Attached is a list of final year undergraduate project titles. Each title includes at least one reference to help direct your initial research. Also attached is information to guide you in your project work.

Please read the following notes carefully.

1. **Choosing a title.** You are welcome to propose a title of your own (see the guidelines on the next page). Alternatively, you may choose a title from the attached list. Before making a choice, you are advised to find out something about the topic (read some of the proposed references or talk to your teachers).

2. **Allocation of titles.** Your project title must differ from that of every other student. Consequently, you are asked to rank your preferred titles: complete the form attached to this document and submit it to 5B.211 no later than Thursday, 8 May 2014.

3. **Ballot for titles.** Titles will be assigned by drawing the forms randomly and you will be allocated your first choice if it has not already been allocated. Your choices will be considered in the order that you list them. Note that it may be necessary for you to choose again if all your preferred titles have been allocated to other students. You must obtain a project title before the end of the summer term. The only exception to this relates to Project Topics 203 to 212, where a decision on allocation will be made by the Project Director after discussion with the applicants.

4. **Assignment of supervisors.** Project supervisors will be assigned shortly before the beginning of the next academic year. You are not permitted to choose your project supervisor because (a) the Head of Department must allocate duties fairly among all staff, and (b) some members of the department will be on leave during part or all of the year.

5. **Change of title.** If you wish to change your title, you are required to obtain the approval of your supervisor and then email your request to the Director of Projects.

6. **Submission deadline.** While you will be notified of informal deadlines to check your academic progress, there are two deadlines for the assessment of your project: (a) a literature survey (with a project plan) must be submitted no later than 12.00 mid-day on Wednesday, 10 December 2014, (b) your dissertation (i.e. the final, complete project) must be submitted no later than 12.00 mid-day on Friday, 24 April 2015. University policy does not permit extensions to these deadlines.

7. **What does a project involve?** You are expected to explore the literature in the Library or elsewhere, to locate your own sources of information (including data), to pursue the questions raised by your topic (both analytically and statistically as the topic requires), and then to write-up your project in the form of a dissertation. Further details are provided on following pages.

8. **Assessment of the project.** Detailed marking criteria and guidelines for assessment are provided in the Undergraduate Economics Handbook. Please check this carefully. Note that the literature survey and project plan and dissertation are worth 15% and 85%, respectively, of the overall mark.
Guidelines for Proposing Your Own Project Title

Most students choose a project title from the department’s approved list. You are encouraged, however, to propose your own. However, the department has an obligation to ensure that students choose titles that are in their own interests (i.e. enable them to fulfil the learning outcomes for EC831). For this reason, the director of undergraduate projects must approve all proposals for unlisted titles.

If you wish to propose a project title that is not on the list, you should do the following:

1. Suggest a title for your project. This can be amended later but should broadly indicate what you wish to do.

2. Write a short synopsis of your plans. The following will enhance the prospects for approval of your proposal:
   (a) Emphasise the application or use of economic ideas. EC831 is an economics project — make clear how economic principles, theories, models, etc will appear in your project.
   (b) Your proposal should be directed to addressing one or more questions. That is, your proposal should be well focused.
   (c) You should avoid just asserting that you intend to write about a particular topic. What will you write about the topic?
   (d) What issues or problems will you address? Outline why you consider the issues to be addressed are of economic interest.

3. Your proposal should describe a project that you can actually achieve, i.e. the project should be feasible. You should be able to identify the sources of data or other relevant information. It is not in your interest, for example, to choose a topic for which the required data are difficult to obtain or are very expensive. (Note that data — especially financial data — may be available only on the payment of huge subscriptions, well beyond the University’s budget, or yours.)

4. You should list at least two references (to published or unpublished works) that indicate the background reading that will enable you to make a start on your project.

5. You should write your proposal on a sheet of A4 paper, attach it to the form at the end of this package and submit it to the second/third year administrator in economics.
Pointers for Writing a Third-Year Project

General
The third year project is your opportunity to apply some of the general economic ideas and econometric methods you have studied. It provides the first exposure to the balance between creativity and discipline that is important for effective research. It also enables you to develop the skills required for an extensive piece of written material.

You should bear some general points in mind when approaching the project.

1. Your project is not likely to be a cutting-edge piece of research. If your work has obvious shortcomings it is better to report what you have and discuss those shortcomings than to strive for a degree of perfection that may not be achievable within your time frame.

2. Examiners will not want to spend a great deal of time trying to find out what your project is about. Be clear on what you do, why you did it and why it is interesting. Write and re-write your project with the aim of clarity and conciseness (10,000 words is an upper limit).

3. Examiners can only mark what is there. You should attempt to show-off as many of the skills you have acquired as you can.

4. There are many different ways to organise the project (dissertation). Most important is that its structure should be transparent. Certainly, it must have an introduction (which explains what the project is about) and a conclusion (which summarises what the project has accomplished). Apart from that it is largely up to you.

5. Read, and re-read, sections 17, 18 and 19 of the Undergraduate Economics Handbook: Final Year Projects (EC831), A Guide to Good Practice in Assessed Work and Making the Best of Your Essays, Term Papers and Projects. The information provided in the Handbook is VERY, VERY important. If you ignore the guidance, your project mark will certainly be lower than otherwise.

