

ECONOMICS NEWS

DEPARTMENT OF ECONOMICS . FACULTY OF ARTS . UNIVERSITY OF ALBERTA

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Credit: Amy Mijajlovic

chair's message

DR. CONSTANCE SMITH



While the world economy experiences constant change, there is an enduring value from training in economics. This is evident from this year's *Letters from our Alumni*. In his *Letter*, Matthew Protti (BA Economics, '01) explains how he uses data analysis to help the wine industry adopt useful technology. His firm created the Global Wine Database, which contains considerable information, such as that Canada is home to a surprisingly large number of wineries — about 770! In his *Letter*, Timothy Leung (MA, Economics, 1991) explains how the logical thinking and knowledge of the world economy that he learned as an Economics student helped him work with top people at Apple Inc., and Alibaba.com.

Our Department values excellence in teaching, and one of our professors, Professor Valentina Galvani, was recognized this past year with a Faculty of Arts *Award for Excellence in Graduate Teaching and Mentorship*. The awards committee noted that Dr. Galvani is an outstanding lecturer and caring mentor who makes all aspects of her students' professional and career development her priority.

On the administrative side, the Economics Department's Assistant Chair (Administration), Tim Khaner, was awarded the Faculty of Arts *Outstanding Lead Administrator Award*. Tim is a whiz with electronic forms and applications, and we greatly appreciate the many clever and useful electronic innovations he has introduced. Our former Acting Assistant Chair (Administration), Pamela Sewers, who temporarily stepped into the role in October, also received the

Faculty of Arts *Outstanding Lead Administrator Award*.

During the past year the University of Alberta received \$75 million to establish the ***Future Energy Systems Research Institute (FESRI)***. This new institute supports projects to reduce the environmental footprint of fossil fuels and develop new low-carbon energy systems. The research of two Economics professors, David Brown and Andrew Eckert, will be supported by *FESRI*, and some of their research is described below.

Also in the pages of this *Newsletter*, you can read about our new colleague, Martín Alfaro, who joins us after studying at Aarhus University in Denmark. We are very pleased to welcome Martín, who has expertise in industrial organization and international trade.

After three years as Chair, I want to thank the faculty and staff in the Department of Economics for their help and support during my term. I have very much enjoyed working with such a talented and dedicated group of people.

My best wishes go to incoming Chair Rick Szostak.

TRANSITIONS



Dr. Rick Szostak has been appointed the new Chair of Economics. His term begins July 1, 2017.

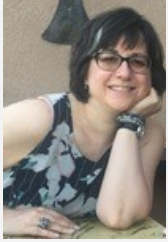


Todd Smith, Associate Chair Graduate completed his term.

Dr. Heather Eckert has been appointed the new Associate Chair Graduate.

Dr. Valentina Galvani continues as the Associate Chair Undergraduate.

staff highlights



In the fall of 2016, **Pamela Sewers** was seconded from the Faculty of Arts Office of Interdisciplinary Studies where she was the Executive Assistant/ Research Coordinator to take over the role of Acting Assistant Chair Administration. Pamela worked diligently in her 6 months with the Department organizing new hires, overseeing events and the day to day operations. The Department was very grateful for her hard work and dedication.



Following Pamela Sewer's departure in March 2017, **Lindsey Rose** was seconded for a 1 year term in the same position. Lindsey came to Economics from the Department of History and Classics where she was Assistant Chair Administration for 3 years and previous to that she was the Manager, HR & Finance in the Faculty of Graduate Studies and Research. Lindsey enjoys yoga and all types of crafts; in particular knitting. She also loves a good antique auction.

After eleven years in the Department of Economics office, Administrative Assistant **Brenda Carrier** retired in January. Brenda was involved with many aspects of the office, including dealing with student inquiries, maintaining the Department webpage, and organizing the Hanson Lecture, the Fall Welcome and Awards Night. Brenda also stepped up to fill other jobs when needed, including Graduate Advisor when a colleague was on leave. Brenda will now have more time to do what she likes to do, such as take holidays in Las Vegas and cruise to exotic locations. All the best in retirement Brenda!



