

# ICEF HSE

1997 - 2012

EXPERIENCE AND LESSONS

# ICEF

## Story:

ICEF, founded in 1997, is based on a unique partnership between the London School of Economics and Political Science (LSE) and the Higher School of Economics (HSE)

## Mission:

To create an institution in Russia that provides an international-level economics education which is evidently recognized off all other the world

## Values:

Intellectual freedom and conditions for self- actualization

Focus on quality in research and education, but not quantity

Openness

Commitment to high academic standards

Equal opportunities for all students and teachers



# ICEF Profile

**BSc Double degree programme (with external exams)**  
(since 1997)

- 1) University of London (UoL)
  - Economics
  - Banking & Finance
  - Economics & Management
  - Economics & Finance
  - Accounting & Finance

**BSc Graduates**

2) HSE Economics

726

**MSc “Financial Economics”**  
(since 2007)

HSE degree,  
Letter of Validation signed by LSE official

**MSc Graduates**

82

**International Research Laboratory of Financial Economics** (since 2010)

with participation of the LSE

**Academic staff**

16 full-time teachers (with PhD)  
about 100 part-time teachers  
(HSE, NES, MSU)



# Implementation of ICEF Idea

## 1 stage: Establishment of BSc programme as one of the strongest in economics in Russia and worldwide (by the UoL international standards)

- 1997** The first 38 students were enrolled on ICEF BSc double degree programme.
- 2001** ICEF held its first graduation ceremony: 13 graduates.
- 2005** The idea to open international level **MSc programme with the LSE involvement** was supported by the ICEF Board of Trustees and approved by the HSE Academic Council. **Recruitment** of full-time teachers who are PhD graduates from leading foreign universities began.

## 2 stage: Sustainable BSc programme development, setup and growth of MSc programme

- 2007** The **MSc programme in Financial Economics** was opened at ICEF.
- 2008** The LSE Annual Report indicated ICEF as the highly successful project in Moscow.
- 2009** ICEF became [Affiliate Centre](#) of the UoL International Programmes.

## 3 stage: transformation into an international scale research institution

- 2010** The **International Research Laboratory of Financial Economics** was opened at ICEF.
- 2011** The **First International Moscow Finance Conference** was organized by the LFE.
- 2012** The first meeting of **LSE.ICEF International Academic Advisory Board** took place in London.



# ICEF BSc programme: fusion of 2 education cultures

## Russian universities

- Broad university education
- 4 years, ~40 subjects
- High volume of class hours
- Examination marks awarded by students' own teachers

## LSE LSE

- Deep vocational education
- 3 years, 12 subjects
- Low volume of class hours
- Emphasis on self-study
- Double-blind procedure



- The best of two economic traditions
- 4 years, ~22 subjects
- Medium volume of class hours
- Emphasis on self-study
- ICEF interim exams + UoL external exams



# BSc programme integrated curriculum: UoL and HSE

## 1 year

**Micro- and Macroeconomics**  
**Calculus**  
**Statistics**  
**English Language**  
 Intellectual History of Europe  
 World History  
 Information Computer Systems

## 2 year

**Micro- and Macroeconomics**  
**Principles of Banking and Finance**  
**Sociology**  
**Introduction to Business and Management**  
**Mathematics for Economics**  
**Statistics**  
 Jurisprudence  
 Philosophy of Science  
 Political Science  
 Methods of Optimisation  
 Linear Algebra  
 English Language

## 3 year

**Micro- and Macroeconomics**  
**Econometrics**  
**Principles of Accounting**  
**Further Mathematics**  
 Public Sector Economics  
 History of Economic Thought  
 Economic History  
 Sociology of Popular Finance  
 Labour Economics  
 Development Economics

## 4 year

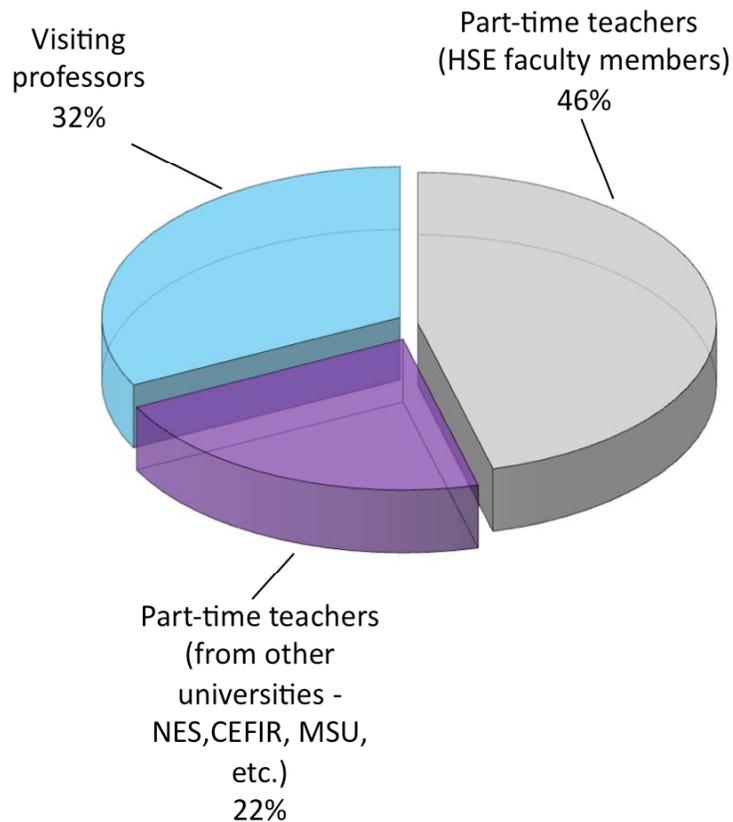
**Corporate Finance**  
**Organisation Theory**  
**Industrial Economics**  
**International Economics**  
**Monetary Economics**  
**Quantitative Finance**  
**Financial Intermediation**  
**Investment Management**  
 Time Series and Panel Data Analysis  
 Institutional Economics  
 Economics of Transition

