

STUDENT ECONOMIC REVIEW 2013



STUDENT ECONOMIC REVIEW 2013



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STUDENT ECONOMIC REVIEW 2013**

BEST OVERALL ESSAY: DERMOT MCALEESE MEDAL

**THE PRICE OF APPRECIATION: THE CONTINUED RELEVANCE OF
FISHER'S DEBT-DEFLATION THEORY**

EMMET KIBERD



BEST INTERNATIONAL ESSAY

SPONSORED BY THE INSTITUTE FOR INTERNATIONAL INTEGRATION STUDIES

**TOWARDS A EUROPEAN LABOUR MARKET: COMBATING LONG-TERM
UNEMPLOYMENT AND IMPROVING TRADE UNIONS THROUGH INCREASED MIGRATION**

PAUL KELLY



BEST FRESHMAN ESSAY

BEWITCHED BY ECONOMICS

CONOR MCGLYNN

EDITORS AND GENERAL MANAGERS OF THE STUDENT ECONOMIC REVIEW 1987 - 2013

Year	Editor	General Manager
1987 (Vol. I)	John Fingleton	Paddy Waldron
1988 (Vol. II)	Kevin Carey	Finbar McDonnell
1989 (Vol. III)	Jonathan Wright	Joe Dennehy
1990 (Vol. IV)	Philip Lane	C.J. O'Neill
1991 (Vol. V)	Paul O'Connell	Billy Stamo
1992 (Vol. VI)	Alan White	Addo C. Barrows III
1993 (Vol. VII)	Gareth Davis	David Butler
1994 (Vol. VIII)	Alan Dunne	Donagh Butler
1995 (Vol. IX)	Feargal Shortall	Myles H. Clarke
1996 (Vol. X)	Geoffrey Gill	Suzanne O'Neill
1997 (Vol. XI)	Sarah Rowell	Carol Newman
1998 (Vol. XII)	Richard Doyle	Charlotte Hess
1999 (Vol. XIII)	Michael McMahan	Niamh McDonagh
2000 (Vol. XIV)	Ana Carrie	Colette Murphy
2001 (Vol. XV)	Ronan Lyons	Charles Larkin
2002 (Vol. XVI)	Ivan McAdam	Janine Boyd O'Connell
2003 (Vol. XVII)	Rowena Gray	Elaine Doyle
2004 (Vol. XVIII)	Denis Tkatchenko	Tara McIndoe
2005 (Vol. XIX)	Cormac O'Dea	Paul Sammon
2006 (Vol. XX)	Deirdre O'Reilly	Melinda Simonffy
2007 (Vol. XXI)	Niamh Crilly	Charlie Nolan
2008 (Vol. XXII)	Nathalie Ennis	Kieran Curtis
2009 (Vol. XXIII)	Jean Acheson	James Walsh
2010 (Vol. XXIV)	Jason Somerville	Amandine Lobelle
2011 (Vol. XXV)	Robert Farhat	Áine Ní Shúilleabháin
2012 (Vol. XXVI)	Tony O'Connor	Debbie Blair
2013 (Vol. XXVII)	Brian Higgins	Marielle Grigsby-Rocca

GUEST SPEAKERS AT THE LAUNCH OF THE STUDENT ECONOMIC REVIEW 1990 - 2013

Speaker	Organisation	Year
Richard Lipsey	Simon Fraser University	1990 (Vol. IV)
Charles Goodhart	London School of Economics	1991 (Vol. V)
Peter Sinclair	Brasenose College, Oxford	1992 (Vol. VI)
David Greenaway	Nottingham University	1993 (Vol. VII)
Hamish McRae	The Independent, London	1994 (Vol. VII)
John Sutton	London School of Economics	1995 (Vol. IX)
John Martin	OECD	1996 (Vol. X)
Alan Tait	IMF	1997 (Vol. XI)
David O'Sullivan	European Commission	1998 (Vol. XII)
Paula Donovan	World Bank	1999 (Vol. XIII)
Dermot McCarthy	Department of An Taoiseach	2000 (Vol. XIV)
Donal Donovan	IMF	2001 (Vol. XV)
Margaret Doyle	The Economist	2002 (Vol. XVI)
Tom Healy	The Irish Stock Exchange	2003 (Vol. XVII)
Gerry Foley	ITV PLC.	2004 (Vol. XVIII)
John Fingleton	Competition Authority	2005 (Vol. XIX)
Marius Brulhart	HEC University of Lausanne	2006 (Vol. XX)
Cliff Taylor	Sunday Business Post	2007 (Vol. XXI)
Alan Barrett	ESRI	2008 (Vol. XXII)
Patricia Callan	Small Firms Association	2009 (Vol. XXIII)
Jane Williams	Forfás	2010 (Vol. XXIV)
Tom O'Mahony	Department of Transport	2011 (Vol. XXV)
Kyran McStay	Key Capital Limited	2012 (Vol. XXVI)
Alan Gray	Indecon Economic Consulting Group	2013 (Vol. XXVII)

