



News

SUCCESS

Alain Trannoy and his co-authors, Odran Bonnet, Guillaume Chapelle, Étienne Wasmer, received the **2023 Maurice Allais Prize in Economic Science**, for their article «Land is back, it should be taxed, it can be taxed» published in 2021 in European Economic Review.

Bakhtawar Ali, PhD student, received the **2023 Best Paper Award from the Institutional and Organizational Economics Academy IOEA** for his paper "A Travesty of Justice: Unintended Consequences of Anti-Corruption Efforts".

Alain Trannoy and Etienne Wasmer received the **AFSE 2023 Prize** for their book *Le grand retour de la Terre dans les patrimoines, et pourquoi c'est une bonne nouvelle !*, ed. Odile Jacob, 2022.



VISITING RESEARCHER

Jakob B. Madsen, professor at Monash University will be visiting AMSE from September 04, 2023 to February 02, 2024 (Chaire Imera). His research interests are in macroeconomics, endogenous and unified economic growth, the macroeconomics of inequality, history of economic growth, stock and house price valuation, macrofinance, and applied econometrics.

EVENTS TO COME

Master and Magistère induction and pre-entry day, on September 1.

Welcome meeting of the AMSE PhD program, on September 8.

Alice Fabre, Miriam Teschl, Alain Trannoy, will participate to the **Festival Allez-Savoir** (September 20 to 24).

AMSE will present a temporary exhibition on October 14, 2023 for the **Fête de la Science 2023**.

Conférences Sciences Echos - Miriam Teschl will talk about well-being and multilingualism on October 17, 2023.

A **Policy Lecture** by **Agnès Bénassy-Quéré** (Banque de France) on «Global imbalances: what's new?» will be held on November 16, 2023, in partnership with Science Po Aix (Saporta site).

The **European Doctoral Group in Economics (EDGE) Jamboree** will be held on September 14-15

AMSE graduation ceremony is scheduled for October.

AMSE career day is scheduled for November.

Outline

RESEARCH PERSPECTIVE

A tax on land market value: a Swiss Army knife for ecological transition in the housing sector, by Alain Trannoy 2

RESEARCH HIGHLIGHTS

Education and Polygamy : Evidence from Cameroon , by Yannick Dupraz 6
 Production Networks and International Fiscal Spillovers, by Karine Gente 8
 We modeled long memory with just one lag! , by Sébastien Laurent 10

AMSE SCHOOL

Accreditation 2024: Future Master's Degree Program, by Elisabeth Barthélemy 12

PORTRAIT

Portrait of Maty Konte, Senior Economist at the International Finance Corporation (IFC), by Léa Dispa 14

A tax on land market value: a Swiss Army knife for ecological transition in the housing sector

Alain Trannoy, Étienne Wasmer, *Le grand retour de la Terre dans les patrimoines, et pourquoi c'est une bonne nouvelle !* Odile Jacob, 2022.

“

In our book, we propose taxing the value of land at a fixed rate. At a minimum, it would be appropriate to tax it at 1% and replace all existing taxes on real estate with this single tax.

”

When an economist starts talking about taxes, the fear - not always unfounded, let's face it, given the current debate in France - is that he will be recommending higher taxes. Not us. Our proposal for tax reform, presented in the book we co-authored with Etienne Wasmer, *Le grand retour de la terre dans les patrimoines*, published by Odile Jacob, does not advocate tax increase.

The core of our argument, general in its scope, is that the tax bases currently used in France may not be the right ones, nor at the right level. We build our case from three perspectives: economic efficiency, fairness, and the transition to a sustainable economy.

First, let's look at the efficiency argument. It's an argument that has a long lineage in the history of economic thought, yet it hasn't lost its relevance. When a good is taxed, either the producer produces less of it or the consumer consumes less of it, and often both occur simultaneously. This results in the size of the economy shrinking, to a lesser or greater degree depending on the value of some elasticities. However, there is one good that can be taxed without its production and utilization decreasing at the macro level. Land is not produced; it is a gift from nature. If land is taxed at the same rate regardless of its use, it will always be utilized, although its use may change.

Another important feature, particularly compared to financial assets, is that land cannot be moved. Its owner may decide to move abroad, but if she chooses to remain the owner, she will still be liable



Alain Trannoy

Alain Trannoy is a research professor at EHESS and a member of AMSE since 2002. He obtained his PhD in 1986 from the University of Rennes 1, where he became a professor in 1988. He was also a professor at the University of Cergy Pontoise from 1991 to 2002. His research interests include income distribution, inequality measurement, redistribution.



for the tax. If she decides to sell the property, then the new buyer will have to pay the tax.

In our book, we propose taxing the value of land at a fixed rate. At a minimum, it would be appropriate to tax it at 1% and replace all existing taxes on real estate with this single tax. Imposing a 2% tax on land value, with progressivity, would generate additional revenue that would allow the taxation of capital and labor to be reduced. This argument can be viewed as reminiscent of Georgism, based on Henry George's best-seller « Progress and Poverty » 1879. But George proposed taxing all land returns, which raises the question of whether there should still be private landowners, at least in a stationary state. Our proposal can also be likened to that of Maurice Allais (*L'impôt sur le capital et la réforme monétaire*, 1979), who proposed taxing all physical capital at a rate of 2%, and abandoning the taxation of income. Our proposal differs from Allais' in that it concerns only land.

