

SCHOOL OF ECONOMICS & FINANCE
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FEBRUARY 2007 – SEPTEMBER 2008

This will be the last paper publication for the School of Economics & Finance, further publications will be posted on the school website.

C O N T E N T S

- 1 PUBLICATIONS
- 2 CONFERENCES ATTENDED
- 3 OTHER ACTIVITIES
- 4 NEW RESEARCH
- 5 CRIEFF
- 6 POSTGRADUATE NEWS
- 7 PERSONAL

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PUBLICATIONS

1st February 2007– 30th September 2008

Beath, J.A., Review Body on Doctors' and Dentists' Remuneration, Thirty-Sixth Report, Cm 7025, 136, *The Stationery Office* 2007

Beath, J.A., "Status, Happiness, and Relative Income", IZA Discussion Paper 2658, *IZA Press* Bonn. 2007

Bhattacharjee, A., Thoenissen, C., "Money and Monetary Policy in Dynamic Stochastic General Equilibrium Models" *The Manchester School*, **75** (S1), 88-122, 2008

Bhattacharjee, A., Higson, C., Holly, S, and Kattuman, P., "Macroeconomic Instability and Business Exit: Determinants of Failures and Acquisitions of UK Firms", *Economica*, 2008

Bhattacharjee, A., Higson, C., Holly, S., Kattuman, P., "Macroeconomic Instability and Corporate Failure: The Role of the Legal System", *Review of Law and Economics*, 2008

Damjanovic, T., Damjanovic, V., and Nolan, C., " Unconditionally optimal monetary policy," *Journal of Monetary Economics*, Elsevier, **55**(3), pages 491-500, April 2008

Zhang, A., **Ewald, C.O.**, Korn, R., "Optimal Management and Inflation Protection for Defined Contribution Pension Plans". *Blaetter der DGFVM*, **28**, No.2, 239-258, 2007

Ewald, C.O., McNamara, J. H., "A. Parental Care as a Differential Game: A Dynamic Extension of the Houston-Davies Game. *Applied Mathematics and Computations*", **190**, Issue 2, 1450-1465, 2007

Ewald, C.O., "The Malliavin Calculus and Stochastic Differential Games with Information Asymmetry", *Proceedings of the Second International Conference on Game Theory and Applications*, 26-29, 2007

Ewald, C.O., Xiao, Y., "Optimal Portfolios in a Competing-Insiders Market: An Anticipative Stochastic Differential Game Model" *Proceedings of the Second International Conference on Game Theory and Applications*, 17-19, 2007

Ewald, C. O., "A Note on the Malliavin Derivative under Change of Variable", *Statistics and Probability Letters*, **78**, Issue 2, 1 February 2008

Ewald, C.O., "Malliavin differentiability of the Heston volatility and an Applications to Option Pricing", *Advances in Applied Probability*, **40**. No.1 March 2008

Ewald, C.O., Yang, Z., "Utility Based Pricing and Exercising of Real Options Under Geometric Mean Reversion and Risk Aversion Toward Idiosyncratic Risk", *Mathematical Methods of Operations Research*, **68**, No.1 2008

Ewald, C.O., Yang, Z. "Continuous time evolutionary market dynamics: The case of fix-mix strategies". *Investment Management and Financial Innovations*,

5, Issue 1, 2008

Ewald, C.O., Chavanasorn, W., “Numerical Simulation of a Diffusion Type Evolutionary Stock Market Model.” *Applied Mathematical Sciences*, **2**, no.47, 2008

Ewald, C.O., Carr, P., Xiao, Y., On the qualitative effect of volatility and duration on prices of Asian options. *Finance Research Letters*, Volume 5, Issue 3, September 2008

Faravelli, M., “How Context Matters: A Survey Based Experiment on Distributive Justice”, *Journal of Public Economics*, **91 (7-8)** 1399-1422, 2007

FitzRoy, F., A. E. Burke, and M. A. Nolan, "What makes a die-hard entrepreneur? Beyond the 'employee or entrepreneur' dichotomy", *Small Bus Econ* 31:93-115 DOI 10.1007/s11187-007-9086-6, 2008

FitzRoy, F., A. E. Burke, and M. A. Nolan, “ Is there a North-South Divide in Self-employment in England?” *Regional Studies*, DOI: 10.1080/00343400701827360 First Published on: 01 May 2008 [ONLINE]

Lasselle, L., Aloï, M., “Growth and Welfare Effects of Stabilizing Innovation Cycles”, *Journal of Macroeconomics*, **29(4)**, 806-823, 2007

Lasselle, L., In “*Poverty, Poverty Alleviation, and Social Disadvantage*”, Serials Publications, New Delhi, “Education, Employment and Social Inclusion within the European Union”, (with C. Tisdell), 1037-1054, 2007