Empirical Projects
These are usually one of two types. You should discuss with your supervisor (or the director of projects) which is better for the question that you are interested in.

Type 1: An original piece of empirical analysis

- You need a model. Look for an author that you enjoy reading and do something similar. This might be adding an extra variable, trying out different functional forms, using different years/countries/industries. Discuss with your supervisor what kinds of extensions or differences are appropriate
- You need data. Some data is easily available, some isn’t. For some projects it might even be appropriate to collect your own data. Check with your supervisor early on about whether data appropriate to your project is available. If not you should switch to another type of project
- You need to run regressions using a statistical package such as STATA. This package is available in the University PC Laboratories. Information about how to use it is available at the economics website and elsewhere.

If at all possible it is in your interest to attempt a Type 1 project.
Type 2: A critical evaluation of the existing empirical literature

For some projects it will be impossible to conduct your own empirical work. This may be because

- No data are publicly available
- The estimation procedure is too complex for an undergraduate project
- There is nothing new that can be done using the available data and the techniques that you can use.

If, in consultation with your supervisor, you find this to be the case for you, then you still can attempt an empirical project. You can review the existing empirical literature on this issue.

You must do more than simply describe the studies you have read — you have to discuss them critically in the context of the following questions: Do they address correctly all the econometric problems inherent in their model? Are the results biased? If so, in what ways are the results biased? Which studies come closer to representing plausible theoretical models?

You can run regressions yourself and report the results if you wish either by simulating your own data to illustrate some of the problems in the existing literature or conduct your own “meta-analysis”. (Meta-analysis involves treating the results of empirical studies as themselves as data. Regressions are then conducted to assess the sensitivity and robustness of the original findings.) If there is very little existing empirical literature, you could explain how you would estimate the parameter(s) of interest if suitable data were available, then discuss the econometric problems you would encounter and explore how you would address them.

You are encouraged, if at all possible, to collect data and analyse the data yourself — it is in your interest to do so (i.e. to demonstrate your knowledge of economics). Do not undertake a Type 2 project simply as an excuse for taking the trouble to collect and analyse your own data. Undertake a Type 2 project only if you can justify why it is not reasonable to attempt a Type 1 project.

Theory projects

These are usually one of two types.

Type 1: An extension of an existing theoretical framework.

This type is very rare at the undergraduate level. Any such project should provide a clear motivation for the work. This could be to explain an empirical regularity (stylised fact) or to fill a gap in an existing theoretical literature. In any case, an important part of the project will be to place the work in context with previous work in the area. This requires an in-depth but focussed literature review.

The main body of the piece will be the exposition of the new theoretical results. Students writing such papers should be conscious of the fact that one or both of the examiners may not be familiar with the work being extended. A preliminary and brief component of the exposition should be dedicated to building up the general framework being used and the results that form the basis for the current work should be provided without proof but with the relevant references.

The exposition of the new work should follow logically from the description of the general framework but the point of departure should be clearly pointed out. Each step of your analysis should be well motivated. The use of proposition-proof analysis should be restricted to those parts of the exposition requiring extensive algebra which is best relegated to an appendix.
A discussion of your results should either be provided as they occur or in a separate section. The discussion should focus on the relationship between the results and the original motivation for the work as expressed in the introduction. Here you may want to describe how you might go about a more extensive piece on the topic for which there may not have been sufficient time in the course of a third year project.

**Type 2: Assess the relevance of a body of theoretical work for topics it is designed to address.**
This is the most common form of theory project and is frequently attractive to students fearful of econometrics. A major component of such a project will be a literature survey. It is the general belief of the department that a description of a particular literature alone is not sufficient for an upper-second class mark and may not be adequate even for a lower-second class mark. You need to incorporate something original. The most straightforward way to do this is in the assessment of the validity of the literature to the real world issues it is meant to shed light upon. This can take the form of a case study or a piece of more rigorous empirical analysis. For this you should follow the section on empirical projects. Alternatively, the original component of the work could take the form of a synthesis of existing frameworks within the literature of interest. This will require completely new analysis, the exposition of which should conform to the suggestions for theoretical projects of type 1.

**Policy Projects**
A policy project is one in which you try to use economic analysis to evaluate some aspect of policy, be it to decide if a particular policy that has already been enacted is a success or if some policy currently being proposed is likely to be a good idea. Here is how a project could be structured.

- The Introduction ought to identify the policy in question and why it deserves to be written about. You should also indicate what you intend to say in the remainder of the paper, and what your findings are.
- You should have a section on the Policy itself. If it is an existing policy, state when it was enacted, in which country and the reasons why it was enacted. If it is a policy under consideration, find some reason why policy makers are interested in it. Most importantly, describe the economic variables (income, relative prices, etc.) that the policy is meant to influence.
- A section on the relevant Literature should also be included. Here, you should describe, in some detail, the economic arguments put forward about the policy. Among the things to discuss are:
  1. the economic reasons why the policy will have its intended consequences;
  2. arguments why the policy might fail;
  3. unintended consequences or undesirable economic side effects.

Do not fall into the trap of merely listing the reasons newspapers give, or of repeating what policy makers say. For instance, “The Labour government thinks that the New Deal will lead to a reduction in long-term unemployment,” is not an economic argument. You should evaluate if this claim has any basis in economics.

