A look back at the Spring term 2019

Keys handed over for the Kennedy Building

The School of Economics is delighted to announce that Willmott Dixon have handed over the Kennedy Building to the School, which is due to open to students in September. Hoarding has been taken down and the area around the building is being carefully landscaped.

This is a very exciting milestone in the journey to our new building. It will now allow for furniture to be installed, before staff move into the building at the start of July. If you are on campus, walk around to see the exteriors of the new building. A huge thank you to Willmott Dixon for all that they have done to bring the building to completion. Take a sneak peek inside the Kennedy Building on page 7.

Linda Yueh delivers talk at inaugural Summit

On Saturday 2 March, the School held its very first Economics Summit in the Templeman Lecture Theatre. This student-led initiative, involving both the Kent Economics Society and Kent Invest, included a talk from economist, broadcaster and writer Dr Linda Yueh. Linda talked about her latest book *The Great Economists* and looked at how their ideas can help us today. Students enjoyed a Q&A session and book signing after the talk.


See more on the Economics Summit on page 6.
Amrit’s paper on labour regulations features on VoxEU

A working paper entitled ‘The cost of labour regulations in India’ by Dr Amrit Amirapu, Lecturer in Economics, and Dr Michael Gechter (Pennsylvania State University) has been featured on VoxEU.

“We inform the debate on labour regulations in India by costing their burden on firms and studying the role corruption plays in increasing these costs. In policy debates and academic literature, restrictive labour regulations have been blamed for some of the most significant problems faced by developing countries, including low labour force participation rates and low levels of employment in the formal sector (Besley and Burgess 2004, Botero et al. 2004, Djankov and Ramalho 2009). But there is a bit of a puzzle: why are labour regulations so costly in a developing country setting, where enforcement agencies are typically characterised by severe resource constraints, low compliance and widespread corruption (Svensson 2005, Chatterjee and Kanbur 2013, Kanbur and Ronconi 2015)? Moreover, how do you measure a regulation’s effective cost to firms if its enforcement differs in practice from what is written in the text of the laws?’

Read the full blog post here: https://bit.ly/2URoOe8

UK economy grows but labour productivity stagnates

Professor Miguel Leon-Ledesma notes that despite a small rise in UK GDP there are areas of concern, not least stagnating labour productivity.

‘According to ONS figures, GDP grew by 0.2% in the UK between November 2018 and January 2019. This is the “rolling three-month” release that is not comparable with quarterly growth statistics in National Accounts and is a provisional figure. It is important to note that these figures are likely to be revised in the future. Since revisions normally range between 0.1 and 0.2 percentage points, we cannot make much out of the number and it should be treated with caution…’

Miguel was quoted in CityAM discussing the slight rise in UK GDP and the wider issues the economy is facing.

The full article can be viewed on the University of Kent website here: https://bit.ly/2ITSAxI

Zaki’s research on early marriage featured on VoxDev

An article based on research by the School’s Dr Zaki Wahhaj, Reader in Economics and his co-author Professor M. Niaz Asadullah from the University of Malaya, has been published in VoxDev titled ‘Research in Bangladesh shows how early marriage contributes towards women expressing more traditional gender attitudes’:

‘Traditional gender norms play a potentially important role in shaping women’s economic opportunities and outcomes. This idea is a key theme in Esther Boserup’s seminal account of women’s roles in economic development (Boserup 1970). A growing body of empirical work also provides support for this hypothesis (e.g. Fernandez and Fogli 2009, Alesina et al. 2013).

However, how these norms are sustained and recreated in each new generation, and how the cycle may be broken, are not understood nearly as well. In recent work (Asadullah and Wahhaj forthcoming), we present new evidence on a distinct social process for the transmission of traditional gender norms, namely, the experience of adolescent marriage among women. Marriage postponement increases disagreement with these gender norms – expressed, for example, in statements of the form “Boys require more nutrition than girls to be strong and healthy” – even among women who never went to school.’

Read the full article here: https://bit.ly/2Ivh3Cg
Grant for work on political dynasties

Dr Anirban Mitra, Lecturer in Economics, has recently been awarded a British Academy Small Research Grant for his work on political dynasties and vote-buying. Anirban, together with his collaborator in India, Dr Arnab Mukherji (Indian Institute of Management Bangalore), will explore the connections between the issues of political dynasties and vote-buying with the aim of building a database for politicians in the State Legislatures of India to identify their family networks.

Heathrow legal victory but debate far from over

by Dan Worth

Professor Roger Vickerman notes that challenges remain and that the delay in adding new airport capacity to the UK could have long-term implications, especially as other international airports grow.

The news that a legal action brought against the Secretary of State for Transport concerning the expansion of Heathrow Airport has been lost in the High Court is a rare piece of good news for Chris Grayling.

