

Jinny Leong

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Master of Philosophy in Economics, University of Cambridge

Dear Trustees of the Yvonne A M Smith Charitable Trust,

I am sorry to receive the news of the passing of Mrs Yvonne Smith and I am deeply saddened. I am very grateful for the generosity of Mrs Smith and the support of the Trust for the opportunity to further my education at the University of Cambridge.

This report provides an update on the rest of my academic year in Cambridge.

Since my last report in January 2022, I took three elective courses, completed my coursework and sat for my examinations in May and June. Next, I wrote my dissertation in June and July, and submitted it in August 2022. Looking back, I am happy with the academic knowledge and technical skills I have acquired in the past year. My experience in Cambridge has contributed to my growth, both professionally and personally.

After our mock exams in January for the core courses, I took three elective courses in the Lent term: Applied Macroeconomics, Public Economics and Development Economics. I chose these courses as they relate to policies to facilitate better economic outcomes and higher standards of living, which aligns with my career goal of undertaking research to address economic policy issues in New Zealand. Through these elective courses, I deepened my knowledge of economic policy frameworks and acquired technical skills to work toward my career goal. All three courses have project/coursework components in their assessments, where I applied the theoretical and technical knowledge from the classroom to analyse real-world policy problems. For example, in the Applied Macroeconomics course, we were taught practical technical skills such as coding in MATLAB and using data to analyse the effects of shocks on the economy. I particularly enjoyed this course and I am very happy with the advanced theory and practical skills I acquired, which are directly applicable to my work in policy analysis at the Reserve Bank of New Zealand.

In addition to my taught courses, I chose to write a dissertation in June and July, titled 'The effects of uncertainty shocks on macroeconomic outcomes'. Uncertainty has risen to unprecedented levels in the past two years. In particular, the COVID-19 pandemic highlights the role uncertainty plays in our individual decision-making and on the economy as a whole. The aim of the dissertation was to analyse the effects of heightened uncertainty and to contribute to the literature in the field of economics. My dissertation addresses a long-standing challenge in the literature: the identification of uncertainty shocks from macroeconomic data. I first used macroeconomic data and propose a novel method to identify uncertainty shocks. Then, using the uncertainty shocks I identified, I examined their effects on economic outcomes such as the gross domestic product (GDP) and the unemployment rate. I found that the effects of uncertainty shocks on GDP and unemployment depend on the identification strategy for the uncertainty shocks. Using my proposed method, my dissertation concluded that uncertainty shocks have an ambiguous effect on GDP and unemployment, contrary to the common finding in the literature. My dissertation provides a

starting point for further research into economic policies that could be adopted to address the adverse consequences of heightened uncertainty. Through the dissertation-writing process, I sharpened my research skills and learnt a lot from my supervisor who has a wealth of experience in this area, which I intend to apply to address the challenges facing the New Zealand economy.

Recent events such as the COVID-19 pandemic and the efforts to mitigate its impact highlight the need for a good understanding of the economy and effective policies to mitigate the adverse effects on the economy and the livelihoods of New Zealanders. I am confident that my experience in Cambridge will benefit me professionally as I continue with my career as an economist in the public sector in New Zealand. Additionally, I value the connections I made with many of my classmates who have the shared aspiration to contribute to better economic outcomes through our work in economic policy and research.

It is truly a privilege to dedicate a year to learning and growing at Cambridge. A benefit of the collegiate system at Cambridge is the opportunities to engage with the work of other college members, including research fellows, at regular seminars at my college. For example, I attended seminars held by professors in philosophy, law, astrophysics, and literature, which added breadth to my holistic educational experience at Cambridge. It was an enriching experience and I am sure I will look back fondly at my time in Cambridge in the years to come.

Although I will miss the friends I made in Cambridge as we progress in our respective careers, I know these friendships are life-long. We have already made plans for a reunion in Cambridge when we attend our graduation ceremony in October 2022 and many of them are interested in visiting New Zealand in the foreseeable future. When that time comes, I look forward to showing them around New Zealand – a beautiful country I have come to call home.

As my time in Cambridge comes to an end, I look forward to returning to my role as a Senior Economic Analyst at the Reserve Bank of New Zealand. My experience in Cambridge has given me a deeper understanding of the issues facing economies around the world and sharpened my technical skills to develop solutions to them. In light of the recent challenges facing New Zealand's economy such as the inflation episode, I feel ready to return to the Reserve Bank of New Zealand to work towards addressing this pressing concern.

Once again, I would like to express my sincere gratitude to the Yvonne A M Smith Charitable Trust and Mrs Yvonne Smith for the support and generosity, enabling me to pursue my MPhil in Economics at Cambridge.