Holly Ridyard was appointed January 2017 to replace Ruby Sutton, Executive Assistant, who moved to the Department of Anthropology. Holly had previously worked in the Department of Ophthalmology and

Visual Sciences at the U of A and brings with her a wealth of knowledge and expertise (23 years worth). She loves to read, take yoga classes and spend time with her grandchildren.



Trish Graham was hired as an Administrative Assistant in Feb. 2017. Trish worked previously in the Departments of Education and Physiology/Membrane Protein Research Group, University of Alberta for 12 years and in the Faculty of Education at the University of Manitoba. She has experience in event planning, website management and student services. Trish plays piano, enjoys quilting, canoeing and spending time with her children and grand-daughter.

Undergraduate Advisor **Chelsi Hudson** began her one year maternity leave May 12, 2017. Her new career as mom began on Tues. May 30, 11:28pm, with the birth of a baby girl, Penelope Rae -6lb 15oz. Congratulations to Chelsi and her husband Tyler and extended families.



Craig Soars joined the department May 15, 2017 for a one-year appointment to cover the Undergraduate Advisor responsibilities during Chelsi Hudson's leave. Craig came to us after a one year appointment in the Faculty of Science, as Undergraduate Advisor for the Department of Earth and Atmospheric Sciences (EAS). Craig is currently a student of the Public Relations program at MacEwan University. He loves mountain biking and other outdoor sports along with photography, reading and describes himself as a lazy vegetable gardener.



new colleague



New Colleague – Martin Alfaro

The Department is very pleased to welcome Dr. Martin Alfaro in July 2017. Martin is originally from Argentina and obtained his PhD at Aarhus University in Denmark. He specializes in fields of International Trade and Industrial Organization. His research focuses on the analysis of strategic behavior of oligopolistic firms in international economies. He is also currently working on a project which aims to disentangle export-opportunities and import-competition effects in standard trade models. He is also a member of **The Tuborg Research Center for Globalization and Firms.**

For more information on Martin Alfaro visit his [website](#).



visiting scholars



Dr. Jorge Zumaeta

The Department of Economics welcomed Dr. Jorge Zumaeta from the Florida International University (FIU) as part of the Fulbright Canada program. Dr. Zumaeta spent 3 months from mid-January until mid-April 2017 in the Department. His research goal was to establish a benchmark for understanding economic attitudes and financial decisions among Edmontonians, and develop a comparison to South Floridians and other American groups. More specifically, he sought to develop a better sense of how Edmontonians compare to other groups in their economic attitudes and financial decision making processes. See Dr. Zumaeta's detailed bio and research synopsis [here](#).



Dr. Hafiz Akhand

Hafiz Akhand, Associate Professor, University of Regina – arrived March 2017 to Economics and will reside here for 18 months. During his visit to the University of Alberta, Dr. Akhand will study the effects of parents' marital status as well as their socioeconomic status on their children's physical and mental health. This research is in collaboration with **The Alberta Centre for Child, Family and Community Research** as it will utilize the data on child and youth, collected and managed by the Child Data Center of Alberta. Contact Dr. Akhand: hafiz.akhand@uregina.ca



Dr. Jiejiao Liu

Jiejiao Liu – Director of the Department of Industrial Organization at the Institute of Industrial Economics of the Chinese Academy of Social Sciences was welcomed to the Department in April, 2017 for a month. His particular interests involve competition policy and restructuring of electricity, natural gas and other markets. Link [here](#) for more information on Dr. Liu's research.

visiting speakers

Organized by the appointed Department representative, the Macro/Micro Economic Seminars are held throughout the academic year. The Guest Speakers are from all over the world, allowing our Department the opportunity to have leading edge economic research topics shared with our staff and students. The interactions with the Guest Speakers and our staff also opens the opportunity of research collaboration.