# Evaluation of students' knowledge (BSc)

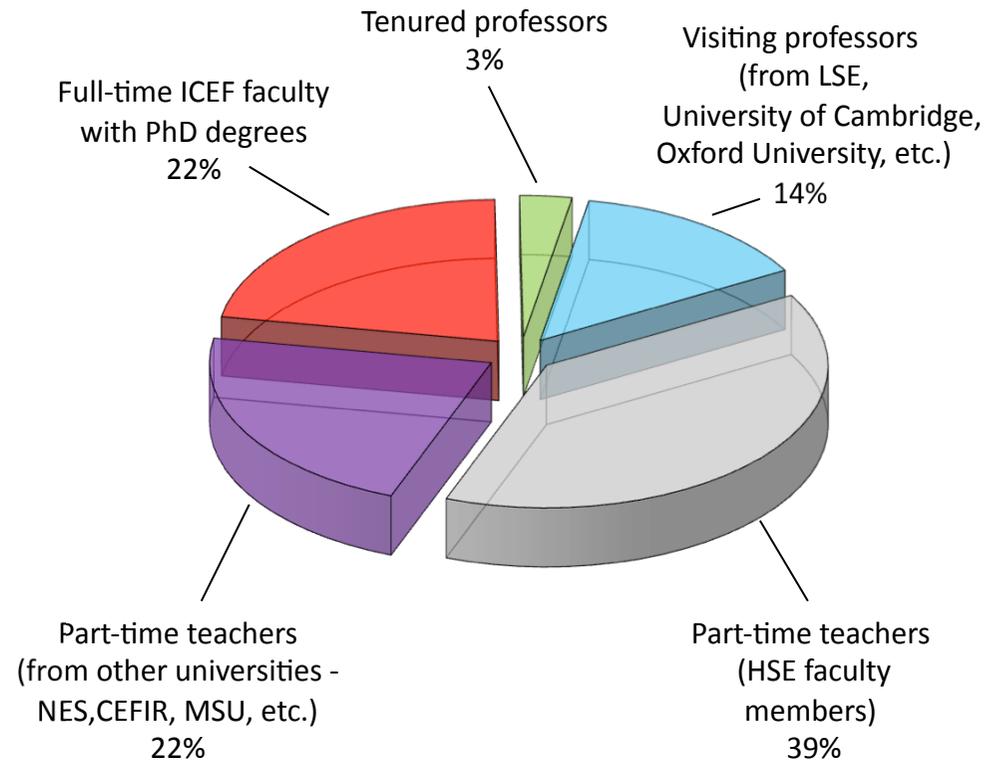
- HSE entrance examinations
- **APT&IELTS** as entrance examinations to UoL International Programmes (at the end of the 1st year)
- **External examinations of the University of London** (at the end of each year, except the 1st)
- ICEF mid-term and final examinations
- Final research paper (undergraduate thesis) defence (at the end of the 4th year)