The second argument for a tax on land value relates to fairness. The value of all land in France is three times the GDP. Agricultural land represents only about 10% of this total value, while 90% of the land value comes from non-agricultural use. This is largely due to the fact that the most valuable land is located in the centers of major cities. Why is this land so expensive, for example in inner Paris? Simply because of agglomeration effects. In fact, the first description of them can be found in George's book, well in advance of Alfred Marshall, in a beautiful passage where he describes how the transformation of a savannah into a city will considerably enrich the first settlers. These increasing returns based on the size of the city are capitalized into the value of the land. Urban land is a receptacle for the possibility of creating wealth, but it is not in itself a factor that creates agglomeration effects. The landowner has done nothing to enhance returns, so taxing the value of the location is akin to taxing luck, the luck of owning a property (often inherited) in the right



This book has received the AFSE 2023 Prize - Special mentions from the jury

place and contemplating its price rise. Taxing land is, therefore, the opposite of taxing effort, talent, and risk-taking, which, in various ways, are the sources of a country's growth and wealth. Effort, talent and risk-taking also matter when it comes to the built part of a property. Think of all those DIY enthusiasts who devote leisure hours to improving their homes!

The third reason is new, at least from a historical perspective. Supporting the idea of a tax on land value is related to the global challenge of quickly achieving a transition to a model that is more resource-efficient and generates fewer waste emissions of all kinds, including of course CO₂ emissions. Natural land (wood) absorbs CO₂, and as we restrict our meat consumption, we will need more agricultural land. Hence the idea of zero net land take (ZAN), now enshrined in law. The land tax we are calling for is clearly part of this strategy. More precisely, it provides an instrument to align landowners' incentives with ZAN's. Property owners only taxed on the value of the land on which their property is built will naturally seek to limit the surface area of their property, which will serve the objective of reducing urban land use, with the corollary of increasing density.

From the perspective of the transition to a low-carbon economy and to a low-carbon real-estate park, this tax offers additional advantages. The tax would affect the net yield of urban land by capturing a third of its gross return. The value of the land asset is therefore likely to fall, a welcome effect. Low-carbon construction implies higher construction costs. If, on top of this, buyers have to contend with the very high land prices partially fostered by ZAN's objective of reducing the supply of building land in urban areas, the risk is that low-carbon new constructions will not be affordable for many buyers, particularly first-time buyers.

The single tax on land value will reduce the land price through two mechanisms. First, the tax on land ownership will encourage fewer investors to own land, thus exerting downward pressure on land prices. Second, this single tax will replace all existing taxes on real estate, including onerous transfer duties (DMTO). This represents a saving of almost 6% on the purchase of land. Overall, it seems certain that the cost of land per m² (incl. taxes) will fall, thus loosening the economic equation of buying low-carbon properties. The tax would likely have generated €70 billion for the French Treasury in 2019, not far short of income

tax revenues. Indeed, the value of all the land in France was €7,000 billion that year. Today, it would yield much more, around €90 billion. The value of land will fall a little this year, under the effect of rising real estate interest rates, but wiping out all the increase since 2019 would take a 22% drop! There is nothing to suggest such a collapse, simply because the French savings rate is very high, over 17% in the first quarter of 2023, so sellers should be able to wait for a better time.

So, just another utopia? «There is no more dreadful punishment than futile and hopeless work», says Camus in *The Myth of Sisyphus*. When we stop dreaming about the transition to a sustainable economy and start looking at the least costly ways of achieving it, this tax will be a natural addition to the range of instruments chosen.

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Education and Polygamy : Evidence from Cameroon

Pierre André, **Yannick Dupraz**, 2023, *Journal of Development Economics*, Volume 162, May.

“
**Educated women
 married educated men, and these
 educated men were more likely
 to take additional wives.**
 ”

RESEARCH QUESTION

Polygyny, men marrying several women, is practiced in many parts of the world. It is especially common in Africa, in a region stretching from Senegal to Tanzania, where a third to a half of married women are in polygynous marriages. Polygyny has, however, greatly declined in the last century — one of the most dramatic transformations of marriage practices worldwide.

While less than a third of school-age children attended primary school in Sub-Saharan Africa in the 1950s, about 80% do today. Did this massive educational expansion play a role in the decline of polygyny? To answer this question, we study Cameroon, a Central-African country where primary education boomed in the 1950s. We investigate whether the education the young received during this transformative period influenced their decisions regarding marriage.

What difference could education make regarding polygyny? First, education can change cultural norms. In Africa, during the colonial period, formal education was provided by Christian missions and colonial governments. Christian missions were explicitly opposed to polygyny and promoted monogamous marriage. However, if we look at public, nonreligious education, it appears that public schools did not actively discourage polygyny, though colonial governments also perceived monogamy as a superior marital practice.

Education can also impact polygyny by empowering women, giving them access to greater opportunities for paid employment, and making them less reliant on marriage for financial security. Their increased economic independence could grant them greater bargaining power in deciding who to marry. They might be more likely to choose a monogamous marriage, and be able to prevent their husbands from taking additional wives.



Yannick Dupraz

Yannick Dupraz obtained his PhD from Paris School of Economics in 2016. He was a postdoc research at Warwick university and an assistant professor at University College Dublin before joining AMSE as a CNRS researcher in 2022. His research interest are economic history and development economics.

