



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

Economics Annual Review 2019/20

lse.ac.uk/economics



The background of the page is a photograph of an outdoor plaza. A large, dark blue diagonal shape cuts across the image from the top-left to the bottom-right. The plaza features a yellow wall with the text 'John Watkins Plaza', a bare tree, and several people walking or sitting on stone steps. The ground is paved with light-colored rectangular tiles.

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Economics Annual Review 2019/20

Thank you to the following staff, students and alumni for their contributions to the 2019/20 Economics Annual Review:

Matthew Bradbury
Professor Swati Dhingra
Shalini Mittal
Professor Ben Moll
Alice O'Donkor
Felicia Odamtten
Dr Dimitra Petropoulou
Professor Steve Pischke
Dan Reeves

Charlotte Sedgwick Rough
Nallini Samuel
Lorna Severn
Dr Judith Shapiro
Tommy Sharpe
Professor Lord Nicholas Stern
Emma Taverner
Tam Trinh
Alice Williams



Welcome to the Economics Annual Review 2019/20



Professor Steve Pischke
Head of Department

It has been a turbulent year for everyone all over the world. The Department started off with a very exciting new development: the School approved an ambitious reform of our curriculum for the BSc Economics, starting in 2021.

Numbers of students on our core courses from all over the School have grown over the years. Our new curriculum ensures BSc Economics students will receive their own courses, allowing us to build more of an economics community again. There will be more emphasis on economics rather than maths and statistics skills in the first year. We will also have more time with our students which will enable us to integrate new elements like projects into our courses. Joint degree students will receive dedicated first and second year courses. These new courses will give them exposure to all of microeconomics, macroeconomics, and econometrics, hence preparing them fully for our third year options. All our courses will retain their rigorous, quantitative focus as you would expect from LSE. We are eagerly waiting for the new curriculum to commence in a year's time.

For the second half of the year, we have been very much in the grip of the COVID-19 crisis. With the help of all our colleagues and graduate teaching assistants, we managed to move the last few weeks of Lent Term teaching online and began to support our students remotely. Students, often affected by the crisis themselves in various ways, showed great resilience in preparing for the exams. Given the difficult circumstances, the exam period went smoothly and our students performed well.

The pandemic is posing many new questions for the world, and it is no surprise to see my colleagues at the forefront

of the research to tackle these questions, getting involved in policy debates, and in public outreach. On our website, we have a dedicated page to tell you about the latest [LSE Economics research in response to COVID-19](#).

Our research centres have had another phenomenally successful year. The Centre for Economic Performance, which is celebrating its 30th anniversary, received the largest five-year core grant from the ESRC during its existence. Similarly, the International Growth Centre has been successful in gaining a major new seven-year grant from the Department for International Development to continue its activities of nurturing research directly related to the policy-making challenges in developing countries. Likewise, individuals in the Department have been successful in publishing, raising grants, and winning prizes. One of the highlights of my year was to accompany Ben Moll and Xavier Jaravel to the ceremony to receive their Leverhulme Prizes.

We were joined by a number of new faculty this year, highlighted in the pages below. There have also been a number of additions to our professional services team, now headed by three new Department Managers, Andy Wilson, Nallini Samuel, and Mini Staskus. Margaret Bray retired after 33 years in the Department and we wish her the very best.

LSE turned 125 years old in October 2020; the School and the Department have seen much turbulence during this period. With the help of our community of staff, students, alumni and friends, we will get through this one as well. Stay safe.




Students, often affected by the crisis themselves in various ways, showed great resilience in preparing for the exams. ”



OUR NEW STAFF
FOR 2019/2020

Welcome to our community

Through our rigorous and extensive junior and senior recruitment process we have been able to welcome a range of new academic staff to our department and the LSE economics community.



LSE Fellows

Dr Canh Thien Dang

I joined the Department in September 2019 and it has been a challenging but intellectually stimulating, and fruitful year for me. It is challenging to have taught a second-year core module and the students have been impressive. I remember various office hours when I discussed with them different concepts and interpretations of empirical studies, the period leading to the Lent Term exams, and the very strange lockdown we are still experiencing now.



It is intellectually stimulating to have attended various seminars and discussed ideas with colleagues in the Department. It is fruitful as I have made new friends, explored the city, and completed several individual projects. My deepest gratitude to the extremely welcoming atmosphere that the Department has laid out for us, the newcomers. It really helped make me feel part of the Department. For my research, I use both theory and data to answer questions at the intersection of economics and public policies. My research interests include Development Economics, Public Economics, and Applied Econometrics. My past projects revolved around the economics of non-profit organisations, the effectiveness of aid, and the accuracy of financial data. I am working on several projects on the socio-economic impacts of social unrests and government decentralisation in Africa and Europe.

Dr Akatsuki Sukeda

I joined the Department as an LSE Fellow in August 2019. I completed my PhD at the University of California, Santa Cruz and studied monetary economics, especially credible forward guidance by central banks.



I have always been intrigued by public policy, majoring in political science, and participating in several academic debate competitions as an undergraduate in Japan. I went on to obtain my Master of Public Policy from the University of Tokyo and Columbia University, through the dual degree program of the Global Public Policy Network (GPPN), of which LSE is also a member.

I currently teach EC102 Economics B and EC210 Macroeconomic Principles in the Department and I am fascinated by the vibrant atmosphere at LSE!

Dr Justas Dainauskas

The bulk of my current research agenda is in the intersection of the international macro-trade field. Some of the main research questions I'm currently tackling are: (i) which trade disruptions are more damaging: anticipated or unanticipated; (ii) why is the terms of trade disconnect time-varying; and (iii) what explains excess trade persistence in dynamic gravity models. Most of my work relies on quantitative methods typically applied in macroeconomics or finance, such as dynamic stochastic general equilibrium (DSGE) models, State-Space models, Vector Autoregressions (VAR), which up until recently was an uncommon practice in the international trade literature.



I come from a relatively humble socio-economic background. None of my family members ever expected me to study abroad, to attain a PhD, or to pursue an academic career, let alone join one of the most prestigious economics departments in the world as a Post-Doctoral Fellow. I feel incredibly lucky and honoured to join the ranks of such academic behemoths that are the LSE Department of Economics faculty. My first year at LSE has been an eye-opening experience. I have had the chance to learn from and interact with some of the most well-known researchers in the discipline. I also had the privilege of lecturing, teaching, and mentoring numerous aspiring and over-achieving LSE students. Thanks to all the staff that are incredibly helpful, I am thoroughly enjoying my time at LSE and I endeavour to make the most of it.



Each of our new hires bring something unique to our department with their specific economic interest and expertise.

Junior Staff

Dr Antonio Mele

I joined the Department in September 2019, after deciding to shift my career towards teaching. My research is on monetary theory and policy, dynamic contracts, adaptive learning and computational methods.



My most recently published research articles have looked at how to do monetary policy if economic agents have bounded rationality; how structural change and the velocity of money are strongly related in the long run; and how to simplify the analysis of dynamic contracts with an easy-to-use numerical technique.

Over the years, I have taught courses in macroeconomics, computational methods and mathematics for economists at all levels. My teaching philosophy involves a combination of learning-by-doing, group projects, humour and challenging problems. At LSE I have been helping with class teaching, GTA training and supervision, and the recruitment of more Education Career Track (ECT) colleagues. The most exciting challenge this year has been co-organising the Python Economics workshop, which has seen 70 students analysing economic models and data using Python. I have a PhD from Universitat Pompeu Fabra and have worked at the University of Oxford and the University of Surrey before joining LSE.

Dr Mike Callen



My current research focuses on understanding why governments fail to promote economic growth and provide services in fragile developing countries. At least two billion people live in poor countries affected by conflict and, given current trends, half of the world's poor will soon live in these states, so these questions are central for understanding political and economic development. I approach these questions using methods from political economy, development, and behavioural economics.

My work also involves close collaboration with policy-makers and academics in Afghanistan, Nepal, and Pakistan and generally uses field experiments, often evaluating new policies and programmes at full-scale. I also have a specific interest in understanding how the vast increase in the use of Information Communication Technology in developing countries can be leveraged to strengthen governance and address development challenges and in using recent advances in our understanding of human decision-making from behavioural economics to improve policy.

Prior to joining LSE, I taught at the Harvard Kennedy School, UCLA, and UC San Diego. LSE is a natural home; using social science to improve policy is in the fabric of the institution and the Department of Economics is one of the best in the world in the fields of development and political economy. It is clear from my experience getting a BSc at LSE, my year as a visiting faculty member, and working as a research programme director at the IGC, that the institution consistently produces ground-breaking and policy-relevant research.

Senior Staff

Professor Ben Moll

I am a Professor of Economics at the London School of Economics and joined the Department in 2019. I identify as a macroeconomist interested in understanding inequality within and across countries. My work seeks to advance two core research agendas. The first addresses one of the longest-standing questions in economics: "Why are some countries so much poorer than others?" The second is to understand how the enormous heterogeneity observed at the micro level, and the large disparities in income and wealth, impact the macro economy and macroeconomic policy. My research approaches these questions with a mix of theory and empirics. However, my current work studies the macroeconomic and distributional consequences of the COVID-19 pandemic, as well as those of monetary and fiscal policy more generally.



Professor John Van Reenen

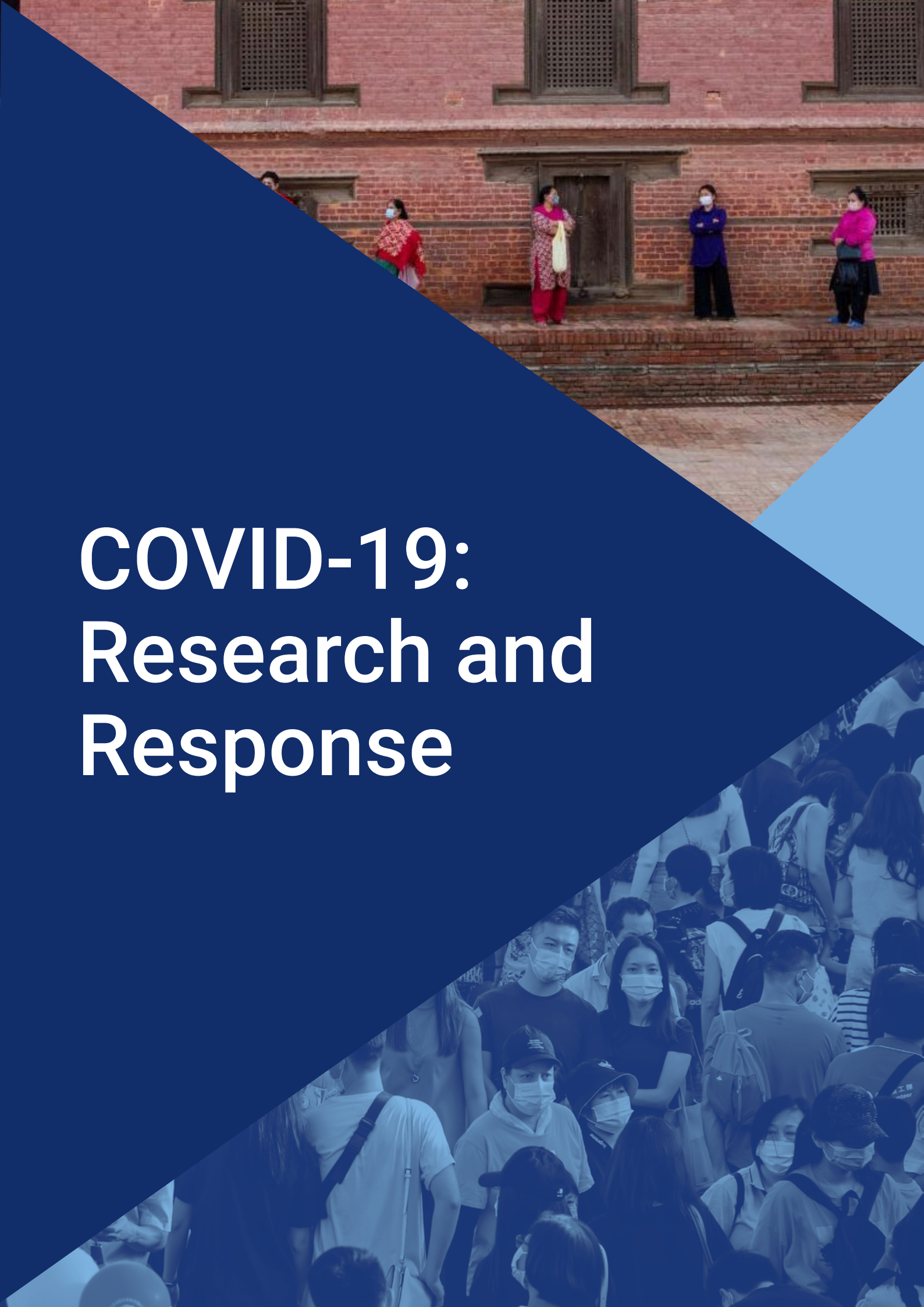
I am a Ronald Coase School Professor at the London School of Economics. Before that, I was a Gordon Billard Professor at the Massachusetts Institute of Technology (appointed jointly in the MIT Economics Department and Sloan Management School). Between 2003 and 2016 I was Director of the Centre of Economic Performance at LSE. Before this I was a professor at University College London. I have worked in the public sector as a senior government advisor on health and the economy; and in the private sector as a founder of a software start-up and a partner of a consultancy firm.