- If the policy is already in effect, give a description of any empirical (econometric) evidence that exists in support or refutation of the arguments of the previous section. If the policy is not in force in the country you are studying but is in force elsewhere, outline the evidence from other nations.
- If you are so inclined, you can do your own empirical analysis of the effects of a particular policy. In this instance, follow the guidance for Empirical Projects, but feel free to incorporate hints from this note in your section on the Literature.

- Your Conclusion will present your judgement, based on the material you have already presented, of the merits of the policy. If you are unable to say if a policy is “good” or “bad”, say what further information would be needed. For example, if there are multiple effects of a policy, say that estimates of which are the strongest would be needed. Try to avoid phrases like “On the other hand.”

**Statistical Sources**

Most projects require statistical data of some sort. Locating the data needed for your project is one of your research tasks. You should not expect that it will be presented to you: you must look for the data you need. A vast amount of information is available in the Library and on the internet. A good starting point is: http://libwww.essex.ac.uk/Subject_Resources/statistics_guide.htm

**Interpretation of the ★**

*What do ★, ★★, ★★★ mean?*

Against many of the titles you will find one or more stars, ★. Here is how to interpret them:

★ = it would be a good idea to consider using econometrics (typically, regression analysis) for this topic. While it may be possible to write a very good project for this title without using regressions, the opportunity to obtain a high mark (60, or above) could be improved with tests using regression analysis. Remember the ‘type I’ empirical projects in which you conduct a formal empirical analysis for which your data (input) are the results (output) of earlier research. You should consider this approach seriously if a ‘type I’ empirical project is not feasible because you cannot obtain the raw data.

★★ = in order to obtain a high mark (60, or above) you should really expect to include statistical analysis, typically in the form of regressions to obtain estimates and make tests. It is possible to avoid regression analysis but this would jeopardise your chances of obtaining a high mark for this title.

★★★ = you should choose this title accepting that regression methods (or other serious econometrics) are needed to complete this project. If you are prepared to accept this challenge, you have at least as much opportunity as with any other topic to obtain an outstanding mark.

No stars? = while statistical analysis should not be needed to obtain a high mark (60, or above) for this title, you are definitely allowed to include regression analysis if you wish. For any title, including some data or factual information presented in a systematic way is likely to enhance your presentation.
A. MICROECONOMICS, INDUSTRIAL ECONOMICS, PUBLIC ECONOMICS AND ENVIRONMENTAL ECONOMICS

1. Examine the implications of uncertainty about, and the time horizon for, climate change for meaningful cost-benefit analyses of measures to control carbon emissions.


Stern Review on the Economics of Climate Change available at www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm.

2. Examine the case for and against pricing the use of roads by vehicles in the UK.


Glaister S. and Graham D.J.: Pricing our roads: vision and reality, Institute of Economic Affairs, 2004

3. Are Smokers Rational?


4. Do firms have an incentive to use “predatory tactics” to preclude the entry of potential competitors? If so, how does this predation succeed?


5. “Patents are worthless: there would be the same amount of innovation with or without them.” Examine the value of patents and hence their effect on innovation. ★ ★


6. “Since software is expensive to produce, Open Source cannot possibly make commercial sense for software developers.” Examine the incentives for, and impact of, Open Source software development.

   Open Source Initiative, and Open Source licenses: see www.opensource.org


7. What effect do movie reviews have on “box office” of a film, if any? What types of reviewers and reviews are influential, and over what types of films? What explains this influence (or lack thereof), from an economic standpoint? ★ ★


8. “We should allow firms like Microsoft to maintain a dominant position in their markets because along with dominance comes increased incentives for innovation.” Examine the significance and impact of Microsoft on innovation in the software industry.


9. “Financing constraints affect a firm’s decisions to pursue innovation and, further, internal financing is often the only way to finance R&D projects.” Examine the effect of financing constraints on Research and Development.


10. Intellectual Property Rights: Good or Evil? Examine the case for and against intellectual property rights.


11. Explore the determinants of herding (information cascades). Discuss whether herding behaviour is rational.


12. What is the economic rationale for the television licence fee? How is this affected by the onset of digital broadcasting?


13. Can economic theory explain bidding behaviour in the UK’s 3G spectrum auction? Why was the UK auction more successful in raising revenue than 3G auctions in other countries?


14. Is product bundling anticompetitive? Illustrate with reference to at least one competition case. [State the case that you plan to study.]


15. Analyse the evidence on the behaviour of players in games with a mixed strategy Nash equilibrium.


16. “The market for books is characterized by relatively few market failures, and those that exist can be relatively easily corrected with market instruments. Apart from promoting reading, there is little need for government intervention.” Discuss.


17. What determines the price of an object sold in an online auction? Answer with reference to the “penny black”, using data from eBay auctions.


Lucking-Reiley, D., D. Bryan & D. Reeves (2000) “Pennies from eBay: the determinants of price in online auctions”, Vanderbilt University Working Paper no. 00-w03 (available at www.vanderbilt.edu/Econ/workpaper/vu00-w03.pdf)

Data: Compile a data set from observations of eBay auctions for the “penny black” — there are many of these with different reserves/time horizons/seller ratings. Once the auction has ended, it is possible to obtain the full bidding history.