Chadha, J.C., **Macmillan, P.**, Nolan, C., “Independence Day for the ‘Old Lady’: A Natural Experiment on the Implications of Central Bank Independence, *The Manchester School*, **75**, Issue 3, 311-327, June 2007

McCrorie, R. “The role of Skorokhod space in the development of the econometric analysis of time series”. *Theory of Stochastic Processes* 14, 82-94, 2008

Damjanovic, T., Damjanovic, V. and **Nolan, C.**, 'Unconditionally Optimal Monetary Policy', forthcoming in *Journal of Monetary Economics*, April, **55**, Issue 3, 2008

Rainer, H., "Gender Discrimination and Efficiency in Marriage: the Bargaining Family under Scrutiny." *Journal of Population Economics*, **21(2)**: 305-329, April 2008

Rainer, H., Siedler, T., "Subjective Income and Employment Expectations and Preferences for Redistribution,". *Economic Letters*, **99(3)**: 449-453 June 2008

Reid, G.C., ‘The Candidates’, *Critical Perspectives in Accounting*, **18**, Issue 3, 390, March 2007

Reid, G.C. and Smith J.A., ‘Reporting in Small Firms’ *Financial Management*, 31-33, April 2007

Reid, G., and Smith, J., *Risk Appraisal and Venture Capital in High Technology New Ventures*, Routledge, London, ISBN 0-415-37351-4 (hbk) 0-203-94038-5 (ebk), 1-220 + i-xix, 2008

Reid, G., and Smith, J., ‘Why is it so Hard to Value Intangibles? Evidence from Investments in High-Technology Start-Ups’, *CRIEFF Discussion Paper, School of Economics & Finance*, No. 0806 (ISSN 1364-453X), 2008

Reid, G., and Ujjual, V., ‘Firms in Scottish High Technology Clusters: software, life sciences, microelectronics, optoelectronics and digital media – preliminary evidence and analysis on firm size, growth and optimality’ *CRIEFF Discussion Paper, School of Economics & Finance*, No. 0804 (ISSN 1364-453X), 2008

Senay, O., Sutherland, A., “Foreign Money Shocks and the Welfare Performance of Alternative Monetary Policy Regimes”, *Scandinavian Journal of Economics*, **109, 2**, 245-266, June 2007

Senay, O., “Disinflation and Exchange Rate Pass-Through” *Macroeconomic Dynamics*, **12, 2**, 234-256, 2008

Senay, O., “Interest Rate Rules and Welfare in Open Economies” *Scottish Journal of Political Economy*, **55**, 300-329, 2008

Senay, O., Sutherland A., “A Quantitative Analysis of Cost-Push Shocks and Optimal Inflation Volatility”, *Applied Economics Letters*, **15, 10**, 753-757, 2008

Senay, O., Berument, H., Konac, N., “Openness and the Effectiveness of Monetary Policy: A Cross-Country Comparison”, *International Economic Journal*, **21, 4**, 577-591, 2007

Devereux, M.B., **Sutherland, A.**, "Monetary Policy and Portfolio Choice in an Open Economy Macro Model", *Journal of the European Economics Association*, **5**, 491-499, 2007

Senay, O., **Sutherland, A.**, "Optimal Monetary Policy and the Timing of Asset Trade in Open Economies", *Economics Letters*, **95**, 297-302, 2007

Lombardo, G., **Sutherland A.**, "Computing Second-Order-Accurate Solutions for Rational Expectation Models using Linear Solution Methods", *Journal of Economic Dynamics and Control* **31**, 515-530, 2007

Devereux, M, B., **Sutherland, A.**, "Financial Globalisation and Monetary Policy" CEPR Discussion Paper No 6147, 2007

Devereux, M, B., **Sutherland, A.**, "Country Portfolio Dynamics", CEPR Discussion Paper No 6208, 2007

Senay, O., **Sutherland, A.**, “A Quantitative Analysis of Cost-Push Shocks and Optimal Inflation Volatility” *Applied Economics Letters*, **15**, 753 – 757, 2008

Shea, G., “Understanding financial derivatives during the South Sea Bubble: the case of the South Sea subscription shares”, *Oxford Economic Papers*, **59**, 73-104, October; doi:10.1093/oep/gpm031, 2007

Shea, G., “Financial Market Analysis Can Go Mad” (in the search for irrational behaviour during the South Sea Bubble), *Economic History Review*, **60(4)**, 742–65, Nov.; doi:10.1111/j.1468-0289.2007.00379.x, 2007

Smith, I., Sawkins, J. and Mochrie, R., “Money, Sex and Religion” *Scottish Journal of Political Economy*, **54(2)**, 195-219, May 2007

Macmillan, P. and **Smith, I.**, “Explaining International Soccer Rankings”, *Journal of Sports Economics*, **8 (2)**, 202-213, April 2007

