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  

2) HSE  Economics

BSc Graduates

MSc “Financial Economics”  (since 2007)

MSc Graduates

International Research Laboratory of Financial Economics (since 2010)

Academic staff

726

HSE degree,  
Letter of Validation signed by LSE official

82

with participation of the LSE

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

ICEF
• 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
<table>
<thead>
<tr>
<th>1 year</th>
<th>3 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro- and Macroeconomics</td>
<td>Micro- and Macroeconomics</td>
</tr>
<tr>
<td>Calculus</td>
<td>Econometrics</td>
</tr>
<tr>
<td>Statistics</td>
<td>Principles of Accounting</td>
</tr>
<tr>
<td>English Language</td>
<td>Further Mathematics</td>
</tr>
<tr>
<td>Intellectual History of Europe</td>
<td>Public Sector Economics</td>
</tr>
<tr>
<td>World History</td>
<td>History of Economic Thought</td>
</tr>
<tr>
<td>Information Computer Systems</td>
<td>Economic History</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2 year</th>
<th>4 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro- and Macroeconomics</td>
<td>Corporate Finance</td>
</tr>
<tr>
<td>Principles of Banking and Finance</td>
<td>Organisation Theory</td>
</tr>
<tr>
<td>Sociology</td>
<td>Industrial Economics</td>
</tr>
<tr>
<td>Introduction to Business and Management</td>
<td>International Economics</td>
</tr>
<tr>
<td>Mathematics for Economics</td>
<td>Monetary Economics</td>
</tr>
<tr>
<td>Statistics</td>
<td>Quantitative Finance</td>
</tr>
<tr>
<td>Jurisprudence</td>
<td>Financial Intermediation</td>
</tr>
<tr>
<td>Philosophy of Science</td>
<td>Investment Management</td>
</tr>
<tr>
<td>Political Science</td>
<td>Time Series and Panel Data Analysis</td>
</tr>
<tr>
<td>Methods of Optimisation</td>
<td>Institutional Economics</td>
</tr>
<tr>
<td>Linear Algebra</td>
<td>Economics of Transition</td>
</tr>
<tr>
<td>English Language</td>
<td></td>
</tr>
</tbody>
</table>
Evaluation of students’ knowledge (BSc)

- HSE entrance examinations

- **APT&amp;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

- Visiting professors: 32%
- Part-time teachers (HSE faculty members): 46%
- Part-time teachers (from other universities - NES, CEFIR, MSU, etc.): 22%

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

- Full-time ICEF faculty with PhD degrees: 22%
- Tenured professors: 3%
- Visiting professors (from LSE, University of Cambridge, Oxford University, etc.): 14%
- Part-time teachers (HSE faculty members): 39%

- 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)

icef.hse.ru
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 1st Class Honours Degrees 2001-2012
Placement of Graduates

BSc graduates (2001-2012)

- Further study in Russia: 20%
- Work: 46%
- Further study abroad: 34%

MSc graduates (2009-2012)

- Further study in Russia: 1%
- Work: 90%
- Further study abroad: 9%
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*

*Denotes additional data available.
Graduates’ Careers
2001-2012

- Financial institutions: 47%
- Industry: 15%
- Consulting services, Audit: 17%
- Academic career: 3%
- Own business: 4%
- Marketing, PR, Media: 5%
- Other: 9%
## 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

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

1. A new vacancy is advertised in international professional journals
2. Applications are collected and screened by the Screening Committee
3. Shortlisted candidates are invited for the interview at the AEA meeting in the USA
4. Selected candidates are invited for job market presentations and interviews with the Extended IAC in Moscow
5. Offer letters are sent to successful candidates
6. The candidates, approved at the meeting of the HSE Academic Council, sign the contracts
7. New IR staff members arrive to Moscow
Review and promotion of teachers with international qualification from world market

ICEF HSE “fresh” PhD ROUTE to TENURE

CALENDAR YEARS

1
3-years contract
(interim review)

2

3

4
3-years contract
(major review)

5
1-year contract

6
2-years contract
(major review)

7
T

E

N

8
1-year contract

9
3-years contract
(final review)

10
1-year contract

11
1-year contract

OUT

OUT

OUT

OUT

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)

icef.hse.ru
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

<table>
<thead>
<tr>
<th><strong>Activity</strong></th>
<th><strong>Results</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research seminar:</strong> expanding the range of presenters, including foreign ones;</td>
<td>Since January 2010 – <strong>54 seminars</strong> + ICEF/LFE conference. <strong>Speakers:</strong> Ariel Rubinstein (Tel Aviv University, New York University) Nobuhiko 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)</td>
</tr>
</tbody>
</table>
Research Budget (2010-2011)

- Full-time academics (FTA) research visits: 3%
- International Laboratory in Financial Economics (LFE): 45%
- Other: 1%
- Research fund: 7%
- Research seminars: 10%
- FTA conference trips: 35%
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 universities 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