STUDENT ECONOMIC REVIEW DEBATES 1996 - 2013

Year	Opposition	Topic	Victor
1996	U.C.D.	Third-Level Fees	Trinity
1998	U.C.D.	EMU Without Britain	Trinity
1999	Oxford	The Euro: The Way Forward?	Oxford
2002	Oxford	Boston or Berlin?	Trinity
2003	Cambridge	The Euro is a Success	Cambridge
2004	U.C.D.	Free Trade and Development	U.C.D.
2005	Oxford	Third World Debt	Trinity
2006	Cambridge	Common Agricultural Policy	Trinity
2007	Oxford	Environmental Responsibility	Trinity
2007	Yale	Boston or Berlin?	Trinity
2008	Harvard	Mass Emigration and Labour	Trinity
2008	Cambridge	Britain's Place in Europe	Cambridge
2009	Yale	Boston or Berlin?	Yale
2009	Oxford	Bank Nationalisation	Trinity
2010	Cambridge	Should Ireland Have Joined the Euro?	Trinity
2010	Harvard	The Decline of U.S. Economic Dominance	Harvard
2011	Oxford	Ireland Owes a Debt of Gratitude to Britain	Oxford
2011	Yale	It's All America's Fault	Trinity
2012	Cambridge	Ireland Should Rejoin the Sterling Area	Trinity
2012	Harvard	The US State Does Not Care for it Sick	Harvard
2013	Oxford	Deserting the Euro	Trinity
2013	Yale	Tax is Theft	Trinity

‘The Student Economic Review is the only student-run economics journal that I know of at any university. It has succeeded beyond anyone’s wildest expectations when it first came out... As recent events have highlighted, economics is still a young discipline, and the economics profession still has much to learn, but the opportunities and questions are exciting. The Student Economic Review is an unparalleled vehicle for getting students involved in research in economics and related fields.’

*Prof. Jonathan Wright
John Jopkins University, formerly Board of Governors US Federal
Reserve, SER Editor 1989*

‘The Student Economic Review gives many student their first opportunity to publish a piece of academic written work. It thus supports and promotes the rigorous analysis, excellence in learning and persuasion that are essential building blocks for future careers and broader intellectual contribution. The collected contributions ... constitute an elegant contribution to scholarship and erudition of which Trinity College can be proud.’

*John Fingleton,
Chief Executive at the Office of Fair Trading in the UK
SER Editor 1987*

‘In my 1st year at Trinity, I read the Student Economic Review with awe. There were so many thought-provoking articles, written to such a high calibre. In my ensuing years I tried to emulate the standard the Review set, though not always successfully! This publication is truly a testament to the passion and dedication that Trinity’s students and faculty have to economics and to higher learning. It is an honour to get to continue to be involved with the Review as a graduate.’

*Aoife Cunningham,
Apache Corporation
SER Finance Manager, 2008*

‘I feel very lucky to have been part of the SER. It was a unique opportunity to extend and encourage economic thinking outside the lecture hall; and the quality of the essays and debates that resulted was a real testament to the economics department, the talent of the students, and the dedication of the other committee members.’

*Jean Acheson,
Economist with the Office for National Statistics (UK)
SER Editor 2009*

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WELCOME TO THE REVIEW

On behalf of the entire committee of the 27th edition of *The Student Economic Review*, I would like to welcome you to this year's edition.

The Review has been in publication since 1987 and has over the years kept a record of the general economic outlook of the time. We are incredibly proud and honoured to have taken part in the promotion of high-level academic discourse among undergraduates in Trinity College through welcoming guests such as Edmund Phelps and Ajai Chopra, hosting debates against Yale and Oxford, and most importantly through the publication of this Review.