Finally, we need to factor in what economists call “marriage-market returns to education”. If education is valued by potential partners, it will make people more desirable on the marriage market. This could allow men to take more than one wife. More desirable women could have an easier time finding a partner willing to marry monogamously. On the other hand, women (and their families, also involved in marriage decisions) could value both monogamy and husband traits associated with polygyny, like wealth or social status.

Our paper uses a wave of school constructions in Cameroon to identify the effect of nonreligious education on marital practices: in each village, we compare people of school age when a new school was built to older people.

PAPER'S FINDINGS

Combining 1976 population census data and administrative data on Cameroonian schools, we know, for all individuals residing in Cameroon in 1976, how many schools there were in their village at their birth and throughout their lives. Using this data, we study how education and marriage practices changed in villages where a lot of schools were built versus villages where few or no schools were built. We regress an individual's education on the number of school openings at each age, controlling for village and year of birth fixed effects. Figure 1 plots the coefficients of this regression. Schools opening in the village before an individual was 7 (the school entry age) increase years of education, but reassuringly, schools opening after age 13 have no effect.

In a more compact exercise, we regress education and polygyny on the number of private and public schools in the village when a person was of school-entry age. We find that one extra public school in the village when a woman was a child, increases her education by 0.08 years and her husband's number of wives by 0.02. Taken together, these figures imply that one year of education increases a woman's number of co-wives by 0.2. We also find that education increases a man's number of wives. Looking at women's marital rank, we find that education increases the chances of being the first wife in a polygynous union, but not of being the second or third wife. In polygynous unions, first wives traditionally have higher status and more bargaining power.

Did going to a public school increase Cameroonian women's preference for marrying polygynous men? Hard to believe. But men who ended up marrying more than one woman came from wealthier families, and had higher levels of education and better employment prospects. In a period where labor-market opportunities for women were limited, it is not hard to believe that women and their families valued these characteristics. In the paper, we show how assortative matching in education can help explain why secular education made women more likely to marry polygynous men. Educated women married educated men, and these educated men were more likely to take additional wives. Using a structural model of marriage, we show that accounting for assortative matching in education is enough to explain why educated women became the first wives of polygynous men.

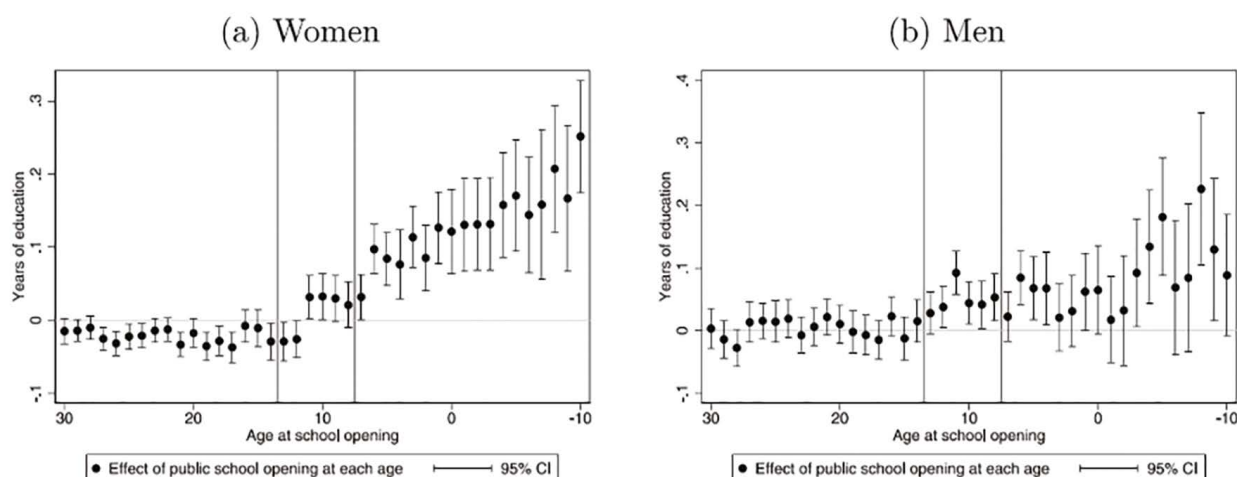


Figure 1. Event-Study Graphs: Effect of School Openings on Education

Note: both figures display the coefficients of a regression of an individual's years of schooling on the number of public and private school openings in their village at each age, along with village and cohort fixed effects and other controls. Only the coefficients on public school openings are shown on these graphs, for readability. The regressions for men and women are run separately.

Production Networks and International Fiscal Spillovers

Michael B. Devereux, **Karine Gente**, Changhua Yu, 2023, *The Economic Journal*, Volume 133, Issue 653.

“

We show how the domestic and international production network operates through a direct, an income and a price channels to propagate the public spending shock.

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The recent economic shocks have shown a real and fast contagion around the world. This article deals with the propagation of fiscal shocks from one country to another, measuring international fiscal spillovers in the Eurozone. Empirically, international fiscal spillovers are quite high but not in accordance with the results of theoretical literature. We develop an approach in order to reconcile model with empirics based on a network structure. We show that when wage adjustment is costly, the network of intermediate good products really matters for fiscal spillovers.

