

# ECONOMICS NEWSLETTER

DEPARTMENT OF ECONOMICS - FACULTY OF ARTS  
UNIVERSITY OF ALBERTA

## ABOUT THE DEPARTMENT

The Department of Economics aims to create and disseminate economics knowledge for the benefit of society, and to be an internationally recognized centre of quality research, teaching, and public service.

The Department of Economics had its beginnings in 1921 when the Department of History and Political Economy was established. Rapid growth enrollment occurred in the years from 1956-1964 and therefore in 1964 the Department of Economics was established as its own entity. It is now home to approximately 27 full-time faculty, 7 Academic Teaching Staff and 4 contract Instructors whose research and teaching activities cover a broad spectrum of topics including Resource and Environmental Economics, Public Finance, Development Economics, International Economics, Law and Economics, Financial Economics, Monetary Economics, Labour Economics, and Industrial Organization.

Approximately 8,000 students register in Economics classes each year, and the Department has over 1000 Economics Majors and Honors undergraduate students.

Our graduate program typically includes 55 students enrolled in the Ph.D., Master's, and Master's in Economics and Finance programs in the Department.

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 UNIVERSITY OF ALBERTA  
DEPARTMENT OF ECONOMICS



## MESSAGE FROM THE CHAIR - RICK SZOSTAK



Last year I was able to report that we had hired three new faculty members in the Department of Economics. I am thrilled to report this year that we again were able to hire three new faculty members. Laurel Wheeler researches Indigenous economics and urban economics. Dodge Cahan is a public economist and political economist. Jiatong Zhong studies international economics. They are each profiled elsewhere in the newsletter.

The Dean of Arts is allowing the Department to hire again in 2019-2020. We will be filling a position from the retirement this summer of Yingfeng Xu. Yingfeng has been a member of this department for 30 years. We are pleased that he will continue to teach his popular courses on China and the Pacific Rim for a couple more years.

This job continues to be a pleasure. My colleagues are devoted to teaching and research, and this is an amazingly collegial department. I would give special thanks to my Associate Chairs, Valentina Galvani and Heather Eckert; they are dedicated and full of ideas. I would also thank Heather Eckert (again) and Dana Andersen who served on the department hiring committee, reviewing hundreds of applications and interviewing dozens of candidates.

I am blessed with an excellent staff. We have welcomed Stu White as Assistant Chair this year, and the Department continues to run smoothly. Holly Ridyard continues to keep me organized as Executive Assistant (and makes it look easy), Christina Smith continues as Graduate Advisor, Chelsi Hudson continues as Undergraduate Advisor and Trish Graham, Administrative Assistant, continues to manage events, our department website and much more.

Last year I reported that we had overhauled our (undergraduate) math requirements as the Math Department created a calculus course designed for us. This year we have developed a new Writing for Economics course, and made this a prerequisite for most of our senior courses. We have also taken a site license for Grammarly, so that all Economics instructors can require students to run papers through its grammar and spell-checking (and more) software. We have experimented with Grammarly in a few courses last year and found it very useful. We will continue to employ lecture capture software in some courses, and are experimenting with software that facilitates the playing of economic games in classes.



We offered the course “History of Economic Thought” for the first time in over a decade this Winter term. We also added courses in Experimental Economics and Forecasting. Next year we will add a host of new courses: Economics of Education, Indigenous Economics, Money (a big-think course), Macroeconomic Measurement, Political Economy, Asset Markets and Macroeconomics, and General Equilibrium Modelling (the last two are aimed at graduate students). Most of these new courses are taught by our new hires. The new hiring has allowed us not only to expand our course offerings but lower the size of some of our courses. This in turn facilitates both class discussion and the assignment of written work.

Alex Gainer received the University-wide Alexander Hardy Teaching Award. David Brown received the Faculty of Arts Research Award for Assistant Professors (David was also granted tenure and promotion to Associate Professor). I congratulate them both for these well-deserved honours.

As mentioned last year, Anwar Shah, who received his PhD from this Department, and then pursued an illustrious career with the World Bank, received the Distinguished Alumni Award from the Alumni Association in September, 2019. Anwar gave a wonderful speech at that event, and also gave a well-attended seminar in the department. Read the news [article](#).

Stella Thompson, who received an MA from our Department in 1968, received an Alumni Honour Award from the Alumni Association last September. Stella has been a trailblazer as a female corporate executive and philanthropist. See the [faculty news story](#).

The Department is increasing its presence on social media. In particular, I would encourage our alumni to link to our LinkedIn page. This will connect our alumni to each other and to us. We very much like to know what our alumni are doing. Please feel free to drop me an email and let me know how you have put your Economics degree to use.

Take care, and have a great year.

Rick Szostak, Chair, Department of Economics

## NEW COLLEAGUES


**W. Stuart White - Assistant Chair (Administration)**

Stu White, Assistant Chair (Administration) worked as the Assistant Chair in Educational Policy Studies at U of A as well as working at the Alberta Human Rights Commission and Universities in England, New York and Boston. Stu's hobbies include baseball (as a spectator), tennis (as a lousy player), and collecting art and artifacts.

The Department was very fortunate to hire 3 new faculty members, who will join us July 1, 2019.


**Laurel Wheeler - Assistant Professor**

Research Areas: Development, labor, and public economics, focusing on poverty and inequality in low-income countries and in North America.

Laurel Wheeler is a recent PhD graduate from Duke University, Durham, North Carolina. Her job market paper, "Property Rights, Place-Based Policies, and Economic Development," sheds light on how historically-assigned property institutions affect the equilibrium response to spatially targeted interventions on American First Nations reservations. Specifically, she examined how housing markets and labor markets adjust to an increase in the demand for labor induced by the opening of a casino and how land tenure affects the process of re-equilibration.

Dr. Wheeler's research agenda includes several other projects related to labor markets, housing markets, and human capital accumulation in low-income communities in the United States and internationally.

Laurel grew up in North Florida but has lived for brief stints in several other places in the US, as well as in South and Central America, sub-Saharan Africa, Asia, and Europe. She spends most of her free time playing sports, including soccer and road cycling. She's excited to start participating in winter sports while in Edmonton. Above all, she is an outdoor enthusiast and is looking forward to exploring all the natural areas surrounding the city.


