagement (with the Department and current, past and future students); and to give students the opportunity to do something fun and creative.

The students who took part in the takeover were extremely enthusiastic, innovative and committed. The takeover received really positive feedback and there was a significant increase in the level of engagement with our social media platforms. We hope to run more Instagram takeovers next academic year so watch this space!

Follow us on [@lse.economics](#) to watch the takeovers on our highlight reel.



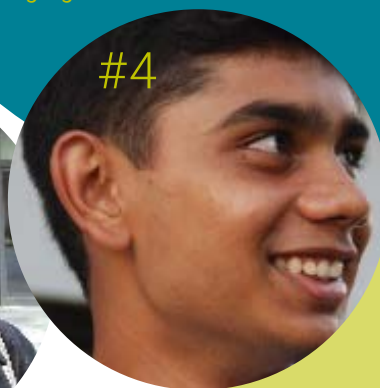
#1



#2



#3



#4



#5

### Meet our takeover students:

#### #1 Wye Yew How, BSc Economics

Wye Yew brought us into his life as a busy Economics student, venturing into his role in the LSESU Economics Society and the outside options available on the BSc Economics programme.

#### #2 Eniola Ladapo, BSc Economics

Eniola took over the Department's Instagram account with a Q&A session. She aimed to represent the life of an LSE student and answer questions that she'd had as a prospective student and offer holder.

#### #3 Ciaran Marshall, BSc Economics

Ciaran talked about life as a student and took us through a typical day in the LSE Department of Economics.

#### #4 Rohan Ramesh, BSc Economics

Rohan showed us what life is like living in London and all the best places to go around campus.

#### #5 Andrea Sisko, MSc Economics

Two Year Programme  
Andrea told us about life on the programme and the extra-curricular activities you can take part in at LSE.

## LSE SU ECONOMICS SOCIETY IN 2018/2019

The LSE SU Economics Society had a fantastic 2018/19 academic year. From our annual essay competition, to schoolwide debates, symposiums, and a Christmas formal, there is no doubt that the Society had a hugely productive and successful year, full of exciting events and achievements, with all things economics.

The Society's first endeavour was holding our annual summer essay competition for year 12 and 13 secondary school students. Unlike the 2017/18 essay competition, we decided to increase the number of prizes to a total of five, featuring signed certificates from Professors Sir Christopher Pissarides, Sir Tim Besley, Sir Charlie Bean, Silvana Tenreyro, and Steve Pischke. With over 150 entrants crossing four different continents, the competition was again a huge success, and is currently accepting entrants, now in its third running.

We officially started the academic year off with our first Sen Club, the Society's trademark weekly economics speaker events meeting, featuring the Department's very own, and current external Monetary Policy Committee member of the Bank of England, Professor Silvana Tenreyro. As part of our "BoE" series, this would be followed up in Michaelmas term by other major names from the Department, such as Professors Sir Tim Besley and Sir Charlie Bean, in addition to LSE alumnus Saugata Sen (BSc Econometrics and Mathematical Economics, 2014). Sen Club also hosted a plethora of other notable academics and speakers, including but not limited to Professors Ricardo Reis, Rachael Meager, Cheryl Schondhart-Bailey, and also Silvia Ardagna from Goldman Sachs.

On the more social side of things, just before entering the Christmas break, the Society hosted our first main social of the year – our flagship Winter Formal. Held at Babble City near Liverpool Street, and as the largest academic society on campus, the event was a great occasion for the Society's members, amongst other LSE students, to meet one another, and to celebrate both the holiday season and the end of a busy Michaelmas term altogether.



Straight after the Christmas break, and inspired by the Society's "Too much Maths, too little History: the problem of Economics" debate held three years ago, the committee dove straight into planning our next big event: "Economics and Political Science: Which is the more 'dismal' science?" The debate was not only felicitously chaired by School Professor of Economics and Political Science Professor Sir Tim Besley, but featured a highly impressive panel from both the Economics and Government departments, consisting of Professors Oriana Bandiera, Ronny Razin, Simon Hix, and David Soskice. The event was also a fantastic opportunity for the Society's new 'Creative Design' team to help advertise the debate, as we inundated social media and 32 Lincoln's Inn with posters. Held in the Sheikh Zayed Theatre, and having sold all 400 tickets, with even an article in the Beaver, the event was hugely successful, and can be viewed online at [youtube.com/watch?v=o6gBj2Guic4&t=285s](https://www.youtube.com/watch?v=o6gBj2Guic4&t=285s)

Only two weeks after the dismal science debate, our next major event was an Economic Policy Competition for undergraduates. Working in teams of three, entrants were required to devise a policy solution to address a particular problem regarding Brexit. The event was a great opportunity for undergraduate students to go beyond their syllabi and test their knowledge against practical issues. Debates were lively and teams presented their solutions to each other and senior students. As an inaugural event, the competition was designed and implemented by members of the Society's subcommittee, and we are very proud of its success. This also came off the back of the Economics Society finishing as semi-finalists in the UCL Economics Debate earlier that month.

Our penultimate event for 2018/19 was the Society's annual symposium, which this year was titled "The Next Great Crisis". As per the symposium's title, we held several topical panels, ranging from discussions on "The Politics of Crisis" and "Cyber Threats Against Firms" and, again, we had an incredible line-up of speakers, such as Professor Charles Goodhart of LSE's Financial Markets Group, LSE alumna Baroness Ros Altmann, and even

current Deputy Governor of the Bank of England, Sir John Cunliffe. Held in the Shaw Library, the event was another sellout.

And finally, whilst previously a zine styled in the format of 'The Economist', the Society's Research Division finished the academic year by re-launching our official society publication – 'Rationale'. Inspired by the working paper series hosted by the National Bureau for Economic Research (NBER), Rationale has now become the first-ever undergraduate economics working paper series at LSE. Assembling as four working groups in October 2018, with five researchers per group, the Research Division worked tirelessly throughout the academic year to pursue independent research in the fields of Health Economics, Urban Economics, Development Economics, and Political Economy. With research questions ranging from the economics of crime in Rio de Janeiro to house prices in Manila, the working papers were highly topical to current global issues, and all four groups presented their research to the Society's members at our final Sen Club of the year.

Overall, as per the above events, debates, competitions and sell-outs, the 2018/19 Economics Society had a hugely successful year, and we are incredibly proud of everything we were able to achieve. We would like to thank any and all faculty members in the Economics Department who have assisted us, and a special thanks goes to the undergraduate tutors – Judith Shapiro, Junius Olivier, and Katarzyna Krajniewska – for their constant support and encouragement throughout the year.

**We wish the best of luck to the 2019/20 committee.**

LSE SU Economics Society Committee 2018/19

# GRADUATION 2019







# 3

## OUR FACULTY

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### AN INTERVIEW WITH PETER M. ROBINSON

To mark the occasion of Peter Robinson's retirement from the Department of Economics, we met with him to discuss his distinguished career as an econometrics researcher and lecturer. On retirement, Peter became Tooke Emeritus Professor of Economic Science and Statistics.

#### EARLY EDUCATION

Peter was born in Southampton where he says, his mother had lived much of her life. He adds: "But by that time my parents had moved to Barton-on-Sea, which is a seaside community about 20 miles away, it was a pretty dull place to grow up in. Though then, unlike now, it wasn't almost entirely populated by retired people and it did have some useful shops. I went to the local grammar school which was in Brockenhurst, on the edge of the New Forest. At that time, which was the late 1950s, there were many grammar schools around the country. In the state system you either passed your 11+ exam and therefore went to grammar school or you failed and went to the local secondary modern. I think Brockenhurst had only average academic standards amongst grammar schools. There were some distractions due to serious family issues. Also, up to the age of 14, I suffered from asthma, and was typically in bed for two weeks per term".

“...I think the most electrifying course was on time-series by David Brillinger.”

**Peter M. Robinson**



While Peter has spent a considerable proportion of his career teaching econometrics, he had not always imagined this would be the case. He explains: “For my A-level subjects, I chose a rather heterogeneous trio – pure mathematics, Latin and economics. I hadn’t studied Economics before but chose it, as with the others, partly because it had some logical structure (and, for example, due to the Latin I still have to curb writing sentences which are too long) and partly because I wasn’t sufficiently keen on other subjects.” He adds: “Although I liked economics at A and S level at school, I did my undergraduate degree in statistics at UCL. I think I did statistics in part as it was something new and my mathematics teacher at school told me something about it.”

During his UCL interview with the distinguished statistician and then Head of the Statistics Department M S Bartlett, Peter gained some food for thought: “The possibility of becoming

an academic came up and he told me one should go out and work in industry first, which I never did actually! Perhaps I should have, but I ignored his advice and became an academic straight away!” UCL has the oldest Statistics Department in the world and had the atmosphere of famous pioneers who got things going there, in particular, Karl Pearson back in the 19th century. Although Peter’s interest in academia began to surface at UCL, he says: “The only economics course I did there was a dull one, in economic statistics, stressing index numbers.”

During the Christmas vacation of his first year as an undergraduate student, Peter worked part-time as a postman: “At that time the tradition was always to go back home, all the students sporting their university scarfs. There was a lot of mail to be delivered over Christmas, so you could get a job for a week or so as a postman. It was a good experience.”

### **The Postgraduate**

Unsure about what to do after his undergraduate degree, Peter applied for a scholarship to further his studies: “I came to LSE to do an MSc in Statistics. I did take a course on econometric theory then, which was my first taste of econometrics. But I think the most electrifying course was on time-series by David Brillinger.” As Peter remembers, life at LSE was equally exciting outside of the classroom. He adds: “An even more memorable feature of that year was when the students pulled down the security gates which were erected by the administration to prevent occupation by students who were protesting against LSE investments in South Africa and what was then Southern Rhodesia, now Zimbabwe. The police were called in and I remember seeing them march down Houghton Street. The School was closed for nearly four weeks. Two academics were actually fired.” He emphasises: “I wasn’t involved in pulling down the gates though!”

During his MSc year, Peter's academic aspirations gained momentum. He had started to consider doing his PhD in the US when he met an obstacle: "I never got around to applying as I was knocked down by a car as I was crossing Theobalds Road nearby, so I was on crutches for a while. That rather incapacitated me." In spite of this setback, Peter got through the MSc. Soon afterwards, he was offered a lectureship in the Department of Statistics at LSE.

After a difficult year, things were looking up. He says: "It was an unexpected honour to become a lecturer at LSE at the age of 22, but at that time it was possible to get an academic job without a PhD. I guess there was a vacancy that came up and I was offered it." Peter remembers feeling torn between the prospect of furthering his studies and accepting the lectureship: "I did have mixed feelings about it compared to going abroad to do a PhD. That was really why I left after a year. It was a worthwhile experience, certainly. At that time the Department of Statistics at LSE was quite different from now. There were a number of people who were seriously working in econometrics, so there was a closer link between the statistics and economics departments then."

While teaching statistics at LSE, Peter registered part-time for a PhD: "But I'd had enough of London and the UK at that time. The obvious choice was the US. I did get accepted on several top programmes but I decided eventually on the Australia National University (ANU)." Did Peter ever consider teaching statistics at LSE long-term? He says: "I could have stayed on in that capacity, most probably. Maybe I would never have left LSE or gained my PhD before retirement! But I wanted to go overseas and do a PhD."

### Doctoral Research

Studying at ANU appealed to Peter for many reasons, some academic and others not: "While at LSE I had got very interested in the work of E J Hannan (who was at ANU), in

time-series but with an econometrics twist. I was fascinated by his semi-parametric work on adapting for auto-correlation in time-series regression. This was very early, possibly the first work, on semi-parametric models which has become a vast predominant area of econometrics nowadays although I'm not sure the word 'semi-parametric' existed at the time."

His time in Australia presented several exciting travel opportunities: "The non-academic reasons for going there were that the ANU paid my fare there and back. As a result, I had a five-week voyage via the Panama Canal, stopping at nine exotic locations on the way." In addition, ANU paid a generous scholarship with no coursework requirement. He explains: "The US coursework requirement was a deterrent because I already felt I had done a lot of coursework in my undergraduate and graduate degrees. Of course, degrees in the UK are more specialised still than they are in the US." Another plus for Peter: "There were also no teaching or research assistant obligations. I lived on campus, in a place called University House which was normally, at that time, for students and some academics. I lived in comparative luxury for a student as it was more like a hotel."

Peter's PhD focused mainly on continuous time models for discrete data, a fairly new topic in econometrics at the time: "There were a few other people working in it but actually, there weren't so many people internationally who were doing research on econometric theory at the time. This was a far smaller area than it is now."

Additionally, Peter's PhD touched on other topics including reduced-rank regression, simultaneous equation models and latent variable models in econometrics: "I think for the most part econometrics has been quite derivative relative to statistics so the people who have influenced me most have been mathematical statisticians, most notably my PhD supervisor Hannan, but also people like Murray Rosenblatt, David Brillinger and Murad Taqqu for their time series work; and Charles Stone for his work on non-parametrics and adaptive estimation.

But it is also the case that some topics started in econometrics, such as ARCH models, subsequently attracted the interest of statisticians."

### Teaching

After completing his PhD, Peter spent several years teaching in the US. At Harvard, Peter had a joint appointment in the economics and statistics departments. He says: "I was the first person to have such an appointment so that was a kind of challenge to be in the two departments. At the time, the academic systems in the US and UK were very different. They still are to a substantial extent." Peter notes that a 1970s PhD in the UK "was purely gained by research and a thesis; there was no coursework or exams".

"The UK and LSE have since, to a great degree, copied the US style of PhD programme, in terms of the coursework and the role graduate students have in undergraduate and even masters-level teaching". While he draws similarities between UK and US PhD programmes, Peter believes that "the attitudes to examining differ". He says: "The UK has more stress on formal, written examinations than the US. The undergraduate course structure differs greatly between the two countries with a four-year course in the US, with a breadth of topics, while in the UK we mainly persist with three years of specialised study. Also, in the US students are more inclined to volunteer questions in class than in the UK."

### Return to LSE

In 1984, Peter returned to LSE as Professor of Econometrics in the University of London (at the time, Chairs were university appointments). In 1995 he became Tooke Professor of Economic Science and Statistics, and between 1998 and 2003 held a Leverhulme Trust Personal Research Professorship. Since he first came to LSE in 1969 as an MSc student, Peter has observed a number of changes: "Obviously, LSE has become far bigger, with many more students and also many more faculty. I think a particular notable feature is reflected



I think econometrics provides scope for teaching challenging but also well-motivated material.



in other British universities: it's become much more top-heavy. When I came back to LSE in 1984 as a professor, only a small proportion of the faculty were professors."

"Generally, LSE was much more intimate. The departments were spread over only a few buildings. Of course, even then, LSE attracted excellent students. Many graduate students were from overseas, as now. But then, the undergrads were predominantly from the UK."

Beyond faculty and students, Peter observes: "The administrative support was of a different character. I'm referring here to when I returned in 1984, although it was similar in 1969. There was just one senior administrator in our department and several secretaries whose main job was to type papers, lecture notes and letters for academics. We were not issued with PCs which came along later. I benefitted so much over many years from Sue Kirkbride's

help; she did so much for me in terms of typing papers and help with my editorial work."

"At that time, academics performed some tasks which are now the responsibility of administrators. Now the Department benefits so much from a really outstanding administrative team; it's hard to imagine how things would work at all without them."