We construct a theoretical model based on an extension of Bigio and La'O¹ (2020) in order to analyze the impact of fiscal spending shocks on real value-added GDP that operates within and across countries. We introduce a dynamic setting with international capital mobility and costly wage adjustment. We show how the domestic and international production network operates through a direct, an income and a price channels to propagate the public spending shock. The decomposition is then applied to the countries of the Eurozone using empirical input-output measures. We focus particularly on the Eurozone international production linkages among Eurozone countries are high, with a common currency. Thus, the nominal exchange rate regime plays no role in the diffusion of fiscal shocks across borders within the currency union. Fiscal spillovers generated by the model are in line with empirical estimates from the literature when wages are sticky.

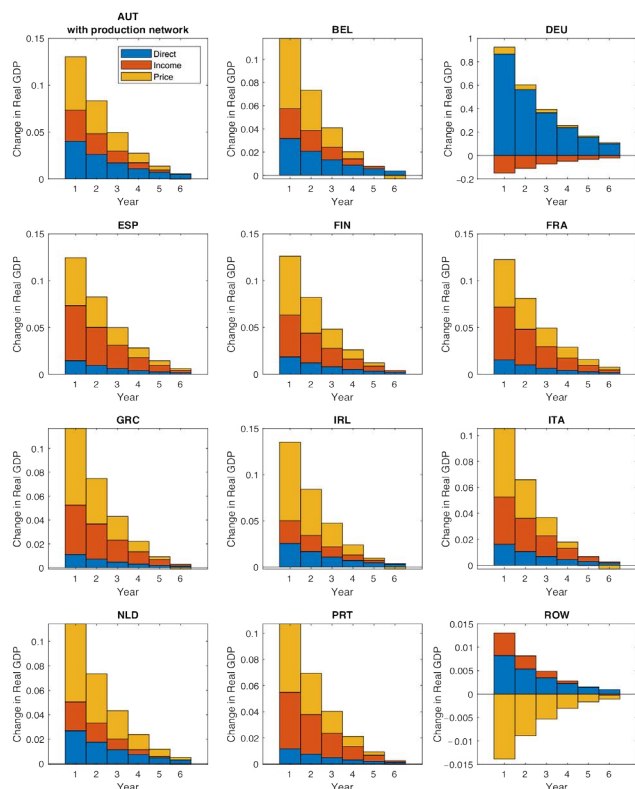
The Direct Effect pertains to the way in which a government spending shock in a source country directly affects demand for the output of the domestic or foreign sector, both directly and indirectly through production networks. This Direct effect appears to be always positive, and does not depend on the stance of monetary policy, even in the presence of sticky nominal wages.



Karine Gente

Karine Gente was appointed Professor of Economics at Aix-Marseille University in 2016. She completed a PhD at Aix-Marseille University and joined AMU as a maître de conférences in 2001. Her research interests lie in capital flows, exchange rates, fiscal policy, and economic growth.

¹ «Distortions in Production Networks», Saki Bigio, Jennifer La'O, 2020, *The Quarterly Journal of Economics*, Vol 135(4), 2187–2253.



Notes: Monetary authorities target nominal consumption expenditure $M^{ec} = \sum_{k=1}^{K-1} P_{k,t} C_{k,t}$ in the monetary union and $M^{row} = P_{K,t}^* C_{K,t}$ in the rest of the world. There is no inter-temporal adjustment via international borrowing or lending. The total effect of fiscal spending can be decomposed into three parts: direct effect, income effect and price effect.

Figure 1. Output responses from a one-percent of GDP increase in German Government spending when nominal wages are fully sticky in the national currency.

The Income Effect captures the way in which the spending shock affects value added GDP through private sector demand both within the source country and across other countries, working through a-temporal and inter-temporal channels, and also affecting demand for intermediate goods through the production network. The Income Effect may be positive for some countries and negative for other countries, and depends on the stance of monetary policy.

The Price Effect captures a type of network-adjusted real exchange rate, and measures the impact of the fiscal spending shock on an index of the prices of government and private sector absorption prices relative to wage costs. Again this operates not just directly through measured price indices, but through the effect of prices on demand through the production network.

Figure 1 presents this decomposition for our calibration on 12 countries: 11 countries of the Eurozone (EZ hence after) and the “rest of the world”. The model is calibrated using the measures of input-output connections from the World Input-Output Database for this set of countries.

In the paper, we present three sets of results,

which differ based on the degree of capital mobility, the degree of wage rigidity, and the stance of monetary policy. An overview of these results is given by Figure 1 which depicts the decomposition into our three effects of a spending shock arising in Germany in the basic version of the static model. Spillovers of a German spending shock to other Eurozone countries are quite large. The Direct Effect of the shock is a relatively small component of the total average spillover. The largest part of the spillover comes from the Price Effect, which is positive for all Eurozone countries, even Germany, but negative for the rest of the world. The Income Effect is also positive for all Eurozone countries except Germany. We show in the paper that these three effects compensate when wages are sticky to finally give very low spillovers.

We extend the analysis to a fully dynamic setting with capital mobility, partially sticky wages. Figure 3 shows that the production network matters for cumulative responses when monetary policy in the EZ set by a Taylor rule which targets country weighted overall EZ CPI inflation.

We finally show in the paper the cumulative responses and the decomposition into the three effects assuming that the nominal interest rate is constrained by the zero bound for a finite number of periods. With no response of the EZ interest rate, we find very large cross country fiscal spillovers, much larger even in the first static economy specification.

