ECONOMICS NEWS
Department of Economics . Faculty of Arts . University of Alberta

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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.

Our Department was established in 1964. It is home to approximately 23 full-time faculty 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, Labour Economics, and Industrial Organization.

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Message from the Chair

This is an exciting time in the Department of Economics. We were able to hire three new faculty members this past year. Ashantha Ranasinghe and Chetan Dave are both macroeconomists and Jeffrey Penney studies the Economics of Education. They are each profiled elsewhere in the newsletter. Matthias Ruth, the University’s new Vice-President Research, also became a member of this Department; Matthias has already interacted with several members of the Department regarding his interests in Ecological Economics. The Dean of Arts is allowing the Department to advertise for three more faculty members during 2018-9. Two of these positions are replacements for the retirements this summer of Connie Smith and Stuart Landon. Connie and Stuart were both members of this department for over 30 years and will both be greatly missed.

The University negotiated a new agreement covering academic teaching staff a year ago: its purpose is to provide full-time teaching staff greater job security and an annual evaluation process similar to that which faculty members experience. I am pleased to announce that we have been able to give contracts under this new agreement to six stellar teachers who have long provided excellence in teaching to our students. Valentina Kozlova, Abdul Aleem, and Gordon Lee become Teaching Professors. Andrew Wong, Alex Gainer, and Scott Beesley become Lecturers. I take this opportunity to thank them all for their dedication to our students. I thank the Faculty of Arts for allowing me to recognize their years of service in this way.

This job is too easy some days. 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 great to work with and are full of ideas. I would also thank Tilman Klumpp and Malik Shukayev who served on the department hiring committee, reviewing hundreds of applications and interviewing dozens of candidates. Tilman created an attractive and informative brochure to give to those we interviewed.

I am blessed with an excellent staff. I regret that we could not retain Lindsey Rose, who served as Assistant Chair for over a year, and was much valued by the whole department. We hope to fulfill this position soon. Craig Soars did the impossible: he ably replaced Chelsi Hudson during her maternity leave. We thank Craig for his months of service and wish him well. We are very pleased to welcome Chelsi back. Holly Ridyard continues to keep me organized as Executive Assistant (and makes it look easy), Christina Smith continues as Graduate Secretary, and Trish Graham continues to manage events, the department website and much more.

We now post annually a list of the publications of department members on our website. This is an active department with a great deal of co-authorship among faculty members. Several published in highly-ranked journals within the profession. There was also a significant amount of community outreach, involving conversations with government and public lectures.

We have made a few innovations on the teaching side. We have signed a contract to use the lecture-capture software Kaltura. Many students value the possibility to review lectures on their own time and at their own pace. Most of our 100-level students now write exams on computers. This is easier and reduces opportunities for cheating. We piloted an initiative in a couple of courses where students were given advice on the grammar of their written assignments. We are exploring the possibility of using grammar software in certain courses.

The Mathematics Department has agreed to restructure its calculus offerings to better meet the needs of our
Message from the Chair (cont’d)

students; we have in turn restructured our courses and prerequisite structure. We hope that these various initiatives will enhance both the mathematical and writing skills of our students. I would like to thank Valentina Kozlova and Alex Gainer for exploring Kaltura and exam writing for the Department and Valentina Galvani for working with the Math department on curricular change.

Three colleagues received teaching awards this year. Valentina Galvani received the University’s Award for Excellence in Graduate Teaching. Mesbah Sharaf received the Faculty of Arts Undergraduate Teaching Award. Alex Gainer received the Faculty of Arts Contract Instructor Teaching Award. I congratulate all three for these well-deserved awards.

Anwar Shah, who received his PhD from this Department, and then pursued an illustrious career with the World Bank, will receive the Distinguished Alumni Award from the Alumni association in September. I congratulate Anwar for this recognition of his career of service to the developing world.

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. Take care, and have a great year.

