Welcome to the Autumn 2012 edition of the School of Economics newsletter.

We are rapidly approaching the end of the first term, and I hope that all our new students have settled in well to life at University, and that the other years are enjoying a successful Autumn term.

We have attracted a record number of undergraduate and postgraduate students again this year, and numbers for next year are also looking optimistic, with applications for places in 2013/14 up by 37% on the equivalent time last year. This follows a national trend in demand for economics degrees across the UK, so I am predicting strong competition for entry next year.

With the increase in numbers year on year, I am very proud that the School has maintained, and in some cases bettered, the quality of teaching and support given to students.

The School has been ranked in the top five economics departments in the UK, for the fourth year in a row, in the 2012 National Student Survey (NSS). Overall the School has a 95% student satisfaction rate, an increase of 2% on the last academic year.

Scores have also remained high in other national surveys, including first for teaching in The Guardian University Guide 2013, first for student satisfaction in The Times Good University Guide 2013, and third overall in the Complete University Guide 2013.

For postgraduate study, 100% of our research students and 89% of taught students said that their overall experience met or exceeded their expectations.

These results are extremely important to the School as they provide us with insights into ways in which we can continue to improve. I would like to encourage our current final year students to complete the National Student Survey when it opens early next year.

With our expanding student numbers, we have already recruited two new members of staff (one has already joined us) and are in the process of recruiting another two. These staff come with strong research profiles gained from some of the world’s leading universities, ensuring that our teaching is conducted by some of the best economists available.

I hope that you have a good break over the holiday and wish you all the very best for the festive period.

School’s agri-econ expert appointed to Defra advisory panels

Professor Rob Fraser has been appointed to sit on two newly-formed advisory panels to the Department for Environment, Food and Rural Affairs (Defra).

The first is the Economic Advisory Panel, formed to assess and advise on how environmental regulation and policy impacts on the food and rural sectors of the UK economy. One of the key issues for this panel will be to advise Defra on how to manage the conflict in the UK’s land use policy between food security, energy security and environmental conservation.

The second is the Tree Health and Plant Biosecurity Expert Taskforce, which will focus on tree health and related bio-security in Great Britain, such as trees in woodlands, forests and in the wider environment, including amenity and urban trees.

The Taskforce is an independent group, made up of ten key members of the academic community, and will ensure that Defra has access to the most up-to-date and robust evidence in support of decisions in dealing with tree and plant disease.

Professor Fraser said: ‘I’m delighted to be called on to play a role in this important taskforce, the formation of which was one of several actions to emerge from a meeting of the Government’s emergency committee COBR, which Environment Secretary Owen Paterson chaired early in November.’
Since the last issue, School staff have been engaged in various research activities. Here are some of the highlights...

Chris Heady has been appointed to the advisory board of the new Oslo Fiscal Studies centre. Oslo Fiscal Studies (OFS) is a centre for public economics based on a cooperation between the Department of Economics at the University of Oslo, Statistics Norway, and the Ragnar Frisch Centre for Economic Research. It was founded in August 2012 and is funded by a five-year grant from the Research Council of Norway. The overall objective of OFS is to expand the volume and enhance the quality of research and teaching in public economics and tax analysis in particular. It provides a forum for local and international scholars to interact and do research.

Iain Fraser has been appointed for four years as co-editor of the *European Review of Agricultural Economics* (ERAE) from September 2012. His appointment as an editor of the journal follows an open competition and selection by the members of the Foundation for the European Review of Agricultural Economics.

The ERAE is one of the leading journals in agricultural economics with the objective of publishing innovative theoretical and applied research. It is the flagship journal for the European Association of Agricultural Economists. Established in 1972 and published by Oxford University Press, the journal is considered to be ‘the pre-eminent forum for the discussion and dissemination of theoretical and applied agricultural economics research in Europe, with a readership that extends worldwide’.

Yu Zhu attended the 24th Annual Conference of the European Association of Labour Economists (EALE) conference in Bonn in September. He presented a paper entitled ‘The Causal Effect of Teen Motherhood on Worklessness in Britain’, co-authored with Prof Ian Walker of Lancaster University Business School. The research attempts to uncover the causal effect of teenage motherhood on worklessness later in life by exploiting the availability of two sources of exogenous variation in maternal age at first birth, which have not previously been used in this literature. The authors conclude that teenage motherhood does not matter for worklessness per se, as it is just another marker of a deeper social problem.

