



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

ECONOMICS REVIEW

2017/18

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WELCOME TO THE DEPARTMENT OF ECONOMICS AT LSE



Welcome to the Economics Annual Review of 2017/18. This has been a significant and challenging year for the Department of Economics.

The Department continues to demonstrate its academic excellence and impact on our profession and society. To give a few prominent examples, in the Tilburg University Economics Ranking for the period 2013-2017, our department is ranked fourth in research output among economics department worldwide. Professor Daniel Sturm and his co-authors were awarded the prestigious 2018 Frisch Medal for their paper "The Economics of Density: Evidence from the Berlin Wall", published in *Econometrica*. Professor Tim Besley was knighted in the 2018 New Year's Honours for services to economics and public policy and is currently serving as President of the Econometric Society.

We continue to work on improving our educational offer and the overall student experience. We have been extremely fortunate to have been able to appoint Dimitra Petropoulou as Associate Professorial Lecturer, and Junius Olivier and Katarzyna Krajniewska as Undergraduate Tutors. I am confident that their contribution to the student experience will be first rate.

We have been privileged to have made other exceptional hires. I take this opportunity to welcome Nathifa Hall-Ezea (Teaching Manager), Edel Ryall (MSc Programmes Manager), Charlotte Sedgwick Rough (Programme and Communications Assistant), Lorna Severn (Graduate Admissions Administrator) and Anna Watmuff (Department and Graduate Admissions Assistant). In addition, Professor Steve Pischke has been appointed as the new Head of Department and Professor Wouter Den Haan as the new Deputy Head for Education.

Lastly, I would like to thank all students, colleagues, and staff for their effort, patience, and enthusiasm. I wish them all the best for the new academic year.

Professor Michele Piccione

Interim Head of Department

DEPARTMENT OF ECONOMICS

The London School of Economics and Political Science

Houghton Street
London
WC2A 2AE
UK

Tel: +44 (0)20 7955 7542 or 6426

Fax: +44 (0)20 7955 6592 or 4626

Email: EconHub@lse.ac.uk

Web: lse.ac.uk/economics

Twitter: [@LSEecon](https://twitter.com/LSEecon)

YouTube: [EconomicsLSE](https://www.youtube.com/EconomicsLSE)

Facebook: [LSE Economics Department](https://www.facebook.com/LSE.Economics.Department)

Facebook alumni group:

[LSE Economics Alumni](https://www.facebook.com/LSE.Economics.Alumni)

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CONTRIBUTORS

Editorial Team: Sarah Burton; Nathifa Hall-Ezea; Charlotte Sedgwick Rough; Emma Taverner (Editor); Kalliopi Vacharapoulou; Anna Watmuff.

Contributors: Oriana Bandiera; Wouter Den Haan; Erik Eyster; Charlotte Knights; Steve Machin; Michele Piccione.

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Nick Stern made Companion of Honour

Professor Lord Stern of Brentford, Chair of the Grantham Research Institute on Climate Change and the Environment and I G Patel Professor of Economics and Government at the London School of Economics and Political Science, was included on the Queen's Birthday Honours earlier last year. It was announced on 16 June 2017 that Professor Lord Stern was to be made a Companion of Honour for his services to economics, international relations and climate change.

Nick said he was "both deeply honoured and delighted" to have been made a Companion of Honour, one of the most prestigious accolades that can be awarded to a civilian. The Companion of Honour was first established by King George V in 1917 and recognises services of national importance. Colleagues and peers alike have celebrated Nick Stern's achievement and noted his seminal contributions to the study and application of economics. Alun Evans, Chief Executive of the British Academy, noted that this was "a fitting tribute to one of Britain's most outstanding and committed academics." Director of LSE, Dame Minouche Shafik further celebrated her former teacher's achievement, by noting that there

"This is a fitting tribute to one of Britain's most outstanding and committed academics."

Alun Evans, Chief Executive of British Society

had only been four other academic economists who had ever received the Companion of Honour and this pointed to "the high esteem in which he is held, and the enormous impact he has had throughout his career."

Nick has long been committed to improving the lives of poor people around the world in his application of economics to encourage better public policy making. Throughout his career Nick has been called upon by governments, UK and overseas, to advise on a range of policies. With the landmark *Stern Review: The Economics of Climate Change* (2006), Nick warned of the dangers of inaction in response to climate change and demonstrated that the expected long-term economic benefits of early



action, clearly outweighed the expected costs. Nick proposed an alternative path forward by providing the necessary economic policies to limit climate change and reduce carbon usage, and a formula for durable environmentalism that bound business and government.

Nick has recast the environmental issue as a global economic issue and helped to move it to the top of the global agenda, fundamentally shaping the direction of travel for how humanity and global leaders address this great challenge. Nick has done so through collaboration with other disciplines, for example science and ethics, and proposed an optimistic look to the future whilst calling for urgent action. The Department celebrates with him in the recognition of his latest achievement with the conferment of the Companion of Honour.

"Many congratulations to Nick on this outstanding achievement. The fact he is only the fourth academic economist to ever be made a Companion of Honour speaks to the high esteem in which he is held, and the enormous impact he has had throughout his career. He has contributed on so many fronts ranging from cutting edge research to the front-lines of policy making, to teaching generations of students (including me) who are in his debt."

Dame Minnouché Shafik

FACULTY PROFILE: MAITREESH GHATAK



What is your family background?

I grew up in Calcutta in an urban, middle-class, progressive family. My family includes several well-known writers and artists, such as my father's eldest sister, Mahasweta Devi, who was one of the most famous writers in modern India, and my grandfather's youngest brother, Ritwik Ghatak, who is named, along with Satyajit Ray as a pioneer of arthouse cinema in India. My paternal grandmother's eldest brother, Sachin Chaudhuri, is the founder-editor of the *Economic and Political Weekly* of India which from its first appearance in 1949, remains the top journal internationally on issues relating to India, and her youngest brother, Sankho Chaudhuri, was a well-known sculptor. My mother is a third-generation college teacher, after her father and grandfather (the latter switched to practising law later), and her mother did her PhD in ancient Indian history at Heidelberg University in the 1950s.

The ambience in which I grew up was politically progressive and culturally cosmopolitan. A great emphasis was placed on being well-read. I have memories of large rooms full of books – classics, non-fiction, and fiction (as well as occasional issues of the *Mad* magazine!) – in the ancestral houses of both my parents. Talking about the LSE connection – I was familiar with the names of Bernard Shaw, the Webbs and Harold Laski before I even learnt to read properly because their books adorned the bookshelves of the home library.

Animated debate and discussions about economic, political and social issues were a regular part of our social life at home. Pretty much everyone I knew was some shade of Left or liberal in their politics – there was general consensus about the need to fight poverty, inequality, religious intolerance, and caste and gender-based discrimination, even though there was wide disagreement about how to combat them.

Both my parents started off by studying economics in college but switched to political science when they did their Master's (which was also when they met). My father was interested in research and after a brief college teaching career, worked in various research organisations, and ran surveys for the DFID, the World Bank, and various government bodies. He eventually started his own research consultancy firm. He was a very quiet man who loved his work. Conversations with him shaped my values and overall thinking about the world. My mother taught political science in a college, and also was the most decisive influence on me when growing up, being a very strong-willed and independent woman.

What kind of pupil were you?

I went to Patha Bhavan in Calcutta, a liberal school which emphasised the overall intellectual development of students and extracurricular activities and thus stood out from other schools where board exam results and

Maitreesh Ghatak is a Professor of Economics and Deputy Head of Department for Research in the LSE Department of Economics. He is Director of the Development Economics group at STICERD, and was Lead Economist of the International Growth Centre's India (Bihar) programme. He is a member of several international research networks. He sits on the Board of the Bureau for Research in the Economic Analysis of Development. He is a co-editor of *Economica*, having formerly being Editor-in-Chief of the *Journal of Development Economics*, and Managing Editor of the *Review of Economic Studies*.

Professor Ghatak is an applied microeconomic theorist with research interests in economic development, public economics, and the economics of organisations. He has published numerous papers on microfinance, property rights, occupational choice, collective action, and the economics of NGOs and non-profits. He writes on economic and political issues for several newspapers and magazines including *NDTV.com*, *Ideas for India*, *The Wire*, *the Tribune*, *The Guardian*, *the Telegraph*, and the *Economic Times*.

In July 2018, he was elected Fellow of the British Academy (FBA).

placements to engineering and medical schools were the only metrics of success. I was good at creative writing and solving puzzles, and my grades were respectable but nothing outstanding. My mum jokes that the most frequent comment written in my report card was, "can do better". As a college teacher, she was really invested in my education, and my main motivation all through school was to avoid disappointing her!

I enjoyed science, especially physics and biology, and some of the puzzle-solving aspects of mathematics, but the standard science track that led to engineering or medical school did not attract me. Instead, I decided I wanted to study literature. My mother suggested economics as a compromise, hoping its combination of humanities and science would appeal to my burgeoning interest in politics and social justice, and might also lead to gainful employment in the future! I half-heartedly agreed to take mathematics and statistics for my A-level equivalent, so that I could keep my options open.

This brought me into contact with one of the most influential figures in my academic life, my high school maths teacher, Pinaki Mitra. He was a brilliant student of mathematics, who ended up teaching in high school instead of embarking on a research career due to family circumstances. Even though his teaching methods were unconventional, he managed to get me completely hooked on mathematics, absolutely fascinated by its elegance and precision. My interest in literature had always been general, rather than focused; I just liked to read. Now, with training in mathematics and statistics, I realised economics could give me a structured way to think about society. I wanted to see if I could understand how economies work and what kind of policies would make things better.

While I loved the beauty of mathematics and literature remained my first love, I became preoccupied with the glaring inequality and poverty around us. Poverty is all around you in Calcutta: the richest

families live right next to the poorest, so you grow up being exposed to it every day. However, I didn't really understand what inequality of opportunity actually meant until a family friend, whose NGO ran a school for slum kids, suggested I spent some time teaching there in the summer after I graduated from high school, before I started my economics degree at Presidency College in Calcutta.

My volunteering at the slum school was perhaps one of the most educative experiences of my life, albeit a very grim one. I taught mathematics to a small group of 10-11 year-olds. All of them were very friendly and eager to learn. Some of them were really bright, and they made the biggest impact on me, because I knew they had no chance of going further with their education: they would drop out of school soon to earn a living, before even turning sixteen. The experience left me feeling very unhappy with a system that produced this kind of an outcome; a system in which peoples' prospects were dictated solely by the accident of birth and not by merit.

In Presidency College, I was fortunate to have an excellent set of teachers. Our charismatic head of the department, Dipak Banerjee, had done his undergraduate degree from LSE with what Lionel Robbins described as an unbroken string of A's, and was known for his wit and erudition. After a period of flirting with political activism, I focused on my studies and ended up topping the exams at the University of Calcutta, to which Presidency College was affiliated. I then went to the Delhi

School of Economics to study for my Masters. Once again, I had an excellent set of teachers and peers. I topped the University exams again and so you could say that my school teachers were right after all – I could do better!

It was during my master's degree that I finally developed a passion for Economics that was comparable to what I felt for mathematics and statistics earlier. By this time, I was no longer considering whether to do a PhD and pursue an academic career, but rather where to apply and how to go about it. I applied to several US universities, including Harvard, Princeton, Yale, and Columbia, and was offered full fellowships by all of them. I ended up going to Harvard. Along with MIT it was considered one of the top places for an Economics PhD. It was relatively rare to get a full fellowship from there, and so that was my lucky break!

How did your research interests develop at Harvard?

At a place like Harvard, the first reaction for most students is being dazzled by the range of choices, with leading economists in almost all subfields of the discipline, offering exciting courses. I first went through a phase of focusing on micro theory, with teachers like Andreu Mas-Colell, Eric Maskin, and Oliver Hart. Then I got into macro theory, taking courses with Robert Barro and Greg Mankiw.

My lucky break at Harvard was the arrival of Abhijit Banerjee as an Assistant Professor, moving from Princeton, who offered, along with Jonathan Morduch, a new course in Development Economics. It exposed us to recent theoretical work that applied models of contracting and game theory to understand developing country institutions such as informal credit and insurance, and sharecropping tenancy as second-best responses to imperfect information, transactions costs, and insecure property rights.

In other fields of economics there is relatively little discussion of market failure beyond the routine discussion of monopoly, monopsony, monopolistic competition, and oligopoly as arising from the exclusive ownership of some resource, economies of scale, or government regulation. They are presented as aberrations and not inherent in the hidden wiring and circuitry of economic institutions that underpin





the grand abstraction called the “market economy” relating to property rights, transactions, and contracting, as well as the flow of information.

The new approach to development economics not only provided a natural explanation for market failures in general, but also why this problem is likely to be more severe in developing countries with their imperfect legal systems and rampant political interference in the economic domain.

This is how I came to realise that development economics was the right field for me. To use a medical analogy, to understand how a human body works, we need to study both healthy individuals but also those who are ill or malnourished. For me Development Economics was the study of different ways in which individuals and societies are prevented from reaching their full potential.

Like many students switching from exam-taking mode to research-mode, I was initially unsure what to write my thesis on. Luckily, I had two very patient mentors: my chief supervisor Eric Maskin, who won the Nobel Prize in 2007, and Abhijit Banerjee soon moved to the neighbouring MIT as a senior faculty member but continued to act as my mentor and co-supervisor.

My first research paper was on the (then) newly emerging phenomenon of microcredit. Pioneered by Muhammad Yunus through the Grameen Bank of Bangladesh that he founded, small loans were given to poor rural women who were not creditworthy to standard lenders.

The interesting feature that caught my eye (and of others who were also working on it) was that the borrowers were asked to form self-selected small groups with group members being jointly liable for each other's repayment. I showed theoretically that if borrowers have information about each other that the lender does not have access to, then this could be a way of inducing borrowers to screen out bad risks. This could explain why Grameen had such high repayment rates, even though the loans were non-collateralised.

The main chapter of my thesis was joint work with Abhijit (with Paul Gertler joining as a co-author at a later stage) where we studied theoretically and empirically a tenancy reform programme that was carried out in the state of West Bengal in India (where both of us happened to be from) that gave sharecropping tenants permanent tenure and put a ceiling on the crop-share that the landlord could charge as rent. This paper was my first foray into empirical work as well as a field survey, both of which proved to be incredibly valuable experiences in what became a recurrent theme in my subsequent research – a continuous back-and-forth between theory and evidence to understand economic phenomena.

The final chapter of my thesis was not directly connected to Development. I was fascinated by the economics literature on discrimination (racial, gender etc) that started off with the fundamental question (with important contributions by Gary Becker, Kenneth Arrow, and Edmund Phelps) that whatever might be people's attitudes, how can discriminatory behaviour survive in the marketplace?

I theoretically showed that if some people have discriminatory attitudes (so that they are less likely to hire minority workers, given the option) that can influence the hiring decision of neutral employers, effectively spreading the “contamination” if labour markets are subject to informational frictions, as opposed to being washed away by forces of competition as argued by Gary Becker, which holds only under the assumption of perfect information.

The reason is, workers who face such prejudicial behaviour from some employers irrespective of their job performance effectively have lower incentives to perform when given the opportunity, since the market would discount their “good reputation”.

Why did you choose to go to Chicago after Harvard?

After I was awarded my PhD, I entered the job market. I was fortunate to get job offers from several very good places. The front-runners for me were Chicago, Yale, and LSE. I felt a connection with LSE because Tim (Besley) was here, and he was a co-author of my co-supervisor Abhijit Banerjee – they had been colleagues at Princeton. Tim and I hit it off immediately and that was the beginning of a one of the most fruitful long-term research collaborations for me, one that continues to date.

There was something about the general feel about LSE that I found very attractive. The Economics Department didn't have a nice building at the time, but it had a welcoming and vibrant atmosphere, and during my visit, I recall having stimulating conversations with Tim, Nobu Kiyotaki, John Moore, Kevin Roberts, and John Sutton. It struck me that although they were very impressive people, they were also very approachable. I left London feeling it would be a comfortable environment for me, although I must admit the salary offered was not great, and I was at a stage in my life when I needed to take that side of things into account too.

On the other hand, Chicago had a fascinating aura: it was the bastion of free market economics, Milton Friedman, Ronald Coase and Friedrich Hayek (who had been at LSE earlier) were there, and given my left-wing family background, it

was the more intellectually adventurous choice. I was ready for a challenge, so I took the Chicago offer.

Was Chicago the adventure you hoped it would be?

Yes, it was! Chicago was a fantastic learning experience for me. I was totally immersed in the kind of economics I simply hadn't come across at Harvard. There is a certain way of thinking about the world at Chicago which is very simple and structured, and at the same time, very powerful, whether you agree with it or not. The essence of it is that markets, not governments, are the best device to promote growth, efficiency, and liberty. Also, the Chicago style of economic analysis showed how some basic principles like supply and demand, the law of arbitrage, and the concept of compensating differentials can be applied to a whole range of economic and policy issues, from discrimination to negative income taxes as a way of providing support for the poor without perverse work incentives.

How did Chicago change you as an economist?

A fair bit – I jokingly refer to my views as a continuous argument between a Calcutta Leftist and a Chicago Libertarian. Before Chicago, my approach had been to concentrate on the standard trade-off between equity and efficiency. In Chicago, I began to appreciate the importance of individual freedom and choice as another

critical dimension in evaluating policies. The problem with central planning is not just a problem of information and incentives, as Hayek had emphasised, but lies in its suppression of individual freedom and choice as well. For every market failure there may be an appropriate regulation, but regulations are often enforced in a coercive way and that is a trade-off one has to be mindful of. Milton Friedman's famous argument that without economic freedom, one cannot have political freedom started to resonate with me. Growing up in a left-wing environment, I never trusted big business; in Chicago I started being sceptical of big government.

But the problem with the Chicago tradition is that it boils everything down to incentives, which involves a rather narrow view of individuals as only being concerned with their economic self-interest. Also, it pays insufficient attention to the problem of unequal opportunity – poverty is often equated with low productivity.

I tend to agree more with the view of people like Thomas Piketty that wealth and privilege create a certain self-sustaining dynamic: if you don't have access to those benefits, the capitalist system does not offer a level playing field. I continue to think that Marx and Keynes had important insights on the broad dynamics of capitalism as a system, especially when in crisis, as in 2008. I continue to think great inequality of income and wealth are a natural by-

product of a market economy, and unless checked, it can devour both the free market system and democracy.

However, as far as the micro-workings of the economy are concerned, I think Coase and especially Hayek, and later Friedman and Becker had lots of important insights about the limits of government intervention in the market. Alan Blinder, a Princeton economist, has a book titled *Hard Heads, Soft Hearts*, and that is closer to my approach to economic policy these days: yes, markets and incentives are important, but you also want an inclusive and caring society, where people don't starve or freeze to death in the streets.

I had been at Chicago for five years when LSE offered me a senior position at a salary that was sufficient for me to support myself in London. This time, I accepted the offer, and joined the Department of Economics in 2002.

What was it like making the transition from Chicago to LSE?

It was very easy: the intellectual atmosphere at LSE was different from that of Chicago, but very similar to what I had known at Harvard. At Chicago, academic debates between colleagues were highly combative. In some seminars you felt like you were in the Wild West! Whereas at LSE and Harvard, debate tends to be less bruising, though extremely robust.