Smith, I., “Property Division on Divorce with Inequity Aversion” *International Review of Law and Economics*, **27 (2)** 111-128, June 2007

Smith, I., Parsons, C., 'The Price of Thoroughbred Yearlings in Britain', *Journal of Sports Economics*, **9(1)**, 43-66, February 2008

Theonissen, C., Bhattacharjee, A., "Money and monetary policy in dynamic stochastic general equilibrium models", *The Manchester School* , **vol. 75**, Issue S1, 88 – 122, 2007

Theonissen, C., Nolan, C., "Labour markets and firm-specific capital in new Keynesian general equilibrium models", *Journal of Macroeconomics* , **vol. 30**, 817 – 843, 2008

Theonissen, C., Benigno, Gianluca., "Consumption and real exchange rates with incomplete financial markets and non-traded goods", *Journal of International Money and Finance* , **vol. 27**, 926 – 948, 2008

CONFERENCES ATTENDED

1st February 2007– 30th September 2008

Fabio Arico

- attended the following events: European Workshop in Macroeconomics, hosted by the European University Institute, Florence, 22nd-23rd June, European Economic Association Annual Congress, Budapest, 27th-31st August, European Association Labour Economists Conference, Oslo, 20th-22nd September, Economics Workshop in Edinburgh and presented the following paper “Structural Unemployment in a Matching Model with Endogenous Skill-Acquisition and Technological Diffusion”, 2007

John Beath

- attended The Way Forward, British Dental Association, London, 28th March 2007
- attended Scottish Economics Society, Perth, 2-4th April, 2007
- attended Royal Economic Society, Warwick, 11-13th April, 2007
- chaired OME/CMPO Conference on Public Sector Pay in London and acted as discussant on three papers, 13th-14th September, 2008

Arnab Bhattacharjee

- attended Bristol University and presented paper on "Bayesian Analysis of Hazard Regression Models under Order Restrictions on Covariate Effects and Ageing" at Workshop on "Modern Challenges of Curve Modelling: Inverse Problems and Qualitative Constraints", 2007
- attended International Conference on Quality and Reliability (ICONQR08) organised to celebrate the Platinum Jubilee of the Indian Statistical Institute, the Indian Statistical Institute, Kolkata, India and gave a presentation on "Bayesian Inference in Hazard Regression Models Under Order Restrictions on Covariate Dependence and Ageing", January, 2008
- attended Cochin University, India and gave a presentation on "Order-restricted covariate effects and hazard regression models" at the National Seminar on Statistical Methods and Reliability Analysis, January, 2008
- visited Oxford University and presented a paper on "Financial Distress in Chinese Industry: Macroeconomic, Microeconomic and Institutional Influences" at the Conference on "The Microeconomic Drivers of Growth in China Conference", September, 2008

Tatiana Damjamovic

- attended Royal Economic Society Conference, Warwick and presented the following paper "Relative Price Distortions and Inflation Persistence", 12th-14th April, 2007
- visited Royal Economic Society, Warwick and presenting the following paper:
- "Seigniorage-maximizing inflation, April, 2008
- attended the 2008 North American Summer Meetings of the Econometric Society, A. Tepper School of Business, Carnegie Mellon University and presented the following paper "Unconditionally Optimal Monetary Policy", April, 2008

Christian Ewald

- attended and chaired a session on Differential Games at the Second International Conference on Game Theory and Applications, held at the Game Theory Centre at Qingdao University, the main Game Theory conference for the Asian and Eastern European sector September, 2007
- attended the Game Theory Centre at Qingdao University and presented a paper entitled "The Malliavin Calculus and Stochastic Differential Games with Information Asymmetry", September, 2007

Felix FitzRoy

- attended Health and Well-Being at Work and presented a paper 'Status, happiness and relative income', (co-authored with J. Beath), Aberdeen, June 2007
- visited Royal Geographic Society and gave a paper entitled 'Desertification and climate change' (with J. Franz) London, August, 2007
- attended Scottish Sustainable Development Forum panel and participated in a discussion on 'Climate change and Sustainable Development', Edinburgh, September, 2007

Gonzalo Forgues-Puccio

- presented the paper: "Why is corruption less harmful in some countries than in others?" at the following events: 40th Annual Conference of the Money, Macro and Finance Research Group, Birkbeck College, September, First Bolivian Economists Annual Meeting, Central Bank of Bolivia, La Paz, Bolivia, August, 2008.
- presented the paper: "Financial Liberalisation, Bureaucratic Corruption and Economic Development" at Universidad Católica Boliviana, La Paz, Bolivia, July, 2008
- visited The Emergence of Institutions Workshop, University of Edinburgh and discussed the paper: "Climbing the Hierarchical Ladders of Rules: The Dynamics of Institutional Framework" by Eric Brousseau, Université Paris X, May, 2008
- presented the paper "Foreign Aid, Corruption and Growth" at the University of Manchester, April 2008

