

2023/2024

ESSAY COMPETITION INFORMATION PACK

Everything you need to get started to participate in the competition including rules, submission guidelines and sources to get essay inspiration!



GUIDELINES

Do you want help in choosing a question, or have you already chosen one but don't know where to begin? Well, fret not! Your seniors at the Economics Society have compiled resources to introduce you to existing literature. Feel free to use the Starter Pack to find more evidence and concepts to develop your arguments.

Some of the readings may be very long. You don't need to read the whole thing—having a basic understanding of its underlying ideas is more than enough!

Remember: It is entirely optional to use the sources in the Information Pack. We do not 'look for' any particular material(s) in your bibliography, and we expect that even if you don't use our sources, you can also succeed in writing the best essays. Good luck!



-Rules and Eligibility-

- Entrants should be:
 - current secondary school students in their final or penultimate year of secondary school or those entering university this year (i.e offer holders).
- Entrants can be of any nationality and studying in any country.
- Each entrant can only respond to ONE question. We will not accept additional responses to the other questions by the same entrant.
- Maximum word count of **1500** (excluding in-text citations and bibliography).
- **Font size 12 - Times New Roman.**
- All sources should be **cited**, you may use any commonly used citation styles such as MLA, APA or Harvard. It is important that you cite and reference work correctly to avoid plagiarism.
- You may use figures and diagrams where relevant to support your arguments.
- Submit your essay using the following link by **August 15th 11:59 pm GMT+1**.
 - Submission Link: <https://forms.gle/75kFJ8UpXGEm19QBA>
 - Label your file FirstName_LastName_Question_x
- The essay submission should be entirely your own work and produced solely for this competition. Plagiarism and the use of AI Generated responses is strictly prohibited. The Economics Society reserves the right to disqualify essays containing evidence of plagiarism. Essays will be screened through Turnitin.
- Submissions will be assessed on originality, quality of argument, quality of writing and strength of evidence.

2023 LSESU ECONOMICS SOCIETY ESSAY COMPETITION

Enter by 15th August and win prizes!

Share your insights, think critically, engage in current affairs, and apply your economic knowledge in an academic essay.

- Questions -

1. How do you forecast AI will affect the market for creative professionals such as novelists, musicians and artists?
2. What are the trade-offs involved in expanding central bank mandates from maintaining monetary and financial stability to broader concerns about inequality, unemployment or climate change in order to promote sustainable and inclusive economic growth? (Choose one of the above points)
3. To what extent does political polarisation hinder economic growth?
4. How can policymakers balance incentivising pharmaceutical innovation while ensuring potentially lifesaving drugs remain affordable for consumers?
5. (In honour of the renaming of SAL & Sir Arthur Lewis) Sir Arthur Lewis' dual-sector model (the Lewis Model) has been incredibly influential in the field of industrial and development economics. Does the rise of the gig economy challenge or support traditional models of structural transformation?
6. (CEP) What explains the variation in happiness within a country, and how can wellbeing be improved by public policy?

HOW DO YOU FORECAST AI WILL AFFECT THE MARKET FOR CREATIVE PROFESSIONALS SUCH AS NOVELISTS, MUSICIANS AND ARTISTS?

01

- The impact of AI on the labour market has been hotly debated over the last decade. While AI technologies have shown potential in generating creative content, such as algorithmically composed music, artwork and AI-authored literature, concerns regarding job displacement and the loss of human touch in creative works persist. Proponents of AI argue that it enhances productivity, complements human production and lowers costs while others emphasise the irreplaceable value and uniqueness that human creativity brings.
- Remember to keep the discussion centred around economics and less so on listing potential impacts, however, it is still important to address institutional and social factors that can affect your analysis. For instance in the film industry, a consequence of a AI generated music service may be that it is cheaper for producers to "hire" an AI generated orchestra as opposed to hiring live musicians and renting a studio. Who are the stakeholders and how are they impacted? How will the market equilibrium be affected? What assumptions do your analysis rely on? Should we treat AI as a substitute or a complement? How do legal barriers surrounding the use of existing bodies of human produced work to train models impact your analysis?

1

Creative economy and AI

https://www3.weforum.org/docs/39655_CREATIVE-DISRUPTION.pdf

2

How AI might make a lot of musicians irrelevant

<https://youtu.be/USsh-XK6s6U>

3

Artificial intelligence in creative industries

<https://link.springer.com/article/10.1007/s10462-021-10039-7>

4

Economics of AI

<https://sciendo.com/article/10.2478/izajolp-2019-0004>

5

So what if ChatGPT wrote it?