One of the things I really like about LSE is that it doesn't rest on its laurels. Maybe it's because LSE has an underlying value



system in which people are appreciated not just for what they have done in the past, but for the work they are doing now, as well as for their future potential. This leads to quite a relaxed academic climate. When Chris (Pissarides) got the Nobel Prize, we were very proud of it but didn't suddenly start treating him with particular deference in meetings and seminars. When Tim was recently knighted, of course we were all very pleased for him, but we do not pass up an opportunity to rib him if he shows up very formally dressed.

Even though we don't make a fuss about it, LSE does have a history to be proud of: apart from the illustrious founders, the Webbs and (George Bernard) Shaw, some of the greatest economists of the modern era have worked here: Ronald Coase, Friedrich Hayek, John Hicks, James Meade, Arthur Lewis, Amartya Sen, and George Akerlof to name just a few. Tony Atkinson, who passed away only last year, was here, too: he was one of my genuine heroes.

The development economists here have maintained an extremely eclectic approach to the field, rather than following the fashionable trends, so there's a breadth to the research we do here that I really like. I've been at LSE for 16 years now, and although I have had the occasional tempting offer from other universities, I really do feel at home here.

What parts of your own research do you think have been the most significant or impactful?

It is hard for me to answer this question. Citations are a standard metric of impact within the academic world, but they reflect both the quality of the work and how popular a topic is at any given time, given the interests of others. Any assessment of this kind can only be made by others and that too with the distance of time. If I go by citations, my work on microcredit that I started while in graduate school has been successful.

Part of the reason is the topic of microcredit became huge. It was relatively less known in the 90s when I started working on it, but somehow caught the imagination of the policy world, culminating in the Dr Yunus' Nobel Peace Prize in 2006 and that generated a lot of interest in how that particular

lending model worked. I have continued to work on the topic of microcredit, with my most recent work trying to understand the emergence of for-profit microcredit organisations.

The other strand of my work that has been successful in terms of citations is my work with Tim that we started when I moved to LSE that looks at incentive and organisation design when economic agents are "motivated" by considerations other than money, such as, their commitment to a mission (think of teachers, doctors) and performance is hard to measure. We study the interplay of intrinsic motivation and extrinsic incentives, asking questions like, how do organisations make use of these motivations, especially those that provide goods and services that have significant social returns not captured in private returns.

This is part of a broader research agenda that emerged out of our attempts to understand the problem of incentives and accountability in the provision of public services, as well as to understand organisations in the third-sector, namely private non-profit organisations as well as social enterprise, which are different from both government organisations or standard for-profit firms.

The work on tenancy reform that I did as part of my PhD has also been relatively successful in terms of citation, and I have continued to work on the broad topic of property rights. The other broad area of my research is to understand occupational choice in the presence of credit market frictions that prevent the efficient matching between potential and resources. In such a world there may not be a trade-off between equity and efficiency. Inequality may have a negative effect on efficiency, since those born with more resources will have an unfair advantage that is not justified by productivity.

This relates to some of the original questions that got me interested in Economics – the causes and consequences of poverty. In this context, I am very excited about some very recent work I am doing with my colleagues Oriana Bandiera and Robin Burgess and our students Clare Balboni and Anton Heil, on testing for poverty traps using the

results of a randomised control trial in Bangladesh that gave individuals a one-time transfer of capital and studied their asset accumulation behaviour over time.

Wider policy impact is always hard to evaluate, because academic economists are engaged on theoretical and empirical research. Can I point to a paper I have published that has directly contributed to making peoples' lives better? I can't, and neither can most academic economists. Instead, it's a slow iterative process of theory telling us what we should expect in the data, data throwing up puzzles, modifying the theory and looking again at the data, until we get to a point where we can be reasonably confident that we have a relatively sound answer to a particular question.

In this context, I should mention that in the recent years I have been regularly writing policy relevant essays, op-eds, and blogs where I try to address a broader audience. Some of this involves making policy-relevant insights from my own research accessible to a broader non-specialist audience. Some of this also involves engaging with some of the policy debates of the day (such as Brexit or the Indian government's decision to suddenly declare high-denomination currency notes to be invalid) and applying simple economic logic or very cursory look at data to dispel popular misconceptions or add important nuances missed out in debates in the public domain.

On a scale of 1-10, how weird are you?

Oh, 7, maybe! But it all depends on the benchmark. My daughters gave me a mug a few years ago that says "The weirdest dad in the world", and they meant it as a compliment, referring to my sense of humour and the pranks I pull on them: it is a compliment to be thought of as a bit weird, isn't it? I would like to think that I'm weirder than I probably am, but I fear I'm relatively staid. I do have a taste for absurd humour (think, for example, of Groucho Marx) and enjoy throwing people off with weird analogies in debates so that they don't know whether to laugh or be mad at me. Perhaps a 6.5?



Guo Xu (right) receiving his award from James Poterba

“TRULY EXCEPTIONAL TALENT” WINS 2017 JOHN HICKS PRIZE

We are pleased to announce that the 2017 John Hicks Prize for an Outstanding Doctoral Dissertation has been awarded to Dr Guo Xu.

Guo first came to LSE in 2010, after completing his undergraduate studies at Humboldt University. He gained two Master's degrees at LSE, firstly in Development Studies followed by Economics, before starting on the MRes/PhD in Economics degree programme in 2012. He then concentrated his research in the fields of Development and Organisations under the supervision of Professors Oriana Bandiera and Robin Burgess. He was awarded his PhD in 2017. The title of his thesis is Essays in Development and Organisations.

In the first part of his thesis, he develops three essays on development and organisations. The first one asks how much discretion should be given to politicians in the allocation of public positions. Using historical personnel and public finance data

“The best students follow their advisors' instructions but it takes truly exceptional talent and enormous work to use them as foundations of something much bigger. We never tire of congratulating Guo for doing exactly that.”

Oriana Bandiera and Robin Burgess

from the administration of the British Empire, he studied how a civil service reform affected the allocation and performance of governors who are socially connected to their superior.

The second part focuses on the role of career incentives in explaining performance differences among modern Indian bureaucrats. He combined administrative data from the Indian Administrative Service (IAS) with survey data on the perceived effectiveness of civil servants to study how the combination of rigid entry, progression and retirement rules acts to disincentivise modern day civil servants.

The third part of his thesis studies the role of collective reputation in a private organisation. Using data from an online labour market where the country of residence is the salient group characteristic, he documents a mechanism through which collective reputation perpetuates group inequality.

Guo had a very successful job market and is now working as Assistant Professor at the Haas School of Business, University of California Berkeley. You can find out more information about his research from his personal website.

Guo, on receiving the award, said: “It's a great honour to receive the John Hicks Prize for an Outstanding Doctoral Dissertation. Many of the previous recipients are now well-established scholars and were a constant source of inspiration for me and my peers throughout the PhD. It is humbling to receive the Prize, and I would like to thank my advisors for their continued support, as well as the wider LSE community for providing such an inspiring and productive environment.”

On 6 June 2018, Professor James Poterba presented the Hicks Prize to Guo. James Poterba, Mitsui Professor of Economics at MIT and the President of the National Bureau of Economic Research, had been visiting LSE to give the STICERD Morishima Lecture on “Public Policy and Retirement Security: A Trans-Atlantic Perspective”. He discussed how the design of retirement pension plans in countries with ageing populations have evolved over the last decades and how the US and UK followed strikingly different paths.

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Research at LSE ■

Our Michaelmas term in 2017 began with a new seminar series jointly organised by our Development and Public Finance groups with the Labour group at the Centre for Economics Performance. The Applications series had a strong start with some of the world's best economists coming to present their latest findings. We began with Sendhil Mullainathan, whose talk on machine learning had the room so full that most of us organisers sat on the floor.

On social media, we (along with colleagues at the Marshall Institute and UCL) have been raising awareness of #WhatEconomistsReallyDo, to tell the public how economics is a science that engages with key policy issues, such as pensions, gender inequality and poverty. Within our research community, we are working on discovering why people stay poor, how to plan for future public spending and how to engage with the economic of climate change.

We have extended STICERD grant support to sixteen colleagues. Their research covered a hugely diverse range of topics, from small-scale entrepreneurship to election fraud and post-conflict reconstruction.

Our annual lectures were a highlight of the year. The 2017 Atkinson Lecture was delivered in November, by our friend and colleague Eliana La Ferrara, on the topic of media and behaviour change. Eliana holds the Fondazione Romeo ed Enrica Invernizza Chair in Development Economic at Bocconi, and is also a Centennial Professor here at LSE. We were fortunate to have her here at LSE for an extended period of time this summer.

Hosting visitors from Europe, the US and the wider world, and visiting a wide range of other institutions, is vital for an academic research centre, perhaps never more so that now when there is a lack of awareness of what the art and science of economics really is.

Jim Poterba spoke eloquently on public policy and retirement security at the 2018 Morishima Lecture in June, and graciously presented our alumnus, Guo Xu, with the Hicks Prize. This awarded every year to a PhD student who has completed an outstanding dissertation. Guo's job market paper, *The Costs of Patronage: Evidence from the British Empire*, is forthcoming in the *American Economic Review* and was instrumental in securing him a position at the Haas School of Business at UC Berkeley. He will be joined there later this year by two other STICERD researchers- Matteo Bennetton will be moving to Haas as an Assistant Professor and Johannes Spinnewijn will take up a one year visiting post at UC Berkeley.

On a roll of good news we heard that our friend and STICERD fifth director, Tim Besley, had been knighted for contributions to economics. Congratulations to Sir Tim for a very well deserved honour!

We welcomed three new colleagues to our centre: Xavier Jaravel from Harvard, Rachael Meager from MIT and Daniel Reck from UC Berkeley. We're very proud of the successes they have had already in their short time with us and look forward to seeing their careers develop from here.

Last July the School created a named Chair to honour Tony Atkinson's memory, and to my great surprise and even greater joy awarded it to me. Tony directed STICERD in the 1980s and his legacy is clear and strong as the STICERD community keeps working with enthusiasm to understand the world and make it a bit better. I am, as ever, very impressed by my colleagues and honoured to do my bit to help.

Oriana Bandiera

Director, STICERD



Major Econometric Theory Prize awarded to Javier Hidalgo

In July 2018, it was announced that the 2015-17 Tjalling C. Koopmans *Econometric Theory* Prize had been awarded jointly to Javier Hidalgo of the LSE Department of Economics and Myung Hwan Seo (Seoul National University) for their paper "Specification Tests for Lattice Processes," by the journal *Econometric Theory*.

The prize was announced in the latest issue of *Econometric Theory*; journal editor and Cowles research staff member, Peter C.B. Phillips, along with Cambridge University Press, congratulated the authors on their success in receiving the award.



Javier joined the Department of Economics in 1992, and was promoted to Professor in 2002. He is well-known for his work on econometric theory, long memory time series, and bootstrap methods in econometrics. He is a Fellow of the *Journal of Econometrics* and editor-in-chief of the *Journal of Time Series Econometrics*.

The selection of the winning article was made by the Advisory Board of the Journal. All articles published in *Econometric Theory* over 2015-17 inclusive were candidates for the prize, except those that were authored or coauthored by the Editor and members of the Advisory Board.

The Tjalling C. Koopmans Econometric Theory Prize is supported by the Cowles Foundation for Research in Economics. It is named in honor of Tjalling C. Koopmans, the 1975 Nobel Laureate in Economic Science. The prize is accompanied by a financial award of \$1,000 to the winning author(s). The prize-winning paper was published in the April 2015 issue of *Econometric Theory* (volume 31(2), pages 294–336).

Undergraduate Volunteering Event at FareShare

In an effort to improve student engagement and to create a sense of community amongst our large undergraduate cohort we decided to offer our students the chance to participate in some form of small group event, hoping that more would follow. Knowing that LSE has a fantastic Volunteer Centre who offer students the opportunity to get involved with group volunteering I approached them to ask if they would be able to provide a suitable group volunteering event.

The Volunteer Centre suggested a half day at FareShare (fareshare.org.uk/). FareShare is the UK's largest charity fighting against hunger and food waste, by saving good food from going to waste and re-distributing it to charities such as homeless shelters, food banks and women's refuges, and community groups such as schools and youth hostels.

Sign-up to the event was opened up to students the first day back in Lent term, with a maximum of 12 places available. After an initial flurry of sign-ups (ten!) we ended up with six eager students, who went along with myself and Charlotte Sedgwick Rough to FareShare's London distribution centre in Deptford. It was great to see the students getting to know one another on the journey there. None of them knew each other in advance so this proved to be a good ice breaker.

After being greeted by a member of FareShare at reception we were led through to a very cold warehouse, and told to put on safety shoes (I drew the short straw with a particularly ugly pair, as evidenced in the photo!), and a high-vis jacket. After a safety briefing we were shown around the premises and then provided with details of our tasks for the afternoon.

Working in groups of two to three, we sorted through various types of food, including crisps, pasta sauces and biscuits, noting down use by dates, and batching them by type. The striking thing about doing this was some of the reasons as to why this surplus food and drink ended up at FareShare. For instance, we were informed that they were once in receipt of hundreds of litre bottles of Pepsi with the band One Direction of them. There was absolutely nothing wrong with these bottles, except for the fact that the packaging still had one of the members who had left the band on them. For this reason, the supermarkets would not sell them. All of the food we sorted was well within date, but some had minor issues with their packaging, such as Pringle tubes with dents in them. If it wasn't for companies such as FareShare food like this would go to waste.



(From left to right): Yuanpeng Liang, Josh Nason, Niranjana Srivatsan, Christian Shaw, Sarah Burton, Charlotte Sedgwick Rough, Janice Tan and Ashvyini Selvaratnam

After a few hours we were all permitted to take a break in the staff kitchen. This proved to be a treasure trove of edible delights! Any food that was very near to its use by date, or had particularly damaged packaging, was stored there, for anyone to help themselves to.

We all sat down to eat, and again, it was wonderful to see the students interacting with each other. I also received encouraging feedback from students, with all of them saying that they would be interested in attending another group volunteering event (I'm assuming they weren't just telling me what I wanted to hear...). We returned to working for another few hours before we were told that we were free to leave, but

not before our batching was checked. I was pleased to be told that we'd all done a good job, and that our help for the afternoon was very much appreciated.

All in all, I feel that the event was a success, and a good way for students to get together, whilst of course giving invaluable support to a charity. I'm hoping that we'll be able to collaborate with the LSE Volunteer Centre in some way next academic year, so watch this space!

Sarah Burton

Undergraduate Programme Manager



The LSE-Oxford Commission on State Fragility, Growth and Development



International Growth Centre

To support our partner countries in Africa and South Asia in building their own paths out of poverty, the IGC engages at the heart of government, connecting senior policymakers to world-leading research on economic development. We collaborate closely with policymakers to identify critical gaps in policy knowledge, develop new research to address these needs, and help apply this evidence to policy decisions.

IMPACTFUL PROJECTS THIS YEAR

Our research and policy engagement focuses on the four key drivers of inclusive growth – productive firms, functioning cities, accessible and sustainable energy, and effective states.

Our work on firms focuses on supporting job creation through policies to raise productivity and expand high value-added activities. In Bangladesh, our work with

the international organisation BRAC showed that flexible microfinance loans led to growth in small and medium-sized enterprises. As a result, BRAC is now rolling out a wider programme of flexible loan options.

On cities, our work on municipal revenue collection in Kampala, Uganda, and close partnership with city authorities has led to the Kampala Capital City Authority (KCCA) creating an urban cadastre to monitor the use of land more effectively, based on IGC policy recommendations. In addition, the IGC has established a follow-up project on the taxation of vacant urban land.

In energy, an IGC study estimated that there are 21,000 premature deaths in South Africa each year due to current air quality levels and costing the country up to 6% of its GDP (approximately \$21.1 billion). The findings of this study are being used to inform the policies of the City of Cape Town and Western Cape Provincial Governments.

Work under state effectiveness in Rwanda found that incentives that encourage customers to ask for official receipts from stores could increase VAT compliance and increase tax revenue. As a result, the Rwanda Revenue Authority is now shifting its focus from punishment for non-compliance toward an incentive-based approach.

GLOBAL INITIATIVES

This year, we continued to translate our collaborative model into global influence through the two initiatives we launched in 2017 aimed at addressing state fragility and developing cities that catalyse growth.

The LSE-Oxford Commission on State Fragility, Growth and Development, chaired by former UK Prime Minister David Cameron and co-chaired by former African Development Bank President Donald Kaberuka and IGC Research and Policy Director Adnan Khan, launched its final report *Escaping the fragility trap* in April 2018 at an event in Washington DC.

The report argues that a new global approach is needed in states affected by conflict and instability that focuses greater attention on delivering basic security and jobs. The findings of the report have been presented at many high-profile events including at the Commonwealth Heads of Government Meeting in London, and a panel event at the IMF/World Bank Spring Meetings. Mr Cameron also testified on the Commission's findings at a hearing of the US Senate Foreign Relations Committee. IGC is building on the work of the Commission through its new Reducing Fragilities initiative.

Our Cities that Work initiative (CtW) brings together a network of policymakers, researchers, and urban practitioners and translates economic research and practical insight into clear urban policy guidance. This year the initiative supported engagements across a number of IGC countries through city-specific reports and workshops, as well as non-IGC cities. CtW also worked closely with the World Bank and UN-Habitat on events and reports to influence policy and donor agendas. Jennifer Musisi, Executive Director of the KCCA and CtW Council member, delivered the opening talk at the World Urban Forum in February 2018.

VOXDEV.ORG

In June 2017, we launched VoxDev.org – an online platform for accessible analysis of development issues. Featuring articles from top development economists such as Daron Acemoglu, Abhijit Banerjee, and Rachel Glennerster, the site currently averages 25,000 views per month. VoxDev is a collaboration between the IGC, the Centre for Economic Policy Research (CEPR) and the Private Enterprise Development in Low-Income Countries (PEDL) programme and is run by Editor-in-Chief Tavneet Suri (MIT).

This year, the IGC responded to pressing policy priorities and increased focus on countries affected by state fragility – expanding our work to new places including Jordan and Somaliland. These

engagements, alongside the wide reach of our initiative Cities that Work, have seen us influencing policy in 22 countries.

In 2017/18, the IGC had 165 independently-audited cases of policy impact, where projects had significant influence on policy discussions and decisions – demonstrating our continued focus on responding directly to policymaker demands, based on strong, established relationships.

We are also working with new partners: the Bill & Melinda Gates Foundation awarded the IGC a \$4.2 million grant for an exciting three-year research, policy engagement, and capacity-building programme based in Bihar, India, and UN-Habitat will collaborate with Cities that Work to develop the Foreign and Commonwealth Office's Global Future Cities Programme.



BSc Economics students showing off their official Department of Economics hoodies.

PUBLIC EVENTS 2017/18



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

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

Tuesday 17 October 2017

Hosted by the Department of Economics and the Centre for Macroeconomics

"Economics for the Common Good"

Speaker: Jean Tirole, winner of the 2014 Nobel Prize in Economics, Chairman of the Toulouse School of Economics and of the Institute for Advanced Study in Toulouse and a visiting professor at the Massachusetts Institute of Technology.