# Teaching Staff Structure

2002-2003 academic year  
37 lecturers at BSc programme



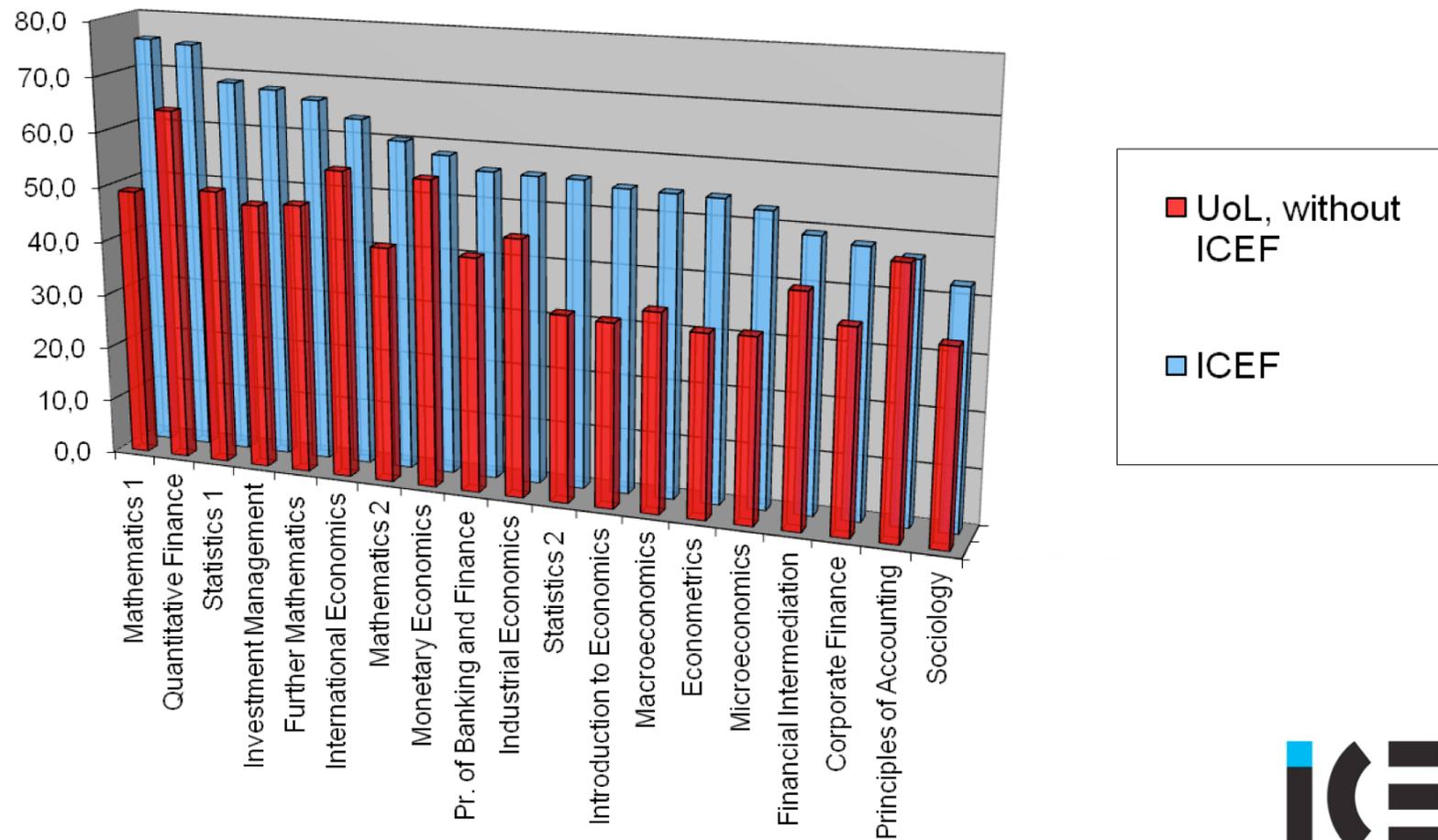
2012-2013 academic year  
64 lecturers at BSc and MSc programmes



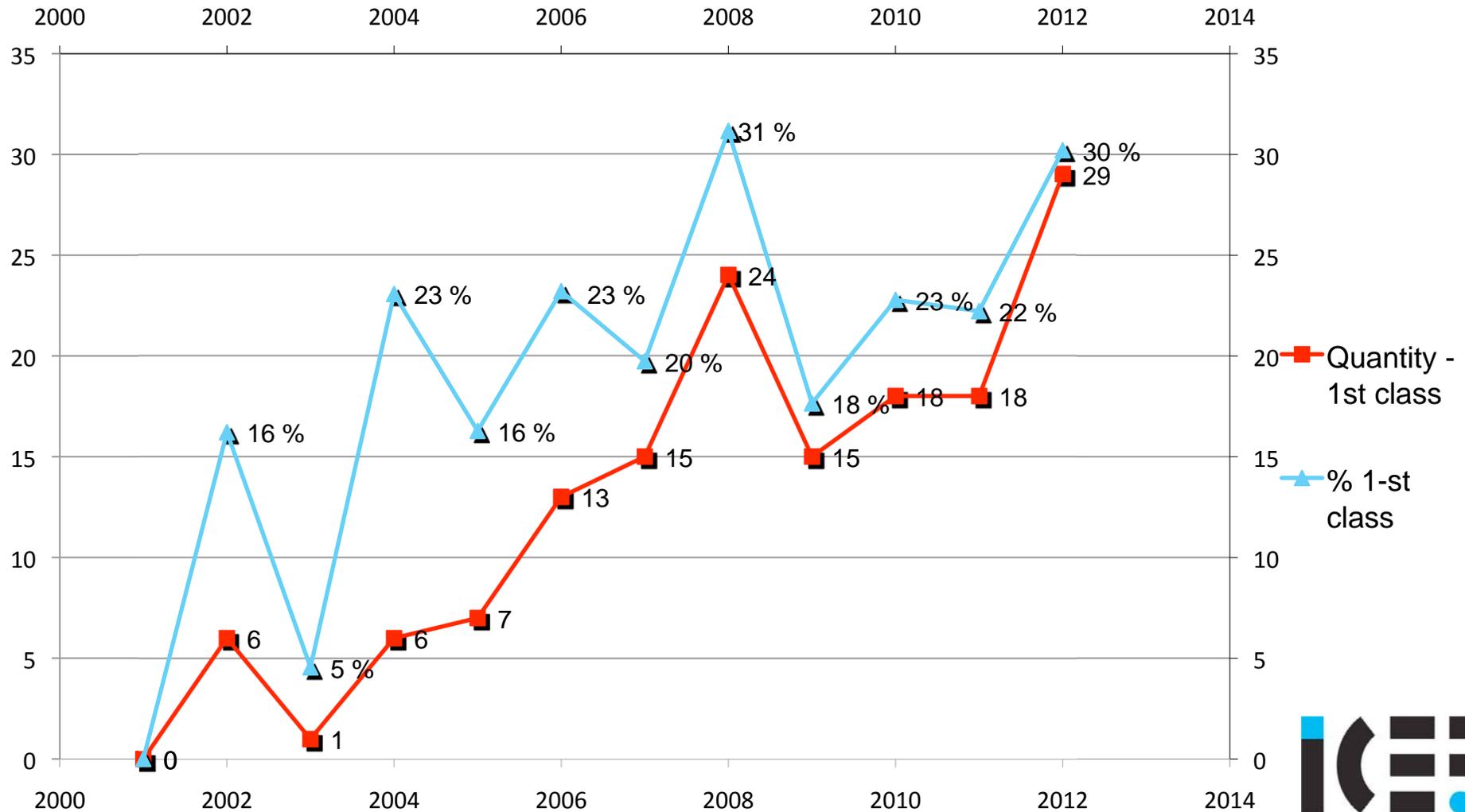
- Selection of the teachers on the basis of Russian and international competitive procedures.
- Decision is made by the ICEF International Academic Committee (HSE and LSE representatives)