New Colleagues

Chetan Dave
Chetan Dave’s primary research interests are in macroeconomics and econometrics. His current research is focused on uncovering the extent to which volatility and non-normalities in aggregate data can be accounted for via alternate expectations formation mechanisms. His secondary research interests are in behavioral and experimental economics. He obtained his PhD from the University of Pittsburgh.

Jeffrey Penney
Jeffrey Penney earned his Doctorate from Queen’s University in 2015. He had previously worked at Pontifica Universidad Javeriana as an Assistant Professor from 2015-2017, and as a research advisor for Employment and Social Development Canada from 2017-2018. His primary fields of research are Applied Microeconomics, the Economics of Education and Labour Economics.

Ashantha Ranasinghe
Ashantha Ranasinghe obtained his PhD in Economics from the University of Toronto in 2013. He was an Assistant Professor at the University of Manitoba from 2012-2017. His research interests are in Macroeconomics, Entrepreneurship, Growth and Development, and Firm Dynamics.
**Transitions**

**Administrative Staff**

Chelsi Hudson returned from her maternity leave on May 24, 2018 to assume her position again as Undergraduate Advisor. We therefore said goodbye to Craig Soars who had covered the position for one year. Craig moved on to a job placement for several months. Staff attended a goodbye lunch hosted by Mesbah Sharaf. Craig did a fantastic job while he was here and we will miss his sense of humour. We wish him all the best in his future endeavours.

We also said goodbye to Lindsey Rose who took on the role of acting Administrative Chair in the Department for over a year. We appreciated Lindsey’s help and leadership for time she was here. Lindsey has gone back to her position as Administrative Chair in the Dept. of History and Classics.

**Faculty**

**Professor and Former Chair of the Dept. of Economics, Connie Smith Retires**

After 32 years in the Department of Economics, Professor Constance Smith is retiring. She came to the University of Alberta in 1986, after completing a PhD from Queen's University in Kingston, Ontario, and a BA from McGill University.

Before joining the Department, she was an Economist at the Bank of Canada, and she also held visiting appointments at the Australian National University and the Victoria University of Wellington, in New Zealand. She served as Chair of the Department of Economics from 2014-2017, and Associate Chair (Graduate) from 2001-2004. She enjoyed teaching international economics, at both graduate and undergraduate levels, and her research included studies of the impact of exchange rates on imports, investment and productivity. She is looking forward to retirement to give her more time to practice photography and train for a half marathon.

**Professor Stuart Landon on Retirement and His Career at the University of Alberta**

During my time in the U of A economics department, which began in 1985, I taught most of the theory courses: 281, 282, 384, 385, 481, 482, 503 and 582 as well as a good selection of other courses: 350, 383, 386, 399, 442, 485, 512, 591, 999 and the Grad Math Review. Teaching such a large variety of courses was an interesting challenge and allowed me to meet a variety of students, but was not the best strategy to maximize time for research.

I served as Associate Chair Graduate, Associate Chair Undergraduate, Associate Dean and Acting Vice Dean. I have probably been to too many meetings and served on too many committees (and have taken all of it too seriously), but administration allowed me to meet a large number of very pleasant and interesting people across the University. It also gave me a better understanding of how a big institution works and how difficult it is to bring about change.

Having worked at, and observed, many other jobs, I can easily state that the life of an academic at the U of A is about as good as it gets. Nevertheless, we all have to retire some day, and I needed a change from the typical teaching/research routine of an academic. I don't have any plans for "retirement", and am not even sure I will stop working. However, even if I don't continue to work, I am sure I can find enough to keep me busy here in Victoria.

While teaching and research can both be extremely frustrating, I had a lot of fun with my research, at least in the initial stages of each project, and met and interacted with a large number of great students and economists. Through the years, I have worked with many outstanding people in the Department and across the University. It is the opportunity to meet great students and interact with my colleagues that I will miss.
Richard Boampong has a Bachelor’s degree in Economics and Mathematics from the University of Ghana, a Master of Business Economics from the University of South Florida, and a Ph.D. in Economics from the University of Florida. Richard previously held a position as a postdoctoral scholar at the Hilton Center for the study of Economic Prosperity and Individual Opportunity at Florida State University.