Chair: Wouter den Haan, Co-director for the Centre for Macroeconomics and Professor of Economics at LSE.



Friday 27 October 2017

Hosted by the Department of Economics and the Centre for Macroeconomics

"Assessing Global Financial Stability: where do we stand?"

Speaker: Tobias Adrian, Financial Counsellor and Director of the Monetary and Capital Markets Department of the International Monetary Fund (IMF).

Chair: Wouter den Haan, Co-director for the Centre for Macroeconomics and Professor of Economics at LSE.



Saturday 11 November 2017

Hosted by the Department of Economics and the Centre for Macroeconomics

"A World of Three Zeroes: the new economics of zero poverty, zero unemployment, and zero carbon emissions"

Speaker: Muhammed Yunus, the economist who invented microcredit, founded Grameen Bank, and earned a Nobel Peace Prize for his work towards alleviating poverty.

Chair: Minouche Shafik, Director of the London School of Economics and Political Science. Prior to this she was Deputy Governor of the Bank of England.



Monday 29 January 2018

Hosted by the Department of Economics and the Centre for Macroeconomics

"The Growth Delusion"

Speaker: David Pilling, Africa Editor (formerly Asia Editor) at the Financial Times.

Chair: Ethan Ilzetzki, Economics lecturer at LSE.



Thursday 08 March 2018

Hosted by the Department of Economics and the Centre for Macroeconomics

"The Almighty Dollar"

Speaker: Dharshini David, economist and broadcaster.

Chair: Keyu Jin, Associate Professor in the Department of Economics and a member of the Centre for Macroeconomics and Centre for Economic Performance.



Mariana Mazzucato

Monday 23 April 2018

Hosted by the Department of Economics and the Centre for Macroeconomics
 “The Value of Everything: making and taking in the global economy”

Speaker: Mariana Mazzucato, Professor in the Economics of Innovation and Public Value at University College London (UCL) where she is also Founder and Director of the Institute for Innovation and Public Purpose.

Chair: Wouter den Haan, Co-director for the Centre for Macroeconomics and Professor of Economics at LSE.



Tuesday 24 April 2018

Hosted by the Department of Economics
 Does the UK Need its Own Infrastructure Bank?
 Panel discussion

Speakers: Danny Alexander, Vice President at the Asian Infrastructure Investment Bank (AIIB); Robert Bartlett, Head of Infrastructure at Mitsubishi UFJ Financial Group; Tamsyn Barton, Chief Executive of Bond; Kwasi Kwarteng, MP for Spelthorne and Parliamentary Private Secretary to the Chancellor of the Exchequer.

Chair: Tim Besley, School Professor of Economics of Political Science and W. Arthur Lewis Professor of Development Economics in the Department of Economics at LSE and a member of the National Infrastructure Commission.



Wednesday 25 April 2018

Inaugural lecture hosted by the Department of Economics
 “The New Conventional Central Bank”

Speaker: Ricardo Reis, A W Phillips Professor of Economics at the London School of Economics and Political Science, a consultant to central banks around the world and former chief editor of the *Journal of Monetary Economics*.

Chair: Wouter den Haan, Co-director for the Centre for Macroeconomics and Professor of Economics at LSE.



Monday 14 May 2018

Hosted by the Department of Economics and the Centre for Macroeconomics
 “Collusion: how central bankers rigged the world”

Speaker: Nomi Prins, Journalist and former global investment bank executive.

Chair: Wouter den Haan, Co-director for the Centre for Macroeconomics and Professor of Economics at LSE.



Wednesday 6 June 2018

Hosted by STICERD
 “The Morishima Lecture: Public Policy and Retirement Security: A Trans-Atlantic Perspective”

Speaker: James Poterba, Mitsui Professor of Economics at MIT and the President of the National Bureau of Economic Research.

Chair: Tim Besley, School Professor of Economics of Political Science and W. Arthur Lewis Professor of Development Economics in the Department of Economics at LSE.

Monday 09 July 2018

Hosted by the Department of Economics and the Centre for Macroeconomics
 “Adam Smith: what he thought, and why it matters”

Speaker: Jesse Norman MP, Parliamentary Under Secretary of State for the Department for Transport.

Chair: Tim Besley, School Professor of Economics of Political Science and W. Arthur Lewis Professor of Development Economics in the Department of Economics at LSE.



Philippe Aghion giving the 2018 Economica Coase Lecture, “Finance, Competition and Innovation-Based Growth”. Philippe’s lecture focused on the relationship between finance and growth and how competition amongst firms and firm dynamics interacts with this relationship. An audio recording of this event is available on Soundcloud: soundcloud.com/lsepodcasts/finance-competition-and

Philippe Aghion is a professor at the College de France and LSE, and a fellow of the Econometric Society and of the American Academy of Arts and Sciences.



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. CFM is funded by the Economic and Social Research Council (ESRC), and was founded in 2012.

Chaired by LSE's Nobel Prize-winning economics professor, Christopher Pissarides, the new Centre brings together a diverse – but interconnected – set of institutions, ranging from policy making (Bank of England) through applied policy research (National Institute of Economic and Social Research) to academia (University of Cambridge, University of Oxford, LSE, and University College London). This creates a unique environment for imaginative, policy relevant, and intellectually robust research.

The Centre's main research activities are divided into five major research programmes which address the key issues of unemployment, fiscal austerity, financial markets, shifts in the world economy and the development of new methodologies. It is hoped that new methodologies and better communication with policy makers will enhance the research and will lead to better policy decisions.

Research is disseminated through events, workshops, seminars and published materials – in particular, through a discussion paper series on RePEc (*Research Papers in Economics*), and a public lecture programme at LSE.



Wouter Den Haan

NEW ESRC GRANT AND NEW RESEARCH

In 2018, the CFM secured a £1,171,250 transition grant from the Economic and Social Research Council (ESRC). The grant makes it possible to continue our public engagement, to foster links with policy makers, to organise seminars, and to support students. The grant also supports research in the following areas.

- **Rich macroeconomic models capturing heterogeneity and inequality.**

Macroeconomics has changed substantially over the last decade, moving away from representative agent models towards models with richer heterogeneity. This is true for empirical as well as theoretical macro. CFM researchers have been at the frontier of this exciting new research area by developing tools to analyse these models and to apply them to key outstanding questions such as the role of frictions in financial markets for business cycles.

- **Better modelling of the interaction of agents in macroeconomic models.**

Economists often rely on the famous “invisible hand,” to avoid having to take a stand on how a real economy actually

arrives at the solution predicted by their models. However, in many cases a better insight into the working of an actual economy can be achieved by carefully modelling how economic entities are linked to each other and how they interact. An important development is network theory, which makes it possible to better understand the fragility of the financial sector. It can also be used to analyse how an important local event such as the Fukushima Daiichi nuclear disaster affect different parts of the Japanese economy.

- Understanding and anticipating a changing Europe and a changing world including Brexit. Brexit is very likely to have important consequences for the UK as well as Europe. Moreover, increased populism and recent increases in import tariffs by major economies could also imply important changes in the global economy. Such changes create important challenges for macroeconomists and requires continuous investigation of the best way to model key macroeconomic phenomena.

- Development of models to evaluate new policy tools. The recent financial crisis has hammered home the importance of better policies to avoid severe economic

JOHN LANE, 1944-2018

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downturns. New regulation is being implemented and new types of policy are being considered. Since we are breaking new ground, it is important that these new policies are being carefully analysed, both with empirical studies and with theoretical models. The links of the CFM with the Bank of England and the National Institute of Economics and Social Research (NIESR) puts the CFM in an excellent position for this type of research.

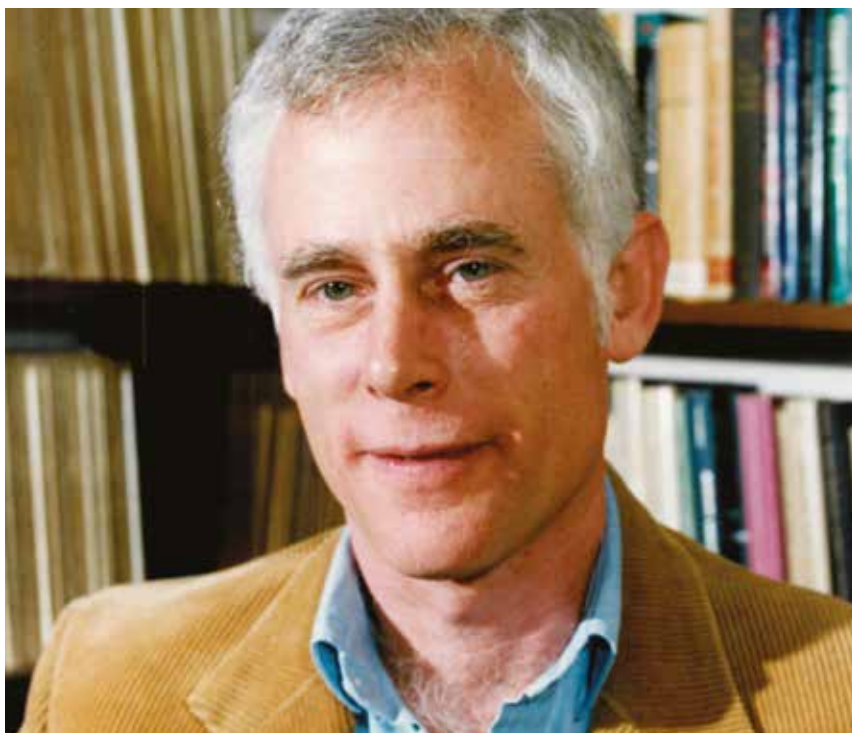
- Empirical macroeconomics with misspecified models. Macroeconomic phenomena are hard to understand and hard to capture with a set of equations. Nevertheless, the latter is important for empirical studies. Empirical macroeconomists use modern and advanced techniques. However, the consequences of working with a misspecified model has received little attention even though it is obvious to all that all economic models are misspecified. CFM researchers started to develop tools to detect and correct for such misspecification.

CFM SURVEY

The CFM survey (organised jointly with the Centre for Economic Policy Research, CEPR) remains an important vehicle through which the CFM informs the public at large about the views of a broad range of macroeconomists. By giving a voice to academic macroeconomists who are typically not active in the media, it provides a comprehensive picture of the views within the academic community on key topical questions. During this academic year, the survey covered important topics such as Bitcoin, UK house prices, labour market pressure and monetary policy, and the dangers of rising debt levels. More information can be found at cfmsurvey.org

Wouter Den Haan

CO-Director of the Centre for Macroeconomics



We regret to announce the death of Dr John Lane, who passed away in Singapore earlier this year.

John gained his PhD at Stanford University, and joined the LSE Department of Economics as a lecturer in 1971. He also held visiting appointments at Wisconsin University, Yale University, the State University of New York, the University of California at San Diego, Queen's University Canada, and the New Economic School in Moscow.

John taught mathematical economics, econometrics, and general equilibrium theory. His early research interests were in the areas of technological change, optimal growth theory and the economics of exhaustible resources. Later, he worked on health economics, particularly the economics of uncertainty as applied

to medical decision making. His work was published in the *International Economic Review*, the *Review of Economic Studies* and *Econometrica*, amongst others.

John retired from LSE in September 2008, and relocated to Singapore, where he joined the Nanyang Technological University, teaching economic analysis, taxation and fiscal reform, labour and education policy, and applied mathematical economics in the School of Humanities and Social Sciences. More recently, he taught on the Global Master of Finance Degree at Singapore Management University.

He continued to be engaged in the London University external (international) program with particular reference to South East Asia, and regularly returned to LSE to act as an external examiner.

"John was a wonderful colleague, invariably cheerful, with a keen sense of humour and never without a story to tell... it was always a joy to see him on his continuing summer visits, and all his old friends in the Department will greatly miss seeing him approach along the corridor with that inimitable smile of recognition."

Professor John Sutton

Lecture theatre in the home of LSE Economics named for generous legacy gift

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Clockwise from top left: Professor Steve Pischke, Head of the Department of Economics, LSE; Anna Brandenburger, LSE Advancement; Doug Ridley; Norman Smyth, nephew of Frank Anton and wife Joan; Avril Ridley, niece of Frank Anton. Photograph by Norman Smyth

The Frank Anton Lecture Theatre has been named after LSE Economics alumnus Frank Anton (BSc Economics 1950), in recognition of a generous legacy gift which has established a scholarship for graduate students in the Department of Economics.

Born in Ireland in 1920, Frank was studying to be a chemist when the second world war broke out. He joined the RAF, and was a navigator in a RAF Lancaster bomber when he was shot down over Germany in 1943. He was captured and sent to a German prison camp in Poland, Stalag VIII-B. While he was there, he took advantage of an educational programme offered within the prison by studying German and French, and he also discovered economics.

"Someone lent Frank a very old book on economics – he said reading it was like a light being turned on," said Norman Smyth, Frank's nephew. "It explained that conflicts were often caused by dissatisfaction that had an economic basis, and he became determined to understand economics better. In the middle of this political turmoil of the war he was trying to understand what drove people and he felt if he understood economics, he could get a better handle on it."

After the war, he was admitted to LSE, and obtained his BSc Economics in 1950, then took a master's degree at the University of California Los Angeles, before returning to LSE to study for his PhD, awarded by the University of London in 1962.

Frank moved to Canada in 1957, and played a leading role in setting up the first Economics department at the new University of Calgary. He was appointed its first Head of Department in 1967, and remained there until retirement 20 years later.

Upon his death in 2015, and in keeping with his wishes, Frank's estate was shared between LSE and the University of Calgary. The Frank Anton Scholarship at LSE ensures a PhD Economics student in financial need is supported each year throughout their studies.

"Frank felt forever grateful to LSE for accepting him and giving him the good grounding in economics that enabled his future life to evolve," said Norman.

"Without LSE he could never have risen to become the founder of the University of Calgary's Economics Department. He enjoyed interacting with students and helping them succeed, and he received tremendous satisfaction from contributing to a better understanding of economics."

He added: "Frank would be delighted to see that his legacy will continue in perpetuity, enabling others to achieve a career in economics."

Professor Leonardo Felli, who was Head of the Department of Economics when the gift was made, said: "We are honoured and grateful for Dr Anton's generous gift. In a time when PhD funding is shrinking and assistance for this type of advanced studies is slowly dwindling, this form of generous support is exactly what allows us to maintain the outstanding quality of our PhD programme and encourage young and outstanding students to join the academic profession and advance the most important frontier research in economics."

Based on an article that first appeared on the School's Supporting LSE pages: for more information about how philanthropy helps to widen participation and enhance the student experience at LSE, [visit lse.ac.uk/supporting-lse](http://visit.lse.ac.uk/supporting-lse)

RECOGNITION FOR ECONOMICS ALUMNI AND STAFF IN THE NEW YEAR'S AND QUEEN'S HONOURS LISTS

Warmest congratulations to the three former students of the Department of Economics who were recognised in the New Year Honours and Queen's Birthday Honours lists, and to **Professor Tim Besley**, who was knighted.

NEW YEAR HONOURS 2018

Donna Leong OBE, MPhil Economics 2003 and MSc Economics 1993, Order of the British Empire for services to Business.

Nicholas Woolf OBE, BSc Economics 1968, Order of the British Empire for services to the Charitable Sector in the UK and Abroad.

Timothy Besley, School Professor of Economics and Political Science, for services to economics and public policy.

QUEEN'S BIRTHDAY HONOURS 2018

Jonathan Haskel CBE, MSc (Econ) Economics 1985 and MPhil/PhD Economics 1987, Commander of the Order of the British Empire for services to Economics.

KNIGHTHOOD FOR PROFESSOR TIM BESLEY

"Getting a knighthood is more than I ever could have expected and certainly a first in my family (nobody had even gone to University before me). But the recognition is just a reflection of all the help and support I have received from my friends, family and colleagues over the years. Best of all, I was able to take my wife, Gillian, and my sons to the palace as well as my Dad which was wonderful."

Tim Besley, School Professor of Economics and Political Science, was knighted for his services to economics and public policy in the 2018 New Year's Honours.

Tim, who is also the W Arthur Lewis Professor of Development Economics, studied at Oxford University and taught at Princeton, before being appointed Professor in the Department of Economics in 1995. His research focuses on the policy issues surrounding development economics, public economics and political economy.

Tim is a Fellow of the Econometric Society, and in 2018, is serving as its President. He is also a Fellow of the British Academy, the European Economic Association, and a Foreign Honorary Member of the American Economic Association and the American Academy of Arts and Sciences.

One of Britain's foremost economists, he served as an external member of the Bank of England Monetary Policy Committee from September 2006 to August 2009. He is also a member of the National Infrastructure Commission.

Welcoming the news, Professor Oriana Bandiera, the Director of STICERD, described Tim as "a great and generous economist, a role model for us all".



STUDENTS AND STAFF FACE TO FACE

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PhD student Adrien Bussy answers questions from Dr Daniel Reck.

What's the most interesting thing about you that I wouldn't learn from your CV?

I spent a lot of my childhood in the Scouts, camping and fishing outdoors.

Are you going to be a teaching assistant next year? If so which course will you be teaching?

Yes, I will be a Teaching Fellow teaching PP440 Micro and Macro Economics (for Public Policy) on the MPA Programme. It's the first time I will be teaching on this course. I am looking forward to a new audience.

As a former teaching prize winner, how do you keep students interested in your subject?

As a teaching assistant I am already given a very precise class content to follow, this makes preparing for the class easier. I try to put myself in the shoes of someone who finds the subject difficult. From there I am often able to establish a friendly link with the students, where I come across as someone who is approachable.

What do you find the most challenging in the PhD programme?

Research. Specifically, the quest for ideas that are implementable and yet interesting is very difficult for me.

Tell us about your research interests?

I have two main projects that I am working on. One is on tax evasion: I try to measure the extent of tariff and tax evasion using trade statistics. The novel component is using this method to indirectly uncover corporate tax evasion.

My second project is on innovation. A colleague and I are trying to use recent advances in textual analysis tools to assess patent quality and innovativeness.

What is it like studying in the Department of Economics?

It's great and challenging. Research can be a relatively lonely activity but I am very fortunate to be in an office with great fellow students, who are willing to engage in debates and answer questions. The seminars are also great and the faculty are always available.

Where did you study previously?

I am Swiss and I did my undergraduate degree and Masters in Switzerland. Studying at LSE is an opportunity I did not think I would have, at the time. I am very fortunate to have ended up here.



Maria Ventura, who recently completed her MSc Economics, and will be continuing to the PhD Economics programme in September 2018, answers questions from Professor Ricardo Reis.

What's the most interesting thing about you that I wouldn't learn from your CV?

I love travelling. I enjoy discovering new places and compare people and cultures across countries.

Have you previously taught classes?

If so, how do you keep students interested in your subject?

I have taught (EC201) Microeconomic Principles I for the past two years. As teachers and researchers, I think it is crucial that we show students how passionate we are about what we do, and how this can be useful in real life.

Are you going to be a teaching assistant next year? If so, which course will you be teaching or would like to be teaching?