Since 1965, Peter has also noticed an increasing financial strain on students: "In my day, the fees were paid by the local authority. There was also a maintenance grant that sounds very little nowadays but was enough to pay for my bedsit in Highbury, which probably cost £3.50 a week. So things have changed a lot."

What has Peter found most satisfying about teaching at LSE? He says: "I think econometrics provides scope for teaching challenging but also well-motivated

material. Especially as many of the students at LSE are so good, they can learn quite difficult mathematical techniques, so I have been able to teach at a high level and I really appreciate that." He beams: "I've always enjoyed teaching here very much, and have been fortunate having had so many outstanding PhD students with whom I have typically collaborated with on research papers. Their enthusiasm has often been a driving force." On the other hand he is grateful for almost constant support from research grants, especially from the ESRC, which have bought out some of his teaching.

#### **Editorial Work**

Outside his work at the School, Peter has also occupied a range of editorial roles, having served as Co-Editor of *Econometrica*, *The Journal of Econometrics* and *Econometric Theory*, and as Associate Editor of many statistics and economics

journals : "Since one relies on editors to process one's own papers for publication, I've always felt a responsibility to accept invitations to act as an editor or associate editor, although on several occasions I have declined, as I felt it could be counterproductive to be involved with too many journals at the same time." He says: "I think it is one area in which I felt I could be of service to the profession, certainly. Thinking of all the different journals, co-editing *Econometrica* was easily the most time-consuming and challenging task. I should say again, Sue Kirkbride helped me so much there."

As Co-Editor of *Econometrica*, Peter handled nearly all the submissions in econometrics. He remembers, submissions to the journal "were typically of a high standard, given the journal's top five standing, and had to be considered quite seriously". He highlights a long stint on *The Journal of Econometrics*, the leading econometrics field journal, and over 20 years working as Associate Editor of *The Annals of Statistics*. Speaking about this esteemed mathematical statistics publication, he says: "Throughout my career it's been a very important journal for me."

Over the years, Peter's research has been published in several well-regarded journals. While his most well-known paper might be on the semi-parametric partly linear model, Peter says "it is not very representative" of his research overall. He considers his most valuable contributions to be on time-series, especially with long memory, as well as a variety of work on non-parametric, semi-parametric and parametric inference".

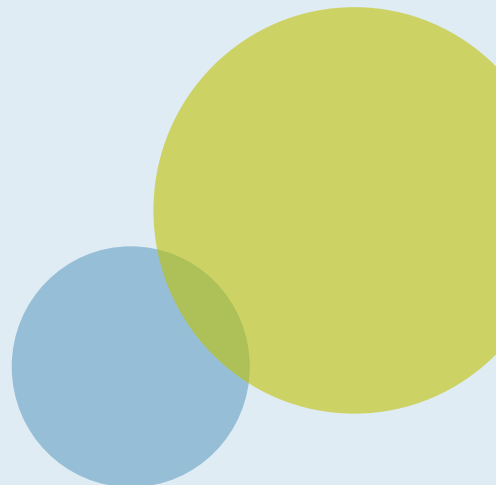
### The future of econometrics research

Recently, Peter's research has focused on panel data, spatial econometrics and spatial statistics. He says: "I've always liked to have research on a number of different topics going at the same time. But I think fundamentally, I've always been attracted to topics which afford some mathematical challenges, and solutions with aesthetic appeal."

"During all of the time I've been doing research, the main approach to statistical inference in econometrics has been via large sample or asymptotic theory, which regards the sample size as diverging to infinity. This provides an approximation (hopefully good, but not necessarily good) to the finite sample reality, also under relatively mild conditions, so this can be widely applicable." Over the years, Peter has met concern over whether samples have been large enough for this large sample theory to provide a good enough approximation. "For example, with macroeconomic data that's typically not the case," he explains. "Of course, when you have dependence in data, that effectively means that one has less information than in a data set of the same size comprising mutually independent observations. But now increasingly we have large, really vast data sets, such as financial time-series, and huge cross-sectional and panel data sets."

To Peter's mind, the growing procurement of vast data sets along with new computational techniques and more powerful computers is having a huge impact on research. Although Peter believes that research on "high dimensional settings,

where one may have more variables than observations" started in statistics, he also recognises its increased popularity in the discipline of econometrics.



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## AWARDS, ACCOLADES AND PRIZES

The Department of Economics continues to demonstrate its academic excellence and impact within economics and society. We showcase below a number of awards and prizes given to our faculty, highlighting their outstanding contributions to their fields.

### Carl Menger Prize for Economics

The Department of Economics is delighted to congratulate Silvana Tenreyro who has been awarded the Carl Menger Prize for Economics.

The German Economic Association (Verein für Socialpolitik) awards the Carl Menger Prize every two years for innovative, international research in the fields of monetary macroeconomics and monetary policy.

Named after the Austrian economist and co-founder of the Austrian School, the prize has been awarded jointly by the Deutsche Bundesbank, the Oesterreichische Nationalbank and the Swiss National Bank since 2014. In sponsoring this prize, the three central banks aim to foster research on monetary economics.

**Achim Wambach**, Chairman of the Verein für Socialpolitik, presented Silvana with the award at the association's annual meeting in Freiburg. Mr Wambach highlighted Silvana's particular expertise in the fields of international economics and monetary macroeconomics, adding that her work on the theory and empirical analysis of optimal currency areas and on econometrics have attracted worldwide interest. He also drew special attention to her work on the housing market.

Silvana is Professor of Economics at LSE and also sits on the Monetary Policy Committee at the Bank of England.

### 2017 Bernácer Prize

Visiting Professor **Ben Moll** has been awarded the prestigious 2017 Bernácer Prize "for his path-breaking contributions to incorporate consumer and firm heterogeneity into macroeconomic models and use such models to study rich interactions between inequality and the macroeconomy" (Luis de Guindos, Vice-President, ECB).

Established in 2001, the **Bernácer Prize** is awarded annually to European economists under the age of 40, who have made outstanding contributions in the fields of macroeconomics and finance.

Ben Moll visited the Department of Economics during Michaelmas term 2018 and joins as a Professor in September 2019. He was previously Associate Professor of Economics and International Affairs at Princeton University. He gained his PhD from the University of Chicago and his Bachelor's degree from University College London. His research has two elements: the first addresses 'Why are some countries so much poorer than others?' with the second looking to understand how the enormous heterogeneity is observed at micro level affects outcomes at the macro level.

Head of Economics, **Professor Steve Pischke** commented: "This is a wonderful choice for the prize and greatly deserved. We have been lucky to attract Ben to the Department and are looking forward to tapping more into his knowledge and many stimulating discussions."



### Chicago Booth's Eugene Fama Prize for Outstanding Contributions to Doctoral Education

Congratulations to **Steve Pischke** (Head of Department) and **Joshua Angrist** (Massachusetts Institute of Technology), who have been awarded the Chicago Booth's Eugene Fama Prize for Outstanding Contributions to Doctoral Education, for their book *Mostly Harmless Econometrics: An Empiricist's Companion*.

Awarded every three years, the Fama Prize honours Nobel Laureate **Eugene F. Fama**. Fama is best known for his work analysing markets and securities prices, pioneering research closely followed by academics and financial services professional alike. Fama received the Nobel Memorial Prize in Economic Sciences in 2013.

The Fama Prize is intended to 'encourage the development and diffusion of innovative

approaches to doctoral education and the publication and wide distribution of exceptional educational materials'.

Pietro Veronesi, chair of the selection committee, spoke about the decision to select *Mostly Harmless Econometrics*:

*'The book draws on readers' interests and empirical curiosity to motivate the analysis, training future generations of applied researchers who can push forward our understanding of economics and finance. The Committee ultimately selected this book, as we believe it best represents the aspirations and the objectives of the Fama Prize.'*

When awarded the prize, Steve Pischke said: 'It's a great honor to receive this prize, as Eugene Fama is such a giant in the profession. What creates a particular connection for us is the close parallels between the empirical methods we discuss

in the book, and Fama's 1969 paper with Fisher, Jensen, and Roll. That paper is considered the template for modern event studies in finance, a close cousin of the difference-in-differences methodology used in other fields.'

### European Economic Association Presidency

**Silvana Tenreyro** has been elected President of the European Economic Association (EEA). Silvana will serve as the President of the Association in 2021 after being Vice-President (2019) and President-Elect (2020).

The EEA is an international scientific body, with membership open to anyone involved or interested in economics. The Association aims to: 'contribute to the development and application of economics as a science in Europe; improve communication and exchange between teachers, researchers



and students in economics in the different European countries; develop and sponsor co-operation between teaching institutions of university level and research institutions in Europe.'

Silvana Tenreyro is Professor of Economics; Programme Leader at CFM- Shifts in the World Economy and their Consequences Programme; and Programme Director at IGC- Macroeconomics Research Programme. Silvana also sits on the Monetary Policy Committee at the Bank of England.

#### Urban Economics Association Presidency

**Daniel Sturm** will become President of the Urban Economics Association (UEA) in 2020.

The UEA seeks to promote participation and excellence in academic research in urban and regional economics.

The Association hosts annual meetings in North America and Europe, with keynote lectures and contributed papers focused on the economics of cities, housing, real estate, local public good provision, and the distribution of economic activity in space.

Daniel Sturm is Professor of Economics at LSE, Executive MPA and MPP Co-Director, and an Associate at CEP and STICERD. Daniel is currently Vice President of the Urban Economics Association.

#### 2019 Yrjö Jahnsson Award in Economics

The Department of Economics is proud to congratulate **Professor Oriana Bandiera** and **Professor Imran Rasul** on being jointly awarded the 2019 Yrjö Jahnsson Award in Economics.

Oriana Bandiera is Professor of Economics and Sir Anthony Atkinson Chair in

Economics at LSE, Director of STICERD and State Research Programme Director for the IGC and Member of the IGC Steering Group.

Imran Rasul is Professor of Economics at University College London, co-director of the Centre for the Microeconomic Analysis of Public Policy at the Institute for Fiscal Studies and Firms Research Programme Director for the IGC. Imran is an LSE Department of Economics alumnus: BSc Economics (1995); PhD Economics (2003).

In 1993 the Finnish Yrjö Jahnsson Foundation established a biennial award, called the Yrjö Jahnsson Award in Economics, for a European economist no older than 45 years old who has made a contribution in theoretical and applied research that is significant to economics in Europe. The European Economic Association (EEA) cooperates with the Yrjö Jahnsson Foundation in the selection of the award winners.

Oriana Bandiera and Imran Rasul are applied microeconomists. Their work on the role of social relationships in economics, advanced through pioneering field experiments in the workplace and social networks, has provided salient contributions to economics, especially to the fields of personnel economics and development.

Professor Steve Pischke, Head of Department of Economics, shares his congratulations:

*"Congratulations from the Department of Economics and the entire economics community at LSE to Oriana and Imran for this prestigious award. Their pioneering work on the interaction of social relations in the workplace with economic incentives has generated an active literature and*

*changed the way economists think about employment relations. Most deserved."*

Listen to the Vox Talk podcast where Oriana and Imran discuss their award: [audioboom.com/posts/7272592-the-yrjo-jahnsson-award](https://audioboom.com/posts/7272592-the-yrjo-jahnsson-award)

#### Deaton Review

**Tim Besley**, School Professor of Economics and Political Science & W. Arthur Lewis Professor of Development Economics, has joined the panel of the Deaton Review. Launched by the Institute for Fiscal Studies (IFS) on Tuesday 14 May 2019, the review is a five year study, funded by the Nuffield Foundation, to explore inequalities in many dimensions; both their causes and consequences.

The panel is led by Nobel Laureate **Professor Sir Angus Deaton**, and includes world-leading experts in sociology, epidemiology, political science, philosophy and economics. The project will also draw on contributions from dozens more experts with diverse areas of expertise and perspectives.

#### Conseil d'Analyse Economique

**Camille Landais**, Professor of Economics and STICERD Public Economics Programme Associate, has been appointed to the Conseil d'Analyse Economique (CAE) which advises the French Prime Minister. The CAE is comprised of 15 members who are recognised professional economists.



Congratulations from the Department of Economics and the entire economics community at LSE to Oriana and Imran for this prestigious award. Their pioneering work on the interaction of social relations in the workplace with economic incentives has generated an active literature and changed the way economists think about employment relations. Most deserved.

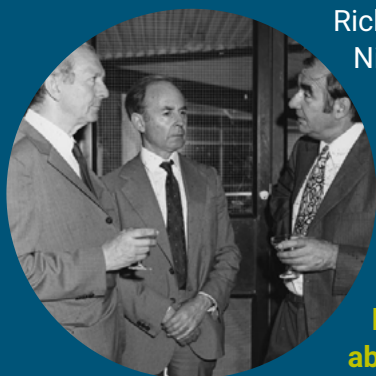
**Steve Pischke**, Professor of Economics, Head of Department



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## BASIL YAMEY AT LSE: A BIRTHDAY TRIBUTE

Along with many colleagues and friends, the Department of Economics wished Basil Yamey a very happy birthday as he turned 100 in May 2019. Basil was a member of the Department's academic staff from 1947 until his retirement in 1984, with a one year hiatus at McGill University.



Richard Layard, Steve Nickell, Christopher Pissarides and John Sutton share their memories of Basil in these tributes. You can read more tributes on [lse.ac.uk/economics/about-us/basil-yamey-at-lse-a-birthday-tribute](https://lse.ac.uk/economics/about-us/basil-yamey-at-lse-a-birthday-tribute)

### Richard Layard

In 1968 Basil was the Convenor when I joined the Department. He was incredibly welcoming and then, as ever since, the Department was a remarkably harmonious community.

At that time the general ethos was more right-wing than it became in the 1980s. I remember vividly how, soon after I joined, Basil eulogised over lunch on the beauty of the market and of price theory. Though himself focused mainly on industry and commerce, Basil always had a strong interest in economic development. So I assume that he was instrumental in bringing to the Department such notable people as Peter Bauer, Hla Myint, Alan Walters and Harry Johnson who were all equally devoted to market solutions. Despite this I never felt, nor I believe did Steve Nickell, any disadvantage from having a more

eclectic approach to explaining behaviour or forming policy proposals. The wonderful strength of the Department, to which Basil contributed so much, was that you could do what interested you and you were supported in doing so. When Basil was Convenor I said I would like to teach a non-examinable course on income distribution, and Basil said why not. It was a lovely environment in which to join the profession.

Basil was then as now a lover of Italy and he had in his office a beautiful Italian painting of Renaissance businessmen. It is largely due to Basil that LSE is reputed to have produced more Italian economists than any Italian university.

It is amazing, but not surprising, that Basil has continued to go on working for so long. The Department has been truly lucky to have in it someone with such remarkable intelligence, charm and generosity of spirit.

### Steve Nickell

I joined the LSE Economics Department in 1970 and was there for fourteen years. As it happened, these were the last fourteen years of Basil Yamey's long membership of the Department. In the early 1970s, my mentors were Frank Hahn and Terence Gorman and it was from the latter that I developed a picture of how the Department worked, Terence being notably indiscreet. The Department was



run by the Professors of Economics, many of whom were people of great distinction who held extremely strong views about everything. These included not only Terence and Frank but Harry Johnson, Peter Bauer, Peter Wiles, Michio Morishima, Amartya Sen, Alan Walters and others of equal distinction but perhaps less forceful in putting forward their opinions. What I learned from Terence was that it was Basil Yamey who kept the show on the road. His charm, diplomacy and integrity enabled him to persuade everybody that appointments, tenure decisions and promotions must be based only on academic excellence not on which tribe people belonged to, how old they were or who was their patron. This modus operandi was relatively unusual in UK economics departments in the 1970s (see, for example, Partha Dasgupta's description of the Cambridge Faculty at the same time in his obituary for Frank Hahn). It served LSE Economics well and has continued, more or less unchanged, to the present day.