Laurence Lasselle

- visited Heriot-Watt University and presented “Economics in the Scottish HE system” at the residential workshop for new and aspiring lecturers, 23rd November 2008
- attended WEHIA (Workshop on Economics with Heterogeneous Interacting Agents) Warsaw, Poland and presented “Adaptive Learning Dynamics in Cobweb Models with Heterogeneous Expectations, June, 2008
- attended the Economics Network project meeting in Bristol, 17th July, 2008
- attended the Economics Network's Annual Key Contacts Conference in Bristol, 8th September, 2008

Roderick McCrorie

- presented STICERD Econometrics Seminar, London School of Economics, 13th December, 2007
- attended London and Oxbridge Time Series Workshop, inaugural meeting, UCL/cemmap, 11th January, 2008
- presented at the Conference on Economic and Financial Linkages, SIRE and Centre for Economic and Financial Studies, University of Glasgow, 21st -22nd February, 2008
- visited Department of Mathematics and Statistics, Boston University (U.S.A) and presented a Stochastics and Finance Seminar, 7th March, 2008
- presented CORE Econometrics Seminar, Université Catholique de Louvain (Belgium), 18th March, 2008
- attended Inference and Tests in Econometrics - a tribute to Russell Davidson, GREQAM, Université d'Aix-Marseille II, 25th -27th April, 2008
- attended The Econometrics of High-Frequency Data, masterclass by Yacine Ait-Sahalia, UCL/cemmap, 29th -30th May, 2008
- presented at World Congress in Probability and Statistics, Institute of Mathematical Statistics, National University of Singapore, 14th -19th July, 2008
- attended Far Eastern Meeting of the Econometric Society, Singapore Management University, 16th -18th July, 2008

Charles Nolan

- organised and ran (along with Liz Pert-Davies) the fifth CDMA Annual Conference, School of Economics & Finance, 3rd - 5th September, 2008

Helmut Rainer

- attended and presented a paper entitled : "Assisted Reproductive Technologies in a Model of Fertility Choice" , 22nd Annual Conference of the European Society for Population Economics, University College London, 19th -21st June, 2008

Gavin Reid

- attended the CIER conference on Internationalisation, Entrepreneurship and the Smaller Firm, University of Glasgow Business School, 23 April, 2007
- attended a European Accounting Association (EAA) meeting in Lisbon, 25th-27th April, 2007
- visited ICAEW, Chartered Accountants Hall, London and attended a conference on international financial reporting standards for SMEs and the future of UK GAAP, 14th May, 2007
- attended the entrepreneurship colloquium of the Institut Supérieur du Commerce (ISC) and presented a paper on 'practitioner Views on Financial Reporting for Small Entities' based on joint work with Dr. J.A. Smith, Paris, 9th-12th June, 2007
- attended the Scottish Regional Conference of the British Accounting Association (BAA) at the Robert Gordon University and presented a paper on financial reporting in small entities based on joint work with Dr. J.A Smith, 11th September, 2007
- chaired the ESRC sponsored Seminars in Accounting, Finance & Economics (SAFE), Royal Society of Arts, Manufactures and Commerce, London, 14th September, 2007
- attended Royal Society of Arts, Manufactures and Commerce conference, Edinburgh, St George's School, 17th November, 2007
- attended ICAEW conference in London on 'Better Markets', and participated in discussion, 17th -18th December, 2007
- visited the British Accounting Association (BAA) meeting , Royal Holloway, University of London and presented a paper (based on joint work with Dr J.A. Smith) on 'Practitioner views on financial reporting for smaller entities' to the finance stream, 2007
- as Chairman, led the ESRC sponsored SAFE research network meeting, RSA, John Adam Street, London, 4th February 2008
- attended Scottish Economic Society meeting, Ramada Jarvis Hotel, Perth, 21-23 April 2008, and gave paper (co-authored with Bernadette Power) on 'What are the options? A test of real options hypotheses applied to organizational change and the performance of a sample of long lived Scottish small firm' the 23rd April, 2008
- as Chairman, led the ESRC sponsored SAFE research network meeting, New Arts Building, University of St Andrews, 29th - 30th August, 2008

Gary Shea

- visited the Economic History Society Annual Conference, University of Exeter and presented the following paper: Shea G and Trew A., 'Dynamic Financial Coalitions and Economic Growth in the UK', April, 2007