I am hoping to teach EC201 again this year. I find Microeconomics quite interesting to teach, especially when this is the first exclusively Micro course students come across in their curriculum.

What are you looking forward to learning on the PhD programme?

Having an undergraduate background in Business, I am really looking forward to learning more of the fundamentals of Economics in my courses. At the same time, I am very excited about learning how to think and to approach problems as a researcher.

Tell us about your research interests?

I am currently mainly interested in Development Economics, but I am hoping

to move somewhere at the intersection between Development, Labour and Public economics.

What is it like studying in the Department of Economics?

It was a very tough and intense year. I have never studied so much but also never learned so much. Also being in contact with academics that are at the frontier of research was very rewarding and exciting.

Where did you study previously?

I studied in Rome at La Sapienza University and spent one term in Dublin (UCD) and another term in Belgium (UCL).

A W Phillips Professor of Economics Ricardo Reis answers questions from Economics student Maria Ventura.

What fields are you working in?

I work in macroeconomics, which is a very broad tent. More recently, much of my work has been at the intersection of macro with finance.

What are you teaching in the coming year?

At undergraduate level I am teaching EC210 Macroeconomic Principles and on the PhD programme EC539 Macroeconomics for Research Students

Dr Daniel Reck, Assistant Professor of Economics, answers questions from PhD Economics student Adrien Bussy.

What fields are you working in?

My fields are Public Economics and Behavioural Economics. Lately, I have some work at the intersection of these two fields, and on tax evasion in offshore accounts.

What are you teaching in the coming year?

I will be teaching undergraduate Public Economics (EC325), at Masters level Public Economics for Public Policy (EC410), and also on the MRes programme Public Economics for Research Students (EC534).

What's the most interesting thing about you that I wouldn't learn from your CV?

I am a musician. I play the trumpet, piano and sing a cappella. I started singing a cappella as an undergraduate with my fellow students; it was a lot of fun.

Are you working on any research projects?

I am working with Jacob Goldin on optimal policy making for behavioural economics. The big idea I am interested in is that doing optimal policy analysis in these behavioural settings requires assumptions that you cannot directly test. Instead, we can map

assumptions about welfare into optimal policies. Our current work looks at this issue in the context of optimal default policy. To set a default pension contribution, for instance, you need to make normative assumptions about whether opting out of a default is actually costly, and about how much people tend to under-save. Our work shows how those normative assumptions matter for setting an optimal default.

I also have ongoing work on the recent crackdown on tax evasion via offshore accounts. This has been an area of major policy activity in recent years, with governments pursuing people who try and hide their wealth from tax authorities in accounts in tax havens like Switzerland or the British Virgin Islands. In collaboration with the IRS and a team of academics, I use administrative data from the US to look at the impact of recent efforts to obtain third-party information about offshore account-holders on the reporting of offshore assets and financial capital income on tax returns.

Do you have any new teaching innovations in the pipeline?

My students have responded well to localised examples in public economics.

You see public economics in your everyday life, for example the pavement you walk on to get to work/university is maintained by governments. I have been trying to build in a lot more examples that are localised and are specific to student's everyday experiences, which they can connect to the bigger policy debates that are typically the focus of a course in public economics.

How do you keep students interested in your subject?

I talk very enthusiastically! I try and use a lot of examples that students can relate to and connect those examples to the bigger ideas.

What was the most challenging part of the job market year?

For me the hardest part was the application phase. You can apply for 80+ jobs and they all require time to complete the application documentation. It's extremely tedious. I mostly enjoyed the interviews and fly outs, as by this stage people are somewhat interested in your research and want to talk about it with you.

What's the most interesting thing about you that I wouldn't learn from your CV?

I am a big fan of tennis and played a lot in my youth. I love going to Wimbledon and I saw the women's final last year.

Are you working on any research projects?

I have three separate research agendas. The first is on central bank balance sheets and how central banks will look like in the future: I gave the Phillips lecture at LSE a month ago on that. The second is on macro models with household heterogeneity, (recently called HANK models). This is a huge area of growth in macro, and I wrote one of the very first models of this type more than 8 years ago. I have been applying them to fiscal policy questions. Third, and a longstanding interest of mine, is the dynamics of inflation.

Do you have any new teaching innovations in the pipeline?

On (EC210) Macroeconomic Principles I am planning some large changes 12 months from now, where the main innovation is to make students deal with more data in their assignments.

How do you keep students interested in your subject?

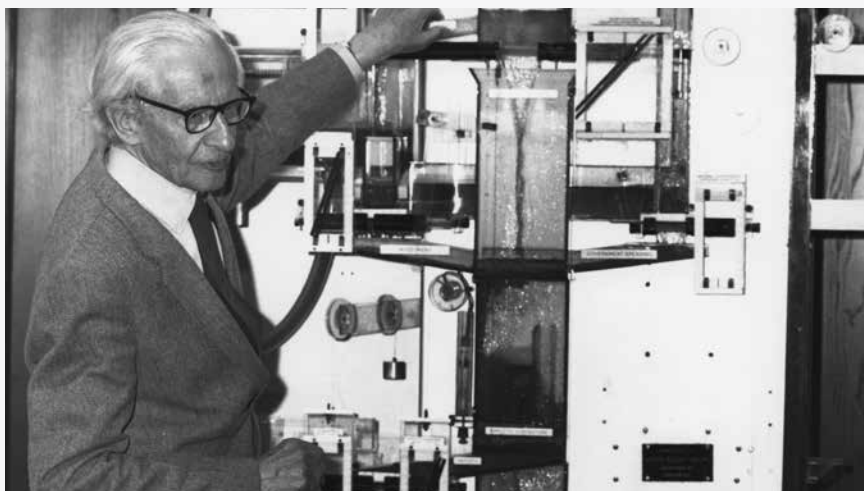
I ask applied questions at the start of the class and then develop models to answer a particular applied question, so that students see the value of the model. The challenge of teaching today is that previously students came to get information, learning about ideas and authors they had never heard about. Nowadays, with the internet, students before attending their first lecture have already heard of lots of things. Yet, most of what you read and hear online sounds right, but after some research is clearly wrong. The challenge is to give students the tools to distinguish what's right from wrong.

As the Junior Recruitment Committee Chair what would you advise students entering the academic PhD job market?

First, remember your intertemporal substitution. Marginal returns for an extra hour of work between June – March of your job market year are higher than at any other point in your career. Be a maximising agent and work hard, with clear guidance from your supervisor, from June – March. Second, don't neglect the importance of being able to explain clearly the fundamental concepts. Your future employees are less impressed with your



technical mastery of small specialised techniques, than they are with your ability to be very solid about your understanding of what is a valid identification strategy or how an equilibrium is defined in your model. Third, the majority of the questions you will get are from people who are just trying to understand what you did. They are not trying to trick you, or judge you, as much as they are trying to understand you. Focus on being clear and in transmitting what we learn from your research, not in the job you are applying for; that will come naturally.



JAMES MEADE, NOBEL LAUREATE 1977 BY MERVYN KING

Mervyn King remembers James Edward Meade, one of the greatest British economists, who taught at LSE, and received the Nobel Memorial Prize in Economic Sciences in 1977.

James Meade wrote economics the old-fashioned way – with pen and paper, and working out for himself the answers from first principles. In October 1977, James was preoccupied with putting the finishing touches to the Meade Committee Report on reform of the British tax system which subsequently appeared in January 1978. As he wrote in a letter earlier that year, “although I am technically in retirement, I have never, since Whitehall days, worked so hard as on this report”.

One morning he travelled by bus from Cambridge to the University of Buckingham where he was due to give a lecture. On descending from the bus, he was greeted, to his surprise, by a group of dignitaries waiting to inform him that during the journey the announcement had come from Stockholm of the award of the Nobel Prize. Meade shared the Prize with the Swedish economist Bertil Ohlin “for their pathbreaking contribution to the theory of international trade and international capital movements”, according to the official citation.

That citation does not capture the bewildering breadth of Meade’s contributions to economic theory and policy making. Indeed, it is hard to think of an aspect of economics to which Meade did not contribute – unemployment, monetary policy, fiscal policy, income and wealth distribution, poverty and social security, co-operatives, taxation, international economics and economic growth. More than any other of his contemporaries, he used rigorous economic theory to show how an efficient market economy could be combined with an intense concern about inequality of income and wealth. He produced many schemes for public policy initiatives to promote equality while retaining the benefits of competition. Imbued with an enormous intellectual curiosity into economic problems, Meade’s success reflected many of his “old-fashioned” qualities. Given a book to review, he would typically put it aside after one chapter, open a notebook, and start to develop the theory himself. His unpublished correspondence and papers, now available in the LSE Archives, are full of handwritten proofs and examples of economic propositions on which Meade worked.

Meade’s pathbreaking contributions to economic theory, especially in the areas mentioned in the Nobel citation, were

made while at LSE from 1947 to 1957. His time as a professor at Cambridge in the following decade came to an end when Meade resigned his chair as a result of the feuds within the Cambridge Faculty, ending his renowned lecture series to undergraduates and going back to full-time research in his college. As a result, his time in Cambridge in the decade before the award of the Nobel Prize was made less happy by the virulent ideological battles then sweeping the Cambridge Economics Faculty. At one seminar, James brought the squabbling to an abrupt halt by suddenly, and completely uncharacteristically, screaming “I can shout too”. It is hard to resist the impression that if the rest of the Faculty had been as mild-mannered and as intellectually curious as James himself, Cambridge would have made a greater contribution to economic thought than it in fact did.

Old-fashioned too were his impeccable manners, charm and kindness. When he wanted to reflect more carefully on a point that you had made, whether in writing or orally, James would gently stroke his chin and tentatively start his reply by “it seems to me that...”. Whether with colleagues, family, music or his wide circle of friends, James represented the virtues of scholarship and the English gentleman.

Meade donated one-half of his Nobel Prize money to the LSE Library and the other half to the Marshall Library in Cambridge. With his prolific writing across so many areas in economics, and his Nobel prize, few people have done more to justify LSE’s motto *rerum cognoscere causas* – “to know the Causes of Things”. The fortieth anniversary of the award of the Nobel Memorial Prize in the Economic Sciences to James Meade is certainly cause for celebration for all LSE staff, students and alumni.

Mervyn King
LSE School Professor of Economics

This article originally appeared on the LSE History Blog. Professor King, formerly the Governor of the Bank of England, was a member of the Meade Committee.

“How does caring for one another affect economic decisions?”

This is the question posed by Professors Oriana Bandiera, Nava Ashraf and Maitresh Ghatak when they spoke at the Economics Scientific Section of the British Science Association Festival of Science in September 2017.

During their talk, they examined how our social preferences affect our decision-making and what the economic consequences of this can be. They asked how we can incorporate personal motivations into economic models, and assessed the impact this might have on the organisation of firms, the use of monetary incentives, and the delivery of public services.

Oriana discussed the concept of the *homo economicus* (the concept of humans as agents who are consistently

rational and narrowly self-interested, and who usually pursue their subjectively-defined ends optimally), and how this concept has been utilised by economists to develop simple models. She argued that these models, which are based on a simple representation of human behaviour, can be useful tools in many situations. However, if self-interest is removed from the model, then we must ask what it can be replaced with.

Maitresh noted the recent popular discontent with standard economic models. He noted that the limitations of models based on the principle of self-interest have been known for some time, and suggested that many economic questions require a broader interpretation of behaviour especially when markets do not work perfectly, identifying the

roles played by identity, reputation and social norms in affecting the relationship between work and pay.

Nava presented findings from two field studies conducted in Zambia: the first study looked at the distribution of female condoms through hairdressing salons and barbers, and the second examined a recruitment strategy for nurses. She illustrated how both self-interest and more altruistic motivations provide explanations for observed behaviour.

A more in-depth analysis of the event can be found in David Dickinson's report for the Royal Economics Society newsletter at res.org.uk/view/art6Oct17Features.html

Award-winning research student paper to be published in the *American Economic Review*



Congratulations to Kilian Huber, Economics PhD student and job market candidate, who is one of the joint winners of the AQR Top Finance Graduate 2018 Award at the Copenhagen Business School!

The award, which is sponsored by AQR Capital Management, recognises the most promising PhD graduates in 2018. It is specifically aimed at those specialising in financial economics pursuing degrees in any field of study, whose dissertation and broader research potential carry the greatest promise of making an impact on the finance practice and academia. Each winner will receive a cash prize of 1,400 USD and present their research in Copenhagen on June 8, 2018.

Kilian said of receiving the award: “It was a lot of fun to travel to Copenhagen for the award conference. I particularly enjoyed the presentations of other job market candidates, who had also been on the market during the academic year 2017/18.”

Kilian will be joining the Becker Friedman Institute at the University of Chicago as a Chicago Research Fellow for the academic year 2018-2019, and will then take up a position at the Booth School of Business at Chicago as an Assistant Professor of Economics. His job market paper, “Disentangling the Effects of a Banking Crisis: Evidence from German Firms and Counties,” has been accepted for publication in the *American Economic Review*.

WEB AND SOCIAL MEDIA UPDATE, AUGUST 2017-JULY 2018

ECONOMICS WEBSITE

Users of the new website: **814,525**
New users of the website: **612,633**

LOCATION OF USERS

- | | |
|---------------|---------------------------|
| 1. UK 34.7% | 4. China 3.4% |
| 2. USA 15.9% | 5. Germany 7.8% |
| 3. India 5.2% | 6. Rest of the world: 33% |

MOST POPULAR PAGES

- | | | |
|--------------------------|--------------------------------|------------------------------------|
| 1. Job Market Candidates | 6. PhD Job Market | 11. People – Research Students |
| 2. People | 7. People – Faculty – Keyu Jin | 12. People – Faculty – Tim Besley |
| 3. Study-Taught Masters | 8. Study – Research | 13. Research |
| 4. People – Faculty A-Z | 9. Study – Undergraduate | 14. People – Faculty – Nava Ashraf |
| 5. Study | 10. Events and Seminars | 15. Homepage |



FACEBOOK

5,237 followers and **5,092** total page likes

LSE Economics Department page has a few sub-groups:

- | | | |
|---|---|---|
| 1. LSE Econ Alumni – for Economics alumni | 2. MSc Economics/MSc Econometrics 2018-2019 (starting in 2013-2014) | 3. MRes/PhD Economics 2018-2019 (starting in 2017-2018) |
| 4. LSE Macroeconomics | | |

FIVE MOST POPULAR POSTS OF THE PAST YEAR:

- | | | |
|---|---|---|
| 1. October 2017: Gujarat model: The gleam of state's high growth numbers hides dark reality of poverty, inequality, by Maitreesh Ghatak (Scroll In) (20.8K reached) | and co-authors (VOX online publication) (20.1K reached) | 4. July 2018: Professor Nava Ashraf among the 25 Top Behavioural Economists (The Best Schools) (3.4 K reached) |
| 2. October 2017: And Yet It Moves: Inflation and the Great Recession, by Ricard Reis | 3. October 2017: With Thaler's Nobel Win, Behavioural Economics Has Officially Made Its Way Into the Mainstream, by Maitreesh Ghatak (<i>The Wire</i>) (5K reached) | 5. May 2018: Nobel winner Sir Christopher Pissarides's advice: retrain for rise of robots (<i>The Times</i> article) (3.4 K reached) |



TWITTER (LSE Econ)

14.6K Followers and **6,905** Tweets

Top five tweets for the past year:

- | | | |
|--|--|---|
| 1. Are towns stuck in the wrong places? By Guy Michael and Ferdinand Rauch (World Economic forum, May 2018) (15,409) | 3. Trade Talks Episode 10: What If the UK Crashed into a No-Deal Brexit? Interview with Swati Dhingra (Peterson Institute for International Economics, November 2017) (11,607) | 5. Embracing the New Age of Automation, by Christopher Pissarides and Jacques Bughin (<i>Project Syndicate</i> , January 2018) (9,279) |
| 2. Oriana Bandiera to be awarded the Ester Boserup Prize for Research on Development 2018 (News item, March 2018) (13,886) | 4. Tim Besley knighted for his services to economics and public policy (December 2017) (10,028) | |



TWITTER (EconómicaLSE)

404 Followers and **718** Tweets

Top three tweets of the past year:

1. The January 2018 issue is out now! Browse and read the articles here. (December 2017) (5,795)
2. Issue 85/338 Does Financial Deregulation Boost Top Incomes? Evidence from the Big Bang, by Julia Tanndal and Daniel Waldenstrom (March 2018) (5,045)
3. US news website presents research undertaken by the IFS and published by Economica: Two Decades of Income Inequality in Britain, by Chris Belfield, Richard Blundell, Jonathan Cribb, Andrew Hood, and Robert Joyce (June 2018) (3,925)



YOUTUBE (EconomicsLSE)

Most viewed public lectures for the academic year 2017-2018

Jean Tirole | Economics for the Common Good | October 2017 |

4,653

Muhammad Yunus | A World of Three Zeroes | November 2017 |

1,798

Ricardo Reis | The New Conventional Central Bank | May 2018 |

1,730



LINKEDIN

LSE Department Of Economics Group | **1,016** members



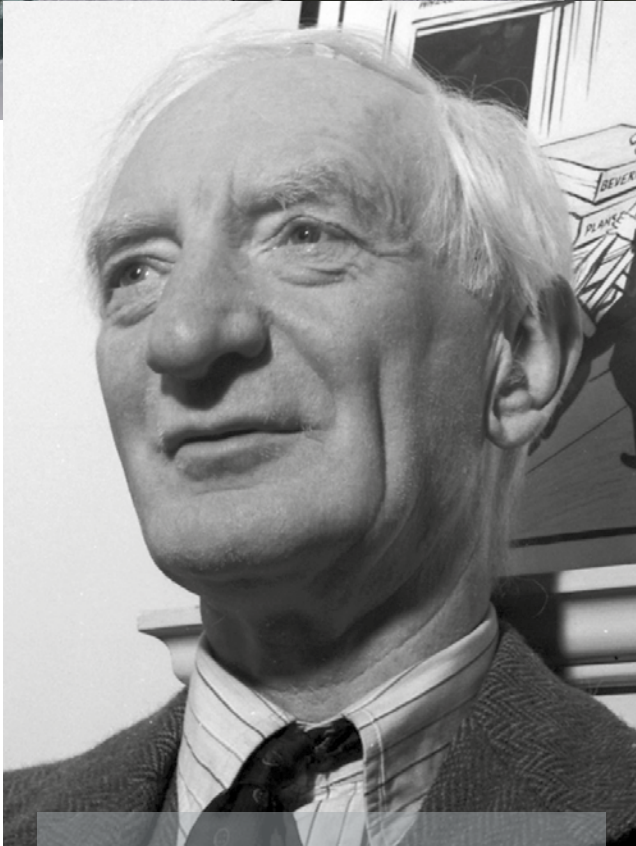
INSTAGRAM (new!)

