Dear Carroll Round alumni and friends,

I hope that this newest issue of the Carroll Round Source finds you well! As always, the Steering Committee and I are excited to be in touch with you about some of the latest Carroll Round news. This issue includes a recap of the 2014 conference and updates from two alumni, among other articles.

The Carroll Round is truly a unique and rewarding experience to be a part of, as I think all committee members and participants would agree. I am so grateful to have the opportunity to lead this year’s committee in continuing the tradition of the Carroll Round. The steering committee has been hard at work since the start of the semester—we have put on two speaker events and our annual World Bank and IMF career panel—and we are so excited for the coming months as we head towards this year’s conference.

I would like to take this opportunity to thank all the alumni and supporters of the Carroll Round for continuing to make this experience possible, both for the committee and for the participants who will join us on the Hilltop in April. Happy holidays to all, and we look forward to seeing many of you soon!

Kristen Skillman
Chair
Recap: The 13th Annual Carroll Round

In line with previous years, the 13th Annual Carroll Round was held this past April. The conference was well received and continued the tradition of being one of the world’s best undergraduate international economics research conferences.

Selecting from a pool of over 70 applicants, the papers spanned a wide variety of topics written by students from a variety of the world’s leading economics programs. The Outstanding Paper Award went to Thomas Bumberger (University of Cambridge) for his work “An Analysis of Agent-based Spatial Signalling Games,” while the Outstanding Participant Award went to Saugata Sen (London School of Economics). The Kaneda Prize for an Outstanding Young Economist went to Russell Morton (Princeton University).

In a bid to inspire these bright young minds while catering to the diversity of interests, Nobel Laureate Dr. Peter Diamond spoke on “Unemployment and Debt” and his view that increasing government spending would help to reduce unemployment in the long run during Friday night’s dinner at the Four Seasons Hotel. Participant presentations continued on Saturday and Dr. Martin Ravaillon’s keynote speech on “The Idea of Antipoverty Policy” in the afternoon, where he talked about the evolution of society’s thoughts on poverty from it being a necessity to an ill that should be eliminated, concluded the presentation section of the conference.

Continuing with the trend started last year, Saturday finished with a fun evening of bowling at the newly opened Pinstripes in the Georgetown area. Besides getting the opportunity to see Dean Kaneda and fellow participants strike some pins, Georgetown Professor and Session Chair Dr. Charles Udomsaph also joined in on the fun.

The conference was yet again a resounding success. We thank everyone for their support and look forward to your continued engagement with the Carroll Round.

- Natalie Nah, Programming Chair
Organizing and participating in the Carroll Round was one of the highlights of my senior year at Georgetown. The story of how the idea was hatched over pints at the Radcliffe Arms in Oxford is a well-known part of CR lore. There are also some truly unforgettable moments from the first Round itself that have become part of the canon. But for me, the long hours spent with Mitch and with my friends on the committee, planning the conference, sharing ideas and each others’ company, were the really great part. The Round also added a little extra intellectual oomph to my last year on the Hilltop, for which I’m grateful.

After Georgetown I continued down the academic path that the Round had set me on (causation or selection effect?). I studied philosophy and economics at the LSE and then went to UC Berkeley where I finished a PhD in economics and a law degree and focused my intellectual energies on tax law. After practicing tax law in New York for a few years I did a fellowship at NYU studying urban law and policy. I now teach tax law at the University of Virginia School of Law.

I’m interested in how people respond to the incentives created by government tax and transfer programs, and for this I think economics training is essential. I am sometimes an applied theorist and sometimes a bit more of an empiricist. It depends on the research question and how much time I’ve spent cleaning data recently. In all things I try to be sensitive to the institutional context and the psychology of the actors involved in whatever I’m studying, so that my models and regressions are connected to reality. I’m also interested in the normative justification for tax law and questions about what the law should be. For these normative questions I don’t find economic welfare analysis very helpful, but the positive or scientific use of economics, which allows me to anticipate the consequences of tax reform, is always important.

- Dr. Andrew Hayashi, founder of the Carroll Round
Alumni Spotlight: Christopher L. Griffin, Jr.

In other forums, at this point too numerous to mention, I have talked about my path to academia; how it started with the wondrous, inaugural Carroll Round; and what that history means to me. I cherish both its endogenous flowering from my Georgetown education and the exogenous impact it has had on scores of undergraduates. There is no better training for a life in any department than the early (and frequent) dissemination of one’s work in scholarly circles. Lest you think it’s all about intellectual experience, the enterprise—as successive Rounds always prove—can be an exhilarating social one, too.