Credit: Amy Mijajlovic

June 1, 2016 [PDF»](#)

Nathan Yang McGill University
“Dynamic Franchising Decisions”

September 9, 2016 [PDF»](#)

Koichiro Ito University of Chicago
“Willingness to Pay for Clean Air: Evidence from Air Purifier Markets in China”

September 14, 2016

Asha Sadanand University of Guelph
“Incentives under Guaranteed Life Insurance”

September 26, 2016 [PDF»](#)

Kim Huynh, Bank of Canada
“On the Evolution of the United Kingdom Price Distributions”

September 29, 2016 [PDF»](#)

Stefan Ambec, Toulouse School of Economics
“Decarbonizing Electricity Generation with Intermittent Sources of Energy”

October 28, 2016 [PDF»](#)

Michael Bohm, University of Bonn
“The Polarization of Task Prices in Germany, 1985-2010”

November 9, 2016 [PDF»](#)

David Wiczer, Federal Reserve Bank of St. Louis
“The Disability Option: Labor Market Dynamics with Economic and Health Risks”

February 17, 2017

Jorge Zumaeta, Florida International University
“Economic Attitudes and Financial Decisions among Welfare Recipients in Florida”

March 3, 2017 [PDF»](#)

Jeremy Weber University of Pittsburgh
“Asset Ownership, Windfalls, and Income: Evidence from Oil and Gas Royalties”

March 10, 2017 [PDF»](#)

Charles Noussair, University of Arizona, Eller College of Management
“Does Reciprocity Persist Over Time?”

March 15, 2017 [PDF»](#)

Astrid Kunze, Norwegian School of Economics
“The Effect of Children on Earnings Inequality among Men”

March 24, 2017 [PDF»](#)

Yuriy Gorodnichenko, University of California, Berkeley
“Consumption Inequality and the Frequency of Purchases”

April 5, 2017 [PDF»](#)

David Berger, Northwestern University
“Shocks vs Responsiveness: What Drives Time-varying Dispersion?”

April 21, 2017 [PDF»](#)

Tony Doblaz Madrid, Michigan State University
“Credit-Fueled Bubbles”

April 28, 2017 [PDF»](#)

Fahad Khalil, University of Washington
“Optimal Contract for Experimentation and Production”

in the news

RICK SZOSTAK RECEIVES TRANS-ATLANTIC PLATFORM AWARD



Congratulations to **Professor Rick Szostak** who received a Trans-Atlantic Platform Award. Rick Szostak joined the Department of Economics at the University of Alberta in 1985. He served as Associate Dean in the Faculty of Arts from 2002 to 2005. His B.A. is from McGill and his PhD from Northwestern University. Szostak's research interests span the fields of economic history, methodology, history of technology, ethics, study of science, information science, world history, and the theory and practice of interdisciplinarity.

The Trans-Atlantic Platform is a consortium of granting agencies in North America and Europe. It allows researchers from at least three different countries to collaborate in grant proposals. Rick worked with Richard Smiraglia of the University of Wicosin, Milwaukee and Andrea Scharnhorst of the University of Amsterdam on this proposal.

The three-year grant will allow the three researchers to investigate the use of Linked Open Data across the social sciences and humanities, and then suggest better strategies for researchers to publish their work as Linked Open Data, and computers to then draw connections across the data and insights of diverse scholars in the social sciences and humanities. Though the grant is international, each researcher manages funds from their own national granting agency – in Rick's case from the Social Sciences and Humanities Research Council of Canada.

JOSEPH MARCHAND SERVES AS EXPERT WITNESS TO STANDING SENATE COMMITTEE ON NATIONAL FINANCE



Prof. Joseph Marchand has been an Associate Professor in the Department of Economics since 2014. He received his PhD in Economics from Syracuse University in 2007. He specializes in the field of labor and demographic economics. On April 12th, 2017, Professor Marchand served as an expert witness to the Standing Senate

Committee on National Finance regarding the financial implications and regional considerations of Canada's aging population. The committee is preparing a report on the subject which is planned for completion by the end of 2017. The video of this committee meeting is available here: [Senate of Canada NFFN Meeting 75.](#)

