LSE

THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Economics Review

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Contents

Welcome to the Department of Economics **1**

Faculty Profile: Oriana Bandiera **2**

LSE economists appointed to top positions in CEPR **6**

British Academy Fellowships for Economics faculty **7**

Queen's Birthday Honours **7**

Public Events **8**

Research Centre Briefing: International Growth Centre **11**

New Appointments, 2014-15 **12**

Remembering W Arthur Lewis **12**

Arthur Lewis Symposium announces new Chair **13**

"Gearty Grillings" put economists under the spotlight **16**

Fellowships and Funding Roundup **18**

LSE Economics on social media: finding the right fit **19**

Professor Lord Stern receives 2015 Schumpeter Award **20**

Research Centre Briefing: Centre for Economic Performance **21**

Economica to be relaunched **21**

Faculty Awards **22**

Bill Phillips Anniversary **24**

Research Centre Briefing: STICERD **26**

Global Apollo Programme Launch **27**

BIEE 10 Year prize awarded to Professor Lord Stern **28**

Research Centre Briefing: Centre for Macroeconomics **29**

Student External Awards and Prizes **29**

Student Awards and Prizes **30**

Economics Research Students **31**

Job Market Placements **32**

Selected Publications **32**

Faculty Index **34**

Contributors **36**

Welcome to the Department of Economics at LSE

from the Head of Department, Professor Michele Piccione

Welcome to the *Economics Annual Review*. The 2014-15 academic year was the third and final year of my term as Head of Department. Professor Leonardo Felli will lead the department for the next three years. I have no doubt he will do an outstanding job, and wish him all the best.

We have been fortunate to have made several outstanding appointments this year. On behalf of the department, I welcome the new members joining us: Philippe Aghion (LSE Centennial Professor of Economics); David Baqaee (Assistant Professor of Economics); Sir Charles Bean (Professor of Economics, part time); Erik Berglof (Professor in Practice); John Curtis (Department Manager – Operations); Lord Mervyn King (School Professor of Economics and Political Science); Jen O'Connell (MSc Programmes Manager); Rachel Plume (Faculty and Graduate Admissions Assistant); and Ricardo Reis (Professor of Economics).

Finally, I would like to take one last opportunity to thank wholeheartedly colleagues who, with their support and advice, have helped me to meet the enormous challenges associated with leading a world-class economics department. The commitment and enthusiasm of our academic and administrative staff are key inputs for our performance and I gratefully acknowledge the generous efforts that my colleagues have put into the delivery of our ambition to be among the very best in teaching and research.

Aerial view of LSE campus © LSE 2015

Faculty Profile: Oriana Bandiera

Oriana Bandiera is a Professor of Economics in the Department of Economics, the Director of the Suntory and Toyota Centre for Economics and Related Disciplines (STICERD), and a fellow of the British Academy, CEPR, BREAD and IZA. She is co-director of the research programme in State Capabilities within the International Growth Centre (IGC), and of the research programme in Development Economics at CEPR. She is co-editor of the *Journal of Labor Economics* and *Economica*. Her research focuses on the ways in which incentives affect people's behaviour, and how far these effects depend on social context or social relationships. She was the 2011 recipient of the Carlo Alberto medal, which is awarded biennially to an Italian economist under the age of 40 for outstanding research contributions to the field of economics.

What is your family background?

I grew up in Syracuse in Sicily, the same town as our Head of Department, Michele Piccione. It's a small city on the coast, with many Greek and Roman ruins, so there are a lot of tourists. Both my parents worked full time. My mum was a high school teacher, and my dad was a lawyer. It was a lovely background to grow up in, very study-oriented, and there was never a question about whether I would go to university.

When did you realise you wanted to study economics?

I originally wanted to study philosophy or maths, but my parents were worried that if I did, I would either be unemployed or very poor for the rest of my life, so they suggested I should study something that would give me an income. Economics seemed like the best solution, because it fell in between philosophy and maths, and would be a bit more useful in terms of the questions it asks, which tend to be practical. Also, it meant I could go and study at Universita Bocconi in Milan, which was very appealing to me at the time: I was seventeen, and Milan was a big city, and very exciting.

What sort of a student were you?

I had been an average student in primary and secondary school, but when I got to university, I understood what I was supposed to be doing for the first time, and it all fell into place. I worked hard, and did very well. After I graduated, I was offered a place on Bocconi's new Masters programme. Studying for one more year sounded great, and I was offered some fee remission, so I took the place.

During my Masters, I met Fabio Schiantarelli of Boston College, who was teaching for a year at Bocconi. He encouraged me to continue with economics, and offered me a place in the PhD programme at Boston College. I spent the next five years there, graduating in 2000. It was a very intense period for me, but I managed to stay focussed on my research.

My thesis was in development, but nobody at Boston College was working specifically in development at that time, so I ended up with three supervisors in three very different fields. The first was an expert in urban economics and public finance, Richard Arnott; the second an expert in international trade, Jim Anderson; and the third was Fabio Schiantarelli, a macroeconomist. This was good for me, as it allowed me to broaden my research interests, and in fact, I wrote papers with both Jim Anderson and Fabio Schiantarelli.

How did you come to join the LSE?

After five years in the USA, I knew I wanted to return to Europe, preferably to a big city, and LSE is the best in Europe, so it was on my list. It was really funny, because when I entered the job market, my mum called me up and said, "I saw an interview on the telly with an Italian professor who works in a place called LSE. I think you should go there."

Being a true Sicilian mum, she came to the job market interviews in New York with me. She was brilliant. Between one interview and the next, I would go to my hotel room, where she and her friend would have a pile of sandwiches waiting for me, and a nice hot cup of tea – it was winter, and freezing cold! – and her friend would give me a massage: I was like Rocky Balboa! And then one day, we went to Starbucks to get a cup of coffee, and my mum suddenly started shouting, "There's that Italian professor! That's him!" in Italian, pointing

at a man across the café, forgetting that he was Italian and could understand her. I was so embarrassed. It turned out to be Leonardo, Leonardo Felli, our new Head of Department. I did meet him later in the week, and my mum was very excited; I tried to persuade her that it wouldn't be easy to get a job at LSE, but she was determined, telling me "You'll get it!" and true enough, I did.

How did your research interests develop during your early years as a researcher?

When I was studying for my PhD in the late 1990s, I started to realise that there was a limited understanding in economics about what motivates people, and I became interested in exploring this. For example, think of the relationship between an employer and an employee. The employer wants the employee to do something; the employee might want to do something else. The problem is that what the employee does for most of the day is mostly unobservable, so incentives are often put in place to align the interests of the employee with the interests of the employer.

Economics tends to emphasise financial incentives, taking the employee out of the context of the broader set of motivators that could shape their behaviour, such as their families, how other people perceive them, what other people in the same workplace are doing, whether they are working with friends or not, whether they like their job, what they believe the employer thinks of them, whether they think the job is a useful one. All of these factors motivate them. It's a rich set of motivators beyond the amount of money that they can earn. I thought there was a lot of work to do on that topic.

I began to move more and more towards trying to incorporate insights from sociology and psychology into economics, and into understanding what shapes peoples' motivation. I started by working with firms in the UK, and that's when I became known as a labour economist. You know, there's a funny tendency in economics where if your empirical work relates to a poor country, you're described as a development economist, but the moment you ask exactly the same question in a rich country, you're called either a labour economist or a public finance economist. It is very strange.

Is it becoming more fluid, the interchange between different disciplines, or are people still quite tribal?

It still tends to be tribal. It can be a challenge to enter a well-established field with lots of very experienced researchers. It's very hard to say to those people, "I'm new here, but I think I have a good idea," because you worry that those people might say "What are you doing here? Go back to your own field and stay there!"

But it keeps me sane to work in different fields, and I think there's a lot to learn from other disciplines, not just outside economics, but also within economics. When we hold recruitment seminars, for example, and the whole department attends, with colleagues from all the different fields, it's very enjoyable, and we learn a lot from each other. The same is true of events like the Atkinson lectures which STICERD started this year (see page 26): the whole department was invited, and it was very stimulating, very interesting.

Which strand of your research do you think has had the most impact on ordinary people?

Definitely my new work with Nava Ashraf in Zambia, where we worked with the Ministry of Health on their campaign to recruit new Community Health Workers (CHWs) in rural areas. The Ministry wanted to attract local volunteers who were already active in their communities, train them, and give them a proper job as civil servants, eligible for promotion within the ministry. However, there was concern that once the former volunteers had official qualifications under their belts, and a job in the Ministry's hierarchy, they would lose their enthusiasm for helping their local communities, and leave to seek better paid jobs in urban areas.

Oriana walking between villages in the catchment area of the Kalovya Health Centre, 2014.

After some preliminary research, we decided to start by measuring the effectiveness of the recruitment campaign in attracting the right kind of applicants. Two versions of the recruitment poster were designed. One version invited applicants to "Serve your community; become a community health worker!"; the other was identical, except that it emphasised skills training: "Become a community health worker to gains skills and boost your career!"

Nobody knew which poster would be most successful at attracting the right people for the job; in fact, everybody was expecting the opposite answer to the one we found, which was that the career-focussed poster works a lot better at attracting committed, skilled local people. The CHWs recruited with the career-focussed poster delivered services very effectively compared to the other group (for example, over 18 months, they visited 29 per cent more households than the other group). More recently, we carried out a survey of health outcomes in the two groups, and found a 25 per cent reduction in malnourishment in children in the areas administered by the CHWs recruited via the career-focussed posters. When I saw the results, I was so happy, but at the same time, I was scared, because we could have made a difference the wrong way.

The Ministry of Health is now using the same tactics to recruit CHWs across the country, and the same principles are now being applied to the recruitment of CHWs in Sierra Leone. Paul Farmer, who is a leading figure in the School of Public Health in Harvard, is also spreading this message around, so we are hoping this strategy will be adopted more widely.

Your work on US migration in the early 20th century seems like an outlier. How did you get involved in it?

Sometimes research ideas come out of the weirdest places. My husband and I were at the Ellis Island Museum in New York, where they have public computer terminals that let you type in your ancestor's name so that you can find out which boat they arrived on. We knew that the information must exist electronically somewhere, and after a little investigation, we found out that the Mormons had been transcribing all the names of all the people from the ship manifests from 1850 to 1924 when Ellis Island closed down. We thought it was such a cool dataset that we had to pursue it! We managed to get access to it, and used it to study migration in general, and return migration in particular.

What we discovered was surprising. When we compared the data from the Ellis Island manifests to the results of the US Census, we were able to show that over that period, not only did many more people enter the USA than is commonly believed, but also that significant numbers of people left the USA, and returned to their countries of origin. Our best estimate is that 60-75 per cent of US immigrants returned to Europe. This is twice as large as the official estimates!

Let's talk about another area where your research has the capacity to make a huge impact on peoples' lives: childcare and parental leave.

It's a difficult crusade. The UK's productivity levels are appallingly low. At the same time, we have a large number of highly skilled women who stay at home with their children, or else do part

Oriana Bandiera, with Mushtaque Chowdhury of Columbia University, Dean Karlan of Yale University, Robin Burgess, Co-Director of the IGC and Professor of Economics at LSE, and Abhijit Banerjee, of Massachusetts Institute of Technology. IGC Growth Week 2013 © International Growth Centre

time jobs for which they are overqualified. It is extremely difficult to hold down a very highly skilled job (like a brain surgeon) if you can only work part time because of your childcare commitments, so switching to lower skilled part time work is often the only option these women have.

The result of this is that there is a misallocation of talent in the economy: on one hand, you have lots of talented women who are doing part time jobs for which they are overqualified, and on the other hand, the full time highly skilled jobs that those women could be doing are taken by less talented men.

If we could get these women back into full time work faster, it would give an enormous boost to productivity, but the UK work culture makes this very difficult. Schools start at 9am; most people are expected to be at work by 9am, so unless you can teleport yourself like on Star Trek, you cannot get into work that early. Again, most people have to be in the office until 5.30pm or 6pm, but school finishes at 3.30pm. What are you going to do with the kids until you get out of the office? What are you going to do if the kid is sick? It's very difficult to take time off work to look after your kids: most employers have no infrastructure to support this, and neither does the state. Obviously, the provision of childcare for all children over the age of two is essential to support working parents, but there simply aren't enough places available.