That last point reminds me of something that has proved critical to my work as a professor at William & Mary Law School. Although I no longer conduct research on international trade issues, I still apply empirical methods to almost every article I write. Academic law schools tend to have at least one person on the faculty conversant, if not well-versed, in econometrics. But the vast majority are generalists concerned with legal theory. The hallmark of the Carroll Round and academic pursuits more generally remains sharing one’s ideas widely. And for someone like me, that means thinking strategically about my audience(s).

Take, for example, my current paper, *Political Affiliation and Quasi-Judicial Decision Making: Evidence from the National Labor Relations Board*. The estimation strategy relies on a pure natural experiment that I supplement with pre-regression matching methods. None but perhaps two of my colleagues has the slightest idea what the previous sentence means. But I have one who studies political gridlock in Congress; another who understands mainstream federal courts; and a third with expertise in labor law itself. These men and women arguably are more important to the development of my ideas than the trained economist. If my conclusions do not pass their “smell tests,” I likely will not be able to convince a broader audience of my findings no matter how sound the empirical methodology.

If I have derived one major lesson from my nascent career, it is to give economics work, or that in your eventual field, to the uninitiated. A second pair of eyes can be just as useful from a smart specialist in your subject matter area as from a methods expert. No matter who those people are, engage them. Talk openly and often about your ideas. The academic or other professional should be no more an island than any man or woman!

- Dr. Christopher L. Griffin, Jr., founder of the Carroll Round
History of Statistical Packages

What does a micro-economist say after he runs his statistical software program?
Shazam!

What does a macroeconomist say after he runs his statistical software program?
Aww nuts.

/* The above joke, told to me by a 32-year-old Economics PhD candidate, made almost no sense to me the first time I heard it. You might be wondering, “How? The (well-deserved) jab at macroeconomists (take that, Carol Rogers!) is so obvious.”

I assure you that I laughed just as hard as you at the friendly poke at macro. No, what made no sense to me was that the joke-teller (my sister) stopped halfway through the joke to laugh riotously after shouting Shazam!

*/

proc Gen article=1 if thesis==Our conversation, combined with ample Thanksgiving holiday free time, inspired me to research the dark history of statistical software packages. I expected mundaneness at best, Bill Gates or Steve Jobs-like super villains at worst. Instead I discovered a surprising narrative of disruption, crowdsourcing, and stubborn “rational actor” individualism that, I think, grants us a glimpse into the zeitgeist of economics today.

drop article

>x<—The first statistical software packages—SAS, SPSS, and the now extinct BMDP—were written for IBM mainframe computers long before the first PC moved economics from the lab to the arm chair. These programs were designed by statisticians, social scientists, and healthcare research labs, respectively, and they were customized to the particular demands of those professions. These were the medieval, aristocratic days of computational statistics: the programs were highly stylized to their designers’ idiosyncratic preferences, and few people without statistics PhDs seriously engaged in this form of research.

echo “These three software packages enjoyed years of market domination, but disruption, inevitably, reared its ugly head with the advent of the Personal Computer. These three companies created packages for desktops, but were soon superseded by a second generation of statistical packages written for the (no joke) WIMP interface, which stands for Window, Icon, Menu, Pointer.”;

summary (lm_1) These packages, along with the PC itself, unleashed the power of the amateur economist, although high entry costs (have you seen the price tag for a Stata license?) still kept research confined to the academy, major corporations, and super nerdy trust-fund kids who preferred regressing to rowing.
use “carrollroundawesome.dta” Of these “2nd Gen” software packages, Stata has pride of place in the Heart of the Hoya. Stata exploded on the scene, sending waves through the statistics community (a cliquish but excitable nerd herd based out of San Jose). Of its many features, its huge archive of contributed code has most endeared it to scholars, especially those who do not have a formal statistical background. The democratization of rigorous statistical analysis had begun.

clear all

tabstat article, by(losing interest) Of all subsequent statistical software packages, perhaps R best Realizes (see what I did there?) the industry’s drive toward egalitarian access to statistical software and libertarian freedom to do whatever the heck it wants with that software. R is a free, open-source statistical software package that has captured the imagination of, well, everyone. Because of its open-source nature, R can be all things to all people—an environment to prototype new statistical techniques on one end of the spectrum, a tool for teaching introductory statistics on the other. Truly, then, R fulfills the promise of making statistics available to all people, completely and equally.