**Dodge Cahan - Assistant Professor**

Research Areas: Assessments of economic policy, policy outcomes and political institutions.

Dodge Cahan completed his degree recently from the University of California. The broad theme of his research is how economic behavior and outcomes are influenced by political institutions. In his primary strand of research, he empirically investigates how elections and political parties influence real economic outcomes, especially employment and growth.

In Dr. Cahan's job market paper, "Electoral cycles in government employment: Evidence from US gubernatorial elections" (accepted at European Economic Review), he examined whether gubernatorial elections in the United States induce electoral cycles in public sector employment. Dodge was born in the US but grew up mostly in New Zealand. He came back to the US for graduate school. He enjoys outdoor activities, especially hiking, but also cycling and skiing when he gets the chance. He likes to travel to new places and is looking forward to exploring the Canadian wilderness.


**Jiatong Zhong - Assistant Professor**

Research Areas: International trade, applied microeconomics and empirical industrial organization.

Jiatong Zhong recently completed her degree from Purdue University. Her job market paper studied theoretically and empirically the impact of exporting countries' reputations on trade flows. She developed a model where consumers could learn about exporting countries' product quality through informative signals, and estimate the model using a novel data set that linked product recalls to U.S. import flows. By making explicit the learning process, this model allowed her to evaluate the benefits of maintaining high reputations for exporters as well as the welfare impact of a quality inspection institution.

Jiatong is originally from Guangzhou, China. She is a music and opera fan and is really looking forward to moving to a city with an opera house!


**Ryan Walch - Post Doctoral Fellowship**

Research Areas: Environmental economy economics, specifically carbon pricing, energy economics, applied econometrics and discrete-choice modeling.

Ryan Walch recently completed his PhD degree from University of Oregon. He will be working alongside professors David Brown and Andrew Eckert. His hobbies include chess, reading, guitar and finding new music.


**Jingchao Zhang - Post Doctoral Fellowship**

Research Areas: Energy Economics, Environmental Economics, Sustainable Development and Behavioral Economics.

Jiangchao Zhang recently completed her PhD from the School of Economics and Management, Kochi University of Technology, Japan. Her thesis title was "Household energy transition and social preference in China". Jingchao will also be working with David Brown and Andrew Eckert. Her hobbies include playing table tennis, skiing, travelling, reading and music.

## FACULTY RESEARCH PROFILE

## VERA BRENČIČ

Vera Brenčič is an Associate Professor in the Department of Economics. She graduated with a doctoral degree in Economics from Purdue University (U.S.) which she attended after receiving a bachelor degree from University of Ljubljana (Slovenia). Vera joined the Department of Economics at UofA in 2006 after a short appointment as a Visiting Assistant Professor in the Economics Department at Purdue University.



Vera's research in personnel economics revolves around two sets of questions. The first set focuses on optimal hiring decisions when employers incur costs of keeping their jobs unfilled. The second set of questions is concerned with optimal contracts when jobs demand different sets of tasks and skills. In order to understand better these kinds of decisions by employers, Vera has relied on data on job vacancies and hiring outcomes. At the start of her research as a graduate student there were only a handful of datasets available that allowed for a vacancy-level analysis of employers' decisions. To add to this literature, data collection, which included collaboration with the national employment center from Slovenia and scraping descriptions of job openings from an online job board monster.com, was a critical component of her research. These days Vera uses administrative data, data from surveys, and data that she can find in old directories. Her recent projects have led her to expand her research to include issues related to the workers' search and to linking employers' hiring to international trade and industrial organization.

Prompted by a request from Employment and Social Development Canada, Vera helped to evaluate the Canadian government's improvements to job alerts, an email service that informs job searchers of available jobs. In particular, she examined the implications of the improvements for the labor market experiences of unemployed Canadians. In another series of papers, she examines whether particular characteristics of exporters can be linked to hiring outcomes in a way that would suggest that exporting firms (and thereby policies targeting trade liberalization) have a potential to improve the functioning of the labor market.



In a series of other papers, Vera is expanding on her research of online job postings by focusing on the market structure of job boards that host the postings. In particular, she is examining the features of online job boards in the U.S. and how they have evolved during the last twenty years. With this research she hopes to examine a potential link between the changes in the market and the websites' effectiveness as intermediaries between employers with job vacancies and job searchers.

Overall, Vera has spent very interesting years doing research at UofA and hopes she can continue to do much more in the future. In her spare time, Vera is busy attending music classes and soccer practices with her two children, Zala and Jacob.

## ALUMNI PROFILE

## RYAN THOMPSON

My name is Ryan Thompson, and I graduated with a MA in Economics and Finance from the U of A in 2012. I am also a CFA charter holder.

My background is a bit all over the place. My first exposure to economics was probably in high school – I knew a little about commodity futures (long story!), but no interest at all in learning more at the time. In 1999 I started out as a Science student, and graduated with a BSc in Mathematical Physics from the U of A in 2003. This was just at the tail-end of the Canadian telecom boom. I have to admit I was a very poor student – I found the material difficult and I graduated only after much stress and struggle. I realized there was no way I would be able to continue on with physics, and my backup plan of going to work in the telecom sector evaporated with the demise of Canadian telecom luminaries such as Nortel.



So, like many Albertans, I drifted into working in oil and gas. I had the opportunity to take a business analyst role with an Engineering-Procurement-Construction company, working on-site in Sherwood Park and Fort Saskatchewan. It was a great place to learn how to work hard – but (having never been inclined to engineering) I always felt something was missing.

I think the catalyst for me was picking up “A Brief History of Economic Genius” by Paul Strathern and being transfixed by the ideas of folks like Adam Smith and David Ricardo. Also, because I was still interested in commodity futures after all this time, I used to spend a lot of time trying to wrap my head around economic releases from the United States Department of Agriculture. I was flummoxed by simple ideas like supply, demand, disappearance, and basic regressions.

Then I realized – if I want to do this properly, I should go back to school!

So, I started out as an after degree Economics student and worked through the MA, and I can state with confidence that what I learned in the department completely changed my life and the way I think about the world. I tried to take as diverse a set of courses as I could manage. Probably my greatest surprise was economic history – I still think of that course as the one that shaped my ideas of what it meant to “think like an economist” – to be skeptical, to be data-driven, and to try to confirm your ideas with facts and numbers.