Alan Sutherland

- presented a paper entitled "Country Portfolios in Open Macro Models" at the following venues: University of Glasgow, London School of Economics, University of Exeter, February 2007
- attended the Royal Economic Society Annual Conference and presented "Country Portfolios in Open Macro Models", March 2007
- presented a paper entitled "Financial Globalisation and Monetary Policy" at the Royal Economic Society Annual Conference, April, 2007
- gave a paper entitled "A Portfolio Model of Capital Flows to Emerging Markets" at an IMF conference on "New Perspectives on Financial Globalization", April, 2007
- presented a paper entitled "Financial Globalisation and Monetary Policy" at the Konstanz Seminar on Monetary Theory and Policy, May, 2007
- gave a paper entitled "Country Portfolio Dynamics" at the Society for Economic Dynamics Annual Conference, June, 2007
- presented a paper entitled "Financial Globalisation and Monetary Policy" at the University of Warwick Centre for Globalisation and Regionalisation Annual Conference, July, 2007
- a paper entitled "Country Portfolios in Open Economy Macro Models", joint work with Michael B Devereux, was presented at the following seminars, the Bank of Italy, October, Keele University, November and the European University Institute, November, 2007
- presented a paper entitled "Valuation Effects and the Dynamics of Net External Assets", joint work with Michael B. Devereux. A selection of papers from the conference will be published in a special issue of the *Journal of International Economics*, also organised (in co-operation with Michael Devereux, Alessandro Rebucci and Akito Matsumoto) a conference on International Macro-Finance sponsored by the International Monetary Fund and the ESRC World Economy and Finance Programme, held at the IMF, Washington, April, 2008
- a paper entitled "Valuation Effects and the Dynamics of Net External Assets", joint work with Michael B Devereux, was presented at a CEPR/Belgium National Bank conference, Brussels November, 2007 and CEPR conference in Florence, June, 2008.

Kannika Thampanishvong

- presented a joint paper with Sayantan Ghosal "Optimal Sovereign Debt Write-downs" at the Irish Economic Association Annual Conference, Ireland, 27th-29th April, 2007
- attended a one day conference to launch the Macroeconomics part of SIRE, University of Glasgow and presented a paper entitled "Bargaining, Moral Hazard and Sovereign Debt Crises" with S. Ghosal, 14th June 2007

- visited University of Warwick and attended World Economy and Finance: Summer Research Workshop and Conference and gave the following paper “Optimal Sovereign Debt Write-downs” with S. Ghosal 11th-15th July, 2007
- visited University of Liverpool and presented the paper at the Conference entitled 'The Changing Role of Agency in the Development Process', 9th-10th June, 2008.
- attending the ESRC/WEF Warwick Conference on Incentives and Governance in Global Finance at University of Warwick, 18th -20th July, 2008
- attended the European Economics Association Annual Conference, Budapest, Hungary and presented a paper entitled “Optimal Sovereign Debt Write-downs” with S. Ghosal 26th - 30th August, 2007

Christoph Theonissen

- visited Jahrestagung des Verein fuer Socialpolitik in Muenchen and presented "Real Exchange Rate Volatility and Asset Market Structure ", October 2007
- attended Royal Economic Society Conference, Warwick and presented "Investment Frictions and the Relative Price of Investment Goods in an Open Economy Model', March, 2008
- presented "Exchange Rate Dynamics, Asset Market Structure and the Role of the Trade Elasticity" at the Society for Economic Dynamics in Boston and at staff seminars at the University of Durham and the University of Otago, New Zealand, July, 2008

Alex Trew

- attended KOC University, Istanbul and presented the following joint paper: Nolan C., Trew A., ‘Endogenous Exchange Costs in General Equilibrium’, March 2007
- visited the Economic History Society Annual Conference, University of Exeter and presented the following paper: Shea G. and Trew A., ‘Dynamic Financial Coalitions and Economic Growth in the UK’, April 2007
- attended the Royal Economic Society Annual Conference, University of Warwick and presented the following joint paper: Nolan C., Trew A., ‘Endogenous Exchange Costs in General Equilibrium’, April 2007
- presented the following paper ‘Endogenous Financial Development and Industrial Takeoff’ at MMF Conference, University of Birmingham, September 2007
- attended CDMA Conference and presented the following joint paper: Nolan C., Trew A., ‘Endogenous Exchange Costs in General Equilibrium’, September 2007
- presented a paper at the SIRE Macro Conference, Glasgow February, 2008
- visited University of Exeter and gave a seminar, February 2008
- presented a paper at the Institute for New Institutional Economics Conference, Toronto June, 2008

David Ulph

- attended University of Sterling and gave a paper, 27th February, 2007
- attended Oxford Seminar, 14th March, 2007
- visited Oxford and attended conference on ‘Tax Avoidance’, 28-29th June, 2007
- visited Paris Seminar on Long Term Fiscal Sustainability, 4th -5th July, 2007
- attended Competition and Regulation Conference, Corfu, 11th-13th July, 2007