MESBAH SHARAF PUBLISHES ARTICLE ON ECONOMIC GROWTH AND CHILD MALNUTRITION IN EGYPT



Prof. Mesbah Sharaf is a Faculty Lecturer in the Department of Economics. He received his PhD from Concordia University in 2012. In his article: "Economic Growth and Child Malnutrition in Egypt: New Evidence from National Demographic and Health Survey", published in Social Indicators Research, Professor Sharaf and co-author Ahmed Rashad (Frankfurt School of Finance and Management) use Egypt as a case study. They find that economic growth is associated with a statistically significant robust reduction in four child malnutrition outcomes: underweight (low weight-for-age),

in the news (cont'd)

wasting (low weight-for-height), extreme wasting, and extreme stunting. A low weight-for-height reflects acute nutrition problems while a low weight-for-age reveals general nutritional and health problems. Sharaf and Rashad observe that household-level characteristics are also important. The odds that a child will have good nutritional outcomes increase if they are female, not a twin, older (not an infant), if they did not have a risky birth interval (a birth-to-birth interval of less than 24 months), and if a child's father has higher education.

Professor Sharaf's study is also available as a Department of Economics working paper: **Does Economic Growth Reduce Child Malnutrition in Egypt? New Evidence from National Demographic and Health Survey.**

David Brown and **Andrew Eckert** received research funding to analyze the integration of intermittent renewables into electricity markets, with a focus on wind and solar photovoltaic (PV) generation. This research funding provides support for two research projects: (i) "Regulation and Integration of Solar PV into Electricity Markets" and (ii) "Market Design for Increased Wind Generation". For more information see the faculty research profile featuring Dr. David Brown. Dr. Andrew Eckert is a Professor in the Department of Economics and obtained his PhD from the University of BC.

Claudia Landeo



Dr. Claudia Landeo presented her paper **"Financially-Constrained Lawyers: An Economic Theory of Legal Disputes"** at the National Bureau of Economic Research Summer Institute in Law and Economics and at the Annual Meeting of the American Law and Economics Association. In this paper, Professor Landeo and her co-author, Professor Nikitin, study civil litigation using a strategic model that allows for asymmetric information, financially-constrained lawyers, third-party lawyer lending, and a continuum of plaintiff's types. Their work provides methodological contributions to the law and economics literature by generalizing seminal models of legal disputes.

Dr. Claudia Landeo is an Associate Professor of Economics in the Department of Economics. She received her Ph.D. in Economics from the University of Pittsburgh in 2002.

Dana Andersen



Professor Dana Andersen's article **"Credit Constraints, Technology Upgrading, and the Environment"** has been published in the flagship journal of the Association of Environmental and Resource Economists, the Journal of the Association of Environmental and Resource Economists. He has presented

his research at the Canadian Economic Association annual conference and the Association of Environmental and Resource Economists annual meetings.

Prof. Andersen is an Assistant Professor in the Department of Economics at the University of Alberta and received his PhD in 2014 from the University of Maryland.

HON. JEAN-YVES DUCLOS VISITS DEPT. OF ECONOMICS



The Department of Economics welcomed the Minister of Families, Children and Social Development **Jean-Yves Duclos** on Friday Feb 17. Minister Duclos is an alumnus of the Uof A, graduating with a BA Honors degree in Economics in 1988.

During his visit, Minister Duclos remarked that his economics training at the University of Alberta had an influential impact on his career. He talked with faculty about issues facing his Ministry, and how public and academic debate can influence government policy.

faculty research profile

Design of Regulatory Policies Aimed at Integrating Renewable Generation Capacity into Power Markets.

Dr. David Brown

David Brown is an Assistant Professor in the Department of Economics. He is from Cincinnati Ohio where he attended Miami University of Ohio. He has a BS in Quantitative Economics and Mathematics from Miami University of Ohio and an MA and PhD in Economics from the University of Florida. He previously held positions as a Research Associate at the University of Florida's Public Utility Research Center (PURC) and Institute for Child Health Policy (IHP).

David's research lies at the intersection of energy economics, industrial organization, and regulation. He studies the effects of energy and regulatory policies on firm behavior, the integration of renewable generation capacity, and analyzes the performance of electricity markets.