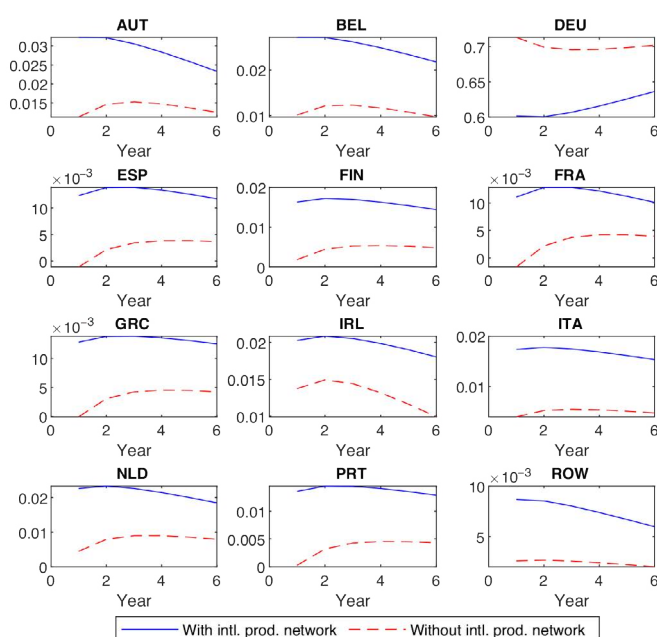


Figure 2. Cumulative responses of real GDP to a one-percent of GDP increase in German Government spending when monetary authorities stabilise CPI inflation.

We modeled long memory with just one lag!

Luc Bauwens, Guillaume Chevillon, and **Sébastien Laurent**, 2023, *Journal of Econometrics*, Volume 236, Issue 1.

“

We provide a novel multivariate methodology for modeling and forecasting series displaying long memory, but using just one lag instead of an infinite history.

”

RESEARCH PROGRAM

Many series, like the daily realized variance of Apple stock (computed as the sum over one day of 5-minute squared log-returns in %) plotted in the top panel of the figure below, display long memory. Long memory is characterized by a very slowly decreasing autocorrelation function (ACF), as illustrated in the bottom panel of the figure, whereas in short-memory processes, the ACF decays exponentially. This figure suggests that today's realized variance (i.e., a risk measure) has a correlation of about 15% with the realized variance 500 days ago (approximately 2 years).

Many economic, financial, and also hydrological series share this property. Looking at the above graph, the natural choice seems to be a time-series model that uses the very distant past to predict the future values of the series (such as an ARFIMA model). But is it rational to use such distant observations to predict tomorrow's risk when we know that financial markets react very quickly to new information? Could this long memory be hiding something else?

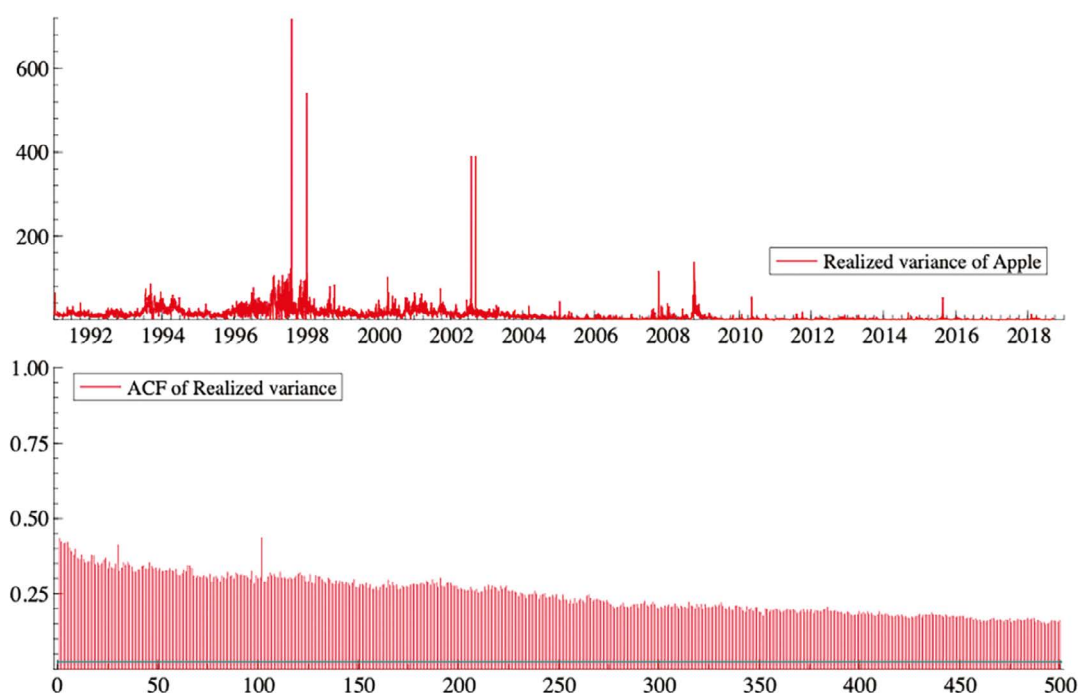
The econometric literature has found that long memory can have different origins, such as aggregation of short-memory processes, linear modeling of a nonlinear process, structural changes or agents' self-referential learning behaviors and forward expectations.