The focus of my research work is on productivity and the causes and consequences of innovation and management practices. I have published over a hundred papers on many areas in economics, 23 of which are in "Top Five" journals.

My work looks at how we could return to sustainable productivity growth. To do so requires innovation, and much of my work looks at how this is shaped through the structure of markets – competition in the product market, inequality and regulation in the labour market and the way the financial markets can malfunction. I have many evaluations of innovation policies from tax incentives to direct subsidies to removing the barriers potential innovators and entrepreneurs face if they are from poorer families, minority backgrounds or women.





COVID-19: Research and Response

The COVID-19 pandemic poses formidable challenges to global health systems, societies and economies. Our faculty have responded to these with an outpouring of valuable work, developing and promoting policies that can be deployed by monetary, fiscal and regulatory authorities to help the world to weather the storm and shape the post-COVID future. Here, we highlight some of the exciting work being undertaken by our colleagues.



Refocusing Research

While some faculty have been addressing the new intellectual questions raised by the pandemic, others have transitioned their existing research towards COVID-related topics. One of these is **Michael Callen**, who joined the Department of Economics from the University of California, San Diego, in 2019. He has been running surveys in Pakistan, Sierra Leone, and Afghanistan to see whether citizens would be willing to take a COVID-19 vaccine once it is available, having spent the last five years studying similar issues related to polio vaccination.

Michael is also running a study in Afghanistan on whether taking precautions during in-person cash salary payments to government workers helps prevent the spread of the disease, and says the evidence is reasonably strong that simple precautions are effective. Looking at the bigger picture, he is also working on the

economic recovery from the crisis with Asim Khwaja (the Director of Harvard's Center for International Development), and the Afghan Central Bank (Da Afghanistan Bank).

Lastly, working with a team of researchers from the Governance Lab, the London School of Economics, Yale University, and Nepal Administrative Staff College, he surveyed the local politicians and government officials in Nepal who are in charge of responding to a devastating combination of severe floods, the lean season and the COVID-19 crisis. The team found that Nepal's fiscal rules have resulted in a situation where the areas that need the most funding to tackle these problems are least able to access it. Their [report](#) urges federal, provincial, and local levels of government to coordinate their efforts in order to address these challenges, and recommends taking a data-driven approach to allocating funds.

Addressing the challenges of fighting COVID-19 in developing countries

The Foreign, Commonwealth and Development Office's (FCDO) COVID-19 [Economic Advisory Group](#) provides advice to support FCDO during the COVID-19 crisis. The Economic Advisory Group, of which LSE Economics faculty **Robin Burgess**, **Tim Besley**, **Oriana Bandiera** and **Michael Callen** are members, has been meeting every two weeks since April 2020 to discuss issues raised by the FCDO. It is co-chaired by Rachel Glennerster, FCDO Chief Economist, and **Jonathan Leape** of the Department of Economics and International Growth Centre, and its meetings have covered issues such as containment strategies in low-income countries, the economic impact of COVID-19 lockdowns in sub-Saharan Africa, and the question of whether the economic and non-COVID-19 health impact of the lockdowns could outweigh the potential health impacts of the virus for some countries.



The World War 2 Analogy

Many commentators have likened the global response to the pandemic to the Second World War. This may seem hyperbolic, but there are some points of comparison that bear scrutiny. Economists were directly involved in the war effort, particularly in the development of the national income accounting systems which measure the UK's production, income and expenditure, and are the source for many economic indicators, including the GDP.

In April 2020, as the US and UK governments called on firms like General Motors, Airbus and Dyson to produce medical supplies, **Ethan Ilizetki** published a report looking back at the last time civilian manufacturers were asked to switch production to goods far outside their usual product range in order to support the country in a time of national emergency: when US auto manufacturers started to produce aircrafts during World War 2.

Ethan was able to draw some illuminating lessons from US auto manufacturers' experience in wartime aircraft production and apply them to the modern scramble to produce ventilators. Firstly, that it makes more sense for governments to provide resources to existing producers than to divert them to non-specialists; secondly, that international cooperation is essential to smooth supply chains and manage the flow of resources; and thirdly, that public investment in plant expansions is vital to prevent private companies being left with excess capacity and huge debts in the aftermath of the emergency.

Data-driven Analysis

The Royal Society's [DELVE](#) initiative is a multi-disciplinary group taking a data-driven approach to studying the pandemic, which communicates its findings to the Government's Chief Scientific Advisor and SAGE, the UK Government's Scientific Advisory Group for Emergencies.

Its working groups have produced a plethora of reports and technical addenda, all publicly available on [GitHub](#). In August 2020, one of these groups, led by LSE Department of Economics professors **Tim Besley** and **Nick Stern**, published a report on how economic analysis can be used in the fight against the COVID-19 crisis. By combining economic and epidemiological data to model scenarios, the group found that targeted economic interventions could stave off both a second peak and the looming prospect of a double-dip recession.

However, they cautioned against using simple cost-benefit analysis to evaluate the trade-offs. "Pitting health and economic outcomes against each other is unhelpful", Tim Besley said. "It is wrong to assume that the only way to get the economy back on its feet is through an excessive loosening of restrictions. Targeted policies that are sensitive both to the spread of the disease and economic costs are needed."



Proposal for a wealth tax-funded European rescue fund

In April 2020, **Camille Landais** and co-authors Emmanuel Saez and Gabriel Zucman, laid out their proposal for a progressive, time-limited European-wide progressive wealth tax in [A Progressive European wealth tax to fund the European COVID response](#) (available from the VOX CEPR Policy Portal). The revenues from the tax, which would be assessed on the net worth of the top one per cent richest individuals, would be dedicated to the repayment of Eurobonds issued during the COVID-19 crisis or to the funding of a common rescue fund. According to their calculations, if fighting COVID-19 requires issuing 10 points of EU GDP in Eurobonds (or a rescue fund worth 10 points of EU GDP), a progressive wealth tax would be enough to repay all this extra debt after ten years.



Time to revive old ideas

The COVID-19 lockdown implemented in India is estimated to have tripled the urban unemployment rate. Most low-income urban workers will fall through the cracks of the provisions being put in place to support workers, and almost none of them has access to benefits. **Swati Dhingra's** column [Protecting informal workers in urban India: The need for a universal job guarantee](#) (also available from the VOX CEPR Policy Portal) argues that the self-targeting features of a universal job guarantee make it an appealing policy option to protect informal workers in urban India both now and in the longer term.

Between May and July, Swati and colleagues Shania Bhalotia and Fjolla Kondirolli of the Centre for Economic Performance surveyed 8,500 workers aged 18 to 40 in urban India to understand their experiences at work during COVID-19. They found that a staggering 52 per cent of urban workers went without work or pay during lockdown, while less than a quarter had access to government or employer financial assistance. The results of the survey were published in a report in September 2020, [City of dreams no more: The impact of COVID-19 on urban workers in India](#), which received worldwide press coverage. In it, the authors call for a national policy commitment to prevent the current earning losses from pushing many of India's workers into urban poverty and the threat of long-term unemployment.

"It may finally be time to revive old ideas, such as a universal job guarantee, to protect the livelihoods of many informal workers who are at risk of falling into urban poverty," Swati told Bloomberg in an interview in September. "Their aspirations of a prosperous life have already been shattered by the pandemic."

Responding to the Challenge

If you want to know more about the research being carried out by our faculty in response to the pandemic, you can find a series of research papers, press releases, articles and policy proposals on our website at lse.ac.uk/economics/research/covid-19.

There was a chance to engage with us at the *LSE Festival 2021: Shaping the Post-COVID World*, an initiative that built on the important conversations and research undertaken as part of LSE's COVID-19 response. The *Shaping the Post-COVID World* programme included a series of debates about the direction the world could – and should – be taking after the crisis. It featured virtual seminars, roundtables, public events, blogs and a series of online publications based around the following themes:

- the macro economy
- restructuring business, trade and the future of work
- inequality and social infrastructure
- health and social care
- environment and climate change
- welfare and public policy trade-offs
- governance and state capacity
- democracy and rights

For more information, visit lse.ac.uk/Events/LSE-Festival/About-the-LSE-Festival



I think I can say this without being accused of flattery: this is a once-in-a-generation crisis, and as economists, we are in a central position to contribute to the recovery. Our colleagues are putting their shoulders to the wheel and doing vital policy-relevant work at a time when it is more urgently needed than at any time in recent history. ”

Tim Besley, School Professor of Economics



Global Impact and Reach

Professor Silvana Tenreyro reapointed to the Monetary Policy Committee



Professor Silvana Tenreyro has been appointed for a second, three-year term, as an external member of the Bank of England's Monetary Policy Committee (MPC). Her second term started on 5 July 2020.

Andrew Bailey, Governor of the Bank of England, said: "I am delighted that Silvana Tenreyro has agreed to serve another three years on the Monetary Policy Committee. Silvana's insights and contribution to the Committee will be hugely valuable as we navigate the current economic challenges and help to promote the good of the people of

the United Kingdom. I very much look forward to continuing to work with her."

Head of Department, Professor Steve Pischke, shared his congratulations: "Congratulations Silvana, and thank you for your help in running the country's monetary policy in these challenging times."

Silvana Tenreyro is Professor of Economics; Programme Leader at CFM-Shifts in the World Economy and their Consequences Programme; and Programme Director at IGC-Macroeconomics Research Programme.

[Read more](#)

The Beverage Report Podcast

At the start of the 2019/2020 academic year, Matthew Bradbury and Tommy Sharpe (second year BSc Economics students) contacted the Department with an inspiring idea to produce a series of student-led podcasts. The concept was simple: to interview leading members of faculty as well as policy-makers to explore contemporary economic policy and current economic research. Supported by the Department of Economics, Matthew and Tommy have led the way with in-depth questioning as well as highlighting the impact of economic research. Here Matthew writes about setting up the Beverage Podcast.

The idea of starting such an endeavour came to me about a year ago, and since then whenever I've mentioned it to a member of the Department, they have been incredibly supportive and suggested I pursue it further. The business model of the podcast is pretty simple, I email someone requesting that I can call them up (pre-COVID-19 this took place in person) and ask them precise questions about things that they've written or comments that they've given at any point in the last decade. The endeavour was driven by my general curiosity; I remember reading some Treasury Select Committee notes from the early 2000s in preparation for the Alistair Darling episode to try and hone in on some specific questions, only for my flatmates to tell me I needed to get other hobbies!

I've loved doing the podcast because I've been able to engage world-class thinkers in debate and discussion. In history textbooks we read about the 2008 financial crisis as a thing that happened; with the podcast I was able to ask the interviewee directly as they sat in the room with me or on the telephone, what they were thinking and feeling as the system fell apart. That, to me, is the crux of the podcast; it's asking leading academics or policy-makers questions that only they could answer. It's always possible to Google "why do we now have Quantitative



Easing (QE)", but a totally different and – for me – a more interesting, discussion is asking Mervyn King "what was the process for choosing something so experimental, did it feel like a risk?". For me, the enjoyment in running the podcast comes from the reminder that it is human beings behind these monumental decisions and finding out why they make them. Even when discussing with academics, the most interesting questions remain personally the human ones: what made you choose economics as a 20-year-old? What books do you think everyone should read? We've always ended every discussion with the same question and asking it has been the greatest pleasure of the whole experience so far. We always ask "What gives you hope?", and hearing the answer to that question from people far smarter and far more experienced than I am, hearing multiple answers all rooted in different things but fundamentally the same in their optimism, that has given me hope.