A recent contribution of David's work analyzes the impacts of mergers in concentrated electricity markets when firms contract to supply electricity in both real-time wholesale markets and in advance by signing forward contracts.

In numerous jurisdictions, the majority of transactions in electricity markets occur via forward trading. However, merger cases often overlook the impacts of mergers on these important forward markets. David and Andrew Eckert demonstrate that ignoring forward markets can lead to a downward bias in the predicted price-increasing impacts of

mergers. This work emphasizes the role of forward markets when analyzing mergers and provides a modeling framework to incorporate forward contracting in merger simulation analyses.

These findings are important as we are observing an increase in industry consolidation in electricity markets and a growing number of mergers involving the largest firms in the industry.

David's ongoing research considers the design of regulatory policies aimed at integrating renewable generation capacity into power markets. He recently received a research grant from the Future Energy Systems Research Initiative (joint with Andrew Eckert), which is part of the *Canada First Research Excellence Fund*. The objective of this research program is to analyze the impacts of existing policies and regulations on the integration of renewables, and to consider alternative mechanisms to alleviate barriers to entry for these generation technologies. In addition, this research program will address challenges to electricity market design presented by the expansion of renewable capacity.



In a recent research project, David considers the design of regulatory policies aimed at motivating electric utilities to invest in distributed energy resources (DERs) such as rooftop solar panels, storage, transmission efficiency upgrades, and energy efficiency rather than making traditional network capacity investments. Under the existing regulatory framework, utilities have limited incentives to adopt potentially cost-effective DERs. This work demonstrates the value of cost-sharing contracts and incentive regulation in order to motivate utilities to actively invest in DERs.

David's research has been published in peer-reviewed journals such as the *Canadian Journal of Economics*, *Journal of Regulatory Economics*, *The Energy Journal*, *Review of Industrial Organization*, among other journals.

grad student profiles



PhD Student
Himani Pandey

With a career focus to carry out research in environmental and health related issues, Himani Pandey joined the PhD program in Economics at the University of Alberta. She is currently entering the third year in this program having successfully completed all coursework and comprehensive exams. Her research interests are shaped via the extensive experience through different work opportunities including a south Asian Network for Development and Environmental Economics (SANDEE) funded project on protecting the biodiversity of coffee habitats in India and a Government of India study on the impact assessment for critical technologies used in the petroleum industry. Her master's dissertation is based on the role of institutional quality in driving the 'resource curse' in India. Himani would like to further her research by examining the spillovers from mining activity in India on firm productivity, environment and the health of individuals. Thus, she will analyze a wide spectrum of positive and negative externalities pertaining to mining.

Apart from academics, as a trained classical Indian dancer, Himani likes to perform on stage when time permits and practice yoga and swimming.



PhD Student
Lifang Li

Fourth-year Ph.D. student Lifang Li got her Master's degree in Economics from the University of Alberta and started her Ph.D. study in January 2014. She completed her candidacy exam in 2016. Lifang's research is primarily in the field of financial economics with a focus on the corporate bond markets in Canada and the US. Her supervisor is Dr. Valentina Galvani. While she has been enjoying doing her research and learning new skills, she is also excited about sharing her knowledge of Economics in one of the undergraduate classes in the coming semester. This will be her first time as an instructor in Economics, and she feels excited and also nervous at the same time. In her spare time, she worked part time at the China Institute of the University of Alberta. Her primary duty was to lead the team working on the project of the China-Canada Investment Tracker database.

Overall, she is having a great and fulfilling time at the University of Alberta. She is looking forward to her graduation as a Ph.D. and starting a career preferably in academia.

awards faculty & staff



Valentina Galvani – Faculty of Arts Teaching Award

Professor Valentina Galvani was selected for a Faculty of Arts Award for Excellence in Graduate Teaching and Mentorship. The Arts Teaching Awards Committee is composed of faculty and students from the Fine Arts, Humanities and Social Sciences. The award criteria includes a command of subject matter, excellent planning and organization, being a valuable resource for both students and colleagues, approachable and concerned for student progress. Professor Galvani has demonstrated excellence in these areas and countless more.