18. Analyse the pricing policies of shops/supermarkets in Colchester.


19. For a research field of your choice (e.g. genetically modified animals) compare the patenting behaviour of corporations and universities. Possible aspects of patenting behaviour include the importance of patented innovations, the pattern of citations (who cites whom?) and the time that elapses between patent filing and patent approval. [State the research field you will study.]


20. “Learning by Doing can be as important a determinant of the level of costs as economies of scale.” Discuss with reference to a specific industry. [State your choice of industry.]


21. "Different techniques to define a market can result in widely varying conclusions on market structure and, hence, widely varying conclusions in antitrust cases." Discuss with reference to a specific market. [State your choice of market.]


22. "The existing design of the patent system is suboptimal." Discuss with reference to a specific product, market or technology. [State your choice of product, market or technology.]


23. “Some countries promote an industrial policy that emphasises the promotion of ‘national champions’, often large enterprises which are hoped will take on top positions in the ‘world league’ of ‘global players’ provided they are ‘strong enough’. We should oppose these developments because the concepts of economic theory and economic policy on which they are based are partly incorrect and partly impracticable.” Explain and assess.


24. Analyse the advantages and disadvantages of privatising postal services. Illustrate your analysis with evidence from services in countries that have privatised some, or all, postal services.

Lenard, Thomas M., "The Efficiency Costs of the Postal Monopoly. The


25. “Firms are justified in their hesitancy to license new technological innovations, particularly internationally, since it is relatively easy for licensees to imitate around patents.” Discuss using evidence from a specific market or country (e.g. China). [State your choice of market or country.]


26. For an industry of your choice investigate the relationship between innovative activity and market structure (particularly the extent of concentration in the industry). [State your choice of industry.] ★★★


27. Analyse a recent Competition Law case in the US or the EU. Why was the case initiated? What were its effects? What are its implications for competition policy? [State the case that you propose to study.]


28. Compare the design and implementation of anti-dumping laws in the US and the EU.

29. Investigate the extent of competition in the natural gas industry in the European Union. Assess the impact of EU and national regulations on the prices of natural gas across the EU. ★★


30. Analyse the factors that influence the choice of European location by foreign multinational corporations. ★


31. Analyse the price and location decisions of fast food restaurants. ★


32. Investigate the extent of competition in the electricity generation and distribution industry in the European Union. Assess the impact of EU and national regulations on the prices of electricity across the EU. ★★

33. Discuss the effect of the internet on competition in the Telecom industry.


34. Analyse whether government spending is likely to be greater in countries with more centralised political institutions.


35. Does government support to charitable institutions ‘crowd out’ private donations (i.e., is there an inverse relationship between government support for charities and private donations)? What do your results suggest about the extent to which governments should support private charities?


36. Analyse the relative efficiency of publicly- and privately-owned firms.


37. Evaluate the evidence concerning the impact of cigarette taxes on smoking behaviour.

There are other suitable references contained in the bibliography of the paper by Wasserman et. al.


38. Investigate the relationship between the efficiency of companies and the degree of concentration in their share ownership. ★★


39. Examine changes in the progression of the UK tax and benefit system since 1997, with the election of ‘New Labour’.


The IFS web site (www.ifs.org.uk) is a vital source of information here.

40. Are alcoholic drinks taxed too heavily in the UK? ★


41. Can punters win? Are U.K. betting markets on sporting events efficiently aggregating information? ★


42. What can and should the University of Essex do to alleviate the excess demand for parking slots on campus?


43. Why do car prices differ across European countries? ★ ★ ★


44. Analyse the factors that facilitate or hinder the formation and stability of collusive agreements among firms (e.g., cartels). ★


45. Are unprofitable airlines more likely to be unsafe? ★ ★


46. Investigate the effects of differing tax rates for alcoholic beverages across the EU. ★

47. Investigate the evidence for the impact of current taxes on carbon emissions and energy use in the United Kingdom. Propose ways in which the tax system might be modified to ensure that proposed carbon emission standards are met. ★


48. How do financial constraints affect firms’ inventory investment? ★★


49. Explain why both the level and type of executive compensation (i.e., salaries and other forms of remuneration) varies across industrialised countries. ★


50. Making good by doing good? Evaluate the relationship between corporate social responsibility and profitability. ★ ★


51. What is the economic argument for protecting endangered species? How should such protection be enforced?

Swanson, T, (1993), "Regulating Endangered Species", Economic Policy, April, pp. 183 - 205


52. “The increased commercialisation of British football is bad for football fans.” Critically assess the criteria for evaluating this claim and the evidence for and against it. ★


53. Is there a relationship between fiscal expenditure decentralization in a country and the level of corruption? ★ ★


Do decision-makers behave rationally in the face of uncertainty? Choose one application of the theory of choice under uncertainty. Explain what it would mean for decision-makers to behave rationally in the context of that application. Examine the evidence for and against decision-makers’ rationally in the context of the application. [State your choice of application.]