LSE Economics | **263** followers | **10** posts

BLOGS AND MEDIA

Our academics write for a range of blogs and their articles have also appeared in national media. Here are some of the LSE blogs and national/international media that they write for:

- LSE Business Review blog
- Loose Leaves (Maitreesh Ghatak's personal blog)
- South Asia @ LSE
- LSE Brexit blog
- Centre for Vocational Education Research blog
- The IGC blog
- LSE EUROPP blog
- Project Syndicate
- *The Conversation*
- *The Financial Times*
- *The Guardian*



BEVERIDGE 2.0

In 1942, former LSE Director William Beveridge launched his blueprint for a British universal care system, "from cradle to grave". This report identified "Five Giants" the government should focus on fighting; Want, Disease, Ignorance, Squalor and Idleness. 75 years later, LSE offered a series of public engagement activities to shine light on the "Five Giants". Re-cast for the 21st century and for the global context, today's giants were framed as the challenges of poverty; health and social care; education and skills; housing and urbanisation; and the future of work.

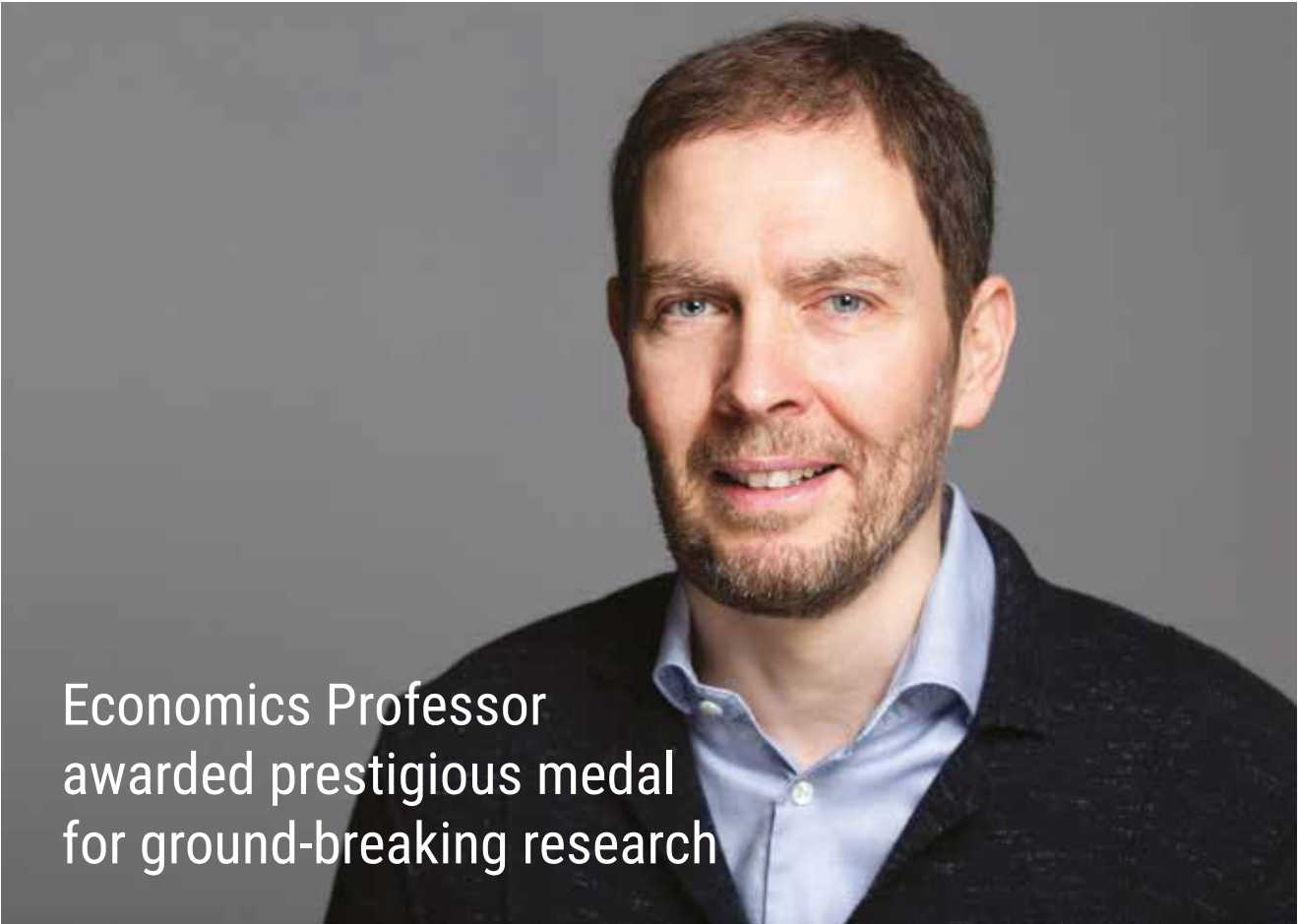
The "LSE Festival: Beveridge 2.0" took place from 19-24 February 2018 but the theme ran throughout the academic year, informing how LSE shares its research and its societal impact. Over the festival week, there were a series of public events and exhibitions exploring today's giants, their interconnectedness and any "missing giants" that a modern day Beveridge would have instead prioritised.

As part of the festival, students and staff were invited to enter the 2018 LSE research competition. By submitting a photograph, poster, pitch or short film, entrants had the opportunity to spread the word about a research project in a creative way. Those shortlisted had their work displayed at a public exhibition in the New Academic Building over the festival week. Eight prizes were awarded to winning submissions.

We are incredibly proud to have had 6 entrants from the Department of Economics: Sitong Ding (BSc Economics) with "Bounded Rationality in Rules of Price Adjustment and the Phillips Curve"; Xiao Dong Liu (MSc Economics) with "The Doorman"; Priyanka Roychoudhury (MSc Economics 2 Year) "Let it Out"; Quan Xue (BSc Econometrics and Mathematical Economics) with "Returns to Education: a Household Welfare Approach"; Shan Aman-Rana (PhD Economics) with "Are Initial Allocation Rules Important for Public Service Delivery and the Allocation of Talent Within Bureaucracies"; and Vincent Carse (BSc Economics) with "Risky Talk? Assessing the Effect of Macroeconomic Announcements on Stock Markets".

The work of Priyanka Roychoudhury and Vincent Carse was shortlisted and displayed at the LSE Research Competition Exhibition.

All entries to the LSE Research Festival competition 2018 can be found here: lse.ac.uk/Research/lse-festival-research-competition-vote



Economics Professor awarded prestigious medal for ground-breaking research

Warmest congratulations to Professor Daniel Sturm who has been awarded the 2018 Frisch Medal, with his co-authors Gabriel Ahlfeldt, Stephen Redding, and Nikolaus Wolf, for the ground-breaking paper on urban growth, "The Economics of Density: Evidence from the Berlin Wall", (*Econometrica*, Vol. 83, No. 6, November 2015, 2127–2189).

The project started over a decade ago and all four co-authors were affiliated with LSE at some point over this period. The group set out to explore some of the knottiest questions in urban economics. What makes a city thrive? How does employment density affect the productivity of urban workers? How do urban amenities depend on the population density of neighbourhoods?

Using unique block-level data from Berlin in the 1930s before the division of the city, during Berlin's partition between 1961 and 1989, and from modern-day Berlin, they developed a quantitative model that demonstrated that cities benefit from "cumulative causation": employment density makes cities more productive, attracting companies

and employees, thereby increasing productivity further. They also find that population density increases demand for services, such as theatres, restaurants, cafés or shops that in turn result in higher amenity values of neighbourhoods.

The impact of the paper, which the Frisch Medal Selection Committee described as "genuinely ground-breaking", is proving to be much broader than the group originally expected. "The quantitative model that we developed is very flexible and can be used to study many key questions in urban economics such as the effects of new transport links or land use restrictions on location choices in cities and ultimately welfare," explained Daniel. "As such, it is proving to be useful to a wide range of researchers."

Daniel expects the model to also have practical applications for urban planners, especially when making decisions on infrastructure and housing. "If a city is considering new transport infrastructure, for example, our model can help to simulate the impact of changes in travel speeds on the location of jobs, residents and the level of real estate prices" he

said, adding "This is a key input into realistic cost-benefit assessments of new infrastructure investments, which currently typically rely on largely ad-hoc assumptions."

Daniel is currently working with Stephan Heblich and Steve Redding on a study that uses the quantitative model to explore the long-term impact of the construction of the railways on London over the period 1801 to 1921. The project shows how the railways revolutionised commuting and resulted in a large-scale reorganisation of London. After the railway network expands, there is an explosion of employment at the centre of London to exploit the advantages of employment density, while residents are pushed further out relying on the railways to reach their workplaces.

The Frisch medal will be presented to the winners by Econometric Society's President, Sir Tim Besley, on 27 August 2018 at the European Summer Econometric Society meeting in Cologne, Germany. This is the first time that a member of the Department of Economics has been awarded the Frisch medal.

CENTRE *for* ECONOMIC P E R F O R M A N C E

The Centre for Economic Performance (CEP) produces much of the applied microeconomic research that is carried out at LSE by studying the determinants of the economic performance of individuals, companies, the nation and the global economy.

To do this it focuses on connections between globalisation, technology and institutions (in particular those in the education and the labour market) and their respective impacts on wages, productivity, inequality and wellbeing.

CEP AWARDED ESRC RESEARCH INSTITUTE STATUS

Since its inception in 1990 and by subsequently winning five Economic and Social Research Council research competitions, CEP has become one of the world's leading economic research centres. In the last year, this track record of providing empirical evidence and associated capacity building has been recognised, as the centre was one of the first two to be awarded Research Institute Status. This reflects its achievements and long term strategic value, both to the ESRC and to the broader social science research landscape. As a centre of excellence, CEP will now receive long term ESRC funding subject to a five year review process (no longer via the Centre competitions). This highly prestigious award will help ensure that the Centre's widespread impact on policy, practice and methods continues into the future.

AFTER THE LSE GROWTH COMMISSION REPORTS

One key new tranche of CEP work has built upon and further developed the 2013 and 2017's LSE Growth Commission reports with ESRC/BEIS research to support the government's industrial strategy. Four areas of work have been focused upon: skills; mapping data on firms and

workers; drivers of business growth; and Brexit and industrial strategy. Findings on the local economic effects of Brexit, interactive maps of business and labour markets data (building on the earlier Atlas of Industry in Britain), clean growth and on apprenticeships have been produced.

In February 2018, CEP began running the first surveys of their kind on alternative working practices. Given the growing importance of such non-standard work arrangements in the UK, little is known about the nature and variety of these jobs, workers' preferences for them and how they interact with automation and the digital

economy. These data are being used to delve into this relatively untapped area of high policy relevance in the era of weak real wages, looking at gig economy jobs, zero hour contracts, crowd workers (eg, on platforms such as Amazon Mechanical Turk), and domiciliary care workers.

RESEARCH ON EDUCATION AND SKILLS

As a part of CEP's Education and Skills programme, the Centre for Vocational Education Research (CVER) submitted its interim report to the Department for Education and has obtained continued funding for years 4 and 5 (£1m pa until 2020). Since the Centre was established in 2015, it has laid extensive data foundations by obtaining and linking a variety of administrative data sets from DfE, HMRC, and building a serious level of expertise amongst its researchers: the large up-front investment in the Centre is now starting to pay real dividends. CVER has already established itself as a leading international research centre and hub in vocational and technical education.



CEP IN THE MEDIA

CEP academics and researchers continue to engage with journalists, practitioners, the public and policy makers. An immediate impact of this is evident as CEP work is frequently referred to in both the general media and social media. The centre's work and output appears in print and broadcast media with (roughly) four mentions a day. This covers presence via different media platforms, including newspapers, blogs, magazine articles, and TV and radio interviews – both given by staff members or when CEP work has been mentioned by broadcasters.

FRISCH MEDAL AWARD TO DANIEL STURM

CEP research papers have continued to be regularly published in leading academic journals. One major achievement from Daniel Sturm and co-authors was receipt of the award of the 2018 Frisch medal (presented biennially by the Econometric Society for the best applied paper published during the previous five years) for their *Econometrica* paper "The Economics of Density: Evidence from the Berlin Wall".

A summary of the Centre's research highlights can be found in *CentrePiece* Magazine, an Economist-style magazine produced by CEP (cep.lse.ac.uk/centrepiece/). The next issue, the third one of the year, will be available in November 2018.

Steve Machin

Director of the Centre for Economic Performance

ECONOMICS ALUMNUS ANDREW MITSON ON FORBES 30 UNDER 30

During his time on the BSc Economics programme, Andrew Mitson was awarded the Economics Examiner Prize and the Rishi Madlani Prize. Andrew graduated with a 1st Class Honours in 2016. Since graduating, Andrew has co-founded Up Learn, an online education platform. Up Learn uses AI and neuroscience to help A Level students achieve A* results. Following his work with Up Learn, Andrew has been featured twice in "Youngest" and "Social Entrepreneurs" Forbes 30 Under 30 2018. Andrew is also teaching EC201 in the Department and won the LSE Class Teacher Award for "excellent teaching" and "outstanding student feedback". We asked Andrew a few questions about his time at LSE and what he's up to now:

What was your favourite thing about studying Economics?

I enjoyed discovering the intuition behind the models we studied. On the surface, graphs are lines on a page and equations are printed symbols, but as you dig deeper there's real insight and meaning to be found.

Where did the idea for Up Learn come from?

I dropped out of school at 16 and had to self-study online using YouTube videos. It was hard but I managed to get 4 A*s and saw a lot of potential in online resources to help other students achieve the same academic success – if only more were invested into their quality.

We developed Up Learn to provide the most effective learning experience to A Level students (improving my own experience studying online x1,000) so everyone can get an A*, regardless of background.



What is it about LSE which motivated you to keep teaching here after you graduated?

I wanted LSE to stay at the forefront of education and I felt the research from cognitive science we had synthesised at Up Learn and my own experience could benefit teaching at LSE.

Which academics/individuals have had the most impact on you?

One of my teachers, Revi Panidha, really helped me develop my own teaching style which was ultimately the foundation of Up Learn's online courses.

How did it feel to be featured in Forbes 30 Under 30 2018?

Great! For the first day...then you realise it's just your face on the page of a magazine. But the opportunities that have followed have been amazing.

EUROPEAN RESEARCH COUNCIL AWARDS TO ECONOMICS FACULTY

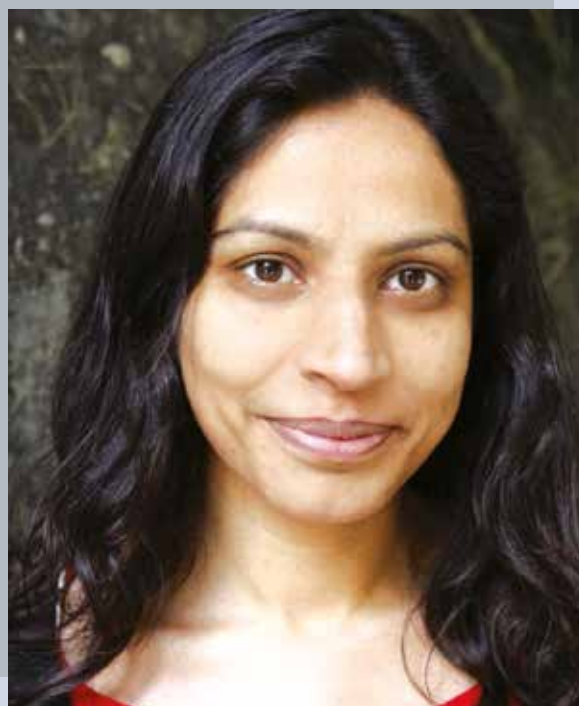
JANUARY 2018

Swati Dhingra has been awarded a European Research Council Starting Grant for the BIGlobal project, which will examine the sources of firm growth and market power to provide new insights into welfare and policy in a globalised world.

The project will determine how firm decisions matter for the aggregate gains from globalisation, the division of these gains across different individuals and their implications for policy design.

Robin Burgess has been awarded a European Research Council Advanced Grant for the MANANDNATURE project, which aims to create a new body of research on natural resource management and energy use in developing countries.

The project will bring novel, applied micro techniques from development economics to the study of environmental and energy economics, and harness new data collection technologies using satellites and randomised control trials.



Swati Dhingra

MARCH 2018

Alessandro Gavazza has been awarded a European Research Council (ERC) Consolidator Grant for EMPCONSFIN, to undertake three broad projects on information frictions in households' credit markets and on the consequences of these frictions for durable goods markets.

The first project aims to provide the first empirical analyses of markets (ie, demand and supply) with asymmetric information and non-exclusive trades, ie, markets in which households can purchase multiple insurance contracts, such as in life insurance markets, or can open multiple credit lines, such as in credit card markets.

The second project aims to study recent regulations of fees and prices in markets for consumer financial products, such as mortgages, that could have the unintended consequences of increasing households' cost of credit and, thus, of tightening their borrowing constraints.

Finally, the third project aims to study the role of borrowing constraints in durable goods markets, with a special focus on car markets during the Great Recession. All these projects aim to develop and estimate structural models using data from different markets



Robin Burgess



Alessandro Gavazza



The European Research Council, set up by the European Union in 2007, is the first European funding organisation for excellent frontier research. Every year, it selects and funds the very best, creative researchers of any nationality and age, to run projects based in Europe. The ERC has three core grant schemes: Starting Grants, Consolidator Grants and Advanced Grants. Another funding scheme Synergy Grants should be re-launched in 2018.

To date, the ERC has funded some 8,000 top researchers at various stages of their careers, and over 50,000 postdoctoral students, PhD students and other staff working in their research teams. The ERC strives to attract top researchers from anywhere in the world to come to Europe. Key global research funding bodies, in the United States, China, Japan, Brazil and other countries, concluded special agreements to provide their researchers with opportunities to temporarily join ERC grantees' teams.

The ERC is led by an independent governing body, the Scientific Council. The ERC President is Professor Jean-Pierre Bourguignon. The ERC has an annual budget of €1.87 billion for the year 2018. The overall ERC budget from 2014 to 2020 is more than €13 billion, as part of the Horizon 2020 programme, for which European Commissioner for Research, Innovation and Science Carlos Moedas is responsible.

BSc Economics students win first Royal Economic Society Video Competition



The Department of Economics is delighted to congratulate **Fraser and Robert Clark**, third year BSc Economics students, who have won the inaugural RES/Economics Network Undergraduate Video Competition. The prize is being awarded jointly with an entry from the University of Edinburgh.

The annual video competition is designed to encourage undergraduate students to explore how economics can be used to understand the real world and to communicate economic insights in a clear and intelligible way. Fraser and Robert's entry focused on immigration and its effects on employment. The judges were particularly impressed by the quality of the economic content in the video and the clarity with which this was explained.

Fraser and Robert (who are twin brothers) were awarded a prize of £500 and will have their video entered into an international multimedia competition organised by the International Economics Association. Their winning entry will also be shown by the RES at their annual public lecture.

Professor Lord Stern, RES president-elect, presented Fraser and Robert with their certificates on the 31st October 2017.

"We are, of course, incredibly proud of their success. The video was selected in an LSE-wide competition, as each university was only allowed one entry. This competition was assisted by support from the LSE Vision Fund for our Department's second-year research panel and the winners are also veterans of LSE GROUPS. The video draws on economic analysis by our faculty, and cites Professors Alan Manning and Frank Cowell in its explanatory entry."