Richard’s primary research fields are Energy Economics, Applied Economics, and Industrial Organization. His research focuses on the response of energy consumers to energy prices and rebates. This research responds to questions such as: are there substantial energy savings from demand-side management (DSM) programs, do consumers increase their energy consumption after learning of their energy cost savings from DSM programs, and how automatic bill payments affect consumers’ price responsiveness? In addition, he has carried out other research projects that analyze the effects of Renewable Portfolio Standards on employment, and an analysis of the market and regulatory environment for the deployment of renewable energy in developing countries.

Richard joined the Department of Economics as a postdoctoral research fellow working on research related to regulation and integration of renewable generation capacity in electricity markets as part of the Future Energy Systems Research Initiative.

It was with great sadness that the Department of Economics announced that Tim Khaner passed away Friday, September 29th in the early morning, in the company of his family.

Tim served as the Academic Professional Officer (APO) in the Faculty of Arts for a decade, first in the Department of Music, and then in the Department of Economics and the Department of Anthropology. Tim was an innovator, and administered always with confidence and good humour.

Tim was a musician, training in cello at the Conservatoire de musique de Montréal and McGill University, before moving to the Peabody Institute of Johns Hopkins University to complete his bachelors and masters degrees. His professional career as an orchestra member included time with the Chesapeake Opera, the Annapolis Symphony, and the Edmonton Symphony Orchestra. His contributions to the local music scene included his participation in the founding of the Alberta Baroque Ensemble and the Edmonton Chamber Players Orchestra, and instruction to music students at Alberta College.

Tim served in the Royal Canadian Navy prior to beginning his career at our university, and was Commanding Officer of the reserve intelligence unit NCSU Two at Esquimalt. He earned the Canadian Forces Decoration and was awarded the Queen’s Golden Jubilee Medal for service to the community by Lieutenant-Governor Lois Hole.

Survived by his wife, Lidia, four children, and an extended loving family, Tim was a member of our university family, and leaves behind colleagues and friends. He will be dearly missed.
Malik Shukayev is an Associate Professor in the Department of Economics. He graduated with a doctoral degree in Economics from the University of Minnesota. Malik also has a master’s degree from the University of Colorado and an engineering degree from the Kazakh National Technical University. He previously held positions of a Senior Analyst and a Principal Researcher at the Bank of Canada.

Malik’s research interests were shaped during his studies at the University of Minnesota and during his work at the Bank of Canada. Malik works primarily with dynamic stochastic general equilibrium models, which he typically solves using global non-linear computation methods. His recent research focuses on various aspects of macroeconomics and monetary economics, relevant for monetary policy design, financial regulation and central banking. Malik’s research can be subdivided into three broad themes. First is a series of projects devoted to the risk-taking channel of monetary policy. The second line of research is on optimal monetary policy and monetary policy regimes. His third area of research investigates the cross country patterns of growth volatility and convergence.

The risk taking and monetary policy research program evaluates policy options in general equilibrium models where monetary policy has an effect on risk taking of financial institutions. The topic gained prominence after John Taylor among others questioned whether monetary policy was too loose, contributing to excessive risk taking during the run up to the Great Recession. A conventional monetary policy operates by targeting the very short-term rate in the interbank repo market, like the overnight interbank rate in Canada. The transmission of monetary policy from the repo market rates to the aggregate risk taking is not immediate obvious, and motivated several of Malik’s research projects.

Two recent publications, one in European Economic Review and another in the Canadian Journal of Economics, investigate the role of monetary policy in alleviating the financial risk and the policy trade-off faced by the monetary authority.

Malik and his co-authors found promising new transmission channels from policy rates to changes in the portfolio risk assumed by the financial institutions.