# BSc: Academic Achievements

Average grades at the University of London exams, 2011:  
ICEF students and the rest of the world

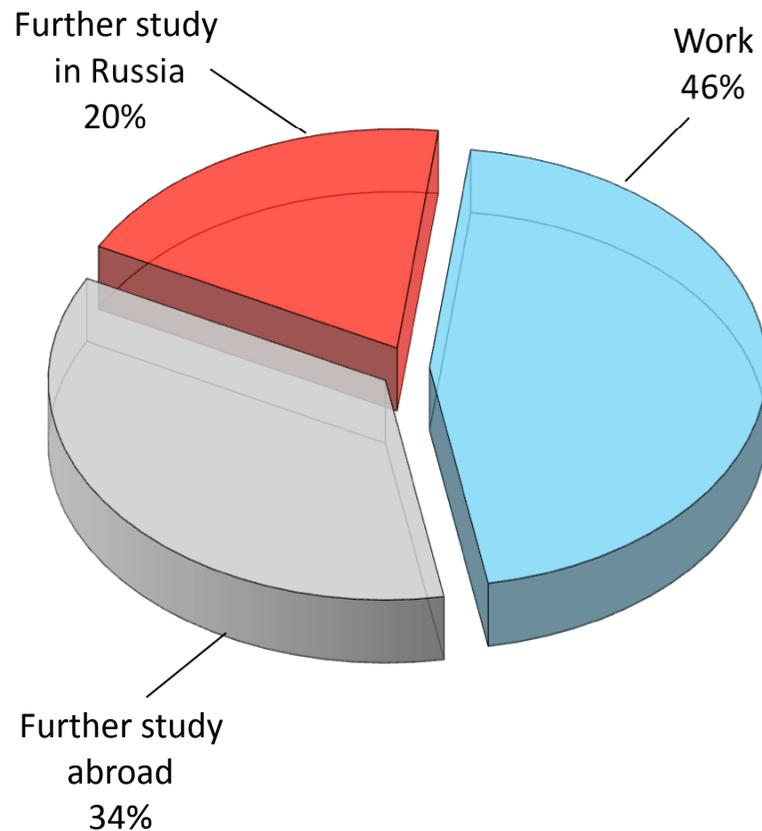


# BSc: Share of the UoL 1<sup>st</sup> Class Honours Degrees 2001-2012

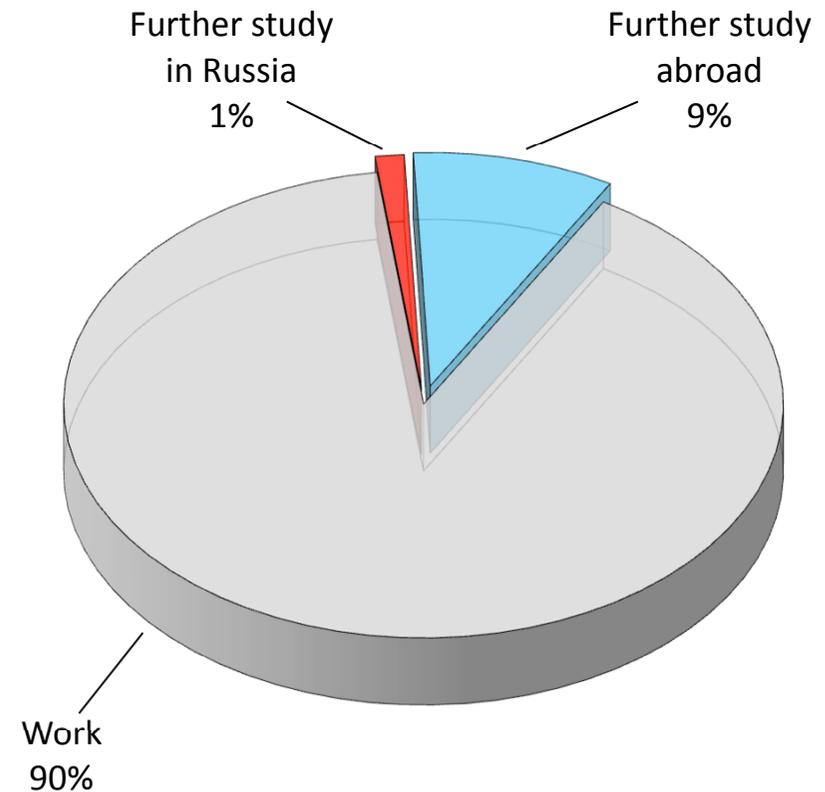


# Placement of Graduates

BSc graduates (2001-2012)