Even more problematic than the lack of childcare is the vast disparity in parental leave rights between mothers and fathers. Mothers can take maternity leave of up to a year; fathers can only take up to two weeks paternity leave. After you have been taking care of a child for a year, do you think that the next day you can go straight back to work, and give the child to the father or share care equally with him? It's not going to happen, because in that one year, you gain a lot of parenting skills. You gain knowledge about how to take care of the kid, but you also learn about what services the neighbourhood offers, you learn about the community you live in.

As a result, women often decide to have a second child straight away, and even a third, hoping to minimise the total amount of time they spend out of the workplace, and make the most of the skills and local knowledge they have acquired in the first year. It seems like the most prudent thing to do, but before they know it, they have been out of full time employment for six or seven years, and when they try to go back to their former jobs, it's too late. They've lost their contacts, the skill sets have changed, their human capital depreciates: they've lost everything.

This is a terrible pity, and I care very much about this: not just because I want my daughter to grow up in a country that is more equitable for women, but because it's appalling for the country as a whole. It's not just unfair, it's inefficient. There are good people in the Treasury who are now on the case, but I don't know how far it will go.

Does this explain the relatively low proportion of senior female to male economists?

Yes, there are relatively few senior female academics working in economics, but where are universities going to find them, if they have to drop out and take care of their children during what can be the most productive period in their careers? You have to be very, very determined not to fall behind. Luckily, my husband is also an academic, so when we had kids, he was able to be fairly flexible with his own leave, but that is a luxury many couples do not have. We are seeing many more female PhD students these days, but unless the twin issues of childcare and parental leave are tackled, we are not going to solve this problem.

With such a heavy workload, did you have any qualms about taking on the Directorship of STICERD?

No, no: I love STICERD! I have a very good administrative team, so that side of it is not overwhelming, and my role as Director is very complementary to my role as a researcher.

STICERD is all about financing a wide range of projects, right across the School, not just in the Economics Department. We have a pot of grant-funded money as well as money from the government, and we use it to support research across the School, by supporting seminars, conferences, discussion papers, and research projects, and we run a visitors programme too: it is very satisfying. There are so many exciting research projects being undertaken at the LSE, and as you know from my cv, I have many different research interests, so the role fits me well.

What are you looking forward to in the coming year?

I'm really looking forward to returning to teaching development economics to undergraduates. LSE undergraduates are very clever, really motivated, and it's lots of fun to teach them. They are so wide-eyed when they learn about development for the first time, and what they learn often changes them.

Whereas before they might have felt the only careers open to them were in banking or economic consultancy, after taking the course, they are able to look more broadly at their options, and perhaps consider working in development organisations and NGOs instead. I love to see it, and for better or worse, I am going to be their first exposure to the field, so that is very exciting!

LSE economists appointed to top positions in the CEPR

This year, three members of the Department of Economics' faculty were appointed to senior roles at the Centre for Economic Policy Research (CEPR).

The CEPR was founded in 1983 to enhance the quality of economic policy-making within Europe and beyond, by fostering high quality, policy-relevant economic research, and disseminating it widely to decision-makers in the public and private sectors. Drawing together the expertise of its Research Fellows and Affiliates, CEPR initiates, funds and coordinates research activities and communicates the results quickly and effectively to decision makers around the world. The Centre is an independent, non-profit organisation and takes no institutional policy positions.

Professor Sir Charlie Bean was appointed Chair of the Board of Trustees, replacing Guillermo de la Dehesa. Sir Charlie has been a CEPR Research Fellow since the Centre was founded in 1983, and a Trustee since September 2014. He was also a founding editor of *Economic Policy*.

Oriana Bandiera, Professor of Economics and Director of STICERD, and **Francesco Caselli**, Norman Sosnow Professor of Economics, were appointed Programme Directors at CEPR.

The role of a Programme Director is to guide and develop the CEPR's research agenda; propose new research initiatives and contribute to those proposed by Fellows and Affiliates; participate in obtaining funding both for their programme and for the Centre as a whole; take part in the Centre's dialogue with the users of research in the private sector and policy community; oversee the meetings and publications activities carried out under the auspices of their programme.

Oriana took over from Esther Duflo as Co-Director of the Development Economics Programme, and Francesco replaced Antonio Ciccone as Director of the Macroeconomics and Growth Programme.

Other members of the Economics Department who act as Programme Directors at the CEPR include Professors Wouter Den Haan, Robin Burgess, and Henrik Kleven.

The CEPR is a network of over 700 researchers based mainly in universities throughout Europe, who collaborate through the centre in research and its dissemination. Its mission is to promote research excellence and policy relevance in European economics. The CEPR network consists of over 750 Research Fellows and Affiliates based in over 237 different institutions in 28 countries (90 per cent in the European Union). Because it draws on such a large network of researchers, CEPR is able to produce a wide range of research that reflects a broad spectrum of individual viewpoints and perspectives.

The Centre disseminates its research in the first instance through the CEPR Discussion Paper Series, in which it publishes almost 700 papers annually. As of April 2013, the CEPR series is ranked ninth among all economics working paper series and journals in terms of total downloads, according to the RePEc database.

Oriana Bandiera

Sir Charlie Bean

Francesco Caselli

British Academy Fellowships for Economics faculty

In July, the British Academy announced that two members of the LSE Department of Economics had been elected Fellows of the British Academy: Professors **Oriana Bandiera** and **Philippe Aghion**.

The British Academy is the UK's most prestigious national institution for the humanities and social sciences. Each year, its members elect into its Fellowship around 40 UK-based scholars who have attained distinction in any branch of the humanities and social sciences.

Fellows are scholars who have "attained distinction in any of the branches of study which it is the object of the Academy to promote" – ie, the humanities and the social sciences. Election is a mark of distinction, as only a very small number of scholars in any field are elected. Scholars must be habitually resident in the UK at the time of election. Up to forty-two elections are made in each year to the Fellowship. There are now over 1000 Fellows

This year's new Fellows include seven academics from LSE, of which two are members of the Department of Economics: Oriana Bandiera, Professor of Economics and Director of STICERD, and Philippe Aghion, who joined the Department on 1 August 2015 as LSE Centennial Professor of Economics.

Welcoming the announcement, Tim Besley, W Arthur Lewis Professor of Development Economics, and Deputy Head of Department for Research, said: "This is a fitting recognition of Oriana's innovative and influential research contributions."

Oriana Bandiera said: "The Academy plays a key role in bridging research excellence and policy discourse, while fostering both in the process. I am very honoured and very thrilled to be able to contribute to its endeavours."

Other current members of the Economics Department who are Fellows of the British Academy include Professors Tony Atkinson, Tim Besley, Francesco Caselli, Richard Layard, John Hardman Moore, Chris Pissarides, Peter Robinson, John Sutton, and John Van Reenen. In addition, Professor Nick Stern is the 29th President of the British Academy.

All new Fellows will be formally admitted to the Academy in a formal ceremony in September 2015.

Queen's Birthday Honours

Dr Dame Nemat Shafik, MSc Economics 1986, Dame Commander for services to public administration and the global economy.

Professor Sir Stephen Nickell, MSc Econometrics and Mathematical Economics 1970, knighted for his services to economics.

Jonathan Blair CBE, BSc Economics 1972, MPhil/PhD International Relations 1973, Commander of the Order of the British Empire for services to film.

William Evans OBE, BSc Economics 1967, Order of the British Empire for services to education.

Dr David Kennedy CBE, MPhil/PhD Economics 1995, Commander of the Order of the British Empire for services to the environment.

Dr Dame Nemat Shafik

Public Events 2014-15

Tuesday 16 September 2014
Department of Economics and Centre for Macroeconomics Public Conversation: "The Shifts and The Shocks: What we've learned – and still have to learn – from the financial crisis"
Speaker: Martin Wolf, Financial Times
Chair: Lord Adair Turner

Monday 27 October 2014
Department of Economics, Centre for Macroeconomics, Systemic Risk Centre and International Growth Centre Public Lecture: "Making Markets Fair and Effective"
Speaker: Dr Minouche Shafik, Bank of England
Chair: Professor Lord Nicholas Stern

Tuesday 28 October 2014
(STICERD and Department of Economics) STICERD Atkinson Lecture Series: "The Economics of Beliefs and Misbeliefs"
Speaker: Professor Roland Bénabou, Princeton University

Monday 8 December 2014
Department of Economics Public Lecture: "The Tyranny of Experts"
Speaker: Professor William Easterly, New York University and NYU's Development Research Institute
Chair: Professor Wouter Den Haan

Wednesday 14 January 2015
Department of Economics and Centre for Macroeconomics Public Conversation: "Should Markets be Moral?"
Speakers: Felix Martin; Professor Lord Skidelsky, University of Warwick
Chair: Professor Wouter Den Haan

Monday 19 January 2015
Department of Economics and Grantham Research Institute Public Lecture: "Special Interests and the Media: Theory and an Application to Climate Change"
Speaker: Professor Jesse M. Shapiro

Tuesday 20 January 2015
Department of Economics and Centre for Macroeconomics Public Conversation: In Conversation with Professor Lawrence H Summers
Speaker: Professor Lawrence H. Summers
Chair: Professor Paul De Grauwe

Tuesday 20 January 2015
Department of Economics and Centre for Macroeconomics Public Conversation: "Inequality and Taxation in a Globalised World"
Speaker: Dr Gabriel Zucman, Department of Economics and STICERD, LSE
Chair: Professor Wouter Den Haan

Wednesday 21 January 2015
Department of Economics and Centre for Macroeconomics Public Conversation: "Hall of Mirrors"
Speaker: Professor Barry Eichengreen, University of California-Berkeley
Chair: Professor Wouter Den Haan

Thursday 5 February 2015
Department of Economics and Centre for Macroeconomics Public Lecture: "How to See into the Future"
Speaker: Tim Harford, Financial Times
Chair: Professor Wouter Den Haan

lse.ac.uk/economics/newsEventsSeminars/lecturesAndEvents.aspx

Professor Sir Richard Blundell of UCL giving the annual Economica*-Coase lecture, 10 March 2015*

"Undercover Economist" Tim Harford, copyright Fran Monks 2007

Tuesday 17 February 2015

Department of Economics and Centre for Macroeconomics Public Lecture: "Are Welfare Programmes Just Keeping People Out of Work? An Economist's Take on Benefits Street"

Speaker: Dr Camille Landais, Department of Economics and STICERD, LSE
Chair: Professor Wouter Den Haan

Wednesday 4 March 2015

Norman Sosnow Chair Inaugural Lecture: "Yes, it is a Curse: Politics and the Adverse Impact of Natural-Resource Riches"

Speaker: Professor Francesco Caselli, Department of Economics and CFM, LSE
Chair: Professor Sir Christopher Pissarides

Tuesday 10 March 2015

2015 *Economica* Coase Lecture: "Human Capital, Inequality and Tax Reform: Recent Past and Future Prospects"

Speaker: Professor Sir Richard Blundell, UCL
Chair: Professor Tim Besley

Thursday 14 May 2015

Department of Economics and LSE Commission on Gender, Inequality and Power Public Lecture: "Inequality Matters: Austerity Policies, Gender and Race"

Speaker: Professor Stephanie Seguino, University of Vermont and SOAS
Respondents: Saphieh Ashtiany, Ashtiany Associates and Professor Diane Negra, University College Dublin
Chair: Professor Alan Manning

VIDEO AUDIO STORIFY TRANSCRIPT IMAGE GALLERY

Public Events *(continued)*

Wednesday 27 May 2015

Department of Economics and Centre for Macroeconomics Public Conversation: "When to Rob a Bank: A Rogue Economist's Guide to the World"

Speaker: Stephen J Dubner
Chair: Tim Harford

Wednesday 27 May 2015

Department of Economics and Centre for Macroeconomics Public Lecture: "Hubris: Why Economists Failed to Predict the Crisis and How to Avoid the Next One"

Speaker: Professor Lord Desai, LSE
Discussants: Stephen King, HSBC and Professor Charles Goodhart, LSE
Chair: Professor Tim Besley

Thursday 28 May 2015

International Growth Centre, Grantham Institute and Department of Economics Public Lecture: "The Global Energy and Growth Challenge: Facts and Directions for Policy"

Speaker: Professor Michael Greenstone, University of Chicago and IGC
Discussant: Professor Lord Nicholas Stern, LSE
Chair: Professor Robin Burgess

Wednesday 17 June 2015

Department of Economics and Centre for Macroeconomics Public Lecture: "When, Why, and What's Next for Low Inflation? No Magic Slippers Needed"

Speaker: Professor Kristin Forbes, MIT and Bank of England
Chair: Professor Silvana Tenreyro

Research Centre Briefing: International Growth Centre

The International Growth Centre (IGC), established in 2008 with funding from DFID, aims to promote sustainable growth in developing countries by producing demand-led policy advice based on frontier research. The IGC is led by Executive Director Jonathan Leape in close collaboration with Directors Robin Burgess and Sir Paul Collier (Oxford University).