B: MACROECONOMICS, MONETARY ECONOMICS, AND FINANCIAL ECONOMICS

55. What are the implications for the macroeconomy of the central bank adopting an interest rate (Taylor) rule? ★


56. Should monetary policy respond to asset prices and asset bubbles?


57. What is the relationship between capital flows and macroeconomic policy? [State your choice of country.] ★★


58. Income distribution and growth: what evidence is there for the existence and stability of the Kuznets’ curve? ★★


59. Why did Japan experience a prolonged slump in the 1990s? To what extent is misguided government policy to blame? ★

Krugman, P. R. “Further Notes on Japan’s Liquidity Trap” (undated, probably 1999), unpublished.

*The Official Paul Krugman Website*:http://web.mit.edu/people/krugman/index.html


60. How would you account for the causes of the East Asian financial crisis of 1997? Evaluate the impact of the crisis on trade and economic development in one country of your choice. [State your choice of country.] ★★


61. Examine the impact of demographic changes on stock markets prices and equity performance. ★★


62. Critically assess the effectiveness of using charts and technical analysis to determine trends in future stock market prices. ★★


63. For a country, or stock market, of your choice explore the evidence for or against the Capital Asset Pricing Model (CAPM). [State your choice country or market.] ★★★


64. Analyse the impact of the European financial market integration process on the banking industry, with particular attention on how it affects competition and efficiency. ★


European Central Bank: *EU Banking Structure*; Frankfurt, October 2006

European Central Bank: *EU Banking Sector Stability*; Frankfurt, November 2006

65. Who gains from takeovers? ★


66. Conduct an ‘event study’ for an event of your choice. An ‘event’ is a specific occurrence, the consequences of which are predicted from economic theory, for example a ‘stock-split’ – as when, on 21 June 2004, Proctor & Gamble Inc. made a 2-for-1 split dividing each of its existing shares into two new shares. There are many other events (e.g. merger of two companies, the sinking of the Titanic in 1912), not necessarily in finance. The project involves (a) identifying a particular event, (b) formulating a model that predicts the consequences of the event, (c) collecting relevant data, (d) testing whether the predictions are consistent with the evidence. [State the event that you will study.] ★★★


67. Analyse the problem of the underpricing of Initial Public Offerings of Stocks. ★★


68. How do investors view ‘individual payments’ from companies to their share-holders? ★


69. Analyse why the way in which a firm raises its capital affects the value of its shares. ★ ★


70. To what extent and in what ways does the taxation of financial assets influence innovations in the financial sector? ★


71. Critically assess the extent to which theories of behavioural finance can explain fluctuations in stock market prices since the early 1990s. ★


72. Analyse the role of ‘junk bonds’ in corporate financial policy. ★


73. Analyse the role of trade credit in the financing decisions of firms. ★


74. How should the ‘burden of the National Debt’ be measured? Evaluate the burden of the National Debt in Britain (or another country of your choice) for either (a) the century before 1914 or (b) since 1914.


75. Use historical evidence on banking crises to study the extent to which central banks (i) acted as lender of last resort; (ii) should have acted as lender of last resort; and (iii) should generally act to support failing banks.


76. Analyse the 2008 financial crisis in historical perspective.

Eichengreen, B. and K. O.Rourke (2009): “A Tale of Two Depressions”.


77. Analyse the role of a deposit insurance scheme within a system of bank regulation. Examine the rationale for deposit insurance, the problems in its implementation, the effect on banks’ risk-taking, and the empirical record. ★


78. For a commodity of your choice, examine the effectiveness of futures contracts as a device for hedging against fluctuations in the price of the underlying commodity. ★★★


79. Examine the evidence for or against a long-run relationship between the money stock and income, the money stock and prices in the United Kingdom. To what extent is the evidence consistent with theoretical predictions? ★★★★


80. Investigate the relationship between the money stock and aggregate output fluctuations in the UK. To what extent are your results sensitive to the definition of the money and to the presence of other factors (e.g., interest rates) in explaining output fluctuations? ★★★


81. Analyse the benefits and costs of adopting a currency board to administer monetary policy. Hence investigate the experience of a country of your choice that has adopted a currency board to control the exchange rate of its currency. ★


82. Analyse the effects of financial liberalization on capital markets and macroeconomic stabilization policy. ★


83. Investigate the extent to which uncertainty about future inflation rates influences investment expenditures in a country of your choice. [State your choice of country.] ★★


84. Evaluate the role of human capital accumulation in long-run growth. ★


85. What evidence, if any, is there that government budget deficits affect national income (i.e., aggregate output) and employment. [State the country of your choice.] ★★


86. What criteria are, and have been, used to determine monetary policy. Examine the evidence for and against the view that central banks can control inflation. Should central banks target zero inflation? ★★


87. Investigate the conditions in which a poor countries can grow at a sufficiently fast pace to overtake rich countries. Illustrate your analysis with evidence since the middle of the 20th century. ★★


88. Investigate, using empirical evidence, the relationship between countries’ financial systems and their economic growth. ★★


89. To what extent and in what ways do governments’ fiscal policies in industrial countries reflect the nature of their political institutions. ★


90. Explore the relationship between government economic policy and the timing of elections for a country of your choice (i.e., investigate whether popular policies are more likely to be adopted shortly before elections and less popular policies following elections). [State the country of your choice.] ★★