MSc graduates (2009-2012)



# Foreign Universities where ICEF Graduates Continue their Studies, 2001-2012

## Continental Europe

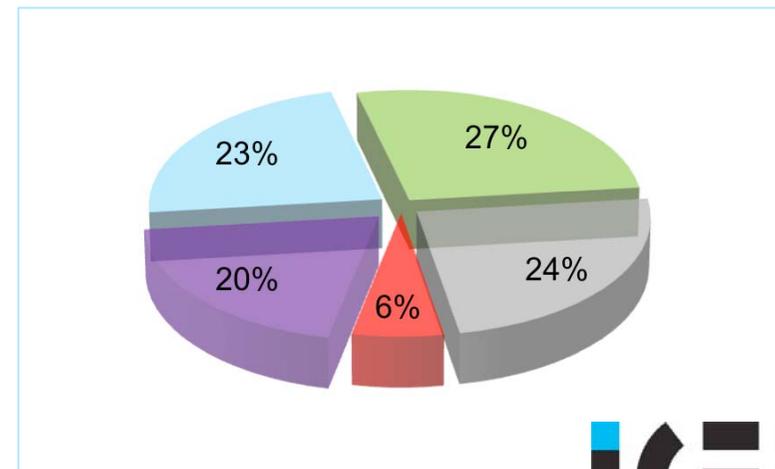
Amsterdam Business School  
 University of Amsterdam  
 Erasmus University Rotterdam  
 ESLSCA Graduate School of Business  
 Stockholm School of Economics  
 EADA Business School, Spain  
 EDHEC Business School, France  
 Gent Management School, Belgium  
 University of St. Gallen\*  
 Maastricht University  
 INSEAD  
 Bocconi University\*  
 University of Bremen  
 Humboldt University  
 Toulouse School of Economics\*

## UK

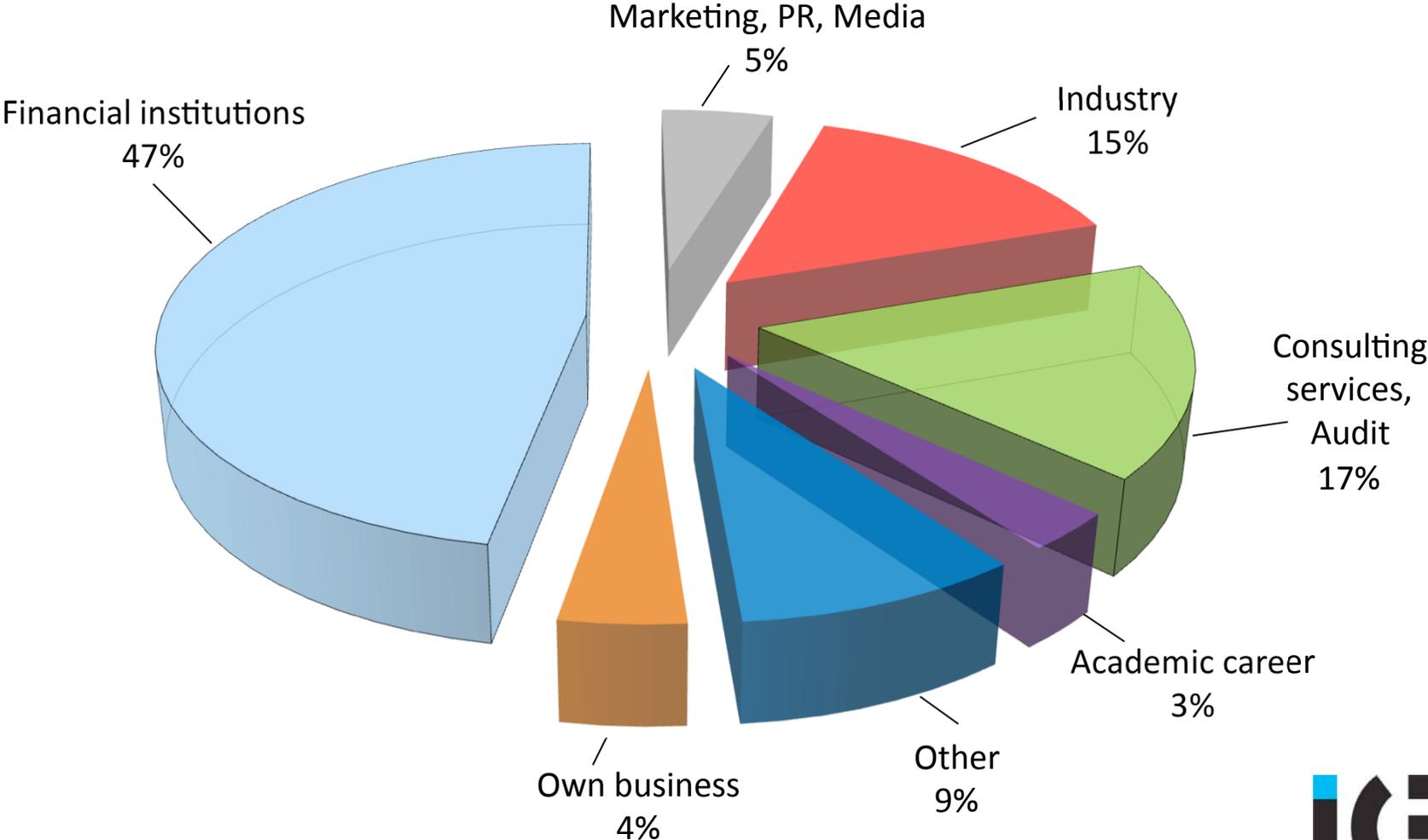
The London School of Economics and Political Science\*  
 The London Business School  
 University of Oxford  
 University of Cambridge  
 Warwick Business School  
 Tanaka Imperial Business School  
 Cass Business School  
 University of Birmingham\*  
 University of Edinburgh  
 City University of London  
 Imperial College London  
 Aston University  
 University of Westminster  
 Durham University  
 Durham Business School  
 University of Aberdeen