The SER has long been a forum for undergraduates to meaningfully contribute to economic thought, with many past contributors to the review now being some of the top players in the field of economics on both a business and academic level. We believe that this year's edition, and the 17 essays we have selected, will live up to the exacting standards of the Review, and in the future expect these authors to achieve greatness in economics and all other pursuits. That being said, nothing we achieved this year would have been possible without the hard work, guidance, and support of this year's committee, sponsors, and contributors.

In particular, the committee would like to extend its gratitude to our President, Professor John O'Hagan, a man who has tirelessly dedicated himself to the success of the Review through the generations of economics students who pass before him. He has been exceptionally generous in donating his time, guidance, and good humour to us as we navigated the path to the publication of the Review and hosting of events. His attention to detail, knowledge of the running process, and constant encouragement kept us focused, and it is safe to say the Review and the events we hosted this year would not have been as successful without his wisdom. The passion he has for economics and the SER is infectious and has been a key driving force behind the success the Review has reached today.

In addition, we'd like to thank the patrons of the Review in the Economics department, Dr. Michael Wycherley, Dr. Carol Newman, and Professor Philip Lane. They offered additional assistance and advice at crucial decision making periods and were a constant source of support at important events throughout the year. Lastly, the committee would like to thank the staff of the Economics department, in particular Colette, who was always willing to take the time to assist with any communications and other tasks when necessary.

We are also eternally grateful to our generous sponsors, without whom the Review could not continue. Firstly, I would like to extend thanks to Mr. Harry Hartford, who has been a long-standing supporter of the Review. His continued support has allowed the Review to thrive and we are eternally grateful for all he has helped us achieve. Next, I would like to thank Mr. Vinay Nair, after whom the debating cup is named. As a past de-

bates convenor for the Review, he began the Oxbridge/Ive League debates that we have come to see as tradition. His generosity has helped to ensure that these debates continue into the future. Thirdly, I would like to thank Mr. Alan Gray, another Trinity graduate who has thought of the SER after his time at Trinity, and whose sponsorship has helped us to host exceptional events and upkeep the standards of the published Review. I would also like to thank Ms. Aoife Cunningham, a recent graduate who previously served as the financial manager of the SER. We are so grateful and humbled that she has continued to think of the Review after her time spent on the committee, and see her continued support as a testament to the impact the Review has on those who engage with it. Lastly, I would like to thank our newest sponsor, Bord na Mona. As they decide to head in a new direction, they understand the need for academic research in securing Ireland's future and we are exceptionally grateful that they have committed to support the Review both this year and into the future.

It has been my great honour to act as general manager of the Student Economic Review this year. Having been told by Professor O'Hagan at lunch, following the selection of this year's committee, that if anything were to go wrong it would fall to me, I felt the weight of the Review on my shoulders. This burden was lifted as soon as I got to know the rest of the committee, all of whom are determined, hardworking and enthusiastic individuals. It has been such a privilege to work with each one of them this year, and I would like to thank them personally for all of the time and effort that they committed to the Review. Their commitment to the success of the publication and event made my job of ensuring that everyone else is doing their job remarkably easy and ensured the success of the Review and all events we hosted.

Over the year we have run a number of successful events, and I would first like to thank Estelle Purcell and Emma Tobin for all of the hard work they put into organizing the debates against Yale and Oxford. It was clear to anyone who was at these lively debates that the standard of speakers was exceptional and the running of the events was seamless; particular compliments to them on the selection of the speakers as Trinity asserted its economic prowess and impressed the judges on both occasions. I would like to thank our workshops convenor, David Schenck, for the work he put into the organization of the schols workshop and the securing of renowned economists to speak to Trinity. Descriptions of all events hosted will follow and I would encourage you to read them as they convey some of the success of this year's committee.

I must also thank Mark Horgan, who kept a close watch on this year's finances, despite the valiant attempts of a few committee members to splurge here and there. Given the hard economic times that we are still working our way out of, he must be commended for securing new sponsorship for the SER for this year and years to come. Kevin O'Reilly, this year's launch manager, wowed us with his organizational ability and persistence even when it seemed like we would never secure a venue for the launch. In addition, we knew

we could trust his refined taste to put together a launch as high caliber as the review itself. On the organizational side of things, I must also compliment Chris Rooke, our production manager. As the review was coming together, Chris impressed us all with his tech skills and the fact that I was never quite sure what he was talking about when discussing formatting, programming and website updating in the proper jargon let me know he had the advanced skills we needed to get the review formatted and to print successfully.

