



Scottish Institute for Research in Economics

Annual report to the Scottish Funding Council

For the period 1 Oct 2010 to 30 Sept 2011



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Part 1

SIRE Director's introduction

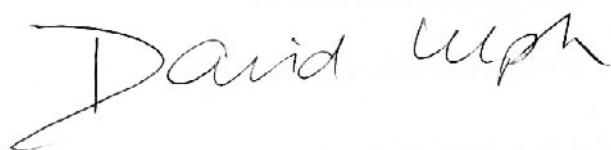
There has been a significant turnover of personnel in the SIRE Executive. Professor Charles Nolan took over as Director of the MFLR programme at the start of the reporting period; more recently Professor David Bell has taken over as Director of Work and Wellbeing; and Professor Liam Delaney as Director of Postgraduate Research Training – a joint appointment with SGPE. I welcome all to the team and look forward to working with them.

SIRE has had a very active year with some very high-quality SIRE-supported visitors and events coming to Scotland including a Nobel Prize winner. Details are contained in the report. There has been activity across all core areas of Micro, Macro and Econometrics as well as in more specialist areas of the subject, and we are determined to maintain this level and quality of activity.

Some of the initiatives on which I reported last year are starting to pay dividends. There has been a very pleasing take-up of requests for SIRE support for travel and subsistence in order to present papers at top conferences.

However there remain challenges.

Scotland has been very successful in getting the largest *ESRC* Doctoral Training Centre. This builds strongly on the long record of successful collaboration through the Scottish Graduate Programme in Economics. However there remain significant challenges in Scotland in delivering PhD training that is of similar quality to the best in the rest of the UK, Europe and USA. A particular SIRE concern is to expand the opportunities for our excellent SIRE appointees to make further contributions to this training. I look forward to working with Professor Liam Delaney to address this issue.

A handwritten signature in black ink that reads "David Upthorpe". The signature is written in a cursive, flowing style.

Part 2

SIRE Executive and International Advisory Board

- 2.1 During the reporting period the SIRE Executive Committee comprised:
- David Ulph (SIRE Director)
 - Stuart Sayer (SIRE Executive Director)
 - Ed Hopkins (Director of BIC)
 - Charles Nolan (Director of MFLR)
 - Martin Chalkley until Summer 2011, thereafter David Bell (Director of W&W)
 - Mark Schaffer (SGPE PhD Director)
- 2.2 As discussed in more detail in section 3.3, Martin Chalkley, who had been Director of the Work and Well-being programme since the launch of SIRE, moved at the beginning of August to a Chair in the Centre for Health Economics at the University of York. He is ably succeeded by David Bell as Director of W&W.
- 2.3 Mark Schaffer demitted office as the SGPE PhD Director at the end of the reporting period, following his appointment as the Director of the new Doctoral Training Centre – the Scottish Graduate School in the Social Sciences. His replacement as SGPE PhD Director is Liam Delaney, the newly appointed SIRE Chair at Stirling (see sections 3.5 and 4 for further details).
- 2.4 The members of the Executive Committee communicate frequently, through a mix of face-to-face meetings, teleconferences, emails and phone calls. Meetings or teleconferences are roughly monthly, though frequency varies somewhat, depending on the volume of business and the season. The core executive team draws on the experience and expertise of other senior SIRE researchers as and where relevant.
- 2.5 SIRE is a regular standing item at the (roughly quarterly) meetings of the SGPE Heads of Departments of Economics, where SIRE is represented by the Director and Executive Director. These meetings provide a valuable opportunity to discuss and obtain feedback on SIRE developments and help to promote effective integration and coordination of developments.
- 2.6 In order to further facilitate communication and coordination with participating departments, each department now has a SIRE “stringer”, whose role is to promote SIRE and facilitate two-way communication between SIRE and its constituent departments.
- 2.7 The International Advisory Board (IAB) of SIRE comprises¹:
- Manuel Arrellano (CEMFI, Madrid)
 - Richard Blundell (UCL)
 - Tom McGuire (Harvard)
 - George Mailath (Pennsylvania)
 - Andrew Rose (Berkeley)
 - Larry Samuelson (Yale)
 - David Canning (Harvard)
 - Harald Uhlig (Chicago)

¹ Naryana Kocherlakota, who was an original member of the IAB, stood down when becoming President of the Federal Reserve Bank of Minneapolis

2.8 Relevant members of the IAB have provided advice and guidance on short-listed candidates for SIRE Chair appointments. This additional and insightful input from outstanding international researchers, alongside the normal role of external assessors, has been and continues to be an extremely valuable contribution to the appointment process. SIRE owes a considerably debt of gratitude to IAB members for their guidance and advice along with their more general support and enthusiasm for SIRE. For the most part communication with IAB members, who have exceptionally busy schedules, is by email or phone.

Part 3: Executive & Programme Directors' overviews and future plans

3.1 SIRE Centre

- 3.1.1 The SIRE Centre maintains the SIRE website at www.sire.ac.uk including a frequently updated digest of news and events, and an extensive diary of SIRE and other activities throughout Scotland. This is supplemented by an (approximately) monthly newsletter to the SIRE mailing list, along with targeted mailings for more focused activities. Over the reporting period we have carried out a major restructuring and redesign of the website. The refreshed site, which includes a twitter feed and Google calendar of events, is ready to be launched in early October 2011.
- 3.1.2 In conjunction with the revamped website, we will shortly be launching a new SIRE online Discussion Paper series. The series will be accessed via the SIRE website, as well as being included in established databases, such as Repec. With the consent and support of the authors concerned, the series is initially being stocked with research papers originally disseminated via individual departmental series and produced since the SIRE launch in 2008. As well as providing a valuable vehicle for research dissemination, the new series will enhance the visibility of SIRE and increase the traffic on our website.
- 3.1.3 A further innovation, developed and implemented in the reporting period, is more systematic support for SIRE researchers making presentations at major international conferences. The support is primarily targeted on more junior faculty and PhD students, who have limited access to other funding sources. Around 25 such grants have been awarded to date, with a substantial proportion for the prestigious European Economic Association/Econometric Society European Meetings in Oslo. A condition attached to this support is that the SIRE logo and acknowledgement of financial support are incorporated in the presentation and any subsequent revision to the paper.
- 3.1.4 As well as these new innovations, the SIRE Centre has continued to provide varying degrees of support, along with coordination and promotion for a wide range of SIRE events and activities. In addition to events and activities, which fall within the remit of the three main thematic programmes, and are covered in Programme Directors' reports, the Centre directly supports activities which span across the programmes, notably the *SIRE Econometrics Workshop Series*, the *SIRE Forum for Young Researchers*, and the *SIRE-Scottish Government Joint Policy Forum*. Further information about these series and other related events during the reporting period is provided in section 5.1.
- 3.1.5 SIRE has continued to work with the *David Hume Institute* (DHI), which provides a valuable forum for networking and disseminating SIRE and its research activities. The DHI generously allows a limited number of SIRE members free access to DHI events. For the second year running, SIRE sponsored a major DHI Public Lecture in the Autumn series, on this occasion by David (Danny) Blanchflower.

3.2 *Behaviour, Incentives and Contracts*

- 3.2.1 The BIC programme, along with SIRE, has reached a mature phase, with continued cooperation on a range of activities, conferences, training events and visits.
- 3.2.2 The long process of making SIRE appointments is nearing its close with an offer made to fill the fifth and final SIRE chair at the University of Edinburgh. The recipient of the offer is a rising star currently holding a position at a leading US university. We hope for a positive response in the very near future.
- 3.2.3 Major activities in the reporting period include the BIC meeting, held in Edinburgh in October 2010, for which the keynote speaker was Paul Seabright (Toulouse). This was an interdisciplinary event, bringing together economists, psychologists and computer scientists. This reflects the strength that BIC has in behavioural and experimental economics and its overlap with other disciplines. There were participants from Edinburgh, Aberdeen, St Andrews, Heriot-Watt and Strathclyde Universities. It was a highly successful event. To build on this success, a larger follow-up event is scheduled for October 2011 to take place in St Andrews.
- 3.2.4 In a somewhat different vein, to celebrate the 300th anniversary of the birth of David Hume, the great Scottish philosopher and social scientist, a conference, “Hume’s Influence on Economics: New Perspectives”, was held in Edinburgh in June 2011. The speakers were Ken Binmore (UCL, Bristol), Alan Kirman (Marseille), Peter Sinclair (Birmingham) and Karl Wennerlind (Barnard College, New York). Participants (60+) came from many disciplines and from many Scottish universities.
- 3.2.5 BIC researchers have continued to publish in top ranked journals. Of particular note are a trio of current or forthcoming papers in the *American Economic Review*:
- Mike Elsby arrival to his SIRE Chair in Edinburgh was quickly followed by the acceptance of his paper “Why Does Trend Growth Affect Equilibrium Employment? A New Explanation of an Old Puzzle”, with Matthew Shapiro, for publication in the *American Economic Review*.
 - Jozsef Sakovics (Edinburgh) also has a forthcoming paper in the *American Economic Review*. The paper, entitled “Who matters in coordination problems?”, is jointly authored with Jakub Steiner, a former SIRE Lecturer.
 - These follow in the footsteps of Olga Gorbachev, another former Edinburgh-based SIRE Lecturer, whose paper “Did Household Consumption Become More Volatile?” appears in the 2011 *American Economic Review*.

In addition to this trio, a number of other SIRE appointees within the BIC programme, have recent *AER* publications: Miguel Costa-Gomes (Aberdeen), Paola Manzini, Marco Mariotti (St Andrews), Ed Hopkins and Tatiana Kornienko (Edinburgh). Prior to SIRE, publications in the very top international journals, such as the *American Economic Review*, were very rare in Scotland and, indeed, the rest of the UK.

Mention should also be made of the award to John Moore (Edinburgh), together with his co-author Nobuhiro Kiyotaki, of the Stephen A. Ross Prize in Financial Economics for their paper “Credit Cycles”.

- 3.2.6 Grant income continues to be in line with or exceeding the SIRE milestones. Major new and ongoing grants during the reporting period include:
- John Moore’s (Edinburgh) 5- year European Research Council Advanced Grant of 1.6 million euros continues.

- Miguel Costa-Gomes (Aberdeen) will participate as a team member in the €1.22 million European Research Council Starting Grant awarded to Georg Weizsäcker at UCL.
 - Marco Mariotti (St Andrews) was awarded a grant for the project “Bounded rationality and welfare economics”, value £44,974, funded by the Leverhulme Trust
 - David Ulph’s (St Andrews) two separate ESRC grants for £137,054 and for £76,934 continue.
 - Tooraj Jamasb (Heriot-Watt) has been awarded a grant £245,000 from the European Commission
- 3.2.7 We have also continued our dialogue with non-academic economists. For example, the visit of Paul Seabright (Toulouse School of Economics) incorporated a policy event with the Scottish Government on the topic of “Bailing out the Banks: Reconciling Stability and Competition An analysis of state-supported schemes for financial institutions”.
- 3.2.8 BIC economists have also achieved attention from outside academia via the press. Kohei Kawamura (Edinburgh) had his paper “A Model of Public Consultation: Why is Binary Communication So Common?” (published in the *Economic Journal*) featured in *The Observer*. Not to be outdone, Santi Sanchez-Pages (Edinburgh) also published research on the relationship between facial symmetry and cooperation that was also covered in *The Observer*.
- 3.2.9 The number of SIRE training events aimed at PhD students and junior researchers has increased. Laurence Lasselle (St Andrews) has organised an excellent programme. Notable from the perspective of the BIC programme was the masterclass held by Nobel laureate Eric Maskin. There were also classes given by Rabah Amir (Arizona), Timothy Feddersen (Kellogg School, Northwestern University) and Rosemarie Nagel (UPF).
- 3.2.10 The quality of academic visitors from outside Scotland continues to run at a very high level. A list of seminar highlights follows in section 5.2.2.