## USA

University of New York  
 Columbia Business School  
 Harvard University\*  
 Stanford University  
 University of Minnesota\*  
 Carnegie Mellon University - Tepper Business School\*  
 University of Wisconsin–Madison\*  
 Thunderbird University  
 Boston College\*



# Graduates' Careers 2001-2012



# MSc programme in Financial Economics

## International standing of the programme

The curriculum is designed by LSE and ICEF teachers  
Teaching in English by teachers with internationally  
recognized qualifications (PhD)  
Exams are double-marked by ICEF and LSE teachers  
Graduates receive a Russian MSc degree and an official  
letter of validation (signed by the LSE Director)

## Students

BSc graduates from different universities  
Scholarship Programme provided by VTB24 Bank helps  
attract the best applicants to the programme

# MSc programme integrated curriculum: courses with international expert control and HSE courses

## 1 year

**Microeconomics**

**Macroeconomics**

**Econometrics**

**Financial Economics I**

**Mathematics for Economists**

**Research seminar**

### **Elective Courses:**

**International Trade and Development**

**Corporate Valuation Cases in Mergers and Acquisitions**

**Investment Management**

## 2 year

**Econometrics II**

**Financial Economics II**

**Fixed Income & Derivatives**

**Advanced Topics in Finance**

**Topics in Applied Finance**

**Research Seminar**

### **Elective Courses:**

**Russian Economy**

**Industrial Organization**

**Risk Management**

**International Financial Management**

**International Trade and Development**

**Strategic Financial Management**

**Investment Management**

**Corporate Valuation Cases in Mergers and Acquisitions**

**Master's thesis**



# MSc programme: Lecturers with PhD degree

Teacher	University	Subject
<b>M. Nikitin</b>	PhD, University of Pittsburgh	Macroeconomics
<b>A. Yurko</b>	PhD, University of Texas at Austin	Microeconomics
<b>F. Slonimczyk</b>	PhD, University of Massachusetts Amherst	Econometrics
<b>R. Zakharenko</b>	PhD, Pennsylvania State University	International Trade and Development
<b>A. Parakhonyak</b>	PhD, Erasmus University Rotterdam	Microeconomics
<b>V. Sokolov</b>	PhD, University of Notre Dame	Macroeconomics, Fixed Income Analysis and Derivatives
<b>S. Gelman</b>	PhD, Universitat Muenster, Germany	Financial Econometrics
<b>C. Sprenger</b>	PhD, Universitat Pompeu Fabra	Financial Economics, Risk Management
<b>S. Morfov</b>	PhD, Universidad Carlos III de Madrid	Financial Economics
<b>A. Boulatov,</b>	PhD, City College of the City University of New York, PhD University of California, Berkeley	Advanced Topics in Finance
<b>D. Tsomokos,</b>	PhD, Yale University	Advanced Topics in Finance
<b>M.A. Betschinger</b>	PhD, Universitat Muenster	International Financial Management
<b>U. Peiris</b>	PhD, University of Oxford	International Finance, Risk Management
<b>S. Popov</b>	PhD, University of Illinois at Urbana-Champaign	Research seminar
<b>D. Fantazzini</b>	Ph.D., University of Pavia	Risk Management
<b>L. Timoshuk</b>	PhD, Calyon, London	Risk Management
<b>B. Urošević</b>	PhD, Haas School of Business	Advanced Topics in Finance

