

**LONDON SCHOOL OF ECONOMICS  
HELLENIC OBSERVATORY**

**CALL FOR RESEARCH PROJECT PROPOSALS**

**THEMES**

1. Inflation and Price Rigidities in Greece: causes and characteristics
2. Assessing the impact of Privatisation in Greece on the subsequent management of the enterprise(s)
3. The effect on GDP of the opening-up of Closed Professions within Greece

The LSE's Hellenic Observatory invites researchers with a recognised interest in contemporary Greece to submit an application for funding in order to carry out a project on one of the themes highlighted above. This call has been made possible by funding generously provided by the National Bank of Greece, to which we wish to record our gratitude. This new initiative is consistent with the Observatory's mission to promote public policy research and to foster academic collaboration and networks.

The Call is open to all researchers with a university affiliation, who hold a doctorate (PhD degree) and have at least two years of post-doctoral research experience. Applications from groups of researchers are also eligible, but in this case all member of the research team should meet the eligibility criteria. Applications from researchers who have had an affiliation with the Hellenic Observatory at any time over the past two years as well as from researchers with a current LSE affiliation are not eligible.

Research grants of up to GBP £10,000 will be awarded to the successful applicant(s) for research on one of the themes, to be undertaken normally within a period of 12 months. It is expected that a total of two projects will be selected from this Call based on the quality of the proposal and the research record of the applicant(s). Payments will be made in two equal instalments, the first on commencement of the project and the second on completion of the defined outputs. The successful applicant(s) must provide a relevant research account in their host institution for the transfer of the grant.

Applications should be submitted electronically by the **deadline of Thursday 30th April 2009 (5pm GMT)** to [Hellenicobservatory@lse.ac.uk](mailto:Hellenicobservatory@lse.ac.uk). The subject line of the email should read "HO Call 2009" only and all application material should be in MS Word format. In their email the applicants should indicate the research theme addressed by their proposal. Applicants who are unable to submit their application in this form must contact the Hellenic Observatory office on +44 (0)20 79556066 at least 10 days before the advertised deadline.

## TERMS AND CONDITIONS

The award will be made by a Selection Committee appointed by the LSE solely on the basis of the application materials submitted. All applicants must provide (a) a project proposal (of up to 8 pages), detailing the research question, the conceptual framework and methodology, the empirical data, and the expected outputs; (b) an indicative budget (see below); (c) a copy of the CVs of all applicants; and (d) a cover letter, summarising the competencies of the applicant and/or research team in relation to the proposed research. For group applications, an additional document highlighting the structure of the team and the allocation of tasks across its members is required.

The indicative budget should justify the costs identified for the project. All types of costs are allowed - including costs for fieldwork, data, travel, consumables and research staff - insofar as they can be accepted as essential parts of the proposed research. Overhead costs of up to 15% are allowed, but these should be included in the budget (the total budget cannot exceed £10,000). The Selection Committee has the right to request additional information regarding budget costs and to award a smaller amount than the one requested or advertised. Awards must be used solely for the purposes set out in the application. An amount of up to 20% of the total budget can be transferred between budget headings without reference to the Hellenic Observatory. Requests for budget transfers in excess of this amount should be addressed to the Hellenic Observatory.

The Selection Committee is solely responsible for approving the eligibility of applications and reserves the right to request additional information from the applicants. Shortlisted applicants may be asked to participate in a telephone interview. In all cases, the decisions of the Selection Committee will be final. The Committee reserves the right not to make any awards or to adjust the number of awards it makes.

The successful researcher / research team will be required to provide an 'Interim Progress Report' (at the end of the 6<sup>th</sup> month of the project), a 'Final Report' (at the end of the project) and a full research/policy paper presenting the results of the project, in a manner suitable for publication in an international academic/scientific journal, for publication in the GreeSE Papers series of the Hellenic Observatory. The prospect of additional publications, in other outlets, stemming from the research project will be a significant criterion for the evaluation of the applications submitted.

The Hellenic Observatory will also cover the basic costs for the researcher (or one team member) to present the research findings at the LSE. The researcher (or research team) will be obliged to give full acknowledgement to the Hellenic Observatory and to the National Bank of Greece in all publicity and outputs related to the project, copies of which should be sent to the Hellenic Observatory. The Hellenic Observatory also retains the right to publicise a summary of the results, with full acknowledgement to the authors of the research, on its website and in its other publicity outlets.

## Call for Research Tender 1/2009

### Project Title: *Inflation and price rigidities in Greece: causes and characteristics*

Despite its strong convergence performance in the run-up to EMU, Greece has experienced inflation rates consistently above the EU average since the adoption of the Euro. High inflation rates erode not only real household incomes but also the *competitiveness* of the economy, while downward price rigidity (price stickiness) weakens its *adjustability* to exogenous shocks. Despite the size of the problem and the importance of its consequences, especially within a Currency Area, our understanding of the factors that explain the behaviour of prices in Greece (downward rigidity and high rates of growth) is still not fully developed.

We seek proposals that will examine a subset of at least two possible determinants of price movements in Greece, seeking to inform policy about the causes of inflation and propose relevant policy measures. An important distinction can be drawn here between factors that appear to be linked mainly to price-stickiness and factors which are more directly linked to upward price movements. With this distinction in mind, we are particularly interested in projects that will seek to cross-examine the *relative contribution* of three factors that concern directly key questions for policy, namely:

- oligopolistic price-setting (linked to competition / industrial policy)
- inflationary wage-setting (linked to wage bargaining / incomes policies), and
- inelastic product demand (linked to consumer and wider societal policies).