I really enjoyed financial and international economics. Because of my background in math, I was also lucky enough to be allowed to swap out a few MBA finance courses for mathematical finance, which was much more in my area of interest. These opportunities led to my eventual career today.

I also worked in the department as a teaching and research assistant. I learned a great deal about putting together material for conferences and learned to take an interest in things very far afield of what I’d initially thought I’d be doing. It was very eye-opening to realize all the different types of policy problems that economists work on. Later on, I was the TA for the advanced undergrad econometrics courses – I still remember how to derive expressions for estimators in ordinary least squares after all this time, so I probably have Dr. Ryan to thank for that!

After graduation, I worked for awhile with the Government of Alberta and also with ATB Financial. Now, I work for Alberta Investment Management Corp. (AIMCo), where I am an analyst in the Public Equities department. AIMCo is an Edmonton-based investment manager, with approximately \$115 billion of assets under management. Our clients are primarily Alberta pension funds and, because we are a crown corporation, our shareholder is the provincial government. Specifically, I work in the Indexes group, which is responsible for the top-down management of the Public Equities portfolio. We do this primarily by trading swaps, futures, and FX forwards. We are also always doing research and parsing commentary from brokers, looking for ideas and trying to understand the markets better.

It’s not an exaggeration to say that I use something I learned during my MA each and every day! I will always think back fondly to my time in the department, and will always be grateful to my professors and the U of A for providing me with a solid foundation.

## GRADUATE STUDENT PROFILES

## SCOTT AURIAT - PHD CANDIDATE



Scott Auriat finished his Master of Arts degree in Economics at the University of Alberta in 2014. After two years of being a freelance researcher and analyst Scott returned to the University of Alberta for his PhD. Scott's research focuses on the economic growth and in particular

the importance of institutions under the supervision of Malik Shukayev and Rick Szostak.

He became interested in economics during his travels and while reading about history and politics. His goal is to research many of the interesting questions he has thought of while seeing the incredible differences in standards of living between countries.

Scott's dream is to work in academia. He would love a career that is forever interesting and perplexing while being rewarding. He loves to teach and connect with fellow students. In his spare time he loves to play music and sports. Travelling is a passion of Scott's, but he is fond of his home in Canada and being close to his family and friends.



## KWABENA BEDIAKO BOATENG - PHD CANDIDATE

Kwabena is currently entering the third year of his Ph.D. program in Economics. He is glad to say his time in the department so far has afforded him the basic tools needed to complete his thesis. Although he has previously done some work in the area of Monetary policy (Master's project work), his current research focuses on the management of renewable resources. In this regard, he is investigating how uncertainty affects the incentive for countries to join Regional Fisheries Management Organizations (RFMOs). His goal is to understand the various challenges related to the management of marine fish stock while incorporating the complex aspects of spatial mobility across both regional and international boundaries.

In terms of career goals, he would like to work in an academic capacity as both a researcher and an instructor. He enjoys studying and teaching Environmental Economics, Macroeconomics, and Microeconomics.

Aside from academic work, he enjoys watching and playing soccer, and listening to news and discussions on politics and economics.

## YUHAN WANG - PHD CANDIDATE



To pursue a career in academia, Yuhan Wang chose to join the PhD program in the Department of Economics after obtaining a Bachelor's degree from Western University and a Master's degree in Economics from the University of Alberta. Currently she is entering her second year,

with a research interest in labor economics. Yuhan has been enjoying her studies in the department, and would like to increase her knowledge of economics even more.

Besides studying, Yuhan enjoys reading and swimming in her spare time which enriches her life. She believes "reading makes a full man", and good books can broaden horizons. She also enjoys travelling when time permits.

## NEWS

### Joseph Marchand "A Guide to Alberta's new \$15 minimum wage and what it will mean for the economy"



On September 26, 2018, Joseph Marchand presented a seminar as part of the IPE Workshop series "Still Thinking about Minimum Wage increases in Alberta: Theoretically, Empirically, and Regionally". He was interviewed by Kieran Leavitt from the Star Metro Edmonton and Brennan Doherty from the Star Metro Calgary.

University of Alberta economics professor Joseph Marchand said that while studies and numbers on the effects of the increase abound, your evaluation ultimately depends on what your desired outcome is: job growth or decreasing inequality.

"If that's your social goal, reducing inequality amongst individuals, I buy it," Marchand said. "We will see it in the data. I would almost guarantee it, there is going to be a reduction in inequality." [Read the full article.](#)



### Mesbah Sharaf published a new study in Oxford Development Studies. His findings showed a link between maternal employment and child nutrition status.

Even though maternal employment can increase family income, several studies suggest that it could have adverse consequences on children's health. In this study, we use a nationally representative sample of 12,888 children, aged 0–5 years from Egypt to examine the impact of maternal employment on child nutritional indicators, namely: stunting, wasting, and being underweight and overweight. We adopted various estimation methods to control for observable and unobservable household characteristics in order to identify the causal effect of maternal employment. These different techniques include, propensity score matching (PSM), OLS regression with controlling for a wide range of individual characteristics, and an instrumental variable two-stage least squares (IV 2SLS) approach. Results of the PSM and OLS suggest that maternal employment is weakly associated with having a malnourished child. On the other hand, the IV 2SLS suggests a stronger and significant association between maternal employment and poor nutritional status among children. ([read more](#))



### Ashantha Ranasinghe, Assistant Professor and Diego Restuccia, U of Toronto publish [article in Vox Dev.](#)

We quantify the importance of weak financial market development and rule of laws for aggregate productivity and output.

The recent availability of micro-level datasets has allowed economists to make considerable progress on understanding the vast income and productivity differences across countries. A prevailing finding from the disaggregate data is that in poor and developing countries resources are not efficiently allocated across businesses (i.e. misallocation), which contributes considerably to low income and productivity (Restuccia and Rogerson 2017). For example, improving resource allocation across plants in the manufacturing sector in China and India to the level in the US can raise productivity by 40-60%, increases that represent about 50% of the manufacturing productivity gap across these countries (Hsieh and Klenow 2009).