Find out more about the podcast series at [The Beverage Report Podcast](#)

Global Impact and Reach from our Alumni

We caught up with our alumni to discuss their time at LSE and their career journey after university.

Meet Tam Trinh

BSc Economics 2012



What motivated you to choose LSE Economics?

I started learning economics in high school just as the 2008 global financial crisis began to unfold. Economics immediately captured my interest as a unique subject that provides a range of tools to understand and navigate the world. I chose LSE's Department of Economics for its world-renowned reputation, its faculty members who are some of the best experts in their field, as well as the diverse body of fellow students with different backgrounds and experiences.

What are your fondest memories of your time in the Department?

There are so many to choose from, but my most cherished memories are certainly with the people I've met there. I look fondly back at the idealistic, ambitious and philosophical conversations I had with friends in our shared kitchen, which often ran late into the night. EC102, EC220, EC317 and EC325 were some of the courses that made the biggest impression on me and played a big role in shaping my career path. I also enjoyed taking part in many on-campus activities such as doing a student Student Consumer Price Index (CPI) project, forming a consulting team to advise a local business, conducting a summer research project, and reaching out to students from underprivileged backgrounds to share with them the values and experience of higher education through the LSE Widening Participation Scheme.



Tailored courses in my third year allowed me to explore specific areas of interests, such as labour and public economics, which I still sometimes refer to in my current role. ”

We'd love to hear about your career journey. What did you do when you left LSE and what are you doing now?

After graduation, I joined PricewaterhouseCoopers (PwC) to work as a consultant where I focused on issues relating to people and organisation. During my time there, I also undertook a secondment to Saudi Arabia's Ministry of Labor to work on the design and delivery of intensive upskilling and employment programme for the Saudi national labour force. Upon returning to the UK, I joined PwC's Fiscal Policy Advisory team to work with a number of intergovernmental organisations and developing countries on the technical assistance of tax, expenditure and governance policies, before making the full switch to the public sector and joining the UK Civil Service, where I have been for almost three years.

I'm just about to embark on my next adventure, where I'll shortly begin my Economics Masters at Yale on a Fulbright scholarship. I'm planning to focus on the impact of shocks, such as technology and trade shocks, on the labour market, and specifically the opportunities and challenges that they present. I couldn't be more excited about this amazing opportunity. I look forward to diving back into the academic environment as well as immersing myself in America's vibrant culture and making new friends.

Please could you tell us about your current role?

As an economist in the Government Economic Service and a senior policy advisor at HM Treasury's strategic projects team, I have worked on a range of issues across government. It's one of the most interesting jobs I've done to date, and a real privilege to work on some of the most challenging issues of the day. Projects I've worked on include, for example, employment status, labour market strategy, distributional analysis, private finance review, and EU Exit customs tariff strategy. Although the specifics may vary, my role involves gathering and reviewing data, evidence and all information related to the policy, analysing that information, and developing advice and recommendations to senior officials and ministers. Many stakeholders are involved, from internal across Whitehall to external from industries, and work is often done at pace. Seeing the impact that effective policy could have on people's daily lives is exactly the reason I want to take my studies further. I would like to develop more quantitative skills to be able to better evaluate data and information to facilitate more evidence-based policy makings.

How did the LSE Economics programme prepare you for your career?

My LSE undergraduate programme in economics was academically rigorous and well structured. It equipped me with not only the technical skills needed to do the roles that I wanted to do, but also the ability to think critically when facing complex problems. Furthermore, tailored courses in my third year allowed me to explore specific areas of interests, such as labour and public economics, which I still sometimes refer to in my current role.

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

I've made some life-long friends during my time at LSE and I'm truly grateful for those relationships. The conversations and support from my faculty members, Dr Judith Shapiro and Professor Alwyn Young, have been invaluable in shaping some of the career choices I've made. I have and continue to meet with many colleagues and friends from all walks of lives who are a part of the LSE wider community, and this connection we shared through LSE has certainly helped to break the ice and quickly brought us closer together.

If you could give one piece of advice to current LSE Economics students, what would it be?

Stay open-minded and be curious. This will help you deepen an existing interest or cultivate new ones to develop yourself in a way that would be truly rewarding for you. Dare to dream big, and actually work towards it with self-discipline and good time-management. Really connect with people and develop genuine relationships, those are the ones that last!

Meet Shalini Mittal

BSc Economics, 2012 and MSc Economics, 2013



Could you tell us about your time at LSE? What motivated you to choose LSE Economics and which programme did you study?

(Laughs) My time at LSE was full of problem sets!

I was actually a 2nd year direct transfer student to the BSc Economics programme. I received a scholarship and I think I was one of the few who got to LSE through this route.

There's a funny story behind why I chose to study economics. At high school, I'd never studied economics before, and I just wanted to study science. But my parents didn't want me to because I'm a girl; in India, there's a conservative mindset that girls should study softer options and boys should study science and engineering. I was adamant to study science though, so I took it up and chose economics as my optional subject because I was scared of my parents. When I started studying economics however, I just loved it and knew that's what I wanted my career to be in. I liked how you could use diagrams to explain human behaviour and how markets work and I could apply this to my daily life; for example, tomato prices are rising because supply has fallen due to a bad monsoon. What attracted me to economics was the fact that I could relate it to real life, and I loved the scientific/logical thinking behind it.

Once I decided to pursue a career in economics, I wanted to study from the best, so I applied to LSE. I wanted to study at LSE so I could be in a cosmopolitan environment (something I couldn't get in India) and I wanted to be able to think outside the box. For someone like me in India, being admitted to LSE seemed like an impossible dream – like being the President of the United States – but I worked hard and with my parents' immense support, got through it.

What are your fondest memories of your time in the Department?

There are many. One was the revision period just before exams. I always had a study group at LSE because I never liked studying on my own. My group and I would always struggle to find somewhere to study before an exam so we used to find empty classrooms to avoid the crowded library. I made my best friends during this period. One year, we found a hidden room in the basement of 32LIF which we could only access with my card. It was a fancy room with red sofas and coffee tables; it felt like we were in luxury! No one knew about this room so we used to sneak in and study there.

Other fond memories are the Holi and Diwali parties organised by LSE's societies. The fact that LSE never made me miss my culture speaks for itself; it shows how welcoming and international LSE is. It's not just about the course, but also the time you have at university which matters.

We'd love to hear about your career journey: what did you do when you left LSE and what are you doing now?

(Laughs) That's a long journey! Unlike my peers who already had PhD offers or jobs in investment banking, I didn't have a job when I left LSE. There is a culture at LSE and specifically within the Department of Economics, that everyone wants to go into investment banking and finance. I knew I didn't want to go into finance; I was learning so much about supply and demand and felt I should use that somewhere.

When I left LSE, I got a job at an economic consultancy firm called Cambridge Econometrics and worked there for a year. Then I worked at the Economist Intelligence Unit in London for almost two years. In 2016, I made the decision to move back to India. I came back to Delhi and I was lucky to start working with the autonomous research

institute of the Ministry of Finance, India. I worked with the former Principal Economic Advisor of India and even got a working paper published which was quite an achievement for me. I worked at the Ministry of Finance for nearly three years and have just recently moved to the Delhi office of the Asian Development Bank.

Please could you tell us about your current role?

I'm a macroeconomist and work as an Associate Economic Analyst for the India Resident Mission of the Asian Development Bank (ADB). My primary role is to produce macroeconomic research.

I mostly work on the India chapter of the Asian Development Outlook, a flagship product of the ADB which is published four times a year. I've also been doing macroeconomic research on Indian business cycles and debt sustainability of South Asian countries. Most recently, I worked on providing loan support for COVID-19, which is very close to my heart. The ADB provided loan support to India to help 800 million poor people. It's been very rewarding to contribute to this project and use my knowledge and degree to help poor people overcome this difficult situation, not just in India but in other South Asian countries as well.

How did your programme prepare you for your career?

Having a Bachelor and Master's degree is a must for anyone who wants to pursue a career in economics. My degrees have played a very important role in my career, not just in terms of providing a conceptual understanding of economics but also because of the diverse nature of the courses and the logical thinking required. For example, I could take micro and macro courses at the same time and a logical approach to coursework was encouraged.

The fact that the LSE emblem is "to know the causes of things" is not without reason. When you study at LSE, you realise this is imbibed in coursework and culture and an LSE graduate's thinking. Overall, this has been essential for my career; when I'm stuck on something, 'to know the causes of things' comes to me and I'm inspired.

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

It's played a very important role. I actually got my first job through the LSE Careers Portal (not many people make good use of that!). As an Indian student, I would never have heard of Cambridge Econometrics had it not been for the portal. So in this way, the LSE community has played a big role as it kind of defined my career path.

The LSE alumni group in Delhi has also played an important role in life after LSE. They constantly organise meetings and it's always nice to catch up with fellow alumni and find out what they're doing. The group have played a very important role during these COVID times, arranging COVID camps for people who are living on the streets; some people in India don't have enough space to isolate so if they are infected, they can't stay at home or go to the hospital. Arranging COVID camps for people to rehabilitate and isolate has been crucial.

I also get to meet a lot of LSE Graduates in my work life. It's always good to work together as we automatically develop a level of understanding with one another.

If you could give one piece of advice to current LSE Economics students what would it be?

In general, the advice I would like to give is to always remember why you chose to study economics and how lucky we are to study at LSE when millions of children around the world don't have access to schooling or have to travel miles on foot to get to school. Many children don't have access to an English education and I was actually one of them; I couldn't speak a word of English until 6th form. Sometimes LSE can be overwhelming, especially coming from an international community, and because of the pressure to do well and get a distinction.

So, keep in mind that there is a big world out there and having an LSE degree gives us power to make a difference in the world – it may be a small difference and may not be related to economics or our field – but we should use this power wherever we can. This applies to all LSE students, not just those studying economics.

Another piece of advice I'd like to share is that if you get an opportunity to teach in the Department as a GTA – take it! Teaching is the best way to learn and it was during my time as a Teaching Assistant that I really began to develop a conceptual understanding of economics and hone my skills. It was also a stress buster for me; I always felt relieved to go and teach and solve student doubts.

My advice to economics students specifically is that you can deal with anything once you study EC202!

Global Impact and Reach from The Black Economists Network

Meet Felicia Odamtten

MSc Local Economic Development 2018



Felicia is an economist in the UK's Government Economic Service and the Civil Service economics fast-stream brand ambassador.

She founded The Black Economists Network, an organisation which seeks to connect, support and inspire Black economists whilst challenging the lack of diversity in the field.

What led you to study at LSE?

I wanted to study at LSE not only because of its outstanding international reputation but also because I believed it would provide me with the necessary tools and understanding required to achieve my long-term career goals.

How has your LSE experience influenced you and your career?

My LSE experience has influenced me in various ways. Through LSE I have been able to establish lifelong networks with other students I met at school, and also with alumni I've met at various events. Career-wise, I believe my education at LSE has definitely served to equip me with a better understanding of economics and its role in public policy which I use at work very often!

What are the fondest memories of your time at the School?

My fondest memories actually occurred during my dissertation where I would spend more than 12 hours

at the main library, every day for two or three months. I made so many new friends during that time – from other courses too – and we all worked to support each other through the dissertation stress.

I was also really grateful for support from LSE LIFE, they were a really great resource when my dissertation supervisor left before I had even started! Shout out to Jack Winterton at LSE Life and my programme director, Dr Neil Lee, who were both super helpful during this time!

What inspired you to set up the Black Economists Network?

From early on, I've always been intrigued by the ways in which economic theories could be used to explain and tackle some of the most complex socio-economic phenomena. But, to my surprise, when I started my undergraduate studies I found that there were no prominent figures in economics – not even on the reading lists – that looked like me; that were Black. At first I thought this was just a problem in academia, but I quickly came to realise this was a widespread issue.

In my first role as a government economist, I was the only Black female economist in the department, alongside one other Black male economist, and this led me to question where all the Black economists were! Much of the focus on diversity in economics in the UK has been centred on women's representation and the under-representation of Black professionals in the field is often overlooked. This lack of visibility has meant there's been little to no initiatives at higher levels to address this.