Tony Thirlwall gave the prestigious Luigi Einaudi lecture at the 53rd annual meeting of the Italian Economics Society at the University of Basilicata in Matera in October. The Lecture is named after the Second President of the Italian Republic (1948-55) who was also a Professor of Economics at the Bocconi University in Milan and a former President of the Italian Economics Association. The title of Tony’s lecture was ‘The Rhetoric and Reality of Trade Liberalisation in Developing Countries’, comparing the promises of trade liberalisation with what has been actually happening in poor countries as a result of liberalisation, namely: balance of payments crises; slow growth, and rising income inequality. In the background paper to the lecture, the case is made for time and policy space for poor countries to pursue their own trade and development strategy, and not to be forced into premature liberalisation by bodies such as the World Bank, the International Monetary Fund, and the World Trade Organisation.

Miguel León-Ledesma has been invited to the editorial board of *Economia*, the journal of the Brazilian Economic Association.

Miguel has also organised two workshops this year. The first was an International Macroeconomics Workshop, titled ‘Capital Flows, Real Exchange Rates and Growth in the Global Economy: A New Context for Macroeconomic Policies’. The workshop was jointly organised and hosted by Aix-Marseille Université in France.

The second workshop was on ‘Structural Change and Macroeconomic Dynamics’, hosted by the Centre for International Macroeconomics Studies at the University of Surrey, and supported by the Royal Economic Society.

The workshop focused on the role that changes in the sectoral structure of the economy play in issues such as growth, macroeconomic stability, allocative efficiency, and international trade patterns.

Funding

Matloob Piracha has been successful in securing a ‘visiting scholar’ grant from Macquarie University, Sydney and will be spending around two weeks in December in Sydney to work on a new research project entitled ‘An analysis of the labour market choice of early career SET graduates and the influence of tertiary education quality on their employment outcomes’.

Iain Fraser and Katsuyuki Shibayama were awarded a grant from the DAIWA Anglo-Japanese Foundation, for their research on: ‘Economic growth and environmental sustainability: an economic analysis of nuclear power ex-ante and ex-post the Fukushima Daiichi nuclear disaster’.

Iain Fraser also received a grant from the NERC for his work titled ‘VNN: Scale dependence of stocks and flows in the valuation of ecosystem services’.

Alex Klein’s research on ‘Agglomeration economics in a long-run: empirical analysis using the United States Census of Manufacturers 1860-2007’ has secured a British Academy grant.

See our website for more news stories: www.kent.ac.uk/economics
It has been another good year for Economics research publications. The discussion paper series has seen 15 papers published so far this year, with more in progress.

Frequently discussion papers form the basis for conference papers, book chapters and articles in journals, and below is a snap-shot of some of the articles that have been published since the last issue of the newsletter:


Current PhD students also contributed to the School’s publications. Six of the discussion papers this year were written or co-written by current students:

**Accounting for the Great Recession in the UK: Real Business Cycles and Financial Frictions**, Jagjit S Chadha and James Warren


**A Disaggregate Characterisation of Recessions**, Fabrizio Coricelli, Aikaterini Karadimitropoulou and Miguel A León-Ledesma

**The Financial Market Impact of UK Quantitative Easing**, Francis Breeden, Jagjit S Chadha and Alex Waters

**Point identification in the presence of measurement error in discrete variables: application - wages and disability**, Eirini-Christina Saloniki and Amanda Gosling

All discussion papers can be found on our website at [www.kent.ac.uk/economics/research/papers/](http://www.kent.ac.uk/economics/research/papers/).

School members have recently been involved in the publication of the following high-profile textbooks:

**The Euro in Danger: Reform and Reset** by Jagjit S Chadha, Michael A H Dempster and Derry Pickford

This book was written as a result of a number of passionate and, it must be admitted, heated conversations on the EMU question before Christmas 2011, around the time of the Fiscal Compact. These led to the first draft in January this year.


This book ‘celebrates’ 30 years of Thirlwall’s Law. It extends Thirlwall’s original model and adapts its implications to the current problems of the developed and emerging economies. In this context, this book combines theoretical models and empirical applications to unveil new results consistent with the balance of payments constrained growth. The book provides an alternative to orthodox growth theory which neglects the importance of the balance of payments as a constraint to growth.