Valentina was recognized as an outstanding lecturer and a caring mentor who makes all aspects of her students' professional and career development a priority. Also, Valentina has been a pioneer in securing Mitacs internship grants for students. She received her award at the Celebration of Excellence, Faculty of Arts held on Tues. April 26, 2017, U of Alberta Faculty Club.

While Professor Galvani takes teaching and mentoring very seriously, she believes learning can be fun. After teaching a course on the history of banking in Cortona in 2016, Valentina wrote a piece for the Department Newsletter about her experience which is revealing about her approach to teaching and mentoring at all levels. She said, "To me, lecturing is like dancing: it is essentially bi-directional. During the lecture, the instructor must lead the students of course, but crucially she must also allow herself to be led by students' feedback." As with dancing, at its best, class dynamics are "graceful, thoroughly enjoyable, and totally fulfilling." Students are "learning AND enjoying themselves at the same time, which is the jackpot of good teaching."



Tim Khaner and Pamela Sewers 2017 Faculty of Arts Outstanding Lead Administrator Award

On Tuesday, April 26, 2017 seventy-five faculty, staff and students from the Faculty of Arts were recognized for their achievements at the Celebration of Excellence held at the UAlberta Faculty Club.

Tim Khaner, Anthropology/Economics and Pamela Sewers, Arts Faculty Office who also served as Interim Assistant Chair in the Department of Economics, received the 2017 Faculty of Arts Outstanding Lead Administrator Award. The award is intended to recognize exceptional performance among lead administrators in the Faculty of Arts.



In her award letter, Dean Cormack noted Tim's depth of knowledge and experience, his approach to sharing information, and his adoption of new systems and procedures which have impacted our administrative processes positively and significantly.

The Dean commented on Pamela's dedication and resilience when challenged with many and evolving roles, and her versatility and openness to dealing with new opportunities.

student awards & scholarships

UNDERGRADUATE STUDENTS

At the June 2017 Convocation, **8** of our Economics Honors students and **129** of our Economics majors were awarded their BA degrees.

Additionally, **29** students with an Economics minor also graduated, including 1 BA Honors student in a different discipline.

GRADUATE STUDENTS

Convocating Graduate Students

Spring 2017

Milos Dumanovic (MA)

Ease of Doing Business and Social Well-being

Gerald Ezenwa (MA)

The Impact of Government Spending on Economic Growth: Developed versus Developing Countries



Credit: Amy Mijajlovic

Award Recipients 2017

Gunsu Son – Maurice, Mary and Max Stewart Graduate Scholarship in Economics

Raja Jahangir - Maurice, Mary and Max Stewart Graduate Scholarship in Economics

Tian Yu Zhang – Economics Society of Northern Alberta MA Scholarship in Economics

Gunsu Son - Economics Society of Northern Alberta MA Scholarship in Economics

Raja Jahangir - Economics Society of Northern Alberta MA Scholarship in Economics

Hyeck Ki Min – J Gordon Kaplan Graduate Student Travel Award

Jiaqiong Wu – Core Prize in Economics

Agamani Chakrabarty – Graduate Student Travel Award

IPE events



INSTITUTE FOR PUBLIC ECONOMICS

2016 was a year of changes for the *Institute for Public Economics*: a new director has been appointed ([Corinne Langinier](#)), a new [website](#) has been created, a new research branch has been added ([Electricity](#)) and new fellows have been welcomed ([David Brown](#) and [Andrew Eckert](#)).

The new director, Corinne Langinier, is an Associate Professor in the Department of Economics at the University of Alberta. She received her Ph.D. in Economics from the University of Toulouse, France. Her primary field of research is Industrial Organization, with research interests in Intellectual Property Rights, innovation, and problems related to agricultural markets.

New Research Branch: Electricity

The Province of Alberta is transitioning to an electricity market design with increased renewable generation, coal unit phase-out, carbon pricing, and a capacity payment mechanism. In that context, it seemed important that the *IPE* could facilitate research to analyze the performance of electricity markets and the design of policies to assist in the integration of renewables into the power system. The *IPE* also facilitates communication of research results in this area. [Working papers](#) by David Brown and Andrew Eckert are accessible from the *IPE* website.