- attended TRN Conference, Sheffield
- visited Knowledge in Exchange Public Policy Conference , Edinburgh, 29th October, 2007

Andrew Vivian

- attended the Money, Macro, Finance Conference hosted by Birmingham University and presented the paper, "Forecasting UK Stock Prices 1901-2004: Fundamental-price Models Can Beat The Historical Average", September 2007

OTHER ACTIVITIES

1st February 2007– 30th September 2008

Fabio Arico

- submitted his Ph.D. dissertation for final defense, 15th September 2007

John Beath

- attended Doctors' and Dentists' Review Body (DDRB) meetings, London, 5th, 12th and 19th February, London, 2007
- attended DDRB Review Body meetings, 21st-22nd May, London, 2007
- attended DDRB Review Body meetings, 14th-15th May, Belfast 2007
- attended ERNINI Board meetings 9th February and 30th April, ERNINI AGM, Belfast 16th February, 2007
- attended luncheon with Mervyn King at the Bank of England, 26th February 2007
- gave a lecture titled " Do Good Fences make Good Neighbours? Fencing the Scientific Commons" for the module ID2004: Science Ethics, School of Biology, 28th February 2007
- attended the SES/RBS Annual Lecture by Andrew Sentence at RBS, Gogarburn, 15th March 2007
- discussant at Special Session of RES Conference on "Wages in the Public Sector", 12th April 2007
- attended meeting of Panel of Assessors, ESRC Post-doctoral Fellowships, London, 27th April 2007
- attended formal induction as a Fellow of the Royal Society of Edinburgh, 30th April 2007
- present at the unveiling of the portrait of Sir James Mirrlees, Scottish National Portrait Gallery in Edinburgh, 18th May 2007
- chaired board meeting of ERINI, 8th June 2007
- marker on postgraduate studentships for ESRC, June 2007
- attended Research Evaluation Committee meeting for ESRC, 4th July 2007
- attended Postdoctoral Fellowship Panel meeting, ESRC, 24th-25th July 2007
- visited the Home Office and attended a panel meeting on Migration, 19th September 2007
- attended a Social Sciences Advisory Board meeting at Oxford University, 25th-26th July 2007
- DDRB Review Body meetings at the following venues: Forth Valley Trust, 3rd July, Manchester PCT, 11th July, Hammersmith NHS Trust, 19th July and Harrow PCT, 26th July 2007

- attended Scottish Economics Society Council meeting, 21st September 2007
- attended RSE Working Group meeting in Edinburgh to finalise RSE submission of The Economic Effects of Migration to House of Lords Committee, 4th July 2007

Arnab Bhattacharjee

- submitted a Ph.D.Thesis in Statistics, to the Indian Statistical Institute, Kolkata, India. Title: "Order restricted covariate effects and hazard regression models", February 2008:
- attended a seminar at Friedrich Schiller University, Jena, Germany, and presented a paper "Estimation of Spatial Weights Matrix in a Spatial Error Model, with an Application to Diffusion in Housing Demand", June 2008
- attended seminar at Indian Statistical Institute, Applied Statistics Unit, Kolkata, India, and presented a paper entitled "Order Restricted Covariate Effects and Hazard Regression Models" February 2008
- attended seminar at Indian Statistical Institute, Economics Research Unit and Kalyani University Kolkata, India and presented a paper "Macroeconomic Instability and Business Failure", February 2008

Tatiana Damjanovic

- Invited to University of Exeter and presented a paper entitled "Unconditionally Optimal Monetary Policy"

Christian Ewald

- visited Barrie and Hibbert, financial consultants in Edinburgh with Gavin Reid to agree joint project topics for the MSc in Analytical Finance, 22nd August 2007

Feliz FitzRoy

- Presented "Public Economics of Relative Income" at the Mansholt Lecture, University of Wageningen, September 2008.
- attended the Union Debating Society, University of St. Andrews and was the Speaker for the motion 'Capitalism has failed', October 2008

Gonzalo Forgues-Puccio

- visited the Institute for Advanced Development Studies (INESAD), La Paz, Bolivia during July and August 2008
- gave an invited lecture on "Corruption and Development" at Universidad NUR, Santa Cruz, Bolivia, August 2008.