For further details on staff research and publications see our staff web pages at [www.kent.ac.uk/economics/staff](http://www.kent.ac.uk/economics/staff)
EC315 Economic Institutions and the Economics Profession

This year the School has introduced a new 15-credit Stage 1 optional module, Economic Institutions and the Economics Profession.

Training to become an economist requires students to learn and develop a variety of different skills, many of which go beyond an understanding of the concepts of economic theory or statistical analysis. These skills include the ability to abstract and simplify complex economic behaviour, to adapt the general concepts of economic theory to the particular case of investigation, to think through and present logical arguments, to communicate ideas effectively both verbally and in writing, to engage in critical analysis of arguments and, more generally, to problem-solve, make decisions and organise work.

A key objective of this module is to build on students’ knowledge of economics and to develop these core skills. This is achieved in two ways:

◊ Firstly, by explaining how the core concepts are adapted to real-world situations in practice
◊ Secondly, by assessments which encourage students to organise information, evaluate economic arguments in a critical manner, and synthesise policy recommendations.

Sylvain Barde, convenor for EC315, said ‘The purpose of this new module is to teach students how economic knowledge and methods are used in practice by professional economists. It will provide them with a better understanding of the relevance of economic theory in understanding everyday problems and equip them with a set of practical skills, which will be helpful beyond their economics degrees, in particular the ability to rapidly identify the relevant information in a collection of documents, synthesise this information, analyse it and present the results of this process in an effective manner both in presentations or written work.’

Employability

The School of Economics has always placed great importance on developing the skills and knowledge of its students, giving advice on future employment, helping with job applications and in general preparing students for graduate employment.

John Peirson is the School’s ‘employability officer’. He said, ‘With the increasingly difficult graduate job market and economic prospects in the UK and the world unlikely to improve markedly, future employment is becoming a prime concern for students and parents.’ With that in mind, he has worked together with the University’s new Careers and Employability Service to provide a carefully-structured employability programme for all undergraduates in the School.

John said, ‘we encourage students to think right from the beginning of their University degree what employment they wish to pursue. In particular, we encourage and help them to apply for work experience in their chosen areas and develop skills, knowledge and experience that will make them successful in the job market. Many employers use work experience as a means of testing the employability of students and make job offers to students who have past successful work experience; it gives a competitive edge and can be vital to getting the right job in the future.’

Starting in the first year, the Data Analysis module and the new Economics Profession module focus on the skills that economists require in employment. Additionally there are one or two sessions covering the type of jobs in which economics graduates can obtain employment and explaining the increasingly demanding job application and selection process.

At the beginning of the second year, the option of working for a year in industry is open to the majority of economics students. John and Sylvain Barde, who is in charge of running the year in industry programme, guide students through the process of securing good placements. They also run workshops to develop students’ skills in writing excellent CVs and job applications, improving their performance in aptitude tests, interviews and other aspects of the graduate and placement selection process.

In the final year, the School encourages students to start applying for jobs at an early stage and work at improving their applications. John said ‘Inevitably, some students have yet to make their minds up what they want to do or have just postponed the decision. We help them to think about what would be the right employment for them and to start applying. Throughout the year, there are twice-weekly drop-in sessions providing advice and practical help on all aspects of getting a job. There is also an online job market forum (see page 6 for details), for students to network and share experiences of the job market.’

‘Getting the right graduate job is difficult, but we have developed a programme from first to final year and beyond to help all our students find the right employment.’
Over the last year the following new members of staff have joined the School.

Dr Adelina Gschwandtner

Adelina Gschwandtner joined the School in September 2012 as a lecturer in Economics. Adelina was born in Bucharest, Romania. After a first degree in Economics at the Bucharest University of Economic Studies, she moved to the University of Vienna, where she was awarded her PhD in 2002. She subsequently worked at the University of Vienna until 2011, before moving to the Vienna University of Economics and Business (WU).

Adelina’s research interests lie in the field of empirical industrial organisation. Her two main research areas are profit persistence and sunk costs. She has analysed the pattern and the determinants of profit persistence in the US and the UK over the last 50 years. More recently she has worked on the determinants of profit persistence in the European food sector, and plans to analyse the relationship between food and health. Her papers in this area have been published in Economic Inquiry, Applied Economics, International Journal of Economics and Business and The Manchester School.