The IGC's approach is built upon a unique co-generation model where academics work closely with policy makers from our 14 partner countries across Africa and South Asia to identify the research questions underlying key growth challenges and feed research findings directly into policy.

African Development Bank President Donald Kaberuka speaking at Growth Week 2014.

In the last year, the IGC commissioned 143 research projects, bringing the cumulative total since 2008 to 774; added 163 researchers to its global research network, which now involves more than 1000 researchers from leading universities worldwide; and held 53 events across its 14 country programmes. IGC research projects led by members of the LSE Economics Department include:

- **Oriana Bandiera**'s research on how career incentives affect performance in public health jobs through selection (2015) has contributed to a reconsideration of recruitment strategies across the Zambian government.
- **Oriana Bandiera** and **Robin Burgess** evaluated the BRAC Ultra Poor graduation scheme in Bangladesh (2013). New results will be presented at the IGC/BRAC conference at LSE in December 2015.
- **Gharad Bryan**'s research into internal seasonal migration in Bangladesh (*Econometrica* 2014) has demonstrated how cash transfers to encourage migration can provide a cost-effective intervention to enhance household welfare during the hunger season.
- **Robin Burgess** and **Gerard Padró i Miquel**'s recently published paper (2015) examines the extent and determinants of ethnic favouritism, using data on road building in Kenyan districts from 1963 to 2011.
- **Greg Fischer**'s work in Northern Ghana (2015) looks at mechanisms to elicit precise, individual-level willingness to pay and thereby enhance the information generated by randomised experiments.
- **Maitreesh Ghatak**'s research into the use of land procurement auctions to predict market pricing for government purchased farmland (2012) has fed into the active public debate on land acquisition in India.
- **Adnan Khan**'s research on property tax collectors in Pakistan (forthcoming) in the *Quarterly Journal of Economics* has shown that performance pay can increase revenues significantly, but potentially at a cost of increased corruption. The study has led to further research collaborations with the Government of Punjab to improve tax compliance.
- **Henrik Kleven**'s research on income tax (*Quarterly Journal of Economics* 2013) and on production vs revenue efficiency (JPE forthcoming) has influenced policy in Pakistan and generated demand by tax authorities for further research collaboration.
- **John Van Reenan**'s research on improving managerial practices in manufacturing (*Quarterly Journal of Economics* 2007), is being replicated in Pakistan and Mozambique with promising results for increasing firm productivity.
- **John Sutton**, following the completion of the path-breaking enterprise map series, has been working with counterparts from government and industry in establishing investment authorities and local content units to promote industrialisation in Ethiopia, Tanzania and elsewhere.

Details of all the IGC's activities can be found on its website at **www.theigc.org** For the latest news, follow the IGC on Twitter **@The_IGC**

Jonathan Leape, Executive Director of the IGC

New Appointments

Philippe Aghion (LSE Centennial Professor of Economics)

Philippe Aghion is the Robert C Waggoner Professor of Economics at Harvard University. He joined the Department of Economics at LSE in August 2015 as part-time LSE Centennial Professor of Economics.

Philippe is a fellow of the British Academy, the Econometric Society, and the American Academy of Arts and Sciences. His research focuses on the economics of growth. With Peter Howitt, he pioneered the so-called "Schumpeterian Growth paradigm" which was subsequently used to analyse the design of growth policies, and the role of the state in the growth process. Much of this work is summarized in their joint books *Endogenous Growth Theory* (MIT Press, 1998) and *The Economics of Growth* (MIT Press, 2009), in his book with Rachel Griffith on *Competition and Growth* (MIT Press, 2006), and more recently in *Repenser l'Etat* (Seuil, 2011).

In the coming year, Philippe will be teaching an introductory master's course on the economics of moral hazard and adverse selection in strategic settings, and macroeconomics for research students.

David Baqaee (Assistant Professor)

David received his BSc from the University of Canterbury in 2009, and his PhD from Harvard in 2015. He has also held a research position at the Reserve Bank of New Zealand.

David works in macroeconomics and applied theory. His current research is concentrated at the intersection of network economics and macroeconomics, examining how economic shocks propagate through production networks, with particular attention given to fiscal and industrial policy. He says he hopes to bring the theory closer to the data, and thereby increase our understanding of both.

He will be teaching quantitative economics for masters students, and macroeconomics for PhD students in the coming academic year.

Sir Charles Bean (Professor of Economics)

We are delighted to welcome back Professor Sir Charles Bean as Professor of Economics (part time). Charlie first joined the Department of Economics as a lecturer in 1982, having just graduated from MIT, and was promoted to professor in 1990. He was seconded from LSE to the Bank of England in 2000, first as Chief Economist, and then as Deputy Governor for Monetary Policy from 2008 – 14, where he had specific responsibility for monetary policy, including monetary analysis and market operations. He continued to hold visiting professor status in the Department during his tenure at the Bank.

Charlie has published numerous articles on European unemployment, the Economic and Monetary Union, and on macroeconomics generally, and has also served in a variety of public policy roles in the UK and Europe.

He will be teaching monetary economics to undergraduates in the coming year.

Erik Berglof (Professor in Practice)

Erik Berglof, who joined the School as a Professor in Practice in the Department of Economics in 2014, was appointed the inaugural Director of the Institute of Global Affairs (IGA) on 1 February 2015.

From 2006 to 2014, Erik was the Chief Economist and Special Adviser to the President of the European Bank for Reconstruction and Development (EBRD). Before joining the EBRD in 2006, Erik Berglof held the positions of Director of the Stockholm Institute of Transition Economics (SITE), and Professor at the Stockholm School of Economics. He was also a Research Fellow at the Brookings Institution in Washington, DC. He has published widely in the fields of financial contracting, corporate governance, economic transition, financial development and EU reform.

John Curtis (Department Manager – Operations)

John joined the Economics Department from the Finance Division, where he had been working since 1997, most recently as a Credit Manager in the Fees and Credit Control section.

John has overall responsibility for the smooth day-to-day running of the Department, including all operational expenditure, from the Department's cash budgets and ESRC student funds, to individual academic research funds. He plays a key role in the recruitment and development of operational administrative staff, and provides expert guidance and advice to the Department on

the School's financial regulations and recruitment procedures. He also handles business continuity planning (aka disaster management), and health and safety.

John manages the annual junior recruitment round, and the PhD Job Market Placement scheme, working closely with both the PhD Placement Advisor, and our PhD students on the job market.

Lord King of Lothbury (School Professor of Economics and Political Science)

Mervyn King, who has been a visiting professor in the Department since 1996, returned to the LSE this year as School Professor of Economics and Political Science, and associate of the Centre for Macroeconomics.

He joined the Economics Department in 1984, but was granted leave in 1991 on his appointment as Chief Economist and Executive Director at the Bank of England. He served as Deputy Governor from 1998 to 2003, and as Governor and Chairman of the Monetary Policy Committee and Financial Policy Committee from 2003 to 2013. He was knighted in 2011, made a life peer in 2013, and appointed a Knight of the Garter in 2014.

Mervyn is currently finalising the manuscript for a book, *The End of Alchemy: Money, Banking, and the Future of the Global Economy*, to be published in April next year.

Jen O'Connell (MSc Programmes Manager)

Jen holds a BSc in Psychology from Middlesex University. After graduating, she worked on the Effective Pre-school, Primary and Secondary Education Project at the Institute of Education. She joined the LSE in August 2013, and worked first in the European Institute, then the Department of Law, where she was Undergraduate Programme Administrator. She joined the Economics Department on secondment in May 2015.

Jen works closely with the MSc Programme Directors and the MSc Tutor to ensure the MSc programmes run smoothly and successfully, in accordance with LSE's regulations. She is keen to help students make the most of the opportunities available to them in their short time with us (typically nine months), and to this end, she is actively engaged in exploring ways of enhancing the student experience.

Rachel Plume (Faculty and Graduate Admissions Assistant)

Rachel has a degree in Media Studies from the University of Sussex, and a Postgraduate Certificate in Education (PGCE) from Middlesex University. Before joining the Department, she was the postgraduate administrator in the Department of Life Sciences at Imperial College London.

Rachel provides general administrative support to the economics faculty and the MRes/PhD Programme Manager, and more focussed support to the Department's Graduate Admissions Team. She also assists the Operations Manager with the PhD Job Market cycle, and works with the PhD Programme Manager on the European Doctoral Programme (EDP) Jamboree, which will be held at LSE in 2015-16.

Ricardo Reis (Professor of Economics)

Ricardo Reis joined the Department as a Professor of Economics in August 2015. He took his BSc Economics at LSE, and his PhD at Harvard. He was an assistant professor at Princeton from 2004-08, before joining Columbia University as a professor.

Ricardo, who works in monetary economics and macroeconomics, is currently following three separate research agendas: an examination of how the balance sheet of central banks can be used as a policy tool, and what the dangers of doing so might be; the design of fiscal automatic stabilizers that can dampen economic fluctuations; and an assessment of what caused the euro crisis, and what institutions are needed to prevent the next crisis.

In the coming year, Ricardo will be teaching Intermediate Macroeconomics in the Lent term, which he says was the course he himself took as an undergraduate that made him choose to devote his career to studying economics. He will also be teaching monetary economics to MSc students, and topics in macroeconomics to PhD students.

Remembering W Arthur Lewis – one of our best teachers

This year saw the centenary of the birth of the Nobel Prize winning economist, Sir William Arthur Lewis (1915-91), whose appointment in 1938 to a one year teaching contract, later converted to a four year appointment, made him LSE's first black academic.

Lewis was born in St Lucia and left school at 14 after completing the curriculum, working as a clerk in the civil service. Lewis's ambition was to be an engineer, but aware that neither the government nor white businesses would employ a black engineer he decided on a career in business and planned to study business administration. In 1932, he sat the London Matriculation examination and was awarded the scholarship to attend LSE. He arrived in 1933 arrived at LSE to study for the B.Commerce degree.

LSE'S B.Commerce degree started in 1919; students studied economic theory and economic history alongside statistics, accounting, commercial law and elements of geography. The course was taught by LSE luminaries such as Lionel Robbins, Friedrich Hayek, John Hicks and Arnold Plant who was Professor of Commerce. Plant, who had taught in South Africa, was interested in the economic impact of racial discrimination particularly on the labour market, and was supportive of Lewis throughout his time at LSE. In his Nobel Prize biography Lewis called his studies at LSE "marvellous intellectual feasts". In 1938 Lewis obtained at first class degree and obtained a scholarship to begin a PhD. His thesis "The Economics of Loyalty Contracts" was completed in 1940.

"…so far as understanding of relations between different races and countries at different stages of development are concerned, [Lewis'] writings, and still more his personal contacts, have done more in my judgement to bring about a sane appraisal of the problems involved than similar activities on the part of anyone else I have known." Lord Robbins

Although academic life was successful Lewis later recalled that he was "subjected to all the usual disabilities – refusal of accommodation, denial of jobs for which he had been recommended, generalised discourtesy and the rest". In 1937, despite his first class degree, he was rejected by the Colonial Services for a post as an administrator in Port of Spain, Trinidad. Ironically, by 1941, he was undertaking research for the Colonial Office.

Lewis's appointment to a temporary assistant lectureship in 1938 reflected this ambivalence. Although the decision to appoint Lewis was unanimous the LSE Director, Alexander Carr-Saunders felt the need to restrict his teaching and explain the appointment to the Court of Governors:

"He would therefore not see students individually but in groups. The Appointments Committee is, as I said, quite unanimous but recognise that the appointment of a coloured man may possibly be open to some criticism. Normally, such appointments do not require the confirmation of the Governors but on this occasion I said that I should before taking any action submit the matter to you."