My last thanks go to the editorial team of this years Review, Brian Higgins, Rahul Dewan and David Schenck. I personally witnessed the many hours they spent tucked away in their rooms reading, selecting, and copy editing, and am sure that they have only selected essays that live up to the exacting standards of the Review.

I would like to congratulate all who have had their work selected for inclusion in the Student Economic Review this year and hope you take pride in your hard work and accomplishment.

I would now like to invite you all to read the essays contained in the Review. I am sure that you will be as impressed as we were with the level of intellectual talent currently in Trinity. I hope that you find this years Review to be thought provoking, stimulating and most of all enjoyable!

Marielle Grigsby-Rocca
General Manager, Student Economic Review 2013.

LETTER FROM THE EDITOR

It is my pleasure to welcome you to the 27th Edition of the Student Economic Review. The Review is a wonderful addition to Trinity, allowing undergraduate students to truly engage with and challenge the material they come across in class. In a time when economics has almost become 'pop culture', the Review provides an excellent opportunity for students to grapple with the debates occurring across Ireland and around the world. It is such positive engagement which bodes well for the Review, and for the discipline of economics.

The Review has a long history academic excellence, rewarding critical thinking and clarity of argument. Many of those published in the Review have gone on to shape, change and influence economic theory and policy around the world. We are proud to be a part of this tradition and are confident that this years Review will be as robust and timeless as those issues which have come before it. This year we hoped to create a Review which both engages the reader and rewards writers for their innovative ideas. We hope it is a Review which will be enjoyably read, while challenging the reader to think differently about the issues and ideas tackled. It is accessible and interesting, yet thought provoking.

Our goal to create a stimulating and enlightening Review was greatly helped by the quality of the submissions received, the best of which I will now outline.

The current issue falls into five categories. The first section on Economic Theory is opened by the winner of the Best Senior Freshman Essay Prize. Conor McGlynn provides an insightful analysis into how we derive an 'economic lens' to view the world and our inherent biases in doing so. A highly original essay, it successfully delves into the process of how theory becomes accepted and whether this can ever result in an objective, scientific economics. Following this, we have a range of papers addressing the philosophical nature of Adam Smith's theory of self interest, the importance of education to development and the continued relevance for Fisher's debt-deflation theory.

Since the beginning of the financial crisis, the area of Monetary Thought has been buoyant with lively debate about how best to manage our currencies and monetary policy. The second section adds to this debate with papers addressing why we have central banks, and evaluating their policies of inflation targeting and asset price control. We are also brought a historical paper, which evaluates the modern relevance of 20th Century theorist Major Douglas.

The third section demonstrates the practical relevance of economics in the world. We see the meeting point of economics and law in the discussions of Microsoft's and Ryanair's competition cases, an excellent review of the policies which took Brazil out of hyperinflation, along with an argument for Ryanair's expansion into the African continent.

The fourth section tackles the questions which challenge policy makers on a

daily basis from EU-US free trade to European labour markets and regional policy. The final section demonstrates the curiosity and rigour of students when they grapple with independent research. We have an extension of the use of gravity models in trade – an interesting borrowing of ideas from physics – along with an exceptionally relevant analysis of Irish migration.

I would like to also congratulate Emmet Kiberd, who's paper 'The Price of Appreciation: the Continued Relevance of Fisher's Debt-Deflation Theory' received the Best Overall Essay Prize and Paul Kenny who's paper 'Towards a European Labour Market: Combating Long-Term Unemployment and Improving Trade Unions through Increased Migration' received the Best International Essay Prize. Both are of an exceptionally high academic standard and provide real food for thought to the reader.

At this point I would like to sincerely thank Rahul and David, my fellow members of the Editorial Team, who put in a tremendous amount of work while selecting and editing the submissions. We had a wonderful time discussing the essays and ultimately reached a strong consensus on those selected.

I would also like to thank my fellow members of the committee for being so hardworking in putting together some great workshops and events. In particular, our General Manager, Marielle, was exceptionally helpful during the editing process, ensuring anonymity was kept throughout, while our production manager Chris put in the long hours necessary to get the Review published in time.

To those who submitted, we were delighted by the large number of high quality essays received and we greatly enjoyed reading them all. Our work in compiling the review would be fruitless were it not for the interest, hard work and determination of all those who submitted to the Review.