Dr Judith Shapiro, BSc Tutor

MEET OUR STUDENTS

Edward Davenport, MSc Economics

Congratulations on finishing the MSc Economics programme, having achieved a Distinction and also winning the John Hicks Prize for Outstanding Performance in the MSc Economics and MSc Economics 2 Year Programme. How does it feel?

I am thrilled – I greatly enjoyed the MSc and it was an amazing and challenging programme, so it is wonderful that it ended on such a good note. When I did my undergraduate degree, I loved studying development economics but I ultimately ended up taking the “traditional” LSE route and working in finance. While I enjoyed that, it became clearer to me that I wanted to do something more meaningful. I knew that there is a lot of incredibly exciting – and important – work going on in development economics and I hoped that I could eventually be a part of this. That’s why I came back for the MSc, and so winning the John Hicks prize was very special for me because it has helped vindicate that decision and gives me confidence that this is a path that I should pursue.

How would you describe your time at LSE?

It has been a privilege to study at LSE. One of the things that stands out to me is the willingness of staff to engage with students who reach out. I have developed several close relationships that have nearly always started from simply going to office hours and asking questions about the course and subject more broadly. I am incredibly grateful for this support and I feel as though I am part of an LSE family.

I personally think that the things that we study in economics are both extremely important and extremely interesting. A great part of LSE, especially at the MSc, is that there are so many people who share this view and that approach it from a different perspective. Throughout my time here, I have met many people that I was able to learn an immense amount from and that have since become great friends.

What has been your most rewarding experience and your most challenging experience?

One thing that I really liked about the programme was the opportunity to do actual research as part of an extended essay. I wanted to do a theory paper because I had always previously been given models to solve, and I wanted to understand what it meant to create my own. It proved to be quite different! I learned that the research process is rarely straightforward: there are lots of possible paths that you can explore and many ultimately end up going nowhere. This makes it all the more rewarding when you do find that one path that works. At one point, I had spent a whole week trying to prove that a particular statement was true, and only after unsuccessfully throwing every trick that I had at it did I realise that the statement was actually false, so I was trying to prove the impossible. Yet, studying the reason why it was false showed me a new aspect of my model that I hadn’t even thought about, and I



was then able not only to prove a modified version of the original statement but also to explore a whole new set of questions. I loved being able to get a glimpse of real research and this helped confirm for me that this is something that I want to do more of in the future.

The most challenging experience was managing the intensity of the programme, while also working part time as a teaching assistant, a research assistant, and in a consulting capacity for my old employer (since living in London is expensive!). This was a lot, but I was very grateful to be given these opportunities and so it was important to me that I maintain the high standards that I would expect of myself in each of them. While this kept me very busy, it also meant that I learned a great deal and met and spent time with many wonderful people.

What are your plans for the future?

For the next year, I am working at the Marshall Institute here at LSE as a full-time research assistant to Professor Nava Ashraf. Among other things, Professor Ashraf’s research studies development through the lens of psychology and economics, with an emphasis on knowledge being co-generated together with practitioners and, ultimately, with the end-users themselves. I think that this approach is really exciting and there is so much that I want to learn from it. After this, I am hoping to start a PhD programme in September 2019.

MEET OUR STUDENTS

Athina Katepodi, 2nd year BSc Economics

"I chose to study Economics after experiencing first-hand the effects of the economic crisis in Greece. My curious teenage self wanted to learn everything I could to understand what caused such a wave of poverty and government instability to emerge in my country.

Applying to LSE was an easy decision. For someone who wanted to study Economics, it undoubtedly seemed like one of the best universities to spend my three years as an undergraduate. I would have the opportunity to be taught by the top economists out there, meet students from all over the world, all while being in the heart of London.

All those expectations were met. But one thing that I had not anticipated was getting involved within the LSE Economics Department. I became a student representative in the SSLC and the Teaching committees, in which I was able to voice my fellow students' concerns about how the course is run, and help the Department improve and develop. It was very encouraging to see how open the Economics Department is to feedback from students. What I found most rewarding was to have mine and my fellow reps' ideas be openly received, discussed and implemented by the academic staff, and to realise students can have a direct impact on such an established university.

What I really enjoy about being part of the economics department is meeting many different and yet like-minded individuals. I had the chance to make friends with an extremely diverse group of people, ranging from Japan to Italy to the West of England. Being an LSE student gave me the chance to understand so many different cultures, and be confident that my own would be openly accepted. In terms of academics, I particularly loved my 2nd year Econometrics course, which taught me how to apply my economics skill-set to critically analyse real-world issues. I also really appreciated being able to study modules outside the field of economics. There are so many disciplines economics is intertwined with, and I loved taking a break from economic theory and maths to explore things from a different angle.

Third year is definitely the most exciting year of BSc Economics. After being taught the foundations in first year and gotten an overview micro and macroeconomics in second year, third year is the time to choose the areas of economics we are most interested in! I am very much looking forward to specialise in my favourite areas, and to make the most of my final year as an economics student. That includes going out, meeting new people and taking the time to figure out what life I want to step into after university.



I am not one of the lucky few who have already decided their next steps, so there will be a lot of exploring in store, but I leave university confident that there are very few doors that my degree won't be able to open. My key takeaways from my undergraduate experience are how to make the most of things despite being in a hectic environment, be it the mysteries of first year or the beast that is London. I have made lasting connections and grown both academically and personally which I consider an important part of university life. I was pushed and learnt a lot as a result, and I have LSE to thank for that."

Athina is due to complete her BSc Economics in 2018/19.

"What I really enjoy about being part of the economics department is meeting many different and yet like-minded individuals. I had the chance to make friends with an extremely diverse group of people, ranging from Japan to Italy to the West of England."



In March 2018, Professor Nava Ashraf was awarded funding under a joint initiative between the Department for International Development (DFID) and the Centre for Economic Policy Research (CEPR) to undertake research on the impact of business linkages and knowledge spillovers on manufacturing growth in the context of the Private Enterprise Development in Low-Income Countries (PEDL) project.

The project will involve a field experiment that will explore whether businesses can be encouraged to form horizontal linkages and collaborate on higher quality production through the offer of an opportunity to be part of a vertical linkage in Lusaka, Zambia. It will also explore the extent to which the learning of these firms spills over to surrounding firms, and the extent to which this is influenced by both the competitiveness of the opportunity, and the local institutional environment.

BRITISH ACADEMY FELLOWSHIPS

Warmest congratulations to Professors **Silvana Tenreyro** (top right) and **Maitreesh Ghatak** (bottom right), who were elected as Fellows of the British Academy in July 2018, in recognition of their achievements in the humanities and social sciences.

Maitreesh works in microeconomics, non-pecuniary motivation and incentives, inequality and occupational choice, poverty traps, non-profits, microfinance, property rights, tenancy and land reform. Silvana, who also sits on the Monetary Policy Committee at the Bank of England, works in macroeconomics, with a focus on monetary policy, and international trade and finance.

They join a community of over 1,400 of the leading minds that make up the UK's national academy for the humanities and social sciences. Current Fellows include the classicist Dame Mary Beard, the historian Sir Simon Schama and philosopher Baroness Onora O'Neill, while previous Fellows include Sir Winston Churchill, C.S Lewis, Seamus Heaney and Beatrice Webb.

As well as a fellowship, the British Academy is a funding body for research, nationally and internationally, and a forum for debate and engagement.



ORIANA BANDIERA WINS ESTER BOSERUP PRIZE

Congratulations to Professor Oriana Bandiera who has been awarded the Ester Boserup Prize for Research on Development 2018.

Oriana Bandiera is Sir Anthony Atkinson Chair in Economics and Director of STICERD.

The Ester Boserup Prize for Research on Development is awarded for outstanding social science research on development and economic history. The prize is presented to a scholar whose research has improved and deepened our knowledge of development dynamics and economic history, of poverty and wealth, of marginalisation and political participation, and of lawlessness and justice. The prize is awarded by the Copenhagen Centre for Development Research (CCDR).

The award ceremony took place on 13 June 2018 at the University of Copenhagen, where Oriana gave an open lecture titled "Policies to End Poverty".



"I was truly honored to be awarded the prize named after Ester Boserup, a true pioneer of the study of poverty and the condition of women in the poorest countries in the world."

Oriana Bandiera

Clare Lombardelli appointed Chief Economic Advisor to the Treasury

It was announced on 31 January 2018 that LSE Economics alumna Clare Lombardelli had been appointed as Chief Economic Advisor to the Treasury, and would take up her appointment on 3 April, succeeding Sir David Ramsden, who had held the post since 2008.

Clare graduated from LSE on the MSc Economics in 2001 and started her career working as an economist at the Bank of England. She has also worked as a technical advisor for the International Monetary Fund and is a currently Visiting Research Fellow at

Kings College London. Clare has worked in government as of 2005; her roles have included Principal Private Secretary to the Chancellor of the Exchequer, Private Secretary for Economic Affairs to the Prime Minister and Deputy Director for Labour Market Policy.

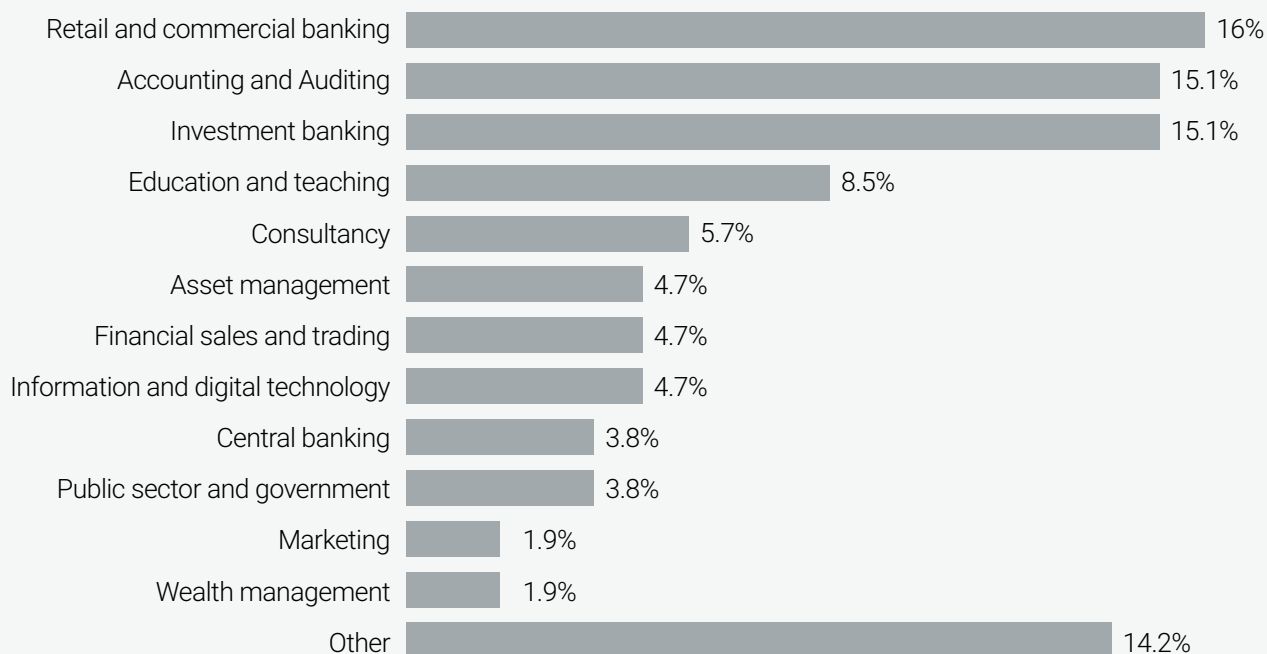


In her role as Chief Economic Advisor, Clare will help deliver the government's macroeconomic objectives, promoting sustainable economic growth and setting and implementing fiscal policy. She will manage Economics and Fiscal Groups in the Treasury and act as Joint Head of the Government Economics Service, a post shared with Sam Beckett, the Director General, EU Exit and Analysis at the Department of Business, Energy and Industrial Strategy (BEIS).

WHAT DO UNDERGRADUATES FROM THE DEPARTMENT OF ECONOMICS GO ON TO DO?

91% of those available for work were working and/or studying

Employment sectors



The median salary was **£35,000** for those working full-time

Employers include:

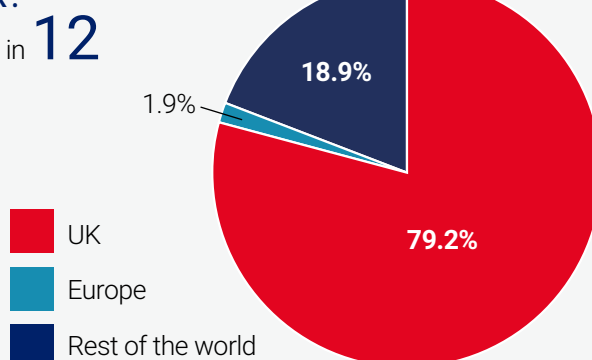
Deloitte	Cornerstone Research
Barclays	Goldman Sachs
EY	KPMG
HSBC	RBS
JP Morgan	

Selection of job titles include:

Analyst	Associate Economist
Investment Banking	Economist
Analyst	Research Analyst
Associate	Tax Advisor.
Management Trainee	

Where do graduates work?

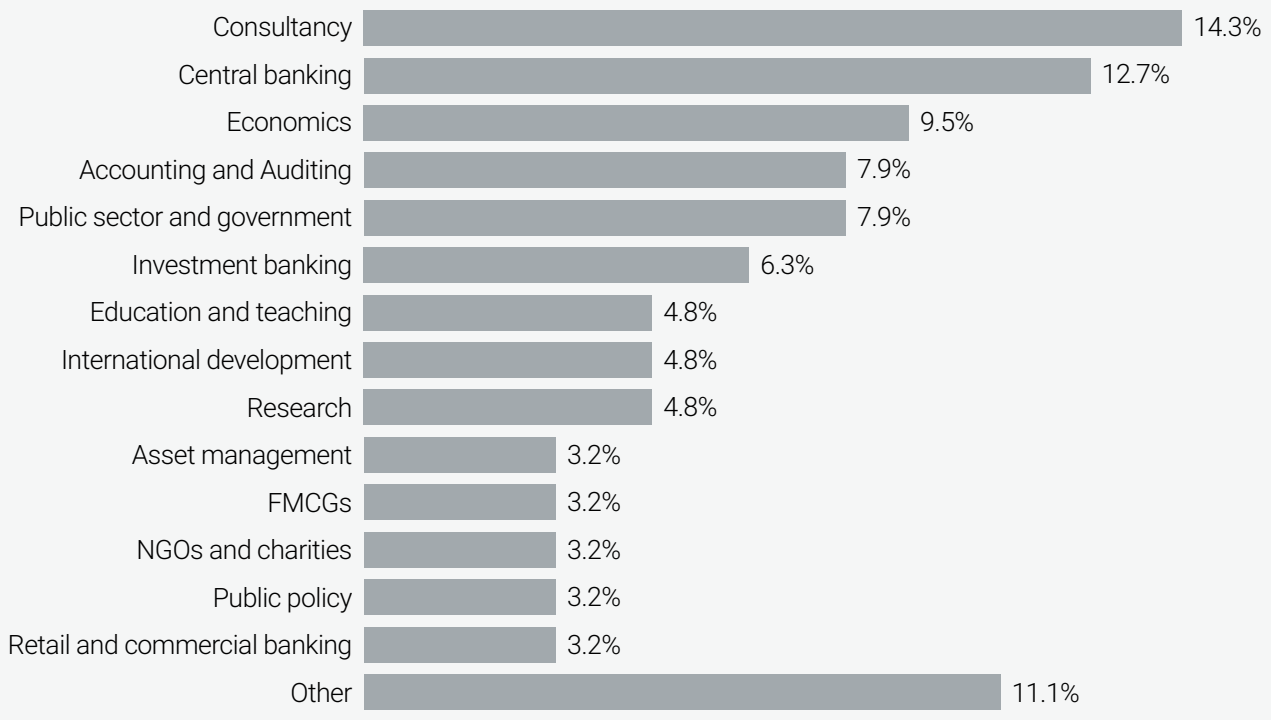
Graduates have found employment in different countries.



WHAT DO MSC GRADUATES FROM THE DEPARTMENT OF ECONOMICS GO ON TO DO?

92% of those available for work were working and/or studying

Employment sectors



The median salary was **£32,000** for those working full-time

Employers include:

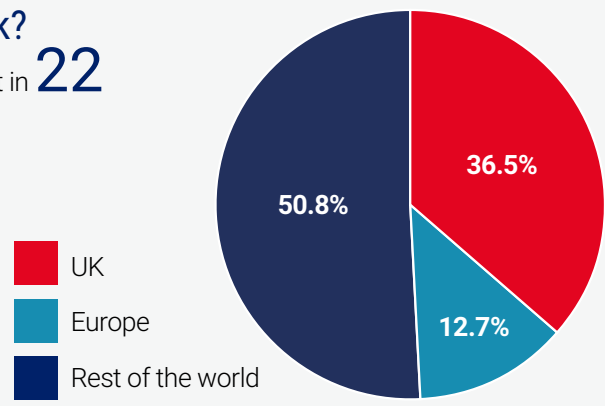
- | | |
|--------------------|----------------------|
| Bank of England | Overseas Development |
| Abdul Latif Jameel | Institute |
| Poverty Action Lab | Oxford Economics |
| Deloitte | PwC |

Selection of job titles include:

- | | |
|---------------------|------------------|
| Economist | Consultant |
| Analyst | Business Analyst |
| Research Assistant | Associate. |
| Assistant Economist | |

Where do graduates work?

Graduates have found employment in **22** different countries.



NEW APPOINTMENTS

38

Nathifa Hall-Ezea | Teaching Manager

Did you go to college/university, and if so where and what did you study?

I attended the University of North London and studied an undergraduate degree in Business and Law.

Where did you work before joining LSE?

I worked at SOAS University of London as a Department Manager in the Department of Economics.

What is your role in the Department and what are your main responsibilities?

I joined the Department in December 2017. In my role as the Teaching Manager, my main responsibility is to provide support for all of the Department's teaching programmes. This includes recruiting class teachers (reviewing their teaching experience and training), timetabling lectures/classes and allocating exam marking.

What are you looking forward to in the coming year?

I am looking forward to the excitement of the start of the new academic year and all of the start of year activities that will take place. I am also looking forward to completing the academic cycle with all of the knowledge I have gained so far.

What's the most interesting thing about you that I wouldn't learn from reading your CV?

I am a trained classical pianist and have composed for theatre and radio.

Charlotte Sedgwick Rough | Programmes and Communications Assistant (Interim)

Did you go to college/university, and if so where and what did you study?

I went to the University of Manchester and studied an undergraduate degree in Social Anthropology and then a Masters degree in Human Rights Law.

Where did you work before joining LSE?

I was on a graduate scheme called Charity Works and as part of that scheme I worked in the HR Department of a housing association called Network Homes. I really enjoyed my time there (a year) and as part of the role I did a lot of communications tasks. I realised that I enjoyed the communications tasks more so decided to pursue further work in that area.

What is your role in the Department and what are your main responsibilities?