Lewis experienced a wide range of intellectual influences during his time at LSE the "marvellous intellectual feasts" he later recalled. His autobiographical account, recalls his teachers John Hicks, Roy Allen, Nicholas Kaldor, Friedrich Hayek and Lionel Robbins. His greatest personal debt was to the Professor of Commerce, Arnold Plant. "He was my mentor and without his word at crucial points I would have neither received the scholarship nor the assistant lectureship."

This did not prevent Hayek describing Lewis as one "one of our best teachers". During LSE's evacuation to Cambridge during the Second World War as one of the few teachers not called up for civil or war service, Lewis undertook a heavy burden of teaching – particularly as his classes contained both LSE and Cambridge students. The 1942-1943 LSE Calendar records that Lewis was teaching transport economics, and business economics alongside an elements of economics course which included money, banking and international trade. In 1944 colonial economics was added to the list, and in 1947 Lewis was appointed Reader in Colonial Economics.

Alongside this heavy teaching load Lewis was also working for the Colonial Office after being recommended by LSE as "the most suitable member of staff" to undertake a report on the financing of mining and industrial development in the colonies. Some Aspects of the Flow of Capital into the British Colonies was published in 1942 and was followed by further reports and Lewis' appointment as secretary to the newly formed

Colonial Economic Advisory Committee (CEAC). Lewis' desire to set economic research in the context of the wider needs of Britain's colonies often conflicted with the Colonial Office's narrow technocratic agenda and Lewis's 1944 resignation letter described his time as secretary as "largely a waste of time" – but it helped in defining his views on development economics.

In 1948, Lewis joined Manchester University as a full professor, leaving in 1957 to advise the government of newly independent Ghana. He was Principal of University College of the West Indies becoming the first Vice Chancellor of the University of the West Indies. He was knighted in 1963, and from 1963-1983 held a professorship at Princeton University. He also headed up the Caribbean Development Bank.

In 1979 Sir Arthur Lewis was awarded the Nobel Prize for economics for "pioneering research into economic development research with particular consideration of the problems of developing countries". He died in Bridgetown, Barbados, in 1991.

The Three Tuns, Houghton Street c. 1930s © LSE

Arthur Lewis Symposium announces new chair

Tim Besley, newly appointed W Arthur Lewis Professor of Development Economics

The International Growth Centre and STICERD hosted a half-day symposium In commemoration of Sir W Arthur Lewis' work on 22 June 2015. It featured talks by several distinguished economists in the field of development economics, including Douglas Gollin (Oxford), and Oriana Bandiera, John Sutton, and Tim Besley (LSE), and was followed by a public debate by Professors Sir Paul Collier and Dani Rodrik, "Understanding Economic Development," which examined the current state of development economics with reference to Lewis' work.

The symposium also saw the formal announcement of the creation of a William Arthur Lewis Chair, created by LSE to mark the centenary of the Nobel Prize winner's birth, and the appointment of **Tim Besley** as the inaugural Sir William Arthur Lewis Professor of Development Economics.

Professor Stuart Corbridge, Deputy Director and Provost of LSE, said: "LSE is proud today to be honouring two pioneering economists, one born 100 years ago this year, the other still providing expertise to policymakers today. William Arthur Lewis was a leader in the field of development economics and LSE is delighted to honour him with the creation of the named professorship. With his expertise in the same field, and long history with the School, Professor Timothy Besley is the perfect recipient of this inaugural professorship."

Speaking of his appointment, Tim Besley said: he was "delighted" to be named as the first Sir William Arthur Lewis Professor of Development Economics, adding, "I shall do my best to carry forward his legacy at the school by engaging with the issues brought to the fore in his pioneering research on economic development."

Professor Tim Besley has been a member of the Economics Department for 20 years. He was appointed School Professor of Economics and Political Science in 2012. He is also the Deputy Head of Department for Research. An external member of the Bank of England Monetary Policy Committee from September 2006 to August 2009, he is a Fellow of the Econometric Society, the British Academy, and the European Economic Association, as well as a foreign honorary member of the American Economic Association and of the American Academy of Arts and Sciences.

“Gearty Grillings” put economists under the spotlight

In 2014, the LSE’s Institute of Public Affairs (IPA) launched a weekly series of short, to-the-point video debates featuring leading LSE academics. In the “Gearty Grillings”, Professor Conor Gearty, Director of the IPA and Professor of Human Rights Law, subjects the LSE’s leading authorities to a five-minute grilling on their research and ideas in the new series.

The series, which showcases LSE’s world class research and faculty, was filmed at LSE’s new media studio. It builds on the School’s highly popular podcasts and videos which already attract over five million downloads a year.

Each “grilling" is about five minutes long, and was filmed in the LSE’s new media studios.

“The IPA is pioneering new forms of engagement and the Gearty Grillings, with their focus on short and sharp exchanges, are just one strand of this work. As an interviewer I am seeking to use these cross-examinations to challenge academics on the tensions, and possibly the contradictions, in their work. The rules of engagement are clear: we only allow one take and stick to length. I am, of course, enormously grateful to my colleagues at LSE who have submitted themselves to these grillings: their brilliant work is what makes them possible.”

Conor Gearty,
Director of the Institute of Public Affairs

Speaking to Matthew Reisz in the *Times Literary Supplement* about the grillings, Gearty said he hoped “to use these cross-examinations to challenge academics on the tensions, and possibly the contradictions, in their work”. “It’s no good when you say: ‘Professor, you’ve done tremendous work on x – please tell me about it’,” he suggested. “Academics are at their best when challenged and asked to justify their work from first principles…They love talking about their work in a way which makes sense without being linked to a major news story [as is usually the case when they appear on the radio or television].”

The Gearty Grillings include interviews with five members of the Department of Economics:

Tim Besley on the economic crisis (7 May 2014)

Conor Gearty grills Tim Besley, School Professor of Economics and Political Science at LSE and former member of the Bank of England's Monetary Policy Committee.

Danny Quah on Democracy in China (02 July 2014)

Must China emulate the political and social order of the West in order to compete, or is it possible to deliver comparable social and economic benefits by a different route? Professor Conor Gearty grills Professor Danny Quah on the virtues and principles of Chinese democracy.

Richard Layard on Happiness (15 January 2015)

Richard Layard, Emeritus Professor of Economics and Director of the Wellbeing Programme at LSE's Centre for Economic Performance, discusses what really makes us happy.

Charlie Bean on how the Bank of England dealt with the economic crisis (07 May 2015)

Charlie Bean, Professor of Economics and former Deputy Governor for Monetary Policy at the Bank of England, discusses how the Bank of England dealt with the economic crisis.

Chris Pissarides on the "Noble Economist" (30 April 2015)

Chris Pissarides, Regius Professor of Economics and winner of a Nobel prize in 2010, presents his ideas on how to run the economy.

All of the grillings are available through the LSE News and Media pages, and via the Department of Economics YouTube channel, EconomicsLSE.

Fellowships and Funding Roundup

European Research Council – Dr Jeremiah Dittmar

Jeremiah Dittmar has been awarded a European Research Council Starting Grant for €1.275millon to document the impact of revolutionary transformations in information technology and institutions using evidence from the European Renaissance. He plans to construct ground-breaking micro-data on media markets, human capital, and institutions, and develop cutting edge estimators for high-dimensional data to measure ideas in the media, using historical sources of exogenous variation to identify cause and effect.

Economic and Social Research Council – Professor Frank Cowell

Frank Cowell has received funding of £236,024 to renew ESRC's invaluable financial support to LIS (formerly the Luxembourg Income Study) for a period of five more years. The project has four goals: to harmonise microdatasets from high- and middle-income countries that include data on income, wealth, employment, and demography; to provide a secure method for researchers to query data that would otherwise be unavailable due to country-specific privacy restrictions; to create and maintain a remote-execution system that sends research query results quickly back to users at off-site locations; and to enable, facilitate, promote and conduct cross-national comparative research on the social and economic wellbeing of populations across countries.

British Academy Mid-Career Fellowship – Dr Gharad Bryan

Gharad Bryan has been awarded a British Academy Mid-Career Fellowship grant which will allow him to develop a quantitative general equilibrium framework to understand whether policy can be used to reduce spatial disparity in earnings and increase economic development. The framework will be applied to provide policy guidance in Indonesia and can be used to answer simple questions like: what would Indonesia's GDP be if its people were as mobile as Americans? It is hoped the framework can form a base for more refined models and a gradual change in people's views on migration, which are overwhelmingly negative.

British Academy Mid-Career Fellowship – Dr Gianluca Benigno

Gianluca Benigno's British Academy Mid-Career Fellowship award will allow him to develop a quantitative model of growth that combines short run elements (business cycle) along with long-run ones (long-run growth) in order to study how short run outcomes might have long-run implications. In particular, the project will show how a liquidity trap situation could become a permanent status of the economy with slow growth and unemployment.

World Bank Grant – Professor John Van Reenen

John Van Reenen has been awarded funding of £71,551 from the World Bank to undertake the World Management Survey for Vietnam in the context of the Vietnam 2030 Report. The survey will include questions on operations management, performance monitoring, target setting, and talent management.

British Academy/Leverhulme Trust Senior Research Fellowship – Professor Silvana Tenreyro

Silvana Tenreyro has been awarded a British Academy/Leverhulme Trust Senior Research Fellowship of £65,113 for her project on the redistributive effects of monetary policy.

New Keynesian (NK) models have become the workhorse used by academics and central banks to evaluate the quantitative effects of changes in monetary policy. In these models, the

effects of monetary policy shocks on economic activity are driven by inflexibilities in prices, wages, or both. Typically, NK models assume that all households are the same (there is no social or economic inequality) and that monetary policy is summarized by a nominal interest rate rule. The way in which the central bank implement changes in the nominal interest rate (eg, through open market operations, helicopter drops, etc.) is usually not relevant in these models and therefore not explicitly modelled.

This project will propose a new theoretical model that will take into account the redistributive effects of monetary policy interventions. It will also estimate the redistributive effects using household-level data. The outcomes of the estimation will be used to calibrate the quantitative model, which will then be used for policy evaluation and predictions.

LSE Economics on social media – finding the right fit

If you want to keep up with what's happening in the LSE Department of Economics, we have a variety of social media platforms to offer. Which one is right for you?

Twitter: @LSEEcon **twitter.com/LSEEcon**
You should follow us on Twitter if you want instant updates on all the latest news from the Economics Department quickly, from new publications and appointments, to public events and media appearances.

Facebook: LSEEconomics and LSE.Economics.Alumni
Don't have a Twitter account? Are you a Facebook user? Not so worried about getting news as it happens? Then **Like** us on Facebook. We have a page for general users (**LSEEconomics**), and an alumni group aimed at our alumni (**LSE.Economics.Alumni**).

YouTube: EconomicsLSE
Did you miss one of our public lectures, or if you attended it, do you want to watch it again? If you would like to hear our faculty talking about their work, or the latest issues in economics, subscribe to our YouTube channel **EconomicsLSE**. Why not start with the *Financial Times*' Martin Wolf's talk on the lessons learned from the financial crisis, Charlie Bean on the future of monetary policy, Camille Landais on whether welfare programmes keep people out of work, or Tim Harford on "How to see into the future"?

Storify LSEEcon
https://storify.com/LSEEcon
Want to get an overview of an event? Storify collects the best photos, videos, and tweets from an event into a one-stop shop. We have stories on Stephanie Segundo's discussion with Diane Negra and Saphieh Ashtiany on austerity policies, gender and race, Michael Greenstone's lecture on the global energy and growth challenge, the Department's relocation to 32 Lincoln's Inn Fields, and many more.

External mailing list
Do you prefer more traditional forms of communication, such as newsletters and mailing lists? Then subscribe to our newsletter by emailing **Econ.Link@LSE.ac.uk**. The newsletter is sent out once a month, and includes news, details of upcoming or past events, information on faculty media appearances, and even a pick of our most popular tweets.

For full details of all our social media streams, visit the Economics Department's website at **lse.ac.uk/economics/home.aspx**

“Ground-breaking and influential”: Lord Stern receives award for climate change work

Professor Lord Nicholas Stern, I G Patel Chair of Economics and Government at LSE, has been named the winner of the 2015 Joseph A Schumpeter Award.

The Schumpeter Award is funded by the Helmut Zilk Fund for International Relations of Vienna, and is awarded by the Schumpeter Society for innovative achievements in the field of business, economics, or economic policy.