3.3 *Work and Well-being*

- 3.3.1 Martin Chalkley, who had been Director of the Work and Well-being programme since the creation of SIRE, demitted office at the end of July 2011. This coincided with his departure from his Chair at Dundee, to take up a Professorship at the Centre for Health Economics at the University of York. Although it is sad to note Martin's departure from Scotland, he will continue his research collaborations with health economists at Dundee and HERU. His new position will also facilitate building closer links between SIRE health economists and the long-established York Centre for Health Economics.
- 3.3.2 Martin Chalkley's replacement as Director of W&W is David Bell (Stirling). David Bell brings extensive experience to the role, not only as a productive researcher, but also as a prominent policy adviser (Budget Adviser to the Finance Committee of the Scottish Parliament), media commentator on the economy, major grant-holder, and ESRC committee member (e.g. Chair, ESRC Working Group on Quantitative Methods in UK Social Science). It is also encouraging to note that there was strong competition for the Directorship, reflecting the growth in research leadership, which SIRE has helped to engender.
- 3.3.3 The vacant SIRE Chair at Stirling, resulting from the departure of Sascha Becker noted in last year's report, has been filled by Liam Delaney, who took up his post in September 2011 (see section 4 for further details). Liam Delaney's considerable energy and experience have already been harnessed with his appointment to the Directorship of the SGPE PhD programme. The W&W programme also welcomes Dr Shaolin Wang, who was appointed on April 1 2011, as a SIRE Research Fellow in Health Economics at Dundee, to complement the appointment, announced in last year's report, of Arnab Bhattacharjee to a Readership at Dundee.
- 3.3.4 Full details of events, which have been organised by or have received funding support from the Programme, are set out in section 5.3.1. Two key highlights were:
- A workshop on 'Evaluating Changes in Health Inequalities' organised by Paul Allanson and Dennis Petrie (Dundee).
 - The SIRE Environment Camp, organised by Ian Lange (Stirling).
- The latter, which was modelled on similar networking events in the US, supplemented the now regular series of SIRE Environmental and Energy Economics Workshops.
- 3.3.5 As in previous years, researchers in the W&W programme have engaged in a wide range of knowledge exchange and related activities. For example:
- assessed major funding proposals in health care;
 - advised and served on Pay Review Bodies;
 - advised up to and including ministerial level in Scottish and UK Governments;
 - given presentations to key policy-making bodies such as NHS Boards, HM Treasury, Parliamentary Committees;
 - served on and written reports for Commissions and Public Bodies;
 - appeared in the media and commented on key economic developments such as increasing unemployment.
- (See section 5.3.3 for further details).
- 3.3.6 Research grant income awarded to researchers within the W&W programme has continued to be a strong feature, as is evidenced by the extensive list of awards in section 5.3.2. Selected highlights include:

- Alex Kemp's (Aberdeen) two awards for £227,200 from a consortium of oil companies together with Scottish Enterprise for work on 'North Sea Oil and Gas Economics';
- Ioannis Theodossiou's (Aberdeen) continuing EU grant for €1.05 million for research on 'Health at Work - an inquiry into health and safety at work: A European Union perspective'
- Alistair Anderson (Aberdeen & RGU) £1,470,694 from MRC for research on the impact of bodyweight and physical activity.
- M D Smith (HERU) £261,319 from MRC for research on "Economic appraisal of the choice and targeting of lifestyle interventions to prevent disease in deprived populations".
- Nicholas Hanley (Stirling) £178,529 from the Leverhulme Trust for "History and the future: predictive power of sustainable development indicators."
- Catia Montagna and Dennis Petrie (Dundee), with others, £308,469 for the SUMIT project which aims to improve information collection and analysis of drug and alcohol services in Tayside.

3.3.7 Current Activity

- Participation in a multidisciplinary application to the ESRC for a large grant (£3.9 million) entitled "Constitutional Change in Scotland" (Bell, Delaney (Stirling), Harris (Glasgow), McGregor (Strathclyde)).
- Plans to organise a conference on housing economics (Wright (Strathclyde)) with an associated special issue of the *Scottish Journal of Political Economy*.
- Leading role in preliminary work to establish a Healthy Ageing in Scotland (HAGIS) survey by making an initial grant application to the US National Institute of Ageing (Bell (Stirling), Wright (Strathclyde) along with colleagues in medicine and sociology (Stirling, Edinburgh).
- Continued work with the David Hume Institute to attract high quality speakers to Edinburgh and so raise the quality of public debate at a critical juncture in Scotland's economic and political history.

3.3.8 Researchers in W&W have continued to publish extensively, as is demonstrated by the list of publications over the reporting period in section 5.3.4. Outlets include leading general economics journal, such as: the *Economic Journal*, *Economics Letters*, *Scottish Journal of Political Economy*, and *Journal of Economic Surveys*; leading more specialised or field journals, such as: *Journal of Finance*, *Journal of Economic Behavior and Organization*, *Journal of Population Economics*, *Journal of Health Economics*, *Health Economics*, *Energy Economics*, *Journal of Environmental Economics and Management*; as well as medical journals, which have considerable impact beyond economics.

3.4 *Macroeconomics, Financial Linkages and the Regions*

- 3.4.1 There has been a continuing high level of research activity across all aspects of the *MFLR* programme over the past year. Researchers across institutions involved in the *MFLR* programme continue to interact productively amongst themselves but also with international researchers, via conferences and longer visits, and with policymakers at both the national and international level and via high-profile, international academic events often bringing researchers and policymakers together.
- 3.4.2 In terms of research and knowledge exchange it has been a fruitful year for researchers in the *MFLR* programme. An academic high point was the Presidential Address to the North American Summer Meeting of the Econometric Society, by John Hardman Moore (Edinburgh University) at Washington University, St Louis in June 2011. Researchers involved in the *MFLR* continue to publish regularly in top academic journals, as detailed elsewhere in the report, and have facilitated major academic events through the past year. For example, The University of St Andrews hosted an advanced training workshop involving Professor Karim Abadir (UCL), Professor Gabriel Talmain (Glasgow) and Professor Hommes (Amsterdam) expositing a variety of techniques for macro and related research. The University of Glasgow hosted a two-day workshop in July entitled “The Science and Art of DSGE Modelling: Construction, Calibration, Estimation and Policy Exercises” The workshop was given by Professor Paul Levine, Dr Bo Yang and Dr Cristiano Cantore from the University of Surrey, and consisted of tutorials/lab sessions providing practical research-oriented skills using the Dynare suite of programs. The course was based on existing facilities in Dynare which the course leaders have helped develop. Course participants included PhD students from the UK, full-time faculty from around the UK and research economists from the Bank of England. The University of St Andrews hosted a high-level, advanced Econometrics workshop led by Andrew Harvey (Cambridge), Werner Ploberger (Washington University in St Louis) and Gary Koop (Strathclyde).
- 3.4.3 Policy engagement remains a key priority for the *MFLR* programme. Following on from a successful round table on Productivity at the University of Edinburgh in June 2010, organised by SIRE and the City of Edinburgh Council's Economic Development Unit, a further round table event in January 2011 considered issues related to: Internationalisation Challenges and Opportunities for Scottish SMEs. Speakers at this event included Jonathan Slow (SDI), Catia Montagna (University of Dundee), Holger Görg (Kiel Institute of the World Economy) and Richard Harris (University of Glasgow). The University of Glasgow hosted a Conference on ‘Currencies and Financial Markets in the Next Financial Crisis’. The event was the third in a series of conferences jointly organised by the Macroeconomics, Financial Linkages and Regions programme and the Centre for Economic and Financial Studies (CEFS). Keynote presentations were by Professor Lucio Sarno (Cass, University of London) and Professor Craig Burnside (Duke). A meeting of the SIRE Young Researchers Forum (SYRF) was held at the University of Glasgow in May. The theme of the forum was ‘Globalisation, FDI and Trade’. This event also saw policymakers and senior and junior academics coming together.
- 3.4.4 Grant income continues to be healthy and broadly consistent with the SIRE milestones. On-going major awards include an ESRC grant to Professor Gary Koop (Strathclyde) for £325,000 for a research project on ‘Macroeconomic forecasting in turbulent times’. Substantive new grants include: £285,762 from the ESRC to Professor Alan Sutherland (University of St Andrews) for a project entitled ‘The Macroeconomics of Financial Globalisation’. This grants runs until 2015. In addition, The BioMara project, which is a new UK and Irish joint project that aims to demonstrate the feasibility and viability of producing third generation biofuels from marine biomass, involves economists from the University of Strathclyde. They will research the economic, social and techno-economic aspects of the generation of biofuel from algal biomass. The funding for this element of the project is €500k over

three years. The Strathclyde investigators are Professor Kim Swales, Professor Peter McGregor, Dr Karen Turner and Mr Grant Allan. The primary task is to identify the benefits to the local Scottish and Irish communities which will be affected by these developments.

- 3.4.5 *MFLR* seeks to maintain a high level of engagement with policymakers. Researchers in the programme already have a strong record of such interactions, in particular with the Scottish Government. David Bell (Stirling) has contributed to many aspects of national and international policy discussions, particularly around youth unemployment. He has briefed the Prime Minister on this issue and been involved with key international organizations such as the ILO, the WTO and the OECD. Other recent examples of policy engagement include, the Policy Forum on Internationalisation: Challenges and Opportunities for Scottish SME's; and numerous contributions from researchers at Strathclyde, often via the Fraser of Allander Institute, on many aspects of economic policy in Scotland.
- 3.4.6 *MFLR* has maintained substantial support for an active visiting speakers' programme and has attracted over the last year a number of high-profile senior scholars. We have leveraged our resources in a number of instances by sharing the visiting costs with other institutions such as the Bank of England, Oxford University and the London School of Economics. This coordination helped fund visits from Dr. Michael Dotsey, Vice President of the Federal Reserve Bank of Philadelphia, and Professor Mike Golosov of Princeton who then visited a number of Scottish institutions (in addition to the Bank of England and a number of English universities). More such coordinated visits are planned for the future. Other notable events involving substantial interaction with senior policymakers included talks or seminars by Professor David Blanchflower (Dartmouth and Stirling, ex-MPC, Bank of England) in association with David Hume Institute and Professor Seppo Honkapohja, (Board member, Bank of Finland). Over the past year *SIRE* decided to fund, in whole or in part, attendance at the most prestigious academic conferences, where acceptance at the conference follows a rigorous refereeing process. *MFLR* researchers have drawn on this new initiative which has encouraged a high level of participation at these conferences. Travelling to attend seminars at universities other than one's own is still not a frequent occurrence for many affiliated researchers although the talk by Mike Golosov at the University of Glasgow was well attended by researchers from a number of institutions.
- 3.4.7 As noted last year, our intention is to facilitate a broad programme of events that will help identify and address the key research questions following, in part, from the recent global financial crisis. To that end, we already held a conference (at Glasgow University) on this topic and a further related event, focusing more specifically on monetary policy in crises times, is being planned by Heriot-Watt for later in 2011. Further workshops and conferences in the areas of growth economics, fiscal policy, open economy macroeconomics, financial markets, and regional policy are also being considered. Where possible, we aim to bolster these events by inviting high-profile seminar speakers also working in these areas. Each of these events will seek to explore extant and emerging theoretical and policy-related themes and will seek the involvement of leading academics and policymakers. More substantial events, such as these workshops/mini-conferences, have been found by other programmes within *SIRE* to be a more effective means of bringing researchers from across Scotland together.
- 3.4.8 Towards the end of the reporting period, we were pleased to welcome Professor Tatiana Kirsanova to fill the vacant *SIRE* Chair at the University of Glasgow. We have also welcomed the arrival of Professor Mike Elsbey (Edinburgh), whose research interests span all three of *SIRE*'s thematic programmes. Both of these scholars bring something new to the *MFLR* programme and we look forward to the contributions that they will continue to make at the highest level in the coming years.

3.5 *Scottish Graduate Programme in Economics (SGPE) PhD programme*

- 3.5.1 The Scottish Graduate Programme (SGPE) is an ESRC-recognised collaboration between the eight pre-1992 Scottish universities. The first year of the SGPE is a taught MSc in Economics (or Economics (Finance)), which is currently based in Edinburgh. Teaching on the programme is delivered by academic staff from all eight participating universities, with staff travelling to Edinburgh to deliver their lectures. For the PhD stage of the SGPE, students move to the university where their primary supervisor is based. Direct entry to the PhD stage of the SGPE is also possible for students who have previous training in economics equivalent to the SGPE MSc. For a fuller description of the SGPE, see the 2008-09 SIRE Annual Report, paras. 3.5.1-3.5.4.
- 3.5.2 Mark Schaffer has demitted office as the SGPE PhD Director, to take up the post of Director of the new ESRC/SFC-funded Doctoral Training Centre (DTC) – the *Scottish Graduate School of Social Science*. Mark’s extensive experience with SIRE and the SGPE and, more generally, the history of successful collaboration within SIRE and the SGPE, played an important role in the development of the successful DTC bid, and will be valuable in his new role. His appointment will also facilitate working with the new Graduate School to further enhance the Economics pathway, as well as related pathways, which link with major areas of SIRE research activity, such as the Environment, Climate Change and Energy pathway.
- 3.5.3 Liam Delaney, the new SIRE Professor at Stirling, has recently been appointed to be Mark’s successor as the SGPE PhD Director. Liam brings extensive experience of PhD supervision and advanced research training, from his previous post at the Geary Institute, University College Dublin (see section 4 for further background information).
- 3.5.4 The DTC comes with a strong steer by the ESRC of a minimum of 4 PhD studentships for Economics, with an opportunity to bid for further awards within the 65 allocated to the DTC. Further, the ESRC is experimenting by allowing Economics to waive the normal residential eligibility rules for studentships, allowing us to compete more effectively for the best international students.
- 3.5.5 SFC support for the Graduate School includes financial support for both advanced training and e-learning across the full range of social science disciplines. Economics, through the SGPE and SIRE, has been a leader in Scottish social science in providing advanced training for PhD students and in making lectures and courses available to PhDs students via webcasting. We expect that Graduate School and SFC support will enable this provision to continue to expand.
- 3.5.6 Following the successful piloting of webcasts of advanced training courses in 2009-10, we have continued this development, and plan to gradually extend the range of courses available. The initial offering included the range of SGPE advanced options: Advanced Macroeconomics, Advanced Microeconomics and Advanced Quantitative Methods. In 2010-11, webcasting was expanded to

cover an additional three courses in: Industrial Organisation, International Trade, and Development Economics. In addition, the keynote presentations from a number of the more specialised workshops, outlined below, are available as webcasts.