Laurence Lasselle

- visited the European University Institute in Florence, Italy, 15th-28th March 2007
- visited the second Chance School in Lorraine, France, 10th-16th May, 2007

- co-organised the METAL (Mathematics for Economics: enhancing Teaching and Learning) workshop at the University of St Andrews, 30th October 2007
- visited the Department of Economics, Université de Perpignan between 17th and 20th December 2007
- visited Glasgow City Council on several occasions in February and March 2008
- visited the Second Chance School in Lorraine, France between 17th and 20th March 2008
- visited the Second Chance School in Marseilles, France between 12th and 16th May 2008
- visited ODEROI in Rosehill, Mauritius between 15th and 20th September 2008

Rod McCrorie

- Associate Fellow, Center for Operations Research and Econometrics (CORE), Université Catholique de Louvain, 1st September 2007 - 31 August, 2008
- Academic Visit, CORE, 6th February - 2nd May, 2008
- Academic Visit, Department of Mathematics and Statistics, Boston University, 3rd -7th March, 2008
- External Examiner, B.Sc. Economics & M.Sc. Econometrics and Mathematical Economics programmes, London School of Economics;
- External Examiner, B.Sc. Economics (and related joint programmes), University College London.
- Academic Assessor, Civil Service Selection Board

Helmut Rainer

- invited to ESPE Seminar Kent: and gave a paper entitled "Assisted Reproductive Technologies in a Model of Fertility Choice", 5th March, 2008
- invited to seminar in Aberdeen and presented the following paper "The Incomplete-Contract Approach to the Allocation of Property Rights: Experimental Evidence", 17th April, 2008
- invited to seminars in Bergen (Norway) 18th September, Stirling, 30th September, Linz (Austria) 12th November, and presented the following paper "Unintend Consequences of Welfare Reform: the Case of Divorced Couples", 2008

Gavin Reid

- undertook field-work on his ESRC project on financial reporting for small entities at Tallow Chandlers Hall, London, 5th April, 2007
- attended and participated in discussion on the Bank of England agency's Inflation Report Briefing, Carlton Hotel, Edinburgh, May 25th, 2007
- visited the Department of Economics, UCC, to engage in joint work with Dr. Bernadette Power on small firm flexibility and real options reasoning, 12th -13th June, 2007
- acted as External Examiner, Department of Economics, University College, Cork, 14th -15th June, 2007
- acted as External Examiner, Judge School of Management, University of Cambridge, 26th-27th June 2007

- visited with Christian Ewald, Barrie and Hibbert, Financial Consultants in Edinburgh, to agree joint topics for the MSc in Analytical Finance, 22nd August, 2007
- conducted field work interviews in Cardiff as part of the ESRC project on financial reporting for small entities, 23rd-24th August, 2007
- attended SIRE launch and reception, , Edinburgh University, 19th November, 2007
- attended Bank of England briefing on inflation report by Jacqui Dwyer, and participated in discussion, Edinburgh, Grosvenor Hotel, 27th November, 2007.
- presented paper on 'The Foundations of Small Business Enterprise' to Federation of Small Business, Business Learning and Conference Centre, Dunfermline, 28th November, 2007.
- attended Edinburgh Finance and Investment Group meeting, Royal Society of Edinburgh, Edinburgh, for paper presented by Pierre-Alain Schieb (OECD) on 'Market Risk', and participated in discussion
- participated in activities of Pakistan delegation on higher education links, 14th -18th January, 2008.
- site visit to Royal Society of Arts, Manufactures and Commerce, London, 15th February 2008 for preparation for SAFE seminar
- attended Edinburgh Finance and Investment Group meeting, Management Centre, University of Stirling, to hear John Fingleton, OFT, speak, and participated in discussion, 10th April 2008
- attended the Scottish Financial Services Conference, Edinburgh International Conference Centre, 29th May, 2008 and participated in discussion.
- acted as External Examiner, Department of Economics and Finance, University College Cork, on the 12th and 13th June 2008.
- acted as External Examiner on the Masters in Management programme, Judge Business School, Cambridge University, 22nd -23rd June, 2008.
- went on a research visit to Cardiff Business School on 28th -29th July 2008.
- visited the French national research institute GREDEQ in Sophia Antipolis, University of Nice, 3rd-5th September 2008, and presented seminar ideas to colleagues there on the foundations of small business enterprise, and on risk appraisal and venture capital in high technology new ventures, 4th September 2008
- acted as Internal Examiner and Chair of the Examination Board for a PhD on 10th September 2008

Christiph Thoenissen

- became a member of the Programme Committee for the Royal Economic Society Conference for the period 2008 - 2010.

David Ulph other activities

- visited Rome and worked on research with Yannis Katsoulacos, Rome, 1st February, 2007
- London? 8th-9th March, 2007
- attended Steering Group for International Banking Review, University of Warwick, 13th April, 2007
- worked on research in Athens with Yannis Katsoulacos, 20th-23rd April, 2007

- sat on panel for Knowledge Transfer Working Group, 24th April, 2007
- attended SIRE and Scottish Executive, Edinburgh, 15th May, 2007
- visited Oxford and participated in HMRC and also OUBTRC Adivsory Board, 24th May,
- worked on research in Castlecliffe 7th-8th, 14th and 16th June, 2007
- sat on panel for Knowledge Transfer Working Group, 5th September, 2007
- attended Scottish Executive, Edinburgh, 14th September, 2007
- took up chair position for SGPE meetings
- visited Oxford, 21st September, 2007
- attended Edinburgh University and participated in SGPE meeting, 16th October, 2007
- visited Oxford University, participated in OUBTRC Adivsory Board, 22nd-23rd October, 2007
- gave a presentation to St Andrews Economic Society, School of Economics & Finance, 24th October, 2007