Diversity is not only important from an equality point of view, but also from a policy-making perspective. Economists hold some of the most powerful positions in society with the ability to form policies that change lives. But the extent to which they can change lives for the better is dependent on evidence and analysis underpinning them and whose perspectives are being included. Lack of attention to issues faced by particular communities can ultimately lead to poor decision-making in policy and negative outcomes for these communities.

It's for these reasons I felt inspired to create the network.

What do you hope the network will achieve?

The Black Economists Network (referred to as TBEN for short) is an organisation set up to be a platform through which aspiring and current professionals in the economic field can connect, inspire and support each other. We also seek to challenge lack of diversity in economics by working with other organisations.

However, I hope it becomes much more than this. It's my dream that the network will be able to amplify Black economists' work and perspectives. I hope that we can truly raise the visibility of Black economists and inspire future economists who previously may not have seen this as a field accessible to them.



What positive steps can institutions, organisations and companies take to tackle the lack of diversity at leadership level and ensure all voices are heard?

There are many positive steps these actors can take towards improving diversity and inclusion. There are various resources available and literature on best practice for these actors to learn from. Many organisations will have diversity networks or groups that they should listen to and take seriously if they truly wish to become a diverse workplace which ensures all voices are heard. These internal diversity networks will also be in the best position to know which initiatives to undertake in the context of their organisation.

However, the most important step is to actually implement action. This includes setting clear, specific, tangible and measurable targets to which leaders at every level of the organisation can be held accountable on a frequent basis. It means creating initiatives based on the experience and perspectives of marginalised communities – which is not always the easiest or most comfortable thing to do. Progress should be tracked, outcomes should be transparent, and initiatives should be reviewed regularly enough to assess what's going well and what isn't working.

The killing of George Floyd has sparked worldwide reckoning over racial injustice. In your opinion, is this a turning point for real change?

The killing of George Floyd was horrific. It was also a painful reminder to all, especially to the Black community, that racial injustice and inequalities exist. The topic of racial injustice is not new and, contrary to what others may want to believe, they're not specific to the US either – here in the UK we have our own battles.

However, whilst there has been increased discussion regarding this issue, the extent to which it is a turning point for real change depends whether people (individuals and organisations) are willing to make that change happen. It requires a lot of unlearning cultural norms and biased assumptions which perpetuate racism, re-learning what racism actually is, confronting the violent realities of racism in history and in current times, as well as challenging those in positions of significant power to enforce systematic changes.



The LSE Department of Economics is striving to improve diversity in our community. Can you recommend steps we can take to achieve this?

There are a range of actions the LSE Department of Economics can take in order to improve diversity within the community. The thoughts of our own members on this can be summarised into three key areas:

INCREASED VISIBILITY: The visibility of Black economists and their work is essential. This involves actively seeking out Black economists to include in the reading lists, to speak at events, write articles, comment on a range of economic issues that are not just related to race! The community needs to amplify the work of Black economists – especially those who aren't based in the UK, US and Europe. This is important (especially to aspiring economists) as we need to start seeing ourselves represented properly with the contributions we make.

INCREASED RELATABILITY: This includes hosting seminars and events – even carrying out research – that makes economics less foreign and isolating. If the goal of economics is to increase diversity and be inclusive, then the material the field produces must also be more relatable to the Black experience (and experiences of other underrepresented communities!).

INCREASED SUPPORT: This means actively supporting potential and current Black Economists throughout the pipeline. This can include funding and creating targeted outreach programmes that introduce economics as a viable option for Black students (and those from underrepresented communities), offering opportunities for paid training programmes, internships and work experience for aspiring Black economists. It also includes partnering and supporting organisations like us, who are closer to communities we wish to target.



If the goal of economics is to increase diversity and be inclusive, then the material the field produces must also be more relatable to the Black experience. ”





How can members of our community get involved with the Black Economists Network?

There's a variety of ways the community can get involved with TBEN. As we are firstly a members based network, people who identify as Black African/Caribbean with a background in economics (and related fields) can become a member via our [website](#). However, a lot of our network's activities are also open to other members of the community as two of our aims are to inspire and influence. To inspire we like to encourage debate on topical economics issues so regularly host events on this for all to attend – for example for Black History Month we hosted a series of talks covering topics such as COVID-19 in the African Context, Green Recovery, and Health Economics.

To influence, we hope to work with economics (and related) organisations to challenge and tackle the lack of diversity in the field. This includes hosting workshops to cover interview/employment/subject specific skills as well as showcase the range of economics careers. These workshops are open to all and we especially encourage people from other underrepresented backgrounds to participate. This year we also hope to launch projects in collaboration with other economics organisations that



focus on empowering aspiring/current economists in our network. We often receive a range of opportunities asking for our members' input (writing articles etc.) but have found that many of our members lack the confidence required to take up these opportunities and share their economic expertise. We would like to encourage other networks/organisations to get in touch with us to help develop a series of events to help empower our members and others from underrepresented backgrounds to share their ideas. This is particularly important especially if we want to progress the field of economics!

Read the LSE Alumni interview with Felicia [here](#).



Diversity is not only important from an equality point of view, but also from a policy-making perspective. ”

Global Impact and Reach from our Faculty

Ben Moll joined the Department as Professor of Economics in Michaelmas Term 2019



What motivated you to study economics?

Overall, two things motivated me to study economics. Firstly, I was fascinated by topics such as globalisation and why some countries are so much poorer than others. Secondly, in retrospect, I think there was a lot of randomness and luck involved in getting me into economics. I took one (basic level) economics course at high school and based my decision to study economics at university on this. I had no idea that economics involved Maths and Statistics and so I found myself quite surprised during those first few lectures! It worked out ok because I happened to be ok at these subjects but it could have gone the other way.

When did you decide to focus on macroeconomics and why?

There was also some randomness involved here. I decided to focus on macroeconomics pretty late. When I went to graduate school (I did my PhD at the University of

Chicago), I specialised in other fields initially: particularly Trade, Labour Economics and Development Economics. It was Development Economics and working on why some countries are poorer than others which led me into macroeconomics.

I think it was valuable to develop a good foundation in a range of economic fields. My current work often draws on concepts from International Trade and Labour Economics. In particular, I do a lot of work on the importance of heterogeneity – the differences across people and firms – an important subject across Labour Economics, International Trade and Development Economics.

What is the main focus of your research?

In a nutshell: inequality within and across countries. I have two main research agendas. One is something I've mentioned before – and is probably what got me into economics – which is why some countries are so much poorer than others. The second is to understand the reasons and consequences of the enormous heterogeneity we see within countries at the micro level, particularly with things like income and wealth, and the implications for macroeconomics and macroeconomic policy. Sometimes I like to call this distributional macroeconomics, emphasising the interaction between the distributional and macroeconomic aspect.

Could you tell us about your current research?

I'm always working on a few projects at the same time. All of my recent work has been within the second research agenda I've discussed: distributional macroeconomics (the interaction between heterogeneity and distribution).

One piece of research I'm working on is about the distributional effects of COVID-19 and the implication of these on policy trade-offs for tackling the pandemic. I will talk more about this in a minute.

Another piece I'm working on is understanding the implications of automation and developments in Artificial Intelligence for the evolution of income and wealth inequality. If you look at the US, UK and other developed countries over the last 30 years, you'll see how unevenly economic



Our goal is to better understand the distributional effects of COVID-19 and what they imply for policy options to tackle the pandemic. In particular, what should we think of lockdowns? What is the trade-off between saving lives and saving livelihoods? ”

growth has accrued at the top of the income distribution. Together with Lukasz Rachel and Pascual Restrepo, we're looking at how much of this can be accounted for by technical change, particularly automation. We're focusing on the effect of automation on wealth distribution with the simple logic being that if you automate a lot of what a firm does and its production, you're taking away a share of the pie from workers and giving it to owners of capital who will then accumulate more wealth. In simpler terms, if you have more robots, the economy will become more productive but the owners of the robots will benefit from this rather than the workers. You will see this reflected in higher wealth inequality. This research looks at long-run secular trends.

Another piece of research looks at integrating insights from behavioural economics with how we think about monetary and fiscal policy. In particular, together with David Laibson and Peter Maxted, we're looking at what happens if you give people fiscal stimulus during an economic crisis. What happens if you cut interest rates during an economic crisis? And what is the monetary transmission mechanism? We're thinking about how the presence of hyperbolic discounting or present bias changes that. The intuition here is that people have self-control problems; they don't stick to their consumption plans (they plan to do one thing but do something else instead or they spend more than they want). The question we're looking at is how this affects monetary and fiscal policy.

We find that fiscal policy becomes more powerful because people spend more of the money you give them, whereas monetary policy is more subtle. There's a particularly interesting transmission mechanism which is about how and whether people re-finance their mortgages. On the one hand, if you have self-control or present bias problems, not only do you re-finance your mortgage but you also get a cash-out refi mortgage (a larger mortgage than the one you originally walked into the refinancing transaction with). You think you'll use this money to pay off your credit card debt but then you spend it on a big party. In addition, once you think about present bias, procrastination becomes important. For example, although people should re-finance their mortgage because they could get a lower interest rate and save a lot of money, they won't go to the bank

because it's a hassle. This slows down the monetary transmission mechanism. So, these are the subtle interactions between behavioural economics and macroeconomic policy.

Could you tell us about your research related to COVID-19?

Our goal is to better understand the distributional effects of COVID-19 and what they imply for policy options to tackle the pandemic. In particular, what should we think of lockdowns? And what is the trade-off between saving lives and saving/preserving livelihoods? The key idea or starting point is that distributional effects are very important; the pandemic itself and the policies used to tackle it, such as lockdowns, have huge distributional effects. In particular, they hit some households much harder than others.

One of the key dimensions we're looking at is how the pandemic differentially affects different occupations depending on the sector. To take one example, a waiter or someone who works in the hospitality industry would have been hit very hard by the lockdown. Even without the lockdown, fewer people would have gone to restaurants because they were scared. On top of that, the occupations hit hardest in terms of labour income were also the most financially vulnerable; they tend to have the lowest amount of savings to buffer any fall in labour income. In the US, the average liquid wealth of people in these occupational groups is around \$800. So, if you're living off your labour income from month to month and then you lose it, you're not going to be able to survive for very long without government support.

Fortunately, what we've seen during the pandemic is that almost all countries with a lockdown have coupled this with pretty strong government social insurance and income support. For example, the UK implemented the furlough scheme and the US massively extended unemployment insurance and sent people cheques of money. So, one of our arguments is that this was pretty successful in terms of preserving livelihoods. Thinking further ahead, it will be important to keep programmes like this in place if we have a second wave in the fall. It would be a disaster to have a lockdown without any social insurance policies to help people who are hit hardest.



I want to continue working on understanding why inequality is so high in many developed countries, why it's been increasing over time and the macroeconomic implications. ”

Of all the research you've conducted, which have you been most proud of and why?

This is an interesting question. Overall, I am most proud of the work I did for my PhD thesis and job market paper. So, more than 10 years ago at this point! Mostly, this is because this was the first time I had ever ventured into economic research and the first time is always the hardest. Furthermore, in contrast to all my research projects thereafter, I did this one by myself. This made it extra difficult because when you get stuck, you don't have anyone to ask and I much prefer working with other people. So, for these reasons, this qualifies as the work I'm most proud of!

This research was on the question I've mentioned before: why some countries are so much poorer than others. I looked at the effect financially underdeveloped markets have on the macroeconomic performance of poor countries. For example, the financial markets in India don't work as well as those in the UK or US. An entrepreneur in the US/UK can get a loan fairly easily but it will be harder to get a loan in India unless they're willing to pay a high interest rate or if they have a lot of wealth to begin with (from a rich family or previously successful business). As a result, there is a misallocation of capital where the wrong people operate businesses and the money flows to the wrong businesses. This is problematic for the macroeconomy because capital is not necessarily dispatched to its most productive use.

Could you tell us about your research plans over the next year and what you're most excited about?

A continuation of my current research: the distributional macroeconomics agenda. I think there are a lot of things to do in this area. Research moves slowly, so in the next year, I'll be happy if I wrap up a bunch of papers I'm working on now.