But it is far from the end of arguments over airport expansion and specifically the third runway proposed for Heathrow. Opposition to Heathrow expansion is based primarily on the environmental impact of the third runway which would sit outside the current perimeter of the airport, and particularly the potential impact on noise pollution across large areas of London. This includes opponents who object to any increase in airport capacity for wider environmental reasons of the type featured in the recent Extinction Rebellion protests in London.

Successive governments have stalled on airport expansion for 40 years, largely for political reasons. Expansion at Heathrow would allow for more flights but would also make the airport, currently operating at almost 100% of capacity, more resilient. It is the potential negative impact on the wider economy that has to be weighed against the real concerns of local residents, many of whom also depend on Heathrow for employment.

Failure to provide for new routes to more destinations and the loss of hub activities to airports such as Amsterdam, Paris or Frankfurt could be an even more serious problem in the event of Brexit when the UK will need all the direct connections it can get to trading partners. This is not about providing for holiday flights to the sun but serious business connectivity. Quieter and more efficient aircraft and the potential for electric powered aircraft begin to address the real environmental concerns, but they will still need runways and an airport infrastructure to support it. Fortunately, Heathrow is already one of the best airports in the world for public transport access and this is already planned to improve further.

But there remain problems. Heathrow has to finance the expansion, estimated to cost in the order of £14 billion, and even if construction begins as proposed in 2021 it will not be in operation until 2026.

Just for comparison, a new additional airport for Beijing with four runways and catering for an initial estimate of 72 million passengers a year by 2025 was proposed in 2008, approved in 2013 and is due to open later in 2019. This will relieve pressure on the existing airport which handles over 100 million passengers a year!

In other news, Roger was quoted in The Telegraph discussing the possible move by the government to block rail firms who bid for the West Coast rail line from also being able to bid for the East Coast line, which was nationalised last year.

‘The Balance of Payments Constraint...’ 40 years on

2019 marks the 40th anniversary of Professor Tony Thirlwall’s influential paper ‘The Balance of Payments Constraint as an Explanation of International Growth Rate Differences’. Published in the Banca Nazionale del Lavoro Quarterly Review in March 1979, the paper now has 1,700 Google Scholar citations.

To commemorate, there will be a Special Issue of the Review of Keynesian Economics devoted to the paper; also a Spanish translation of the paper in the Mexican journal, Investigacion Economia, and a Portuguese translation in the Brazilian journal, Nova Economia.
The Macroeconomics, Growth and History Centre (MaGHiC) hosted the first Kent Macro and Finance Workshop on 8-9 May.

The workshop included speakers from the Universities of Oxford, Bath, Pavia, Sabanci and Kent plus the keynote speaker was Professor Morten Ravn, from University College London.

The workshop, organised by Drs Alfred Duncan, Wei Jiang and Anthony Savagar, attracted international scholars presenting work on areas where labour economics, industrial organisation and financial economics converge with macro-economics.

Prior to the workshop, participants had the opportunity to attend a short course on the CompNet Database, delivered by Mathias Mertens (IWH).

MaGHiC hosts Kent Macro and Finance Workshop

What’s wrong with the British economy?

On Tuesday 12 February, the School had the pleasure of welcoming Professor Peter Sinclair from the University of Birmingham to deliver a talk to students entitled ‘What’s wrong with the British economy, and how can we possibly help to put things right?’. Professor Sinclair shared his thoughts and insights into this complex question and afterwards students enjoyed a Q&A session and refreshments.

Workshop in Economic Theory

The Bristol Southampton Kent Workshop in Economic Theory is to be held at the University of Bristol on 10-11 June 2019, with a follow-up event in 2020 at the University of Kent.

Professor Miltos Makris from the School of Economics is a member of the organising committee. These events will facilitate plenty of interesting discussion and future interaction between the speakers and economic theorists from all over the UK, and will provide a springboard for future exciting research collaborations.

The invited speakers are at the forefront of research in economic theory, with senior speakers being editors of top international Economics journals.

10 June: Alp Atakan (QMUL and Koc), Dirk Bergemann (Yale), Laura Doval, (Caltech), Balazs Szentes (LSE), Andriy Zapechelnyuk (St Andrews)

11 June: Willemien Kets (Oxford), Zvika Neeman (Tel Aviv), Marciano Siniscalchi (Northwestern).

You can find the preliminary schedule and further information on our website: https://bit.ly/2vHslI7
Micro Approaches to Development Economics

The School of Economics will host a workshop on ‘Microeconomic Approaches to Development Economics’ with the theme ‘Organisations, Institutions and the Mind’ on 24-25 June in the Sibson Building, University of Kent. Sponsored by the Royal Economic Society, the workshop will bring together leading international and junior academics from the fields of Political Economy, Organisational Economics and Development Economics working on questions relating to identity, norms, motivation, belief formation and their effect on the functioning of institutions and organisations. Speakers include Professors Sonia Bhalotra (University of Essex), Maitreesh Ghatak (LSE), Lakshmi Iyer (University of Notre Dame), Gilat Levy (LSE), and Dilip Mookherjee (Boston University).