3.5.7 Several specialised workshops, aimed primarily at PhD students, were also held at various points during the year with the support of SIRE. In brief:

- Economics Panel Data Masterclass and Workshop, Frank Windmeijer (Bristol)
- SIRE Environment Camp (Chris Timmins, Duke; et al)
- PhD – Workshop Series in Advanced Quantitative Methods in Economics & Finance. (Presenters included: Abadir (Imperial), Talmain (Glasgow), Hommes (Amsterdam), Manzini (St Andrews), Mariotti (St Andrews), Honkapohja (Bank of Finland), Amir (Arizona), Maskin (IAS, Princeton), and Feddersen (Northwestern)).
- PhD training workshop on The identification and treatment of outliers using Stata: advanced methods (Verardi, ECARES, Brussels)
- Workshop on DSGE Modelling: “The Science and Art of DSGE Modelling: Construction, Calibration, Estimation and Policy Exercises” (Paul Levine, Surrey et al)
See section 5.5 for further details.

3.5.8 In addition to the opportunities to present their research at SIRE conferences and workshops, and obtain feedback from eminent visitors, PhD students have also benefited from SIRE support to present their research at major international conferences.

Part 4: SIRE Appointments

Senior Appointments

- 4.1 Two new senior appointments have been made over the reporting period: Liam Delaney to the SIRE Chair at Stirling, filling the vacancy created by the departure of Sascha Becker; and Tatiana Kirsanova to a SIRE Chair at Glasgow, filling the remaining vacancy arising from the departures of Guido Cozzi and Klaus Wälde.
- 4.2 *Liam Delaney* was previously senior researcher and Deputy Director of the University College Dublin Geary Institute, as well as lecturer in Economics jointly between the UCD School of Economics and the UCD School of Public Health and Population Sciences. In 2009, he was awarded the Barrington Medal of the Statistical and Social Inquiry Society of Ireland. In 2010 he was awarded a Fulbright Fellowship and Princeton Center for Health and Well-Being fellowship for work on historical determinants of health and well-being in the Irish Republic. At the Geary Institute, he was responsible for a number of key studies including the Irish Universities Study and the Survey of Health Aging and Retirement in Europe. He has worked on topics in three main areas: survey measurement of subjective economic constructs; determinants of health and well-being; and the determinants of time preferences. He has published widely in academic journals such as *Journal of Health Economics*, *Journal of Royal Statistical Society Series A*, *Journal of European Economic Association*, *Economic Inquiry*, *Journal of Economic Psychology*, *Economics of Education Review*; *Health Psychology and Emotion*. He has substantial experience of working with policymakers and media, mentoring students and researchers and managing large-scale projects. He has interdisciplinary interests, which span, inter alia, psychology, neuroscience and medicine. Liam Delaney is already making a substantive leadership contribution to SIRE, by taking over as the Director of the SGPE PhD Programme.
- 4.3 *Tatiana Kirsanova* previously held positions at the University of Exeter and the National Institute of Economic and Social Research, London. She holds degrees from the Moscow State University, LSE (MSc) and the University of Oxford (D.Phil). She was a Houbton-Norman/George Fellow at the Bank of England in 2007. Her main research interests are in macroeconomic control policy, monetary and international economics, and computational economics. She has published in, inter alia: the *Economic Journal*, *European Economic Review*, *B E Journal of Macroeconomics*, *Journal of Money Credit and Banking*, and *Economic Letters*.
- 4.4 The final SIRE Chair at Edinburgh is, at the time of writing, under offer. The recipient of the offer is a rising star currently holding a position at a leading US university. We hope for a positive outcome, and remain determined not to compromise on quality. A strategy that has strong support from the IAB, despite the delay that has arisen in filling this position.
- 4.5 A further vacancy at senior level has arisen with the resignation in August 2011 of Hans Hvide from a SIRE Chair at Aberdeen to take up a Professorship at the University of Bergen, Norway. Hans will, however, hold a part time appointment at Aberdeen, so will be retaining his links with Aberdeen and SIRE. A full SIRE Chair replacement will be advertised shortly.

Table 4.1 SIRE Senior Post-holders as of 30.09.2010

Programme	University	Appointee
BIC	Edinburgh (5)	José V (Sevi) Rodriguez Mora Maia Güell Ed Hopkins Mike Elsby (started Dec 2010) 1 vacancy (under offer Sept 2011)
	Heriot Watt (1)	Tooraj Jamasb
WW	Aberdeen (2 + 1 initially converted from L to P, recently replaced by R)	<i>Hans Hvide</i> (resigned Aug 2011, moving to fractional post at Aberdeen; full SIRE replacement to be advertised Autumn 2011) Miguel Costa-Gomes Ramses Abul Naga (Reader)
	Stirling (1)	<i>Liam Delaney</i> (from Sept 2011, replacing Sascha Becker).
	Dundee (1) (P converted to R + RF)	Arnab Bhattacharjee (Reader – for Research Fellow, see junior posts below)
MFLR	Glasgow (3)	Gabriel Talmain Charles Nolan <i>Tatiana Kirsanova</i> (started September 2011)
	St Andrews (3)	Rod McCrorie Paola Manzini Marco Mariotti George Evans ²
	Strathclyde (2)	Gary Koop Bernard Fingleton

² Part-time 0.2 FTE

Junior Appointments

- 4.6 The vacant SIRE Lectureships at Edinburgh, arising from the departures of Olga Gorbachev and Jakub Steiner, have been filled by Robert Zymek and Anikó Bíró, who took up their posts in September 2011.
- 4.7 Robert Zymek obtained his MSc and PhD in Economics from Universitat Pompeu Fabra in Barcelona. His research interests are International Economics and Macroeconomics. His work to date explores the interplay between international goods trade and international capital flows, and the role of country risk in shaping the patterns of both.
- 4.8 Anikó Bíró holds a PhD in Economics from the Central European University, Budapest. Her research interests are applied econometrics, health economics, labour and demographic economics.
- 4.9 The SIRE Research Fellow position at Dundee, created to complement the appointment at Readership level to the SIRE senior post, has been filled by Shaolin Wang. Shaolin received her Ph.D. in Economics at the University of Dundee in 2010. Her research interests are in Health Economics, Labour Economics, Applied Econometrics and Economic Evaluation. She has studied economic influences on the migration decision of health professionals and their impacts on the host country in terms of service delivery and retention. Currently, she is working on economic evaluations of healthcare interventions using NHS administrative data.
- 4.10 Lise Tole, who temporarily left the SIRE Lectureship she held at Strathclyde, has returned to fill the vacancy left by her departure.

Table 4.2 SIRE Junior Post-holders as of 30.09.2010

Programme	University	Appointee
BIC	Edinburgh (4)	Tatiana Kornienko Kohei Kawamura <i>Robert Zymek</i> (from Aug 2011 – replacing Gorbachev) <i>Anikó Bíró</i> (from Aug 2011 – replacing Steiner)
	Heriot-Watt (1)	Philippe LeMay-Boucher
WW	Stirling (1)	Ian Lange
	Dundee (2)	Dennis Petrie Andrzej Kwiatkowski (from January 2010) <i>Shaolin Wang</i> (Research Fellow)
	Aberdeen (2 – minus 1 converted to P)	Silvia Mendolia (from Jan 2010 to June 2011; lectureship to be advertised Autumn 2011)
MFLR	Glasgow (3)	Luis Angeles Céline Azémar Iona Moldovan
	Strathclyde (2)	Lise Tole (rehired from Sept 2011) Rodolphe Desbordes (Promoted to Senior Lecturer)
	St Andrews (3)	Fabio Arico Gonzalo Forgues-Puccio Vacancy

Part 5: SIRE events, activities and achievements

5.1 SIRE Centre

5.1.1 Major events during reporting period

SIRE Forum for Young Researchers

18th September 2010 Rosemarie Nagel (Barcelona)

The event was organised by Juergen Bracht (Aberdeen) and Ed Hopkins (Edinburgh) and took place at the University of Edinburgh. The programme incorporated 3 main sessions:

- Tatiana Kornienko (Edinburgh) "How Long is a Piece of String? A Theory of Reference-Dependent Utility";
- Rosemarie Nagel (Barcelona) Masterclass, Part One "Four Treasures in Experimental Economics";
- Rosemarie Nagel (Barcelona) Masterclass, Part Two "Things to do in Neuro-economics".

As well as providing extensive opportunities for more informal discussion and networking. The event attracted 17 registered participants, from the Universities of Edinburgh, Heriot-Watt, St Andrews, Glasgow, Aberdeen and Strathclyde.

29th October 2010 – Aberdeen

The event was organised by Juergen Bracht (Aberdeen). It comprised three main presentations:

- Fabio R Arico (St. Andrews) "Two-sided endogenous heterogeneity and matching frictions. Subsidise technology or skills?"
- Giuseppe De Feo (Strathclyde) "Tax Competition for FDI and Undesired Effects of the Non-Discrimination Principle".
- Simon Gaechter (Nottingham) "Do Incentives destroy voluntary cooperation?"

The event attracted 17 participants from Heriot-Watt, Aberdeen, Edinburgh, St Andrews, Strathclyde and Glasgow

18th February 2011 – Heriot-Watt

The event was organised by Atanas Christev (Heriot-Watt). The programme comprised three main presentations:

- Jonathan Thomas (Edinburgh) "The wages of new hires over the business cycle"
- Almos Taleydy (CEU Budapest and Hungarian Academy of Sciences) "FDI and Wages: Evidence from Hungary using LEED"
- Ioana Moldovan (Glasgow) "The Stabilizing and Distributional Effects of Automatic Stabilizers"

The event attracted 15 participants from Heriot-Watt, Edinburgh, Glasgow and Napier.

11th March 2011 – Heriot-Watt

The event was organised by Philippe Le May Boucher (Heriot-Watt). The programme comprised three main presentations:

- Bereket Kebede (East Anglia) ‘Of love and deadly sins: Experimental games in development research’
- Silvia Mendolia (Aberdeen) ‘Maternal working hours and the well-being of adolescent children’
- Dennis Petrie (Dundee) ‘When to Quit Under Uncertainty? A real options approach to smoking cessation’

There were 12 participants from the Universities of Dundee, Aberdeen, Napier, Heriot-Watt and Edinburgh.

3rd May 2011 – Glasgow



The event was organised by Celine Azemar (Glasgow) and focused on Globalisation, FDI and Trade. The programme comprised three main presentations:

- Michael Devereux (Oxford), “Options for taxing banks after the crisis”
- Giuseppe de Feo (Strathclyde), “Is competition for FDI bad for regional welfare?”
- Yin Zhang (Dundee), “Trade, growth and the environment”

There were 27 participants from the Universities of Glasgow, Strathclyde, Dundee, St Andrews and Edinburgh.

SIRE Econometrics Workshop



“Models and Methods in Contemporary Econometrics” 28th April 2011

The April Workshop in this series was organised by Rod McCrorie and hosted at St Andrews. Keynote speakers were: Andrew Harvey (Cambridge), Stephen Pollock (Leicester and QMUL), Werner Ploberger (University of Washington in St Louis) and Tommaso Proietti (Università di Roma “Tor Vergata”), with three additional presentations from ‘young econometricians’. There were 25 participants drawn from the Universities of St Andrews, Strathclyde, Dundee and Edinburgh, along with an invited ‘young econometrician’ presenter from LSE.

SIRE-Scottish Government Joint Policy Forum

8 October 2010 – Internationalisation

The forum, held in the University of Edinburgh, focused on “Internationalisation: Challenges and Opportunities for SMEs”. The session commenced with an introduction by Graeme Roy (Scottish Government) . This was followed by three presentations:

- Jonathan Slow (Scottish Development International, SDI) The role of SDI in the Internationalisation of Scottish SMEs.
- Catia Montagna (Dundee) Internationalisation: challenges and opportunities for SMEs – An overview from theory.
- Holger Görg (Kiel) Internationalisation – What do the data tell us?

And a lively discussion.

The success of this event prompted a follow up round table on this topic at the SIRE-City Councils round table – see below for further details.