### "Policy Pints" Event Showcases Economic Students' Dissertations

On June 21, 2019 the Economics Department and the Economics Society of Northern Alberta co-sponsored a "Policy Pints" event at the Rocky Mountain Ice House on Jasper Ave. Seven of our PhD students gave 5 minute presentations on their dissertation research, and then took questions from a diverse audience.

The students had been coached on their presentation skills by Melanie Dreyer-Lude, Chair of the Department of Drama. The event was a great success and we plan on making it annual.

The students were (in order in the picture): Liang Ma, Scott Auriat, Samprita Chakraborty, Yiang Guo, Himani Pandey, Long Zhao, Boris Ortega Moreno.

In the middle are Rick Szostak, Chair of Economics (who served as MC), Melanie Dreyer-Lude, Chair of Drama, and Heather Eckert, Associate Chair (Graduate) of Economics.



## NEWS (cont'd)

**Hazel Foerstner, 4th year U of A arts student majoring in economics developing app to list vegetarian dishes in all local restaurants.**



“What Foerstner’s doing is more unique than listing vegetarian restaurants in the city, which most people know about,” said Craig Milne, owner of the Prairie Noodle Shop and executive-in-residence at TEC Edmonton.

The concept behind the Edibly app is acknowledging that, while not every restaurant is vegetarian or vegan, almost every restaurant has vegetarian options on the menu. This makes it easier for those choosing plant-based options to be connected to a broader network of restaurants in our city.

“In the competitive app market, making and maintaining that sense of community or vibrant, active hub will give Edibly an advantage”, added Milne.

With little experience starting up businesses, Foerstner sought out TEC Edmonton, a business accelerator that helps transform technologies into business opportunities, to help her develop a business plan and connect with resources.

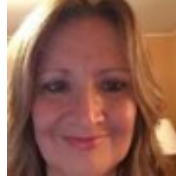
[\(Article in U of A Folio\)](#)



**Professor Emeriti Connie Smith and Stuart Landon publish paper in CD Howe Institute Commentary: “Managing Uncertainty” The Search for a Golden Discount-Rate Rule for Defined-Benefit Pensions”**

[“Managing Uncertainty: The Search for a Golden Discount-Rate Rule for Defined-Benefit Pensions”](#). The paper looks at the discount rate - the interest rate pension plan sponsors use to determine the value of assets they must set aside today to pay for promised benefits in the future. If the rate is too high, the assets are too meagre, and vice versa. Dr. Smith and Dr. Landon examine whether there is an optimum discount rate rule that strikes the right balance. This is important because, as pension payouts are often far in the future, the choice of discount rate rule can have a dramatic effect on the value pension plan’s liabilities and, therefore, the assets needed to meet plan obligations.

**Claudia Landeo visited the University of Virginia School of Law during the week of March 25/19 and gave a seminar on the design of optimal law enforcement mechanisms with ordered leniency.**



Two of [Professor Landeo's](#) recent papers (co-authored by [Professor Kathryn Spier](#)) on the topic of optimal law enforcement mechanisms with self-reporting, “Optimal Law Enforcement with Ordered Leniency” and “Ordered Leniency: An Experimental Study of Law Enforcement with Self-Reporting”, were discussed. For more information on this research, please link to the [studies](#).



**Mel McMillan writes article in ‘albertaviews’ magazine: Deficit -Free by 2023!**

The NDP government has laid out a “path to balance” by 2023–24. The UCP claim they would balance the budget “by the end of their first term” (i.e., by 2023). No matter who governs Alberta, the task will be challenging. [Read full article](#)



**Tilman Klumpp comments in Newsweek article, “Do Felons Vote Democrat? Bernie Sanders’ idea to let felons vote probably wouldn’t change election results”**

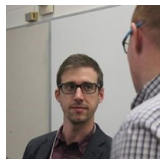
Tilman Klumpp, an economist and Professor at the University of Alberta who has looked at voting patterns, agrees.

“That’s kind of a believable explanation because there’s a lot of stuff going on in an ex-felon’s life that might be of more direct consequence and of more importance than going to vote. So it’s not completely inconceivable that only very few ex-felons, if given the right to vote, would actually go and vote,” he said.



**AWARDS**

**David Brown  
Faculty of Arts Research Excellence Award  
for Assistant Professors**



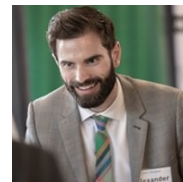
**David Brown** is an Associate Professor in the Department of Economics. He received his PhD from the University of Florida. Professor Brown's research lies at the intersection of energy economics, industrial organization and regulatory policy. In particular, it analyzes the effect of regulatory policies on the performance of electricity markets. He has published numerous papers and teaches a variety of Micro Economic courses. ([Profile Website](#))

**Anwar Shah, PhD 1983  
Distinguished Alumni Award**



Anwar Shah has had a remarkable career. After completing his PhD in the Department of Economics he worked short periods with the Government of Alberta and Finance Canada. Following that, he joined the World Bank in 1986. There he led the introduction and adoption of the Bank's decentralization strategy. ([New Trail article](#))

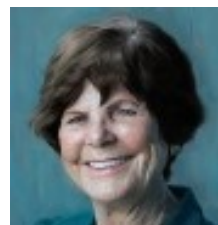
**Alexander Gainer  
William Harder Alexander Award for  
Excellence in Undergraduate Teaching**



**Alexander Gainer** demonstrates consistently his passion for economics and his love of teaching. He primarily teaches Microeconomics, Macroeconomics and Econometrics at the first and second year level.

He strives to improve his delivery methods and improving his approach to reaching students and making the learning process challenging and streamline at the same time. He is instrumental in developing online exams. ([Profile Website](#))

**Stella Thompson, MA. 1968  
Distinguished Alumni Award**



Stella Thompson has 'cut a swath through the business world in marketing, strategic planning, information systems, finance, policy governance and more". She worked as an oil executive with Petro-Canada and

was appointed to the Prime Minister's National Advisory Board on Science and Technology. She also ran her own consulting company. Stella has also been a huge "advocate to increase gender diversity in the boardroom and to tackle gender issues in the workforce". ([New Trail article](#))

**Alexander Cheung and Matthew Ackman**, (center) two students from the Department of Economics, received the **Faculty of Arts Roger Undergraduate Research Award**.