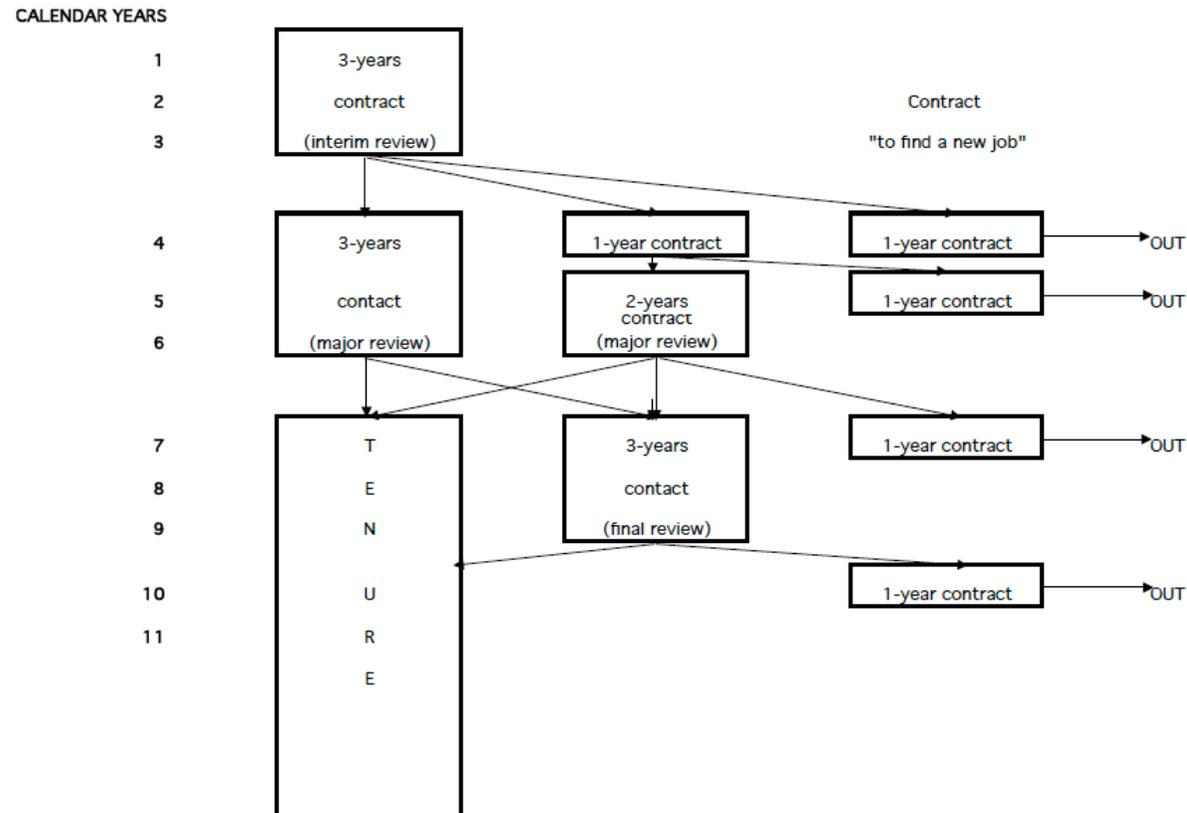


# Recruitment of teachers with international qualification from the world market



# Review and promotion of teachers with international qualification from world market

## ICEF HSE "fresh" PhD ROUTE to TENURE



When FTA in proposed a 1-year contract "to find a new job",  
he (she) can be also proposed a new type of contract within ICEF HSE  
(more teaching and/or administrative workload)

# Research in ICEF Development Programme (2009-2013)

## • **Actions:**

- **1 Strengthening research capability and quality of research in the field of economics of the existing staff**
- Research seminar: expanding the range of presenters, including foreign ones;
- Presentations at major international conferences
- Publications in leading refereed international journals
- Participation in joint research projects
- Grants with external expertise
- **2 Recruitment and improving the procedures for evaluation of new teachers with PhD degrees**
- **3 Setting up of international research laboratory "Financial Economics" with the participation of LSE researchers**

## • **Indicators:**

- Every week, in two areas: Economic Theory and Finance
- 90 for the period 2010-2013
- 12-15 for 2010-2013
- No less than 10
- 20 for the period 2010-2013
- 1-2 teacher with a PhD degree per year, 6 for 4 years
- Development of procedures for evaluation of FTAs
- 8-10 projects per year