The first occasion that I was involved with Basil on official business was in the later 1970s when we were on the interview panel for a lectureship in industrial organisation. One of the candidates was Janet Yellen, whose husband (George Akerlof) had been offered a Professorship. Basil gave her a

pretty hard time but we ended up offering her the job and rightly so in my view.

By 1979, I had been inducted into the Professorial priesthood and so I was able to watch Basil operating at first hand. At this point the School was hit by a financial disaster because the new Tory government announced that they would cease paying universities £3000 per annum for each overseas student but, by some curious logic, universities were only allowed to charge the students a maximum of £2000 per annum in fees... Since LSE had more overseas students than any other academic institution in the UK, this was a very serious problem. Luckily, with Ralf Dahrendorf as Director and Alan Day, a professor of economics, as Pro-Director, the School decided to expand its way out of trouble, taking on more overseas students and refusing to put any kind of freeze on salaries or promotions. The former put a great strain on the Economics Department, where a large number of overseas students were located. However with his friend, Peter Bauer, as Convenor of the Department, Basil and the rest of us were able to resolve most of the problems and continued to hire and promote relatively freely solely on academic merit. By the time Basil and I both left the Department, things were back on an even keel.



I thought of Basil as the “complete academic,” relaxed about life and combining a perfect blend of the work ethic and social awareness, diversifying life and enjoying it to the full. An example to follow.



**Christopher Pissarides, Regius Professor of Economics**

From my vantage point, it seems clear that Basil Yamey was a key figure in ensuring that LSE's Economics Department became the most prestigious in the UK and in laying down the template for this to continue.

**Christopher Pissarides**

I was a graduate student at LSE in 1971-73, when Basil was already a senior professor in the Department, but I had no contact with him at all because of our diverse areas of interest. Two years later I made the transition to the other side, joining my teachers as their colleague. Maybe people don't realise how difficult this transition is, especially how difficult it was in 1975, when relations between students and faculty were more formal than they are today. With the exception of some junior faculty, who had similar experiences, one person in the Department knew all about it and did everything that he could to ease my transition: Basil Yamey. Despite our diverse areas of interest in economics, he patiently explained to me in a friendly and informal way all that was going on, how one could actually enjoy the SDR on a daily basis and flourish, he introduced me to other faculty, told me about the Department's expectations and promotion procedures (much more secretive and random those days), and most important of all, invited me and others like me on a regular basis to his house in Hampstead Way for home cooking and friendly company. He even collected a group of us to spend Christmas with him and his family, at a time when travelling home to join our parents was not common. We had no

mentors those days but Basil found the time and for me acted as the best mentor one could hope to have. He introduced me to life in London as a working man as well as LSE and I found myself going to him whenever I had a problem to discuss. He made sure that I met some of our eminent Greek students of the time and I am still in touch with them. I thought of Basil as the “complete academic,” relaxed about life and combining a perfect blend of the work ethic and social awareness, diversifying life and enjoying it to the full. An example to follow.

**John Sutton**

In the LSE Economics Department in the 1970s, Basil was loved and respected in equal measure. His happy combination of penetrating intelligence and academic accomplishment along with his gentle manner and wry sense of humour endeared him to all. No-one ever said an unkind word about Basil; he epitomised all that was best in the Department.

By the time I arrived at LSE in 1977, Basil was long established as one of the leading figures in the field of Industrial Organisation and Competition Policy, and his book on Resale Price Maintenance was a landmark in the field. Basil's wider contribution to the shaping of UK Competition Policy in the 1960s had a profound influence, and the series of measures that emerged at that time still constitute the clearest and most informative natural experiment we have on the impact of competition policy.

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When Basil retired in the mid-1980s I was asked if I would like to take over the teaching of his MSc course in the Economics of Industry. I was delighted to be asked to follow in Basil's footsteps, though I didn't quite realise the extent of the mantle which I had inherited. Light began to dawn on me when the first Italian visitors appeared in my office.

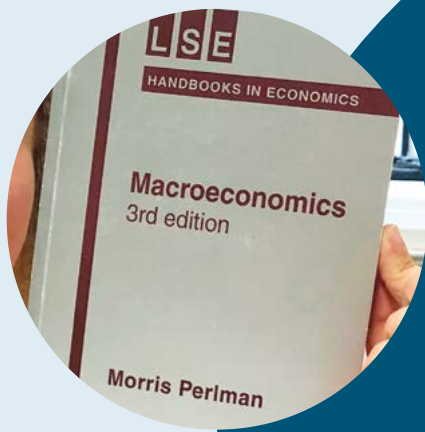
Basil had, over the years, nurtured with great kindness a long succession of young Italian academics, who would come to the School for a year and register as visiting scholars under Basil's supervision. Many of these young academics would return to take positions in Italian universities, and their time spent with Basil would be an important element in their CVs. Indeed, this had become such a settled pattern that the habit of spending a year at LSE was quite the fashion, as I was soon to discover.

I did my best to be helpful, though my achievements fell far short of Basil's. Nonetheless, the traditional year at LSE still seemed to work its magic. One young academic I helped to struggle through the production of her first paper contacted me on a subsequent visit to Italy. I found my way to her office, which was far grander than my cubbyhole at LSE, and spent a little while learning of her manifold achievements in the few years that had intervened, during which she had, among other things, ascended to the Board of Directors of one of Italy's largest companies. My eyes wandered around the splendid room, until they fell on a coffee table, on which was proudly displayed a copy of Basil's book on Art and Accounting. I saw that all along I had just been a surrogate. And so it was. Within five or six years, the tradition had lapsed. But Basil would remain a legendary figure in Italian I.O. circles.

Basil's retirement had freed him to do other things, and the volume I had seen on the coffee table was one of its fruits. We had all known of his involvement in the art world, not least through his being a Trustee both of the National Gallery and the Tate, and of his interest in the history of Accounting, but we were nonetheless surprised and highly impressed when the volume appeared. But Basil combined these expanded interests with a continuing involvement in Competition Policy, and thereby hangs a tale.

Thanks to Basil's good offices, I received an invitation from one of the leading firms of solicitors in the City to offer some advice on a tricky case that they had in hand. Off I went with Basil, to be interviewed by a man almost as young as I was, but whose suit cost at least ten times more than mine. The young man set out the firm's position on the case, which was thoughtful and well-argued. Basil responded, setting things out in a manner that was clear, assured and fully in line with the young man's presentation.

I, alas, did not do so well. I began, sensibly enough, by simply agreeing with my betters, but with the impetuosity of youth I could not resist pointing out a possible, if unlikely, counter-argument that might be raised. My comments were brushed aside by the well-suited solicitor, and it was clear that this invitation would be my last. But I had learned my lesson from watching Basil, and from that point forward I knew when to keep my big mouth shut.



## INTERVIEW WITH DIMITRA PETROPOULOU

Dimitra Petropoulou is an Associate Professorial Lecturer and Deputy Undergraduate Programme Director (18/19) in the Department of Economics at LSE. We met with Dimitra to find out about her time studying at LSE and what she likes most about teaching economics.



### Where did you grow up and what is your family background?

I was born in Greece, moved to the UK when I was three and then back again when I was ten. My childhood was spent back and forth between London and Athens.

My parents have a family shipping business, which is a big industry in Greece. At school however, I was very much into painting and design. The plan was to become an architect and I even went to open days for architecture programmes. In fact, my family built a house and I designed some stained-glass windows when I was twelve or so.

### When did you decide to study Economics?

With architecture in mind, I took A Levels in Art, Design and Maths. In need of a more technical subject for my fourth A-level, I selected Economics. By week two I was hooked and decided to apply for Economics!

I remember my teacher explaining the law of diminishing marginal utility and

reasoning that demand curves must be downward sloping. All the other kids were relatively un-phased by this, but I was blown away! So I apologised to my parents for spending money on all those architecture open days, dropped Art, took up Further Maths, and it all unfolded from there.

### What is your first memory of LSE?

My parents met at LSE so in a way we have a family tradition at the School. My mum did the Master's in Social Policy and my father the BSc Economics. One of my first memories of LSE is the embarrassment of arriving with my parents and them reminiscing about their romantic moments on campus. Though I also ended up meeting my husband at LSE!

I remember feeling a little daunted on my first day when we had an 'inspirational' welcome talk in the Peacock Theatre. I don't recall who gave the talk but I do remember they said something along the lines of, "Look to the person on your left and on your right. One of you will get a First and one of you won't make it. Who

will you be?" I immediately thought, I want to be the person who gets a First and how do I do that?! It was a lot of pressure for the very first day. Though I really loved studying here and met some great people.

### What was your favourite course?

A couple stand out the most. The first was the Macro part of EC102 Economics B with Morris Perلمان. He had his own book, which I still have (reaches out and finds the book). Morris Perلمان was very charismatic and he would speak very fondly about his baby twins in the lecture. Sadly, he passed away very shortly afterwards.

Another course which stands out is the trade part of EC315 International Economics with Stephen Redding, which I took in my third year and which eventually led me to do a PhD in Trade. I found the course fascinating and remember being excited by the Lerner Diagram – I still get a little buzz when I teach it now.

### **Do you think your family's shipping background played a part in your interest in Trade?**

There was definitely a link. As an undergraduate I planned to join the family business, so I applied to the MSc Shipping, Trade and Finance at Cass Business School, which is the gold standard for anyone going into shipping. I was accepted but I also received a Scholarship for the LSE MSc Management; so I planned to do both programmes and deferred the Master's at Cass to the following year. It was during the MSc in Management that I realised I was not interested in other areas, but rather wanted a deeper understanding of economics. I also began class teaching for the Department of Economics and discovered I really loved to teach. It was at this point that I decided to pursue an academic career. So I ditched the MSc at Cass and instead did the MSc and then PhD in Economics at LSE. My knowledge of trade in practice prompted me to start research in trade intermediation.

### **Tell us about the Teaching Track.**

It was the love of teaching which brought me back to Economics and it has been teaching which has brought me back to LSE; I am the first person in Economics on the Education Career Track (ECT). This new track obviously involves extensive teaching but is crucially also about introducing innovations to improve the student experience and thinking more broadly about programme design.

During my PhD I became a Teaching Fellow. I found myself increasingly passionate about the teaching I was doing – which was quite unusual. I also became increasingly involved with the Economics Network and started running workshops for new class teachers across the UK – which I still do today. After my PhD I went to Hertford College, Oxford and then the University of Sussex as a tenure-tracked lecturer doing both teaching and research. As the years went on I found myself increasingly involved in implementing innovations in teaching and thinking about how we teach economics

specifically. When the opportunity arose for me to join the University of Surrey as Deputy Head of Department on the teaching track, I made the decision to transition. It was a hard decision because once you go down that route you cannot go back from it, but I have absolutely no regrets. It was the right thing for me and I am thrilled to have returned to LSE on the ECT. The teaching track at LSE and elsewhere legitimises and formalises the contribution of academics with an interest and expertise in teaching Economics and values it alongside the traditional research path.

### **What do you like most about teaching economics?**

I very much enjoy seeing my students develop intellectually and come to understand the subject and, of course, to see their excitement around that. It is those moments when the students are engaged and bring in their own ideas. And at times you learn something new yourself while teaching – it may be a particular query or question that causes you to see an issue through a different lens and that can be very interesting. It's a two-way process and I really enjoy interacting with students, getting to know them and seeing them develop. I guess I don't realise how old I am! I feel I was in their position just five minutes ago but of course it's been ages.

### **What's your fondest memory of teaching at LSE?**

There are so many so it's hard to pin down one. We teach hundreds of students but there are a handful that you feel you had a real impact on. Whether you inspired them to pursue further study in economics or motivated them to turn things around when at first they struggled. Those are the cases I remember most fondly. Sometimes a particular group just has a really positive dynamic, which creates a buzz. This year I gave a lecture on Brexit in the Peacock Theatre to our first year students - that felt special, in part because the topic is close to my heart but also because I have spent so many hours in the PT as a student and in graduations, but never before as a teacher.

It felt I had come full circle somehow. The effect will no doubt wear off next year when I'm in there twice a week.

### **What kind of student were you?**

(Laughs) I did everything I advise my students not to do! I left things to the last minute, I would be up all night, and so on. But, that being said, I did work incredibly hard in the lead up to exams. In those days, we only had Summer Exams and we'd have an eight-week run up to them. During this time, it was like I was in the army: I'd wake up, work 20-hour days, sleep and repeat. In those days the onus was on the student to build a good set of notes – the use of PowerPoint was not standard as it is today. So the challenge in lectures was to listen and understand, while taking down as much as possible. I found I was very good at this, so each week I ensured I compiled all the notes and materials I needed for when it came to studying (laughing) but I often felt in-depth study was necessary more towards April!

Overall, I had a really fun time as a student and managed to balance it sufficiently well to get top grades. Although I did have a dip in second year before getting my act together in third year. I often reassure students who have not done so well in Year 2 that it happened to me and you can get back from that.

### **If you could give any piece of advice to LSE students now, what would it be?**

Two things really. First, show up and get involved personally. With digital materials, lecture capture and even discussion forums getting more widespread, it's all too easy to engage with your studies remotely. Technological aids are best seen as complements, not substitutes, to interacting personally with fellow students and teachers. Any substitutability is quite imperfect, which is why the availability of online courses and degrees has not supplanted traditional delivery of higher education. Being at LSE is special - make the most of it.

Second, an LSE degree is designed to stretch you intellectually. This is obviously





"It was the love of teaching which brought me back to Economics and it has been teaching which has brought me back to LSE."

a challenge, but the more you study and think, the more eureka moments you'll have, where things suddenly makes sense. That's where the study of economics becomes most enjoyable and inspiring. None of that really comes from superficial learning, so don't settle for half-understanding something.

**What motivated you to come back to LSE as Associate Professorial Lecturer and Deputy Undergraduate Programme Director?**

After so many years as a student at LSE I have a great affection for the School. A main driver was, of course, that it is a leading department and that LSE students tend to be very bright. It is also a dynamic moment in the Department's history in terms of teaching. A great deal of thought is going into curriculum reform and I was intrigued by this aspect when I applied for the post. Another factor was the opportunity to support our graduate students as they teach for the first time,

and perhaps to help stimulate some intrinsic motivation for teaching excellence. Teaching can be very rewarding once one starts to care about it.

I'm looking forward to being Undergraduate Programme Director next year. It will give me more opportunities to engage with students directly and to get a better sense of the programme as a whole, and where we can strengthen it further.

LSE has a gravitational pull and even many years on there are many familiar faces both in academic staff and professional services. Many economists who taught me are still here: Frank Cowell, Charlie Bean and John Sutton to name a few. So I do have a sense of 'coming home' and hope to be at LSE for many years to come.

**What might someone be surprised to know about you?**

I'm into fitness boxing. I have a personal trainer who takes the punches and choreographs boxing routines. It's very cool.