<https://www.sciencedirect.com/science/article/pii/S0268401223000233>



WHAT ARE THE TRADE-OFFS INVOLVED IN EXPANDING CENTRAL BANK MANDATES FROM MAINTAINING MONETARY AND FINANCIAL STABILITY TO BROADER CONCERNS ABOUT INEQUALITY, UNEMPLOYMENT OR CLIMATE CHANGE IN ORDER TO PROMOTE SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH?

02

- Due to the broad nature of this question, we expect most candidates will focus on a subset of the topics listed. Quality over quantity – a coherent, well-supported narrative is what we’re looking for! Don’t get discouraged due to the complexity and breadth of the question! We’re looking for thoughtful discussions of the issue, even if you only discuss one aspect of the debate. Moreover, there is no need to use diagrams, equations or models in your response unless you believe this will support your narrative.
- Broadening mandates has the potential of leading to sustainable and inclusive economic growth. However, the questions of whether central banks are the correct institution to address these concerns, as well as how such a shift could affect the independence of central banks still remain. Nevertheless, the consideration of inequality, unemployment and climate change would certainly have significant implications for monetary policy.
- The sources below can be separated into two categories: one focusing on the trade-off between unemployment and inflation and the second on wider debates about whether inequality and climate change should be considered when implementing monetary policy. These are two important discussions currently taking place in macroeconomics and in central banks more specifically.

1

The Phillips Curve: Dead or Alive

<https://cepr.org/voxeu/columns/phillips-curve-dead-or-alive>

2

Yes, There Is a Trade-Off Between Inflation and Unemployment

https://scholar.harvard.edu/files/mankiw/files/yes_there_is_a_trade-off.pdf

3

Monetary Policy and Climate Change

<https://www.ecb.europa.eu/press/key/date/2018/html/ecb.sp181108.en.html>

4

Monetary Policy for all?

<https://www.imf.org/en/Blogs/Articles/2020/09/30/monetary-policy-for-all-inequality-and-the-conduct-of-monetary-policy>

5

The Very Model of Modern Monetary Policy

<https://www.imf.org/en/Publications/fandd/issues/2023/03/modern-monetary-policy-kaplan-moll-violante>

TO WHAT EXTENT DOES POLITICAL POLARISATION HINDER ECONOMIC GROWTH?

- It is becoming increasingly difficult not to notice the extent of political polarisation in the USA and globally, and the effect it may have on economic growth is arguably not (yet) well-documented. Presumably, there are negative consequences as passing legislation and implementing policies become difficult when narrow majorities become common. However, whether (and how) this might affect economic growth itself makes for an interesting, broad and complex discussion.
- This is a very broad question – choose your focus and develop it in a clear and insightful way. Feel free to focus on whatever aspect of this debate is interesting to you personally, and in whichever context (e.g., in the UK, USA, or somewhere else). Instead of conducting a literature review, ensure you have your own narrative.
- The following sources are a good start to understand the level of political polarisation in the US especially (and some reasons for why this is happening), and to start thinking about how this may affect the economy and consumer choice.

1

Political polarisation in the American public

<https://www.pewresearch.org/politics/2014/06/12/political-polarization-in-the-american-public/>

2

Political polarisation and expected economic outcomes

<https://cepr.org/voxeu/columns/political-polarisation-and-expected-economic-outcomes>

3

Elections, political polarisation, and economic uncertainty

<https://bfi.uchicago.edu/insight/research-summary/elections-political-polarization-and-economic-uncertainty/>

4

Want a third party? Think again.

<https://carnegieendowment.org/2019/01/30/want-third-party-think-again-pub-78257>

HOW CAN POLICYMAKERS BALANCE INCENTIVISING PHARMACEUTICAL INNOVATION WHILE ENSURING POTENTIALLY LIFESAVING DRUGS REMAIN AFFORDABLE FOR CONSUMERS?