# International character of the International Laboratory in Financial Economics (LFE)

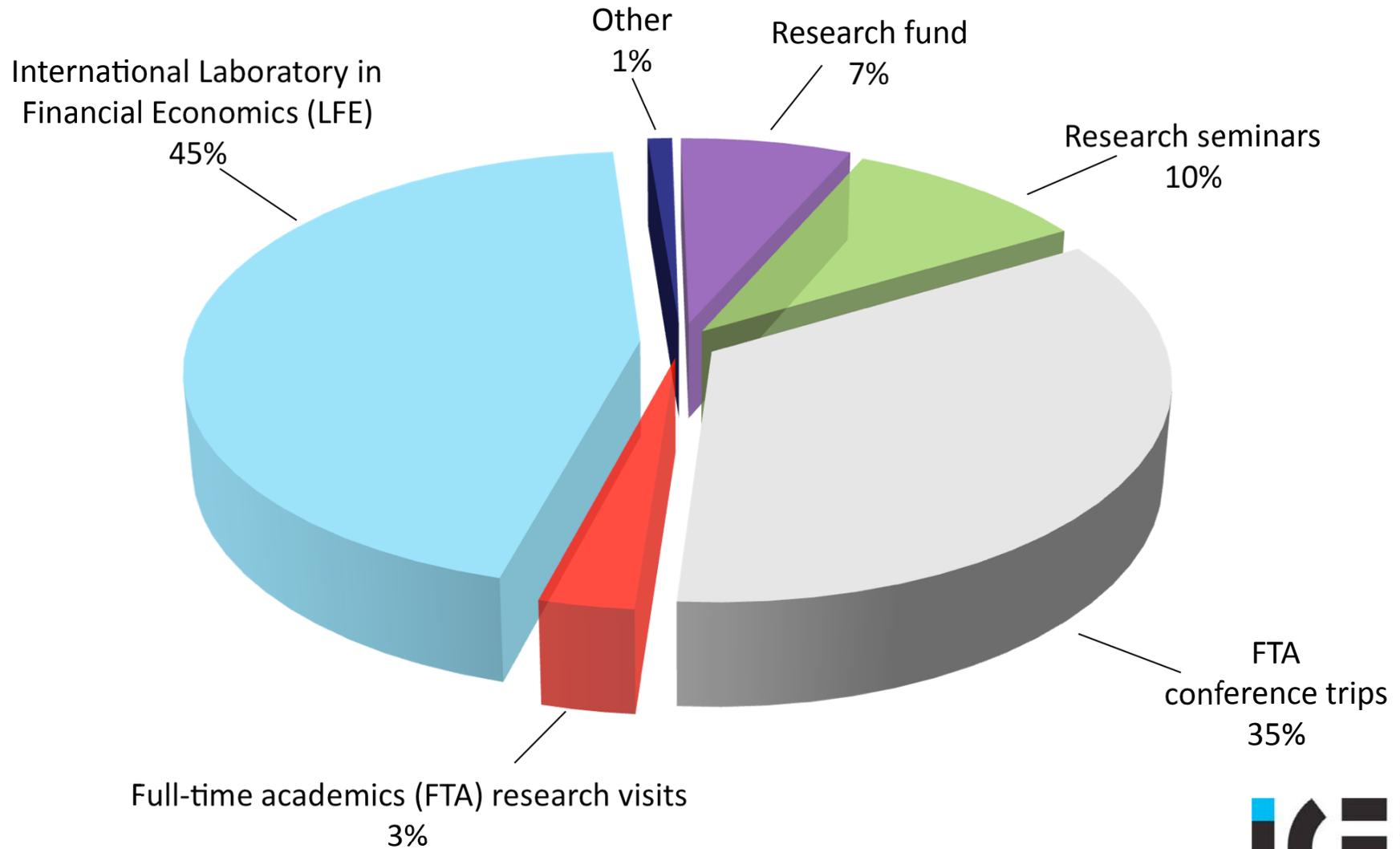
To guarantee high standards of research the LFE is jointly managed by the ICEF Head of the Laboratory and the LSE Research Coordinator, who work in close cooperation with the external experts. External Experts are prominent researchers in specific areas of financial economics, who provide comments and advice on the projects conducted in the LFE.

- **The LFE is created with academic support of the LSE.**
- **The LSE support (Research Coordinator and Experts) is provided through participation in:**
  - design of the research program of the Laboratory;
  - comment and advice on the projects conducted in the LFE;
  - work with the researchers of the Laboratory on a strategy for the publication of their work;
  - assistance in establishing contacts with other Western researchers that might lead to joint research projects.

# Performance Indicators: 2011-2012

<i>Activity</i>	<i>Results</i>
<p><b>Publications</b> in leading refereed international journals</p>	<p>Since January 2010 – <b>15 publications</b> in leading refereed international journals:</p> <p>Review of Economic Studies (TOP-6), Journal of Risk and Insurance, American Economic Journal, Journal of Comparative Economics, International Journal of Industrial Organization, Journal of Economic Inequality, Journal of Banking and Finance, Journal of Empirical Finance, Journal of Economic Behavior and Organization, Review of International Economics, Journal of Institutional and Theoretical Economics etc.</p>
<p><b>Presentations</b> at major international conferences</p>	<p><b>participate in all leading economics conferences, incl.</b></p> <p>World Finance Conference, International Economic Association World Congress, International Industrial Organization Conference, Macro and Financial Econometrics Conference, Midwest Finance Association's Annual meeting, European Finance Association Annual Meeting, Annual International Industrial Organization Conference etc.</p>
<p><b>Research seminar:</b> expanding the range of presenters, including foreign ones;</p>	<p>Since January 2010 – <b>54 seminars</b> + ICEF/LFE conference.</p> <p><b>Speakers:</b></p> <p>Ariel Rubinstein (Tel Aviv University, New York University) Nobuhiro Kiyotaki (Princeton University) Jorgen Weibull (Stockholm School of Economics) Jacques-Francois Thisse (Université catholique de Louvain) Jean Gabszewicz (Université catholique de Louvain) Thomas Palfrey (California Institute of Technology) Yuliy Sannikov (Princeton University)</p>

# Research Budget (2010-2011)



# Main objectives of ICEF development for 2013 and for the long term

- Academic staff research capacity and quality of research
- Quality and variety of educational programmes
- Engagement with wider community
- Strategically effective academic governance

# Some results

- Establishment of a new academic institution under the umbrella of the HSE as the center of academic excellence, which staff produces internationally recognized research and offers high level educational programmes
- Creation of the model of modern economic education, which combines comparative advantages of Russian and British systems of education
- Development of the system of strategically effective international academic governance through the joint academic committees
- More than 700 graduates with 2 degrees from 2 leading Russian and British universities in the field of economics



# Some lessons

- Institutional cooperation with leading university plays a crucial role in establishment and development of new structures, which can serve as the points of growth for the whole University
- Such cooperation focuses mainly on:
  - strengthening of academic capacity
  - jointly established monitoring of research and teaching
  - academic governance
  - integration in the world university networks