Thinking ahead to the next 5 years, I want to continue working on understanding why inequality is so high in many developed countries, why it's been increasing over time and the macroeconomic implications. I think it's a really exciting area of research because it combines microeconomic and macroeconomic work, starting with a granular micro level data set and aggregating this up to the macro level. I'm very excited about this agenda and think it's very powerful to tackle these important questions.

Your research responded very quickly to the pandemic. Could you tell us about this?

What was quite unique, and what I've never seen before, is that so many economists dropped what they were doing and jumped to work on the economic implications of COVID-19. It's been nice to see.

I think there have been very useful policy lessons coming out of this which in other crises took much longer. For example, in the Financial Crisis economists took longer to think through what had happened. Now, analysis is happening in real-time, partially because we now have real-time data sets where you can really see what's been happening with consumer spending in the first few months of 2020. We have a pretty good picture of the macroeconomic and distributional effects of COVID-19, whereas in other crises we would have had to wait for the consumer expenditure survey to come out 6 months to a year later.

Could you tell us about the impact of your research?

Our research which has had the most impact is our work with Greg Kaplan and Gianluca Violante on HANK models (which stands for "Heterogeneous Agent New Keynesian" models), both in terms of other researchers working on similar topics and its impact on policy. These models are also part of our agenda to understand the interaction of heterogeneity and macroeconomics.

One of our main arguments is that once you take what's happening at the micro level and how households behave seriously, the way you think about the transmission mechanism of monetary policy should change. In particular, we argue that traditional macroeconomic models think about monetary policy as essentially all about intertemporal substitution. This means that if you cut interest rates, people think it's a bad time to save and a good time to consume, so therefore they consume more. We argue this is only true for a small part of the population. Instead, we think second-round effect or indirect effects are much more important as they work through households' labour income changing.

Micro-data tells us that only a small fraction of the population respond to interest rate changes. What we do respond to is labour income changes; if your labour

income increases, you're likely to spend more. Our point here is that, once you take this into account, the picture of how monetary policy works changes. For instance, when the central bank cuts interest rates, only a few households respond (e.g. those who want to buy a car or new house). Firm investment also responds, increasing the labour demand of firms and then firms hire more workers. The big part of the transmission mechanism is that labour income changes consumption behaviour, rather than interest rates.

We've pushed this agenda for a while and central banks have been really receptive. A number of these banks are already developing HANK models to help them think through the monetary transmission mechanism in a better way, which is encouraging to see. One of my long-term co-authors Greg Kaplan (University of Chicago) and I started a master class for central bankers last summer. We teach the tools and how to think about monetary transmission mechanisms through the lens of these class of theories. It's been nice to see this catch on. The idea of these classes was to create a network and space for knowledge exchange. Last summer's class seemed to go well and we received positive feedback from participants. This summer's session was cancelled due to COVID-19.

Who has influenced or inspired you the most?

This is a hard question because the nature of academic work means you're constantly inspired and influenced by lots of people; you're always building on other people's work and it's all about social interactions and exchanging ideas. So, in a sense, I could give you an endless list. But if I think about it, I would go with my high school maths teacher. He is probably one of the main reasons I'm doing what I'm doing now. He really introduced me to math and quantitative/rigorous thinking. He was an excellent teacher which I really appreciated. It shows you the importance of good teaching and the fact that one good teacher can change a student's outlook. I mention this because it reflects how I think about my own teaching and why I think it's important to put work into it. There's always a chance you can change one student's outlook and I take this seriously because I think back to my high school maths teacher.

Are you still in touch?

I dedicated my PhD thesis to him and sent him a copy. He was very happy about it. I keep in touch with him via email.

If you could give young, aspiring economists one piece of advice, what would it be?

One main thing that isn't appreciated enough or is underestimated is how much randomness there is in the profession or the process. For example, there's a lot more randomness than people might think involved in life stages like which graduate school you get into, your first job and whether your paper gets accepted in an economics journal. I think this is something people should appreciate more because then they might not be so upset if they don't get into their dream school or their paper doesn't get published in a certain journal.

I see this so many times: someone sends in their paper to a journal for the first time, it gets rejected and they feel completely demoralised. But they don't understand that this happens to everyone, whether they have a Nobel prize or not! Rejection is normal and a lot of it is pretty random, so return next time and maybe you'll get lucky!

I think the good thing about this randomness is that it tends to average out (sometimes you get lucky and sometimes you get unlucky). The takeaway is, don't be too hard on yourself when it comes to your 'failures' but at the same time be humble about your successes because there's a lot of luck involved in the whole thing.



The takeaway is, don't be too hard on yourself when it comes to your 'failures' but at the same time be humble about your successes because there's a lot of luck involved in the whole process. ”

Swati Dhingra is an Associate Professor of Economics at LSE, researching globalisation and industrial policy



What motivated you to study economics?

When I was growing up in India, the new economic policy came into being which really changed the landscape of the country. This was one of my main motivations to study economics.

Additionally, if you look around, it's clear that a lot of problems that happen in countries like India or the UK, have a lot to do with economics; it's not about whether a country is well-endowed with resources or human capital but whether people have the resources to realise their opportunities. This also motivated me to study economics.

Your key expertise are International Economics, Trade Policy and Industrial Organisation. When and why did you decide to focus your research on these areas?

I think it's fairly rare that I had a pretty good idea of what I wanted to do, even during my masters in India. When I applied for PhD programmes, it was with the intention that I was going to specialise in these subjects. The main reasons were that these were the questions I found interesting, it felt very natural because these were the circumstances I saw around me and I was lucky to get an early start, working with professors in India who worked on these issues for the government as well as academic journals. So, it was a case of having these interests and then having the opportunity to nurture them.

Could you tell us about your current research?

What I'm focusing on now is the intersection of globalisation and industrial policy: the various impacts of globalisation and how these interact with industrial policy. One stream of research is more within the realm of globalisation and looks at, for example, how the sterling depreciated after the Brexit vote and how this impacted different workers and industries in the UK. Another strand of research looks at jobs in India and how you can design labour market policy in ways that guarantee job security for individuals. During these COVID-19 times, I think these issues become even more salient.

Of all the research you've conducted, which have you been most proud of and why?

I think research is most rewarding when its impact goes beyond academia, impacting policy and society more widely. It doesn't just help our own academic career but also contributes to public debate. When the Centre for Economic Performance got into the Brexit debate, our research on Brexit and areas such as future industrial policy, how to think about future regulations and the trade-offs between efficiency and equity going forward contributed to the public debate. This is a huge achievement for us as a group as well as individuals as it's not something that happens every day!

What are your research plans over the next year and what are you most excited about?

We're thinking of taking our agenda on labour market reforms in India much more seriously. We're planning to develop implementable solutions which address two issues: wanting cleaner, safer environments (especially important during a pandemic) but at the same time, wanting people to have livelihood security (especially when they're faced with a massive job crisis). Our project is trying to partner with local businesses to train unemployed workers as well as record household behaviour in attaining a cleaner, safer environment.

Could you tell us about the impact of your research?

When people think about research impact, they tend to point towards a law or policy which has changed because of it. When we (CEP) got into the Brexit debate, that's exactly what didn't happen!

Most of us thought the economic costs of Brexit would be really high and that people should bear that in mind when making this political choice. While we had a lot of influence informing the public debate, it's very difficult to have 'mass media' leadership as an academic; we can only tell you what's good economics and bad economics. So, in that



I think research is most rewarding when it's impact goes beyond academia, impacting policy and society more widely. ”

sense, we weren't able to reach as many people as we would have liked but we did shift the public debate. We provided an evidence-based evaluation of what is expected to happen and this began to translate into government reports, reflecting a different view from when the debate began.

In terms of policy, the decision went in the opposite direction to our views. But we are not policy-makers; our job is to inform. So, we had societal rather than policy impact.

Who has influenced or inspired you the most?

People within LSE who's work I've really admired are Richard Layard, Nicholas Stern, Stephen Machin, Alan Manning and John Van Reenen. They've had academic as well as deep societal impact and I think this is what makes us really excited about our work.

Your research has covered two of the most significant world events in recent years: Brexit and COVID-19. Please could you talk us through your research in both areas?

In the Brexit debate, we had two ways of thinking about the issue. One is that Brexit hasn't happened, so how do you make projections about the impact it's expected to have? This is driven by the point of view that, using trade models we know match the data fairly well, we can make projections based on sensible assumptions about the state of the world. This is great when you want to talk about the projected impact of events which haven't happened but ultimately, you have to confront those issues with data. So, in more recent work, we've looked at what happened after the Brexit vote.

The largest immediate impact was that the sterling started to tank relative to almost every other currency. We used that really fine variation in how the sterling depreciated compared to other currencies and looked at its impact on export and import outcomes at the industry level and ultimately how this mattered for workers in these firms and industries. According to conventional economic wisdom, you'd think the sterling depreciation would increase exports which would require more workers and an increase in jobs and wages. This is not what happened because the UK relies heavily on imports to make its products. This is what really had a bite: export outcomes didn't improve while intermediate imports, needed by businesses to produce their goods and services, became more expensive, leading to a reduction in worker wages at a time when real wages were already growing slowly. So, we were able to show, with data, that one impact of Brexit has been training cutbacks and stagnant wages for workers.

If and when we continue this work, we'll look at whether COVID-19 effects the same sectors as Brexit so we can not only understand what happens to the broad economy but also the granular sectorial impacts and the impact on the lives of those individuals involved.

Our research on COVID-19 looks at its impact on UK businesses using real time business survey data from the Confederation of British Industry (CBI). We've developed a good working relationship with the CBI and they provide a snapshot of what their membership is telling them. This is what I've been working on as a UK resident. As an Indian citizen, I've been researching the effects of COVID-19 on India. We know that COVID-19 recovery packages can't be as generous in India as they are in other countries like the UK. Subsistence wages are much lower in India and this shock is simply going to amplify inequalities. One of our long-term research agendas is to think about solutions to these chronic problems. We want to understand which policies can be put in place to prevent these problems. One solution we're looking at is the economy transitioning to green jobs. A lot of Indian states are thinking about these kinds of solutions and how to put people back into jobs so we hope our research informs this movement in the right direction.

Swati's message to students and those just starting out in their economic careers:

We need young people and people from different backgrounds in economics. Without diversity, we can't expect economics to be a force for good and today's generation will experience far worse economic outcomes than my generation. This isn't going to happen overnight, but we need to bring new people into economics in order to keep it moving along.



We need young people and people from different backgrounds in economics. Without diversity, we can't expect economics to be a force for good. ”



Sustainability



Sustainability impact in the Department of Economics

During the previous academic year, the Department has been working closely with [Sustainable LSE](#), a taskforce managed by the School's Estates division to create an environmentally friendly department. In line with the School's [Sustainability Strategic Plan](#) and as part of the [LSE 2030 strategy](#), Sustainable LSE supports departments to make simple, tangible changes to improve their environmental sustainability.

As part of our commitment to environmental sustainability, the Department of Economics has formed a Green Impact team. Green Impact is an environmental accreditation and awards scheme run by the [National Union of Students](#) (NUS). It brings together staff and students to make green campuses, curriculums and communities across the country.

The Department of Economics' Green Impact team comprises members of our student body and Professional Services Staff (PSS). In past years, the NUS has awarded Gold and Silver accreditation to the Department for outstanding engagement. The temporary School closure caused by the COVID-19 pandemic meant that the 2019/20 Green Impact activities came to an abrupt end in March 2020. Beforehand, our Green Impact team took some valuable steps towards positive environmental change in the Department:

- To reduce the volume of wasted paper from unclaimed course packs, the Department announced that it would stop printing course packs and offer them online instead. Thanks to the great efforts of our faculty and PSS, course packs and all relevant teaching materials are now available through our virtual learning environment, Moodle.
- Our staff continue to support our mission to reduce environmental waste by reminding students to only print when absolutely necessary. Formative assessments moved from hard copy to digital submissions. Class teachers now mark everything online and pigeonholes

have closed. While these changes were made in compliance with the School's COVID-19 safety guidelines, the move towards digital submissions continues to save printing time and paper.

- With change, there usually comes a period of adjustment. While feedback from students regarding our move to cull printing was largely positive, some students mentioned that printing requirements vary for each course. As a Department, we understand that students learn in different ways and some prefer to learn from physical material rather than on a screen.