> par(mfrow=c(2, 2)) But R has also begun to burst at the seams. Because of its open-source nature, thousands of redundant coding methods now exist in the digital ether. Scholars have pushed the package to its limits, and densely packed layers of superfluous code are beginning to choke the software. Democracy, it seems, has its limits.

log close

What, then, does the future of statistical software hold, and what does it imply for economics? I don’t know. I am, after all, only an undergraduate. But if I had to guess, I’d say that the advent of big data and the computational demands inherent in studying so much information, along with the trends described above, will lead to scholastic retrenchment, at least at the commanding heights of statistical research. Increasingly, computers will replace humans in recognizing and, then, interpreting patterns in the data. A new statistical aristocracy, once displaced by technology’s diffusion, is emerging once more.

Luckily for us, however, Big Data has its limits. The World Bank, for example, will always need data jockeys. After all, many parts of the global economy, including most developing countries, do not lend themselves so easily to big data.

- Thomas Christiansen, Carroll Round Proceedings Editor-in-Chief
Yet again, the year winds to a close and many will soon begin the ritual of resolving to accomplish certain goals at the dawn of the New Year. Alas, 1 in 4 would have broken one or more of such resolutions just days after the birth of the New Year, and quite possibly 1 in 2 would have wimped by the end of the first month.

Economists, too, have prodded away at this peculiar phenomenon, and might just have the solution to formally model a perfect set of New Year resolutions. The problem, it would seem, is that most individuals are equipped with ‘present-biased’ preferences that induce them to postpone onerous or unpleasant actions to a later date and time. O’Donoghue and Rabin aptly point out, in “Doing it now or later”, that the tendency for individuals to seek immediate gratification, and be overly optimistic about future self-control are the determinants of procrastination. Going away from the standard economic model that assumes time-consistent intertemporal preferences, the authors distinguish that procrastination might arise from preferences that are actually time-inconsistent. This means that an individual’s relative preference to head to the gym next week as opposed to next month would be different at two different points in time. That might explain the drive at the start of the year and the realization that you have not moved from your couch a month into the year. Tomorrow never quite comes, does it?

All’s not lost, though. To Nobel Laureate Thomas Schelling, whose work largely involves conflict and cooperation analysis, it is a matter of incentives, disincentives and commitment. Here’s the economist’s guide to New Year resolutions:

1. **Raise the Stakes.** Impress yourself with the seriousness of the resolution you undertake, by announcing to your family and friends (social media too!). Failure now means so much more than just the incomplete substance of your resolution. Failure will break your confidence, violate your ‘personal constitution’, and hurt your pride, and shame. Yes, shame is an excellent deterrent, and raises the costs of straying.
2. **Precautionary Rules.** Just as you would want to stay away from pools if you have an irrational fear of drowning, some goals are easier to meet without the distractions: disabling that Netflix account if you want to have a productive year for instance. Prof. Schelling drives home this message when he says “Just as it may be easier to ban nuclear weapons from the battlefield in toto than through carefully graduated specifications on their use, zero is a more enforceable limit on cigarettes or chewing gum than some flexible quantitative ration”.

Thomas Schelling coined the term *egonomics* to describe the “art or science of ‘self-management’ possibly as part of economics. *Strategic Egonomics* then refers to “consciously coping with one’s own conscious behavior.”
3. **Prearrange a Deal.** An oft-employed tactic for self-management, a quid pro quo deal with yourself (all-you-can-eat-sushi as reward if you lose weight) only works if (1) the incentives are strong enough, and (2) they are enforceable. Perhaps, a couple buckets of deep-fried wings would do the trick?

Not convinced? Here are some empirics. In a field study testing a voluntary commitment product to help smokers quit smoking, smokers who wanted to quit were offered a zero-interest savings account in which they deposited money for six months. If they were nicotine-free at the end of the six months the money was returned, but forfeited to charity otherwise. Subjects in the program were found to be more likely to have lasting smoking cessation than those in the control group. Of those who passed at the end of six months, about 48% were found to have kicked the habit at the end of a year!

There you have it. Following the economists’ model to formulating and enforcing goals will take care that your New Year resolutions don’t turn to ashes in your mouth – just for about 48% of you though.

*Geeva Gopalkrishnan is a senior in the School of Foreign Service, serves as the Long Term Development Chair on the Carroll Round Steering Committee, and had gravely procrastinated on his resolve to pen this article for over a month.*
Upcoming Events

2015 Reunion in New York City
Time: March 7, 2015
Please look forward to more details about the reunion in coming weeks!

14th Annual Carroll Round
Time: April 16-19, 2015
Mark your calendars! This year’s conference will feature speaker and Nobel laureate Dr. George Akerlof.

For more information about alumni events or The Carroll Round Source, please contact Eve Lee at sl1125@georgetown.edu