## STUDENT AWARDS &amp; SCHOLARSHIPS

## GRADUATE AWARDS


**AD O'BRIEN GRADUATE SCHOLARSHIP IN PUBLIC FINANCE  
KELVIN KARKOH-AMPOMAH**

Endowed by: Colleagues and friends of AD O'Brien upon his retirement in 1999 from his position as Alberta's Deputy Provincial Treasurer. Awarded annually to a full-time student in a graduate degree program in the Department of Economics whose specialization is in Public Finance.


**CORE PRIZE IN ECONOMICS  
GUNSU SON**

Each year the Core Prize in Economics is awarded to a graduate student completing their Masters degree in the Department of Economics. The Core Prize in Economics is awarded to the student who achieves the highest overall GPA in the 4 core courses in their program. The 4 core courses are ECON 503 (Microeconomic Theory I), 581 (Macroeconomic Theory I), 598 (Econometric Theory and Applications) and 599 (Applied Econometrics).

**ECONOMICS SOCIETY OF NORTHERN ALBERTA MA SCHOLARSHIP IN ECONOMICS  
GUNSU SON**

Endowed by: The Economics Society of Northern Alberta

Awarded annually to a student registered full-time in a MA degree program in the Department of Economics who achieves superior academic standing (minimum grade point average of 3.5) in the Fall term of the first year of program registration. The scholarship is intended to provide financial support to the recipient during the completion of the Directed Research Project.


**MAURICE, MARY, AND MAX STEWART GRADUATE SCHOLARSHIP IN ECONOMICS  
HIMANI PANDEY**

Endowed through a bequest from the estate of Max Douglas Stewart in honour of Maurice Howard Stewart, born in 1889, and Mary Penn (Ritchie) Stewart, born in 1891, and their sons, Max Douglas Stewart, born in 1919 in Edmonton, Professor of Economics at the Royal Military College of Canada, the University of Alberta, and Wilfrid Laurier University, and Maurice Bruce Stewart, born in 1932 in Edmonton, winner of the Governor-General's Gold medal at the University of Alberta, and Professor of Physics at Willamette University, Salem, Oregon. Awarded annually to a student who is registered full-time in a graduate degree program in the Department of Economics at the University of Alberta and who received the highest standing in the final year (minimum A-) of a Bachelor's degree. Preference will be given to a graduate of the Wilfrid Laurier University or a graduate of another Ontario University or a student whose permanent residence in the two years immediately preceding the end of their final Bachelor's degree examinations was in either Bruce County or Grey County in Ontario.

**QUEEN ELIZABETH II GRADUATE SCHOLARSHIP - DOCTORAL  
ASRAFUZZAMAN**

The Faculty of Graduate Studies and Research (FGSR) awards QEII Graduate Scholarships each year. Funded by the Government of Alberta, these scholarships reward the high level of achievement of students pursuing graduate studies in Alberta.



## QUEEN ELIZABETH II GRADUATE SCHOLARSHIP - MASTERS RECIPIENT DIMPLE SAGGAR

The Faculty of Graduate Studies and Research (FGSR) awards QEII Graduate Scholarships each year. Funded by the Government of Alberta, these scholarships reward the high level of achievement of students pursuing graduate studies in Alberta.



## RESEARCH PRIZE IN ECONOMICS - KYLE PHONG

Each year the Research Prize in Economics is awarded to a graduate student completing their Masters degree in the Department of Economics. The Research Prize in Economics is awarded to the student who writes the best research paper in ECON 999.



## UNIVERSITY OF ALBERTA DOCTORAL RECRUITMENT SCHOLARSHIPS ZI FANG, TONG LIU, YUHAN WANG, LIYUAN XUAN

The purpose of this scholarship is to recruit superior students at the doctoral level who have the potential to contribute to the University of Alberta's community and research.

## INSTITUTE FOR HEALTH ECONOMICS AWARD ASRAFUZZAMAN, RAJA JAHANGIR, MARCELA ORTEGA, ELISABETH POPIEL

Awarded to students enrolled in ECON 557 on the basis of graduate GPA and a written statement of interest in Health Economics.

## UNDERGRADUATE AWARDS



## ANGUS SINCLAIR ABELL MEMORIAL SCHOLARSHIP ANDRIY KRUGLIAK

Endowed by: Amy Ross Cogswell Abell BSc Pharmacy '36, in memory of her husband Angus Sinclair Abello, BA Economics '37.

Awarded to a student with superior academic achievement entering the third year of study for a Bachelor of Arts with an Honors in Economics.

## ARCHIBALD FORSTER MCGOUN MEMORIAL SCHOLARSHIP JONATHON BRISEBOIS

Endowed by: Mrs. I.W. Long of Edmonton, Alberta

Awarded annually to a student with superior academic achievement entering the second, third, or fourth year of the honors program in Economics.



## BALDER VON HOHENBALKEN MEMORIAL PRIZE IN ECONOMICS ZOE ZWAIGENBAUM

Endowed by: Friends and colleagues in memory of the late Dr. Balder von Hohenbalken of Edmonton, Alberta

Awarded annually to a student with superior academic achievement entering the second, third, or fourth year of the honors program in Economics.

### **DR. MANMOHAN SINGH PRIZE IN ECONOMICS CHRISTOPHER SMITTEN**

Endowed by: Friends in recognition of Dr. Manmohan Singh receiving an honorary degree from the University of Alberta in June 1997. Awarded annually to a student with superior academic achievement in the Faculty of Arts majoring in Economics. Recipients will be selected on the basis of academic standing in Economics 213 (An Introduction to the Economics of Developing Countries).



### **DR. MILTON F. BAUER MEMORIAL SCHOLARSHIP NANDITA KUMAR**

Endowed by: Friends and colleagues in memory of the late Dr. Milton F Bauer of Edmonton, Alberta.

Awarded annually on the basis of academic merit, to a student proceeding to the fourth year of the honors program in Economics at the University of Alberta.

### **DUNCAN ALEXANDER MacGIBBON MEDAL IN ECONOMICS KATARINA WASIELEWSKI**

Endowed by: the late Dr. DA MacGibbon of Hamilton, Ontario

Awarded annually to the student convocating with highest distinction from Honors Economics

### **ECONOMICS SOCIETY OF NORTHERN ALBERTA SCHOLARSHIP YANXIN ZHONG**

Endowed by: the Economics Society of Northern Alberta

Awarded annually to a student with superior academic standing enrolled in the third or fourth year in the Faculty of Arts, and majoring in Economics. Recipient will be selected on the basis of academic standing. Preference will be given to students with financial need.