The spread of COVID-19 forced us to consider new ways of living and working. Working and studying from home has encouraged us to review our social and environmental sustainability practices caused by the pandemic. Perhaps this could be counted as one small benefit of working and studying remotely – we have discovered ways of working that we might not have considered.

Other positive steps:

- We encouraged our students to donate unwanted clothes and items to [charity](#) before moving out of halls.
- We agreed to share surplus food from catered events with fellow occupants of 32 Lincoln's Inn Fields.
- To reduce waste, we encouraged students and staff to donate unwanted food to food banks.



Sustainability in the Department



Lorna Severn (Graduate Admissions Administrator) tells us how she organised the Department's food bank initiative.

Hi Lorna! Last year, you introduced a food bank initiative to the Department. Where did the idea come from and what inspired you to get your colleagues involved?

I started the food bank collection at work on Friday 13 December 2019, the morning after the General Election. I actually got the idea from the central Graduate Admissions Team who I'd seen had started a food bank collection in their office for Christmas, but I was also motivated by the well-documented reports of an increase in poverty and use of foodbanks since 2010.

Please describe the experience overall. Any highlights?

The overall experience was rewarding and productive thanks to the response from my wonderful PSS colleagues. It's just horrible that it was needed at all. It's a disgrace that in 2020 over 20 per cent of the country still live in poverty, yet we look on as a CEO of an online retail company makes another £746,765 in the time it has taken me to type this answer. Despite this, it was really gratifying to receive such a positive response from my colleagues, who all immediately showed support by donating and offering to help with delivering it to the food bank. I think it reaffirmed a collective belief in the goodness of people, which we all needed.

What is the name of the food bank you donated to?

We donated to the [Euston Food Bank](#) which is part of the [Trussell Trust](#) who run the largest network of food banks in the UK.

In your opinion, what are the most popular myths surrounding food banks?

I think one thing to realise is that they provide more than just food. You can read more about other support they offer at the [Trussell Trust webpage](#). Reading some of the [real-life stories](#) gives an idea of how vital food banks are and the support they provide.

What personal changes have you made to reduce food waste and promote sustainable food consumption in your own life?

I've always tried to reduce my food waste as much as possible; planning meals so I only buy what I need etc. It's easy to make small changes in our lives to promote sustainable living, but I think it's even more important to look around us and see what we can do for our communities. Donating food and money to your local homelessness charity, for example. But also saying hello to that man you see sitting at the foot of the stairs of your local train station every day. Learning his name. Building up a relationship with him. It's all about community care, having humanity and always striving to do what we can.

How can we help?

As a result of COVID-19, the economic downturn has left several out of work and low on income. There has been a noted increase in food poverty across London and a decrease in food bank donations. You can find out more about supporting food banks [here](#).

You can also make online donations to food banks from the safety of your own home or donate while you are out doing your weekly shop – most UK supermarkets are now accepting food donations in store. When we return to 32 Lincoln's Inn Fields, there will also be a donations box in the first floor kitchen.

REDUCE, REUSE, RECYCLE.



An interview with Professor Lord Nicholas Stern

Professor Lord Nicholas Stern is the IG Patel Professor of Economics and Government, and Chair of the Grantham Research Institute on Climate Change and the Environment at LSE.

Almost fifteen years on from the publication of his influential study, The Economics of Climate Change: The Stern Review, Stern speaks to us about his recent projects and reflects on the impact of the report.



Congratulations on your Stanford Institute for Economic Policy Research (SIEPR) Prize, Lord Stern! What does this award mean to you?

I was very honoured to receive the [SIEPR Prize](#), particularly given the very distinguished predecessors including Paul Volcker and Stanley Fischer, both of whom are LSE alumni. The prize is only awarded every two years and I am the first non-American to receive it. Further, it coincides with Stanford's initiative in building their work on sustainability right across the university.

You have recently been appointed as the first independent climate adviser to the NatWest Group. What will your main objectives be and how do you hope to achieve them?

The main objective is to provide independent guidance to the Board on their strategies. It is only eight days a year, but I hope I will be able to contribute to a sense of direction. NatWest have made climate a key element of their new strategy; that is a very important initiative.

As COVID-19 financial recovery packages are being prepared, what should finance ministry officials, central bank officials and economists prioritise to promote a green economy?

It is crucial to understand that so much of what we need to do for sustainability will produce a strong recovery. Whether we look at retrofitting buildings, making cities more friendly to cyclists and pedestrians, planting trees, or restoring degraded land, so much of what we can do can be implemented quickly, is labour intensive and has strong economic multipliers. Just what Keynes would have looked for. Policies to support these investments and the right finance, at the right place and time, would be crucial. These actions can help lay the foundations of a transformation to the zero-carbon economy.

In your opinion, what has been the most important advance in climate change since the publication of, *The Stern Review*, in October 2006?

The science which pointed to the great risks when we were writing the Stern Review in 2005/2006 now looks still more worrying. Many effects have been coming through faster

than we thought, and emissions are still rising. On the other hand, technical change has been quite remarkable in renewables, materials, electricity, mobility, digital systems for managing cities, land and energy, and so on. Internationally, we have had the Paris Agreement in 2015, and most importantly we now see that the drive to net-zero involves tremendous opportunities for growth and employment of a very different kind. A growth story that is both sustainable and inclusive for the next few decades.

As IG Patel Professor of Economics and Government at LSE, leader of LSE's India Observatory and the School's Grantham Research Institute on Climate Change and the Environment, you must be very busy! Can you tell us about any upcoming projects or collaborations?

My work around sustainable and inclusive growth will be intense in the coming two years. That will include collaboration with the World Bank, China, India and France. I am also working closely with the UK government on COP26 (in Glasgow in November 2021) and on the transformation to net-zero in the UK. All this is structured around the investments that we need, the policies and institutions that can draw those investments through and getting the right kind of finance at the right place and time. Within LSE we are working strongly to strengthen work on sustainability across the School and I would be very much involved in that.

For further reading, please see articles published during the previous academic year below:

Hepburn, C., O'Callaghan, B., Stern, N., Stiglitz, J., and Zenghelis, D. (2020), [Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?](#), Smith School Working Paper 20-02.

Chichilnisky, G., Hammond, P.J. & Stern, N (2020). [Fundamental utilitarianism and intergenerational equity with extinction discounting. Social Choice and Welfare](#), vol. 54, pp. 397–427.

[Click here](#) to find out more about Lord Stern's work on the environment and [follow Lord Stern](#) on Twitter for future updates.



It is crucial to understand that so much of what we need to do for sustainability will produce a strong recovery. ”

Sustainability Research in the Department

From rescue to recovery, to transformation and growth: building a better world after COVID-19

In their commentary published by the Grantham Research Institute on Climate Change and the Environment, **Amar Bhattacharya** and **Nicholas Stern** argue: “The COVID-19 pandemic has underlined the fragility and dangers of the old growth path. There can be no going back to the old normal.” Read on for a summary of their [article](#).

COVID-19 has turned our world upside down. There has never been a better time to evaluate the links between nature, pandemics and climate. So much about the virus remains a mystery and out of our control. While the economy has taken a huge hit from the coronavirus, the rising risks of climate change are hard to ignore (see the [Intergovernmental Panel on Climate Change's Special Report on Global Warming of 1.5°C](#), 2018). In this article, Bhattacharya and Stern urge us to act while we can.

Sustainable growth

Bhattacharya and Stern highlight that the “demand, output and employment impacts are expected to be much greater than in the 2008 financial crisis and [...] much more severe this time for developing countries and emerging markets”, with long-lasting and deeply damaging consequences. The authors propose a three-phase response to COVID-19: rescue, recovery and transformation to a new form of growth. To stabilise the economy, we must consider sustainable ways to support job creation, kickstart and re-design investment.

“A clear strategy for investment and innovation is critical to save the world economy and its climate/environment,” say Bhattacharya and Stern. Strong and sustainable investment will protect the world from austerity and the risk of a great depression. This investment will consider the importance of nature and scale while investing in physical, human and nature capital. While financial authorities around the world may encounter major deficits, a recovery driven by sustained investment, innovation, growth and an expansion of demand should ultimately pay off (see [Green Deal in Europe](#)).

Green recovery

Any stimulus packages should be designed with a view to promote “net-zero emissions, sustainable infrastructure, pricing (including carbon pricing and elimination of fossil fuel subsidies, taking advantage of low fossil fuel prices) and smart regulations”. It is imperative to consider the planetary boundaries, health and wellbeing of others. There are several investment opportunities in energy transition, sustainable transport and natural capital. The authors highlight the need to develop stimulus packages that invest in “employment-intensive segments of the economy, especially small and medium enterprises”. In the transit between rescue and recovery, Bhattacharya and Stern discourage “dirty” investments (such as those involving coal), warning that they will only lead to stranded assets and stranded labour. Well-designed packages will support companies that have committed to green investment, boost productivity and enhance competitiveness in the medium term.

Facing the future

Bhattacharya and Stern also predict, “The recovery has to embody very big investment in the infrastructure and technologies of the future”. Boosting employment will likely lead to a boost in consumer and investor confidence. ‘Shovel ready’ investments, policies and finance are recommended as the keys to mobilising early implementation of robust recovery packages. In addition to a clear strategy, the authors recommend international coordination in the design of macroeconomic policy and implementation of stimulus packages.



The authors predict that “the private sector will be central to the recovery of employment and consumption and for investment and innovation to drive economies forward”. To finance a sustained recovery, the financial system will have to negotiate the negative interest rates in global financial markets and rising risk premiums. There are several opportunities for us to make a ‘green’ recovery but there is also an imminent risk of major depression, loss of life and further unemployment. Bhattacharya and Stern advise, “The response to the global pandemic and the need to shape a recovery that avoids the threat of a prolonged depression and delivers a sustainable future for people and the planet calls for unprecedented international solidarity and urgency of action”. As global citizens and members of civil society, we are also urged to exert our pressure “for an adequate response that delivers a sustainable and inclusive future”.

Read more: *Bhattacharya, Amar and Stern, Nicholas (2020) [From rescue to recovery, to transformation and growth: building a better world after COVID-19](#). Grantham Research Institute on Climate Change and the Environment.*

Other sustainability research highlights in the Department

During the previous academic year, our faculty members contributed to global discussions about sustainability and the environment, covering a range of subjects including the impact of the pandemic on climate change. Find details about a selection of articles below.

Kocornik-Mina, Adriana, McDermott, Thomas K.J., Michaels, Guy and Rauch, Ferdinand (2020) **Flooded cities**. *American Economic Journal: Applied Economics*, 12 (2). 35-66.

In “Flooded Cities”, the authors assess economic activity in high-risk areas in the context of floods, which displaced more than 650 million people worldwide in the last 35 years. **Guy Michaels** and his fellow researchers discover that while low-elevation urban areas flood more frequently, they concentrate more economic activity per square kilometre. Read more in the [American Economic Journal: Applied Economics, 12 \(2\)](#).

Besley, Timothy and Persson, Torsten (2019) JEEA-FBBVA lecture 2017: **The dynamics of environmental politics and values**. *Journal of the European Economic Association*, 17 (4). 993-1024

Tim Besley and **Torsten Persson** develop a framework to study environmentalism as a cultural phenomenon, namely as reflecting a process of social identification with certain values. The model is used to explain how the shares of environmentalists and materialists in society

can coevolve with taxes on emissions to protect society against damages caused by environmental degradation. These policies are determined by electoral competition. However, even though politicians internalise the welfare of those currently alive and pick utilitarian optimal policies, the dynamic equilibrium paths of policies and evolving values may not converge to the steady state with the highest level of long-run welfare. [Read here](#).

Besley, Timothy and Dixit, Avinash (2019) **Environmental catastrophes and mitigation policies in a multiregion world**. *Proceedings of the National Academy of Sciences of the United States of America*, 116 (12). pp. 5270-5276.

Tim Besley and Avinash Dixit present a simple model for assessing the willingness to pay for reductions in the risk associated with catastrophic climate change. The model is extremely tractable and applies to a multiregion world but with global externalities. The framework that they propose can give a sense of the quantitative significance of mitigation strategies. They illustrate these for a core set of parameter values. [Read here](#).

Rydge, James, Stern, Nicholas and Zenghelis, Dimitri (2020) **Covid and climate – building a strong and sustainable recovery**. *LSE Business Review. Blog Entry*.