One objective of the *IPE* for 2018 is to organize a conference to bring together leading international experts to discuss the key challenges in designing electricity markets that increase renewable generation. Proposed speakers are actively engaged in research into the economic and policy issues relating to renewables. In order to ensure concrete policy relevance, the conference will feature practitioners and policy makers from Alberta, which is currently confronting these issues.

IPE's activities in 2016-2017

The 2017 *Eric J. Hanson Memorial Lecture* was delivered on March 9 by Dr. Emi Nakamura, Professor at [Columbia Business School](#). Professor Nakamura talked about how macroeconomists measure the effects of monetary and fiscal policy. The big challenge in macroeconomics is that there are no real "experiments" with which to measure these effects. Governments tend to cut interest rates and do fiscal stimulus during recessions -- so just looking at what happens to the economy after these interventions makes it difficult to distinguish between correlation and causality. She discussed some ways macroeconomists try to get around these issues, and what we have learned from this research. To see more on Dr. Nakamura's research, you can read the [news article](#) and watch the [video of her presentation](#).

As part of the *IPE* workshop series, on March 27, Professor David Brown presented "The Economics of Capacity Payment Mechanisms in Restructured Electricity Markets." The [slides](#) of his presentation are available from the website.

IPE Fellow Bob Ascah moderated a [panel discussion](#) of the 2017-18 provincial budget on March 16. The roundtable participants were Gil McGowan (a longtime political and labour movement activist), Grant Robertson (former Deputy Secretary to Cabinet and Deputy Minister, Treasury Board), Amber Ruddy (Director of Provincial Affairs with the Canadian Federation of Independent Business), Elizabeth Smythe (Professor of Political Science, Concordia University of Edmonton) and Graham Thomson (Provincial Affairs Columnist for The Edmonton Journal).

alumni profile

MATTHEW PROTTI BA ECONOMICS ('01)

The most frequently asked question I get about my education is “How did you turn an economics degree into working in the wine industry?” Part of that is happy



coincidence, in that I started the company **BlackSquare Inc.**, with my high school friend David Gluzman back in 2010 and we set off on a journey to build BlackSquare into a global company which helps the wine industry adopt technology. It has grown to encompass three business lines and

is home to some of the most popular alcohol-related ecommerce sites in Canada - WineCollective.ca and CanadaCraftClub.ca. The second part of the answer is that my economics degree set the stage for a number of our best business successes. At BlackSquare, the core of our business is data analysis and making decisions based on that data analysis. When we launched CanadaCraftClub.ca in December 2015 to deliver craft beer in 750 ml bottles to consumers' doors across Canada, we didn't have any idea how the market would accept it. The 750 ml bottles were not the normal size, and the price points were substantially higher than “mass produced” beer. So we set out on a major advertising/analytics campaign via Facebook and Google. We used the analytical tools baked into those platforms plus our own proprietary ecommerce technology to determine market fit.

During the first two weeks that the site was live, we changed our pricing, altered our package size, and overhauled the UX (user experience design) of the site not once but twice, solely on the basis of data analysis. The launch was a success and we recorded six figures in revenue in the first two weeks. This was a great example of the concept of “minimal viable product” (MVP) which is born out of technology aided by intensive data analysis. Don't try to build a perfect V1 of your product, build an MVP and then refine the product as the data warrants. The foundation I built in

economics provided the background we required to see those short and long term trends, conduct the proper analysis and then make targeted incremental changes to the product. We beta launched another product, Global Wine Database (GWDB.io) in June 2017, using the same economic-oriented principles.

Global Wine Database was conceptualized by BlackSquare in 2015 when we were bemoaning the fact that there just wasn't enough good wine-related data out there in the industry. We couldn't make the data-driven decisions we wanted to make, and were frustrated with the time it took to accumulate the data.