### **EMERSON AND TANG FAMILY SCHOLARSHIP TREVOR SULLIVAN**

Endowed by: The Honorable David Emerson and Mrs. Theresa Emerson

Award to a student with superior academic achievement entering any year of study for a Bachelor of Arts with a major or minor in Economics. Selection based on academic achievement in courses taken in Economics and demonstrated involvement in sports. Preference given to a student from rural Alberta.

### **KD VERVILLE SCHOLARSHIP FOR ACADEMIC EXCELLENCE – NANDITA KUMAR**

Funded by: KD Verville and family

Awarded annually to a student with superior academic achievement entering their second, third, or fourth year of the Honors Economics program. Recipients will be selected on the basis of academic standing on a minimum of 24 credits taken during an academic year. Preference will be given to those student leaders who actively participate in furthering Canadian democracy through involvement in Provincial or Federal politics, or the Canadian Armed Forces Reserves. Since this Scholarship is based on Adam Smith Capitalism, financial need is not and will not be taken into consideration.

The Annual Awards and Holiday Celebration was held on November 27, 2018 at the Timms Centre.



## INSTITUTE FOR PUBLIC ECONOMICS

## CORINNE LANGINIER, DIRECTOR



It was an exciting year for the *Institute for Public Economics* with our traditional Hanson lecture, a policy event on minimum wage, and workshops on issues as diverse as monetary policies, child care policies, and the study of experiments on stigmatization.

On October 11, 2018, it was an honor to receive Professor Robin Boadway from the Department of Economics at Queen's University who presented the 2018-2019 *Eric J. Hanson Memorial Lecture*. The title of Professor Boadway's talk was "An Agenda for Tax Reform in Canada". He argued that it is time to rethink the principles of taxation for Canada. Over 50 years ago, the Carter Commission enunciated the ideals on which the tax system should be based. It argued in favour of a tax base approximating comprehensive income, epitomized in the slogan that "a buck is a buck". The federal and provincial tax systems in Canada pay lip service to the comprehensive income ideal, but piecemeal tax reforms have gradually moved the tax system away from income and towards consumption as the actual base. Meanwhile, economic circumstances facing Canada have changed considerably, and tax principles and practices worldwide have evolved. Professor Boadway argues for a multidimensional approach to tax policy, and propose a set of incremental policy reforms that will meet the needs of the Canadian federation in the 21st century.

See [the video of his presentation](#).

As part of the IPE policy event series, on September 26, 2018, Joseph Marchand, Associate Professor in the Department of Economics at University of Alberta, talked about the minimum wage increase in Alberta in a presentation entitled "Still Thinking about Minimum Wage Increases in Alberta: Theoretically, Empirically, and Regionally." It was a very topical intervention as on October 1st, 2018, Alberta reached its \$15 minimum wage goal. Since the province set out to increase its minimum wage by 47% back in 2015, Professor Joseph Marchand has been helping Albertans, and other interested parties think about its effects from the labor market perspective. In this talk, Joseph Marchand renews this role by summarizing his policy piece released through the C.D. Howe Institute a year ago with some important updates and comparisons to bring those thoughts into the present and to consider what will happen in the future.

The *IPE* workshop series hosted several talks. On October 23, 2018, Malik Shukayev, Associate Professor in the Department of Economics at the University of Alberta, presented "Price-level targeting: a summary of recent research." Even before the Great Financial Crisis of 2008-2009 many macroeconomists, including those working at central banks, questioned whether Inflation Targeting (IT) represents the best possible monetary policy framework. Price-level targeting (PLT) is often mentioned as a promising alternative. There are three main advantages attributed to PLT over IT. First, PLT reduces the uncertainty regarding the future price level. Second, a credible PLT regime has a stabilizing effect on inflation and output. And third, PLT can serve as a credible nominal anchor for public expectations when conventional monetary policy tools are constrained by the zero lower bound on interest rates. After highlighting the main differences between PLT and IT, the presenter is going to review recent research on the costs and benefits of PLT, discussing theoretical results and experimental evidence.

On April 29, 2019, Xingfei Liu, Assistant Professor in the Department of Economics, University of Alberta talked about child care policies and female labour market decisions. Women of childbearing age and mothers with young children often face challenges of combining work with family responsibilities, and such challenges have prevented women from fully participating in the labor market, hence posing additional barriers to their career paths. Public policies that are designed to relieve such constraints for women have been put into place mostly in developed countries in the past 30 decades or so. The workshop focused on childcare policies and discussed the effects of such policies on female labor market outcomes. Empirical evidence were provided for some most recent public childcare expansions. Xingfei Liu also discussed an important and so-far neglected aspect of female labor supply decision in terms of evaluation of childcare policies.

On May 13, 2019, Maik Kecinski, Assistant Professor in the Department of Resource Economics and Environmental Sociology, University of Alberta, talked about experiments on stigma and presented the results of experiments on cockroaches and recycled drinking water. Stigmatization of products and technologies can lead to large monetary losses even when there are no associative risks. Maik Kecinski reported on three economic experiments that provide insight into the behavioral responses of disgust; particularly focusing on recycled water – a potential solution to many water shortages around the world. In experiment one, he used cockroach-contaminated water to quantify participants disgust responses. In experiment two, he explored how these visceral responses to cockroach-contaminated water may be mitigated through relatively simple and inexpensive means. Lastly, in experiment three, he showed how individuals grow more accepting of recycled water when their decisions to consume recycled water consider others as opposed to just themselves. These experiments are the first of their kind (from an economic perspective) to identify pathways to overcome stigma related to sustainable and cost-effective means to provide safe drinking water – an issue that is particularly pressing in the face of increasing climate change.

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. These interactions also open the opportunity for research collaboration.