91. To what extent, if at all, can economic fluctuations since the mid-nineteenth century be interpreted in terms of “long swings” in economic activity? ★


92. Build a model of savings behaviour and use it to examine the experience of Britain since 1990. [You may choose a different country and a different starting date: if so state these in your project choice form.] ★★★


93. Given the relationship between the government’s budget deficit and interest rates it is sometimes argued that taxes may have to be raised even in a recession. Evaluate this argument in the context of the experience of one country. [State the country of your choice.] ★


94. What are the effects of capital market imperfections on corporate investment? ★


95. What is the significance of the “bank credit channel” for the impact of monetary policy on aggregate demand? ★ ★


96. Governments must take account of the effects of their policies on future generations. If not, tomorrow’s taxpayers will bear a heavy burden. Discuss how (and if) this principle should be implemented in practice.


97. “The production smoothing model of inventories has long been the basic paradigm within which empirical research on inventories has been conducted. The basic hypothesis embedded in this model is that inventories of finished goods serve primarily to smooth production levels in the face of fluctuating demand and convex cost functions. In fact, the variance of production exceeds the variance of sales in virtually all manufacturing industries”, (Eichenbaum, 1989). How can this puzzle be explained? ★


98. Critically assess the evidence for and against the hypothesis that there has been a convergence of per-capita incomes across countries in the decades since the end of the Second World War. ★★★


99. To what extent did tight monetary policy cause a recession in the UK in the early 1980’s. ★★


100. What were the consequences for UK national income and employment of North Sea Oil? ★


101. Examine the relationship between political instability and the level of a nation’s public debt. Is there any evidence that political polarization affects the level of debt? ★★★


102. Investigate whether and with what accuracy the term structure of interest rates (as reflected in the shape of the yield curve) can be used to predict future macroeconomic activity. ★★


103. Explain alternative theories of the term structure of interest rates. Critically assess the empirical evidence for and against each of these theories. ★★


104. What are the possible causes of bank runs, and what can be done to avoid them?


105. Analyse the predictability of foreign exchange rates in the context of the rate of exchange between the US dollar and other currencies in the years following the collapse of the Bretton Woods system. ★


106. How does exchange rate volatility affect foreign direct investment? How might membership of the Euro affect such investment for the UK? ★★★


C:  EMPIRICAL ANALYSIS AND ECONOMETRICS

107. What are the main difficulties in estimating demand functions for consumer durable goods? Estimate a demand equation for a component of expenditure on durable goods using UK data.★★★


108. How do households adjust their transport behaviour to changes in gasoline prices?★★★


109. Test the hypothesis that the long run marginal propensity to consumer out of income is equal to one using data for a country of your choice. [State the country of your choice.]★★★


110. Do interest rates have an important influence on consumers’ expenditure? Construct a model of consumers’ behaviour and use it to test the relationship between interest rates and consumers’ expenditure for a country of your choice. [State the country of your choice.] ★★★


111. Do interest rates have an important negative influence on investment expenditures? Construct a model to predict investment and use it to test the relationship between interest rates and aggregate investment expenditure for a country of your choice. [State the country of your choice.] ★★★


112. It has been suggested that the revival of house-building was a leading factor in the British economic recovery of the 1930s and that this was a direct consequence of the cheap money policy pursued by the governments of the time. Devise and test a model of investment in housing to examine this claim. ★★★


113. Illustrate using real data series the phenomenon of spurious regression. How should we recognize it? How should we cure it? ★★★


114. Explore empirically the role of speculation in the house market. ★★★

Shiller, R. J. *Irrational Exuberance*, second edition, chapter 2


115. For a country of your choice, examine the evidence that the housing market experienced an asset price bubble during the early 2000s. [State the country of your choice.] ★★


116. Estimate and evaluate a model explaining the price of UK housing. ★★★


117. How are inequality and growth related? Is there any evidence to support any of the hypothesized relationships? Discuss and critique the research done by others while also using your own data to discuss the relationship. ★★


118. What is the effect of maternal employment during the early years of a child’s life on child outcomes? ★★


119. “The characteristics of the unemployment benefit system significantly affect labour market performance.” Discuss. ★


120. How would you account for inequalities in labour productivity and changes in income inequality since 1980 for a country of your choice? [State the country of your choice.] ★★


121. What are the benefits and costs of worker training, and who should pay for training?


122. Explore the relationship between employment protection, labour market dynamics and growth by comparing different sectors of the economy.


123. Does the apple fall far from the tree? Examine intergenerational income mobility in a country of your choice.


124. What are the main determinants of labour mobility within European countries?


125. What explains the increase in out-of-wedlock births per woman between the 1950’s and 1980’s? [State your choice of country]


126. To what extent can economic forces explain falling fertility in Europe since the 1980s? Discuss the implications of the fall for economic policy. ★★


127. Why is long term unemployment so high in Europe compared to the US? What are the policy implications? ★★


128. Evaluate the relationship collective bargaining institutions and the level of unemployment in OECD countries. ★★


129. Evaluate the relationship between labour market institutions and the level of unemployment in European Union countries. ★★


Investigate the evidence that the employment of younger workers (who have recently joined the labour force) and older workers (nearing retirement) are more vulnerable to adverse macroeconomic shocks than workers in the middle years of their participation in the labour force. ★★


What are the effects of minimum wage policies in Europe? ★★


Estimate the effect of an extra year of schooling on individual wages and/or productivities. ★★★


Investigate the impact of the package of reforms to student finance passed by the UK parliament in February 2004 on patterns of participation in higher education.