Final thanks are due to the supporters of the Review from the economics department, Prof. O'Hagan, Dr. Wycherley and Dr. Newman. Your long commitment to this review is greatly appreciated and we thank you for all your help and advice during the entire process.

Finally, I invite you the reader to turn over the page and enjoy the Review. I hope you find it as inspiring and insightful as we did, and that some day the ideas enclosed here will help change your life, and our world, for the better.

Brian Higgins
Editor, Student Economic Review 2013

WORKSHOPS

In the aim to bridge theory with practice, the SER has in parallel to the review organized three workshops during the 2012-2013 academic year. The first of these, the classic “Schols” workshop took place early in Michaelmas term. In association with the Philosophical Society we were thrilled to invite Nobel Laureate Edmund Phelps towards the end of the first term. Lastly IMF Deputy Director and former head of the IMF mission to Ireland during the bail-out years Ajai Chopra came in Hilary term.

“Schols” Workshop

24 October 2012

The SER has become an obvious source of authority for the college community in preparing the Scholarship examination. This workshop is held annually for prospective BESS, PPES and TSM economics scholars. The aim of the workshop is to alleviate the pressure on students by offering advice and guidance on how best to prepare the exams. The particularity of this year’s workshop was that both scholars and unsuccessful candidates of the previous scholarship session offered their advice.

The SER’s committee was delighted to see so many students in attendance in this year’s “Schols” workshop. The breadth and depth of the presented material, as well as the Q&A, made sure that all attendees could find some additional insight to the numerous talks organized by the other college bodies, including the economics department and the student union. In addition to the talk, additional documentation was made available to the students, including last year’s business case studies.

Professor Edmund Phelps

16 October 2012

In conjunction with the Philosophical Society, the SER welcomed economist and Nobel Laureate Edmund Phelps to Trinity College. The topic Mr. Phelps chose to address was concerned with the “indigenous innovation of a nation”, the ultimate source of prosperity according to the Nobel Prize holder.

The tone of his discussion was strikingly contemporary, citing entrepreneurship and innovation as the driving forces to economic recovery. Edmund Phelps noted that he “probably had far more to learn from Ireland than he has to teach it”, calling upon the new generation to bring fresh water to the field of economics.

This workshop offered the student body the very enriching opportunity to re-focus itself on the real economy and its creative engine at a time when the Eurozone was on the verge of an implosion.



The SER Committee with Professor Edmund Phelps

IMF Deputy Director Ajai Chopra

11 March 2013

The third workshop of the year took saw the former head of the IMF mission to Ireland during the bailout years present his take on the macroeconomic state of the Eurozone. In an elaborate and technical presentation, Mr. Chopra explained the absence of economic growth as a result of balance sheet stress in the sovereign, corporate and domestic markets.

Attention was also drawn to the divergence between the core and peripheral countries of the Eurozone, citing notably Spain and Germany as two contrasting examples for economic recovery.

The Q&A session that followed the presentation had Mr. Chopra defend the case for fiscal consolidation as the lesser of several evils, drawing the attention to the long-run implication of unsustainable debt growth, while recognizing the existence of short-run positive fiscal multipliers. Mr. Chopra further called for a banking union as a logical extension to the broader European project.

We wish to sincerely thank Mr. Chopra for the time taken to address the students while operating on a very tight schedule of official meetings with the Irish government and central bank.

Finally, I would like to extend my sincere appreciation to the rest of the SER committee, with whom preparing the workshops has proven exceptionally rewarding. Thanks to Prof. O'Hagan, Dr. Newman and Mr. Wycherley for their input and support, as well as the economics department.

David Schneck
Assistant Editor & Workshops Convenor

THE SER DEBATES

Since their inauguration in 1996 The SER debates have come to be one of the most exciting events in the Trinity calendar. This year's saw Trinity face Oxford and Yale, and proved to be one of the most exciting years yet. Our sincerest gratitude is extended to The University Philosophical Society and their secretary Rosalind Ní Shúilleabháin, with whom we organised these events. We also wish to extend our thanks to The President and Vice-President of the SER, as well as Mr. Vinay Nair without whom these debates would have never come into existence.