### Macro Economic Seminars

September 10, 2018 [PDF](#)

Todd Schoellman,  
(Federal Reserve Bank of Minneapolis)  
"Structural Transformation by Cohort"

October 30, 2018 [PDF](#)

Corina Boar, New York University  
"Hand-to-Mouth-to-the-Eye"

February 27, 2019 [PDF](#)

Fabian Lange, McGill University  
"Identifying the Social and Private Returns to Education with Instruments" (with Gaurab Aryal and Manudep Bhuller)

March 8, 2019 [PDF](#)

Sami Alpanda, University of Central Florida  
"Business Cycles with Oligopsonistic Competition in Labor Markets"

March 11, 2019 [PDF](#)

Markus Poschke, McGill University  
"Wage Employment, Unemployment and Self-Employment Across Countries"

April 5, 2019 [PDF](#)

Toshihiko Mukoyama, Georgetown University  
"Firm Growth through New Establishments"

### Micro Economic Seminars

September 12, 2018 [PDF](#)

Todd Stinebrickner, University of Western Ontario  
"Complementing Detailed Administrative Data with Longitudinal Survey, motivation, design, implementation, and analyses in the Berea Panel Study"

September 17, 2018 [PDF](#)

Mitchell Hoffman, University of Toronto  
"What Do Employee Referral Programs Do?"  
(with G. Friebel, M. Heinz and N. Zubanov)

September 28, 2018

Yanqin Fan, University of Washington  
"An Interval Arithmetic Center and Range Model: Estimation, Inference, and Prediction"  
(with Xuetao Shi)

October 16, 2018

Anthony Heyes, University of Ottawa  
"Hot Days and the Ability to Work" Evidence from a Representative Sample of 42, 152 Indian Households"

March 1, 2019 [PDF](#)

Cornelius Christian, Brock University  
"Frontiers of Famine" Drought and Assassinations of Roman Emperors"

March 19, 2019

Russell Weinstein, University of Illinois  
"Access to High-Wage Jobs from College Campuses and the Role of Geography: Evidence from Employer Recruiting Decisions"

March 29, 2019

Steven Lehrer, Queen's University  
"An Assessment of the Hype of Machine Learning Strategies for Empirical Economists"

April 3, 2019 [PDF](#)

Xiaogang Che, Durham University  
"Deposit Requirements in Auctions"



## PUBLICATIONS

A full list of Faculty publications is available on the Department of Economics [website](#).

**Dana Andersen and Pinar Gunes**, "The Role of Adolescent Health in Adult SES Outcomes", *The B.E. Journal of Economic Analysis & Policy*, 18(2):16, 2018.

**Dana Andersen**, "Accounting for Loss of Variety and Factor Reallocations in the Welfare Cost of Regulations", *Journal of Environmental Economics and Management*, 88(C):69-94, 2018.

**David Brown**, "The Effect of Subsidized Entry on Capacity Auctions and the Long-run Adequacy of Electricity Markets", *Energy Economics*, 70(C):205-232, 2018.

**David Brown and Andrew Eckert**, "The Effect of Default Rates on Retail Competition and Pricing Decisions of Competitive Retailers: The Case of Alberta", *Energy Policy*, 118(C):298-311, 2018.

**David P. Brown and David E.M. Sappington**, "Optimal Procurement of Distributed Energy Resources", *The Energy Journal*, 39(5):131-155, 2018.

**David Brown and David Sappington**, "On the Role of Maximum Demand Charges in the Presence of Distributed Generation Resources", *Energy Economics*, 69(C):237-249, 2018.

**David Brown, Andrew Eckert and James Lin**, "Information and Transparency in Wholesale Electricity Markets: Evidence from Alberta", *Journal of Regulatory Economics*, 54(3):292-330, 2018.

**David Brown, Andrew Eckert and Heather Eckert**, "Carbon Pricing with an Output Subsidy under Imperfect Competition: The Case of Alberta's Restructured Electricity Market", *Resource and Energy Economics*, 52(C):102-123, 2018.

**David Brown**, "Capacity Payment Mechanisms and Investment Incentives in Restructured Electricity Markets", *Energy Economics*, 74(C):131-142, 2018.

**David Brown**, "Capacity Market Design: Motivation and Challenges in Alberta's Electricity Market", *SPP Briefing Papers*, 2018, Vol 11 (12), 1-18.

**David Brown and Andrew Eckert**, "Analyzing the Impact of Electricity Market Structure Changes and Mergers: The Importance of Forward Commitments", *Review of Industrial Organization*, 52(1):101-137, 2018.

**Adrien Hervouet and Corinne Langinier**, "Plant Breeders' Rights, Patents, and Incentives to Innovate", *Journal of Agricultural and Resource Economics*, 43(1):118-150, 2018.

**Christian Belzil, Jorgen Hansen and Xingfei Liu**, "Dynamic Skill Accumulation, Education Policies and the Return to Schooling," *Quantitative Economics*, 8(3):895-927, 2017.

**Mohsen Javdani and Andrew McGee**, "Labor Market Mobility and the Early-Career Outcomes of Immigrant Men", *IZA Journal of Migration and Development*, 8(1):1-28, 2018.

**Jeffrey Penney**, "Dynamic Treatment Effects of Teacher's Aides in an Experiment with Multiple Randomizations", *Economic Inquiry*, 56(2):1244-1260, 2018.

**Ashantha Ranasinghe and Diego Restuccia**, "Financial Frictions and the Rule of Law", *Journal of Development Economics*, 134(C):248-271, 2018.

**Malik Shukayev and Alexander Ueberfeldt**, "Monetary Policy Tradeoffs between Financial Stability and Price Stability", *Canadian Journal of Economics*, 51(3):901-945, 2018.

## GOVERNOR'S CHALLENGE COMPETITION

For the second time in a row, the University of Alberta team was selected to participate in the final round of the Bank of Canada Governor's Challenge competition. The five team members were chosen after an elaborate selection process which took place in the Fall of 2018 as part of Econ 485, Macroeconomic Policy class. All students in that class performed a massive amount of data analysis, report writing and presentation delivery work. Each report was revised three times to improve its relevance and communication effectiveness. Once the reports were finished, they served as a basis of a summary presentation on the Canadian monetary policy outlook. Four teams of students from Econ 485 had an opportunity to present and revise their presentations twice. Once again, Max Sties volunteered an immense amount of help preparing the team for the Challenge. Students loved his friendly and patient approach to coaching. I was particularly impressed this year with the amount of cooperation and friendship among the team members. They were truly a great team! We asked three of the University of Alberta team members to share their experiences below.