**What do you like to do in your free time?**

I like to cook and a lot of my creativity goes into that. I also enjoy walking around London and going to exhibitions and the theatre. Recently, I went on a brutalist architecture tour of London, which was really interesting.

**Do you have a favourite spot on campus? Where is it, and why do you like it?**

Campus has transformed so much, many nice spots from the past no longer exist. Many colleagues will remember the Beaver's Retreat, where we would occasionally go for a drink and animated chat. I also spent endless hours as an undergraduate on the outside terrace of the 4th Floor restaurant, Old Building, which back then was more charmingly called the Brunch Bowl. I live very near campus so nowadays when the weather is nice I like to sit on a bench in Lincoln's Inn Fields and have breakfast amongst the trees.

## WIDENING PARTICIPATION WITH PROFESSORS ALAN MANNING AND FRANCESCO CASELLI

Widening Participation is LSE's pre-entry outreach programme which provides free activities for students in London, helping them progress to higher education.

Professors Alan Manning and Francesco Caselli delivered introductory taster economics lectures to students on the Pathways to Banking and Finance Programme. This programme is a financial access scheme run by the School's Widening Participation Team in collaboration with the Sutton Trust and Deutsche Bank. The programme takes place across two years and supports Year 12 and 13 students from London state-funded sixth forms/colleges who are interested in studying finance-related subjects or a career in the financial sector.



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## AN INTERVIEW WITH KATARZYNA KRAJNIEWSKA AND JUNIUS OLIVIER

In August 2018, our two new Undergraduate Tutors joined the Department. **Junius Olivier** (1st Year Tutor 2018/19) and **Katarzyna Krajniewska** (2nd Year Tutor 2018/19) provide support and advice to our many undergraduate students. We catch up with them both to discuss what they love about economics and what it means to them to be winners at the LSE SU Teaching Excellence Awards!



### Where did you grow up? What is your family background?

**Kasia:** I grew up in Gdansk, a port city on the Baltic coast of Poland, a place where the Second World War officially started, and a home to the Solidarity movement. I lived there for 19 years after which I moved to London. I have a sister and two brothers and I'm the oldest. My dad has his own IT company and writes computer programmes for budget entities. My mum was a doctor and also a biology teacher, though when we were very young, she mainly took care of us. In the later stage of her life, she specialised in learning difficulties and did further training in microkinesis therapy. She taught me a lot of things that I find very useful in my current job as an Undergraduate Tutor.

**Junius:** I grew up in the Caribbean on the tiny island of St Lucia. I was one of 12! My parents had 12 children: six boys and six girls. Perfectly symmetrical. I lived there until I was 18 when I moved to Barbados to study law. Later I stopped law and started studying economics in Jamaica. I spent five years at the University of the West Indies in Jamaica studying economics at the undergraduate and postgraduate level. I went on to study

for a PhD at the University of York, where I spent the last five years before coming to London.

### What motivated you to study economics?

**Junius:** It was a particular incident in high school! In St Lucia we go to high school until 5th form and then we can attend the Sir Arthur Lewis Community College (an LSE Economics alumnus) for our 6th form. While at St Mary's College, my high school, I never took school work too seriously. I was always playing video games or doing something else. My classmates knew me as a very relaxed individual when it came to academic work. When I went on to the Sir Arthur Lewis Community College, in my economics class, there were both my high school classmates and other students that we didn't previously know. One time our teacher put us into groups where we competed against each other. Someone from group A had to call on someone from group B to answer an economics question. If they got it wrong, group A got a point. So naturally you pick the person who you think would not know the answer from the opposite team. The teacher asked "What is inflation?" and group A called me to answer the question! That made me feel less than great. I answered and moved on

quietly through the rest of the term. From that moment on, I wanted to out-perform everyone in economics. By graduation time, I had gotten the only A in economics in the entire island and I was one of the top-performing students in the year overall. I was given the Sir Arthur Lewis Economics Award as well. Fondness for economics stayed with me ever since. However, the idea to study law was ingrained in me for a long time. In my community, I was always seen as the smart one and in a small community everyone thinks that, if you're smart, you will be a doctor or a lawyer. Under the weight of these expectations, I went on to study law at the University of the West Indies but soon after I felt economics calling and decided to pursue the field.

**Kasia:** To be perfectly honest, I never really planned to go into economics, possibly because I didn't know much about it. Economics was not a popular career path among my friends. In fact, it was not even a discipline that was taught or mentioned in any of the schools I attended. To some extent it was a bit of a random choice, but looking back at it, I think it might have been fate allotted. For the majority of my life I was determined to become a doctor – either forensic pathologist or child oncologist. But then my mum got

very ill (cancer) and I worried if I went into medicine, I would not have a life outside of my work as I would be too determined to help people like her, at any cost. Looking for an alternative, I then discovered, thanks to my friend who mentioned LSE, the field of economics. In my mind back then it was a good choice because it linked two aspects I really enjoy: maths and discussions. I came here knowing very little about economics, in fact, I couldn't even define inflation properly. However, when I went to the very first Economics B lecture that was given by Alwyn Young I just felt very strongly that I belonged here. To the field of economics, and to LSE too. It was just one of those holistic experiences that is virtually impossible to explain. Prof Young instilled my interest in microeconomics and it is still there.

**Junius, you took your undergraduate and postgraduate degrees at the University of West Indies and the University of York. What was your first memory of studying there? What was your favourite course? What interested you most about that course?**

My first memory of studying at the University of the West Indies was in a political philosophy class. The lecturer was very dynamic. I remember being amazed at how different university teaching was compared to high school. My lecturer was knowledgeable but very humble too. He treated us as equals rather than lecturing at us. My lecturer was sharing information but also asking what we were thinking. That was different. It was then that I realised I was truly at university.

At the University of York, what I remember the most is the moment when I first met other research students and realised, "This is York". If you do economics, especially at undergraduate level, people around you are there for a multitude of reasons. When you get to the PhD programme level, everyone is there specifically because they have a very deep interest in economics. So just meeting everyone and finding out how passionate they were about economics made me feel, for the first time, I was truly part of the profession.

What intrigued me most about these courses at all levels? I liked the interconnection between economics, history and development. Coming from a developing country, some of the critical factors influencing economic outcomes are the social traditions and norms. This area is very well-studied, but this connection between economic development and historical and social factors is critical for developing countries. In this area of research is where I would love to conduct research.

**What kind of student were you?**

I've always been an "it will work out" kind of person. I'm not an anxious type of student or a perfectionist. I always feel like everything will work out. I would have a very relaxed attitude throughout the term but I do buckle down around exam time. In my undergraduate and masters, I would focus solely on my studies for three weeks before the exams. Nothing outside of studying would be happening. Throughout the term I try to enjoy myself and let things wash over me. For my PhD I had to motivate myself throughout but that was a different experience. Generally, I was a student who took it easy until the end.

**Kasia: As an LSE alumna, tell us about your time studying at LSE. What's your first memory of LSE? What was your favourite course? What interested you most about that course?**

I was very much looking forward to coming to London and studying at LSE, but because of my family situation I was not able to enjoy it as much as I hoped. At that stage my mum was very ill and I knew that when leaving to come here I was seeing her for the last time in my life. During my first week, half way through the statistics lecture, I received a message that my mum passed away. I then made a promise to myself that I will do my best and excel here, and I think I managed to keep my promises.

Because of the way it all started, my first memories of LSE are somehow blurred. But I remember well a situation that made me realise the uniqueness of this place. As I

entered the campus, I saw a line of five or six black limousines. I was then told there is a Public Lecture in the Old Theatre, one of many, and it was open to everyone. I was both impressed and intrigued by the kind of people that come to speak at LSE, and more generally, by people connected with this place. However, it wasn't until I signed up for a campus tour when I realised GB Shaw was one of the founders, despite me knowing about the Fabian Window, reading Pygmalion and even starting my UCAS personal statement with a quote by him!

The best course of my first year wasn't actually economics, it was Evolution and Social Behaviour which I took as an outside option. Both lectures and classes were taught by Dr Christopher Badcock and it was so good I don't think it could ever get any better. It is also where I was introduced to the concept of the game theory for the very first time.

In my second year, I thoroughly enjoyed EC202 and EC221 – the more mathematically rigorous versions of micro and econometrics. It wasn't, however, until year 3 when I got to learn Industrial Economics and this is when I knew it is my field. The real highlight came a year later when I took the IO master level course taught by John Sutton. It was a pure intellectual pleasure!

**What kind of student were you?**

Conscientious. I would always make sure to attend all classes and hand in all coursework by the required deadline. I have to admit, however, I often was (and still can be) a last-minute person. I can pull it up and it will be perfectly polished but it might be at the expense of the previous night. But I don't mind it, I often work late nights as I like the silence then.

At the same time I also had an active social life, learned new languages, joined societies and devoted a lot of time to my passion – dancing.

**You both joined the Department for the 2018/19 academic year as departmental undergraduate tutors for first and second**



The best course of my first year wasn't actually economics, it was Evolution and Social Behaviour which I took as an outside option.

**Katarzyna Krajniewska**



**year students. How has this year been for you? What has been the highlight? What have been your most challenging moments?**

**Junius:** The year has been really good, really great. I've loved it here and meeting so many students has been a joy. Being at LSE, so far, has been one of the best years of my life. It helps that I've wanted to be here for a long time. I would recommend LSE to anyone.

The highlights I would say have been different moments. Moments of interacting with students, from the First Year Challenge where we had such close interaction with students, to helping students with the policy poster competition, and working with the students to make projects happen was really great. The one thing that stands out, which might be rather selfish, I suppose, is the LSESU Teaching Awards ceremony. Not because it was an award for me but because I got to hear what impact the students felt I had made on their lives. That was surreal. Hearing how the students perceived my help was heart-warming. It made me feel that work I do was worthwhile. That was absolutely, definitely the most significant part of the year.

Challenging moments? There have been quite a few. The nature of the role is

that you deal with the students at their happiest and saddest moments. So a lot of students who have become regulars, in terms of my interactions with them, have often been here because of personal difficulties. Sometimes the difficulties are of the severest level. Seeing a student who you know is so capable and so talented and who has a strong desire to keep going, seeing them struggle, not because of intellectual difficulties, but because of the weight of external anxieties and stresses can make things very hard. Which is why hearing how what I did or what I said was able to help them, made me feel better about these moments.

**Kasia:** I have been associated with LSE for 13 years now but at the same time, in the past decade, I taught and lectured at different places, including UCL, Richmond, some smaller London HE colleges, even a secondary school in Harpenden. When taking this full time position, I had to leave all of that behind, which made me a bit sad. Somewhere I had a feeling that it has to be worth it and I think it is fair to say that the new role more than surpassed my expectations. The year has been amazing: positively busy and very importantly for me, none of the two days were the same. I recall early days in the office, when we were planning The First Year Challenge –

the air was very dense with economics and there was a lot more to it than I thought. I also engaged in many other things I didn't think I was going to be doing and worked with people across the School and outside. I've loved every single part of it!

**The highlights?**

**Kasia:** When you see your students open up, bloom like a flower and become their better selves. It is a long process, often not so easy and it takes a lot of effort and motivation - not only theirs, but also mine. The moment they finally overcome their problems, either academic or personal or both, you can see them being happier and more confident - it makes me very proud of them. You know, success isn't just about what you accomplish in your life; it's about what you inspire others to do. I keep all the thank you letters, quotes and emails to remind myself that even a tiny bit of attention and kindness can be life-changing.

Most challenging moment? If I have to choose one, then I would say Exam period. It is a time when students may feel very low, stress and anxiety levels are extremely high and mental health problems are at their peak. Students can be very fragile and need to be treated with great care. This takes both time and effort, and it is very emotional. But it is also rewarding to be

“It’s the people you meet here and friendships that you make that are your true life-long assets.”

**Katarzyna Krajniewska**



able to provide help. The advice I shared with students before exams reached almost 2500 followers on Facebook. Students told me those few words helped them reach out for help when they needed it most.

**You will continue to support your cohort students for the 2019/20 academic year, do you have any plans for the year that you can share with us today? A new student challenge maybe?!**

**Junius:** This is the initial brainstorming session for the coming First Year Challenge (points to whiteboard) and I’m even more excited about this one! We have many plans! We have other activities planned for our students as well. We also want to continue to teach because we find it a very useful way to interact with the students. We will continue with the events that we put in place this year, including social evenings where our students can enjoy meeting with each other. We hope to keep building a sense of community and improve on the past year. So watch this space!

**Kasia:** We haven’t decided on a name yet but we have used the 110th anniversary

of the Minority Report, written by Beatrice Webb (LSE Founder). It gave a foundation to the UK welfare state and that inspired William Beveridge (LSE Director).

**Junius:** It had several economic concepts which are very relevant today and it will be a nice way to tie in LSE’s legacy with economics and how our students explore London. We will involve years 2 and 3 in some way too; there are plans to integrate students across the years. There will be follow up events too. We will have talks on the same topics that the first years will explore in their programme. Our students will have a big name giving a talk related to this year’s First Year Challenge.

**Kasia:** The theme of the new First Year Challenge also goes nicely with what’s taught in their first year of studies. In Economics A and Economics B they learn about inequalities and study such concepts as the Lorenz curve. It’s going to be a big thing!

**If you could give any piece of advice to LSE students now, what would it be?**

**Kasia:** The first advice I would give to the students, but frankly, to anyone, is not to overstress. Most of the things we worry about either do not materialise or are not worth the amount of emotional sacrifices and damage that they do to us. So students, make the most of your time at LSE but not at the expense of your wellbeing. Take full advantage of the people you meet, connections you make and conversations you are having. LSE is a lot more than just a means of securing an internship but sadly, some tend to forget about that.

**Junius:** What I would advise our students is to realise that the connections they make at LSE are as important as the academic learning they do here. Our students are very career-driven, even before they arrive. They see LSE as a conduit to move from studying straight into a career and at times ignore everything around them until they receive internships and they start working. Because our students are highly-motivated, their focus on doing well and moving into a stellar career tends to crowd out everything - the people they’re with, the city in which they live and the connections they

can make with other students across the School. I would advise our students to pay attention to and connect with those around them, get the full value from being at LSE, a place where so many future world-leaders are currently studying. That is so much more valuable than the students realise.

**Kasia:** It's the people you meet here and friendships that you make that are your true life-long assets. Never undervalue the impact, importance and uniqueness of the environment you find yourself in.

#### **As a tutor, you are there to support the students but is there anything you learn from them?**

**Junius:** I think more than learning something from them, I feel inspired by my students. Simply because in their greatest moments of struggle, they still have so much desire to be better and do more. I recognise their desire to keep moving forward and that is inspiring because, I think, one of my weaknesses, so to speak, is that I am relatively easily content. It means that I am less likely to feel unhappy but that comes with a drawback that sometimes I don't make full use of my talents. When you meet students who are so motivated to do more and to do better, who are so inspired, so driven, it rubs off on you. It is very motivating. So in that sense, they inspire me.

**Kasia:** I fully agree with Junius about inspiration. I treat my students as partners, so the conversations we are having are often exchanges of different points of views rather than me telling them what to do. They tell me about their culture, their lives, their research ideas. Some of the remarks they make are very deep and thought provoking. One of the students made a comment on my feedback form that "barriers to praise are very low", meaning the student already in person appreciates the efforts of myself and other teachers by talking to them. The comment itself was very positive, but also made me realise that we, as educators, often focus on constructive criticism, and do not highlight often enough the positive aspects of the

students work and progress. It not only relates to teaching and the job itself, but to life in general. So tell people what you like about them!