“This year’s award winner, Nicholas Stern, is a renowned economist, and one can say that he has acted also as a researcher on our future." said Andreas Mailath-Pokorny, Vienna’s Executive City Councillor for Cultural Affairs and Science. "His far-sighted analysis on climate change and the economic consequences of related impacts combine various scientific disciplines to understand the important issue of how humans will live together in the future. His economic analysis always takes environmental and social factors into consideration: that is why he is a very exciting researcher.” He acknowledged his debt to Schumpeter's work in his acceptance speech, who presented the award at a ceremony at the Austrian National Bank in Vienna on 13 March 2015.

In his acceptance speech, Nick Stern said: “I am extremely honoured to receive the Joseph A Schumpeter Award. I have been greatly influenced by Schumpeter’s work throughout my career, from when I first studied economics as a student, up to my current time at LSE. Schumpeter himself spent a year at LSE between 1906 and 1907 after completing his studies in law and economics at the University of Vienna. So I hope this award further strengthens the connection between LSE and Vienna.”

He outlined the lessons that Schumpeter’s work can today: “Schumpeter’s thesis on ‘creative destruction’, as new technologies and firms displace incumbents, was one of the great insights from economics in the 20th century, and still has importance resonance today.”

Professor Stern also had a message for European policy makers: “At a time when many European countries are struggling to stimulate economic growth, they would do well to remember Schumpeter’s lessons about how technological change can usher in periods of intense creativity and innovation that generate prosperity and

Professor Lord Stern © Franz Johan

wealth... If governments put in place clear and strong policies to confront high-carbon activities with their real costs, and incentivise the development of low-carbon alternatives, they can unleash a period of transformation and growth in European economies… Europe could be in the vanguard of the industrial and urban revolution of the 21st century, making its cities less congested and polluted and its energy systems more efficient, clean, coherent and secure.”

Dr Andreas Mailath-Pokorny listens to Nick Stern's acceptance speech
© Franz Johan Morgenbesser 2015

Research Centre Briefing: Centre for Economic Performance

The Centre for Economic Performance (CEP), based in the Economics Department, is home to much of the applied micro-economic work at LSE. Our mission since founding by Lord Richard Layard (Emiterus Professor) has been to promote world class research that changes the world.

There has been a lot of action over the last year. CEP was very active in the lead up to the UK General Election in May, producing a series of politically neutral analyses of the main battleground issues, to help inform the public on what research tells us. These influential pieces included briefings on fiscal austerity (Van Reenen), what would happen if the UK left the EU (Ottaviano, Sampson and Dhingra), top taxes (Manning), Mental Health (Layard), Inequality (Zucman), productivity (PhD students Anna Valero and Isabelle Roland) and climate change (PhD student Jonathan Colmer). They have been collected together on our website at **http://cep.lse.ac.uk/election2015/**. PDFs of the 17 briefings have been downloaded 164,000 times to date.

Robots are forever in the news it seems, with articles running the gamut from the highly speculative to the solidly evidential. A CEP research highlight is a piece by Guy Michaels showing that the spread of robots has had a major impact on productivity: about 10 per cent of total GDP growth between 1993 and 2007 in the OECD. This is on par with contributions of important technologies such as railroads and highways. And there is no evidence they reduced jobs in general, although automation does increase the demand for high skilled work at the expense of middle and low skilled jobs. A summary of the research can be found in the latest issue of *Centrepiece*, a thrice yearly *Economist*-style magazine produced by CEP (**http://cep.lse.ac.uk/pubs/download/cp447.pdf**).

Research of this quality meant there were about five million downloads of research reports from CEP's website last year, and our research appears in the media on average at least three times each day.

Earlier this year, it was announced that CEP had successfully won the ESRC competition for core funding, which is held once every five years. We are one of only two research centres in the UK to have been awarded this funding six times running. Given the frosty climate for public spending, it is unsurprising that the funding levels were reduced, but we hope to continue to build upon our successful record of innovation and public impact over the next five years.

Professor John Van Reenen, Director of the Centre for Economic Performance

Economica to be relaunched

The LSE academic journal *Economica*, housed in the Department of Economics, is to be relaunched in January 2016. Since July 2015, the Chair of *Economica* has been the Head of Department, and the Professors of Economics the *de facto* journal board.

The editorial board comprises a new editorial team who are being phased in over a transitional six-month period until the official relaunch. They include Oriana Bandiera, Tim Besley, Francesco Caselli, Maitreesh Ghatak, John Van Reenen, Steve Machin, and Gianmarco Ottaviano. As part of the relaunch the team has been working hard to secure submissions from a range of high-profile economists.

Papers to appear in *Economica* in the new year include those by Orazio Attanasio, Richard Blundell, Pete Klenow, Leonardo Felli, Rachel Griffith, Debraj Ray and John Haltiwanger. The first few issues of the relaunched *Economica* will therefore look quite different, and the long-term ambition of the editors is to increase the journal's profile and raise standards.

The Department would like to take this opportunity to thank the sterling work of its outgoing editors, including Frank Cowell, Gianluca Benigno and Lena Edlund.

For general enquiries, please contact **economica@lse.ac.uk**

Faculty Awards

Professor Sir Tony Atkinson recognised by the EIB for his work on inequality

The Luxembourg-based European Investment Bank Institute (EIB) has honoured Professor Sir Tony Atkinson of the LSE Department of Economics, STICERD, and Nuffield College, Oxford, by awarding him the 2015 EIB Outstanding Contribution prize for his work on the economics of inequality and economic growth. Also recognised was Benjamin Moll, Assistant Professor of Economics at Princeton, who won the Young Economist Award for his work in the same field.

Created in 2013 by the EIB Institute, the EIB Prize recognises and encourages excellence in economic and social research and promotes its implementation and diffusion. The Jury, presided by Nobel Prize winner 2010 Professor Sir Christopher Pissarides (LSE) was composed of Richard Portes (London Business School), Branko Milanovic (City University of New York and Luxembourg Income Study), Frank Vandenbroucke, (KU Leuven) and Klaus Zimmerman, the winner of EIB Outstanding Contribution Award in 2013 (Institute for the Study of Labour and University of Bonn).

"Tony Atkinson has been at the centre of developments in the economics of inequality and growth for more than forty years. His insights have been extremely influential both in economic theory and policy-making throughout the world. I am both delighted and honoured to be associated with this award to Tony".

Professor Sir Christopher Pissarides, President of the EIB Prize Jury

Responding to the announcement, Sir Tony said, "I am greatly honoured to receive this prize and pleased by the recognition of the importance of the topic of inequality in today's world."

Tony Atkinson established the modern British field of inequality and poverty studies. He has worked on inequality and poverty for over four decades. His work is predominantly focused on income distributions and the economics of public policy, and the Atkinson index (an inequality measure) is named after him. In his recent book *Inequality: what can be done* (Harvard University Press, 2015), described as "a voice of hope and informed optimism about the possibilities for political action", he argues that high levels of inequality are not inevitable, and that policies can be designed to make our societies both more equitable and more efficient.

EIB President Werner Hoyer will present the awards at a ceremony on 11 November 2015 at the EIB in Luxembourg, after which both winners will deliver a prize lecture.

Professor Sir Christopher Pissarides awarded the Kiel Institute Global Economy Prize 2015

Professor Sir Christopher Pissarides was among the winners of this year's Kiel Institute Global Economy Prize. The Kiel Institute Global Economy Prize honours influential personalities in politics, business and science. Its aim is to highlight those who have been pioneers in finding solutions to global economic problems, who have been willing to participate in a dialogue with people from other walks of life, or who have championed a society based on individual initiative and responsibility.

Sir Chris attended the prize ceremony in Kiel in June 2015, and received his award alongside former Soviet head of state Michail Gorbatschow, General Electric CEO Jeffrey Immelt, and entrepreneurs Kristine and Douglas Tompkins. Speaking after the ceremony, he said, "This is a very special honour and I am touched by the Kiel Institute's recognition of my work. Unemployment in Europe is still unacceptably high and I hope, for the benefit of those out of work, that this recognition will direct more attention to their plight."

Professor Sir Chris Pissarides is Regius Professor of Economics in the Department of Economics and Chair of the Centre for Macroeconomics. He specialises in the economics of labour markets, macroeconomic policy, economic growth and

structural change. He was awarded the 2010 Nobel Prize in Economics, jointly with Dale Mortensen of Northwestern University and Peter Diamond of MIT, for his work in the economics of markets with frictions. Prior to that, in 2005, he became the first European economist to win the IZA Prize in Labor Economics, sharing it again with his collaborator Dale Mortensen.

He has written extensively in professional journals, magazines and the press and his book *Equilibrium Unemployment Theory* is an influential reference in the economics of unemployment that has been translated in many languages. He is frequently quoted in the press on issues concerning the Eurozone and the future of European integration.

Dr Camille Landais awarded the Kiel Institute's Excellence Award in Global Economic Affairs 2015

Dr Camille Landais, Lecturer in the Department of Economics, has been announced as one of the four winners of the Kiel Institute's Excellence Award in Global Economic Affairs 2015. He will receive a research fellowship (the Landeshauptstadt Kiel Fellowship) at the Kiel Institute, which will help to support his research.

The Kiel Institute is an international centre for research in global economic affairs, economic policy consulting, and economic education, which aims to create solutions to the most urgent problems in global economic affairs. The Excellence Awards are open to economists under the age of 35, and applications are judged by jury.

Camille Landais, who works in public finance, labour economics and microeconomics, presented his paper "The Optimal Timing of Unemployment Benefits: Theory and Evidence from Sweden" at the Excellence Award Workshop in Kiel on Monday 22 June.

Bill Phillips: the “Indiana Jones” of economists

On the hundredth anniversary of LSE economist and inventor Bill Phillips' birth, ***Nicholas Barr****, LSE Professor of Public Economics, remembers the adventures and achievements of his former teacher.*

A W H "Bill" Phillips (1914-75) is famous as the originator of the Phillips Curve. Less well-known is his adventurous early life, extraordinary war record and unorthodox entry into an academic career, which prompted economist Tim Harford to dub him “the Indiana Jones of economists”.

The son of a New Zealand dairy farmer and a school teacher, he became an electrical engineering apprentice and moved to Australia, where his casual jobs included crocodile hunting, and working as an electrician at a gold mine. In 1937 he travelled to Britain on the Trans-Siberian railway.

His war record was deeply distinguished, earning an MBE for "coolness, steadiness and fearlessness" under fire. Only after his death was he identified as "the gifted young New Zealand officer" who built and operated the secret radio which is the central focus of Laurens van der Post's autobiographical reflections on life in a Japanese prisoner of war camp (see below), and on which Phillips and his fellow prisoners heard that a bomb had been dropped on Hiroshima.

Back in Britain, he registered for a Sociology degree at LSE but, like many of his generation, became very caught up with Keynesian theory. He was particularly taken with the analogy between economic flows and hydraulic flows and set out to build a machine to illustrate the workings of a Keynesian model. In the machine, money flows were represented by water circulating round a series of clear plastic tubes, with outflows representing savings, taxes and imports, and inflows representing investment, government spending and exports. In the end, economics took up most of his time. He graduated in 1949 with a Pass degree in Sociology.

Over the following year, with encouragement from James Meade, he completed the machine and demonstrated it to Lionel Robbins's seminar. Everyone who mattered was there. They gazed in some wonder at this large, seven foot high "thing" in the middle of the room. Phillips, chain smoking, paced back and forth explaining it in a heavy New Zealand drawl, in the process giving one of the best lectures on Keynes and Robertson that anyone in the audience had heard.

James Meade demonstrating the Phillips machine to students in 1952 (LSE Archives)

The machine remained at the School, becoming increasingly dilapidated. During the later 1980s, I was involved in a project instigated by Tony Atkinson, and subsequently championed by Nick Stern, to restore the machine and put it on display. At a memorable event at LSE in 1992, the machine was brought together with a twin from Cambridge University, and James Meade gave a demonstration of the machines linked together to simulate an international economy.

Age and fragility, however, put the machine beyond the curating skills of the School, so – rightly – it is now on permanent display in the computer section of the Science Museum. Its story, in part a chapter in the history of economic thought and in part a chapter in the life of LSE, involves some of the great names in the history of the School and the subject.