Major aspects to be examined are, respectively, the role of market structure and market power, in key sectors of the economy, in raising inflation and reducing downward wage adjustments; the impact of collective agreements in the public sector and in public utilities on driving wage-setting and affecting production costs in the economy; and the role of consumer behaviour for downward price rigidity, especially concerning the extent and importance of aspects such as conspicuous consumption, consumerism and bandwagon demand. Nevertheless, applications aiming at examining other possible causes of inflation are also welcome.

The proposed projects are expected to be small-scale quantitative research projects; however, proposals seeking to answer these questions with more qualitative methods of research, including fieldwork and survey questionnaires are also covered by this Call. For more information please refer to the General Guidelines of this Call or contact the Hellenic Observatory at [Hellenicobservatory@lse.ac.uk](mailto:Hellenicobservatory@lse.ac.uk).

## Call for Research Tender 2/2009

### **Project Title: *An assessment of the impact of the (Partial) Privatisation of a State-Owned Enterprise in Greece on the subsequent management of the enterprise***

Applications are invited for a research project that will examine the impact of privatisation of state-owned enterprises in Greece on their subsequent management. Over the last two decades, Greece has followed a number of privatisation programmes, leading to the partial or full privatisation of a significant number of formerly state-owned enterprises.

In this Call, we solicit applications for research projects in political science, management and/or business administration, which will identify the key managerial changes that were introduced and which will address some or all of the following questions:

- What has been the strategy for privatisation and what has shaped its implementation?
- How has senior management of the enterprise reacted to the development and implementation of the (partial) privatisation agenda?
- What has been the impact of the privatisation process on the working relations management has with government and the unions?
- To what extent has privatisation affected the seemingly entrenched patterns of political and partisan interference in the management of the company(ies)?
- How has privatisation affected the strategy and behaviour of relevant trade unions?
- How has privatisation affected the delivery of relevant public goods and the quality of the services provided by the organisation?

We envisage that the successful project will undertake either an in-depth analysis of one case study or a comparative study of two or three cases of privatisation. In either scenario, the research project will involve an appropriate range of interviews and, possibly, a survey of relevant personnel and outside observers; while the empirical analysis should involve attitudinal responses and appropriate case histories. Alternatively, applications for more quantitative approaches, involving more cases, are also welcome. The choice of enterprise(s) should be outlined and justified in the research proposal. It is expected that the research findings will be placed in an appropriate conceptual and comparative framework and this should also be explained and supported. For more information please refer to the General Guidelines of this Call or contact the Hellenic Observatory at [Hellenicobservatory@lse.ac.uk](mailto:Hellenicobservatory@lse.ac.uk).

## **Call for Research Tender 3/2009**

### **Project Title: The effect on GDP of the opening-up of closed professions within Greece**

Research proposals are invited that can contribute to public debate by providing an analysis of the implications of reforming the regulation of established 'closed' professions and protected industries within Greece and provide estimates of likely gains and losses in terms of GDP and GDP growth. A number of economic sectors and occupations in Greece have regulated entry restrictions which, while they offer relative income protection and job security to incumbent workers, also produce price distortions and reduce labour mobility and job creation. These include a range of economic activities, from kiosks to pharmacies, and from taxi or lorry drivers to energy production and distribution. In addition to institutionalised entry barriers, closed professions typically enjoy a number of other benefits, as monopoly providers, with potentially wider social costs (e.g. the application of social security fees on their market transactions, the so-called 'Third Party Taxation' – «Φόροι υπέρ τρίτων»). Nevertheless, entry restrictions may have both positive and negative effects. For example, they may offer incentives for innovation and human capital investment, or they may provide disincentives due to reduced competition. Similarly, they may contribute to welfare by ensuring price/income stability, or they may hinder welfare by allowing uncompetitive price-setting. With this call we invite submissions that will seek to provide qualitative or quantitative estimates of the costs and/or benefits, in terms of total welfare, of the opening-up of specific 'closed' professions within Greece.

Proposals may involve cross-country comparisons and draw upon historical case studies or reports of international bodies and institutes, as a basis for examining the distinctiveness or otherwise of the Greek case. Applicants will be expected to outline how they propose to study the Greek case and generate suitable evidence of likely impact. Research may select particular sectors for study or offer a more general comparison. In the former case, the basis for the selection of the particular sectors and their wider applicability/relevance should be explained. In the case of general comparisons, the applications should explain in detail how the general results can be made to relate to specific sectors and professions. Projects may also address the implications and directions for future government policy and strategy. The evaluation of proposals submitted under this heading will be particularly concerned with the originality and feasibility of the research design.

We envisage that the successful project will seek to contextualise not only the direct effects of the entry restrictions in the sectors under study, but also the wider implications (general equilibrium effects), with regard to the deregulation of these sectors. Technical proposals (e.g., using Computable General Equilibrium models and regression/simulation analyses) are encouraged, although we are equally open to proposals seeking to address the proposed subject using more qualitative/contextual methods. For more information please refer to the General Guidelines of this Call or contact the Hellenic Observatory at [Hellenicobservatory@lse.ac.uk](mailto:Hellenicobservatory@lse.ac.uk).