Trinity Vs. Oxford

Thursday November 29th



Back (L-R): Steph Bell (Oxford), Clive Ely (Oxford), Christopher Croke (Oxford), Sean Gill (TCD), Rian Derrig (TCD), Dave Byrne(TCD)

Front (L-R): David Nally (Judge), Maria Mileder (Judge), Emma Tobin (Debates Manager), Prof. Patrick Geoghegan (Dean of Undergraduate Studies, Chair), Estelle Purcell (Debates Manager), Hamish McRae (Chair of Judges)

On Thursday the 29th of November Trinity faced an Oxford team composed of some of the world's most distinguished debaters. Steph Bell (World Debating Finalist), Chris Crock (2010 World Debating Champion) and Clive Ely (Winner 2010 Pan-African Universities Debating Championships) represented Oxford University.

The Trinity Team was composed of Rian Derrig (Irish Times Finalist), Dave Byrne (World's Octo Finalist) and Sean Gill (Founder, Trinity Economic Forum).

A distinguished panel of judges adjudicated on the winning team and on the best individual speaker of the night. Hamish McRae of the London Independent chaired the panel alongside David Nally, Managing Editor Current Affairs, RTE; and Maria Mileder, Global Rules Analyst, Paypal Dublin.

Dean of Undergraduate Studies Prof. Patrick Geoghan chaired the meeting, offering his unique, comical and occasionally accurate view of events.

The motion 'This House Believes Ireland Should Desert the Euro' was proposed by Oxford. The Trinity team spoke in opposition. The debate was both lively and thought provoking.

Clive Ely opened the case for Oxford, declaring that an overnight abandonment of the Euro, not just for Ireland, but all Eurozone countries would be in the best interests of Europe. The centrally determined nature of a common currency serves only those states with the most influence while smaller states, such as Ireland are left without a say in their own monetary policy. These smaller states have no control over their domestic economy and exchange rates and instead are left at the mercy of greater powers, ambivalent to their needs.

The counter argument offered by Trinity's first speaker Sean Gill pointed out the impracticality of the model offered by Oxford. The secrecy surrounding a sudden abandonment would cause political uproar and widespread instability. For any abandonment to be affective and practical, it would require months of logistical planning, which, if done in secret, would undermine many, if not all political relationships within the EU. The sudden currency shift would prompt a run on the banks. Austerity, Sean told us, is working. The progress we have made in economic recovery would be lost, and Ireland, like Argentina would be shut out of the not only the credit market, but also from international discourse.

Oxford's next Speaker, Chris Crock attacked Trinity's focus on the short term transaction costs of a currency change. The short term memory of the international market means Ireland would be re-included both fiscally and politically relatively quickly. The benefits from an independent monetary policy would outweigh these short run costs. The Euro is overvalued in an Irish context, and is in turn stagnating and even damaging our growth prospects. The devaluation he believed necessary to rebuild the Irish Economy, in line with the Icelandic model, could occur would we leave the Euro. Staying in the Euro means Ireland is doomed to default.

Trinity's Rian Derrig claimed Oxford was fact picking, using only those examples which benefit their argument while ignoring the greater picture. The political fallout would be immense, and Irelands esteem in the international community deeply harmed. Any hope for economic betterment would be destroyed by this. Furthermore, he served to remind Oxford that Ireland has never had an independent monetary policy, and to the size of our economy would make one unviable. To have a say, as one of twenty seven mem-

ber states, rather than accept the monetary policy of another, such as the UK, is a much greater asset to our economy.

Steph Bell served to close the case convincingly for Oxford. The international community frequently moves on from once off defections, and an abandonment of the eurozone would be no exception. The multiple breaches of the Stability Pact by those very states putting pressure on Ireland to comply with it prove that the union is unfeasible and will not be a success. In tying its faith in with states like Greece, Ireland cannot make the changes it needs to grow. She pointed out that whatever the remedy is for Greece, it will inevitably impact upon us. Ireland, she said, needs a different solution.

The final speaker, Trinity's Dave Byrne pointed out a lack of realism in Oxford's model. "You've given us nothing but rhetoric" he claimed. He pointed out that the only viable alternative to the Euro for Ireland is to peg to the sterling, something Oxford failed to address. The Irish, he said, has a bit of a problem with relying on the English for our welfare. The symbolism of the Euro is greater than simple monetary policy and economics. It denotes wider cooperation and political ties between countries that not 70 years ago were at war. The economic and political benefits of the euro far outweigh any costs it may entail, and while there may be short term costs now, the long term gains will be great.

