

Shania Bhalotia

Department of Economics, London School of Economics, London WC2A 2AE, UK

S.Bhalotia@lse.ac.uk | www.shaniabhalotia.com

Placement Director: Matthias Doepke
M.Doepke@lse.ac.uk
Graduate Administrator: Emma Taverner
E.Taverner@lse.ac.uk

Doctoral Studies

London School of Economics

PhD in Economics	2022-2026 (<i>expected</i>)
MRes Economics, Distinction	2020-22

REFERENCES

Dr. Thomas Sampson Department of Economics London School of Economics T.A.Sampson@lse.ac.uk	Dr. Swati Dhingra Department of Economics London School of Economics S.Dhingra@lse.ac.uk
Dr. Catherine Thomas Department of Management London School of Economics C.M.Thomas@lse.ac.uk	Professor Silvana Tenreyro Department of Economics London School of Economics S.Tenreyro@lse.ac.uk

Prior Education

London School of Economics

MSc Economics, Distinction	2016-18
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St. Stephen's College, University of Delhi

BA Economics (Honours), First Division	2013-16
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Research Fields

Primary: International Trade
Secondary: Macroeconomics

Job Market Paper

Trade in Banking Services under Regulatory Barriers: Evidence from the UK, *with Sophie Piton and John Woods*

Abstract: While services are increasingly flowing across borders, little is known about barriers to trade in services. This paper investigates how changes in regulatory barriers affect banks' trade in intermediation services i.e. lending and deposit-taking. We build a theoretical framework of banking across borders, to derive predictions on the effects of increases in trade costs on trade in banking services with different countries. We test the propositions using changes in regulations due to United Kingdom's withdrawal from the European Union. Using bilateral data from the Bank for International Settlements and confidential bank-level data from the Bank of England, we find that UK-resident banks substantially reduced lending to and deposit-taking from EEA countries after Brexit, with some effects observed after the 2016 referendum itself. The decline in intermediated stocks was especially large for banks that lost EEA-wide authorization relative to those that did not have such authorisation when UK was a part of EU (more than 50% decline), or for banks that had a higher share of their activity with the EEA before the referendum. These effects are evident not only in activities with the non-financial sector, but also with other financial institutions, suggesting barriers disrupted both direct and indirect provision of services. Finally, we explore whether multinational banks used affiliates to circumvent barriers but find limited evidence of increase in activity of EEA affiliates, despite the increased number of intragroup entities in the EEA. These results emphasize the critical role of regulatory access in shaping banking across borders and the performance of the sector.

Working Papers

Deglobalisation in Disguise? Brexit Barriers and Trade in Services, *with Swati Dhingra and Danyal Arnold*. CEP Discussion Paper No. 2110. Media coverage: [Financial Times](#)

Abstract: Deglobalisation policies promote the vision that pulling back from economic integration can help correct international imbalances and reposition national economies for renewed prosperity. A core vision of Brexit was to transform the UK to a new Global Britain - a sovereign trading nation free from EU constraints, and capable of reinvigorating its historical comparative advantage in the world economy. Central to this was the idea of "taking back control" of regulations, particularly in high-value-added services where EU rules were seen as limiting the UK's longstanding global competitiveness. We develop granular and comprehensive measures of UK's departure from regulatory alignment with the EU, and find that they have introduced significant new bilateral trading frictions that have not been offset by increased competitiveness in markets beyond the EU. UK exports to the EU in services that have got these new Brexit barriers have declined by 16 percent relative to other bilateral trade flows. Overall, UK services exports are estimated to be 4 to 5 percent lower, indicating that five years on, Brexit has fallen short of delivering its vision of Global Britain.

Work in Progress

Navigating Non-Tariff Barriers: Response of UK Services Firms to the TCA, *with Swati Dhingra*

Build or Borrow? Innovation versus Adoption under Import Competition

Policy Research

Trading Up: The role of the post-Brexit trade approach in the UK's economic strategy, *with Swati Dhingra, Emily Fry and Sophie Hale*. Resolution Foundation, June 2023. Media coverage: [Financial Times](#)

City of dreams no more: the impact of Covid-19 on urban workers in India, *with Swati Dhingra and Fjolla Kondirolli*. CEP Covid-19 Analysis, September 2020. Media coverage: [The Guardian](#), [NDTV](#), [Bloomberg](#), [Hindustan Times](#)

Teaching

London School of Economics, Teaching Assistant:

- International Trade, EC338 (Undergraduate)	2021-
- International Macroeconomics, EC339 (Undergraduate)	2021-
- Introductory Courses in Mathematics for Micro and Macro, EC400 (Graduate)	2021-24
- International Economics, EC351 (Summer School)	2023, 24
- Public Policy in Practice: Globalisation, PP4G9E (Executive MPA)	2023
- Global Market Economics, PP421E (Executive MPP)	2021, 22
- Intermediate Macroeconomics, EC202 (Summer School)	2021
- Macroeconomic Principles, EC210 (Undergraduate)	2017-18, 19-20

Relevant Experience

Academic Visitor, Structural Economics Divisions, MA, Bank of England	2023-
PhD Intern, Trade/Corporate Team, Structural Economics Division, MA, Bank of England	2022-23
Pre-doctoral Research Assistant to Dr. Swati Dhingra, London School of Economics	2018-20
Research Assistant to Prof. Frank Cowell, London School of Economics	2017-18
Research Intern to Dr. Tarun Jain. Indian School of Business	2017

Awards, Grants and Scholarships

CITP Innovation Fund (Co-Investigator) (£20k)	2024
UK in a Changing Europe Small Grant (Co-Investigator) (£30k)	2023
LSE PhD Studentship, London School of Economics	2020-25
LSE Economics Departmental Award, London School of Economics	2020-25
Rohit Ranjen Memorial Prize (Best All-Round Student), St. Stephen's College	2016
N. C. Ray Memorial Scholarship, St. Stephen's College	2015-16
Goutham Krishna Research Fellowship, St. Stephen's College	2015

Presentations (* scheduled)

- 2025 CITP Seminar*; CEP-LSE-Warwick Junior Trade Workshop; 26th Annual European Trade Study Group Conference; 56th Annual Conference of the Money, Macro and Finance Society; CEPR VI Economics Job Market Bootcamp; Bank of England; 2nd Midlands Trade and Investment Network ECR Conference; CGR Annual Globalisation Workshop; 23rd Annual GEP/CEPR Postgraduate Conference
- 2024 5th Conference on Empirical Investigations in Services Trade; Bank of England; Conference on Trade and Welfare Effects of European (Dis)Integration
- 2023 NIER Workshop on the Economic Impact of Brexit; Euroshocks Workshop; 54th Annual Conference of the Money, Macro and Finance Society; Number 10 Policy Unit (*invited*); Conference on the Economic Effects of Free Trade Agreement; JIE Summer School in International Economics (*poster*); Bank of England

Academic Service

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| Organiser, International Workshop, London School of Economics | 2023-25 |
| Organiser, Junior Macro Workshop, London School of Economics | 2022-25 |

Languages

English (Fluent), Hindi (Native)