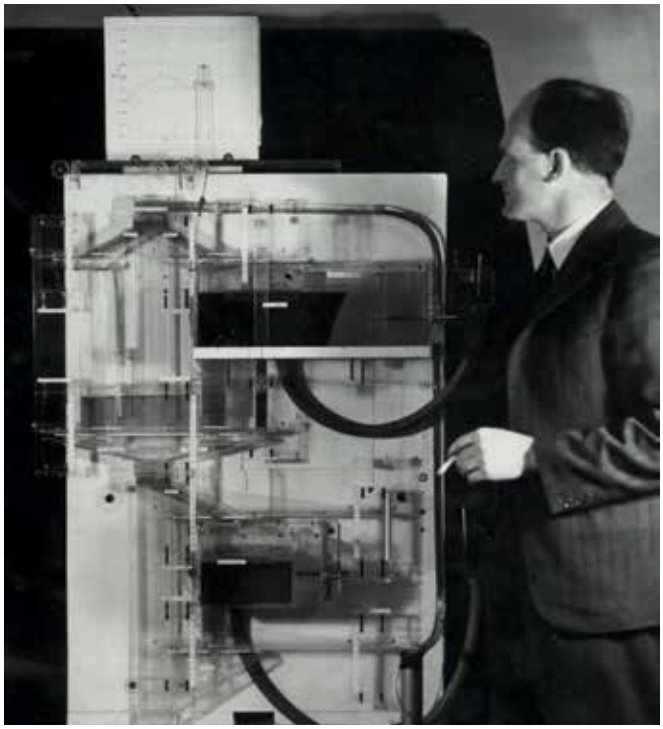
Phillips rise thereafter was meteoric. He became an Assistant Lecturer in Economics in 1950, Lecturer in 1951, Reader in 1954 (the year his PhD was awarded and the year he married) and Tooke Professor in 1958.

His subsequent work at LSE was broadly of two sorts. He is best-known for his 1958 Economica paper on what later became known as the "Phillips Curve" (a name he would never have given it himself), which explored the connection between the UK unemployment rate and wage inflation over the business cycle. That work was a progenitor of important later theoretical developments, in particular the analysis of expectations in macroeconomics. The second strand was the application of dynamic control theory to economic processes, so as to strengthen the ability of the economy to return to macroeconomic stability.

In 1967 he moved to the Australian National University, partly for family reasons and partly to further his increasing interest in Chinese economic development. In 1969 he suffered a major stroke and retired to Auckland, though continuing to pursue his Chinese studies.

Bill Phillips made major innovative contributions to economics, rising, seemingly effortlessly, from a Pass degree in Sociology to a Chair in Economics in nine years. Despite his eminence, he remained self-effacing and approachable, even during his later years at LSE cheerfully repairing the machine.

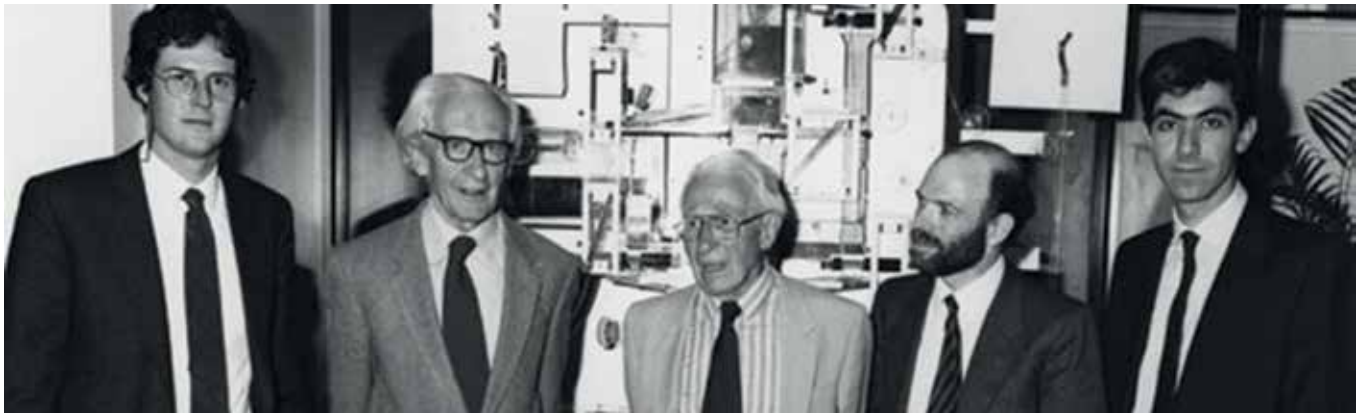
To those who knew him (and I am lucky enough to have been taught by him), Bill Phillips the person is at least as important as Bill Phillips the academic. He is remembered by friends as a gentle, shy man with a wry sense of humour, and one who, in their eyes, was always absurdly modest about his path-breaking contributions to post-war economics. He is one of those people memories of whom always bring a warm smile to those who knew him. As Sir Henry Phelps Brown wrote in Bill Phillips' obituary in The Times: "His personality was as fresh and endearing as his mind was creative. The world of economics was enriched by his restless originality; to be his colleague was to be his friend."



Bill Phillips with his "MONIAC", c. 1952 (LSE Archives)

"He was a real genius… [who] always saw the main point at issue, spoke of it with the utmost directness and with the simplest possible language, and produced comments and suggestions about it which were somehow obvious when he expressed them, but which everyone else had somehow or other overlooked or had muddled up trying to be clever…".

James Meade, writing to Robert Leeson in 1993



The restored Phillips Machine, 1989. L-R: Colin Carter (a professional engineer), Professor James Meade, Professor Walter Newlyn, Dr Nicholas Barr, Reza Moghadam.

Research Centre Briefing: STICERD

STICERD
Suntory and Toyota International Centres for Economics and Related Disciplines

The Suntory and Toyota International Centres for Economics and Related Disciplines (STICERD) bring together world-class academics to put economics and related disciplines at the forefront of research and policy. Founded in 1978 by the renowned Japanese economist Michio Morishima, with donations from Suntory and Toyota, STICERD is a thriving research community within the LSE.

Last year, STICERD organised more than 120 open seminars in Development and Growth, Public Economics, Theoretical Economics, Econometrics, Japanese Studies, Economics of Industry, Political Economy and Psychology and Economics and Econometrics.

We also ran a number of high-profile public lectures and events, including the newly established Atkinson Lecture, in honour of Professor Sir Tony Atkinson, STICERD's second director after Michio Morishima. The aim of this annual lecture is to invite world-leading researchers who have made transformative contributions to their field to present their work to the entire department, giving the whole faculty the rare opportunity to get together, crossing field boundaries. In October, the first Atkinson lecture was given by Professor Roland Benabou of Princeton, who spoke on the subject of "The Economics of Beliefs and Misbeliefs" to a full house.

In March, STICERD hosted the Amartya Sen Lecture, an annual event aimed at furthering discussion of ideas arising from Professor Sen's work; this year's speaker was Professor Kaushik Basu, Senior Vice President and Chief Economist of the World Bank.

In May, Sendhil Mullainathan from Harvard University delivered a compelling public lecture on his research on scarcity. His talk was part of our Morishima Lecture series, in which we invite acclaimed academics to talk about their pioneering research on topics that are relevant to the wider public. His lecture was downloaded more than 20,000 times in the last five months.

STICERD finances a wide variety of research by LSE staff members, both inside and outside the Centres. During 2014-15, we awarded 19 research grants to members of 11 LSE departments, provided funding for three LSE conferences – among them the LSE Africa Summit – and offered financial support and accommodation to approximately 40 PhD students, most of them from the Department of Economics.

We were also lucky to have hosted visits by dozens of very distinguished visitors from all over the world including Pranab Bardhan (UC Berkeley), Torsten Persson (IIES) and the 2007 Nobel Prize winner Roger Myerson (University of Chicago).

Professor Oriana Bandiera, Director of STICERD

Professor Kaushik Basu, Senior Vice president and Chief Economist of the World Bank, giving this year's Amartya Sen Lecture

Call to make renewables less costly than coal within ten years

In May 2015, Professors Lord Richard Layard and Lord Nicholas Stern were part of a group of leading thinkers that proposed an internationally coordinated research programme to make clean electricity less costly than electricity from coal within 10 years.

In their report, *A Global Apollo Programme to Tackle Climate Change*, the contributors, who bring together experience from business, academia and government, argued that anything less would make it impossible to contain the world's temperature rise within the crucial 2˚C limit that has been internationally agreed.

"In the Cold War the Apollo Programme placed a man on the moon. This programme engaged many of the best minds in America. Today we need a global Apollo programme to tackle climate change; but this time the effort needs to be international. We need a major international scientific and technological effort, funded by both public and private money," said the report.

"The greatest scientific challenge facing the world is the need for clean energy that costs less than that (obtained) from fossil fuel...Yet only two per cent of world R&D now goes on that problem. In the past, when our way of life has been threatened, governments have mounted major scientific programmes."

"At last – an authorative, practical and comprehensible plan that could avert the catastrophe that is threatening our planet."

Sir David Attenborough

Current public investment in renewable energy R&D is not commensurate with the gravity of the threat, and is not co-ordinated. "It has been starved", the authors claimed. Only $6 billion a year is currently spent on renewable energy R&D. By comparison, annual subsidies to fossil fuel industries total some $550 billion.

Countries joining the programme will commit to spending in their own countries at least 0.02 per cent of GDP on this internationally coordinated programme of research each year over a 10-year period. Key problems to be addressed will include electricity storage, smarts grids and renewables (wind and solar electricity).

The effort will be coordinated by a Roadmap Committee, similar to that which has lowered the price of semiconductors year upon year for decades. It is hoped that the Committee would be co-located with the International Energy Agency in Paris.

"Reducing the cost of solar electricity generation and storage technologies would be a game-changer in transforming the world's energy systems…The Global Apollo Programme is an important proposal, and I hope countries will contribute both financial and technological resources to this public good."

Dr Kandeh K Yumkella

The 12 May Communiqué from the G7 Energy Ministers Meeting gave a commitment "to work with each other and with other like-minded countries to raise the overall co-ordination and transparency of global spending on clean energy research, development and demonstration."

The Global Apollo Programme (GAP) is the model for such an initiative. It has been privately discussed with governments worldwide – especially with those of the G7 countries, China, Korea and India. It has already received strong expressions of support and the authors hope that the key countries will join the consortium by the end of this year.

The authors of the Global Apollo Programme are Sir David King (former UK Government Chief Scientist), Lord John Browne (former Chief Executive of BP), Lord Gus O'Donnell (former UK Cabinet Secretary), Professor Lord Nicholas Stern, Lord Adair Turner (former Chairman of the UK Committee on Climate

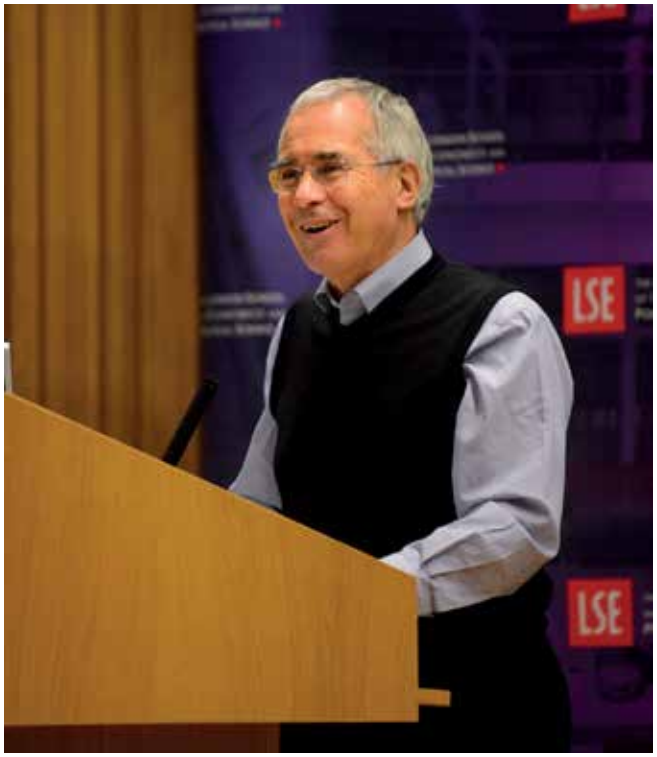
Professor Lord Layard

Professor Lord Stern's "Outstanding Contribution to British Energy Economics" Recognised

In 2014, the British Institute of Energy Economics has marked both its 30th anniversary and its 10th academic conference, by awarding its BIEE 10 Year Prize to Professor Lord Nicholas Stern.