Malik’s research on optimal monetary policy and monetary policy regimes was motivated by his involvement in the Inflation Targeting Renewal research program at the Bank of Canada. This program was aimed at investigating the costs and benefits of two possible adjustments to the Inflation Targeting mandate: a change in the inflation target rate, and a change from an inflation targeting framework to price level targeting. Malik’s research on this topic evolved to have a broader focus on the properties of optimal monetary policy and on the extent to which history-dependent policies, like price-level targeting can emulate the optimal policy. Three papers from this research line were published in the Journal of Money, Credit and Banking, the Journal of Economic Dynamics and Control, and the Canadian Journal of Economics.

Malik’s third research line on international trade, growth volatility and convergence projects focuses on cross-country income convergence and volatility patterns. Three theoretical contributions from this research program have been published in the Journal of Economic Dynamics and Control. A current project focuses on the link between political institution and macroeconomic instability.
Memories and Lessons from the Governor's Challenge Competition

By Malik Shukayev

This year, the University of Alberta team of five undergraduate students 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 2017 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. They wrote three data analysis reports, with each report being revised up to 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. Five teams of students from Econ 485 had an opportunity to present and revise their presentations twice. My work was made so much easier this time, relative to the previous year, because Max Sties kindly volunteered to help me prepare the team. Max was amazing. He fully immersed himself into this class and was really helpful and creative in guiding students. Students loved his friendly and patient approach to teaching. We asked three of the University of Alberta team members to share their experiences below.

Katarina Wasielewski

On Saturday February 10th 2018, our group of five students presented the Canadian economic outlook assessment to a panel of three judges, making us finalists at the Bank of Canada’s annual Governor's Challenge in Ottawa. Preparation for the day had begun months before, as part of our coursework in Econ 485 - Macroeconomic Policy. We were a mixed group: two honours economics students, one from the math department, an economics major with political science experience, and an economics exchange student. For the most part, we had no experience in assessing the state of the Canadian and world economy, let alone how to go about making a policy recommendation to the Bank of Canada. The official Governor’s Challenge Instructions were simple: assess our economy and make an informed decision on what the Bank of Canada should do regarding the overnight rate at their next meeting.

Our collective backgrounds in economics helped us find a few starting points. We knew the Bank pays close attention to Canadian inflation and other key indicators. Econ 485 was the starting point for our presentation. Originally we were each members of different groups completing reports and presentations in the theme of the Governor’s Challenge during our Fall 2017 semester. The results of this coursework lead to us being selected, from our respective groups, to represent the University of Alberta in the first round of the national competition. For this presentation, we drew on data, ideas, and charts from ourselves and the other students in Econ 485, and put together a fifteen minute presentation that got us accepted into the second and final round of the competition in late November.

Econ 485 came to an end in December last year, but our work continued as we tried to improve upon our first round presentation. In a short timeline of a month and a half, while taking our final semester worth of courses, we built a case for our policy recommendation to the Bank of Canada. A process made all the more challenging by one of our group members returning to Bocconi University, where he’d been visiting us from. We struggled with the structure of the presentation, changing our minds a dozen times, and spent countless hours scouring the internet for data sources and bits of information that would set us apart.

Once we were in Ottawa there was no more editing the presentation. All that was left to do was to practice our speaking notes, and calm our nerves. The excitement of visiting the Bank and meeting employees and fellow competitors offered a variety of pleasant distractions when we arrived. On the Saturday morning, we recommended that the Bank of Canada maintain the policy rate at its current level as of February. We delivered our presentation, and later joined the other groups, faculty members, and bank employees for a lunch. We weren’t the winners of the
Leonardo Teran

While taking Econ 385 in my third year at the UofA, and hearing Professor Shukayev talk about the other course he taught that year, Econ 485, I decided that 485 was a class that I wanted to take. I knew that it would be a challenge, especially having a fourth year workload to deal with, but figured that in the end it would be beneficial for me to learn some of the skills that this class offered. Eventually, I found that I was right. 485 was quite a workload, and not set up like any other class that I’d ever taken before. The class culminated with 5 of us being picked to make up the UofA team, and presenting to a few Bank of Canada judges over Skype. Much to our surprise we were selected as one of only five teams nationwide to travel to Ottawa and present at the Bank of Canada.