04

- The COVID-19 pandemic challenged key assumptions behind current vaccine patent policy which aims to seek a balance between incentivising pharmaceutical innovation while ensuring that live saving innovations remain affordable for consumers. However, economic theory suggests that innovation is not possible without market incentives that reward risky R&D which is prevalent in the pharmaceutical industry.
- This question encourages you to take a stance on policy using logical and coherent economic arguments substantiated by theory or research. We are looking for you to intelligently discuss key economic concepts to form your argument. You may choose to focus your essay on a specific country or discuss the question it generally by drawing on examples from around the world.
- The sources below provide a solid introduction to economic challenges for fostering innovation in the pharmaceutical industry while maintaining affordability and basic concepts that explain the market dynamics. Feel free to use any alternative sources to formulate your arguments, as stated previously these sources are intended to provide an insight into this topic.

1

How does the market for vaccines work?

<https://www.economicsobservatory.com/how-does-the-market-for-vaccines-work>

2

U.S. Health Care: Determinants of Quantity and Price

<https://www.aeaweb.org/articles?id=10.1257/089533002320950975>

3

Complexity and cost of vaccine manufacturing

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5518734/>

4

How patents influence the access to vaccines

<https://www.weforum.org/agenda/2022/04/how-patents-can-improve-access-to-vaccines/>

5

The economics of vaccination

<https://core.ac.uk/download/pdf/42337631.pdf>



SIR ARTHUR LEWIS' DUAL-SECTOR MODEL (THE LEWIS MODEL) HAS BEEN INCREDIBLY INFLUENTIAL IN THE FIELD OF INDUSTRIAL AND DEVELOPMENT ECONOMICS. DOES THE RISE OF THE GIG ECONOMY CHALLENGE OR SUPPORT TRADITIONAL MODELS OF STRUCTURAL TRANSFORMATION?

05

- In honour of the renaming of 32 Lincoln's Inn Fields to the Sir Arthur Lewis Building at LSE, this question challenges you to think about the Lewis dual-sector model and apply it to the emergence of the gig economy!
- As the world of work is changing, it's interesting to think about the rise of the gig economy not just in wealthy countries but also its impact in developing economies.
- As with all other questions, feel free to focus on any particular aspect of the question which feels interesting to you, but make sure to support your argument carefully. It can be easy to not answer the question directly by mistake, so ensure you've addressed what role the gig economy plays in structural transformation!
- The sources below give a taster into what the gig economy is and the challenges/opportunities it offers. The final reading is long but the introduction linked gives enough of an overview of what structural transformation is in general to get you started!

1

What is the gig economy and what's the deal for gig workers?

<https://www.weforum.org/agenda/2021/05/what-gig-economy-workers/>

2

Digital Platforms, Independent Workers and the Gig Economy

<https://blogs.lse.ac.uk/socialpolicy/2022/02/17/digital-platforms-independent-workers-and-the-gig-economy/>

3

How The Gig Economy Could Drive Growth In Developing Countries

<https://www.forbes.com/sites/groupthink/2017/03/23/how-the-gig-economy-could-drive-growth-in-developing-countries/?sh=fef4f544a496>

4

Rethinking the World of Work

<https://www.imf.org/en/Publications/fandd/issues/2020/12/rethinking-the-world-of-work-dewan>

5

Introduction: Structural Transformation—Overcoming the Curse of Destiny

<https://academic.oup.com/edited-volume/28090/chapter/212161601>

WHAT EXPLAINS THE VARIATION IN HAPPINESS WITHIN A COUNTRY, AND HOW CAN WELLBEING BE IMPROVED BY PUBLIC POLICY?

06

- What determines human well-being/happiness? The pursuit for happiness is a common goal for all humans yet, values, beliefs, circumstances and philosophy can vary significantly amongst individuals which affects their happiness. The multitude of factors that affect the wellbeing poses a problem for public policy as it requires paternalistic assumptions regarding the welfare of a country's citizens which are subject to debate.
- For this question, we encourage you to find a unique focus and use relevant evidence to substantiate the overarching argument in your essay . Do consider addressing rebuttals to your argument and justify why you have selected your focus and accompanying evidence accordingly.

1

Urban rural happiness differentials across the world

<https://worldhappiness.report/ed/2020/urban-rural-happiness-differentials-across-the-world/>

2

World happiness report 2023

<https://worldhappiness.report>

3

Measuring subjective wellbeing for public policy

<http://eprints.lse.ac.uk/47518/1/CEPSP23.pdf>

4

Government and happiness in 130 nations

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3068254/>

5

Happiness and age: resolving the debate

<https://www.cambridge.org/core/journals/national-institute-economic-review/article/happiness-and-ageresolving-the-debate/7E765E7E32A488E1FF5EE735039DD6C0>