James Rydge, **Nicholas Stern** and Dimitri Zenghelis discuss the social, environmental and economic impact of the coronavirus. They outline suggestions for developing a more sustainable, inclusive and resilient growth path on the [LSE Business Review](#).

Martin, Ralf and Van Reenen, John (2020) **The case for a COVID-19 carbon tax**. *LSE COVID-19 Blog. Blog Entry*.

John Van Reenen and Ralf Martin explain how a carbon tax could, both help to pay for the enormous costs of the pandemic and encourage “clean” investment. Crucially, it should be levied in a few years’ time, when the UK economy has begun to recover. [Read here](#).

Burgess, Robin, Francisco J. M. Costa, and Ben Olken (2019) **The Brazilian Amazon's Double Reversal of Fortune**. SocArXiv, doi:10.31235/osf.io/67xg5.

Robin Burgess and his fellow researchers use high-resolution satellite data and document two dramatic reversals to determine how Amazonian deforestation changes discretely at the Brazilian international border. [Read here](#).



Education

Curriculum Reform: BSc Economics programme

Starting in 2021, economics students will spend their years at LSE following a brand new curriculum, which will put in place substantial improvements and adopt changes to ensure that LSE graduates continue to be best prepared for graduate education and working in the modern world.

The curriculum reform is part of a series of measures we have implemented to improve the educational and overall experience of our students during their time at LSE. Our actions include recruiting Educational Career Track (ECT) professors with a proven record of stellar teaching, hiring three additional tutors to advise and support our undergraduate students, introduction of an intensive class teacher training programme focusing on teaching economics, organising Python programming courses, and providing economics support labs for additional tutoring in small groups. At the same time, we have seen a large improvement in satisfaction as measured by the National Student Survey (NSS), specifically, overall satisfaction increased from 63 per cent in 2017 to 77 per cent for this year's cohort of graduating students. We think that the new curriculum is not only essential in dealing with students concerns, it will also ensure that all LSE economics students acquire the best possible tools and consider their time at LSE as a very positive, memorable experience.

Motivation and background

Preparation for the curriculum reform started in the Summer of 2018 and consisted of many meetings with students, alumni, lecturers, class teachers, teachers from other LSE departments and other universities, the LSE Eden Centre for teaching and learning excellence, as well as the LSE leadership. During this phase, we learned that there are many good aspects of the current education we offer. The rigor of the courses and the high calibre of the faculty are appreciated by students and recognised outside LSE. However, these discussions also identified several drawbacks.

The first negative aspect that we identified was that our students do not really feel that they are part of a community of economics students until perhaps their third year. This is understandable. Each cohort consists of roughly 200-250 students. However, in their first and second year economics courses, our students only make up about a third of the total number on the course. The reason for this is that we teach economics to students in many different LSE

programmes. The popularity of our courses has caused our own students to become a minority.

The second concern we identified is closely related to the first. Since we teach economics to so many students, in so many different programmes, we cannot tailor our courses that are best suited to those who have the background and interest of economics students.

The third concern is that students feel that they do not learn enough economics in the first year of the programme and that it is not clear to them how the advanced mathematics and statistics they learn are going to be useful in answering economic questions. Compared to several other economics programmes, students do indeed take less economics in their first two years. In the current curriculum, first-year students take a full unit of mathematics, a full unit of statistics, a full unit of a non-economics elective, and only half a unit each of microeconomics and macroeconomics. Moreover, since we teach to such a diverse group of students, quite a large proportion of the economics we teach in the first year is not new to many economics students. It's easy to understand that students who come to study economics at LSE are excited about the topic and therefore a bit disappointed about the depth of the economics courses they take in their first year.

Lastly, but equally as important, students feel that important topical economic questions such as poverty, inequality, discrimination, and climate change do not receive enough attention in the first two years.

Key ingredients of the new curriculum

The intensive soul-searching exercise made us realise the extent to which the massive growth of the number of students we teach across different programmes had held us back in putting in place changes to update the curriculum of the BSc Economics programme. Although the education remained high in rigor, it had lost its ability to generate excitement for too many of our students. Fortunately, the identified concerns provided a clear pathway towards improvements.

The structure of the new curriculum for the first two years looks as follows:

Year 1		Year 2	
Economics	Microeconomics	Microeconomics	Microeconomics
Mathematics	Macroeconomics	Macroeconomics	Macroeconomics
Statistics	Econometrics	Econometrics	Econometrics
Outside option	Outside option	Outside option	Outside option

The key ingredients of the new economics BSc curriculum are the following:

- 1 Separate courses for economics and joint honours students during the first and second year.
- 2 Two additional half-units of economics core courses are added to the first year.
- 3 Students still take a half-unit of mathematics taught by the Department of Mathematics and a half-unit of statistics taught by the Department of Statistics.

In their third year, students can take a wide range of courses taught by the Department or other departments at LSE. The proposed changes deal with the concerns raised. By having more economics courses in the first year, and having all economics courses in the first two years designed especially for economics students, we create a sense of community that students were missing, and we can start at a higher level so the first year will be full of new, fascinating questions and answers. The rigor that the LSE undergraduate economics degree is known for is maintained by retaining a separate mathematics and statistics course taught by experts in these fields. Note that students who would like to take more mathematics or statistics can do so as an outside option. Moreover, the additional hours of economics teaching will also be used to show why and how mathematics and statistics are useful in answering economic questions.

The additional economics courses in the new curriculum also allow us to offer some important educational advances. How we teach economics at LSE has already changed quite a bit, especially after the financial crisis. Traditionally, students were first taught tools and applications came later. We have shifted towards an approach where questions come first and then we see which tools economics can provide and whether these are sufficient to appropriately address the question at hand. This approach will also be part of the new curriculum and will give our teaching colleagues the opportunity to answer more topical questions. This is important as students often choose to study economics because they long to find the answers to these pressing questions. Another important educational advancement is that the smaller number of students and the increase in

the hours devoted to economics will allow us to introduce alternative forms of assessments, in addition to exams. In particular, students will also be assessed on short essays, computer assignments and empirical projects.

LSE students from other departments will also receive a redesigned curriculum better tailored to them. One important change is that we can now offer *all* three core components- macroeconomics, microeconomics, and econometrics – to students in most joint degree programmes in the first two years so that they will be better equipped to take our third-year courses. In addition, we will introduce two separate tracks, one approach relying more on quantitative methods and another relying on more graphical and verbal explanations. Both can be useful in obtaining insight into economic questions, but which approach is most beneficial will depend on the student.



We think the new curriculum is not only essential in dealing with students' concerns, it will also ensure all LSE Economics students acquire the best possible tools and consider their time at LSE as a very positive, memorable experience. ”

Teaching and Learning in the time of COVID-19

Dr Dimitra Petropoulou, Undergraduate Programme Director, explains how the Department has adapted its teaching provision from the start of lockdown.

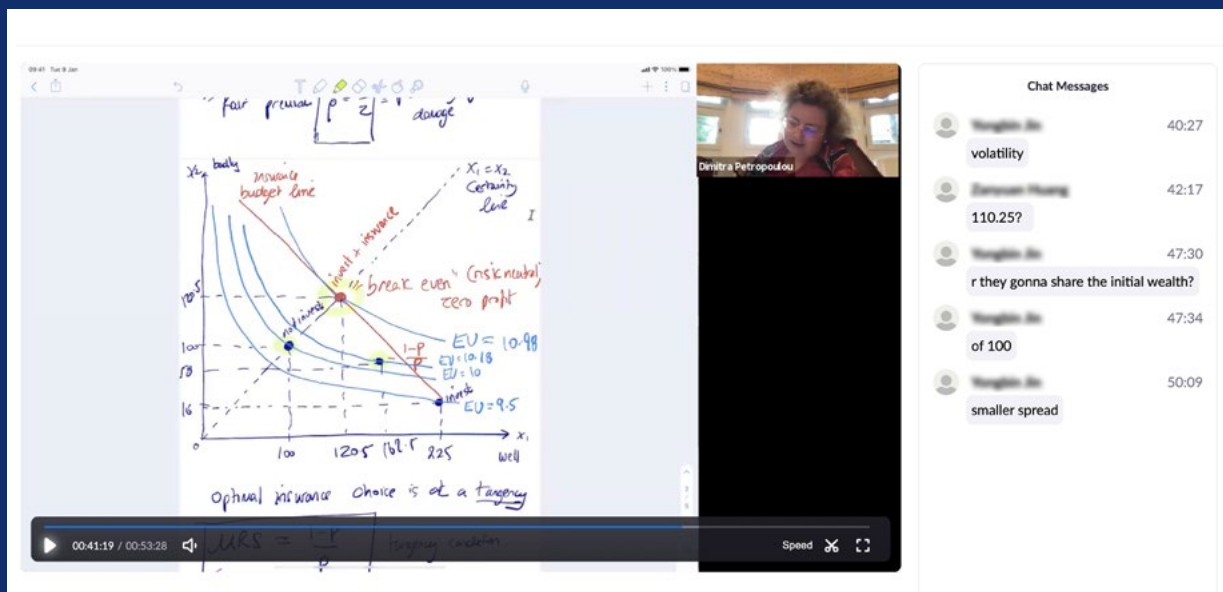


This article was written before the start of Michaelmas Term 2020.

As LSE marks its 125th year in 2020/21 and the COVID-19 pandemic continues around the globe, large-scale operations have been underway across the School to enable flexible and engaging teaching to continue for this academic year. The chained doors of our beloved 32LIF over these past months belie the incredible activity and collaborative spirit of the Department of Economics that have kept the proverbial show on the road.

Over the course of its history, LSE has always remained intellectually open, adapting to the challenges imposed by turbulent times. During the Second World War LSE moved to Cambridge; during COVID-19 LSE moved

online. From the moment we made the pioneering decision to move our teaching online on 16 March 2020, the Department of Economics has seen the challenges of the pandemic as an opportunity to further develop its academic provision. Within days, we transitioned to video and Zoom sessions as our means of teaching delivery and student support. This was complemented by active exchanges on our Moodle (Virtual Learning Environment) discussion forums, all the while building expertise and our understanding of best practice. Our students tell us their learning has already been enhanced by virtual opportunities and their feedback has helped shape our plans for the 2020/21 academic year.



As events have unfolded, several colleagues in the Department have been researching the effects of, as well as policy response to, the COVID-19 pandemic, while themes relating to COVID-19 have already made their way into the taught curriculum. For example, Dr Rachel Ngai introduced EC100 students to countercyclical policy measures through discussion of the fiscal stimulus of the March 2020 UK Budget, that aimed to counter the effects of the UK COVID-19 shock.

Teaching in 2020/21 will no doubt look very different to what we are used to. While many students are already organising their return to London for the reopening of campus, others are prevented from doing so due to travel restrictions, local lockdowns and quarantines. We can thus expect some students to be overseas in Michaelmas Term, dispersed across different time zones, while circumstances remain fluid. The challenge has therefore been to adapt our teaching delivery to provide a blended learning experience that is accessible to students all over the world, with class activities sufficiently flexible to be as effective face to face in a class with social distancing, as in an online Zoom session.

So what will teaching and learning during COVID-19 look like? Economics courses in Michaelmas 2020 will be delivered through a mix of asynchronous learning opportunities – which students can explore in their own time wherever they may be located – and synchronous learning opportunities – where students come together in an interactive live session, whether on campus or online. Lecture content will be delivered online through

a mix of pre-recorded videos that are designed to be explored asynchronously, as well as through live Zoom lectures that will also be recorded. We have been using lecture capture technology for more than a decade, and our students appreciate (and sometimes even prefer) the opportunity to pause, rewind, and hear their lecturers again. At the same time, Zoom offers the prospect of new forms of interaction through a number of online tools, such as the use of the chat, the ability to digitally raise a hand, to launch a poll, or assign students to smaller “breakout rooms” for collaborative work.

Students will find an increase in the number of contact hours with their lecturers, as colleagues plan for more innovative uses of time and anticipate the requirements of delivery through new media. There will be enhanced opportunities for live Question and Answer sessions, more time to go through examples, engage in discussion of key readings, or attempt past exam questions, aided by a wider set of technological tools, such as Zoom, Loom, Echo360, Piazza, Padlet and Notability.