Throughout the whole experience, starting with that first week in Econ 485, I was exposed to things that I’d never been exposed to in my four years at university. From the very first report, in which my group spent 20 hours researching the global economy and coming up with a coherent write-up on all of our findings, up until the final moments of the Governor’s Challenge experience, when we stood in front of senior members of the Bank of Canada as well as the Governor himself and gave our policy recommendation, I was learning valuable skills that will serve me well for the rest of my career. Overall, despite all the hard work and stress, all the time we spent scouring for data and making charts, and all the time poured into rehearsing our presentation until it was perfect, the Governor’s Challenge was a truly great experience for me, and I can sincerely say that I wouldn’t be where I am today without doing it. I started my fourth year at the UofA not really knowing what I would be doing after I got my degree. Now, less than a year later, I am in Ottawa, on my third week of employment at the Bank of Canada, utilizing the skills that I first developed during the countless hours we spent on those presentations last winter, and working alongside people whom I met on that one weekend in February when we came to Ottawa. It wouldn’t have been at all possible without Malik Shukayev and Max Sties, two great profs whose help and support allowed us to make it to where we did.

David Kalashnikov

I came to U of A as an exchange student for just one semester, but by the time I left, I felt so much like home in Canada. One of the highlights of my exchange semester is definitely ECON 485. As my teammates point out above, this was the course that not only offered us some more advanced theoretical economic insights, but also gave us a chance to apply our knowledge in a real-life project. Coming from Bocconi University in Italy, I had not had much prior experience in projects of this kind, as our study is more based on exams rather than coursework.

The Governor’s Challenge can be simply described as follows: throughout the way, you do a lot of research, analysing a huge amount of data and narrowing it down to the most relevant economic indicators. Then there is a lot of work in Excel, where you try to define certain trends to later combine them in neat and self-explanatory slides in Powerpoint. In the end, you have to transform yourself into a convincing speaker in order to deliver the message in a clear way to the Bank of Canada judges in a very limited period of time. However, it is hard to imagine how much work and time has been put into the analysis of all the different factors that could affect our recommendation to the Bank; the clash of opinions on the order of slides which affected our line of reasoning; and the seemingly trivial colour of lines on the graphs, which could play a role given that some slides received as little as half a minute of judges’ attention. It is unbelievable that all this has been done for the duration of a whole semester, in order to then be presented in a matter of only 15 minutes. There were times when you wanted to give up, but the feeling of what the payoff would be in case of success is what kept us going in all those months.

This has definitely been a tough challenge, but now looking back at it, I feel that it has made me a tougher and a more resilient person. I would like to say a huge thank-you to my teammates and especially to Prof. Malik Shukayev and Prof. Max Sties who challenged our conception of Macroeconomics, while at the same time bolstering our confidence and making us believe in ourselves. Without you, it would not have been possible!
Graduate Student Profiles

Long Zhao

Long Zhao obtained his undergraduate degree and Master of Philosophy degree both in economics from Hong Kong Baptist University before coming to the department in September 2014. Long’s current research concentrates on locational patenting behavior with a particular focus on Canadian firms under the supervision of Professor Andrew Eckert and Professor Corinne Langinier.

Long enjoys exploring different research questions, theoretically and empirically. During his Master’s program, Long has gained plenty of research experience in the field of productivity and efficiency analysis as well as development issues. Some of his work has been published at Applied Economics, Journal of Productivity Analysis and Journal of Economic Studies.

Long is pursuing a simple life style by working hard. His dream career is in academia, where he believes he can have a simple but meaningful life. Long is not very talkative but he enjoys sharing his knowledge and experience with students. He believes the best way to learn is to teach, and the best way to live is to share. Long is looking forward to his graduation as a Ph.D. and finding a place where he can continue his research and have a chance to teach.

English Conversation Club

With the highest percentage of international students in the Faculty of Arts, the Department of Economics became aware of the challenges faced by our international students, and was looking to make the undergraduate experience at the University of Alberta a successful and memorable one. This year a program was created to offer free weekly conversation groups that gave international students the opportunity to practice their spoken English in a small group setting with two fluent English-speaking facilitators, the English Conversation Club. Weekly sessions were held on various topics and group social gatherings were also organized.

