



Economics for the Digital Age



Christian KEUSCHNIGG

Christian Keuschnigg is a Professor of Economics, specialized in Public Economics, and academic director of MEcon and MiQEF. Simon Handreke, student representative in the Econ Department, has some questions: What are the highlights of the new Master reform? What does "Economics for the Digital Age" mean? Why is it such a good idea to study economics at HSG? What are his priorities for research and teaching?.

With your colleagues, you proposed a new Master reform. What's wrong? What are the highlights? What can students expect?

Digitization transforms the entire economy, in finance, business, government and private life. Employers desperately look for professionals with data skills and a better understanding of how markets work in a digital economy. We deepen our specializations, ranging from digitization and data analytics to public policy, global economy, finance, and managerial economics. The reform thus connects to the job opportunities that we advertise in the Newsletter and our Facebook page. Students can count on excellent professional opportunities, be it in policy institutions, banking, business or economic science.

Why should we head for a Master degree in economics at HSG when we can go to top research universities such as LSE, Mannheim or nearby Zürich?

Yes, some places might rank even higher in basic research, but that's no guarantee at all for top-notch teaching. Going for a Master degree is a huge personal investment. Getting a high return on your effort requires, most of all, high quality teaching. St.Gallen plays in the top research league of economics, but outclasses them all in teaching quality, and enjoys an excellent reputation among employers. That is an unbeatable combination, isn't it?

Some students complain that there is too much theory and quant stuff, and not enough policy analysis. Have MEcon and MiQEF lost touch with the real world?

We are in the real world more than ever. For that you need rigorous expertise in economic theory and quantitative tools. Economic policy without theory is like a lot of action without a plan. Policy strategies without reliable empirical evidence ends up in speculation about what the consequences could be. The same is true with business strategy and finance. The logic is: first invest in theory and data analytics, then apply. This is the best guarantee that solutions to real world problems are credible and reliable, and do not end up in unsubstantiated fuzzy talk. This is what future employers expect from students.



More Bachelor students from Major VWL go to MBF rather than MEcon or MiQEF. Why should we study economics anyway when we plan for a business career?

At least half of our graduates start up in the private sector. The strength of economics is that it trains general skills, i.e., theory and data competence, which are useful everywhere! Specific skills are valuable in one job but not in others. For this reason, our graduates are so popular with consulting firms where they need to be flexible and go troubleshooting from one project to another. MBF is a great program. We cooperate in the joint quantitative track of MiQEF and MBF. However, corporate finance, insurance and banking are rooted in microeconomic incentive theory. Empirical finance is with firm-level data and time series, which needs deep econometrics training. Financial stability is a matter of macroeconomics and market interaction. That demonstrates the value of studying economics for a career in banking and finance.

What are your own priorities in teaching and research at HSG? Any big plans?

My research explores how banks affect the economy's stability and growth, and how governments should reform the welfare state for better coping with the challenges of innovation, globalization and aging. My courses in microeconomics, public economics and finance closely connect to these and other policy challenges. Apart from my academic research projects, I have two big plans. I want to push the project Next Generation where economics students summarize in a popular style leading academic research for policy makers and the public audience. I also want to work on a fundamental tax reform project which better realigns tax incentives for innovation and growth in an open economy, and which takes inequality and distributional objectives seriously.

Write to Christian.Keuschnigg@unisg.ch, see www.unisg.ch/economics-nextgeneration on the project Next Generation, and read up on the policy debate on www.wpz-fgn.com.