The crowd were enthralled throughout the debate. After 20 minutes of deliberation Mr. McRae announced Trinity the winners, and Dave Byrne as best speaker, to rapturous applause. He congratulated both sides on an engaging, multifaceted debate which in the end came down to a knife edge. Trinity's victory was the result of its willingness to tackle the wider political elements of the debate.

Trinity Vs. Yale

Thursday, February 7th

The second of the year's debates saw Trinity return to the GMB's Debating Chamber to take on an impressive, if somewhat jet lagged Yale. Trinity welcomed an esteemed Yale team composed of Stacey Chen (Top ten speaker, North American Debating Championships), Max Dovala (Three times finalist, North American Debating Championship), and Andrew Connery (3rd place Winner, North American Debating Championships, two time state champion). History was made in Trinity putting forth its first all-female team of Ruth Keating (Irish Times Finalist), Hannah Cogan (Former Phil Debates Convenor), and Rebecca Keating (Irish Times Finalist).

The debate was judged by Áine Lawlor of RTE's Morning Ireland, Catherine Woods, former Trinity Scholar and current AIB board member, Carmel Crimmins, Senior Financial journalist Reuters, Michael O'Higgins, former Treasurer Historical Society and currently Chair UK Pensions Regulator, and John Kelly, Guggenheim Partners



Back (L-R): Stacey Chen (Yale), Max Dovala (Yale), Ruth Keating (TCD)

Front (L-R): Andrew Connery (Yale), Provost Patrick Prendergast (Chair, TCD), Hannah Cogan (TCD),
Rebecca Keating (TCD)

Europe. The meeting was chaired by Trinity's Provost Dr. Patrick Prendergast.

The debate saw Yale proposing the motion that This House Believes Tax is Theft. Ms. Chen opened the case for Yale, which was to focus on the most basic, and fundamental aspect of natural law; consent. This key subject would be the focus of the debate for the night. Taxation is not something to which we openly express consent, nor is it possible for us to avoid. It is enforced, and there is not “opting out”. No matter what economic function taxation may play in the modern world it does, in essence, conform to our definition of theft.

Rebecca Keating’s reply on behalf of Trinity got straight to the point. We are all part of modern society. In engaging with, and benefitting from this society you “consent to paying the cost this society entails”. It is part of the social contract, and is what allows society to function. Without it there would be decay.

To the surprise of the audience Yale’s next speaker, Max Dovala, agreed with Ms. Keating. Taxation does allow society to function. Public goods exist and aid society in providing the goods and services we cannot entrust to the private market. Yet, that does not negate the fact that taxation is entirely based upon taking that share of wealth from an individual without their explicit consent. You do not choose the society you are born into, and assuming consent purely because of your place of birth is an absurd concept.

Hannah Cogan was quick to correct Mr. Dovala’s assertions. She pointed out a key flaw in Yale’s case. The option to opt out of taxation is real, tangible, and a minority of people do avail of it. Communes, anarchists etc. all frequently reject modern society,

taxation included, and thus remove their consent to be taxed. In choosing not to opt out, and continue to avail of public goods and governance people consent to taxation.

Andrew Connery summed up the case of Yale. The tiny minority of people who exist outside of the conventional societal structure do still suffer infringements by the state. They are regulated by the state, and still pay some taxes. Most people are not even aware this is an option, so to assume perfect information in this case is deeply misleading. No matter what the benefits and gains are from taxation, it is nevertheless based on an initial, flawed premise; there is no choice, there is no consent, thus it is theft.

The final speaker of the debate was Ruth Keating for Trinity. She made clear the ambiguities of the Yale team's case. They had conceded that the benefits of taxation shape society, as well as the ability for people to exist external to the state structure. People consent implicitly in accepting and availing of the public goods taxation provides. People can, and do object and refuse to pay certain taxes. They can, and do opt out selectively, and in doing so provide consent elsewhere. Within this framework tax is the farthest thing from theft.

The debaters evoked a wonderful combination of philosophical, political and economic ideas that entertained and informed a diverse audience. Aine Lawlor announced the judge's verdict. Trinity were announced winners of the debate, and Ruth Keating was awarded best Speaker prize.

We were delighted and proud to see an all Trinity sweep at the Student Economic Review Debates!

Estelle Purcell & Emma Tobin,
SER Debates Managers.