

Young Economist of the Year Essay Competition 2016 Judges Report

From the final shortlist of 19 essays drawn from a total entry of nearly 1700, the judging panel of Professor Sir Charles Bean (London School of Economics and an RES Past President), Stephanie Flanders (JP Morgan) and Professor Jonathan Haskel (Imperial College, London) have selected three winners and wish to congratulate them, together with all of the other students that made the short list.

The overall standard was again extraordinarily high, with a wider array of schools participating than in previous years. A list of highly commended entries is published at www.res.org.uk.

This year the judges agreed that the best essay was by **Sherwood Lam**, who addressed the question: "Should internet companies like Uber and Airbnb be regulated?" This entry argued that self-regulation through the medium of a trusted third party offered a more cost-effective solution to the issues posed by the asymmetry of information between consumer and supplier than would government intervention. The judges were particularly impressed by the rigour and incisive analysis of Lam's entry, which drew on ideas from information economics, industrial organization and game theory. The judges also liked the way Lam drew on recent research, such as work on the effects of surge pricing around the New Year.

The judges decided to award Joint Second Place to **George Keech** and **Chung Yi See**. Keech also considered the question of whether internet companies like Uber and Airbnb should be regulated. This well-written essay was notable for its careful analysis of the case for regulation of the sharing economy, including the rebuttal of some conventional beliefs. This essay brought out clearly the value of the new technology in facilitating the more efficient utilisation of households' assets and the consequent importance of ensuring that regulation did not stifle these new markets. Finally, the judges liked the way that the author integrated the results of recent research into his argument.

Chung Yi's essay discussed the question: "Does rising inequality warrant the imposition of higher income and inheritance taxes on the rich?" This analytically rigorous essay clearly brought out the trade-off between efficiency and equality and paid considerable attention to the likely behavioural responses to the imposition of higher income and inheritance taxes. The author also drew attention to the need to rely on other policies to tackle the underlying causes of inequality. Finally, the author showed good awareness of the extensive literature on this topic.

The 2016 RES Young Economist of the Year is therefore Sherwood Lam of The King's School, Canterbury, who will receive the glass trophy and a prize of £1,000. Joint second place goes to George Keech of Bedford Modern School and Chung Yi See of Raffles Institution, Singapore, each of whom receive £500. All winners are invited to an award ceremony to take place at the RES Annual Public Lecture at the Royal Institution in London on Tuesday 29th November, 2016. Their winning essays will be published on the RES website.

Sir Charles Bean, Stephanie Flanders and Jonathan Haskel

26 July 2016.

The essay titles for 2016, set by the judges, were:

1. "Allowing more immigration of refugees would be good both for refugees and for the economies they come to." Discuss.
2. "Low interest rates penalise the thrifty, so the sooner the Bank of England raises interest rates the better." Discuss.
3. Should the government compensate households and businesses that get flooded out?
4. Further support is needed for first-time buyers in order to tackle the present unaffordability of housing. Do you agree?
5. Does rising inequality warrant the imposition of higher income and inheritance taxes on the rich?
6. Should internet companies like Uber and Airbnb be regulated?

The following final shortlist of applicants were chosen by a panel of teachers having considered all 1690 entries:

Adam Wall, Upton Court Grammar School, Hounslow
Amber Murray, Withington Girls' School, Manchester
Avnish Nijjar, Beaconsfield High School
Chung Yi See, Raffles Institution, Singapore
Evelyn Staicu, Lady Margaret School, London
Felix Hoyos, Malvern College
George Keech, Bedford Modern School
Helen Poon, Nonsuch High School for Girls, Norwich
Jessica Cheek, Chelmsford County High School for Girls
Luca Rigetti, King Edward's School, Bath
Luke Oades, Eton College, Windsor
Lukha Aggarwal, Queen Elizabeth Hospital School, Bristol
Michael McGrade, St. Ninian's High School, Glasgow
Ruby Chamberlain, Beauchamp College, Leicester
Samuel Chadwick, Mill Hill School, London
Sherwood Lam, King's School Canterbury
Thomas Laver, St Olave's Grammar School, Kent
Thomas Wadman, John Taylor High School, Burton upon Trent
Victor Echefu, King Edward VI Grammar School, Chelmsford