I joined the Department in November 2017 and my role is Programmes and Communications Assistant. I spend part of my time helping with the administration of the BSc and MSc programmes. On the communications side I help write the newsletters, help manage our social media outlets and help edit the website. I am also just about to start working on the Student Hub.

What are you looking forward to in the coming year?

I am looking forward to meeting the new cohort of students and experiencing the beginning of the academic year because I started mid-way through the academic year last year. It will be interesting to see the whole process from the beginning. I am also really excited about helping to put together the Student Hub and seeing how that is received by students.

What's the most interesting thing about you that I wouldn't learn from reading your CV?

I love to travel, I have been to Canada and a number of places in America. I recently went to Lisbon and have visited a few other places in Europe. I have been to parts of Africa and visited India and South East Asia for five months before I went to university. In India I worked in a school for a month. I would really like to go to South America and the Middle East.

Another fact about me is that I play Goal Keeper in a netball team outside of work.

Edel Ryall | MSc Programmes Manager

Did you go to college/university, and if so where and what did you study?

I studied at the University of Greenwich and achieved an undergraduate Bachelor of Arts Degree in Business Administration. Since then I had a career in accounting and finance and completed several qualifications in that area. Further to that I have also been successful in achieving an Associate Fellowship in the Higher Education Academy.

Where did you work before joining LSE?

I worked for the University of East London as a Senior Administrator for the Royal Docks School of Business and Law, overseeing the Accounting, Economics and Finance subject areas.

What is your role in the Department and what are your main responsibilities?

I joined the department in May 2018. My role is MSc Programmes Manager and I am responsible for looking after the MSc Economics, MSc Economics 2 Year and MSc EME students.

What are you looking forward to in the coming year?

I am looking forward to meeting the new students and working with the academics that I have not yet met. I am also looking forward to experiencing the full academic cycle for the first time here at LSE.

What's the most interesting thing about you that I wouldn't learn from reading your CV?

I am a keen obstacle course racer, last year I completed five of these. I have completed the Nuclear Obstacle course race and most recently Tough Mudder. It's extremely tiring but very rewarding, you get to meet lots of friendly people and have a great time. This has been made more achievable for me by attending 4 bootcamp sessions a week with the PT Barn.

Lorna Severn | Graduate Admissions Administrator

Did you go to college/university, and if so where and what did you study?

I went to University of Sussex and studied an undergraduate degree in History.

Where did you work before joining LSE?

I worked at the University of Kingston as an Admissions Administrator for six years.

What is your role in the Department and what are your main responsibilities?

I joined the Department in December 2017. I am the Graduate Admissions Administrator, my main responsibility is to oversee the admissions of the MRes/ PhD Economics programme. I oversee the applications from the moment students apply, through to supporting the Selection Committee and Funding Committee, through to the students registering.

What are you looking forward to in the coming year?

I have experienced a busy six months of the admission cycle, so I am looking forward to completing the cycle and then doing it again next year with the knowledge and experience I have gained from the previous six months. I am also looking forward to further establishing working relationships with my colleagues.

What's the most interesting thing about you that I wouldn't learn from reading your CV?

I am a founding member and on the committee for Pride of Irons which is the official West Ham United's LGBT supporters group. The group started in 2015 and now we have over 300 members. We have a very strong relationship with West Ham. This year at Pride in London we had over 60 members marching and a bus. We are the first football supporters group to do so, which was a lot of fun. I am very proud with what we have accomplished as a group.

Anna Watmuff | Departmental and Graduate Admissions Assistant

Did you go to college/university, and if so where and what did you study?

I went to Sussex to study Art History and graduated in 2012.

Where did you work before joining LSE?

I worked at Regent's University London in undergraduate and postgraduate admissions.

What is your role in the Department and what is your main responsibility?

I joined the Department in September 2017. I am the Departmental and Graduate Admissions Assistant; this role straddles two aspects but predominantly I support the admissions process for graduate programmes, administering the selection of candidates and building a new cohort of students. I also support our finishing PhD students on the Job Market and am responsible for the submission of reference letters to institutions and universities.

What are you looking forward to in the coming year?

I am looking forward to another academic year beginning and working with a new group of students on the Job Market. It's a lot of work in the planning and delivery but really nice at the end of the process when you can see students have got job offers from incredible institutions.

What's the most interesting thing about you that I wouldn't learn from reading your CV?

I like to make my own clothes. I don't think they are good enough to sell but I enjoy selecting fabric from Shepard's Bush and working out how to make something.



New Social Events Committee brings students together for stress-free relaxation

Sarah Burton, Undergraduate Programme Manager, talks to Sofia Corti, the Chair of the Department of Economics' new Undergraduate Social Events Committee.

What made you get involved with the Social Events Committee?

I was looking for an opportunity to contribute to student life at LSE. When I heard of the new initiative by the Department to set up a Social Events Committee, I was keen on learning more and getting involved. I immediately reached out to join the first Committee meeting in December 2017.

The Committee is a great opportunity to collaborate with other enthusiastic students in the Department and work towards making LSE a more inclusive and social environment. I have made new friends along the way and contributed to creating a stronger sense of community within the School.

What does your role as Chair involve?

As the Chair, I coordinate a team of 7 undergraduate students in organising

social events for the students in the Department. I chair weekly meetings during term time and liaise with the Department and the Economics Society. I am in charge of managing the budget the Department allocates to social events (under supervision of the Undergraduate Programme Manager, Sarah Burton) and together with the rest of the team, I look after the planning, advertising and running of these events. It is a big responsibility, but very rewarding. I also manage our dedicated Facebook page – make sure to follow us in order to stay up to date with any upcoming events!

Can you tell us about the two events the Social Events Committee ran this academic year?

In the 2017/18 academic year, the newly formed Social Events Committee organised a bowling night and a formal. Both events were a success and had a great turnout. Fully free to attend, the bowling night at Bloomsbury Lanes involved 4 hours of bowling, virtual cricket, karaoke, pool and table tennis, as well as free drinks and

snacks for everyone. A new must-attend for anyone who wants to have a good night and some fun!

The Economics Formal, run in conjunction with the Economics Society, was a classy evening full of dancing, drinks and food in the private bar of Beach Blanket Babylon Shoreditch. Topped with a photo booth, a pop-corn and candy floss machines and a dedicated DJ, the evening went by in flash – a fantastic way to conclude the term.

What are your plans for the Social Events Committee in 2018/19?

We have great ambitions for the next academic year. We are hoping to bring some of the same events and introduce new ones. We are already planning ahead, but we are keen on hearing from students what new events they would like to see organised. We look forward to welcoming all the 1st years in the Department and having some new faces join our team!



State-of-the-art lecture theatre named for LSE Economics alumnus

Anyone who has visited LSE recently will be aware of the extensive redevelopment of the Houghton Street and Clare Market area, which is set to transform life at LSE for students and faculty after it is completed in April 2019.

The Centre Building Redevelopment, which has been designed by renowned architects Roger Stirk Harbour + Partners, will create

a spacious, modern, highly sustainable academic and teaching building, as well as a new public square.

The lecture theatres in the new building will use the latest technological advances to provide flexible ways for educators and students to interact and learn.

Generous donors are already making landmark gifts in support of these spaces. This year, the Sumeet Valrani Lecture Theatre has been named in recognition of a gift from LSE Economics alumnus Sumeet Valrani (BSc Economics 1989).

To find out more about volunteering and philanthropy at LSE, please visit lse.ac.uk/supportinglse



"LSE does me a significant honour in attaching my name to this new theatre. I make my gift as an expression of my profound gratitude for the privilege of being a member of your alumni and I hope that much good may come from it."

Sumeet Valrani,
BSc Economics 1989



Economica's Impact Rises

In 2015 the Department of Economics took an informed decision to invest its resources into the academic journal, *Economica*, bringing the journal in-house. From 2016, the journal has been led by a new editorial team of eight Professors (seven in Economics and one in Finance); the journal management has been resourced and administered from the Economics administrative team; and an improved governance structure has been formed, with the Chair of the Board of *Economica* as the Head of Department of Economics, and the Professors of Economics at LSE as the journal board.

The journal's objective of maintaining its general subject readership whilst increasing the standard of submission is a long-term one, which has already met with some short-term success.

In late June we were delighted to hear that the marketing and social media efforts to reach relevant authors has increased citations significantly as well as the substantial increase in the 2017 Impact Factor of *Economica*. It now stands at 1.641, up from 0.92 in 2016. *Economica*'s ranking in the Economics subject category is now 108 out of 353 (up from 177 out of 347 in 2016). This also means that the journal is now in the 2nd quartile in terms of ranking within the Economics category.

In addition, the *Economica*-Phillips Lecture and the *Economica*-Coase Lecture are now held annually, rather than bi-annually, which has also increased the profile of the journal. The journal has strengthened its relationship with the publisher, Wiley, allowing the Department to finance a new *Economica* MRes/ PhD scholarship awarded for the first time in 2017/18 for up to 4 years (fees plus maintenance).

From 2018-19 onwards, *Economica* will be sponsoring a new annual Undergraduate Prize in the Department of Economics. In addition to this, the editorial team are developing plans to celebrate the centenary of *Economica* in 2021.

Follow *Economica* on Twitter [@EconomicaLSE](https://twitter.com/EconomicaLSE)
Contact *Economica* at economica@lse.ac.uk

Charlotte Knights

Journal Manager, *Economica*



LSE EDUCATION AWARDS 2018

Congratulations to the following staff and students of the Department of Economics who have been recognised for their contribution to teaching and education at LSE in the 2018 Education Awards.

CLASS TEACHER AWARDS

Nominees for these awards are selected by Heads of Department from amongst all Graduate Teaching Assistants, Teaching Fellows and Guest Lecturers at LSE. The awards highlight excellent teaching practice and dedication to student learning amongst these staff. Winners are invited to a celebratory ceremony in the Students' Union in Summer Term.

Winners

Aleksander Kloda
Andrew Mitson
Celine Zipfel
Chen Qiu
Chiara Sotis (pictured)
Clement Minaudier
Dita Eckardt
Kamila Nowakowicz
Miguel Bandiera Silva

Highly Commended

Wouter Leenders
Tiancheng Sun

LSE STUDENTS' UNION TEACHING EXCELLENCE AWARDS

These awards allow students to nominate and celebrate the staff who have made a difference and enhanced their experiences during their time at LSE. The Economics Department continues to show a strong presence in the majority of categories in the teaching excellence awards.

AWARD FOR EXCELLENCE IN FEEDBACK AND COMMUNICATION

Winner

Celine Zipfel (pictured)

Runner Up

Hassieb Pakzad

AWARD FOR SHARING SUBJECT KNOWLEDGE

Highly Commended

Chutiorn Tontivanichanon
Miguel Bandeira da Silva

AWARD FOR RESEARCH GUIDANCE AND SUPPORT

Runner Up

Daniel Reck

AWARD FOR INNOVATIVE TEACHING

Highly Commended

Daniel Reck
Hugo Vilares

AWARD FOR INSPIRATIONAL TEACHING

Highly Commended

Xavier Jaravel

"This has been a busy time for innovations in pedagogy in the Department of Economics! Following a successful pilot conducted by Margaret Bray last year, the Department this year introduced a new class format on Intermediate Microeconomics 1 (EC201).

Traditionally, an LSE undergraduate class runs for one hour per week with 15 students. The new-look EC201 classes in 2017/8 ran for two hours per week with 30 students. Increasing the class size and length was designed to promote active learning and peer learning. The extra time allowed students to ask more questions, discuss applications of the theory to the real world, and solve unseen problems that offered exam preparation and practice.

Students commented that they prepared more for this two-hour class because they were more involved, not least because the teacher had time to ask students for elements of the solutions.

The Department of Economics is planning several improvements to third-year undergraduate courses for the upcoming academic year. On certain courses, the lecturer will cover half of the material usually done in class immediately at the end of lecture every week; the remaining material and discussion will be covered fortnightly in tutorial sessions. This new format will enable the person most familiar with the course material, the lecturer, to give their own take on the solutions to the most important homework questions. Other courses will diversify assessment by counting class participation, including presentations, as part of the course mark. "

Professor Erik Eyster

Deputy Head of Department for Teaching





DISMAL IGNORANCE OF THE “DISMAL SCIENCE”

In December 2017, Larry Elliot, the *Guardian*'s economics editor, reproduced some classic misconceptions about what economists actually do. In response, Professors Oriana Bandiera and Steve Machin of the LSE Department of Economics, together with Professors Orazio Attanasio, Richard Blundell, Rachel Griffith and Imran Rasul of University College London and the University of Manchester, responded with the following article, published in *Prospect Magazine*.

It has become routine to assault the “dismal science” with a dismal ignorance of what economics actually involves. Writers, students and even some social scientists from other disciplines who have very little exposure to what economists do are quick to point the finger and declare economics as a veil for vested interest, and dismiss it as a way of thinking that is fossilised in numbers.

Sometimes, though, the criticism can even come from within the economics bubble itself. This week, a column by Larry Elliott in the *Guardian* wrapped up a whole array of these fashionable

assaults in a single piece of prose. He wrote: “Neoclassical economics has become an unquestioned belief system and treats anybody who challenges the creed of self-righting markets and rational consumers as dangerous heretics,” adding “Complex mathematics is used to mystify economics, just as congregations in Luther's time were deliberately left in the dark by services conducted in Latin.”

That is simply wrong. Not only that, it is dangerous. Such ill-informed expert bashing is exactly what gives politicians the excuse they need to make policy whilst ignoring evidence. It is also very distant from the empirically based discipline that we see as modern economics.

Like most economists, we do not try to forecast the date of the next financial crisis, or any other such event. We are not astrologers, nor priests to the market gods. We analyse data. Gigas and gigas of data on how much people work, which jobs they do, what they buy and what they eat, how they do in school and other aspects of human life. We do so for the UK and many other countries around the world – rich and poor.

We analyse this data to understand how people make choices, because that determines how they respond to policies and how they interact. You can ask us about taxes, social mobility, inequality, crime, poverty alleviation, pensions, roads, sanitation, public safety, and, obviously, wine, beer and cider prices.

We recognise the important role that government plays in determining well-being and life chances; some of us have spent most of our lives trying to figure out how to design taxes equitably and efficiently. We worry about alcohol prices and the impact on public health. We study whether minimum wage floors are set at sensible levels. We work with governments and NGOs in Bangladesh, India, Uganda, Pakistan, Zambia to build evidence on issues as diverse as which poverty alleviation policies actually work, how best to recruit and retain community health nurses in rural areas, and how poor households can be supported in their parenting practices to foster the development of their children early in life.

But why do Elliott and many others have such a distorted view of economics?

The first answer to this question, we think, lies in a misunderstanding of the purpose of mathematical models. Critics complain that economists' models are not

realistic and make absurd assumptions. The London Tube map is not realistic and makes absurd assumptions. If it did not it would be illegible. And useless. The map is useful precisely because it abstracts from unnecessary details to show you the way. This is what economic models are for, they help us to find our way through complex data in a complex world.

When economists write a mathematical model they do so to highlight particular aspects of reality without confusing details. Take the infamous “homo economicus” theory, which says that humans are both selfish and rational. We think that this explains the behaviour of many corporations well. We also think that it does poorly at explaining how we treat our children—but it is useful precisely because it serves as a benchmark. Economists spend most of their time studying departures from this benchmark—altruism towards our children, irrational behaviour when drinking. And not just at the fringes. These are Nobel Prize-winning economists from Richard Thaler to Oliver Hart to Jean Tirole.

The other function of maths is that it can be a powerful lie detector. It will not let you get away with lies, or, to be precise it will tell you exactly which assumptions you would need for those lies to be true.

It offers a framework that economists can use to empirically test key, first order principles. Absurd assumptions are the canary in the mine.

A further misunderstanding is that most economists spend most of their time doing maths. This is just plain wrong. The way economics is done has been transformed in the past 30 years with an empirical revolution, meaning we now use fine-grained data on individuals, households and firms. In a recent survey of published work in top journals, over three quarters of papers analysed data collected either by the researchers themselves or from secondary sources. Economists provide evidence, increasingly using randomised control trials, or big data. Often this leads to theories being supported or knocked down: this is the bread and butter of modern economics, with many more examples being discussed on Twitter with the hashtag #whateconomistsreallydo. Mathematical models account for less than a quarter of economics output. Why they get so much prominence in the layman view remains a mystery.

Another misconception is that most economists think that markets are perfect and frictionless. Again, nothing can be further from the truth. While a perfectly competitive market is a useful benchmark, most interesting economics is about

the study of market imperfections: real markets are characterised by asymmetric information, frictions, market power; all features that are central to modern theories and that are essential in determining key outcomes. This is the subject matter of the best economists, such as another Nobel laureate Alvin E Roth, who has studied the design of things called “matching mechanisms,” relevant from schools to kidney allocations.

Then there is the misapprehension that the profession is keen to keep all this hidden from its students. Innovations in the teaching curriculum designed to highlight the empirical nature of the discipline and imperfections of real economies from the beginning—such as CORE—are now being widely adopted for teaching undergraduates around the world.

Most importantly, and the reason we are writing this, is that all the bashing of economics can change how policy is made. It gives politicians freedom to make policy choices without being accountable to the facts. We are heading away from evidence-based policy and dangerously close to surrender to special interest groups, gut feelings and superstitions. Now, that is something truly scary.



In October 2017, Oriana Bandiera, the Sir Anthony Atkinson Professor of Economics and Director of STICERD, was awarded British Academy funding to undertake research on economic conditions in early childhood and the intergenerational transmission of poverty. The project will establish whether the chain of children experiencing low economic conditions during their early years having an impact on their later life can be broken. The findings will shed light on the dynamics of poverty and inform cost-benefit analyses of anti-poverty programs.

Double Honour for Economics Undergraduate Student at the Carroll Round and CERGE-EI New Economic Talent Competition

The Department offers its warmest congratulations to third-year BSc Econometrics and Mathematical Economics student **Sitong Ding**, whose paper *Bounded Rationality in Rules of Price Adjustment and the Phillips Curve* won him the **2018 Kaneda Prize for an Outstanding Young Economist** and the **CERGE-EI New Economic Talent Competition 2018**.

The prestigious Kaneda Prize is awarded annually at the Carroll Round, an international economics conference organised by Georgetown University, which brings together students to discuss methods and ideas at the frontier of economics research.

Sitong's paper, which was written under the supervision of A W Phillips Professor of Economics Ricardo Reis, introduced a behavioral model of attention where firms look ahead only for a limited horizon when forming their expectations.

Far into the future, expectations are anchored by the central bank's inflation target and by past experiences as heuristics. Juxtaposing this behavior with the two leading models of the Phillips curve, based on sticky prices and on sticky information, Sitong studies how the dynamics of inflation and output over time change, and how this leads us to revise our understanding of the effects of monetary policy over the business cycle.

On receiving the award, Sitong said: "The Kaneda Prize was the first ever prize I received in the name of economics. I remember vividly that Chris Griffin Jr, the founder of the Carroll Round, announced the prize by honouring Mitch Kaneda's timeless dedication towards the Round since its inception. As recipient, I will do my best to honour this prize with that same conviction and passion towards economics, such that the spirit of the Prize will never be lost with me."