Katie Marshall

Katie joined the School in August 2012 as Postgraduate Co-ordinator. Katie works in the Economics General Office and is responsible for all postgraduate administration.

Previously, Katie worked in the University’s Postgraduate Admissions office.

Jessica Ryder

Jessica joined the School in July 2012 as a Clerical Assistant responsible for Undergraduate Administration and Student Support. She is involved in attendance monitoring and concessions, and you will see her at the student counter in the Economics General Office.

José Silva

Next term we look forward to Dr José Silva joining us from Departament d’Economia, Universitat de Girona in Spain.

José’s main fields of interest are Macroeconomics, Labour Economics and Economic growth.

May we extend a very warm welcome to all our new staff.

Congratulations

The School would like to congratulate the following students and staff on their achievements:

Prizewinners

Fahad Sarwar, Rachel Stonehouse and Caspar Winyard won the Economics Undergraduate Dissertation Prize for 2011/12. The prize is awarded for the best overall performance on the ECS41 dissertation module.

Ivan Mendieta-Munoz won the MSc Dissertation Prize for 2011/12. Ivan is now studying for a PhD in Economics in the School.

The School of Economics Outstanding Performance Prize this year went to Kyungmin Hur, who has since completed his MSc in Economics with Distinction.

Staff promotions

John Peirson and Matloob Piracha both received promotion at the start of this term. John has been promoted to Reader and Matloob to Senior Lecturer.

PhD students

There are four PhD students who have either graduated or passed their vivas, subject to corrections, this term:

Aikaterini Karadimitropoulou

Aikaterini has graduated and is working as a Lecturer in Macroeconomics at the University of East Anglia.

Lena Fredriksson

Lena is working as a Senior Economist at the Swedish Competition Authority.

Cyrus Farsian

Cyrus has been working for the Centre for Economic Performance at London School of Economics.

Amrita Saraogi

Amrita is working as an FX trader at Bunge in the Netherlands and will shortly be transferring to their Mumbai office.

We wish them all the very best for the future.

For further information on School of Economics staff and their research interests, check out our people pages at www.kent.ac.uk/economics/staff.
Job Market Forum

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etwork and keep in touch via the School’s Job Market Forum. The Forum was designed to help students through the ups and downs of the job and Master’s degree market, and it also acts as a forum for students to network and share their job and master’s market experiences.

The module also provides a centralised depository for CVs for all students who are active in the job/master’s market. Email T.J.Girling@kent.ac.uk to get your Enrolment Key, and then sign up by clicking here.

Christmas drinks

All Economics MSc and PhD students are invited to join the staff for drinks on Thursday 6 December from 4.30 pm in Keynes Quiet Senior Common Room. We hope to see you all there!

Economics Society

The Economics Society is run by Economics students, who organise a lively and varied programme of events throughout the academic year, including talks and lectures by economists working in government, industry and academia, trips and social events.

All students from across any discipline have the opportunity to join the society, so if you are interested, please sign up via the student union website.

The Society meets every Tuesday at 6 pm in KS4 for general discussion/debate on current topics and issues. All students welcome. For further information, please contact Martin Eguren at me212@kent.ac.uk.

You can also follow the society on Facebook and Twitter.

Kent Investment Society

Kent Invest is a student-run society aimed at bringing together students interested in investing to further develop their commercial awareness, as well as gaining an interactive hands-on experience in global capital markets.

The society was founded in 2010 by a small group of Economics students, and runs workshops, open lectures, and maintains a virtual equity portfolio that is unique to the society throughout the year.

If you are interested in joining, you can sign up via the student union website. Once you have done this, please contact investsoc@kent.ac.uk with your full name and Kent log-in details.

Meetings are held on Thursday at 6 pm in GLT1. You can also follow the society on Facebook and Twitter.

Social networking

The School now has active Facebook and Twitter social networking accounts, which are rapidly growing in popularity. Follow us to see relevant daily news items, School news, events and announcements:

www.facebook.com/SchoolOfEconomicsAtTheUniversityOfKent

@EconUniKent

Contributions

If you have anything you would like to contribute to future newsletters, please send your ideas and news stories to:

Tracey Girling: T.J.Girling@kent.ac.uk