30th March 2011 – Education



The forum, held in the University of Edinburgh, brought together senior officials from the Scottish Government engaged in school education policy and key SIRE economists with relevant research interests. It provided a valuable opportunity for open discussion and academic challenge on key issues surrounding schools in Scotland. The Forum commenced with an introduction by John Ireland (Scottish Government), followed by a broad overview of Scottish education – “What’s Distinctive about Scottish Education” – by Colin MacLean (Scottish Government). Simon Burgess (Bristol, Director of the Centre for Market and Public Organisation) then gave a masterful and wide-ranging overview of “Evidence from Elsewhere”. The presentations were followed by very lively group discussions on issues around governance and performance management, and how they may contribute to delivery of outcomes.

SIRE-City Councils Round Table



Following up the successful Round Table on ‘Productivity’ held in June 2010, a further Round Table on “Internationalisation and SMEs” was held on January 18th 2011 at the University of Edinburgh. The event brought together representatives of local government and the business community from both Edinburgh and Glasgow with economists from SIRE (Dundee, Strathclyde, Glasgow, West of Scotland and Edinburgh) and the Scottish Government. Prof Catia Montagna from the University of Dundee gave the keynote presentation on the challenges and opportunities of Internationalisation for SMEs, followed by a briefer presentation by Jonathan Slow of Scottish Development International (SDI). The presentations were followed by a facilitated discussion where representatives from local government and the business community (Edinburgh and Glasgow City Councils, Scottish Government, Scottish Enterprise, Glasgow Edinburgh Collaboration Initiative, SQW) were invited to feed in their perspectives on current trends and challenges faced with regard to Internationalisation.

David Hume Institute and SIRE – Danny Blanchflower Lecture

SIRE colleagues have continued to be regular participants, as presenters, discussants and audience members, in the David Hume Institute seminar series, which attracts a wide-ranging and influential audience from academic, public and private sectors. SIRE participation is actively encouraged by the DHI, under the Directorship of Jeremy Peat. Following on from the successful SIRE-sponsored lecture by Tim Besley in 2009, SIRE sponsored a further lecture in the 2010 Autumn Seminar Series of the DHI, by Professor David (Danny) Blanchflower on “The Economics of Wishful Thinking”. The lecture, chaired by Professor Brian Main, took place on 18th October 2010 at the Royal Society of Edinburgh.

Danny Blanchflower is the Bruce V Rauner Professor of Economics at Dartmouth College and a part-time Professor at the University of Stirling. He was an external member of the Bank of England’s Monetary Policy Committee from 2006-09. His lecture provided a characteristically thought-provoking critique of the timing and scale of the fiscal consolidation measures outlined by the UK’s coalition government.

SIRE Public Lecture Grzegorz Kolodko 16th May 2011



SIRE hosted a public lecture by Greg Kolodko on 16th May 2011. The lecture was on the theme of “Truth, Errors and Lies: Politics and Economics in a Volatile World”, the subject of his latest book recently published by Columbia University Press. Greg Kolodko was Poland’s deputy prime minister and minister of finance from 1994 to 1997 and from 2002 to 2003 and is now professor of Political Economy at Kozminski University in Warsaw. The lecture, which was followed by a reception, drew a wide-ranging interdisciplinary audience.

Development Studies Association Scotland Mini Conference –20th May 2011

The Conference, organised by Dr Sushil Mohan ably supported by a team of research students, was held in the University of Dundee. The full day Conference was co-sponsored by SIRE and the DSA. There were 25 participants drawn from the Universities of Dundee, Strathclyde, Aberdeen, Glasgow, St Andrews and the West of Scotland, as well as the Scottish Agricultural College, the Scottish Government’s International Development Team and the Scottish Catholic International Aid Fund (SCIAF). Presentations were given by a mix of senior and junior researchers, including research students, and generated lively discussions.

5.2 Behaviour, Incentives and Contracts (BIC)

5.2.1 Major events during the reporting period

Paul Seabright in Scotland 10th-13th October 2010

In October 2010 we were pleased to welcome Paul Seabright, Professor of Economics at the Toulouse School of Economics and a research fellow of CEPR for a four day visit. Professor Seabright is an expert on the economics of regulation as well as having wide-ranging interests, well reflected by his stimulating book "The Company of Strangers: A Natural History of Economic Life" (Princeton University Press, 2010).

SIRE organised a series of talks during Professor Seabright's visit:

- "Rational Crowd-Pleasing and Democratic Accountability" seminar presentation, St Andrews.
- "Bailing out the Banks: Reconciling Stability and Competition An analysis of state-supported schemes for financial institutions". Presentation and discussion with Scottish Government economists, Victoria Quay, Edinburgh. This event, which was followed by a buffet lunch, attracted a large audience and generated a lively and productive discussion.

The visit culminated in a BIC mini-conference on "Trust" on 13th October, organised by Ed Hopkins, and held at the University of Edinburgh. At the conference there were presentations by:

- Paul Seabright (Toulouse) "Smiling is a Costly Signal of Cooperation Opportunities: Experimental Evidence from a Trust Game"
- Keith Stenning (Edinburgh) "Framing Problems: a Psychologist Looks over the Economic Fence"
- Dave Perrett and Milena Dzhelyova (St Andrews) "Trust and Faces"
- Jürgen Bracht (Aberdeen) "Trusting Your Sources"

As well as these more formal events, there were more informal opportunities for PhD students and others to discuss their work with Professor Seabright.

Mini-conference: Hume's Influence on Economics: New Perspectives June 16th 2011



This mini-conference, hosted by Edinburgh, was arranged to celebrate the 300th anniversary of David Hume's birth. It was co-organised by Ed Hopkins, Tatiana Kornienko (Edinburgh) and Alan Kirman (GREQAM, Marseilles). The one day event was organised around four keynote sessions:



- Ken Binmore (UCL and Bristol) “David Hume: Grandfather of Modern Economics?”
- Carl Wennerlind (Barnard) “Hume on Money, Trade, and the Science of Economics”
- Alan Kirman (GREQAM, Marseille) “Hume empathy and economics.”
- Peter Sinclair (Birmingham) “What would Hume make of our current theories and our current economic predicament?”



The presentations were thought-provoking and stimulated lively discussion which, among other things, shed interesting light on aspects of modern economic analysis. The conference attracted a wide range of participants. There were over 50 registered attendees and a number of others who turned up on the day. SIRE participants were drawn from the Universities of Edinburgh, Glasgow, Strathclyde, Aberdeen, Napier, Glasgow Caledonian, West of Scotland, and Stirling. There were also an encouraging number of participants from further afield, both geographically (e.g. Tokyo, NYU, Oxford, Heidelberg), in terms of discipline (Philosophy, Politics, Business School), and sector (the private sector as well as academia).



PhD – Workshop Series in Advanced Quantitative Methods in Economics & Finance (7 sessions, held between November 2010 and April 2011).

The sessions included presentations on BIC-related themes from leading international researchers, including Professors: Maskin (IAS, Princeton), Amir (Arizona), Manzini (St Andrews), Mariotti (St Andrews), Feddersen (Kellogg, Northwestern). See section 5.5 for further details.

5.2.2 Other seminar highlights in the reporting period include:

Gregory Clark (UC Davis; seminars at Edinburgh and Glasgow)
Regression to Mediocrity? Surnames and Social Mobility in England, 1200-2009

V. Bhaskar (UCL)
Marriage as a rat-race: Noisy pre-marital investments under assortative matching

Francisco Pérez-González (Stanford)
Risk Management and Firm Value: Evidence from Weather Derivatives

Guillaume Haeringer (UAB)
Learning to match

Rabah Amir (University of Arizona)
Seminars in St Andrews, Aberdeen and Strathclyde
Network Effects, Market Structure and Industry Performance

Gábor Virág (University of Rochester)
Auctions in Markets: Common Outside Options and the Continuation Value Effect

Serguei Maliar (Hoover Institution, Stanford)
A cluster-grid projection method: solving problems with high dimensionality

Joel Shapiro (Saïd Business School, U. of Oxford)
Ratings Quality over the Business Cycle

Esther Hauk (LSE)
Civil War and Foreign Influence

Luis Santos-Pinto (Université de Lausanne)
Labour Market Signalling with Overconfident Workers.

Bill Morrison (Wilfrid Laurier University)
Loss aversion, inter-temporal choice and behavioural foundations of financial decisions

Chris Timmins (Duke University)
Hedonic Prices and Implicit Markets: Consistent Estimation of Marginal Willingness to Pay for Differentiated Products Without Exclusion Restrictions

Albert Marcet (LSE)
Recursive Contracts

Tim Feddersen (Kellogg School of Management)
Seminars in Edinburgh and St Andrews
Revealed Preferences and Aspirations in Warm Glow Theory

Ingela Alger (Carleton University)
A generalization of Hamilton's rule

Antonia Díaz (Universidad Carlos III de Madrid)
A Theory of Energy Use

Nicolas Trachter (EIEF, Rome)
The Optimum Quantity of Money with Borrowing Constraints

Emre Ozdenoren (LBS)
Trading Frenzies and their Impact on Real Investment

Omer Moav (Jerusalem)
Seminars in Edinburgh, Aberdeen and Glasgow
Transparency, Appropriability and the Early State

Francesco Caselli (LSE)
Diversification through Trade

5.2.3 Recent major achievements and impacts include:

John Moore (Edinburgh), together with his co-author Nobuhiro Kiyotaki, won the Stephen A. Ross Prize in Financial Economics for their paper “Credit Cycles”.

Miguel Costa-Gomes (Aberdeen) will participate as a team member in the €1.22 million European Research Council Starting Grant awarded to Georg Weizsäcker at UCL.

Marco Mariotti (St Andrews) was awarded a grant for the project “Bounded rationality and welfare economics”, value £44,974, funded by the Leverhulme Trust. The grant runs from September 1st 2011 to 31st August 2012

David Ulph’s (St Andrews) ESRC grant for £137,054 to study “Optimal enforcement and decision structures for competition policy”, which started on 1st January 2010 continues to run until 31st December 2012.

John Moore’s 5- year European Research Council Advanced Grant of 1.6 million euros, announced in the 2009 SIRE Report, continues. The award is for his study of “Money, Liquidity and the Aggregate Economy”, building on his recent work with Nobuhiro Kiyotaki (Princeton). Only 48 such grants were awarded across Europe in Humanities and Social Sciences.

David Ulph’s (St Andrews) ESRC grant for £76,934 to study “Business, Taxation and Welfare”, which started on 1st October 2008 continues to run until 30th September 2012.

Professor Tooraj Jamasb (Heriot-Watt) was awarded a grant £245,000 from the European Commission for a research project on "SESAME: Securing the European Electricity Supply Against Malicious and Accidental Threats". The grant runs from 1st January 2011 to December 31st 2013.

Philippe Le May Boucher (Heriot-Watt) was awarded a grant of £14,729 by the Nuffield Foundation. The grant runs from 1st October 2011 to 1st December 2012.

Research by Kohei Kawamura (Edinburgh) was featured in “Online customer reviews – they're not all they're cracked up to be”, *The Observer*, Sunday 26 June 2011.

Research by Santiago Sanchez Pages (Edinburgh) was featured in “Are beautiful people 'selfish by nature'?", *The Observer*, 14 Aug 2011.

Martin Fransman (Edinburgh) was invited as an expert speaker to participate in an Experts Meeting on *Policies in Support of High-Growth Innovative SMEs* organised by the European Commission’s INNO-Grips Programme (Global Review of Innovation Policy Studies), Brussels, 1 February 2011. This programme is one of 7 flagship programmes, which form the basis for the Commission’s long term strategy, *Europe 2020*. During his visit Martin had discussions with several leading European Commission policy-makers.

One month after the Japanese earthquake, tsunami and nuclear crisis Martin Fransman (Edinburgh) visited Tokyo to present an invited lecture to the *Japan Techno-Economics Society* (JATES). Established in 1966 the objective of JATES is to research trends in future technological revolutions and to present visions of future society. JATES’s membership consists of 150 of Japan’s leading corporations from all sectors of the economy. JATES has over 1,000 individual members, many of whom are the Chief Technology Officers (CTOs) in major Japanese companies. The title of Martin’s lecture was, ‘The Japanese Paradox and what Japan needs to do to survive and thrive in the evolving global economy’.

John Moore (Edinburgh) gave the Presidential Address to the North American Summer Meeting of the Econometric Society, held at Washington University, St Louis in June 2011.

5.2.5 A selection of major publications in reporting period

Manzini, P. and Mariotti, M., 2011, 'Categorize Then Choose: Boundedly Rational Choice and Welfare', forthcoming in *Journal of the European Economic Association*.

Manzini, P. and Mariotti, M. 2011, 'Choice by lexicographic semiorders', forthcoming in *Theoretical Economics*.

Kohei Kawamura, "A Model of Public Consultation: Why is Binary Communication So Common?", *Economic Journal*, 121(553), 819-842.