In 2018, two papers published in *Econometrica* and *Journal of Econometrics*, respectively by Schennach and Chevillon, Hecq, and Laurent, proved that long memory can arise in individual series linked within an infinite dimensional network or system. More specifically, they show that long memory can result



Sébastien Laurent

Sébastien Laurent is a professor of Econometrics at Aix-Marseille University (Graduate School of Management IAE-Aix). He obtained a PhD in Financial Econometrics from Maastricht University in 2002. Prior to joining IAE-Aix in 2013, he was a faculty member of Faculté Notre-Dame de la Paix in Namur and Maastricht University. He was a junior member of the Institut Universitaire de France (2015-2019). His research interests are financial econometrics and computational econometrics.



from the marginalization of a large dimensional system. They provide a parametric framework under which the variables of an n -dimensional vector autoregressive model of order 1, i.e., a VAR(1), display long memory when modeled using a univariate model like an ARFIMA (i.e., modeling the n -series independently rather than the full system).

PAPER'S CONTRIBUTION

A model with just one lag can therefore generate long memory. But how can we use this finding empirically? In the article "We modeled long memory with just one lag!", forthcoming in *Journal of Econometrics*, Bauwens, Chevillon, and Laurent (2023) provide a novel multivariate methodology for modeling and forecasting series displaying long memory, but using just one lag instead of an infinite history. They model long-memory properties within a vector autoregressive system of order 1 and consider Bayesian estimation or ridge regression. To do so, they derive a theory-driven parametric setting that informs a prior distribution or a shrinkage target. Their proposal significantly outperforms univariate time-series long-memory models when forecasting a daily volatility measure for 250 U.S. company stocks over twelve years. This provides empirical validation of theoretical results showing that long memory can be the cause of the marginalization of a large-scale system.

FURTHER RESEARCH

This article shows how to predict the long memory of an observed risk measure, namely the realized variance calculated from 5-minute financial returns, using a high-dimensional VAR(1) model. The approach involves two steps. First, the risk measure is calculated using a non-parametric approach (i.e., the realized variance). Then a model is estimated to predict the conditional mean of this series, using either a Bayesian estimation or a ridge regression.

However, intraday data is not always available, which makes it impossible to calculate a realized measure of the variance. This is why researchers and practitioners often rely on parametric models such as (G)ARCH models or FIGARCH models (in the presence of long memory) to forecast volatility. In this case, the latent conditional variance is induced by a parametric model estimated on daily returns and not fitted to an observed measure of risk. The next step in this series of projects is to adapt the estimation of ARCH-type models to the theoretical framework mentioned above, using either Bayesian or penalized likelihood methods.

It would also be worth checking whether the above framework can be used to model and predict other long-memory series that can be assumed to belong to a large system.

Accreditation 2024: Future Master's Degree Program

By **Elisabeth Barthélemy**, Communication Manager EUR AMSE

The training program offered by AMSE is regularly reviewed to adapt to changing business needs and societal transitions, thereby ensuring the students' success and enhancing their employability. The school's management team has been working for several months to prepare for the upcoming accreditation of the master's degree program, which will be implemented in September 2024 within the Faculty of Economics and Management at Aix-Marseille University.

EVALUATION OF THE ECONOMICS MASTER'S PROGRAM, A PREREQUISITE

The aim of the evaluation is to measure the effectiveness of the pedagogical approach, so it needs to be carried out prior to determining the new master's degree program in order to take its observation into consideration. This evaluation by HCERES is based on a self-assessment discussed at university/faculty/school levels. The strengths of the Economics master's program highlighted by HCERES in the last evaluation included:

- The development of a track focused on Big Data, a key area of development for AMU;
- The partnership with Centrale Méditerranée for the FQA track;
- Research-based education with a significant rate of access to doctoral studies;
- International openness with possible double degrees, good outgoing student mobility, and the option of a fully English-taught program;
- The academic excellence label AMSE has been awarded for the diversity of its pedagogical practices.

The areas for improvement mainly concerned limited development of apprenticeship programs (which had only been implemented a year before the evaluation) and the fact that intake capacity had not been reached.

