



HSE Master's program "Economics and Economic Policy"

Applied economics track

Purpose, scope, content, issues

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WHERE WE ARE?

Of course, in Moscow, Russia, Pokrovsky Boulevard, HSE New Campus ...

But where we are thematically and organizationally?

- Track “Applied Economics” is a part of a newly designed and re-branded HSE Mater’s Program “Economics and Economic Policy”
- The program offers advance education for those contemplating academic careers (usually involving a PhD program as a next step) and/or working as professional economists in the private sector, government, or research institutions, consultancies think tanks etc.
- Program’s other tracks are “Economic Research”, “Behavioral Economics,” and “Quantitative Methods in Economics and Finance”

WHAT DO WE TEACH

In a word, we teach how to conduct modern applied economic research

Fields:

- Government and public sector; Companies and markets
- Banking; Public procurement; Competition
- Labor; Social policies; Human capital
- Economic history

WHO CARES



Almost everyone. Here're the main audiences:

- Government agencies and policy-makers
- Private sector companies, including banks, investment firms, insurance companies etc.
- Consultancies
- Professional associations
- Civil society
- Media
- Expert community

WHAT IS OUR FOCUS



Empirical analysis and institutions

Institutions, generally defined as rules of the game in economy, society, and politics are key factors of economic development

HSE since its inception in the early 1990s gave priority to institutional studies, and is recognized as one of the center of excellence in this area. A dedicated research unit – HSE Center for Institutional Studies – is actively involved in the Applied Economics Track

Empirical analysis is the centerpiece of modern economics, which is presently much more an evidence-based discipline than even 20-30 years ago. Availability of new sources of data greatly expand economic frontiers. New IT technologies are a huge game changer

“APPLIED ECONOMICS” MEANS THERE WILL BE NO THEORY, RIGHT?



Wrong. Theory is key cornerstone of applied economic analysis – it provides a general grasp of the problem, offers an analytical framework, and generates testable hypotheses which are brought to data.

A good applied study starts with a theoretical part (usually, but not necessarily, with an appropriate mathematical model), and proceeds to testing theory predictions using data from modern sources and modern empirical tools

WHAT ARE LIMITS AND BOUNDS OF APPLIED ECONOMICS?



Sky is the limit. We're "economic imperialists" and routinely transgress interdisciplinary boundaries into the domains of political science, law, anthropology, cultural studies, sociology etc. Any area of human activity where we observe behavior, choices, incentives, interaction (and equilibrium) and information flows are of potential interests for us.

COURSE PORTFOLIO



Every student of the program is required to take core courses of Micro, Macro, Econometrics, and (this is the 21st century!) Python.

In addition, students will be selecting their course portfolios depending on their interests, plans, aptitude, proclivity and predilection from a vast course menu offered by the program

Academic mentor (*nastavnik*) will assist in filling up students' course loads



WORKING LANGUAGE

... depends. Students could select either to have all of their coursework (classes and research) entirely in English, or to have a mix of Russian and English language courses and project groups.

We welcome international students with no prior knowledge of Russian (which we hope they will pick up during their enrollment 😊)

RESEARCH



... will be an integral part of the program, in the “learning-by-doing” spirit

Students will be pursuing their research projects within numerous research project groups organized at HSE. Each group will have HSE faculty as its academic advisor(s), and will be meeting regularly (on a weekly basis) to discuss work in progress. Research papers of Master’s students are expected to meet publication standards of international peer-reviewed journals.

SAMPLE OF PROJECT GROUPS



Project Leader	Project Title
Svetlana Avdasheva	Competition and Industrial Policy for Digital Platforms
Liudmila Zasimova	Economic Research of Health and Healthy Lifestyle
Marina Kolosnitsyna	Welfare Economics (Measures and Factors of Welfare and Life Satisfaction)
Andrey Yakovlev	Empirical Analyses of Firms: Organization, Behavior, Management

NETWORKING AND COMMUNICATION



- HSE offers excellent opportunities for professional collaboration, exchanges and networking, both with students' peers (e.g. in research project teams) and with faculty and senior scholars, Russian and international. There are dozens of research seminars and numerous conferences that students could (and are expected to) attend
- In addition, there will be regular meetings of students enrolled in the Applied Economics track, chaired by the track mentor

SO FAR SO GOOD ... BUT COULD YOU GIVE US SOME MORE EXAMPLES OF RESEARCH PROJECTS THAT WE COULD BE INVOLVED IN



Sure. Would you mind, if I mention some of the projects that my colleagues and I implemented (or are still working on), in which HSE students were (and are) involved as research assistants or co-authors?

In all of these projects institutions are featured prominently, and all of them are empirical, using various sources of data (and good theory as a source of explanation and predictions)

I. INSTITUTIONS AND ALLOCATION OF TALENT



Issue: how quality of institutions affects choices of fields of study by university students (and how this affects accumulation of human capital and economic growth)

Data: UNESCO datasets, HSE monitoring of students' enrollment; databases of institutional indexes (international and for Russian regions)

Theory: choices between productive efforts and rent-seeking

Surprise: sensitivity of student's choices to the quality of institutions depends on abilities in an inverted U-shaped manner

II. INSTITUTIONS AND VISA REGIMES



Issue: if a nation improves its key institutions (such as the rule of law and protection of property rights), will it make it easier for citizens of this nation to travel abroad?

Data: IATA visa requirement data, Henley's Passport Power Index, Visa Refusal Rate Database; institutional indexes

Theory: asymmetric information and Bayesian updates

Surprise: when national institutions improve, citizens of the country might have more difficulties in obtaining foreign visas

III. CORRUPTION MEASUREMENT USING OBJECTIVE DATA



Issue: how to measure corruption (which is an illegal and clandestine activity) using objective directly observable data?

Data: allocation of automobile license plates in Russia across different makes cars

Theory: status goods and economic signaling

Surprise (well, not really): although license plates are supposed to be issued in a regular order on the first come-first served basis, and no trade of license plates was allowed until recently, prestigious license plates are more heavily concentrated among expensive cars

IV. OUTSOURCING OF SOCIAL SERVICES TO PRIVATE COMPANIES: THE CASE OF NURSING HOMES



Issue: Should long-term care for elderly be outsourced to private for-profit companies

Data: dataset of COVID cases and mortality in US nursing homes

Theory: property rights and contracts

Surprise: at the early stages of the pandemic, privately owned nursing homes were deadly places for the patients and residents; in non-for-profit nursing homes the situation was not nearly as tragic.