### JENNY LI



On February 16th, our team presented in front of a panel of three judges as one of the finalists at the Bank of Canada's annual Governor's Challenge. The finalists were chosen as the outstanding teams from four pools of five universities each, in addition to one wildcard team. The instruction of the challenge was simple: analyze and forecast economic developments and make a recommendation on what the Bank of Canada should do regarding the overnight interest rate.

Although the instruction seems straightforward, in practice it was easier said than done. In order to make an informed recommendation on the overnight interest rate, our team had to take into consideration all aspects of the Canadian economy, as well as global economic trends. While all of our team members had some background in economics, it was the first time any of us had put classroom taught theories into practice. Understanding how the goal of the Bank of Canada is to keep inflation low and stable did not make concrete sense up until this challenge.

To analyze the economy, our team had to look into all major sectors of the Canadian economy, including but not limited to the housing market, consumption, investment, and Canada's trading partners; as well as taking current events into consideration, such as the potential trade war between China and the United States, and Brexit.

By placing us into the role of advisors to the Bank of Canada's governing council, and subsequently simulating the monetary policy decision-making process, the Governor's Challenge allowed us to put our classroom knowledge into action. Through this challenge, our team was able to analyze the data using economic theory, which informed our explanation and justified our recommendation. This practical application of our academic theory made this one of the most valuable experiences in our undergraduate degrees.



None of this would have been possible if not for the help and patience of Dr. Malik Shukayev and Dr. Max Sties. The countless hours they have dedicated is what makes this experience uniquely valuable and unlike anything else. The Econ 485 course offered by Dr. Shukayev still serves as one of the only courses during my undergraduate degree that allowed us to practice our presentation and public speaking skills - both of which are crucial career skills that puts one at a comparative advantage above the rest in the job market. Dr. Sties spent dozens of hours with our team, helping us with our presentation and refining our Q&A. We would not have accomplished what we did without the expert advice and tremendous support of both of our faculty advisors: Dr. Malik Shukayev and Dr. Max Sties.



## LJ VALENCIA



My journey with the Governor's Challenge began when I met Dr. Shukayev at a mixer for honors students in 2017. He was there to advertise Econ 485 and the Governor's Challenge. When I took his Econ 385 course, he also encouraged students to take Econ 485. Given my love for macroeconomics, I was sold by the prospect of applying theoretical knowledge to practical policy analysis and formulation. Although there was a lot of anecdotal evidence on the demanding work that comes with Econ 485, Dr. Shukayev took effort in simplifying the workload for students.

During my time in Econ 485, I learned valuable skills such as how to search and manage economic data, produce informative and professional graphs, and develop time-series forecasting models using MATLAB. In preparation, we spent countless hours managing data, updating forecasts, rehearsing, and practicing how to efficiently answer questions. Our hard work paid off when the Bank of Canada told us that we were going to Ottawa for the final round. After Econ 485 concluded, we continued to prepare for the final round. We met numerous times throughout January and early February to refine our presentation. Dr. Max Sties and Dr. Malik Shukayev's mentorship was instrumental in ensuring the high quality of our presentation. They met with us when available and they provided expert feedback on our presentation and critiqued how we answered questions. Our work culminated with the presentation of our analysis and policy recommendation in front of senior members of the Bank, the Governor and esteemed macroeconomist, Martin Eichenbaum.

I would like to give special thanks to Dr. Sties for drilling me on my knowledge of LASSO, one of our forecasting models, throughout our preparation. All of the details are permanently imprinted in my head!

Taking Econ 485 and participating in the Governor's Challenge has been one of the finest moments of my university experience. I am grateful for the many valuable lessons and transferable skills I've learned as a result of Econ 485 and the Governor's Challenge. I want to thank my teammates for being such a wonderful group of friends. Their dedication, hard work and comedy are some of the many highlights of my Governor's Challenge experience. I want to say thank you again to Dr. Shukayev and Dr. Sties for their amazing help and support throughout our journey—our team would not have made it this far without them.

## STEPHEN TEAROE

Being given the privilege of participating in the Governor's Challenge has been the highlight of my undergraduate degree, and it was an honour to work alongside such admirable teammates. We were a varied bunch, with backgrounds in finance, public expenditure, chinese economics, sociology, political science, and computer sciences, with most of our team still being from the department of economics. This broad swath of knowledge benefited the team as we studied the various sectors of the Canadian economy, analyzed international trade relations, and built economic forecasting models, among numerous other tasks. Some of our team members had experience with case competitions and presentations, which helped develop the style and strategy of our recommendation.



Our team members were all exceptional, but we were only able to achieve what we did with the advice and guidance of our faculty advisors: Dr. Malik Shukayev and Dr. Max Sties. Our advisors pushed the team towards excellence through their expert advice, their wealth of knowledge and unreserved support.

Taking part in the Governor's Challenge has been the most challenging and gratifying experience of my university career. The skills and abilities demanded by this unique challenge allowed me to develop my professional capabilities and to grow as a person. The practical application of all the economic theory learned in class has given me a tangible experience for what I might like to do after my university career, and marketable skills to boast of in job interviews. I have finished my BA, and next year I will be in the MA Economics program here at the University of Alberta, where I will again be working with Dr. Malik Shukayev in an advisory role to the next Governor's Challenge team, whom we hope to send to Ottawa next year!

## THANKS TO DONORS

The Department of Economics gratefully acknowledges all of our donors for their contributions towards helping pursue it's mandate of excellence in teaching. Donations may be designated for a particular purpose. The following are examples of active donation accounts:

- Archibald Forster McGoun Memorial Scholarship in Economics
- Department of Economics Fund
- Balder Von Hohenbalken Book Prize in Economics Fund
- KD Verville Scholarship for Academic Excellence in Honors Economics
- Faculty of Arts - Dept. of Economics - Chair Enhancement Fund
- E.J. Hanson Memorial Lecture Fund

For information on donating to any of these or for futrher information on giving opportunities, please contact Dr. Rick Szostak, Chair, Dept. of Economics, [economic@ualberta.ca](mailto:economic@ualberta.ca) 780-492-3406