Ed Hopkins "Testing the TASP: an Experimental Investigation of Learning in Games with Unstable Equilibria" with Timothy N. Cason (Purdue) and Daniel Friedman (UCSC), *Journal of Economic Theory*, November, 2010, 145, 2309-2331.

Santiago Sanchez Pages "Testosterone, facial symmetry and cooperation in the Prisoners' Dilemma" (joint with Enrique Turiégano). *Physiology & Behavior*, 99(3), 355-361 (2010).

Mike Elsby "Why Does Trend Growth Affect Equilibrium Employment? A New Explanation of an Old Puzzle", with Matthew Shapiro. Forthcoming *American Economic Review*.

Mike Elsby "The Great Recession in the U.K. Labour Market: A Transatlantic Perspective", with Jennifer C. Smith. *National Institute Economic Review*, No. 214, October 2010.

Jozsef Sakovics "Reference distorted prices" *Quantitative Marketing and Economics*, forthcoming.

Jozsef Sakovics "Who matters in coordination problems?" (with Jakub Steiner) *American Economic Review*, forthcoming.

Olga Gorbachev "Did Household Consumption Become More Volatile?" *American Economic Review*, 2011, 101(5): 2248-70.

Ed Hopkins "Job Market Signalling of Relative Position or Becker Married to Spence", forthcoming *Journal of the European Economic Association*.

Ed Hopkins and Tatiana Kornienko "Which Inequality? The Inequality of Endowments Versus the Inequality of Rewards", *American Economic Journal: Microeconomics*, 2010

Feltovich, N., Iwasaki, A. and Oda, S. (2011), "Payoff levels, loss avoidance, and equilibrium selection in games with multiple equilibria: an experimental study", forthcoming, *Economic Inquiry*.

Feltovich, N. and Swierzbinski, J. (2011), "The role of strategic uncertainty in games: an experimental study of cheap talk and unstructured bargaining in the Nash demand game", *European Economic Review* 55, pp. 554-574

Buchheit, S. and **Feltovich, N.** (2011), "Experimental evidence of a sunk-cost paradox: a study of pricing behavior in Bertrand-Edgeworth duopoly", *International Economic Review* 52, pp. 317-347.

Feltovich, N. (2011), "The effect of subtracting a constant from all payoffs in a hawk-dove game: experimental evidence of loss aversion in strategic behavior", *Southern Economic Journal* 77, pp. 814-826.

Hvide, H.K. & Doskeland, T. (2011). 'Do Individual Investors have Asymmetric Information based on Work Experience?'. *Journal of Finance*, vol 66, no. 3, pp. 1.

Le May Boucher, P. (forthcoming) "Rosca Participation in Benin: A Commitment Issue" (with O. Dagnelie) *Oxford Bulletin of Economics and Statistics*.

Amir, R, Halmenschlager, C; **Jin, JY** 2011, 'R&D-Induced Industry Polarization and Shakeouts', forthcoming in *International Journal of Industrial Organization*.

Selvaretnam, G, Rainer, H; **Ulph, D** 2010, 'Assisted Reproductive Technology (ART) in a model of fertility choice', *Journal of Population Economics*. vol 20, no. 3, pp. 1101-1132.

Martins, PS; **Jin, JY** 2010, 'Firm-level social returns to education', *Journal of Population Economics*, vol 23, no. 2, pp. 539-558.

R. Amir, R, **Jin, JY**; Troege, M 2010, 'Robust Results on the Sharing of Firm-Specific Information', *Journal of Mathematical Economics*, vol 46, no. 5, pp. 855-866.

Smith, I; Rainer, H 2010, 'Staying together for the sake of the home?: House price shocks and partnership dissolution in the UK', *Journal of the Royal Statistical Society Series A : Statistics in Society*, vol 173, no. 3, pp. 557-574.

Jennings Colin, Hamlin Alan, (2011) Expressive political behaviour: foundations, scope and implications *British Journal of Political Science*

Jones M. (2011) "External Validity and Libraries of Phenomena: A critique of Guala's Methodology of Experimental Economics" forthcoming in *Economics and Philosophy*

Mohan, S. "Market-based price-risk management: Welfare gains for coffee producers from efficient allocation of resources", Joint with John Struthers, Alan Reeves and Firdu Gemech, *Oxford Development Studies*, 39(1): 49-68

Mohan, S. "Fair Trade without its froth", (2010), *Hobart paper 170*, Institute of Economic Affairs, London

Mohan, S. "Fair Trade and corporate social responsibility" (2009), *Economic Affairs*, 29(4): 22-28

5.3 Work and Well-being (W&W)

5.3.1 Major events during the reporting period

September 15th 2010 SIRE Environment and Energy Economics Workshop

The workshop took place at Heriot Watt University and attracted 18 participants from the Universities of Strathclyde, Stirling, Edinburgh, Dundee, Heriot-Watt and Aberdeen, as well as the Scottish Agricultural College and Queen's Belfast. The four presentations were:

- Karen Turner (University of Stirling), "How do Improvements in Labour Productivity in the Scottish Economy affect the UK Position on the Environmental Kuznets Curve?"
- Yu-Fu Chen (University of Dundee), "Global Warming and Extreme Events: Re-thinking the Timing and Intensity of Environmental Policy"
- Nick Hanley (University of Stirling), "Experienced Utility, Decision Utility and Remembered Utility: A Choice Experiment"
- Corrado Di Maria (Queen's University Belfast), "Efficiency, Environmental Performance and Climate Policy: a Case Study of the EU Public Power Plants"

March 4th 2011 Evaluating Changes in Health Inequalities Workshop: Dundee

The aims of this workshop, organised by Paul Allanson and Dennis Petrie (Dundee) were to disseminate the results and get feedback from a select group of academics, policymakers and health service professionals on a CSO funded project "Development of tools to measure and explain changes in health inequalities in Scotland and benchmark performance". The workshop explained the methods developed in the study, demonstrated their usefulness for evaluating changes in health inequalities in Scotland and provided a forum to discuss future research directions. The programme included:

- Paul Allanson: Introduction to the Longitudinal Analysis of Health Inequalities
- Dennis Petrie: Measuring Health Inequalities
- Paul Allanson: Measuring Changes in Health Inequalities
- Dennis Petrie: Accounting for Deaths
- Paul Allanson: Explaining & Benchmarking Performance in Tackling Health Inequalities
- Group Discussion – where to from here? Chair: Sally Haw, Senior Scientific Adviser, Scottish Collaboration for Public Health Research and Policy

February 2nd 2011 SIRE Environment and Energy Economics Workshop

The workshop took place at Dundee and attracted 15 participants from the Universities of Edinburgh, Stirling, Aberdeen and Dundee, as well as Manchester and Duke. The three presentations were:

- Ian Lange (University of Stirling) An Evaluation of the Combined Heat and Power Partnership: What Power Does it Have?
- David Comerford (University of Edinburgh) Can Lower Quality Energy Resources Substitute for Depleted Higher Quality Resources?
- Prasennjit Banerjee (University of Manchester), Material Interests, Moral Reputation, and Crowding Out: Species Protection on Private Land

SIRE Environment Camp 31st March-1st April 2011



This innovative two day event was organised by Ian Lange and Mirko Moro (Stirling), with support from Peter McGregor (Strathclyde) and Mark Schaffer (Heriot-Watt), and hosted at the University of Stirling. The ‘camp’ was fashioned after a range of workshops run in the U.S. which stimulate research and build community in environmental economics. The Environment Camp feature three keynote talks, two tutorials, and 8 contributed presentations.



The keynote talks and tutorials were:

- Chris Timmins (Duke) “The New Economics of Equilibrium Sorting and its Transformational Role for Policy Evaluation”
- Nick Hanley (Stirling) “Economics of Sustainable Development”
- Richard Green (Birmingham) “How to Reform an Electricity Market (?)”
- Grischa Perino (East Anglia) “Modelling the Impact of Environmental Policy on Innovation” (tutorial)
- Ian Lange (Stirling) “Panel Data Methods for Environmental Economics” (tutorial)



The programme provided researchers the opportunity to share their work and learn about new methods in a relaxed, workshop environment. This setting was facilitated by short, discussion breaks in between presentations and organized walks throughout the local wooded areas. Environment Camp specifically encouraged postgraduate students, post-doctoral fellows, and young researchers to attend and submit their work for presentation. There were no geographical restrictions on attendees or presenters, and the event was promoted elsewhere in the UK. It attracted 41 participants, mostly PhD students, from the Universities of Stirling, Strathclyde, Aberdeen, Edinburgh, Dundee and Heriot-Watt, within SIRE, as well as Leeds, Birmingham, Nottingham, Milan Bocconi, and the Norwegian University of Life Sciences. The feedback from participants was highly positive, and the aim is for this to be an annual event (possibly migrating between Stirling, Birmingham and UEA).

5.3.2 Grant Income during reporting period

PI: A. Kemp (Aberdeen)

Value: £103,000

Funded by: A consortium of Oil Companies together with Scottish Enterprise

Title: NORTH SEA OIL AND GAS ECONOMICS 2010

PI: A. Kemp (Aberdeen)

Value: £124,200

Funded by: A consortium of Oil Companies together with Scottish Enterprise

Title: NORTH SEA OIL AND GAS ECONOMICS 2011

PI: I. Theodossiou (Aberdeen)

Other Economics Investigators at Economics Aberdeen: T. Barmby, D. McCausland, A. Zangelidis and K. Pouliakas.

Value: €1.05 million

Funded by: EU.

Title: HEALTH at WORK -An inquiry into health and safety at work: A European Union perspective

PI: A. Zangelides (Aberdeen)

Other Economics Investigators: H. Dickey (Economics), D. Ikenwilo (HERU) & V. Watson(HERU)

Value: £43,034

Funded by: Chief Scientist Office (CSO)

Title: Eye Care Service in Scotland: Did the Scots Get it Right?

PI: A. Zangelides (Aberdeen)

Value: £7,300

Funded by: Nuffield Foundation

Title: The Incidence of Multiple Job-Holding in the EU

PI: M Cruickshank (Aberdeen)

Other Economics Investigators P McNamee (HERU)

Value: £180,793

Funded By: Chief Scientist Office

Title: The Scottish Cervical Cancer Prevention Programme

PI: A. Ma (HERU)

Other Economics Investigators: D Skatun (HERU), M Sutton (Manchester) Guthrie (Dundee)

Value: £49,132

Funded By: Chief Scientist Office

Title: An examination of changes introduced in the quality and outcomes framework in 2006/07 and their effect on the delivery of primary care in Scotland

PI: M van der Pol (HERU)

Value: £54,647

Funded By: MRC

Title: PhD Studentship: Time preferences for future health events

PI: B Eberth (HERU)

Other Economics Investigators: A Ludbrook & R Hernandez (HERU)

Value: £94,311
Funded By: Chief Scientist Office
Title: Socioeconomic Inequalities in Health & Behaviour: Application of novel approaches to identify human inequality in Scotland and England to inform policy

PI: A Anderson (Dundee)
Other Economics Investigators: A Ludbrook (HERU)
Value: £1,470,694
Funded By: MRC (NPIR Funding)
Title: BeWEL the impact of BodyWEight and physical activity

PI: B Smith (Aberdeen)
Other Economics Investigators: P McNamee (HERU)
Value: £1,058,605
Funded By: MRC
Title: Engaging with older people to develop and deliver interventions for the self-management of chronic pain

PI: A Ludbrook (HERU)
Value: £13,495 (MRC part)
Funded By: MRC Capacity Building Studentship and University of Aberdeen
Title: Economic Analysis of dietary and physical activity behaviours: Consequences for obesity interventions

PI: R Elliott (HERU)
Other Economics Investigators: D Skatun (HERU)
Value: £59,863
Funded By: MRC Capacity Building Studentship
Title: NHS staff skills mix and local labour markets: the role of reward structures, shortages and competition in determining the mix of the NHS workforce

PI: C Mathieson (Aberdeen)
Other Economics Investigators: M Ryan (HERU)
Value: £49,995
Funded By: Chief Scientist Office
Title: Attitudes, Knowledge & Experience of the General Public towards Drug Misuse & Drug Treatment Strategies

PI: C Bond (Aberdeen)
Other Economics Investigators: P McNamee (HERU)
Value: £337,123
Funded By: MRC
Title: Development of practice-based pharmacist-led management of chronic pain in primary care for evaluation by a RCT

PI: G Jones (Aberdeen)
Other Economics Investigators: P McNamee (HERU)
Value: £669,490
Funded By: ARC
Title: Maintained physical activity and physiotherapy in the management of distal arm pain

PI: F Becker (HERU)
Other Economics Investigators: A Ludbrook, B Eberth (HERU)
Value: £58,645
Funded By: MRC Capacity Building PhD Studentship and University of Aberdeen
Title: Economic Analysis of dietary and physical activity behaviours:
Consequences for obesity interventions (MRC Capacity Building PhD)

PI: M D Smith (HERU)
Other Economics Investigators: A Ludbrook (HERU), L Vale (HERU/HSRU)
Value: £261,319
Funded By: Medical Research council, National Prevention Research Initiative
Title: Economic Appraisal of the choice and targeting of lifestyle
Interventions to prevent disease in deprived populations

PI: C Martin (Dundee)
Other Economics Investigators: M van der Pol, A Ludbrook (HERU)
Value: £135,000
Funded By: NHS Health Scotland
Title: An evaluation to assess the effectiveness of “Quit 4 U” a smoking
Cessation service in Dundee combining financial incentives and behavioural support

Frans de Vries (Stirling) £7,828 from the Department for International Development for “Characterising livestock system ‘zoonoses hotspots’. Grant runs from 21st March to 30th April 2011.