134. Investigate the probable impact of the package of reforms to student finance passed by the UK parliament in 2011 on patterns of participation in higher education in England. ★


135. For a country of your choice, examine the impact of trade unionisation on aggregate unemployment and its distribution across industries. [State the country of your choice.] ★★


136. Examine the impact of trade unionisation on aggregate employment and its distribution across industries. [State the country of your choice.] ★★


137. Estimate the determinants of trade union membership status and how this varies across industries. [State the country of your choice.] ★★★


138. Explain the differences between men and women in their accumulation of ‘human capital’. ★★


139. To what extent can differences in wage rates between workers be ascribed to differences in their levels of investment in human capital? ★★


140. How can social security systems be adjusted to discourage greater unemployment?


141. Less skilled workers have suffered declines in relative wages, increased unemployment, and sometimes both, in the OECD economies since the 1980s. Discuss the role played by technological change in this trend. ★★

142. What evidence is there that women are discriminated against in the labour market? ★★


143. Examine the impact of the UK’s minimum wage on patterns of employment. Hence discuss whether, and to what extent, the minimum wage be automatically increased each year. ★


The National Minimum Wage; First report of the low pay commission Cmmd (1998), London: H.M.S.O


Implementing a minimum wage in the UK; key issues for the low pay commission; Employment Policy Institute, May 1997


144. What factors determine the distribution of welfare within households?


145. What effect does the ‘quality’ of a school have on the future economic prospects of those who attend it? ★★


146. Examine the hypothesis that trade unions are myopic in the sense that their objectives focus on short-term wage increases at the expense of employment in the longer term. ★★


147. Do larger cities offer better employment opportunities than small towns or rural areas? ★


148. To what extent are economic considerations relevant for the determinant to student satisfaction in UK universities? Investigate the evidence from the National Student Survey (NSS). ★★★


E: ECONOMIC HISTORY

149. Did the British Empire cost more than it was worth? ★


150. How important was Bank of England interest rate policy as a monetary policy instrument in supporting the operation of the Gold Standard in 1880-1913? Include in your answer a simple model of the determination of Bank Rate and test the model using the available data. ★★★


151. Explore the determinants of the stock market boom of the late 1920s in the United States and the subsequent Wall Street Crash of October 1929. ★


Galbraith, J. K. The Great Crash 1929, 1954


152. Investigate the determinants of a ‘financial bubble’ of your choice (excluding the Wall Street Crash of 1929 – see title above). ★ [State your choice of the financial bubble.]


153. From 1870 to 1914 the savings generated in the British economy were persistently greater than domestic investment leading to a substantial accumulation of overseas assets. Examine the determinants of British saving and evaluate the extent to which it would have been reduced by lower interest rates. ★


154. Analyse the 2008 financial crisis in historical perspective.


155. Analyse the impact of immigration on economic growth in each of the two main waves of globalisation, 1870-1914 and 1970-present.


156. Examine the determinants and effects of child labour. Hence analyse whether child labour should be banned. 


157. Is openness to international trade good for economic growth?


158. “Government subsidies are a major source of unfair advantage in international competition.” Analyse and assess.


159. Can corruption improve the economic performance of countries and/or organisations? 


160. Did macroeconomic stabilisation facilitate economic growth in Eastern European Transitional countries? 


161. Examine the causes and consequences of the banking and exchange rate crisis in Argentina, 2000–02. ★


162. Has the level of household welfare decreased during the transition period in former Soviet republics and Eastern Europe? ★


163. 'Tight monetary policy has destroyed the potential of industrial growth of Russian industry'. Tight monetary policy was essential for stabilising the Russian economy’. Evaluate.


164. Analyse the difficulties encountered by socialist economies in achieving smooth transitions to a market economies.


165. Why and to what extent did the second economy coexist with central planning in socialist economies? Discuss on the basis of one of the former socialist economies in Europe. [State the economy of your choice]

166. Investigate how and the extent to which foreign aid can damage the recipient countries. ★

167. Examine the relationship between aggregate economic growth and the alleviation of poverty for a country of your choice. To what extent is there a trade-off between the distribution of income and aggregate economic growth? [State the country of your choice.] ★★

168. Estimate the costs and benefits of migration for developing countries. ★

169. To what extent is it possible to predict the destination countries of migrants (asylum-seekers) on the basis of the welfare-benefits to which such migrants would be entitled on arrival? ★
Anthony Browne Do We Need Mass Immigration? Civitas, London, 2002
170. To what extent do immigration immigrant inflows reduce the real wages and employment rates of low-skilled natives? ★ ★


171. In what ways and to what extent could debt relief affect the flow of capital between poor and rich countries?


172. Analyse the economic consequences resulting from the admission of ‘accession’ countries into the European Union. ★


173. Investigate the relationship between European integration and economic growth of the EU member nations. ★ ★


174. Investigate the extent to which differences in factor endowments provide an adequate explanation of the pattern of trade between the UK and the rest of the EU. ★