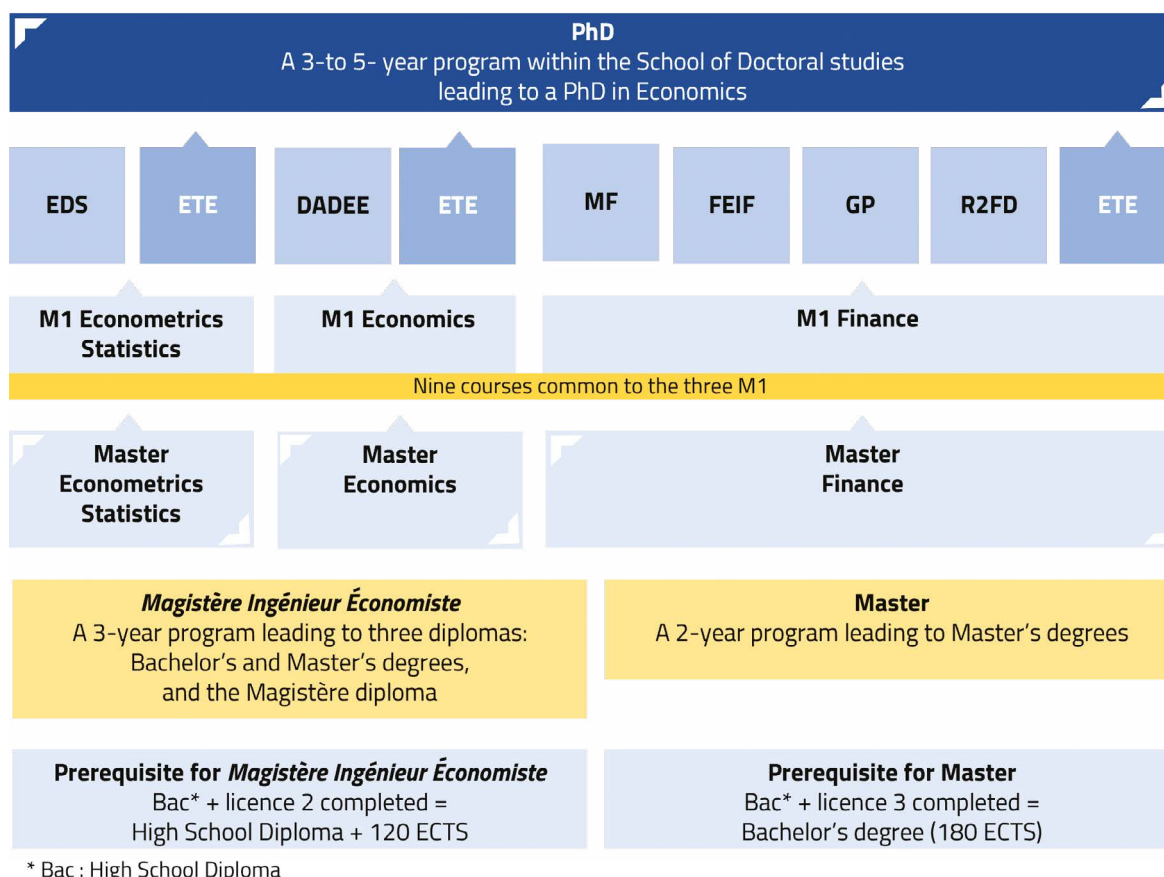
A NEW BROADER OFFERING

Currently, the school offers a single national master's degree in economics, consisting of an M1 and four M2 tracks, as well as two university-level diplomas: the DESU *Magistère Ingénieur Economiste*

and the DESU Data Science for professionals. With the aim of clarifying the master's offer and making it easier to understand, we are proposing a new set-up based on three distinct master's degrees:

- **Master's in "Econometrics and Statistics"**, transformed from the current "Econometrics, Big Data, and Statistics" track of the Economics master's program. This new major will include a track in "Econometrics and Data Science" (EDS) and the track in "Theoretical and Empirical Economics" (ETE, which will be cross-disciplinary for the three master's programs);
- **Master's in "Economics"**, an offshoot of the current master's in economics, which will consist of two M2 tracks: "Data, Analysis, Decision, and Economic Evaluation" (DADEE) and "Theoretical and Empirical Economics" (ETE, which will be cross-disciplinary for the three master's programs);
- **Master's in "Finance"**, which will integrate the newly named "Financial Modelling" track (previously "Quantitative Finance and Insurance" or FQA) as well as the other three existing tracks already operating in the master's in "Finance": "Financial Risks and Sustainable Finance", "Wealth Management" and "Corporate Finance and Financial Engineering" along with the track "Theoretical and Empirical Economics" (ETE, which will be cross-disciplinary for the three master's programs).

The ETE track, shared by all three master's, will serve as the gateway to the AMSE doctoral program.



Except for ETE, all tracks will be open to apprenticeships.

This proposal has already received a Favourable opinion from HCERES, under an appraisal system leading to four possible opinions: Favourable, Favourable with recommendations, Reserved with recommendations, or Unfavourable.

The *Magistère Ingénieur Économiste* remains linked to two bachelor's degrees in the first year (bachelor's in economics and management with a specialisation in Economics-Finance, and bachelor's in applied mathematics and computer science for sciences and social sciences with a specialisation in Mathematics-Economics). In the second and third years, students will choose between the three master's programs offered by the school.

Thus, alongside the *Magistère Ingénieur Économiste* and the DESU in Data Science for professionals, the three master's programs constitute AMSE's new offer.

JOINT ORGANISATION AT M1 LEVEL

The three master's programs -Econometrics and Statistics, Economics, and Finance- offered at Aix-en-Provence or Marseille, will be **organised**

jointly at the M1 level. The future M1 courses will therefore be partly shared between the three new master's programs. But the main change lies in enabling students to select the focus of their master's through specialised courses, while acquiring a common grounding in the fundamentals. This common teaching block will consist of 9 courses taught in English.

ENHANCED ACADEMIC PARTNERSHIPS

The partnership with Centrale Méditerranée is naturally maintained in view of the upcoming accreditation for the "Financial Modelling" track (current FQA). A new partnership with **Sciences Po Aix-en-Provence** will be established for the "Data, Analysis, Decision, and Economic Evaluation" (DADEE) track through the addition of a joint option with AMSE. This option aims to train economic advisors with expertise in international relations for embassies, companies, and international organizations.

WHAT'S NEXT?

The next steps will be to define the ranges of skills to be acquired through the teaching modules and to design the assessment procedures. The new offer will take effect in September 2024.