Research presented at the workshop will include work that touches upon issues of direct policy relevance today, such as the effective functioning of political institutions in developed and developing countries, motivating workers in the public sector, changing cultural practices that entrench social inequality or economic inefficiency.

Further details on attending the workshop can be obtained from the workshop webpage: https://bit.ly/2VneMGL

Using Data and Econometrics for the Public and Private Good

We are looking forward to welcoming Professor Jeffrey M. Wooldridge, author of the Cengage textbook Introductory Econometrics: A Modern Approach, to the School on 15 May.

Professor Wooldridge is an American Econometrician at Michigan State University, known for his theoretical contributions to analysis of cross-sectional and panel data.

During his visit to Kent, Professor Woodridge will deliver a Q&A session for students and staff at the School (15 May 6.00-7.00pm).

His Q&A session will focus on:

- Education and what is needed to truly evaluate teachers and schools
- The challenges that analysts face in situations that involve large amounts of money
- His consulting work for the US government
- The challenges of obtaining empirical findings that go against your political beliefs.

The Q&A will be followed by a book signing and a drinks reception, kindly hosted by Cengage.

Professor Wooldridge will also give a research seminar plus a two-day Short Course in Microeconometrics to academic staff and PhD students. The course will cover several topics of interest to empirical researchers working primarily on micro-level data sets. The focus will be on how to apply the various methods, but includes a discussion of the underlying assumptions used to justify each method.

Many of the topics are covered in Professor Wooldridge’s book Econometric Analysis of Cross Section and Panel Data.
School holds annual networking evening

On Tuesday 12 March, seven of our alumni came back to Kent to talk to our current students about their experiences of life after graduation.

The returning alumni are using their Economics degrees in diverse careers such as finance, government, marketing and think tanks.

Over 50 students had a fantastic opportunity to talk to our alumni and we would like to send a huge thank you to Gary Chimuzinga, Dean Hochlaf, Peter Shaw, Fahad Sawar, David Mensah, Nick Hayes and Aniq Ahmed for attending.

Student v lecturer showdown at Economics Summit


This student-led initiative, involving both the Kent Economics Society and Kent Invest included inspiring talks from: Dr Linda Yueh, economist, broadcaster and writer; and alumni Dr James Warren, research economist and Iria Camba Florez de Losada, Senior Analyst at Compass Lexecon.

The day included an entertaining debate on the topic ‘Is Economics Useless?’, featuring Economics lecturers, Drs Alfred Duncan and Amrit Amirapu. Students skilfully presented their arguments as to why Economics is useful and Alfred and Amrit argued against the motion. Both teams put up an extremely good fight and there was lively interaction from the audience.

At the end of the debate, the student team were voted as having presented the most convincing arguments.

The School would like to thank everyone involved, particularly Economics students Pravena Jawahar, James Kofi Osei-Anane and Amy Hau, for organizing this fantastic event!

We’d also like to congratulate Pravena, James and Amy on being shortlisted for the Kent Student Awards 2019 for making an outstanding contribution to academic communities.

Watch the whole debate here: https://bit.ly/2J63a4o

Blast from the past at School’s alumni event

On 2 May we held our second London Alumni Meet Up.

This year we headed to The Yorkshire Grey for drinks, food and a catch up. Professor Iain Fraser, Dr John Peirson, Professor Alan Carruth, Dr Bill Collier and Dr Alastair Bailey were in attendance and enjoyed reminiscing and hearing about the achievements of our alumni.

Thank you to Katie Marshall and Harriet Mowatt-Dykes for organising the event.

If you haven’t already, please connect with us on LinkedIn (www.linkedin.com/in/keyneskent).
A special mention to ...

Congratulations to...  
Seefat-E-Rabbi Khan and Tom Middleton for passing their vivas this term.

Welcome to...  
The School would like to extend a very warm welcome to a number of new colleagues this term:  
Emmanuel Guerre joined the School in January as a Professor of Economics. Before joining the School, he was at Queen Mary. His main research is in the areas of theoretical and applied econometrics, empirical IO, nonparametric and time series.

Irma Clots-Figueras also joined us in January as a Professor of Economics. Before Kent, Irma was at Universidad Carlos III de Madrid. Her research is in the areas of development economics, political economy, labour and public economics.

Elliot Gilham-Jones joined the School in March as an IT Co-ordinator and Julie Woodbridge started in April as Undergraduate Co-ordinator.

Sneak peek inside the Kennedy building
For further news about the School of Economics, our staff and their research interests, see:
www.kent.ac.uk/economics/

SchoolOfEconomicsAtTheUniversityOfKent

@EconUniKent

@EconUniKent