#### **You were both winners at the LSE SU Teaching Excellence Awards, many congratulations! How did it feel to be nominated by your students and how did it feel to have won the awards?**

**Kasia:** I know it takes both time and effort to nominate someone for an award, and I feel honoured that my students were willing to do so for me. Among different prizes I received in life, that one feels very special. Partially because I did not expect it, but mainly because of the reactions and comments I received from students. They were the ones who told me I won even before I received an official message. Many stopped by my office to congratulate and others emailed. My heart has been warmed by stories about how I changed their lives, gave them hope, helped and inspired. In some cases I was not even aware of the significance of the impact I had on them. Thus not the prize itself, not the certificate but seeing all of these is the best reward for all the effort I put in. It gives me motivation and strength to continue.

**Junius:** It felt really, really great. There are studies that suggest that more than giving someone money or other objects for doing good, it is more rewarding to have them see the impact of their efforts. I think that's absolutely true, especially hearing about my impact from the students. I think the LSESU did a great job in that they gave us quotes from the students' nominations; we were able to see what the students were saying and what they thought. That really meant a great deal and makes our efforts feel very worthwhile. You can recall the hours spent sitting with the students talking to them, and the specific things that you do not always remember yourself, but which meant so much to the students. You realise how much the belief you have in them has helped them grow. One of the students said it literally saved their life. What more can you do in this life but save someone's life? It gives meaning to your own life. It was one

of the most amazing feelings, not because of the certificate or award, but because you really get to hear how you helped the students. Moments like that make me feel like I want to stay in this job forever. I can barely think of something that would make me happier.

#### **What do you like most about teaching economics? What's your fondest memory of teaching at LSE?**

**Junius:** What I like most about teaching economics is how meaningful economics can be and how much you can relate what you're saying to the real world, things that we see happening today. I imagine it's a bit more challenging in other fields. But in economics you can explain a concept to the student and watch how excited they get about understanding something that they saw in the newspaper or in the news today. Interacting with the students at that level and helping them see that the things they are studying can be connected to the real world is really fulfilling. Working, especially with students who don't have a strong background in economics, you watch them realise why, for example, we can't just print more money and see the amazement on their faces. You watch them get so excited about it. This shows me that it is not just how much you teach the students, but how much you can relate it to the things they care about that is important. I think economics has the potential to do that very well.

**Kasia:** I think there isn't anything or there's very little in life that cannot be related to economics. When I teach, I don't just teach models, draw diagrams and solve equations. I always put everything in a real life context. But that context changes all the time, as each student has their own unique background and it's important to relate to that. For me, teaching economics is not so much about teaching but more about knowledge exchange and having guided discussions from which not only students grow but I also grow myself. Every time I teach the same thing, I teach it differently because I adapt to my audience. When you teach how a cell looks like, you will teach

it one way as that's how the cell looks like. When you teach an economic concept, there are so many different ways and angles to approach it from that it never gets boring. It will always be different depending on whom you are talking to, yet it will always stay real. I find it very fulfilling.

**Junius:** My fondest memory of teaching at LSE was outside of the classroom; helping a student one on one. Sometimes a student will knock on your door for help with an economics problem. The moment they enter you can feel the air get more tense because of the stress and anxiety they come in with. Working with the students, talking back and forth, you can feel them beginning to understand more of the material. They leave so much happier than they came.

**Kasia:** One way of judging whether students think you are doing a great job is by analysing the attendance, especially when the activity is not compulsory. When I enter the classroom and see that the room is more than full, even at a quite inconvenient time, and they all turn up happy and ready to engage with whatever I do, then it gives me the feeling that I'm doing the right thing. One of the fondest memories is a situation when a student with whom I was working a lot outside the classroom, went from failing to getting a first, and thanked me for never giving up on her, and always reminding her that it's about improving and not comparing with others.

### **When you are teaching, how do you keep students interested in your subject?**

**Kasia:** When you enter the classroom, you bring in the atmosphere with you. So I try to enter with enthusiasm. When I teach, I do it because I love it and not because I have to. Students feel it and they can tell the difference. For me, teaching is sharing the passion and to some extent, I keep them motivated by just being myself.

**Junius:** There is an upper limit to the motivation and enthusiasm students will bring to your class - that is exactly the amount that you bring. They will not

be more enthusiastic than you. In fact, yesterday, I was so tired, inexplicably tired. I didn't know why, I felt so demotivated. Kasia said "You know when you get to class this will change". After three hours of teaching, I was so much more energetic and I completely forgot that I had no energy and felt tired before. It was all fun, the students were moving around in groups, doing "speed dating" learning in class. That is how you keep your students motivated, you have to bring the enthusiasm and the energy, and to keep it dynamic. It's ok to stand in front of a class and lecture at the students but that doesn't motivate them. I want my students to interact with each other. One of the things I like to do very early on in my class is to get the students to know each other. At the first class of the year, they don't know each other and often don't feel comfortable talking to each other or in front of each other. That's why I do the "speed dating" learning where there's a group that learns something together and then sends ambassadors to the other groups where they tell each other what they've learnt. The ambassadors learn from the other groups, come back to the first group and explain what they've learnt. Soon everyone is comfortable being with each other and around each other. This impacts the class for the rest of the term. They are more active, more involved and completely comfortable talking to each other.

**Kasia:** Understanding the background of your audience is a key to success. Every group is different and you have to adjust to that. There is no one-fits-all formula. Students have to feel comfortable among each other, with you, and you also have to feel comfortable with them. Everyone should be treated with respect and not be afraid of speaking up or asking questions. Junius mentioned speed dating, I play the bingo game with my students. At the beginning it gives them something relatively neutral to talk about, not too difficult so everyone has a chance to interact with each other. It makes them a lot more likely to contribute in the future, when material is demanding and tasks challenging.

### **You spend most of your time with the students. Do you get the chance to meet and collaborate with other researchers at the School? Tell us about it!**

**Junius:** We spend a lot of time with the students but we do interact with faculty too! Actually, one of our LSE Fellows, Rafayal Ahmed, and I are writing a paper together, based on my PhD thesis. He's more theoretically-oriented and I'm more of an empirical researcher so we're working together. That's one of the perks of being at LSE, no matter what role you are in. There is so much brilliance around you and you can connect with other people who have an interest in your work and perhaps can enhance what you're doing, and you can enhance what they're doing as well. Being here creates a space for this exchange of ideas and I'm really benefiting from that now.

**Kasia:** There are a lot of opportunities to meet with other faculty members, exchange ideas, experiences and even collaborate on some joint projects. I am currently working with one of them on things related to students' learning experience and motivation. The project has been going on for quite a while and we plan to introduce new innovations soon. Besides, I have a few other plans too, and have been actively consulting with others. Don't want to do too many things at the same time though. The next research in line, and hopefully also a paper, is the one related to the role of social benefits and its impact on birth rates.

### **What are your main research fields? Are you working on any research projects at the moment?**

**Junius:** My PhD was in development economics with a focus on historical and institutional economics. This is largely inspired by where I'm from. One of the fundamental reasons why developing countries have so many challenges with growing, even when they strike gold or oil, are the institutional and historical factors (for example the structure of the government, corruption, etc.) that have become set in and make it difficult for their





economies to grow. My research looks at what these reasons are and how we can understand the historical and institutional factors that affect or restrict development.

**Kasia:** My broad research is micro and the small one is industrial. A long favourite is education. My current focus is on community feeling and student engagement. I am also collaborating with a friend of mine on a work related to incentives in areas that rely heavily on reputation and thus cannot be directly contracted for, such as peer review. It is still in its early stages so cannot say too much.

**If you didn't go into economics, what would have been your second career choice?**

**Kasia:** If I weren't an economist, I would have been a doctor, most probably a child oncologist. When I was younger, I read a lot of medical literature, took part in biology competitions and worked at the medical conferences organised by the local university. Basically, I enjoyed doing anything biology or medicine-related and my knowledge was far beyond that of my peers. Well, in some cases even far beyond what my teachers knew. I remember being aged 12 and giving an entire class

lecture on genetics. I even completed hospice training and worked at a ward as a volunteer. It wasn't emotionally easy, but it was very satisfying. Then, up until my graduate studies I was considering converting into law and specialising in competition/anti-trust policies. In the end I did neither, and most probably never would. Not because I would not be happy with this alternative career, but because I would not have enough time for my other passions and family.

**Junius:** Before I was doing economics, I wanted to go into law. But that would have been the greatest mistake of my life. Simply because the person that I am and the impact I wanted to make, law in the Caribbean would not have given me that opportunity. I'm so happy and lucky that I snapped out of the idea that law or medicine were the only paths. I wouldn't have been to Jamaica, I wouldn't have studied there, I wouldn't have my friends from there who are now my absolute best friends. I wouldn't have come to UK, I wouldn't have come to York, and I wouldn't be at LSE. I would have done law at home, taken the education certificate and would have been practising law. If you offered me

that life now, I would reject it. If economics did not exist, I suppose that would have happened, but I would be unhappy now.

**What might someone be surprised to know about you?**

**Junius:** That I'm one of 12 siblings. Everyone seems to be surprised when I say that!

**Kasia:** People are very surprised when I tell them I have three kids. They find it hard to believe I am older than I look and that I can balance career with family life.

**Do you have a favourite spot on campus?**

**Junius:** My office! I like my office because it's where the students know to find me and I don't spend too much time in other areas. I also love the atmosphere of the Library, but my preferred spot is my office, it's peaceful, and as an economist, I like having boards around me that I can write things on. If I have something I don't want my brain to let go of, I write it down on the boards and explore it.

**Kasia:** I like my office too – it is more than just a room. It's full of vibe and has a piece of everything that is so specific to LSE: the knowledge exchange, brainstorming, the

many conversations we have with different people, not only students, but also other interesting individuals. At the same time it can be quiet. So if you need to switch off and focus, you can do that here too. I also like Lincoln's Inn Fields, just to sit there and take it in.

**What is your favourite book? How many times have you read it?**

**Junius:** My favourite book is a novel by Emily Brontë, "Wuthering Heights". It's one of the reasons why I loved being in Yorkshire. I first read it in sixth form, for my A-levels. I absolutely fell in love with the book. I've actually read it three times, which is a lot for me because I tend to only read fiction novels once. I love the way this book is written. I like collections of poems too. In fact, I read more poems than I read books. So I have lots of favourite poets, for example, Derek Walcott and Andrew Marvell.

**Kasia:** The only book I re-read multiple times is Human Physiology by Traczyk. It is an advanced medical textbook but I never treated it that way. Otherwise, I never read books twice. I love reading and have a significant collection of books, though I don't have one favourite. Few worth mentioning: Master and Margarita (read parts of it in Russian too), 1984 and David Weiser by Huelle that tells a story about boys growing up under the overwhelming shadow of the WWII. On a lighter side, the Seven Sisters series. I generally like books that have some historical background included. I also go through phases where I refer back to poetry and collections of letters.

**It's a sunny Saturday afternoon. What are you doing?/You have a whole day to yourself and no obligations, what do you do?**

**Junius:** I'm clearly not in the UK if it's a sunny afternoon, I'm assuming I'm home! If it's a sunny Saturday in the UK though, then I'm probably walking through London, around Covent Garden. My partner jokes that I always end up in Leicester Square.

No matter where we intend to walk, I end up in Leicester Square. It feels like I'm in London when I am truly in Leicester Square. I like to feel like I'm in London as it's such a great city. I like to walk around, check out the street performances and eat the street food. It makes me feel like I'm really living in the place and taking it in. When you grow up on a tiny island in the Caribbean and you hear stories, read books or see things that, although you know it's real, feels fictional – it is amazing to see them in person. Many of those 'unreal' things are in London. I was looking at a portrait of William Shakespeare at the National Portrait Gallery. We read a lot of Shakespeare growing up in the Caribbean. In a lot of my books, there's a portrait of Shakespeare and the original portrait is in the National Portrait Gallery. When I went there and saw it, it felt like many moments of my childhood came rushing back to me. It's like an out of body experience for a second. London has a lot of places where I get that feeling.

**Kasia:** I would definitely be spending time with family. My kids are still very young and it's my priority to make sure they get the right amount of attention and value time with their parents. Besides, I really enjoy being around them, they make me truly and unconditionally happy. One of their favourite places in London is the Diana Memorial Playground, so we might be there, exploring the pirate ship and making up yet another adventure story, or jumping in the puddles from the water fountains. We also travel a lot, so there are high chances we would be exploring new places or re-visiting the old ones. Wherever it would be, it would be somewhere warm, close to nature, ideally on or by a lake/sea. In fact, it is not so much about where I would but with whom I would be there.

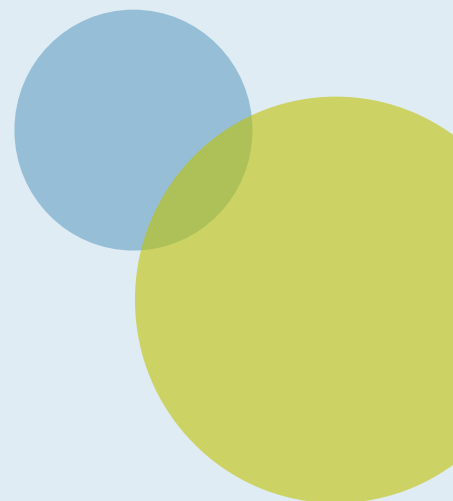
**Complete this sentence: "Success looks like..."**

**Both:** "happiness!"

**Junius:** When I tell my students how I came into economics, this is what I want them to get as well. At the end of the day, I'm so much happier now than if I ended up

in law in the Caribbean. What is the point of everything that you're doing if it doesn't make you happy at the end of the day? When you're younger, when you're 18 or 19, it's difficult to understand why being happy, above all else, is so important. Truth is, if you're not happy, you haven't been successful as you only have one life and you should enjoy as many of its moments as possible.

**Kasia:** Life is too short to focus on what others want us to do rather than doing what we really want. If you love what you are doing, you will be successful. So stop trying to live up to expectations of others, stop chasing money and start chasing your passions.





EUROPEAN  
RESEARCH  
COUNCIL AWARDS  
TO ECONOMICS  
FACULTY

Awarded a **European Research Council Advanced Grant**, **Alan Manning** will be leading a five-year project which aims to advance our knowledge on the impact of technology, immigration and labour market competition on labour market outcomes. These are critical areas for many of the problems afflicting our economies and societies and the intention is that the project will help to develop practical policies to improve people's lives. But it also aims to provide improved models and empirical methodologies to make a more lasting intellectual contribution, to equip us with the tools to analyse not just the problems we face today but the new ones we will undoubtedly face in the future.

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## NEW APPOINTMENTS 2018/19

### Dr Rafayal Ahmed and Dr Zarak Mirza

Dr Rafayal Ahmed and Dr Zarak Mirza joined the Department as LSE Fellows in September 2018. Rafayal holds a PhD from Northwestern and is a contract theorist. He has taught EC487 Advanced Microeconomics as well as classes. Zarak holds a PhD from the University of Kent and studies the economics of charitable giving. He has taught on EC201 Microeconomic Principles I.