Portrait of Maty Konte

Senior Economist at the International Finance Corporation (IFC)

By Léa Dispa

Maty Konte completed her thesis in 2012, obtaining the AMU award for Best PhD in Economics in 2013. She talked to us from Washington, where she now works as a Senior Economist within the Research Unit at the International Finance Corporation (IFC).



CAN YOU DESCRIBE YOUR CAREER TRAJECTORY SINCE YOUR TIME AT AMSE?

I did my PhD thesis between 2009 and 2012 under the supervision of Cecilia García Peñalosa and Emmanuel Flachaire. My thesis was on the role of institutions in the process of development. It included macroeconomic chapters on how different types of political and economic institutions affect growth, the relationship between natural resources and economic growth, and one chapter on the determinants of the gender gap in support for democracy in Africa. This chapter used individual-level data to explore factors that may explain why women support democracy less than their male counterparts.

After my PhD defense, I received a grant from AMSE to go to the University of Washington in Seattle as a Guest Researcher for a few months. After that, I moved to Helsinki for a Consultant Research Scholar position at the United Nations University World Institute for Development and Economics Research (UNU-WIDER), a think tank that provides economic analysis and policy advice to the UN system. Before the end of 2013, I began work as a full time Research Fellow at the United Nations University - Maastricht Economic and Social Research Institute on Innovation and Technology (UNU-MERIT). UNU-MERIT is the UN's research and training institute on development. During my

term at UNU-MERIT, I conducted research, taught at Maastricht University, and managed education and research programs and projects. I also provided technical assistance or advice to governments and think tanks in developed and developing countries, and to other international organizations such as the World Bank. In addition, I occupied visiting positions at the University of Campinas in Brazil, Columbia University in the USA, and the University of Johannesburg in South Africa.

Besides my research and policy experience, I have been involved in entrepreneurship. In 2020, I founded an online platform named ISTP - Innovative and Sustainable Technology and Policy - which helps African farmers seeking solutions to address climate change and increase their productivity to connect with international businesses providing climate-smart technologies and with NGOs, private sector donors, and governments that can give financial support.

My own research focuses on the intersection between private sector development, aggregate productivity growth, and political economy. Cross-cutting issues such as gender are also addressed in my research. My most recent publications have explored channels through which structural reforms affect aggregate labor productivity growth, how innovation and digitalization affect firms' performance, and issues on the political

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However, I do gain from the diversity of topics I cover [...]
I also like the fact that I can have an impact on operations and policies.**

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economy of tax morale and compliance in Africa. Parts of my current research agenda cover topics related to technology adoption, trade finance, exchange rate regime, and productivity, and the interplay between public and private investment.

WHAT ARE YOU WORKING ON CURRENTLY?

In 2022, I joined the International Finance Corporation (IFC) a member of the World Bank Group which focuses on the private sector in developing countries. I work within the Research Department, set up in 2022, doing research that can inform the World Bank Group on all operations encouraging the growth of the private sector in developing countries. As a Senior Economist, I manage and coordinate research projects and teams of economists and consultants. I am currently working on three projects: The cost of digital technology in Africa; Green building and Trade finance in the Mekong Region. To give you an example of my day-to-day activities, at the moment I'm responsible for collecting data from banks in Vietnam, Cambodia and Laos to measure trade finance gaps and needs in these countries, and contribute to the final report that will be presented to policymakers and private sector actors. This is a joint project between IFC and the World Trade Organization in Geneva.

Compared to an academic institute, I don't have full independence and flexibility to choose my own research. Now, the priority is research topics requested by the top management, and then my own research comes in the second position. However, I do gain from the diversity of topics I cover. I'd never have thought I'd be working on some of the current topics which are new to me, so I'm learning a lot. I also like the fact that I can have an impact on operations and policies.

HOW DO YOU FEEL ABOUT YOUR TIME AT AMSE?

I gained a lot from my time at AMSE! First of all, I would highlight the technical aspect of the training,

which is very important, especially if you want to work in research. The training is really thorough. The professors are highly skilled by any scientific standards. It is not a surprise that AMSE is rated one of the best economics research centers in France!

Secondly, I recall that the PhD program was quite progressive for its time. In 2009, AMSE had set up a sort of external committee to assess the PhD student and the thesis project. This allowed students to feel supported, as well as to discuss problems and obstacles to progress. In other research centres at the same time, students were receiving less support and were on their own throughout their thesis years.

I also remember the valuable financial support given to doctoral students. There were resources to enable PhD students to take part in international conferences, seminars and workshops. Personally, in the first year of my thesis, I had the opportunity to present the first chapter I was working on at various workshops. The PhD Program also allowed students to spend time in research units and universities around the world. Another important point is that PhD students at AMSE can benefit from the network of professors and researchers when they enter the job market.

And of course, I remember my thesis supervisors. I was extremely lucky to be supervised by Cecilia García Peñalosa and Emmanuel Flachaire. They greatly contributed to my love of research. They helped me to produce quality research work and they quickly made me understand the importance of publishing. By the time I defended my thesis, one of my papers had already been published and another was under review.

Last but not least, I remember AMSE as an inclusive place, with students from a wide range of nationalities. Back in 2009, AMSE was ahead of its time.

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Everything is theoretically impossible, until it is done.

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Robert A. Heinlein



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