David Bell (Stirling) £11,513 from Scottish Government for “Self-directed support evidence base” Grant runs from 5th January to 30th July 2011.

Frans de Vries (Stirling) £1,530 from the Carnegie Trust for “An experimental tatonnement process for voluntary public goods provision”. Grant runs from 18th May to 31st May 2011.

Nicholas Hanley (Stirling) £178,529 from the Leverhulme Trust for “History and the future: predictive power of sustainable development indicators.” Grant runs from 1st October 2010 to 30th September 2013.

Kim Swales, Peter McGregor, Karen Turner and Grant Allan (Strathclyde) are partners in the BioMara, Sustainable Fuels from Marine Biomass project. BioMara is a €6 million joint UK and Irish initiative that aims to demonstrate the feasibility and viability of producing biofuel from marine algae. BioMara has received €4,874,414 from the European Union’s INTERREG IVA Programme, with additional funding from Highlands and Islands Enterprise, the Crown Estate, Northern Ireland Executive and the Irish Government. The role of the Strathclyde-based team is to consider the economic, social and techno-economic aspects of the generation of biofuel from algal biomass (primarily sea weed). The funding for this element of the project is €500 k over three years.

Professor Catia Montagna and Dr Dennis Petrie (Dundee), along with colleagues from the Health Informatics Centre (HIC) and the Centre for Addiction Research & Education Scotland (CARES), have secured funding (£308,469) for the SUMIT project which aims to improve information collection and analysis of drug and alcohol services in Tayside. In Scotland, the national strategies for managing alcohol and drug problems are ambitious and expensive, requiring improved local performance in areas ranging from early intervention for alcohol problems in primary

care to delivery of "Recovery" in illicit substance use. In the substance misuse field, the lack of valid information to support commissioning and service delivery has been identified as a key failing both locally and nationally. National deficits in available information have been shown to be impacting on treatment effectiveness while a dearth of basic local information on need, demand, spend and cost-effectiveness of services has been a driver for significant reform of national delivery and accountability processes in Scotland. The SUMIT project involves working with Tayside alcohol and drug service providers (the statutory and voluntary sector), Tayside Alcohol and Drug service commissioners (NHS Tayside & Local Authorities) and the Tayside Alcohol and Drug Partnerships (ADPs) to help improve alcohol and drug service commissioning and delivery in Tayside.

2011-2014 Chief Scientist Office (CSO), Effective Feedback to Improve Primary Care Prescribing Safety (EFIPPS): a randomised controlled trial using ePrescribing data, £224,512 (Bruce Guthrie, **Dennis Petrie** (Dundee) et al.).

2010-2014 ESRC/MRC Interdisciplinary PhD Studentship, Linking routine health and social datasets to analyse the impact of parental drug use and methadone treatment on child development (Supervisors; Colin McCowan, **Dennis Petrie** (Dundee) and Alex Baldacchino).

2009-2013 Chief Scientist Office (CSO), Data-driven quality improvement in primary care (DQIP), £867,163 (Bruce Guthrie, **Dennis Petrie** (Dundee) et al.).

2010-2012 Swedish Research Council, Estimating the avoidable cost of alcohol consumption in Sweden, 1,350K SEK (Ulf Gerdtham, **Anne Ludbrook (HERU)**, **Dennis Petrie** (Dundee) et al.)

Chief Scientist Office Small Grant CZG/2/451, "Development of tools to measure and explain changes in health inequalities in Scotland and benchmark performance", £49,112. PI: **Paul Allanson** (Dundee) with Ulf Gerdtham (Lund University, Sweden) and **Dennis Petrie** (Dundee): 02/02/2010-31/03/11.

National Institute for Health Research (NIHR) Research for Patient Benefit Programme (2010), "Squamous cell carcinoma Prevention in Organ transplant recipients using Topical treatments (SPOT): a feasibility study.", £249,967. Co-applicant (CI: **Paul Allanson**. (Dundee) 01/11/11-30/10/13.

Dr **Sushil Mohan** along with Prof John Struthers from University of West of Scotland, have secured funding of £7463 (2011) from the British Academy to analyse price-risk management solutions such as futures and options for coffee, cocoa and tea producers & traders, liaise with UNCTAD/FAO in Geneva/Rome and organise an international conference on these issues by 2013.

"Scoping study of the economic impact on the alcohol industry of pricing and non-price policies to regulate the affordability and availability of alcohol in Scotland, NHS (£19,926). PI: **Dennis Petrie** (Dundee), Co-applicants: **Anne Ludbrook** University of Aberdeen, **John Dewhurst**, **Hassan Molana**, **Catia Montagna**, University of Dundee

5.3.3 Recent impacts and knowledge exchange activities include:

Professor Anne Ludbrook (HERU) Papers written by Anne contributed to the Home Office report – ‘The likely impacts of increasing alcohol price: a summary review of the evidence base. Report available at <http://www.homeoffice.gov.uk/publications/alcohol-drugs/alcohol/impacts-alcohol-price-review>

Professor Anne Ludbrook (HERU) – advised AshScotland Policy and Research Officer on the drafting of their report on the societal economic costs of tobacco use in Scotland – *Up in Smoke*. The published report can be viewed at www.ashscotland.org.uk/policy/up-in-smoke

Boyers, D., McNamee, P. and EPIC Team members. Self-Management interventions for older adults with chronic pain - a systematic review of the cost-effectiveness literature. *Life Long Health and Well Being Research Retreat*. Newcastle, October 2010.

Eberth, B. Novel approaches to identifying determinants of health inequality and effective policy responses. *Chief Scientist office workshop on: Measuring, understanding and tackling health inequalities: new insights from Scottish research*. Edinburgh, February 2011.

Ludbrook, A. Economic Appraisal of the Choice and Targeting of Lifestyle Interventions to Prevent Disease in Deprived Populations. *Chief Scientist office workshop on: Measuring, understanding and tackling health inequalities: new insights from Scottish research*. Edinburgh, February 2011.

Ludbrook, A. Cost-effectiveness of tobacco control policies: tax increases and smoking bans. *European Conference on Tobacco or Health*. Amsterdam, March 2011.

Professor Anne Ludbrook (HERU) has been appointed to the NIHR Public Health Research Board.

Prof. Alex Kemp (Aberdeen) has been invited RT Hon. Alex Salmon, First Minister of Scotland, to serve on the Scottish Energy Advisory Board (SEAB)

“Development of standardised methods for analysis of changes in antibacterial use in hospitals from 18 European countries: the European Surveillance of Antimicrobial Consumption (ESAC) longitudinal survey 2000 to 2006”, F. Ansari, H. Goossens, **H. Molana**, P. Davey, *Journal of Antimicrobial Chemotherapy*, 2010, Vol. 65, 2685-2691. Note: H. Molana (Dundee) has worked with the Dundee team on the European Surveillance of Antimicrobial Consumption (ESAC) Project’s Hospital Care Section, Funded by European Centre for Disease Prevention and Control (the Directorate General for Health and Consumer Affairs (DG SANCO) of the European Union). The above publication is in connection with this research.

Ms Oana Olaru, Associate for the Knowledge Transfer Partnership between Economic Studies, University of Dundee and John M Henderson & Co Limited won the "Best KTP Associate Presentation 2010" award at the KTP Scotland Awards Ceremony held on 1 February at the Dunblane Hydro, Dunblane. The Associate presentation highlighted the outcomes that have been achieved with the knowledge exchange activity from the Partnership. The £127,000 project was funded through the

Knowledge Transfer Partnerships (KTP) scheme and its objective was to research and develop a global marketing information system for John M Henderson & Co Limited, a Scottish engineering company based in Arbroath. Prof. Catia Montagna and Dr Sushil Mohan from Economic Studies, School of Business, University of Dundee were the knowledge base partners and the project was successfully completed over the period October 2008 to October 2010.

M. Chatterji (Dundee): FIT FOR PURPOSE: Report of the Remuneration Board of the National Assembly for Wales (This report sets governance procedures, salaries, office holder payments, allowances, etc for the fourth National Assembly of Wales).

M. Chalkley (Dundee) gave evidence to the Justice Select Committee (8 March 2011, reported in "The Role of the Probation Service" Eighth Report of Session 2010-2012, Volume 1, HC519.1)

M. Chatterji (Dundee): Appointed as Economist to the Remuneration Board, National Assembly for Wales, Sep 2010

M. Chatterji (Dundee): Re-appointed to Scottish Solicitors Discipline Tribunal, June 2011

M. Chatterji (Dundee): re-appointed as Chair, National Joint (Negotiating) Council, UK Fire and Emergency Services Mar 2011.

5.3.4 Publications in reporting period include:

Abul Naga, R. (2010). 'Statistical inference for multidimensional inequality indices'. *Economics Letters*, vol 107, no. 1, pp. 49-51.

Battu, H., Zenou, Y. & Seaman, P. (2011). 'Job contact networks and the ethnic minorities'. *Labour Economics*, vol 18, pp. 48-56.

Battu, H. & Zenou, Y. (2010). 'Oppositional Identities and Employment for Ethnic Minorities: evidence from England'. *Economic Journal*, vol 120, no. 542, pp. F52-F71.

Dickey, HS., Watson, V. & Zangelidis, A. (2011). 'Job Satisfaction and Quit Intentions of Offshore Workers in the UK North Sea Oil and Gas Industry'. *Scottish Journal of Political Economy*.

Dickey, HS., Watson, V. & Zangelidis, A. (2010). 'Is it all about money?: An examination of the motives behind moonlighting'. *Applied Economics*.

Pita, CB., **Dickey, HS.**, Pierce, GJ., Mente, E. & **Theodossiou, I.** (2010). 'Willingness for mobility amongst European fishermen'. *Journal of Rural Studies*, vol 26, no. 3, pp. 308-319.

Morris, S., Goudie, R., Sutton, M., Gravelle, H., **Elliott, RF.**, Hole, AR., Ma, AHY., Sibbald, B. & Skåtun, D. (2011). 'Determinants of general practitioners' wages in England'. *Health Economics*, vol 20, no. 2, pp. 147-160.

Hvide, H.K. & Doskeland, T. (2011). 'Do Individual Investors have Asymmetric Information based on Work Experience?'. *Journal of Finance*, vol 66, no. 3, pp. 1.

Ederer, F. and **Pataconni, A.** (2010) 'Interpersonal Comparison, Status and Ambition in Organizations'. *Journal of Economic Behavior & Organization*, Vol. 75 (2), pp. 348-363

Skåtun, J. D. and **Theodossiou** (2011). 'Personnel Decisions, Wage Profiles and Investment in Firms'. *British Journal of Industrial Relations*.

Skatun, JDF. (2010). 'The Death Rate of Smokers and its External Effects'. *Journal of Economic Studies*, vol 37, no. 4, pp. 455-470.

Theodossiou, I. & Pouliakas, K. (2011). 'The Economics of Health and Safety at Work: An Interdisciplinary Review of the Theory and Policy'. *Journal of Economic Surveys*.

Pouliakas, K. & Theodossiou, I. (2010). 'Differences in the job satisfaction of high-paid and low-paid workers across Europe'. *International Labour Review*, vol 149, no. 1, pp. 1-29.

Theodossiou, I. & Economou, A. (2011). 'Poor and Sick: Estimating the Relationship between Household Income and Health'. *Review of Income and Wealth*.

Livanos, I. and **Zangelidis, A.** (2010). 'Multiple Job-Holding Among Male Workers in Greece'. *Regional Studies*.

Doiron, D. and **Mendolia, S.** The impact of job loss on family dissolution. *Journal of Population Economics*.

Maeso, S., Callejo, D., **Hernández, R.**, Blasco, J.A. and Andradas, E. Oesophageal Doppler monitoring during colorectal resection offers cost-effective improvement of haemodynamic control. *Value in Health*.

Mentzakis, E., **Ryan, M.** and **McNamee, P.** Using Discrete Choice Experiments to value informal care tasks: exploring preference heterogeneity. *Health Economics*.

Pol, M. van der. Health, education and time preference. *Health Economics*.