### Dr Dimitra Petropoulou

Dr Dimitra Petropoulou, Associate Professorial Lecturer, joined the Department in September. Dimitra is the Deputy Undergraduate Programme Director, helping us with class teaching, GTA training and supervision, and the recruitment of more ECT colleagues in the future. Dimitra completed her BSc, MSc and PhD within the Department of Economics and we're thrilled to have Dimitra back with us.

[Read her interview on page 39.](#)

### Junius Olivier and Katarzyna Krajniewska

Junius Olivier (First Year Tutor 2018/19) and Katarzyna Krajniewska (Second Year Tutor 2018/19) joined our Department at the end of August as our two new Undergraduate Tutors. Junius took his bachelor's and master's degrees at the University of the West Indies before moving to the University of York for his research studies. Katarzyna studied both the BSc Economics and MSc Economics (Research) with us in the Department!

[Read their interview on page 42.](#)

### Professor Ben Moll

Professor Ben Moll will join the Department as Professor of Economics in Michaelmas term 2019.

### Professor John Van Reenen

Professor John Van Reenen has returned to the Department and will hold the Ronald Coase Chair in Economics as well as a School Professorship.



## SELECTED FACULTY PUBLICATIONS, 2018/19

Please refer to the personal webpages of individual faculty members for detailed lists of their published and unpublished work.

**Philippe Aghion, Ufuk Akcigit, Antonin Bergeaud, Richard Blundell, and David Hemous.** 2019.

*Innovation and Top Income Inequality. The Review of Economic Studies, 86 (1), pp.1-45.*

**Nava Ashraf and Oriana Bandiera.** 2018.

*Social Incentives in Organizations. Annual Review of Economics, 10 (1), pp.439-463.*

**Timothy Besley and Avinash Dixit.** 2019.

*Environmental catastrophes and mitigation policies in a multiregion world. Proceedings of the National Academy of Sciences of the United States of America, 116 (12), pp.5270-5276.*

**Timothy Besley and Maitreesh Ghatak.** 2018.

*Prosocial Motivation and Incentives. Annual Review of Economics, 10 (1), pp.411-438.*

**Gharad Bryan.** 2019.

*Ambiguity aversion decreases the impact of partial insurance: evidence from African farmers. Journal of the European Economic Association, 0 (0), pp.1-42.*

**Marianne Bertrand, Robin Burgess, Arunish Chawla, and Guo Xu.** 2019.

*The Glittering Prizes: Career Incentives and Bureaucrat Performance. The Review of Economic Studies, 0 (0), pp.1-30.*

**Francesco Caselli and Antonio Ciccone.** 2019.

*The Human Capital Stock: A Generalized Approach: Comment. American Economic Review, 109 (3), pp.1155-1174.*

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## SELECTED FACULTY PUBLICATIONS, 2018/19

**Francesco Caselli and Alan Manning.** 2019.

Robot arithmetic: new technology and wages. *American Economic Review: Insights*, 1 (1), pp.1-12.

**Frank Cowell and Emmanuel Flacheire.** 2018.

Measuring mobility. *Quantitative Economics*, 9 (2), pp.865-901.

**Frank Cowell, Eleni Karagiannaki, and Abigail McKnight.** 2019.

The changing distribution of wealth in the pre-crisis US and UK: the role of socio-economic factors. *Oxford Economic Papers*, 71(1), pp.1-24.

**Joan Costa-Font and Frank Cowell.** 2019.

Incorporating inequality aversion in health-care priority setting. *Social Justice Research*, 32 (2), pp.172-185.

**Swati Dhingra.** 2019.

Brexit and the future of trade. *The Political Quarterly*, 90 (2), pp.21-31.

**Davide Cantoni, Jeremiah Dittmar, and Noam Yuchtman.** 2018.

Religious Competition and Reallocation: the Political Economy of Secularization in the Protestant Reformation. *The Quarterly Journal of Economics*, 133 (4), pp. 2037–2096.

**Greg Fischer, Dean Karlan, Margaret McConnell, and Pia Raffler.** 2019.

Short-term subsidies and seller type: A health products experiment in Uganda. *Journal of Development Economics*, 137, pp.110-124.

**James Cloyne, Kilian Huber, Ethan Ilzetzki, and Henrik Kleven.** 2019.

The Effect of House Prices on Household Borrowing: A New Approach. *American Economic Review*, 109 (6), pp.2104–2136.

**Alessandro Gavazza, Simon Mongey, and**

**Giovanni L. Violante.** 2018.

Aggregate Recruiting Intensity. *American Economic Review*, 108 (8), pp.2088-2127.

**Matthew Gentry and Caleb Stroup.** 2019.

Entry and competition in takeover auctions. *Journal of Financial Economics*, 132 (2), pp.298-324.

**Javier Hidalgo, Jungyoon Lee, and Myung Hwan Seo.** 2019.

Robust inference for threshold regression models. *Journal of Econometrics*, 210 (2), pp. 291-309.

**Xavier Jaravel.** 2019.

The Unequal Gains from Product Innovations: Evidence from the U.S. Retail Sector. *The Quarterly Journal of Economics*, 134 (2), pp.715–783.

**Keyu Jin and Nan Li.** 2018.

International Transmission with Heterogeneous Sectors. *American Economic Journal: Macroeconomics*, 10 (4), pp.36-76.

**Andrew Eyles and Stephen Machin.** 2019.

The introduction of academy schools to England's education. *Journal of the European Economic Association*, 17 (4), pp.1107-1146.

**Peter Bardsley and Rachael Meager.** 2019.

Competing Lending Platforms, Endogenous Reputation, and Fragility in Microcredit Markets. *European Economic Review*, 112, pp.107-126.

**Rachael Meager.** 2019.

Understanding the Average Impact of Microcredit Expansions: A Bayesian Hierarchical Analysis of Seven Randomized Experiments. *American Economic Journal: Applied Economics*, 11 (1), pp.57-91.

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**Georg Graetz and Guy Michaels.** 2018.

Robots at Work. *The Review of Economics and Statistics*, 100 (5), pp.753-768.

**Francesco Nava and Pasquale Schiraldi.** 2019.

Differentiated Durable Goods Monopoly: A Robust Coase Conjecture. *American Economic Review*, 109 (5), pp.1930-1968.

**Matthew Elliott and Francesco Nava.** 2019.

Decentralized bargaining in matching markets: Efficient stationary equilibria and the core. *Theoretical Economics*, 14 (1), pp.211-251.

**L. Rachel Ngai, Christopher A. Pissarides, and Jin Wang.** 2018.

China's mobility barriers and employment allocations. *Journal of the European Economic Association*, 0 (0), pp.1-37.

**Holger Breinlich, Elsa Leromain, Dennis Novy, Thomas Sampson, and Ahmed Usman.** 2018.

The Economic Effects of Brexit: Evidence from the Stock Market. *Fiscal Studies*, 39 (4), pp.581-623.

**Benjamin R. Handel, Jonathan T. Kolstad, and Johannes Spinnewijn.** 2019.

Information Frictions and Adverse Selection: Policy Interventions in Health Insurance Markets. *The Review of Economics and Statistics*, MIT Press, 101(2), pp.326-340.

**Alwyn Young.** 2018.

Channeling Fisher: Randomization Tests and the Statistical Insignificance of Seemingly Significant Experimental Results. *The Quarterly Journal of Economics*, 134 (2), pp.557–598.

**Ricardo Lagos and Shengxing Zhang.** 2019.

A monetary model of bilateral over-the-counter markets. *Review of Economic Dynamics*, 33, pp.205-227.

# STAFF INDEX 2018/19

**Professor Philippe AGHION**

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**Professor Nava ASHRAF**

Professor of Economics; Research Director, Marshall Institute for Philanthropy and Social Entrepreneurship

**Professor Oriana BANDIERA**

Professor of Economics; Director of STICERD

**Professor Sir Charles BEAN**

Professor of Economics

**Dr Gianluca BENIGNO**

Reader in Economics

**Professor Erik BERGLÖF**

Professor in Practice

**Professor Tim BESLEY**

School Professor of Economics and Political Science; W. Arthur Lewis Professor of Development Economics

**Dr Mohan BIJAPUR**

MSc Tutor

**Dr Margaret BRAY**

Reader in Economics

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Assistant Professor of Economics

**Dr Christopher DOUGHERTY**

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Lecturer in Economics

**Professor Alessandro GAVAZZA**

Professor of Economics

**Dr Matthew GENTRY**

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**Professor Maitreesh GHATAK**

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Professor of Econometrics

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School Professor of Economics and Political Science

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**Professor Sir Christopher PISSARIDES**

Regius Professor of Economics; Chair of the Centre for Macroeconomics

**Professor Ronny RAZIN**

Professor of Economics

**Dr Daniel RECK**

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**Professor Ricardo REIS**

A W Phillips Professor of Economics



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Ronald Coase Chair in Economics and School Professor

**Professor Alwyn YOUNG**

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**Dr Shengxing ZHANG**

Assistant Professor of Economics

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**Professor Per KRUSELL**

Centennial Professor

**Professor Benjamin MOLL**

Visiting Professor

**Professor Torsten PERSSON**

Centennial Professor

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Emeritus Professor of Economics

**Professor Lucien P FOLDES**

Emeritus Professor of Economics

**Professor Richard JACKMAN**

Emeritus Professor of Economics

**Professor Lord Richard LAYARD**

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**Mr Jim THOMAS**

Emeritus Academic

**Professor Christine WHITEHEAD**

Emeritus Professor of Housing Economics

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# 4

## RESEARCH CENTRE BRIEFINGS



The Centre for Economic Performance is now one of only two ESRC Research Institutes, in recognition of its decades-long contribution to the advancement of evidence-based, policy-relevant research.

The CEP focuses on applied economic research studying the determinants of, and connections between, economic performance at individual, firm, national and global levels. Research on globalisation, trade, the labour market, inequality, productivity and growth is at the core of the Centre, while it also produces work in emerging cross-disciplinary research areas, including crime, wellbeing, gender and social mobility.

CEP research continues to inform the public debate on the economic effects for businesses, UK households and workers of leaving the European Union, with over 2m website hits of our Brexit work to date.

**Stephen Machin**, Professor of Economics, Director of CEP



## BREXIT: MYTH-BUSTING

CEP research continues to inform the public debate on the economic effects for businesses, UK households and workers of leaving the European Union, with over 2m website hits of our Brexit work to date. We kicked off the year with a conference in September 2018 looking at the priorities for UK economic policy in a post-Brexit world. In November, a highly-publicised Stephen Fry YouTube video, *Brexit: Facts vs Fear*, featured CEP research countering the assertion that immigration is to blame for Britain's falling wages.

Our early Brexit analysis was driven by theoretical and modelling insights developed by those at the CEP Trade programme, including Dr Swati Dhingra and Dr Thomas Sampson. This year these trade models have been used by CEP researchers in real time to look at the economic consequences of different withdrawal agreements negotiated with the EU, as scenarios emerged including a no-deal. Researchers have also gone on to analyse post-referendum data, challenging the myth of Global Britain with work uncovering a

drop in inward and outward FDI, slowing economic performance, reduced real wages and training in the UK, as well as a negative impact on wellbeing for both leave and remain voters.

## IMPROVING NATIONAL PRODUCTIVITY

Another focus of the Centre's research has been how to tackle sluggish growth in the UK economy and the need for coherent, sustainable industrial policies. The establishment of an independent Industrial Strategy Council chaired by Bank of England's chief economist Andy Haldane, in November 2018, sprang directly from the proposals CEP set out in the LSE Growth Commission of a new framework to govern UK industrial policy to make it more transparent, data driven and to sit outside the political process.

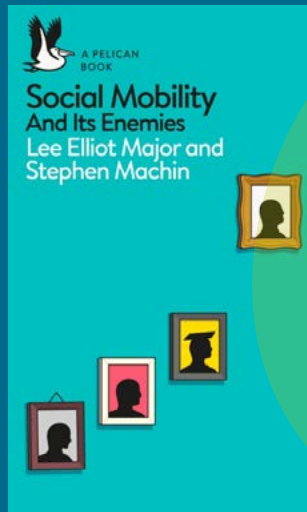
In May, the Centre organised a one-day conference on Industrial Policy in advanced economies in the 21st century, bringing together leading academics and policy makers. Harvard's Professor Dani Rodrik gave the keynote, with headlining talks

by Professor John Van Reenen and Dr Swati Dhingra. A rich and frank discussion was held under Chatham House rules, moderated by CEP Research Director Professor Henry Overman, with the Chair of the Industrial Strategy Council, alongside leading representatives from BEIS, UKRI, CBI and BMWi.

The CEP has two ESRC Innovation Fellows working on research-based industrial strategy and engaging with government on related policy issues. Dr Anna Valero has received further funding this year for innovative projects introducing AI for SMEs, and mapping the state of technological change in the UK.

## STUCK GENERATIONS

Building on his landmark research with Jo Blanden and Paul Gregg - conducted at the Centre in the early 2000s, highlighting the deterioration of economic mobility across generations, and which propelled social mobility to the top of the policy agenda for the last two decades - this year CEP Director Professor Stephen Machin co-authored *Social Mobility and its Enemies* looking at



the cost to Britain of having the lowest and worsening social mobility. The authors ask how social mobility has changed in Britain over the years, looking at new data, as well as questioning the shifting role of schools and universities in creating a fairer future, and the key to what makes some countries and regions so much richer in opportunities. The book comes with a set of clear policy proposals of how to redress such inequality, and was launched at LSE, chaired by Director Minouche Shafik, in October 2018.

## FUTURE OF WORK

Our researchers continue to work on issues related to the future of work, including the gig economy, the impacts of AI, and changes to the labour market. Data resulting from a CEP-commissioned survey of 20,000 workers, with a particular focus on atypical workers and the solo self-employed in the UK, recently led to the publication of work shedding new light on the preferences of those in alternative working arrangements. And this year researchers at the Centre received a Turing-HSBC-ONS Economic Data Science Award to study “Dimensions of Labour Supply in the Gig Economy”, led by Stephen Machin. We continued our role in informing the debate on the National Living Wage

with new research on its influence in the care home sector, and have also put out work led by Associate Professor Guy Michaels tracking the earnings impacts of occupational decline.

## GLOBALISATION BACKLASH

The trend of increasing global integration in the past few decades now appears to be slowing or even reversing. To address critical issues of technological change, the role of education and training and the future of work for those clearly left behind by globalisation, CEP hosted ‘Trade Week’ in June 2019. This was a new initiative that saw policy panels bookended around cutting-edge academic presentations at the European Research Workshop on International Trade (ERWIT), with Professor Elhanan Helpman from Harvard, Yale’s Professor Peter Schott, and Marion Jansen from the UN and WTO’s International Trade Centre.

## KEEPING UP TO DATE WITH OUR WORK

CentrePiece’s current issue provides quick-reads on much of our Brexit and trade work, and more. Previous issues this year covered economic history research, including Professor Jorn-Steffen Pischke’s work on Iron Age exploration, and Dr Jeremiah Dittmar on the impact of the printing press. The next issue comes out in November 2019.

More CEP events are also upcoming, including the Conference in Urban and Regional Economics (CURE) and accompanying summer school, and the Centre for Vocational Education Research (CVER) annual conference in September.

We use our Twitter account to publicise our work, events and coverage; follow us at [@CEP\\_LSE](https://twitter.com/CEP_LSE).