The Prize Committee was unanimous in its opinion that Lord Stern's 2006 *Review of the Economics of Climate Change* has been the most influential single piece of energy economics published over the last decade, with important implications for government policy and company strategies. The report was also praised for its firm grounding in the academic literature, and its global impact on research into the issues it addresses. Since its publication, Lord Stern has been a very active advocate of the necessity to take action on climate change.

Receiving the award, Lord Stern, who is the I G Patel Professor of Economics and Government, and Chair of the Grantham Research Institute on Climate Change and the Environment at LSE, said "It's a tremendous honour to be given this award by the British Institute of Energy Economics. The Institute has played a leading role in public discussion of issues around energy and the economics of energy for a very long time. Indeed I think it has defined in many ways what a serious discussion on those issues should be".



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Research Centre Briefing: Centre for Macroeconomics

The Centre for Macroeconomics (CFM) brings together a group of world class experts to carry out pioneering research on the global economic crisis and help design policies to alleviate it. Chaired by LSE's Nobel Prize-winning economics professor, Christopher Pissarides, the new centre brings together a diverse, but interconnected, set of institutions, which range from the policy making (Bank of England) through applied policy research (National Institute of Economic and Social Research) to academia (University of Cambridge, LSE, and University College London). This set of institutions creates a unique environment for imaginative, policy relevant, and intellectually robust research.

Following the financial crisis, macroeconomists have been actively searching for models that will allow us to better understand why and when the risk of severe economic downturns intensifies. This year, members of the CFM have been looking for new approaches.

One example of this new thinking is the new prototype model described in the forthcoming *Quarterly Journal of Economics* paper, "Aggregate Demand, Idle, Time, and Unemployment", by Pascal Michaillat of the Department of Economics and CFM, and Emmanuel Saez of the University of California at Berkeley. Central to their approach is the idea that there is an interaction between frictions in goods markets and labour markets which could induce downward spirals when firms restrict hiring workers, because they fear there is not sufficient demand for their products, and consumers limit goods purchases, because they are concerned about employment prospects. This work builds on the Keynesian disequilibrium literature of the seventies, but makes the analysis much more tractable by using the latest modelling techniques.

Another important new approach to understanding economic crises is to build models in which the financial sector plays a more prominent role. The upcoming December conference Credit Dynamics and the Macroeconomy, organized by the CFM, the European Central Bank, and the Centre for Economic Policy Research, and hosted by the Bank of England, will bring together a group of world experts to discuss the latest developments in this area.

CENTRE FOR MACROECONOMICS

The CFM prides itself on connecting the academic community to the world at large. This year, one of our more successful avenues for the dissemination of the views of academics has been the monthly CFM Survey, which solicits the views of a group of prominent UK-based economists on the important macroeconomic and policy issues of the day. Particularly popular were the January and June surveys on the Greek crisis. Results of the survey and commentary can be viewed at **www.cfmsurvey.org**.

In addition, our seminars and public lectures have been attended by a diverse audience, including secondary school students, university students, journalists, financial sector workers: in short, anyone who is keen to learn more about macroeconomics. We have also run an extremely successful series of public lectures, jointly with the Department of Economics, which brought luminaries such as Larry Summers, Bill Easterly, Barry Eichengreen, and Stephen Dubner, amongst many others, to the LSE to discuss their views on a public platform.

Professor Wouter Den Haan, Co-Director of Centre for Macroeconomics

Student Awards and Prizes

We would like to extend our warmest congratulations to all economics students graduating in 2014-15, and to acknowledge the achievements of the following students, who were awarded departmental prizes, scholarships and external awards for outstanding performance in their exams or written work.

BSc Prizes and Awards

Allyn Young Prize

Yong Cai, BSc in Economics

Tongzhou He, BSc in Economics

William Daniel Parry, BSc in Economics

Louis Francis Sangan, BSc in Mathematics and Economics

Gonner Prize

Matthew Fletcher, BSc in Economics

J R (Bob) Gould Prize

Pornpatra (Minnie) Rojanapenkul, BSc in Economics

Premchand Prize

Alexander Todd, BSc in Economics

Rishi Madlani Award

Andrew Stephen Mitson, BSc in Economics

Shyamal Patel, BSc in Mathematics and Economics

Departmental "Introduction to Econometrics" Prize

Nikhil Sunil Ohri, BSc in Economics

Departmental "Principles of Econometrics" Prize

Paul Benjamin Diegert, MSc in Economics (2 Year Programme)

Yuqing Wang, BSc in Economics

Mete Seref Ahunbay, MSc in Economics (2 Year Programme)

Economics Department Prize

Amit Joshi, BSc in Economics

Economics Examiners Prize

Maria Hui Xin Tan, BSc in Economics (first year)

Andrew Stephen Mitson, BSc in Economics (second year)

MSc Prizes and Awards

Ely Devons Prize

William Matcham, MSc in Economics

Sir John Hicks Prize

Ho Fai (Alexis) Wu, MSc in Economics

Sebastian Graves, MSc in Economics

MRes/PhD Prizes and Awards

Sir John Hicks Prize for Outstanding Performance in MRes Examinations

Giulia Bovini, MRes/PhD in Economics

Teaching Prizes

LSE Class Teacher Awards

Clare Balboni

Svetlana Chekmasova

Alexia Delfino

Thomas Drechsel

Jason Garred

Reka Juhasz

William Matcham

Stephan Maurer

Ana McDowall

Clement Minaudier

Niclas Moneke

Frank Pisch

Federico Rossi

Francesco Sannino

Luke Taylor

Student External Awards and Prizes

Panos Mavrokonstantis: Society for the Study of Economic Inequality Junior Researcher Prize

For his paper "Modern Family: Female Breadwinners and Intergenerational Transmission of Gender Norms", which examines the intergenerational transmission of gender norms in England such as the traditional view that it is the role of the mother to look after young children and the role of the father to be the breadwinner.

Panos is a PhD student in the Department of Economics, and an affiliate of STICERD.

Enrico Mallucci: 7th FIW Research Conference "International Economics" Best Conference Paper Award 2014

For his paper "Domestic Debt and Sovereign Default", which examines how domestic holdings of government debt affect sovereign default risk and government debt management.

Enrico is now an economist at the Federal Reserve Board (International Finance Division)

Reka Juhasz: Winner of the FREIT-EIIT Graduate Student Competition

For her paper "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade", which uses a natural experiment to assess whether temporary protection from trade with industrial leaders can foster development of infant industries in follower countries.

Reka has a position as assistant professor at Columbia University; she will also visit Princeton in 2015-16 on an IES Fellowship.

Andrea Lanteri: UniCredit and Universities Economics Job Market Best Paper Award 2014

For his job market paper: "The Market for Used Capital Endogenous Irreversibility and Reallocation over the Business Cycle", which examines whether endogenizing the price of used capital can solve the puzzle of why capital reallocation is strongly procyclical in the data, but in standard business-cycle models with heterogeneous firms, it is countercyclical.

Andrea has since been offered a position as an assistant professor at Duke University.

Markus Riegler: Society for Computational Economics Best Paper Prize

For his paper "The Impact of Uncertainty Shocks on the Job-Finding Rate and Separation Rate", which uses data from the USA to demonstrate how increases in uncertainty lead to increases in the unemployment rate, due to both an increase in the separation rate, and a decrease in the job-finding rate.

Markus is now an assistant professor at the University of Bonn.

Economics Research Students, 2014-15

Mr Karun ADUSUMILLI
Mr Andrea ALATI
Mr Pedro ALVES
Miss Shan AMAN RANA
Mrs Gunes ASIK-ALTINTAS
Mr Michel AZULAI
Mrs Clare BALBONI
Mr Miguel BANDEIRA DA SILVA
Mr Mauricio BARRIOS FERNANDEZ
Mr Diego BATTISTON
Mr Matteo BENETTON
Mr Marcus BIERMANN
Mr James BISHOP
Mr Florian BLUM
Mr Shiyu BO
Miss Giulia BOVINI
Mr Albert BRUE-PEREZ
Miss Svetlana BRYZGALOVA
Mr Huy BUI
Mr Adrien BUSSY
Mr Carlo CABRERA
Mr Gianpaolo CARAMELLINO
Mr Thomas CARR
Mr Oriol CARRERAS
Miss Laura CASTILLO MARTINEZ
Miss Shantayne CHAN
Miss Svetlana CHEKMASOVA
Mr Xiaoguang (Shawn) CHEN
Mr Luca CITINO
Mr Alex CLYMO
Mr Patrick COEN
Mr Sergio DE FERRA
Miss Alexia DELFINO
Mr Charles DENNERY
Miss Marta DE PHILIPPIS
Miss Laura DERKSEN
Miss Erika DESERRANNO
Mr Etienne DESJARDINS
Miss Tiloka DE SILVA
Mr Weihan DING
Mr Hao DONG
Mr Thomas DRECHSEL
Miss Dita ECKARDT
Mr Andreas EK
Miss Delger ENKHBAYAR
Mr Miguel ESPINOSA
Mr Simone FABIOLE-NICOLETTO
Ms Martina FAZIO
Mr Thiemo FETZER
Mr Xijie GAO
Mr Jason GARRED
Mr Friedrich GEIECKE
Miss Giulia GIUPPONI
Miss Inna GRINIS
Ms Jiajia GU
Mr Chao HE
Miss Anett HOFMANN
Mr Hanwei HUANG
Mr Kilian HUBER
Mr Anders JENSEN
Miss Reka JUHASZ
Ms Dana KASSEM
Mr Kohei KAWAGUCHI
Mr Milad KHATIB SHAHIDI
Mr Felix KOENIG
Miss Lena KOERBER
Miss Sevim KOSEM
Mr Andrea LANTERI
Mr Krittanai LAOHAKUNAKORN
Miss Irene LAURO
Miss Eui Jung LEE
Mr Yu-Hsiang LEI
Mr Yan LIANG
Mr Nicola LIMODIO
Miss Yatang LIN
Mr Enrico MALLUCCI
Mr Sam MARDEN
Mr Luis MARTINEZ
Mr Stephan MAURER
Mr Panos MAVROKONSTANTIS
Miss Ana MCDOWALL
Mr Luca METELLI
Mr Clement MINAUDIER
Mr Niclas MONEKE
Mr Alexander MOORE
Mr Alexey NECHAEV
Miss Kieu-Trang NGUYEN
Miss Tsogsag NYAMDAVAA
Mr Thomas O'KEEFFE
Mr Daniel OSORIO RODRIGUEZ
Mr Francesco PALAZZO
Mr Giulio PAPINI
Mr Oliver PARDO-REINOSO
Mr João Paulo PESSOA
Mr Jonathan PINDER
Mr Pedro PINTO
Mr Frank PISCH
Miss Beyza POLAT
Mr Davide PORCELLACCHIA
Mr Wolfang RIDINGER
Mr Markus RIEGLER
Ms Claudia ROBLES GARCIA
Mr Marcus ROEL
Miss Isabelle ROLAND
Mr Federico ROSSI
Mr Giuseppe ROSSITTI
Miss Sutanuka ROY
Miss Sarah SANDFORD
Mr Francesco SANNINO
Mr Claudio SCHILTER
Mr Vincenzo SCRUTINIO
Mr Arthur SEIBOLD
Mr Orhun SEVINC
Mr Amar SHANGHAVI
Miss Xuezhu SHI
Miss Anna SIVROPOULOS-VALERO
Mr Matthew SKELLERN
Mr Roberto SORMANI
Mr Pedro SOUZA
Mr Munir SQUIRES
Mr Manuel STAAB
Mr Tiacheng SUN
Mr Zhe SUN
Mr Hiu (Eddy) TAM
Mr Luke TAYLOR
Mr Gregory THWAITES
Mr Konstantinos TOKIS
Miss Chutiorn TONTIVANICHANON
Mr Torsten WALTER
Miss Lisa WINDSTEIGER
Mr Fabian WINKLER
Mr Guo XU
Mr Junichi YAMASAKI
Miss Eremina YTSMA
Miss Giulia ZANE
Miss Martina ZANELLA
Mr Min ZHANG
Mr Rui ZHANG
Mr Tianle ZHANG
Miss Celine ZIPFEL