Global Wine Database is a global framework for wine data. Wine is an interesting product in that vintages change while product names stay the same. Hundreds of data points are collected for each wine including the basic (varietal, alcohol level, the complex-residual sugar, acidity, sulphite levels) and the geographic (country, region, sub-region, appellation and even row or block statistics). But this data is and was recorded in excel sheets and PDFs. Information locked up and providing little value to producers and consumers, immune to analysis. How are you supposed to buy a wine online (which is our core user proposition) if the consumer doesn't even know what is in the bottle? So we set out to help the industry modernize and the concept of a producer-led database for all of the world's wine information was born.

As a first step we built an MVP - Wine411.ca which is a website developed in conjunction with the Canadian Vintners Association (CVA). Before Wine411.ca was launched in 2015 there was no listing of every Canadian winery and shockingly, no one knew even how many wineries there were in Canada. The answer is about 770! We developed the GWDB infrastructure to store all of this information in an easily accessible format and then built the Wine411.ca site on top of it. In June 2017, we launched Wine411.ca 2.0 which now all of the varieties produced in Canada (139), how many wines are produced in every province and

alumni profile (cont'd)

region, and statistics about what are the most popular wines, vintages, varietals and producers. Global Wine Database now holds almost all wineries from Canada, Australia, New Zealand, Chile, Argentina, Austria, the state of Washington, Sonoma and Napa.

The saying “data is the new oil” is a popular one for the tech industry. It’s also very applicable for a Calgary based company, drilling for data in an industry like wine where Alberta isn’t even a producer. We’re using our institutional knowledge on technology, the wine industry and data analytics to build something that should change the way people interact with wine. My economics education set the stage for understanding how important data is to both product development and firm decision making.



TIMOTHY LEUNG MA Economics (1991)



Timothy Leung holds a Bachelor’s Degree and a Master’s Degree in Economics, both from the University of Alberta. His career paths span from finance, garment manufacturing, computer sales, to internet industries. His key responsibilities include sales, marketing, business development, and strategic planning.

After 5 years in Apple Inc, Timothy decided to move into the hot internet industry in 1999 and immediately faced the dot-com crash. He hung on and after 17 more years in the industry, he retired from the position of Head of Global Sales and Business Development of Alibaba.com at the age of 52. Since then, his passions are traveling, ultra-marathon, advising and providing mentoring to businesses.

Timothy writes, “Looking back, I can trace my career development beginning with Econo 201 in the Tory Building. I took the course as an option for the Computer Science program. I found the understanding of human behavior and its relationship with the economy fascinating. The news that I read every day took on new meaning. After a few more courses in Economics, I finally made the jump

and switched faculties with Economics as my major. Economics helped me develop logical thinking, which in turn helped me to understand the world and business practices. This proved to be very useful in my work and was indispensable as a business leader and senior manager.

Many, especially in the field of internet and technology, believe that passion or dreams will bring success. In my 20+ years in the field I was fortunate to have worked in successful companies like Apple, Alibaba, Google, Paypal with many wise and successful people. I would say passion only gives us direction and drive. It is a good understanding of the world, diligence, and EQ that make people successful. Passion and dreams only point out the best direction for a specific person; he or she needs skills and knowledge to realize that dream.

My economics training helped me to understand the business world. At the same time, the real business world helped me gain a deeper understand of the textbook knowledge I acquired in classes. The relationships between supply, demand, prices and volume took on a different meaning, especially in the early internet era, but the fundamentals stayed the same and will always apply. We would refine or redefine some concepts with new business models and we would bring crazy business ideas back to the real world with an understanding of economics. This positive loop of learning enhanced my ability in sales, marketing, and strategic planning. I am glad that I had the basic Economics training as a great starting point. My jobs took me to all parts of the world, from Thailand to Turkey, Pakistan to Peru, Japan to Rio de Janeiro, Singapore to the States, but the basics were the same.

I am blessed to have worked under and with many distinguished people. However, such opportunities presented their challenges. One needs to have quick and intelligent thinking to keep up with great people. Successful people are not only good at their fields; most are also knowledgeable and well-versed in the economic state of the world. They may not have formal Economics training, but they have acquired such skills through their own intelligence and experience. I, however, have relied on my Economics training to help me gain a broad view of world economics and the intricate workings.”

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Credit: Amy Mijajlovic

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