**Stephen Machin**  
Professor of Economics | Director of CEP



## CENTRE FOR MACROECONOMICS

The Centre for Macroeconomics (CFM) is the premier research institute in macroeconomics in the United Kingdom, engaging in fundamental research on key issues that range from financial crises to inequality, and providing a bridge to economic policy and policymakers. The CFM brings together a diverse – but interconnected – set of institutions, ranging from policy making (Bank of England) through applied policy research (National Institute of Economic and Social Research) to academia (University of Cambridge, University of Oxford, LSE, and University College London), and includes more than 120 researchers. This creates a unique environment for imaginative, policy relevant, and intellectually robust research. The CFM is funded by the Economic and Social Research Council (ESRC), and was founded in 2012.

The Centre's main research activities in the past were divided into five major research programmes which address the key issues of unemployment, fiscal austerity, financial markets, shifts in the world economy and the development of new methodologies. In its second stage, the Centre is pursuing six research agendas on the UK's role in the global economy, the interaction between inequality and macroeconomic dynamics, the changes that technology brings about to the labour market, the evolution of the world income distribution, the management of public and household debt, the future of monetary policy, and the development of new methodologies.

Research is disseminated through close to one hundred public lectures, workshops, and seminars every year. Research is published through a discussion paper series on RePEc (Research Papers in Economics), and disseminates through numerous joint events with policymakers and presence of the Centre's research in all major macroeconomics policy debates. The CFM survey (organised jointly with the Centre for Economic Policy Research, CEPR) gives a voice to academic macroeconomists who are typically not active in the media, providing a comprehensive picture of the views within the academic community on key topical questions.

More information can be found at [cfmsurvey.org](http://cfmsurvey.org)

## NEW RESEARCH FOCUS

Through the first six years of its existence, the CFM firmly established itself at the forefront of the major macroeconomic debates. It is a world-leading academic research institution with high-profile impact outside academia through numerous public lectures and interactions with policymakers. During 2018/19, the CFM restructured its activities and re-set its goals for the coming years. The new research areas are:

### 1. The UK's position in the global network of trade and capital flows

Fundamental research is needed on what to expect from fluctuations in the exchange rate, on the proclivity to 'sudden stops' as a result of the large gross capital flows in and out of the UK, on the transmission of external shocks to the domestic economy, and on how policy must adapt to the volatility inherent in the transition process

out of the European Union. The UK's challenges are specific and unique, given its size, proximity to a much larger trading partner, and role as a leading financial centre.

### 2. The interaction of inequality and macroeconomic dynamics

The CFM is the world's leading centre for research on inequality in macroeconomic dynamics. The goals are to conduct further research on the diversity of production networks, on how inequality feeds into the business cycles, and on how policies have new transmission mechanisms through the income and wealth distributions, together with an effort to develop benchmark models that spread into teaching curricula and are applied to a wider set of research questions.

### 3. Technology and the labour market

The related forces of automation, population ageing, trends in leisure, and concentration of economic activity will interact to pose unique challenges to the macroeconomy. Our research will highlight the macroeconomics of each of these topics, which are often studied at the micro level but which tend to miss out on the interlinkages that lead to a significant aggregate impact.

### 4. Development and the world income distribution

The fourth area aims to dig deep into the causes of stagnant productivity in the UK and elsewhere, understanding how the world income distributions will change, and explaining how to make growth inclusive with shared gains among different groups in the population.

## NEW RESEARCH FOCUS

(CONTINUED)...

Our members include leading researchers and past policy-makers who will reflect on the desirable features of the new global financial architecture, and how to reshape the roles and competences of UK economic policy institutions. The central goal is to understand the design of the institutions of the future.

### 5. The national and private debt: fiscal policy and consumption

There is a trade-off between the desire for redistribution and the role of social welfare programmes in the business cycle on the one hand, and the large and long maturity of public debt on the other. Choices of household mortgage debt interact with the choices regarding public debt and simultaneously affect macroeconomic stability. We aim to collect new data, apply new methods, and rethink fiscal policy well beyond current debates about austerity.

### 6. The future of central banks and monetary policy

The past decade saw great changes in central banking. The next decade promises more, with the emergence of digital currencies, active macro prudential regulation, and persistently low inflation. The CFM will be doing research that shapes what the central bank of the future will be.

### 7. New methodologies

Complementary to the previous six goals is developing and adopting tools from data science, creating new numerical tools to solve models, integrating micro data and macroeconomic models, exploring alternative models of expectations, and introducing new approaches to reliably identify economic mechanisms.



## INTERNATIONAL GROWTH CENTRE

### The International Growth Centre: 10 years of research and policy impact

This year, the IGC celebrates its 10-year anniversary. Since its founding in 2009, the IGC has significantly expanded its scope: its policy impact has reached over 20 countries globally, its research's direct influence on policy has achieved new heights, and its global leadership in academic and policy arenas has grown.

The IGC has a distinctive approach to tackling extreme poverty – closely working with policymakers to draw on frontier research to generate new ideas and innovative policy solutions. The IGC believes that to tackle the root cause of mass poverty in low-income countries, economic transformation that generates increasing numbers of productive jobs to enable people to move en masse into higher productivity activities is needed. This transformation requires new thinking, new context-specific evidence, and new practical approaches.

## IMPACTFUL RESEARCH THIS YEAR

In 2018/19, the IGC had 174 independently-audited cases of policy impact across 20 countries, where research projects had significant influence on policy discussions and decisions – possible through the organisation's focus on responding directly to policymaker demands and its strong, long-standing relationships with governments.

IGC's research and policy engagement focuses on the four drivers of economic transformation – effective states, productive firms, functioning cities, and accessible and sustainable energy.

On state effectiveness, the American Economic Review published an IGC study that used mobile phone data to predict wealth and other socio-economic characteristics in Afghanistan with high accuracy. Results demonstrate the potential for large-scale quantitative measurement that is much cheaper than traditional research methods.

A seminal IGC study examining the impact of incentivising Pakistani tax inspectors through performance-based job postings was also published in the American Economic Review this year. Findings show the intervention increased annual tax revenue growth by 30-41%.



An IGC public event on advancing women's economic empowerment in developing countries

On firms, the IGC's research helped inform Ghana's ambitious 'One District, One Factory' policy which aims to facilitate the building of a new factory in each of the country's 216 districts. Researchers undertook a comprehensive survey of district officials and local property owners and found unexploited resources exist in almost every district in Ghana. Researchers compiled the findings into a guidebook that is now being used by policymakers to inform future decisions on the policy.

On cities, an IGC study used electronic billing machine data to understand economic activity in Rwandan cities and mapped trade between these cities and regions – a method with potential to change policymaking on a city level.

On energy, an IGC randomised experiment in Bangladesh examined how low-cost information campaigns that provide advice and address social norms can help households conserve energy. Results suggest that campaigns providing advice on saving energy could significantly reduce households' energy consumption. The reduction in electricity consumption also increases over time as households receive repeat information. For example, a reduction of 8% after two months grows to a reduction of 14% after seven months.

### GLOBAL POLICY INITIATIVES

On the global stage, IGC's new policy initiative Reducing State Fragilities is taking forward the findings and engagements of the LSE-Oxford Commission on State Fragility, Growth and Development, which released its final report Escaping the Fragility Trap in April 2018. The new initiative is coordinating a forum convening leading development finance institutions such as the International Finance Corporation, CDC Group, and African

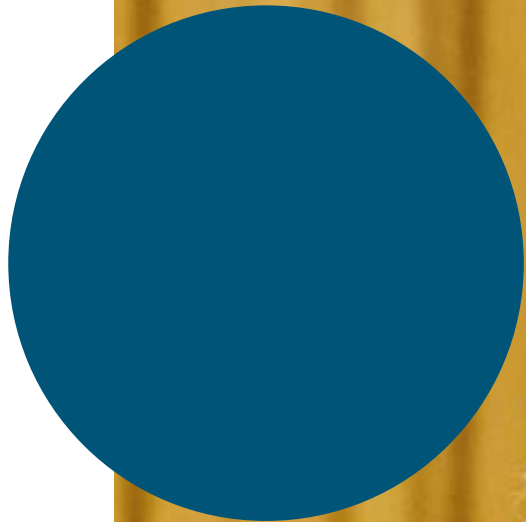
Development Bank to better collaborate on investments in fragile and conflict-affected settings. The IGC's other policy initiative on urbanisation, Cities that Work, expanded its research and policy engagement to 19 middle-income cities this year through exciting work with UN-Habitat.

In March 2019, the IGC also launched the new Small and Growing Business (SGB) Evidence Fund, in collaboration with the Aspen Network for Development Entrepreneurs (ANDE). The three-year fund supports collaborations between researchers and practitioners to understand the most effective ways to support SGBs and the economic and social impact of SGB growth. It will commission new research projects annually, beginning in late 2019.

### FUNDING AND PARTNERSHIPS

The UK Department for International Development (DFID) has supported IGC's vision throughout the life of the organisation, and this year reiterated its strong support by committing to fund IGC research and policy work for the next seven years. Other funders are also importantly supporting more targeted areas of the IGC's work including the Bill & Melinda Gates Foundation on poverty alleviation in India, Rockefeller Foundation on building a resilient health system in Sierra Leone, UN-Habitat on cities, and Argidius Foundation on small and growing businesses.

Beginning in September 2019, the IGC will be launching a global communications campaign to celebrate its first decade of research and policy impact. The campaign will feature new publications and public events on economic growth topics at the forefront of global debates.



**The 2018/19 academic year has been as busy as ever, with numerous interesting seminars, visitors arriving, and the usual activity of research and teaching.**

We awarded 27 STICERD grants to colleagues throughout the School, from PhD students up to Professors, on a wide range of topics from 'Matching Doctors and Patients: Evidence from Quasi-Random Allocation in Sweden' to 'Social media, political representation and populism'. In addition to the research grants, STICERD continued to offer support for PhD students in any of the Centres' research groups from the Michio Morishima Fund. Ten students received funding to cover research expenses this year.



# STICERD

Suntory and Toyota International Centres  
for Economics and Related Disciplines

Research at LSE ■



We again welcomed over 20 visitors to the Centre over the year from all over the world, including regulars Torsten Persson and Michael Kremer as well as a number of junior visitors like Didac Queralt and Abi Adams, who welcome the opportunity to meet a wide range of colleagues and discuss their work. The facility to foster this academic interchange is vital to the life of the centre and is of benefit to the academic community as a whole.

One of our visitors, Michael Kremer, gave a fascinating and well-attended public lecture in February, the Kapuscinski Development Lecture sponsored by the UNDP. In his lecture, "Netflix for Agriculture: Digital Technology for Development",

he discussed the potential of ICT for development by examining the case of mobile-phone enabled agricultural extension for smallholder farmers. The 2018 Morishima Lecture was given by Daniel Markovits of Yale Law School on "The Meritocracy Trap". His premise is that merit is not a genuine excellence but rather a pretence, constructed to rationalise an offensive distribution of advantage. Merit, in short, is a sham. This generated a lot of lively discussion from the large audience in the Old Theatre.

In memory of our much-missed colleague, Tony Atkinson, the School has established a new PhD scholarship, funded jointly by STICERD and the Department of Economics. Agnes Varga is

the first recipient of the Atkinson MRes/ PhD Scholarship and she joined LSE in 2018 after completing a BSc in Political Economy at King's College London. Her research is planned to centre around the relationship between inequality and economic efficiency, particularly focusing on the role of redistributive policies, i.e. how lower inequality induced by such policies might differ from ex-ante equality in its implications for economic performance.

# 5

## OUR ALUMNI

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### ALUMNI PANEL DISCUSSION

As a BSc EME undergraduate, **Takaaki Sagawa** (BSc EME 2019) gained an internship at Cornerstone Research where he crossed paths with fellow LSE Department of Economics alumni Aritra Sen (MSc Economics 2018), Kelly Qiu (BSc EME 2017) and Richard Adkins (BSc EME 2017). Takaaki will spend the next year in a pre-doctoral position at the World Bank, working under the supervision of LSE alumnus and Assistant Professor of Harvard Kennedy School Anders Jensen (BSc EME 2010, MSc Economics 2012, PhD 2016), Anne Brockmeyer (PhD 2013) and Pierre Bachas (BSc 2009, MSc Economics 2010).

Takaaki caught up with his fellow LSE Department of Economics alumni Aritra, Kelly and Richard to discuss life after university and the benefits of belonging to LSE's expansive community.

**Takaaki: How has the LSE community played a role in your life after LSE?**

**Aritra:** I think the LSE alumni community is probably quite helpful in setting up your life after LSE because you can reach out to them, and talk about career paths and the jobs they're doing and whether or not they are enjoying it. I think given that people at LSE studied very similar degrees, you often end up working with people from LSE which is what we have here – we have three people who went to LSE so I think that there is an element of familiarity as you enter your career.

**Kelly:** Following up on that, I think that we're very lucky here at Cornerstone having so many LSE alumni. It's great having an LSE community at work as we have lots of common ground to talk about and experiences to share. I think that has been a positive role in work after LSE as well.

**Richard:** When you're at LSE, you just kind of build this network around you and you just randomly bump into people and it just means that you have a familiar face in lots of random situations which can be quite useful sometimes.

**Takaaki: Would you say that's specific to working at Cornerstone, London or just in general?**

**Richard:** I think London helps and it's not necessarily anything like a Cornerstone thing, I think that if you do anything related to finance or economics, you will bump into someone, but definitely a lot of the London community is at LSE or was at LSE.

"It's great having an LSE community at work as we have lots of common ground to talk about and experiences to share."

**Kelly Qiu**



**Takaaki:** In terms of the community lastly, based on what you see with people from other unis, do you think there are certain things that make the LSE community very unique?

**Aritra:** I feel that people sort of end up in similar fields based on how narrow LSE is and how specialised it is. People either end up in consulting, banking or law. Most people that you enter uni with have similar career paths. That helps with generally having networks with people once you leave.

**Kelly:** It helps that we are generally based in London as well. Most of us tend to stay in the same area.

**Richard:** Which is massively different from other schools. Because historically, tonnes of LSE students have ended up in London city jobs, it means that tonnes of LSE students end up here.

**Takaaki:** Do think this community is in the cohorts or these things happen across people who are much older than you?

**Richard:** It can be across cohorts. I've had conversations with our head of office and our advisor because we went to the same halls at LSE. It's just random connections

like that, which you wouldn't necessarily have with people who didn't go to LSE.

**Takaaki:** Moving on to how your work relates to your degree. How do you feel your degree from the Department of Economics relates to what you do at Cornerstone or how do they overlap?

**Richard:** Particularly for my second and third-year modules, some of them have quite a large overlap. I did a Quantitative Finance course in my final year which I've used quite a lot in the work that we do here. I've touched on some of the econometric materials from second year. Those are the two that have been very useful for me.

**Kelly:** I think the most useful for me was doing my dissertation in my third year, I worked with lots of data, so coming into Cornerstone I've been able to build my product knowledge and use that knowledge in lots of my case work. I think that's the biggest skill that I took away from my undergrad.

**Aritra:** I think it's also in just ways of thinking. I think it's also when you go to meetings and a lot of times you have to think about not necessarily using specific things you learned on a course but just generally how you think about incentives,

for example. If you were discussing a competition case on how bargaining power comes into play, the way you were taught at LSE kind of makes you have these things in mind. I think they are often quite relevant to what we do here.