There are lots of innovations on the horizon. Our incoming undergraduate students will enjoy the benefits of flipped teaching approaches in Year 1 courses, with core content conveyed through video ahead of live interactive sessions. The Department has also selected the Year 2 course *Microeconomic Principles I* (EC201) for the School's “Trailblazer courses” initiative; the EC201 team is collaborating with an external provider to create a high-quality blended learning experience for students, with the view to pave the way for the introduction of the new curriculum in 2021/22.

zoom

EC201 Tuesday Lecture 2 - Shared screen with speaker view

Download (4 files)

Let's do another little experiment...

If your mobile number ends in 0, 2, 4, 6 or 8, please answer the question you will find here:
<https://forms.gle/5K2Wypz4Yko3r69y9>

If your mobile number ends in 1, 3, 5, 7 or 9, please answer the question you will find here:
<https://forms.gle/3QXdT2zcl5TGdEqW6>

00:35:03 / 00:59:57

Speed

Chat Messages

Just wanted to say that I really liked last week lectures. Reminded me of some David Iiabson talks I had watched in the summer

Dimitra Petropoulou 02:22
That's great Aditya - Glad you enjoyed them.

Wahid Hachimi 02:22
Behavioural Econ >>

Dimitra Petropoulou 02:32
More of that this afternoon. Behavioural part 2.

Dimitra Petropoulou 04:45
Hi all, Zarak is with us again to help with the chat!

With economics lectures taking place online, larger spaces on campus will enable small group teaching to take place with social distancing, when safe to do so. Alongside on-campus classes, students who are unable to come to London to start the academic year will be taught online. Class activities are being designed with flexible delivery in mind, as changing circumstances may mean we move from on campus to online at short notice – and back again. With social distancing in place and students dotted across the globe, it will be especially important to organise opportunities for students to engage with each other outside the virtual or physical classroom and to offer effective virtual student support. This will be achieved in large part by the creation of study groups and the use of Piazza and Padlet, while in some courses students will be able to amass points towards a summative engagement score. Our dedicated class teachers will be supported in the run up to the new term with extensive in-house training for online teaching delivery and use of new technologies.

As we have felt in recent months, the true spirit of the Department of Economics and the LSE Economics community comes from a shared ethos and common objectives, that we jointly strive to uphold and fulfil. We very much look forward to welcoming our new students and are planning new ways to foster their sense of belonging to LSE, the Department and their programme. New community-building events, ice-breakers and a bespoke virtual Economics First Year Challenge are being planned for an exciting Welcome, alongside new

initiatives for continuing students. To further help our new students integrate and meet others, each group of four or five first year students will form the foundation of an economics “family”, joined by students in their second and third years.

We know we will all have to remain flexible as we face the uncertain times ahead. As we have been pushed outside our comfort zone to explore new ways to communicate and exchange ideas, we have also come to appreciate how much we value face to face interaction – especially the serendipitous, unplanned variety. Yet there has been much humanity and compassion in our many planned virtual interactions, felt by colleagues and students alike. To quote one of our finalists:

“You asked me if the pandemic is making academics more supportive. The answer to that is yes. They've been more understanding of issues. They've listened better. They hold more flexible online office hours... If they keep up such compassion even after the pandemic, LSE student satisfaction will rise.”

Our large investment to enhance our teaching provision during COVID-19 will no doubt add value for years to come. Some of our innovations will stay with us, while others fall by the wayside as new ideas and technologies emerge. Through it all, though, the cohesion and strength of our LSE Economics community will help us face whatever lies ahead.

Women in Economics Conference



An interview with the Department Tutor, Dr Judith Shapiro

The “Women in Economics Conference,” was the first-ever student-centred workshop, focused on attracting more undergraduate women into our subject. We had a successful and at times exhilarating weekend at the University of Warwick on 18-19 January 2020, with support from the Royal Economic Society (RES).

Tell us more about this workshop?

The unique feature of this workshop was the call for papers from the students themselves, proposing solutions to help break the glass ceiling on entry into Economics at university. The subject has been stuck with a female proportion of below 30 per cent in this country.

Our LSE students played a leading role during the weekend providing a quarter of the papers selected, making up half of the prize winners for best ideas, and forming about one-third of the conference participants at the final plenary session.

Why was this an important event?

LSE's Department of Economics, like the profession, has been acutely aware of the need for diversity and inclusion in its composition.

“Attracting people from a wide diversity of backgrounds into economics really matters – for the future of the discipline and for good policy-making,” noted the RES President, Professor Rachel Griffith last year.

Source: <https://bit.ly/302iUvL>

The highly mathematical nature of economics seemed for years to be the probable lead cause for lower female entry levels. However, that idea received a blow when the proportion of young women entering other “STEM” (Science, Technology, Engineering and Mathematics) subjects overtook Economics in the past decade. There seems to be a voluntary bottleneck on entry into university level Economics in the UK and it now needs urgent attention as it leads to improving the proportion of women in policy

and in academia. The overall verdict on where we are in this is “stalled progress” – initially much improved but now not showing much forward motion.

The workshop uniquely asked students themselves what was needed, and the research to understand why we have the problem of low female take-up implementing policy proposals, perhaps by randomised control trial, will teach us a great deal.

How did I get involved?

I was fortunate to be involved from the time of the initial online workshop in early September 2019. As Chair of the Panel on Attainment Gaps at The Economics Network's biannual [Developments in Economics Education Conference](#), I was introduced to the future workshop spark and leader, Warwick Associate Professor Stefania Fuedes Parentes. Together with another panellist, Parama Chaudhury, UCL Professorial Teaching Fellow, we agreed to promote the event and to go further in understanding and changing the stagnating proportion of female students in economics in the UK.

My experience and the long-term commitment from LSE to gender equality persuaded me that we had to participate to the fullest extent possible in the Warwick workshop.

Details of the conference:

Preparations for the conference included an informal and well-attended tea and a special meeting to encourage the formation of teams to enter. A final meeting was called to go over proposals and offer constructive feedback. To our delight, four of the 16 accepted presentations were ours, more than from any other university.



Attracting people from a wide diversity of backgrounds into economics really matters – for the future of the discipline and for good policy-making. ”

Professor Rachel Griffith, RES President





We need to continue to focus on the long haul towards gender equality in economics, ensuring that it fits into the big picture of multi-dimensional diversity and inclusion pledged by the Royal Economic Society. ”

The Saturday was organised as a small discussion seminar with several keynote speakers. Student applicants were invited to submit outlines of their presentations on four themes – curriculum reform, student networks, role models, and student expectations – with a focus on concrete proposals. Breaks and dinner turned out to be a delight for our students in setting up future contacts for a national network, one of our winning proposals.

Sunday saw a panel of experts in a more standard setting. Each of the four themes offered a prize of £300 for the presentation and concept selected as best.

We returned from Warwick together on the Sunday and many of us ate dinner near Euston Station to plan our next steps. We had already invited the Warwick Workshop Organiser to come up to LSE to join us, and she had swiftly accepted.

Somjeeta (Rai) Chatterjee (one of the LSE prize winners for the proposal on the “RES pamphlet”) sums up the event:

“This event was really one of the pioneering events out there, in terms of encouraging women to join the field of economics. I watched so many brilliant women with terrific ideas – all of which can truly make a difference in the number of women in our discipline if they are implemented! We, as future female economists, were encouraged by the Warwick conference to carry this conversation forward. Hence, we organised a follow-up conference at LSE, and a group of us are trying to put our ideas into action.”

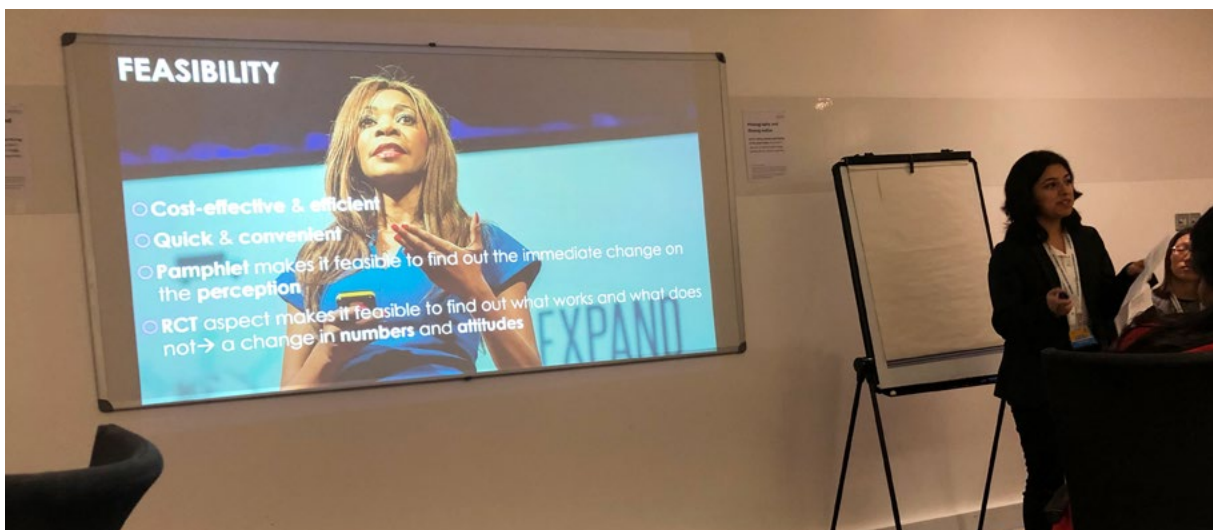
Active Warwick participants summed up their experience as powerful and noted that they had realised that they could “rely on LSE to support us” in this direction.

How the Department supported this

As we learnt of this very pleasing acceptance outcome only after the end of term and ran into School closing, we turned to the LSE Eden Centre with the slight hope of a £1200 grant from the Student Experience Enhancement Fund (SEEF) so that all teams, and a good cohort of supporters, could make the most of the weekend, and then carry it back into our regular activities. To our delight and gratitude to the Eden Centre, and critically with the expert help of our Department Manager (Operations), Nallini Samuel and intelligent logistic support from Fiona Smith, our invaluable Undergraduate Programme Assistant, we received approval within one day at the start of 2020 and set to work to craft a contingent.



In February 2020, we then saw a surge of female engagement in our Economics Society and research activity. ”





We were also able to schedule a “dress rehearsal” at the end of LSE exam week, the day before the Warwick weekend. We received additional assistance on swift reprographics from Sharon Peate, our Department Office Administrator, and important advice on presentations from our Undergraduate Programme Director, Dimitra Petropoulou, who came along to this important send-off session. Our splendid Department Communications team covered it all.

Benefits and key learnings going forward

Key take aways:

- We confirmed that young men are actively interested in gender equality –their inclusion is important as male allies.
- We learnt once more that student creativity can be very powerful indeed.
- We cannot fully test how the enthusiasm generated here has survived lockdown, but we will use the experience and the links to go forward.

Returning to LSE, we set out to disseminate our ideas to the wider School community, including several keen alumni, to continue our partnership with UCL Economics and include participants from Warwick.

The launch meeting “After the Warwick Workshop: Next Steps for Women in Economics”, on Wednesday 22 January 2020 was held in our new Centre Building Theatre and was well-attended. This meeting led to the collaboration of our “RES Pamphlet” team with Professor Sandra McNally, University of Surrey, who leads the Centre for Economic Performance group on research into education.

In February 2020, we then saw a surge of female engagement in our Economics Society and research activity. The RES Pamphlet team developed ideas for proceeding, including the element of a randomised control trial in the distribution.

Plans to launch a national network for women students in economics in autumn proceeded. Two conference participants, Celine Mano and Sarah Wang, were elected President and Head of Sen Club of the LSE SU Economics Society. Celine, with Caroline Maschka, won their prize for the concept of such a network.

All ideas for public activity had to slow to a near standstill. However, the students were energised by the Warwick conference, creating a network through personal linkups with UCL counterparts. We need to continue to focus on the long haul towards gender equality in Economics, ensuring that it fits into the big picture of multi-dimensional diversity and inclusion pledged by the RES. These are more challenging times than the optimistic moments when we set off from Euston Station, but the talent and energy shown by our students offers encouragement.



lse.ac.uk/economics



Department of Economics
The London School of Economics
and Political Science
Houghton Street
London WC2A 2AE
E: Econ.Hub@lse.ac.uk

**This information can be made available in alternative formats, on request.
Please contact Econ.Hub@lse.ac.uk**

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