Job Market Placements

PhD Candidates

Svetlana BRYZGALOVA: Assistant Professor, Stanford Graduate School of Business

Shawn CHEN: Assistant Professor, University of Western Australia

Laura DERKSEN: Assistant Professor of Health Economics, University of Toronto, Rotman School of Management/Institute of Management and Innovation

Erika DESERRANNO: Assistant Professor, Kellogg School of Management, Northwestern University

Yi FAN: Assistant Professor, National University of Singapore

Thiemo FETZER: Assistant Professor, Warwick University

Jason GARRED: Assistant Professor, University of Ottawa

Reka JUHASZ: Assistant Professor, Columbia University; IES Fellowship, Princeton University (2015/16)

Kohei KAWAGUCHI: Lecturer, Hitotsubashi University

Andrea LANTERI: Assistant Professor, Duke University

Enrico MALLUCCI: Economist, Federal Reserve Board (International Finance Division)

Sam MARDEN: Lecturer, University of Sussex

Luca METELLI: Economist, Bank of Italy

Francesco PALAZZO: Economist, Bank of Italy

Oliver PARDO-REINOSO: Icesi University, Colombia

João Paulo PESSOA: Assistant Professor, Sao Paolo School of Economics

Markus RIEGLER: Assistant Professor, University of Bonn

Pedro SOUZA: Assistant Professor, Pontifical Catholic University of Rio de Janeiro

Fabian WINKLER: Economist, Federal Reserve Board (Monetary Studies Section)

Erina YTSMA: Post-doctoral Researcher, MIT

Min ZHANG: Lecturer, University of St Andrews

Post-Doctoral Candidates

Giuseppe BERLINGIERI: Assistant Professor, École Supérieure des Sciences Économiques et Commerciales (ESSEC); Economist, Organisation for Economic Co-operation and Development (OECD)

Jonathan DE QUIDT: Assistant Professor, Institute for International Economic Studies (IIES), Stockholm University

Ameet MORJARIA: Assistant Professor, Kellogg School of Management, Northwestern University

LSE Affiliates

Abel BRODEUR: Assistant Professor, University of Ottawa

Selected Publications, 2014-15

Professor Tim Besley
The Welfare Cost of Lawlessness: Evidence from Somali Piracy (with T Fetzer and H Mueller). *Journal of the European Economic Association* Volume 13 No 2 (2015).

Dr Gharad Bryan
Underinvestment in a profitable technology: the case of seasonal migration in Bangladesh (with S Chowdhury and A Mobarak Mushfiq). *Econometrica* Volume 82 No 5 (2014).

Professor Francesco Caselli
The Geography of Interstate Resource Wars (with M Morelli and D Rohner). *The Quarterly Journal of Economics* Volume 130 No 1 (2015).

The political economy of the Greek debt crisis: a tale of two bailouts (with S Ardagna). *American Economic Journal: Macroeconomics* Volume 6 No 4 (2014).

Dr Erik Eyster
Extensive limitation is irrational and harmful (with M Rabin). *The Quarterly Journal of Economics* Volume 129 No 4 (2014).

Dr Gregory Fischer
The Catch-22 of External Validity in the Context of Constraints to Firm Growth (with D Karlan). *American Economic Review* Volume 105 No 5 (2015).

Keeping it simple: financial literacy and rules of thumb (with A Drexler and A Schoar). *American Economic Journal: Applied Economics* Volume 6 No 2 (2014).

Professor Luis Garicano
Optimal Contracting and the Organization of Knowledge (with W Fuchs and L Rayo). *Review of Economic Studies* Volume 82 No 2 (2015).

Professor Alessandro Gavazza
A quantitative analysis of the used-car market (with A Lizzeri and N Riketskiy). *American Economic Review* Volume 104 No 11 (2014).

Professor Henrik Kleven
Estimating Taxable Income Responses Using Danish Tax Reforms (with H Jacobsen, and E A Schultz). *American Economic Journal: Economic Policy*, Volume 6 No 4 (2014)

Professor Gilat Levy
Correlation Neglect, Voting Behavior, and Information Aggregation (with R Razin). *American Economic Review* Volume 105 No 4 (2015).

Rituals or good works: social signalling in religious organizations (with R Razin). *Journal of European Economic Association* Volume 12 No 5 (2014).

Preferences over Equality in the Presence of Costly Income Sorting (with R Razin). *American Economic Journal: Microeconomics*, Volume 7 No 2 (2015)

Professor Alan Manning
Explaining job polarization: routine-biased technological change and offshoring (with M Goos and A Salomons). *American Economic Review* Volume 104 No 8 (2014).

Dr Liwa Rachel Ngai
Hot and cold seasons in the housing market (with S Tenreyro). *American Economic Review* Volume 104 No 12 (2014).

Professor Gianmarco Ottaviano
Monopolistic competition and optimum product selection (with A Nocco and M Salto). *American Economic Review* Volume 104 No 5 (2014).

Dr Pascal Michaillat
Aggregate Demand, Idle Time, and Unemployment (with A Saez). *The Quarterly Journal of Economics* Volume 130 No 2 (2015).

Professor Michele Piccione
The Strategic Dis/advantage of Voting Early (with E Dekel). *American Economic Journal: Microeconomics* Volume 6 No 4 (2014).

Professor Ronny Razin
Correlation Neglect, Voting Behavior, and Information Aggregation (with G Levy). *American Economic Review* Volume 105 No 4 (2015).

Rituals or good works: social signalling in religious organizations (with G Levy). *Journal of European Economic Association* Volume 12 No 5 (2014).

Preferences over Equality in the Presence of Costly Income Sorting (with G Levy). *American Economic Journal: Microeconomics*, Volume 7 No 2 (2015)

Dr Thomas Sampson
Selection into trade and wage inequality. *American Economic Journal: Microeconomics*, Volume 6 No 3 (2014)

Professor Mark Schankerman
Patents and Cumulative Innovation: Causal Evidence from the Courts (with A Galasso). *The Quarterly Journal of Economics* Volume 130 No 1 (2015).

Dr Johannes Spinnewijn
Unemployed but Optimistic: Optimal Insurance Design with Biased Beliefs. *Journal of the European Economic Association* Volume 13 No 1 (2015).

Professor Balazs Szentes
Contractible Contracts in Common Agency Problems. Review of *Economic Studies* Volume 82 No 1 (2015).
A Biological Theory of Social Discounting (with A J Robson). *American Economic Review* Volume 104 No 11 (2014).

Faculty Index

Professor Silvana Tenreyro
Hot and cold seasons in the housing market (with L R Ngai). *American Economic Review* Volume 104 No 12 (2014).

Professor John Van Reenen
The Impact of Competition on Management Quality: Evidence from Public Hospitals (with N Bloom, C Propper and S Seiler). *Review of Economic Studies* Volume 82 No 2 (2015).

Do Private Equity Owned Firms Have Better Management Practices? (with N Bloom and R Sadun). *American Economic Review* Volume 105 No 5 (2015).

The new empirical economics of management (with N Bloom, R Lemos, R Sadun and D Scur). *Journal of the European Economic Association* Volume 12 No 4 (2014).

Professor Alwyn Young
Structural Transformation, the Mismeasurement of Productivity Growth, and the Cost Disease of Services. *American Economic Review* Volume 104 No 11 (2014).

Dr Gabriel Zucman
Capital is back: wealth-income ratios in rich countries 1700-2010 (with T Piketty). *The Quarterly Journal of Economics* Volume 129 No 3 (2014).

The end of bank secrecy? An evaluation of the G20 tax haven crackdown (with N Johannesen. *American Economic Journal: Economic Policy*, Volume 6 No 1 (2014)

Dr Esteban AUCEJO
Lecturer in Economics

Dr David BAQAEE
Assistant Professor of Economics

Professor Oriana BANDIERA
Professor of Economics; Director, STICERD

Professor Sir Charles BEAN
Professor of Economics

Dr Gianluca BENIGNO
Reader in Economics

Professor Erik BERGLOF
Professor in Practice

Professor Tim BESLEY
School Professor of Economics and Political Science; Deputy Head of Department for Research; W Arthur Lewis Professor of Development Economics

Dr Mohan BIJAPUR
MSc Tutor

Dr Margaret BRAY
Reader in Economics

Dr Gharad BRYAN
Lecturer in Economics

Professor Robin BURGESS
Professor of Economics; Director, IGC

Professor Francesco CASELLI
Norman Sosnow Professor of Economics

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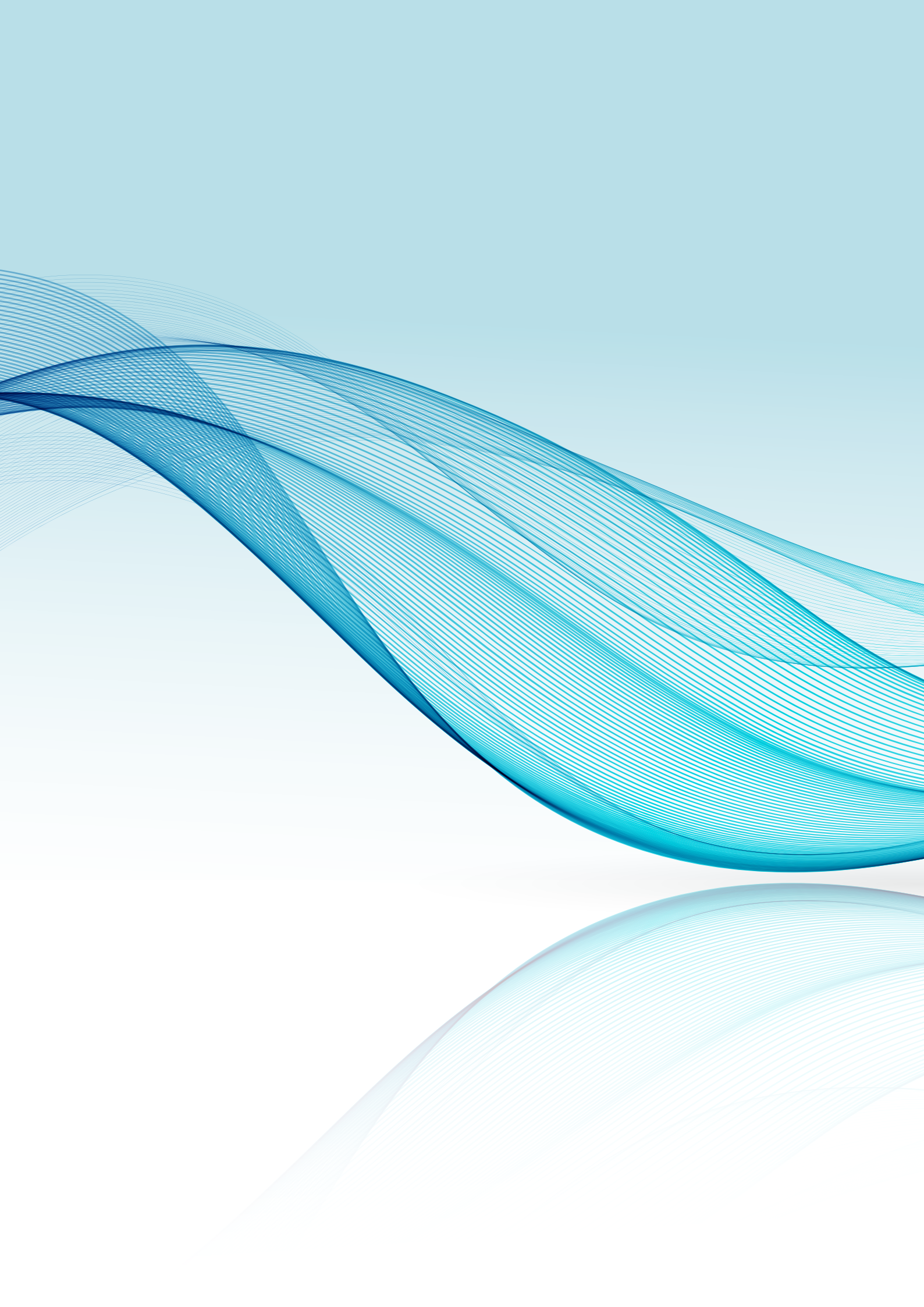
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