Scalone, L, **Watson, V.**, **Ryan, M.**, Kotsopoulos, N. and Patel, R. Evaluation of Patients' Preferences for Genital Herpes Treatment. *Sexually Transmitted Diseases*.

Scotland, G., Waugh, N., Royle, P., **McNamee, P.**, Henderson, R. and Hollick, R. Denosumab for the prevention of osteoporotic fractures in post-menopausal women: a NICE single technology appraisal. *Pharmacoeconomics*.

Scotland, G., McLernon, D., Kurinczuk, J.K., **McNamee, P.**, Harrild, K., Lyall, H., Rajkhowa, M., Hamilton, M. and Bhattacharya, S. Minimising twins in IVF: a modelling study assessing the costs, consequences, and cost-utility of elective single versus double embryo transfer over a 20 year time horizon. *British Journal of Obstetrics and Gynaecology*.

Brown, H. Marriage, BMI and Wages: A double selection approach. *Scottish Journal of Political Economy*. 2011; 58(3): 347–377.

Craigie, A.M., Caswell, S., Paterson, C., Treweek, S., Belch, J.F., Daly, F., Rodger, J., Thompson, J., Kirk, A., **Ludbrook, A.**, Stead, M., Wardle, J., Steele, R.J.C. and Anderson, A.S. Study protocol for BeWEL: The impact of a BodyWEight and physical activity intervention on adults at risk of developing colorectal adenomas. *BMC Public Health* 2011; 11:(184)

Donaldson, C., Baker, R., Mason, H., Jones-Lee, M., Lancsar, E., Wildman, J., Bateman, I., Loomes, G., Robinson, A., Sugden, R., Pinto, J., Prades, L., **Ryan, M.**, Shackley, P. and Smith, R. The social value of a QALY: raising the bar or barring the raise? *BMC Health Services Research*. 2011; 11:8.

Lanscar, E., Wildman, J., Donaldson, C., **Ryan, M.** and Baker, R. Deriving distributional weights for QALYs through discrete choice experiments. *Journal of Health Economics*. 2011; 30(2): 466-478.

Lourenco, T., Burr, J., Grant, A. and **Vale, L.** The introduction of new interventional procedures in the British National Health Service - a qualitative study. *Health Policy*. 2011; 100(1): 35-42.

Morris, S., Goudie, R., Sutton, M., Gravelle, H., **Elliott, R.**, Hole, A., **Ma, A.**, Sibbald, B. and **Skåtun, D.** Determinants of general practitioners' wages in England. *Health Economics*. 2011; 20(2): 127-252.

Morton, C., Downie, F., Auld, S., Smith, B., **Pol, M. van der.** Baughan, P., Wells, J. and Wootton, R. Community Photo-triage for Skin Cancer Referrals: An Aid to Service Delivery. *Clinical and Experimental Dermatology*. 2011; 36(3): 248–254.

Pol, M. van der. and Cairns, J. Descriptive validity of alternative intertemporal models for health outcomes: an axiomatic test. *Health Economics*. 2011; 20(7): 770–782.

Scotland, G., McNamee, P., Hundley, V., Barnett, C. and Cheyne, H. Women's preferences for aspects of labour management: results from a discrete choice experiment. *Birth: Issues in Perinatal Care*. 2011; 38(1): 36-46.

Tinelli, M., Blenkinsopp, A. and Bond, C., on the behalf of the Community Pharmacy Medicines Management Evaluation Team. Development, validation and application of a patient satisfaction scale for a community pharmacy medicines-management service. *International Journal of Pharmacy Practice*. 2011; 19(3): 144–155.

Yi, D., Ryan, M., Campbell, S., Elliott, A., Torrance, N., Chambers, A., Johnston, M., Hannaford, P. and Smith, B. Using Discrete Choice Experiments to inform Randomised Controlled Trials: an application to chronic back pain management in primary care. *European Journal of Pain*. 2011; 15(5): 531.e1-531.e10.

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Jamasb, T. ed. (2011) *The Future of Energy Demand: Customers, Citizens and Loads* (with Pollitt, M G) Cambridge University Press.

Jamasb, T. (2010) “Issues and Options in Waste Management: a Social Cost-Benefit Analysis of Waste-to Energy in the UK” (with R Nepal) *Resources, Conservation and Recycling*, 54 (12)

Jamasb, T. (2011) “Electricity Sector Liberalisation and Innovation: An Analysis of the UK Patenting Activities” (with M.G. Pollitt) *Research Policy* 40(2)

Selvaretnam, G; Thampanishvong, K 2010, 'Using effluent charges in promoting investment in water pollution control technology: a model of coordination failure among firms', *Environmental Economics*.

Hart, R., Grenet J & Roberts J E. “Above and beyond the call. Long-term earnings effects of British male military conscription in the post-war years.” *Labour Economics*, 18, 2011, 194-204.

Devereux, P L & **Hart R.** “A good time to stay out? Strikes and the business cycle”, *British Journal of Industrial Relations*, 49:S1, 2011, s70-s90.

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- Fullerton, A., Steel, A., **Lange, I.** and Caras, Y. “Effects of Spatial Pattern and Economic Uncertainties on Freshwater Habitat Restoration Planning: a Simulation Exercise”, *Restoration Ecology*, 18:S2, 2010, 354-369
- Montagnoli, A & de Vries, F P**, “Carbon trading thickness and market efficiency”, *Energy Economics*, 32:6, 2010, 1331-1336.
- Aftab A., **Hanley N** and Baiocchi G (2010) “Integrated regulation of non-point pollution: combining managerial controls and economic instruments under multiple environmental targets” *Ecological Economics*, 70, 24-33.
- Torres. C., **Hanley N.** and Riera A. (2011) “How wrong can you be? Implications of incorrect utility function specification for welfare measurement in choice experiments.” *Journal of Environmental Economics and Management*, Volume 62, Issue 1, Pages 111-121.
- Dallimer M., Marini L., Skinner A., **Hanley N.**, Armsworth P and Gaston K.J. (2010) “Agricultural land-use in the surrounding landscape affects moorland bird diversity” *Agriculture, Ecosystems and Environment*. 139; 578-583.
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- Bell, D.N.F.** and Blanchflower, D.G. (accepted: 8-03-2011). ‘Youth Unemployment in Europe and the United States’, *Nordic Economic Policy Review* (forthcoming)
- Bell, D.N.F.** and Blanchflower, D.G. (2011). ‘Underemployment in the Great Recession’, *National Institute Economic Review*, 215, January, R23-R33
- Bell, D.N.F.** and Blanchflower, D.G. (2010). ‘The UK Labour Market in the Great Recession’, *National Institute Economic Review*, 214, October, R3-R25
- Bell, D.N.F** and McVicar, D. (2010). ‘Disability, Welfare and Labour Force Participation of Older Workers in Europe’, *Journal of the Academy of Social Sciences*, 5, No 3

Dennis Petrie, Christopher Doran and Anthony Shakeshaft, 2011, Willingness to pay to reduce alcohol-related harm in Australian rural communities, *Expert Review of Pharmacoeconomics & Outcomes Research*, forthcoming.

Johan Jarl, Ulf-G Gerdtham, **Anne Ludbrook** and **Dennis Petrie**, 2010, On Measurement of Avoidable and Unavoidable Cost of Alcohol: An Application of Method for Estimating Costs Due To Prior Consumption, *Int. J. Environ. Res. Public Health*, Vol 7, p2881-2895.

Paul Allanson, Ulf-G Gerdtham and **Dennis Petrie**, 2010, Longitudinal analysis of income-related health inequality, *Journal of Health Economics*, Vol. 29, Issue 1, p78-86. 3

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Monojit Chatterji, Karen Mumford, Peter N Smith, “The public-private sector gender wage differential in Britain: evidence from matched employee-workplace data’ Forthcoming, *Applied Economics*.

Chalkley, Martin, Colin Tilley, Linda Young, Debbie Bonetti, and Jan Clarkson. 2010. Incentives for Dentists in Public Service: Evidence from a Natural Experiment. *Journal of Public Administration Research and Theory* 20: 207-223.

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Chalkley, Martin and Geoff Stewart. 2011. Trade Liberalisation, Market Structure and the Incentive to Merge. *The World Economy*.

Chalkley, Martin, Jim Rennie, and Colin Tilley. 2011. An analysis of patient expenditure in the GDS in Scotland 1998-2007. *British Dental Journal* 211 (2).

5.4 Macroeconomics Financial Linkages and the Regions (MFLR)

5.4.1 Major events during the reporting period

***Conference on “Currencies and Financial Markets in the Next Financial Crisis”
28th April 2011***



This one day conference hosted by Glasgow, was organised by Gabriel Talmain, and co-funded by SIRE and the Centre for Economic and Financial Studies at Glasgow.

The keynote speakers were:

- Craig Burnside (Duke), “Understanding Booms and Busts in Housing Markets”
- Lucio Sarno (Cass Business School, City University), "Currency Momentum Strategies"

With additional presentations from ‘younger’ researchers:

- Alexandros Kontonikas (Glasgow), “The EMU sovereign-debt crisis: fundamentals, expectations and contagion”
- Udara Peiris (Warwick), “Money and prices in an open economy under uncertainty”

Alex Mandilaras (Surrey), “Trilemma Stability and International Macroeconomic Archetypes in Developing Economies”

The conference attracted 49 registered participants, plus extras who sat in on sessions. Delegates attended from the Universities of Glasgow, Edinburgh, Strathclyde, West of Scotland, Heriot-Watt, Dundee, Sheffield and Robert Gordon. The conference generated lively discussion and valuable opportunities for SIRE-based researchers to discuss their research with the visiting speakers. Additionally, Craig Burnside met with PhD students and individual members of staff on the day after the conference to provide them with feedback on their research.

PhD – Workshop Series in Advanced Quantitative Methods in Economics & Finance (7 sessions, held between November 2010 and April 2011).

The sessions included presentations on macroeconomic and econometric themes from leading international researchers, including Professors: Abadir (Imperial), Talmain (Glasgow), Hommes (Amsterdam), Honkapohja (Bank of Finland). See section 5.5 for further details.

Workshop on DSGE Modelling: “The Science and Art of DSGE Modelling: Construction, Calibration, Estimation and Policy Exercises” 5th to 7th July 2011

The DSGE modelling workshop, organised by Charles Nolan, took place at the University of Glasgow. See section 5.5 for further details.

5.4.2 Other seminar highlights in the reporting period include:

Gregory Clark, University of California Davis (seminars at Glasgow and Edinburgh) 'Regression to Mediocrity? Surnames and Social Mobility in England, 1200-2009'

Joseph Pearlman, London Metropolitan University, 'The Non-Transparency of Timeless Rules', , co-authored with Brian Henry, NIESR

Max Gillman, University of Cardiff, 'Banking Extension of Arrow Debreu'

Sascha Becker, University of Warwick, 'Knocking on Heaven's Door: Protestantism and Suicide', co-authored with Ludger Woessmann, University of Munich

Giuseppe Fontana, Leeds University Business School, 'Financialisation, the "Great Recession" and the Stratification of the US Labour Market', co-authored with Philip Arestis, University of Cambridge and Aurelie Charles, Leeds University Business School

Charles Gore, University of Glasgow/UNCTAD, 'Towards a New International Development Architecture for Least Developed Countries'

Dr Lorenzo Trapani, Cass Business School, 'Testing for instability in covariance structures', co-authored with Chihwa Kao, Syracuse University and Giovanni Urga, Cass Business School/University of Bergamo

Peter McAdam, European Central Bank/University of Surrey, 'Technology, Utilization and Inflation: What Drives the New Keynesian Phillips Curve?'

Chryssi Giannitsarou, University of Cambridge, 'Social structures and human capital dynamics'

David Vines, University of Oxford, Sir Alec Cairncross Lecture 2011: 'The Future of Finance after the Crisis'

Christopher Polk, London School of Economics, 'Hardtimes', co-authored with John Y Campbell and Stefano Giglio, both of Harvard University

Paul Levine, University of Surrey, 'Imperfect Information, Optimal Monetary Policy and the Informational Consistency Principle', co-authored with Joseph Pearlman, London Metropolitan University and Bo Yang, London Metropolitan University and University of Surrey

Michael Dotsey, Vice President and Senior Economic Policy Advisor of the Federal Reserve Bank of Philadelphia (seminars at Glasgow and St Andrews), 'Inflation and Real Activity with Firm-Level Productivity Shocks'

Mikhail Golosov, Yale University, 'Optimal dynamic taxes', co-authored with Maxim Troshkin, University of Minnesota and Aleh Tsyvinski, Yale University

Miguel Costa-Gomes, University of Aberdeen, 'Beliefs and actions in the trust game: creating instrumental variables to estimate the causal effect', co-authored with Steffen Huck, University College London and Georg Weizsacker, London School of Economics

Alexander Chudik (European Central Bank), “Infinite-Dimensional VARs and Factor Models”

Professor Helmut Rainer, Ludwig-Maximilians- Universität, “Sex or the City”

Seppo Honkapohja, Bank of Finland, ‘Growth, expectations and tariffs’

Erik Maskin, (Institute for Advanced Study Princeton) 'How Should Members of Parliament Be Elected?'