**Takaaki:** What do you think is the best part of being an LSE alumnus?

**Kelly:** Community! So, I think just based on our discussion so far, it's great to have a community of LSE alumni in London or in different sectors and also around the world. There's LSE alumni around the world in different capitals around the world and that's great to be part of that.

**Richard:** Yeah, it's about building a network, really. You're right, it's not just London. It's a lot of major cities around the world. Just having connections. If I visit one of our US offices, I know people in those cities who I can just text and that's a super-useful thing, and it's kind of unique to LSE. The library membership is also quite useful.

**All:** [Laughter]

**Richard:** Yeah. Way after you've left LSE, you still use the LSE Library all of the time.

**Takaaki:** Learning never ends.

## JEREMY HEYWOOD OBITUARY



*Jeremy Heywood.*  
*Photograph: Steve Back*

### **LSE Director Minouche Shafik shares memories of friend and LSE Economics classmate, Lord Jeremy Heywood.**

*Minouche and Jeremy met as students at LSE while doing an MSc in Economics in 1985. In this tribute, Minouche says Jeremy 'was a true servant of the people and a loyal and loving friend to those of us who had the privilege of knowing him.'*

**Jeremy Heywood**, who passed away on 4 November 2018, was the outstanding civil servant of his generation and the indispensable advisor to four prime ministers. He was also a friend of 33 years since we met as students at LSE while doing an MSc in Economics.

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We formed a study group with other friends and would meet regularly in the then smoke-filled Wrights Bar or occasionally in the Shaw library to exchange notes and solve problem sets together. Jeremy was clearly the most clever among us, but he was also mischievous and fun – it didn't take much to extract him from the library where he was annotating obscure economics articles in his tiny, orderly handwriting to go out for a glass of Pinot Grigio (his favourite).

Jeremy had been sent to LSE on a scholarship from the civil service. That bit of public investment paid off handsomely in a 35 year career culminating in becoming Cabinet Secretary in 2012. He was at the centre of every major policy challenge facing the UK – Black Wednesday, the G20 summit in Gleneagles with its focus on making poverty history, the 2008 financial crisis and most recently, Brexit. I was a Permanent Secretary during the 2010 election when the UK had the first coalition government in decades and Jeremy coordinated efforts across Whitehall to make sure that government departments had prepared for all eventualities so that the will of the people could be done.

No 10 was his domain. Prime Ministers came and went but Jeremy was always there asking penetrating questions that made policy better, working tirelessly, keeping the machinery of government ticking over, juggling crises, nurturing his beloved civil service. He hated the limelight which inevitably came with being the most senior public servant in the land. He always emphasized the "servant" over the "public" aspect of the role. It was never about him but always about us. He was the best of us but he used his considerable talents to make us the best of ourselves.

Jeremy was fiercely loyal to his friends. Some might say it was because he did not like change

but I think it was because we kept him grounded while high politics swirled around him. He knew we loved him for who he was. He tried to answer all emails within an hour – whether you were the Prime Minister or his friend organizing an outing to the theatre. He was deeply egalitarian in his soul – from royalty to the most junior official – everyone was treated the same. His funeral was a roll call of "the great and the good" but what was most striking was the number of junior civil servants who told stories of Jeremy supporting them and how his soft-spoken probing encouraged them to make their ideas better.

In his professional life, Jeremy embodied the values of the civil service – honesty, integrity, impartiality and objectivity. He worked with hundreds of politicians, some of whom he liked and respected, others he may have not. But he served them all equally well. What made him special was his ability to give candid advice (and thereby stopping many bad ideas) and yet finding creative ways to achieve politicians' objectives in the best way possible. There is something very selfless (and dare I say noble) in such an approach and it is why Jeremy defended the civil service when it came under attack to remind us it is an institution that is the envy of the world.

Jeremy understood the importance of investing in the next generation and, in addition to the many he mentored personally, he developed a programme for training talented UK civil servants which was competitively awarded to LSE. Each year a cohort of (hopefully) 30 new Jeremys goes through the Executive Masters in Public Policy brimming with new ideas and a commitment to the public good.

His foibles were endearing. His academic brilliance was offset by complete incompetence in all things practical.

---

Jeremy never could drive properly, or cook, or fix anything. He hated exercise and for months sported a flimsy bit of gauze wrapped around his wrist so he could avoid having to do press ups on Clapham Common. He had more Blackberry phones (simultaneously) and held onto them for longer than anyone.

And he adored his family. He and Suzanne supported each other unconditionally and that was never more apparent than over the last year. Those of us who watched Suzanne's Herculean efforts all thought that if you are ever in trouble, you want her on your side.

Conversations during our dinners out were dominated by the children – their evolving political views and interests, musical accomplishments, and latest holidays. He was so proud of them and loved watching them grow up and discover the world. He also loved a good party, supported by his famous playlist, and was often the last one on the dance floor.

Jeremy was like the sun for so many of us – we all orbited around him. This was certainly the case for his friends, for his colleagues in Whitehall and for his family. That is why the world feels a bit colder and darker without him. His new title – Lord Heywood of Whitehall – and his burial in Westminster Abbey and the creation of a foundation in his name to support innovation in the civil service are fitting tributes to his enormous contribution to public life. He was a true servant of the people and a loyal and loving friend to those of us who had the privilege of knowing him.

**Minouche Shafik**, LSE Director  
November 2018

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# Economica

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Paolo Surico  
Catherine Thomas  
Karen Helene Ulltveit-Moe  
Justin Wolfers

and all Members of the  
LSE Economics Department

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ECONOMICS AND  
POLITICAL SCIENCE

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Catherine Thomas  
Karen Helene Ulltveit-Moe  
Justin Wolfers

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## ECONOMICA

*Economica* has had a good 2018/2019 season, with the publication of excellent new papers from a variety of leaders in economics, such as Orazio Attanasio, Philippe Aghion, Emmanuel Fahri, Aureo de Paula, Alberto Alesina, Abhijit Banerjee, Esther Duflo, and John Van Reenen, as well as several other papers by up-and-coming researchers. The journal's impact factor continues to be substantially higher than in years past. The journal continues to receive a rich inflow of submissions, which allows the editors to apply the highest acceptance standards: acceptance rates are between 5 and 10%. Pinelopi Goldberg delivered a smashing Coase Lecture on informality and the gig economy, which was very well attended by faculty and students alike. The text of the lecture will appear in *Economica* in 2020. Carmen Reinhardt will deliver the 2019 Phillips lecture in March 2020.

There has been some rotation in the editorial board with Gianmarco Ottaviano and Nava Ashraf stepping down, and Henry Overman and Noam Yuchtman from the Department of Management joining in. The Board is very grateful to Gianmarco and Nava for helping drive the rise in quality of the journal and looks forward to working with Henry and Noam. The first *Economica* scholar, Xitong Hui, has successfully completed the 2nd year of the MRes degree and is due to be upgraded to the PhD shortly.

Francesco Caselli, Co-Editor, *Economica*

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WILEY

## PUBLIC EVENTS 2018/2019

All Department of Economics' public events are free and open to all, and most do not require a ticket or pre-registration. Entry is on first come, first served basis.

Full details of our public events programme – including those co-hosted with other departments or LSE research centres – are available at: [lse.ac.uk/economics/events-and-seminars](http://lse.ac.uk/economics/events-and-seminars)



MONDAY 1 OCTOBER 2018

**Hosted by the Department and the Centre for Macroeconomics**

[The Fed and Lehman Brothers: setting the record straight on a financial disaster](#)

**Speaker:** Laurence Ball, Professor of Economics and Department Chair at Johns Hopkins University. He is also a Research Associate at the National Bureau of Economic Research and a consultant for the International Monetary Fund.

**Chair:** Ricardo Reis, A W Phillips Professor of Economics

**YouTube:** [youtube.com/watch?v=e1tGMiFQAnM](https://www.youtube.com/watch?v=e1tGMiFQAnM)

THURSDAY 14 FEBRUARY 2019

**Hosted by the Department and STICERD**

[Netflix for Agriculture? Digital Technology for Development](#)

**Speaker:** Michael Kremer, Gates Professor of Developing Societies, Harvard University.

He is a Fellow of the American Academy of Arts and Sciences, a recipient of a MacArthur Fellowship and Presidential Faculty Fellowship, and was named a Young Global Leader by the World Economic Forum.

**Chair:** Oriana Bandiera, Sir Anthony Atkinson Professor of Economics and Director of STICERD, LSE

**Podcast:** [lse.ac.uk/lse-player?id=4614](http://lse.ac.uk/lse-player?id=4614)

**YouTube:** [youtube.com/watch?v=ISj6SIC0Ppl&t=0s&list=PLDcsaphsDjB2IMvuaMI1QA1t\\_Xii08aan&index=3](https://www.youtube.com/watch?v=ISj6SIC0Ppl&t=0s&list=PLDcsaphsDjB2IMvuaMI1QA1t_Xii08aan&index=3)

MONDAY 11 MARCH AND TUESDAY 12 MARCH 2019

**Hosted by the Centre for Economic Performance**

[Lionel Robbins Memorial Lectures 2019: Liquidity and Leverage](#)

Lionel Robbins was one of the outstanding men of his time; economist, public servant and supporter of the arts. The lectures, which were established in his name, take place each year and are a major event in the life of the School, featuring eminent economists from around the world.

**Speaker:** Raghuram Rajan, the Katherine Dusak Miller Distinguished Service Professor of Finance at Chicago Booth.

**Podcast:** Liquidity and Leverage – Why Banks?

[lse.ac.uk/lse-player?id=4651](http://lse.ac.uk/lse-player?id=4651)

**Podcast:** Liquidity and Leverage – The Two Faces of Liquidity

[lse.ac.uk/lse-player?id=4652](http://lse.ac.uk/lse-player?id=4652)

WEDNESDAY 22 MAY 2019

**Hosted by the Department**

[Where will future jobs and growth come from?](#)

**Speaker:** John Van Reenen, BP Professor of Economics, LSE

**Chair:** Steve Pischke, Professor of Economics and Head of the Department of Economics, LSE

**Podcast:** [lse.ac.uk/lse-player?id=4692](http://lse.ac.uk/lse-player?id=4692)





## TUESDAY 4 JUNE 2019

### 2019 **Economica-Coase Lecture**

**An Unexpected Convergence: informality, the gig-economy and digital platforms**

**Speaker:** Professor Pinelopi Goldberg, is the Elihu Professor of Economics at Yale University and acting Chief Economist of the World Bank Group.

**Chair:** Oriana Bandiera, Professor of Economics and Sir Anthony Atkinson Chair in Economics at LSE, and Director of STICERD.

**Podcast:** [lse.ac.uk/lse-player?id=4707](https://lse.ac.uk/lse-player?id=4707)

## MONDAY 10 JUNE 2019

### Hosted by the Department and CEP

**Policy Panel: Lost Generations? Trade, Technology and the Future of Work**

**Panellists:** Swati Dhingra is Associate Professor of Economics at LSE and the Centre for Economic Performance.

Dorothee Rouzet is a senior economist at the OECD.

Peter Schott is Juan Trippe Professor of International Economics, Yale School of Management.

John Van Reenen is Ronald Coase Chair in Economics and School Professor, LSE.

**Chair:** Andres Velasco (Chair) is Dean of the LSE School of Public Policy

## WEDNESDAY 19 JUNE 2019

### Hosted by STICERD

**Jobs, Gender and Poverty – IZA/DFID G2LM | LIC Launch Workshop**

Professor Oriana Bandiera, Director of STICERD, will direct a new DFID IZA initiative on Gender, Jobs and Poverty. It has a budget of more than £10 million over five years to fund innovative research proposals on the link between jobs and poverty, and gender-specific barriers. On Wednesday 19 June 2019 the initiative was launched with an inaugural workshop held at LSE, with presentations by several leading scholars and a panel discussion.

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## RESIDUALS BY JOHN SUTTON

The lessons that stay with you longest are the little things you stumble upon for yourself.

On a cold Thursday in October 1966, I was writing up some statistics from an experimental setup that I had just finished putting together. The data looked good, all points lay closely along a beautiful straight-line and the standard errors told me that the slope I was trying to estimate was accurate to about 1%. I was running ahead of schedule and there was time to do the whole thing again. So the following Thursday, I set up everything and ploughed through the procedures. Once again, the results were sharp and the standard errors were tiny. There was just one snag. The slope was different to last time, by about 10%. There was no opportunity to run the experiment again and I never did get to the bottom of what had happened. The only thing I could safely conclude was that my beautiful setup wasn't so good after all and that it couldn't be trusted to deliver a result to more than plus or minus 10% or so.

What I had learned that day was that getting nice, small residuals in one dataset is a far cry from establishing a robust result. So when I picked up a newly published book (*The Hidden Half*, by Michael Blastland) and found the author saying this in the introductory chapter, I knew I was going to like what followed.

Let's begin with the obvious. If you're studying radioactive decay, the residuals represent random noise, pure and simple. When you're running regressions on economic data, they don't. They just capture the myriad influences, large and small, that you aren't including in the model. Moreover, some of these influences may be far beyond your ken and while they are small, dormant and negligible in the setting to which your dataset pertains, they may loom large in some other setting, leading to a dramatic failure to replicate. Blastland cites some examples from Development Economics, following Ester Duflo and Abijit Bannerjee. One relates to a widely applied programme offering nutritional support to mothers of infants. All went well, country after country, and then came a clear failure of the same programme when applied in one more country. The programme was based on providing information to, and offering support to, the mother; but in this new cultural setting, it turned out the actions of the mother were deeply influenced by the opinions of her mother in law...to whom the programme had no link.



Now the lesson that Duflo and Bannerjee draw is that each setting has special characteristics and immersing yourself in these is vital to success. Now as an I.O. economist, I of course strongly agree with this: our love of complementing statistical analysis with case studies is driven by our obsession with the particular. But we still strain to come up with general, overarching statements that have broad validity and if we gave up on that, we'd be giving up on Economics.

Historians like to divide colleagues into 'Lumpers' and 'Splitters'. Lumpers love big-picture generalisations; Splitters are intrigued by the unique features that litter every historical episode. Among the historians, the Splitters tend to be dominant. Economists, on the other hand, are Lumpers by instinct and must be trained to avoid temptation.

Now there's another new book that attacks a highly topical issue that is closely entwined with all this. David Epstein's *Range* goes back to Kahneman's distinction between the 'kind' environments that offer us robust statistical regularities and in which A.I. is now making spectacular progress (in Chess and Go, etc.), as against Hogarth's 'wicked' settings

where things are realistically messy. Traditionally, economists have attacked this latter domain with concepts like Fat Tails, Knightian Uncertainty or, more recently, various notions of Complexity, or Computability, but it is fair to say that this remains our deepest and hardest challenge. Economics, poised as it is on the edges of the Social Sciences, is centrally occupied with the search for orderly statistical regularities in a wicked world.

And here's the rub: Epstein argues that all narrow specialists who operate in kind environments stand to be replaced in the coming generation by A.I. It is the generalists, with their breadth of knowledge and flexibility of outlook who will prosper. Epstein makes the best case I've seen for complementing specialist knowledge with very broad interests. I hear echoes here of our endless pleas to our students to choose those optional courses that will maximally broaden their horizons. I wish I could put a copy of this book into the hands of every newly arriving undergraduate.



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# THANKS TO...

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