"Sitong's curiosity and enthusiasm for learning had no bounds, and he channelled them to write a very interesting thesis."

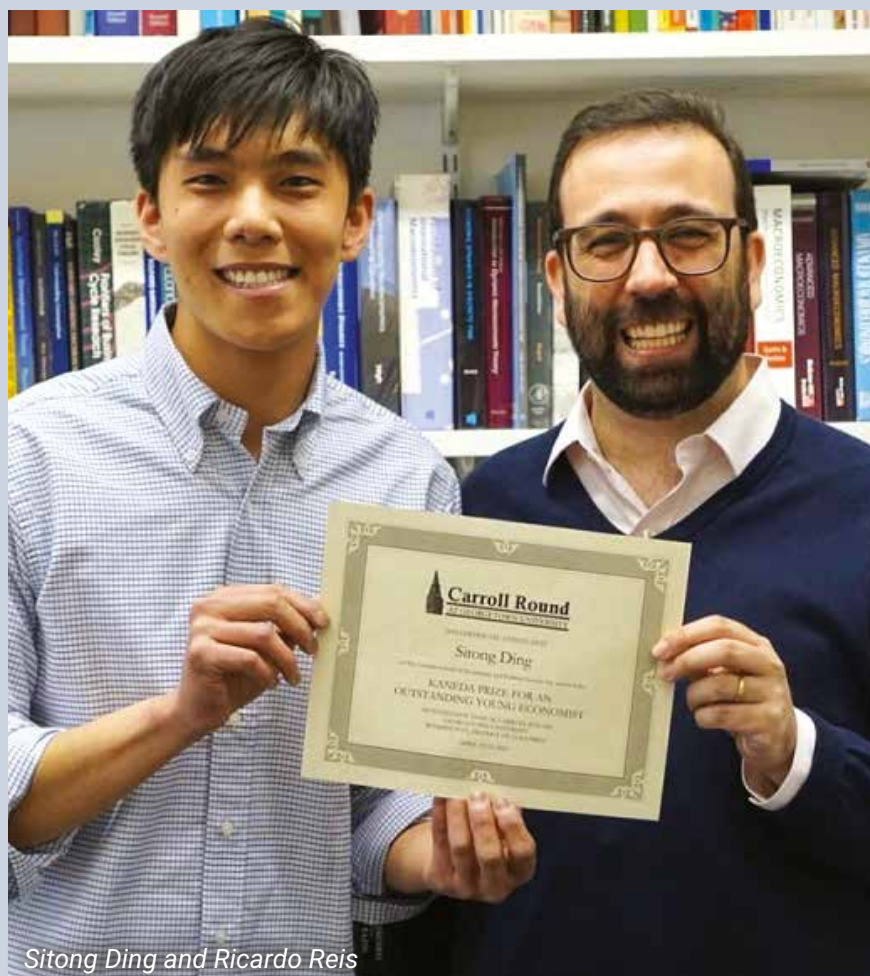
Professor Ricardo Reis

This is the second time that a student from the Department has received the Kaneda award following Yi Jie Gwee's 2012-2013 accolade for his paper "3Bs And No As: Expansion of Higher Education in the UK – Bane, Boon or Boom?"

Later in the year, Sitong also took first place at the **New Economic Talent 2018 (NET)** competition, organised by the Center for Economic Research and Graduate Education – Economics Institute (CERGE-EI).

Sitong was among the three finalists who presented their papers to CERGE-EI evaluation committee for feedback and recommendations for future research.

"What left a huge impression on me," Sitong said following his win, "Was how friendly and supportive the CERGE-EI community is. I initially withdrew my name from the competition, as it was 3 days before my last summer exam. But Martina, one of the organisers, changed my mind with her warm hospitality and that turned out to be one of the best decisions I've made. To have first presented the work in US, and now in Europe as well, is without a doubt a beautiful closure to my undergraduate journey at LSE."



Sitong Ding and Ricardo Reis

STUDENT AWARDS AND PRIZES

We would like to extend our warmest congratulations to the following students, who were awarded departmental prizes, scholarships and external awards for outstanding performance in their exams or written work in 2017/18.

BSC PRIZES AND AWARDS

Allyn Young Prize

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

William Edward MacAulay

Clara Chai Lin Ng

Justin Tse Tan

Economics Examiners Prize

Highest aggregate mark achieved by a first and second year student

First year – Jakub Grohmann

Second year – Yiyi Dong

Gonner Prize

Highest aggregate mark achieved by a third year student

Xinfang Zhang

J R (Bob) Gould Prize

Best performance by an Economics Department student in Economics B

Jakub Grohmann

Yi De Fong

Premchand Prize

Outstanding performance in the third year paper in Monetary Economics

Richard Long

Rishi Madhani Award

Top mark in Macroeconomic Principles paper by an undergraduate student

Yi Ying Tan

Departmental Introduction to Econometrics Prize

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

Michael David Jennings

Wei Yang Tey

Departmental Principles of Econometrics Prize

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

Yi Ying Tan

MSc PRIZES AND AWARDS

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

Caroline Camille Marcelle Dockes

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

Edward Maurice Davenport

MRes/PhD PRIZES AND AWARDS

Sir John Hicks Prize for Outstanding Performance in MRes Examinations

Thomas Brzustowski

Sir John Hicks Prize for an Outstanding Doctoral Dissertation

Guo Xu



ECONOMICS RESEARCH STUDENTS, 2017/18

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Mr Karun ADUSUMILLI	Mr Alexandre DESBUQUOIS	Mr Ho Kan KWAN
Mr Rasif ALAKBAROV	Miss Tiloka DE SILVA	Mr Krittanai LAOHAKUNAKORN
Mr Andrea ALATI	Mr Weihan DING	Miss Eui Jung LEE
Mr Daniel ALBUQUERQUE MARANHÃO DE LIMA	Mr Hao DONG	Mr Edoardo LEONARDI
Mr Dennis ALVARO-POLACK	Mr Sacha DRAY	Mr Yan LIANG
Ms Shan AMAN RANA	Mr Thomas DRECHSEL	Mr Junyi LIAO
Mr Yusuke AOKI	Miss Dita Eckardt	Mr Nicola LIMODIO
Mr Michel AZULAI	Mr Andreas EK	Mr William MATCHAM
Mrs Clare BALBONI	Ms Shadi FARAHZADI	Mr Panos MAVROKONSTANTIS
Mr Miguel BANDEIRA DA SILVA	Ms Martina FAZIO	Mr Clement MINAUDIER
Mr Andres BARRIOS FERNANDEZ	Mr Torsten FIGUEIREDO WALTER	Ms Virginia MINNI
Mr Philipp BARTESKA	Mr Jack FISHER	Mr Thomas MINTEN
Mr Diego BATTISTON	Mr Nicola FONTANA	Mr Niclas MONEKE
Mr Matteo BENETTON	Mr Xijie GAO	Miss Kieu-Trang NGUYEN
Mr Fabio BERTOLOTTI	Mr Friedrich GEIECKE	Miss Tsogsag NYAMDAAVA
Mr Marcus BIERMANN	Mr Alkiviadis GEORGIADIS-HARRIS	Mr Thomas O'KEEFE
Mr James BISHOP	Miss Giulia GIUPPONI	Mr Derek PILLAY
Miss Giulia BOVINI	Ms Jiajia GU	Mr Jonathan PINDER
Ms Alix BONARGENT	Mr Maximilian GUENNEWIG	Mr Frank PISCH
Mr Thomas BRZUSTOWSKI	Mr Chao HE	Mr Davide PORCELLACCHIA
Mr Adrien BUSSY	Mr Tillman HOENIG	Mr Chen QIU
Mr Carlo CABRERA	Mr Hanwei HUANG	Mr Lukasz RACHEL
Mr Gianpaolo CARAMELLINO	Mr Kilian HUBER	Mr Akash RAJA
Miss Laura CASTILLO MARTINEZ	Ms Xitong HUI	Mr Wolfgang RIDINGER
Mr Eduardo CATROGA DE MELO	Ms Yuan HU	Ms Claudia ROBLES GARCIA
Mr Daniel CHANDLER	Mr Kangchul JO	Mr Marcus ROEL
Mr Nicolas CHANUT	Ms Dana KASSEM	Mr Federico ROSSI
Miss Svetlana CHEKMASOVA	Mr Takafumi KAWAKUBO	Mr Giuseppe ROSSITTI
Mr Luca CITINO	Mr Milad KHATIB SHAHIDI	Miss Sutanuka ROY
Mr Patrick COEN	Mr Aleksander KLODA	Miss Bhargavi SAKTHIVEL
Mr James COEN	Mr Felix KOENIG	Ms Veronica SALAZAR RESTREPO
Ms Amanda DAHLSTRAND RUDIN	Miss Sevim KOSEM	Miss Viola SALVESTRINI
Miss Alexia DELFINO	Ms Evgeniya KUDINOVA	Mr Francesco SANNINO
Mr Charles DENNERY	Mr Yusuke KUROISHI	Mr Claudio SCHILTER



Why I am leaving a legacy to LSE

While 75 per cent of Britons give regularly to charity in their lifetimes, only six percent include a charity when writing a Will.

LSE, like many British charitable organisations, was formed thanks to a bequest – and legacy gifts from alumni and former staff have been an integral part of philanthropy at LSE ever since.

My association with LSE spans almost 50 years: as an occasional student in monetary economics in the 1970s; as a faculty member in the Department of Economics in the 80s and 90s; and then as a Governor in the 2000s while I was working at the Bank of England. Those links with the School, its staff and its students represent a singularly satisfying part of my professional life. I have been a long-standing supporter of the School and its students through its Annual Fund. But since returning to LSE on a part-time basis in 2014, I have become even more conscious of the funding pressure on British universities in general and on the School in particular. That's why I've decided to remember LSE in my Will. Leaving a part of my estate to LSE can help build its endowment and means that I can continue to play a valuable role in the School's mission "to understand the causes of things" for many years into the future.

Sir Charles Bean

Professor of Economics

Originally printed in the Winter 2017/18 issue of the LSE's *Impact* Magazine.

Mr Vincenzo SCRUTINIO

Mr Arthur SEIBOLD

Mr Orhun SEVINC

Mr John SHANNON

Miss Xuezhu SHI

Miss Nikita SINGH

Miss Anna SIVROPOULOS-VALERO

Mr Aditya SOENARJO

Mr Roberto SORMANI

Mr Manuel STAAB

Mr Rui SUN

Mr Tiancheng SUN

Mr Bilal TABTI

Mr Kohei TAKEDA

Mr Hiu (Eddy) TAM

Mr Di Song TAN

Ms Heidi THYSEN

Mr Konstantinos TOKIS

Miss Chutiorn TONTIVANICHANON

Mr Hugo VILARES

Miss Lisa WINDSTEIGER

Mr Kezhou XIAO

Mr Mengshan XU

Mr Junichi YAMASAKI

Mr Yu YI

Miss Martina ZANELLA

Mr Tianle ZHANG

Mrs Celine ZIPFEL

SELECTED FACULTY PUBLICATIONS, 2017/18

For space reasons, we are unable to include all of the papers published by our faculty during the academic year ending 31 July 2017. Please refer to the personal webpages of individual faculty members for detailed lists of their published and unpublished work.

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Philippe Aghion, Ernst Fehr, Richard Holden, and Tom Wilkening. 2018. The Role of Bounded Rationality and Imperfect Information in Subgame Perfect Implementation—An Empirical Investigation. *Journal of the European Economic Association*, 16 (1), pp. 232–274.

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Xavier Jaravel, Neviana Petkova, and Alex Bell. 2018. Team-Specific Capital and Innovation. *American Economic Review*, 108 (4–5), pp. 1034–1073.

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Guy Michaels and Ferdinand Rauch. 2018. Resetting the Urban Network: 117–2012. *The Economic Journal*, 128 (608), pp. 378–412.

L Rachel Ngai and Barbara Petrongolo. 2017. Gender Gaps and the Rise of the Service Economy. *American Economic Journal: Macroeconomics*, 9 (4), pp. 1–44.

Mankiw, N. Gregory and **Ricardo Reis**. 2018. Friedman's Presidential Address in the Evolution of Macroeconomic Thought. *Journal of Economic Perspectives*, 32 (1), pp. 81–96.

Thomas Sampson. 2017. Brexit: The Economics of International Disintegration. *Journal of Economic Perspectives*, 31 (4), pp. 163–184.

Øyvind Thomassen, Howard Smith, Stephan Seiler, and **Pasquale Schiraldi**. 2017. Multi-category Competition and Market Power: A Model of Supermarket Pricing. *American Economic Review*, 107 (8), pp. 2308–2351.

Bernardo Guimaraes and **Kevin D. Sheedy**. 2017. Guarding the Guardians. *The Economic Journal*, 127, pp. 2441–2477.

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Myung Hwan Seo and **Otsu, Taisuke**. 2018. Local M-estimation with discontinuous criterion for dependent and limited observations. *The Annals of Statistics*, 46 (1), pp. 344–369.

Tiloka de Silva and **Silvana Tenreyro**. 2017. Population Control Policies and Fertility Convergence. *Journal of Economic Perspectives*, 31 (4), pp. 205–228.

STAFF INDEX 2017/18

Professor Philippe AGHION

Professor of Economics

Professor Nava ASHRAF

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

Professor Oriana BANDIERA

Professor of Economics; Sir Anthony
Atkinson Chair in Economics; Director
of STICERD

Dr David BAQAEI

Assistant Professor of Economics

Professor Sir Charles BEAN

Professor of Economics

Dr Gianluca BENIGNO

Reader in Economics

Professor Erik BERGLÖF

Professor in Practice: Director of IGA

Professor Tim BESLEY

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

Dr Mohan BIJAPUR

MSc Tutor

Dr Margaret BRAY

Reader in Economics

Dr Gharad BRYAN

Lecturer in Economics

Professor Robin BURGESS

Professor of Economics; Director of IGC

Professor Francesco CASELLI

Norman Sosnow Professor of Economics

Professor Frank COWELL

Professor of Economics

Professor Wouter DEN HAAN

Professor of Economics; Co-Director of
Centre for Macroeconomics

Dr Swati DHINGRA

Lecturer in Economics

Dr Jeremiah DITTMAR

Assistant Professor of Economics

Dr Christopher DOUGHERTY

Associate Professor of Economics

Dr Andrew ELLIS

Lecturer in Economics

Dr Erik EYSTER

Professor of Economics; Deputy Head of
Department for Teaching

Professor Leonardo FELLI

Professor of Economics; Head of
Department (until April 2018)

Dr Greg FISCHER

Lecturer in Economics

Professor Luis GARICANO

Professor of Economics and Strategy

Professor Alessandro GAVAZZA

Professor of Economics

Dr Matthew GENTRY

Lecturer in Economics

Professor Maitreesh GHATAK

Professor of Economics; Deputy Head of
Department for Research

Dr Vassilis HAJIVASSILIOU

Associate Professor (Reader) of
Economics

Professor John HARDMAN MOORE

Professor of Economic Theory

Professor Javier HIDALGO

Professor of Econometrics

Dr Ethan ILZETZKI

Lecturer in Economics

Dr Xavier JARAVEL

Assistant Professor of Economics

Dr Keyu JIN

Associate Professor of Economics

Professor the Lord Mervyn KING

School Professor of Economics and
Political Science

Dr Tatiana KOMAROVA

Lecturer in Economics

Professor Camille LANDAIS

Professor of Economics

Dr Jonathan LEAPE

Associate Professor of Economics;
Executive Director of IGC

Professor Gilat LEVY

Professor of Economics

Dr Matthew LEVY

Lecturer in Economics

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Professor Alan MANNING

Professor of Economics

Dr Rachael MEAGER

Assistant Professor of Economics

Dr Guy MICHAELS

Associate Professor of Economics

Dr Francesco NAVA

Lecturer in Economics

Dr L Rachel NGAI

Associate Professor (Reader)
of Economics

Dr Taisuke OTSU

Professor of Econometrics

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Professor Martin PESENDORFER

Professor of Economics

Professor Michele PICCIONE

Professor of Economics (Head of
Department from April 2018)

Professor Steve PISCHKE

Professor of Economics

Professor Sir Christopher PISSARIDES

Regius Professor of Economics; Chair of
the Centre for Macroeconomics

Professor Ronny RAZIN

Professor of Economics

Dr Daniel RECK

Assistant Professor of Economics

Professor Ricardo REIS

A W Phillips Professor of Economics

Professor Peter ROBINSON

Tooke Professor of Economic Science and Statistics

Dr Thomas SAMPSON

Lecturer in Economics

Dr Marcia SCHAFGANS

Associate Professor of Economics

Professor Mark SCHANKERMAN

Professor of Economics

Dr Pasquale SCHIRALDI

Lecturer in Economics

Dr Judith SHAPIRO

Undergraduate Tutor

Dr Kevin SHEEDY

Assistant Professor of Economics

Dr Johannes SPINNEWIJN

Associate Professor of Economics

Professor Lord Nicholas STERN

IG Patel Chair of Economics and Government; Director India Observatory; Chair LSE Asia Research Centre; Chair Grantham Research Institute on Climate Change and the Environment

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Professor of Economics

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Sir John Hicks Professor of Economics

Professor Balazs SZENTES

Professor of Economics

Professor Silvana TENREYRO

Professor of Economics

Professor Alwyn YOUNG

Professor of Economics; Huth Fellow

Dr Shengxing ZHANG

Assistant Professor of Economics

VISITING AND CENTENNIAL PROFESSORS

Professor Oliver HART

Visiting Centennial Professor

Professor Per KRUSELL

Centennial Professor

Professor Eliana La FERRARA

BP Centennial Professor

Professor Torsten PERSSON

Centennial Professor

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Visiting Professor of Economics

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Emeritus Professor of Economics

Mr Alan MARIN

Emeritus Academic

Mr Jim THOMAS

Emeritus Reader in Economics

Professor Christine WHITEHEAD

Emeritus Professor of Housing Economics

ADMINISTRATIVE STAFF

Ms Deborah ADAMS

Department Administrator

Mr John CURTIS

Department Manager – Operations

Ms Miriam GROSSMANOVA

ICEF Project Manager

Ms Nathifa HALL-EZEA

Teaching Manager

Mr Stephen JENNER

Exams and Assessment Administrator

Ms Sarah BURTON

Undergraduate Programme Manager

Ms Charlotte KNIGHTS

Department Manager – Planning and Resources

Ms Shubhra MITRA

Graduate Admissions Administrator

Miss Rita NEMETH

Programme and Communications Assistant

Miss Charlotte SEDGWICK ROUGH

Programme and Communications Assistant (Interim)

Ms Edel RYALL

MSc Programmes Manager

Ms Anna WATMUFF

Faculty and Graduate Admissions Assistant

Ms Lorna SEVERN

Graduate Admissions Administrator

Mr Gary SIMPSON

Department Office Coordinator

Ms Emma TAVERNER

Senior PA

Ms Daria TUREKOVA

Department Office Administrator

Dr Kalliopi VACHAROPOULOU

Departmental Website and Social Media Editor

Mr Mark WILBOR

MRes/PhD in Economics Programme Manager

Ms Alice Williams

Communications Manager