5.4.3 Recent major achievements and impacts include:

PI: D. Psautopoulos (University in Patras)

Other Economics Investigators: **E. Phimister** (Aberdeen) (Co-holder Deb Roberts (Aberdeen))

Value: €200,000, (Aberdeen share 60000 Euro)

Funded by: EU via IPTS

Title: Ex-ante Spatial Policy Impact Analysis of the RDR in European Rural Areas (RURAL ECMOD)

Alan Sutherland (St Andrews) was awarded £285,762 from the ESRC for research on “The Macroeconomics of Financial Globalisation”. The grant runs from May 1st 2011 to 30th April 2015.

K. Mitra (St Andrews) was awarded £105,776 from the May and Stanley Smith Trust for the period 1st February to 31st October 2011.

K. Mitra (St Andrews) was awarded £211,605 from the ESRC for research on “Macroeconomic policy changes and adaptive learning”. The grant runs from 1st October 2010 to 30th September 2013.

Gary Koop (Strathclyde) has been awarded an ESRC grant of £325,000 for a research project on 'Macroeconomic forecasting in turbulent times'. The research grant covers the period from October 2010 to September 2013. Traditional forecasting procedures can perform poorly, particularly in times of rapid change. This research will develop new forecasting methods which should, in theory, work well in such times. In a series of empirical forecasting exercises, these new methods will be compared to traditional alternatives.

Stephan Heblich's (Stirling) research 'The Phantom of the Opera: Cultural Amenities, Human Capital, and Regional Economic Growth' was discussed in the New York Times

Bernard Fingleton (Strathclyde) has been elected a Fellow of the Regional Science Association International.

Sushil Mohan’s (Dundee) monograph "Fair Trade Without the Froth: A Dispassionate Economic Analysis of Fair Trade" attracted lot of media response in the Financial Times, the Independent, the Daily Mail, the Daily Telegraph and the Guardian. It was discussed on BBC Radio 4's Today programme; and on BBC Leeds; BBC Manchester; BBC Radio Scotland; and BBC Radio 5.

5.4.4 Publications in reporting period include:

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Angelopoulos, K., Economides, G. and Vassilatos, V. (2011) 'Do institutions matter for economic fluctuations? The role of weak property rights in a Real Business Cycle model for Mexico.' *Review of Economic Dynamics*, 14 (3). Pp. 511-531. ISSN 1094-2025.

Angelopoulos, K., Malley, J. & Philippopoulos, A. (2011b) 'The welfare implications of resource allocation policies under uncertainty: The case of public education spending'. *Journal of Macroeconomics*, 33(2), 176-192.

Angelopoulos, K., Malley, J. & Philippopoulos, A. (forthcoming) 'Tax structure, growth and welfare in the UK'. *Oxford Economic Papers*.

Cerrato, M., Kim, H. and MacDonald, R. (2010) 'Three-regime asymmetric STAR modeling and exchange rate reversion.' *Journal of Money, Credit and Banking*, 42 (7). pp. 1447-1467. ISSN 0022-2879.

Cerrato, M., Sarantis, N. & Saunders, A. (2011) 'An investigation of customer order flow in the foreign exchange market'. *Journal of Banking and Finance*, 35(8), 1892-1906.

Cerrato, M., de Peretti, C. & Stewart, C. (forthcoming-a) 'Is the consumption-income ratio stationary? Evidence from linear and nonlinear panel unit root tests for OECD and non-OECD countries'. *The Manchester School*.

Cerrato, M., Kalyoncu, H., Naveed, N. & Tsoukis, C. (forthcoming-b) 'Industrial production and the intertemporal approach to the current account'. *The World Economy*.

Cerrato, M. & Sarantis, N. (forthcoming) 'Nonlinear mean reversion in black market real exchange rates'. *Economics Bulletin*.

Chen, X. & Mills, T. C. (forthcoming) 'Measuring the Euro Area Output Gap using Multivariate Unobserved Components Model Containing Phase Shifts'. *Empirical Economics*.

Knight, J. and **Ding, S.** (2010) 'Why does China invest so much?' *Asian Economic Papers*, 9 (3). pp. 87-117. ISSN 1535-3516.

Ding, S. & Knight, J. (2011) 'Why has China Grown So Fast? The Role of Physical and Human Capital Formation'. *Oxford Bulletin of Economics and Statistics*, 73(2), 141-174.

- Harris, R.** & Trainor, M. (2011) 'A matching analysis of why some firms in peripheral regions undertake R&D whereas others do not'. *Economics of Innovation and New Technology*, 20(4), 367-385.
- Harris, R.** (2011, in press) 'Models of regional growth: past, present and future'. *Journal of Economic Surveys*.
- Harris, R.** & Li, Q.C. (2011, in press) 'Participation in export markets and the role of R&D: establishment-level evidence from the UK Community Innovation Survey 2005'. *Applied Economics*.
- Harris, R.,** Li, Q.C. & **Moffat, J.** (2011, in press) 'The impact of higher education institution-firm knowledge links on firm level productivity in Britain'. *Applied Economics Letters*.
- Harris, R.** & Li, Q. C. (forthcoming) 'Determinants of Firm Exit from Exporting: Evidence for the UK'. *International Journal of Economics and Business*.
- Harris, R.,** Li, Q. C. & **Moffat, J.** (forthcoming-a) 'The Impact of Higher Education Institutional-Firm Knowledge Links on Establishment Level Productivity in British Regions'. *Manchester School*.
- Harris, R.,** **Moffat, J.** & Kravtsova, V. (forthcoming-b) 'In Search of 'W''. *Spatial Economic Research*.
- Gregoriou, A., **Kontonikas, A.** & Montagnoli, A. (2011) 'Euro area inflation differentials: unit roots and nonlinear adjustment'. *Journal of Common Market Studies*, 49(3), 525-540.
- Bagdatoglou, G. & **Kontonikas, A.** (forthcoming) 'A new test of the real interest rate parity hypothesis: Bounds approach and structural breaks'. *Review of International Economics*.
- Haruyama, T. & **Leith, C.** (2010) 'Unemployment and the productivity slowdown: an efficiency wage perspective.' *Japanese Economic Review*, 61(3), 301-319.
- Leith, C.** & Wren-Lewis, S. (2011) 'Discretionary policy in a monetary union with sovereign debt'. *European Economic Review*, 55(1), 93-117.
- Ali, F., Fiess, N. & **MacDonald, R.** (2011) 'Climbing to the top? Foreign direct investment and property rights'. *Economic Inquiry*, 49(1), 289-302.
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- Kabango, G. & **Paloni, A.** (forthcoming) 'Financial liberalization and the industrial response: Concentration and entry in Malawi'. *World Development*.

Karathanassis, G., **Sogiakas, V.** & Spilioti, S. (forthcoming) 'The EMU integration structure and the spillover dynamics towards the IAS harmonization'. *Journal of Economic Integration*.

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Subramanian, A. & Qaim, M. (forthcoming) 'Interlocked Village Markets and Trader Idiosyncrasy in Rural India'. *Journal of Agricultural Economics*.

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"Foreign Direct Investment, Tax Competition and Social Expenditure", H. Görg **H. Molana**, and **C. Montagna**, *International Review of Economics and Finance*, 18, 31–37.

"Understanding Spatial Diffusion with Factor-Based Hedonic Pricing Models: The Urban Housing Market of Aveiro, Portugal" (**A Bhattacharjee**, E.A. de Castro and J.L. Marques), Forthcoming: *Spatial Economic Analysis*.

"Structural Interactions in Spatial Panels" (**A Bhattacharjee** and S. Holly), 2011, *Empirical Economics* 40(1), *Special issue on Panel Data Econometrics*, 69–94.

"Partial Orders with respect to Continuous Covariates and Tests for the Proportional Hazards Model", **A Bhattacharjee**, 2011, *Journal of Statistical Planning and Inference* 141(1), 243–261.

"Rational Partisan Theory, Uncertainty and Spatial Voting: Evidence for the Bank of England's MPC" (**A Bhattacharjee** and S. Holly), 2010, *Economics and Politics* 22(2), 151–179.

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5.5 Scottish Graduate Programme in Economics (SGPE) PhD Programme

SIRE Environment Camp 31st March-1st April 2011-10-02



This innovative two day event was organised by Ian Lange and Mirko Moro (Stirling). See section 5.3.1 for further details.

*Economics Panel Data Masterclass and Workshop, Frank Windmeijer (Bristol)
27th and 28th September 2010*

Co-organised by Juergen Bracht (Aberdeen) and Shona Christie (Aberdeen, HERU). Professor Frank Windmeijer (Bristol) gave a valuable series of panel data masterclasses covering:

- Instrumental Variables, GMM, Genetic markers
- Introduction to Panel Data Methods, Pharmaceutical promotional expenditure, Wellbeing and divorce
- Dynamic Panel Data Models, Arellano-Bond GMM, Smoking, Waiting times and hospital performance
- Dynamic Panel Data Models, Weak Instruments, Blundell-Bond System GMM, Production function estimation
- Non-linear GMM, Cigarettes and birth weight
- Non-linear Panel Data models, Wages and demand for health
- Random coefficients versus latent class models, Demand for health care.

In addition to the masterclasses themselves, there was the opportunity to discuss the implementation of the Arellano-Bond GMM estimator in standard software packages, and issues emerging from students' research projects.

The event attracted 20 participants.

PhD – Workshop Series in Advanced Quantitative Methods in Economics & Finance (7 sessions, held between November 2010 and April 2011).

This is the third year of this valuable series of PhD Workshops, organised by Laurence Lasselle, St Andrews. The series has grown in scope and scale, with this year's series encompassing 7 sessions:



- Session 1:
4-5 November 2010: New Time Series Methods for Macroeconomic Dynamics presented by Professors Abadir (Imperial College Business School) and Talmain (University of Glasgow)



- Session 2:
12 November 2010: Topics in Nonlinear Economic Dynamics: Bounded Rationality, Heterogeneous Expectations and Complex Adaptive Systems presented by Professor Hommes (University of Amsterdam)



- Session 3:
20 January 2011: Topics in Microeconomics presented by Professors Manzini and Mariotti (University of St Andrews)



- Session 4:
11 February 2011: Topics in Macroeconomics: Learning Dynamics presented by Professor Honkapohja (Bank of Finland)



- Session 5:
18 March 2011: Topics in Microeconomics: Complementarity presented by Professor Amir (University of Arizona)



- Session 6:
22 March 2011: Market Design Mechanism presented by Professor Maskin (IAS, Princeton)



- Session 7:
Tuesday 26 April 2011: Rationalization and Warm Glow: A Revealed Preference Approach presented by Professor Feddersen (Kellogg School of Management, Northwestern)

The high quality of the session presenters, who included a Nobel Laureate (Maskin), is particularly noteworthy. Participation varied over the sessions, with most attracting around 20. The PhD participants were drawn from St Andrews, Glasgow, Edinburgh, Dundee, Aberdeen, Abertay, Stirling, Heriot-Watt and Strathclyde, with some participation from other disciplines (Management, Finance, Biology) as well as Economics.

A new feature introduced into this year's series was a "young researchers' exchange", providing an opportunity for PhD students to discuss their work, relevant to the session's topic, with the keynote presenter and participants. PhD

students from Glasgow, Aberdeen and Edinburgh (x2) were able to take advantage of this valuable opportunity.

PhD training workshop on The identification and treatment of outliers using Stata: advanced methods. 5th May 2011

This workshop, which built on last year's highly successful "Robust Regression" workshop, was led by Vincenzo Verardi (ECARES, Brussels) and organised by Rodolphe Desbordes (Strathclyde). It attracted 22 participants. One by-product of this pair of workshops has been a research collaboration between Vincenzo Verardi and Rodolphe Desbordes, which to date has produced three papers.

Workshop on DSGE Modelling: "The Science and Art of DSGE Modelling: Construction, Calibration, Estimation and Policy Exercises" 5th to 7th July 2011

The DSGE modelling workshop, organised by Charles Nolan, took place at the University of Glasgow. The workshop was given by Professor Paul Levine, Dr Bo Yang and Dr Cristiano Cantore from the University of Surrey, and consisted of tutorials/lab sessions providing practical research-oriented skills using the Dynare suite of programs.

Specifically, the course covered the setting up of DSGE models and calculation of their steady state, calibration of the model, estimation of the model by Bayesian maximum likelihood methods, model identification and validation and finally optimal policy exercises. It was based on existing facilities in Dynare, which the course leaders have helped develop.

The course was oversubscribed. Participants included PhD students from the UK, full-time faculty from around the UK and research economists from the Bank of England.



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