175. How large are the welfare gains from multilateral tariff reductions?


176. Assess the economic consequences of German reunification.


177. Analyse the role of export promotion strategies in economic development. ★


178. Analyse the socio-economic determinants of fertility in one Less Developed Country of your choice. [State the country of your choice.] ★★


179. Analyse the relationship between defence spending and economic growth in Less Developed Countries. ★★


180. Analyse the relationship between export instability and economic growth in Less Developed Countries. ★★


181. Examine the implications of European integration for the world economy.


182. How should the living standards of different countries be compared? Investigate the consequences of different ways of measuring living standards for international comparisons of economic well being. ★


183. Investigate the role of fiscal policy in the sustainability of a fixed and exchange rate regime for a country of your choice. [State the country of your choice.] ★

184. Discuss the theoretical and empirical shortcomings of different approaches to estimating the equilibrium real exchange rate in developing countries.  


185. “Parallel imports are good for welfare, not bad for welfare.” Assess the implications for welfare of parallel imports.


186. Examine the implications of different strategies for protecting the environment in developing countries. Hence evaluate the criteria for determining the most appropriate policies for protecting the environment in these countries.


187. Investigate the implications of different stabilisation policies adopted in developing countries with high inflation.  


188. In what ways and to what extent have market-based debt reduction schemes been successful in resolving the 1982 developing countries debt crisis?  


189. Analyse the causes and consequences of the 1980s debt crisis in a severely indebted country of your choice. To what extent has the country solved its debt problem? [State the country of your choice.]

World Bank (several issues), World Debt Tables. Washington D.C.


190. Investigate the economic effects of foreign aid on the recipient’s economic growth. [State the country (recipient) of your choice.]


191. Analyse the effect of foreign direct investment on economic growth in a developing country of your choice. [State the country of your choice.]


Possible data sources: UNCTAD Foreign Direct Investment database, World Development Indicator

192. Investigate the effects of stabilisation programmes and structural reforms on economic growth and the distribution of income for a developing country of your choice. [State the country of your choice.]


193. For a country, or geographical region, of your choice, investigate the extent to which microfinance programs have reduced poverty. [State your choice of country.] ★


194. What are the determinants of flows of foreign direct investment (FDI)? ★★


Possible data sources: UNCTAD Foreign Direct Investment database, World Development Indicators

195. What is micro-financing and how does it help individuals in developing countries gain access to credit? What are some reasons why people may not have had access to credit before the advent of micro-financing? Use data on the prevalence of micro-financing to explore how the spread of the practice could have had an effect of poverty or inequality. ★


196. Corruption is an endemic in many developing countries. How does corruption affect economic growth and foreign investment? Explore the relationship of corruption and economic growth or investment for developing countries in Latin America, Africa or Asia. [State the region of your choice.] ★★


197. It is sometimes argued that poor countries suffer from a ‘brain drain’ as their most educated citizens emigrate to rich countries. How big is the brain drain and which countries are most affected by it? Using appropriate techniques explain why the brain drain is greater for some countries than others. ★★


198. For a country, or geographical region, of your choice, investigate the determinants and economic consequences of changes in human mortality since the early 20th century. [State the country, or region, of your choice.] ★★


199. What are the problems encountered in trying to define and measure the extent of informal sector activities in developing countries? Illustrate your answer with a country of your choice. [State the country of your choice.]


200. Examine the effects of government spending on economic growth for a Less Developed Country of your choice. [State the country of your choice.] ★★


201. Investigate the determinants of gender wage differentials in a Less Developed Country of your choice. [State the country of your choice.] ★


202. Examine the consequences of different economic policies designed to combat corruption in Less Developed Countries. Hence evaluate the effectiveness of the options available to the governments of these countries.


203. Analyse the relationship between foreign aid and military expenditure in developing countries. How important is foreign aid in explaining the different patterns of military expenditure across developing countries? ★


204. To what extent should the Kyoto protocol on climate change apply to Less Developed Countries? ★


*Stern Review on the Economics of Climate Change* available at www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm.

205. Examine the determinants of economic growth in sub-Saharan Africa. Hence discuss why these countries grew more slowly than developing countries elsewhere in the world in the second half of the twentieth century. ★★


G. THE LOCAL ECONOMY

Students, who are interested in one of the following two titles, should contact the Project Director before signing up for one of these project titles, in order to ensure that they have the appropriate academic background to accomplish the project successfully. Data will be provided by the Colchester Borough Council.

206. Investigate, using employee data on transport modes before and after the Coalition budget cuts, the degree to which transport modes have changed over the time period. ★★


Various reports on the budget cuts are available of the Institute for Fiscal Studies website.

207. What impact has late night closing (Wednesday nights) had on the revenues/profits/sales [pick one] of local businesses in the CBD of Colchester? ★★


208. Estimating the real level of unemployment in Colchester Borough ★★


209. Why is Colchester Borough a Low-Wage Economy and what can be done to improve local wage levels? ★★

210. An economic analysis of the commercial property market in Colchester Borough


211. Labour market initiatives and employers engagement in Colchester


212. An economic analysis of the impact of park and ride schemes on property values in Colchester
