To coincide with the launch of our Alumni webpages, we have decided to produce an annual alumni newsletter to share some of the department’s news with our graduates. There have been many changes to the department over recent years with an expanding community of over 500 undergraduate students and over 100 MSc and PhD students. We have made some excellent academic appointments recently at both professorial and lectureship level which have contributed to a vibrant and intellectual environment conducive to both teaching and research. Some of our recent highlights include:

- The University of Sheffield Economics Society won the Student Union’s Departmental Society of the Year Award and was overall winner of Society of the Year in 2010, notable achievements in the context of approximately 300 student societies currently operating at the University.

- In 2007 the Department of Economics launched its Undergraduate Degrees with Employment Experience. They enable students to further develop their knowledge, skills and understanding within an employment context by undertaking a one year work placement between their second and final year. A growing number of both single and dual honours students have taken part in the scheme since it started. Placement providers include the Government Economic Service, the Bank of England, the Office for National Statistics, and private sector Financial Institutions.

- Jim O’Neill became the Honorary President of the Sheffield Economics Society in May 2010. Jim graduated in Economics from the University of Sheffield in 1978 before going on to receive his PhD from the University of Surrey in 1982. Since September 2001 he has been Head of Global Economic Research for Goldman Sachs.

- Staff in the department have provided advice to a range of government departments (including the Department for Education and Skills, the Department of Health, Department for International Development, Department of Trade and Industry, the Home Office, the Low Pay Commission, the Department of Work and Pensions) as well as to international bodies such as the World Bank and UNESCO.

- Sheffield SIFE (Sheffield Students in Free Enterprise) is a society based at the University which aims to harness students’ entrepreneurial and volunteering spirit to make a difference in the Sheffield community and around the world. It is part of an international organization, including 40 teams in the UK. UK SIFE teams showcase their projects annually at a national competition in London. The Sheffield SIFE, which includes three students from the department, was judged...
to have achieved the most impact during 2010 and has been announced as the UK National Champions. The Sheffield SIFE represented the UK at the SIFE World Cup, held in California this year. They were competing against the champion teams from all other SIFE countries and reached the semi-finals.

- Professor Andy Dickerson, who joined the department in 2006, won the national student-nominated 2009 Higher Education Award for Excellence in Teaching and Learning.
- In 2008, Paul Collier, Professor of Economics and Director of the Centre for the Study of African Economics at the University of Oxford, whose recent books include *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It* and *The Plundered Planet*, received a Doctor of Letters from the University of Sheffield in recognition of his work on global poverty.

In terms of research news, the department’s main research areas currently lie in: development economics; health economics; labour and education economics; and macroeconomics. One of our latest research projects in each of these four main areas is summarised below.

**Development Economics:**
In 1994, the first post-Apartheid South African government introduced an ambitious land reform programme in order to tackle the vast racial inequality in land ownership inherited from the past. This land reform programme has since been widely criticised for its slow pace as well as its apparent lack of contribution to poverty reduction, but there is a dearth of evidence on the impact of land transfers. This research project contributes to filling this gap in the existing literature by exploring the impact of receiving a land grant on food insecurity, using data from two national household surveys. Households who have received a land grant are matched with non-recipient households with similar characteristics in order to obtain an estimate of the effect of the land transfers on the likelihood that a household experiences difficulties meeting their food needs. The results show that land grant recipients are more food insecure than comparable non-participants, and these findings are confirmed when statistical techniques controlling for potential confounding factors are used. Further related research using primary data collected in 2007 attributes the failure of the programme in improving food security to the lack of relevant farming experience amongst land grantees and dysfunctional collective ownership structures.


**Health Economics:**
Research commissioned by the UK Department of Health for an ‘Independent Review of the Effects of Alcohol Pricing and Promotion’ was carried out by the University of Sheffield (Department of Economics and School of Health and Related Research). The aim was to model the potential implications of changes to current alcohol policies with a focus on: under 18’s who drink alcohol; 18-24 year old hazardous drinkers; and harmful drinkers whose patterns of drinking damage themselves or others. Empirical evidence based on the UK Expenditure Food Survey was analysed relating to how sensitive individuals’ alcohol consumption habits were to changes in price. The research considered four types of alcohol: beer; wine; spirits; and ready-to-drink products such as alcopops. General price increases were found to be effective for the reduction of consumption, health-care costs, and health-related quality of life losses in all population subgroups. The findings suggest that minimum pricing policies can maintain this level of effectiveness for harmful drinkers while reducing effects on consumer spending for moderate drinkers. Young adult drinkers aged 18–24 years are especially likely to be affected by policies that raise prices in licensed premises.

Labour and Education Economics:
One of the recent labour economics research projects focused on evaluating the ‘Want2Work’ programme, which ran from 2004-8 in Wales and was designed to help individuals back into work, particularly those in receipt of Incapacity Benefits. The scheme worked through a system of help for Want2Work clients, from Jobcentre Plus personal advisors to health professionals. The research evaluated the impact of the programme, by comparing the likelihood of Want2Work clients returning to employment, relative to the re-employment likelihood of a control group. The control group was created using matching techniques, in order to obtain a comparable sample of unemployed job-seekers in non-Want2Work areas, taken from the Labour Force Survey. The results of the evaluation revealed that Want2Work participants were 4-7 percentage points more likely to find employment than the control group of non-Want2Work job-seekers. This effect was even stronger for Incapacity Benefit recipients, at 13 percentage points. Given that only around one-third of job-seekers found a job within 15 months during this period, these effects of the Want2Work scheme are large. Moreover, there was little evidence that participants were placed in low quality or temporary jobs.


Macroeconomics:
Economic growth and increases in the standard of living heavily depend on firms’ ability to invest in fixed capital and research and development. However, in order for firms to continue investing in these two types of activities they should be able to accurately predict the future demand for goods and services so that they can allocate their resources effectively across a spectrum of projects. Two issues arise relating to whether a firm accurately predicts future demand for goods and services and whether the firm raises enough funding to finance the project. If prices are not distorted then it would be possible for a manager to make an accurate prediction about projects that will yield the highest return. However, if there is uncertainty in the economic environment, the price mechanism is distorted and it is not be possible to forecast future prices accurately. In addition, the financing needs of firms will be harder to satisfy during periods of high uncertainty because a bank manager will not be able to accurately evaluate the firm. Recent research suggests that uncertainty has a negative impact on fixed investment. Firms reduce their fixed investment expenditures during periods of heightened uncertainty.


As you can see from the above, academics in the department are working on a number of important and economic policy-relevant themes. Given the emphasis placed on research-led teaching in the department, our degree programmes at both undergraduate and postgraduate level feature some of the latest research themes as highlighted above.

More information on the department can be found on our website: www.sheffield.ac.uk/economics