NEW RESEACH ACTIVITIES

Christian Ewald

- received grant from Royal Society for research on mathematical characterization on aggregate demand
- received grant from the Economics Network for PhD Training Seminars

CRIEFF NEWS

1st February 2007– 30th September 2008

Mikel Larreina, Professor of Finance, University of Duesto, Bilbao, was a visiting scholar in CRIEFF from 1st March 2007. He was conducting research on: (a) specifically, financial clusters in Scotland; and (b) generically, on the role of peripheral regions in global financial markets. In doing so, he was drawing on methodologies (e.g. input-output analysis) derived from the analysis of other clusters, including the wine cluster of Rioja.

Zhibin Xu (supervisor Gavin C Reid) was examined by *viva voce* for his PhD on Friday 18th May and passed with no amendments required. Zhibin has made a significant contribution to the activities of CRIEFF (including some inspired field work in China on small firm growth) for some years, and also to the School more widely, through his presence as a research worker, his contribution to teaching and more generally through his bright and positive presence.

Mikel Larreina concluded research visit to CRIEFF on the 14th June 2007, during which time he has given several presentations, and conferred with colleagues on the regional analysis of cluster in financial services, and in wine production. Part of this research is embodied in his CRIEFF discussion paper No 0706 ‘Detecting a cluster in a region without complete statistical data, using input-output analysis: the case of the Rioja wine cluster’.

Gavin Reid worked on page proofs of a new book (jointly with Dr J. A. Smith) on *Risk Appraisal and Venture Capital in New High Technology Ventures* (Routledge), Trochu, Alberta, Canada, 7th July–3rd August 2007.

Gavin Reid had a policy meeting with the Regional Secretary of the Federation of Small Business, St Andrews, 15th August 2007.

Professor Marco Cucculelli of Marche University, Acona, was an academic visitor to CRIEFF from 5th August to 9th September 2008. He presented his research ideas, on small firms and entrepreneurship, to a Brown Bag seminar, and at the SAFE meeting on 30th August 2008.

Julia Smith, married to Gavin Reid on 3rd May, will be known to some members of the School from her time as Research Assistant, Research Associate and Research Fellow in CRIEFF, over the period 1993-1998. She went on to the Institute of Economics & Statistics, and St Antony's College, University of Oxford (1998-1999), and then to the Department of Accounting and Finance, Cardiff Business School (1999-2005). She is currently Reader in Accounting & Finance, University of Strathclyde Business School.

Yongyuan Qiao's PhD thesis, 'On the determination of initial public offering underpricing' was examined on the 10th September 2008 by Professor Gavin Reid and Dr Emmanuel Haven, University of Leicester. It was awarded with no revisions.

Vandana Ujjual graduated with a PhD for her thesis on 'High Technology Firm Performance, Innovation and Networks' on 25th June 2008. Vandana was a Research Assistant in CRIEFF over the period 2003-06, working on a ScotEcon sponsored project on high technology clusters in Scotland, and is now a Research Fellow in User Innovation in the Science Policy Research Unit (SPRU), University of Sussex.

Other CRIEFF affiliated PhDs to graduate were Zhibin Xu, 25th June 2008 for a thesis on the performance of new business start ups in China, and Suwanee Arunsawaodiwong 30th November 2007, for a thesis on crisis in manufacturing productivity changes in Thailand. Zhibin now works as a financial analyst with Standard Chartered Bank in Beijing and Suwanee now writes the weekly economic development minute for the Thai government.

POSTGRADUATE NEWS

About one hundred and twenty MSc students were admitted to the School in September 2008. Numbers were approximately: twenty five students each in the MSc in ISE, and in Analytical Finance; ten students each, in the MSc in International Finance and the MSc in Money, Banking and Finance (two new MSc programmes); and fifty students in the MSc in Finance. This intake represents a substantial increase over 2007-08, when just over seventy MSc students were admitted.

PERSONAL

1st July 2007– 30th September 2008

John Beath

- elected a Fellow of the Royal Society of Edinburgh, March, 2007
- appointed to the Research Evaluation Committee, Economic and Social Research Council, May, 2007

Gavin Reid

- was married to Dr Julia A Smith on Saturday 3rd May 2008 in St Salvator's Chapel. Gavin and Julia went to Budva, Montenegro for their honeymoon. A champagne reception for colleagues was held in Lower College Hall on the 13th May 2008.