Jiaqiong (Joanne) Wu

As a recent graduate student, Jiaqiong Wu holds a BCom and Master's degree in Economics and Finance both from the University of Alberta. Business and Economics classes helped her develop logical and critical thinking skills as well as exposing her to the business world. Currently Jiaqiong works full time as a Portfolio Modelling Specialist at ATB Financial; including but limited to optimizing deposits on the book. She would like to explore more in portfolio management and risk management areas in a bank. Before she joined her current role, she had 8-month intern experience with ATB through Mitacs Accelerate program. Mitacs is a non-profit organization that funds research undergraduate, graduate students and postdoctoral fellows in partnership with universities, industry and government in Canada. Her research project focused on the default rates and recovery rates on the loan portfolios from Retail Financial Service and Independent Business and Agriculture Financial Services sectors. Jiaqiong wants to take this opportunity to thank Dr. Valentina Galvani for all the help and support she provided in this research project.

Overall, Jiaqiong found that her studies in the Dept. of Economics were very fulfilling and rewarding. In her spare time she enjoys travelling and cooking.

John Clarkin

My internship at ATB Financial with the Credit Portfolio Management team complemented my graduate coursework and helped bridge the gap between graduation and securing an industry job. Dr. Galvani was very helpful throughout the entire process. I would highly recommend the Mitacs program to others.
Joseph Marchand’s Study on Minimum Wage Increases

Economics Professor Joseph Marchand's study on the effects of the recent minimum wage increase was featured in a C.D. Howe commentary and articles in several newspapers.

Gordon Kent from the Edmonton Journal writes, "The NDP plan to boost the province’s minimum wage to $15 an hour next year could lead to the loss of 25,000 jobs, according to new study by a University of Alberta economist. The hourly minimum wage is set to rise to $13.60 Sunday from $12.20 before reaching the final figure Oct. 1, 2018, but in a commentary published by the C.D. Howe Institute, Joseph Marchand said these moves could hurt low-wage staff by reducing employment."

To read more on Professor Marchand's findings: CD Howe (Commentary)

Dana Andersen presents “Credit Constraints and the Environment” IPE Workshop

On Tuesday April 10, 2018 Dana Andersen Assistant Professor, Department of Economics presented a seminar as part of the Institute for Public Economics Workshop Series.

In his workshop Credit Constraints and the Environment, Dana discussed the role of credit constraints in firm investment decisions and the repercussions for environmental performance. His research demonstrates that well-functioning credit markets significantly improve environmental outcomes, both at the firm-level among manufacturing producers and at the country-level for overall air pollution concentrations.

Dana further states, "Access to credit is indispensable in financing firm investments and therefore bears on capital-investment and technology decisions. Technology choices include investment in pollution abatement technologies and more generally investment in technologies reducing input requirements, including fuel and material requirements in production. Because pollution emissions are inextricably linked to technology and abatement choices, credit constraints bear on environmental performance whenever they influence investment decisions. Presentation Slides"

Haifang Huang, Assoc. Professor Economics Contributed to the World Happiness Report 2018

The World Happiness Report 2018, the 6th report since its launch in 2012, was released on March 14, 2018, at a launch event at the Pontifical Academy of Sciences in the Vatican. The report is available online World Happiness Report.

Dr. Haifang Huang at the Department of Economics is an associate editor for the report, and a co-author for chapter 2, together with John Helliwell, Shun Wang, and Hugh Shiplett. Chapter 2 ranks 156 countries by their happiness levels measured in the Gallup World Polls in the period 2015-2017. Finland is on top in this year’s report, though the top 5 countries (Finland, Norway, Denmark, Iceland and Switzerland in this order) are all within the same statistical confidence band.

23rd Annual Hanson Lecture 2017 presented by Prof. Meredith Fowlie: “The Changing Economics of Electricity Markets”

The increasing penetration of variable renewable energy sources, increasingly responsive demand, falling storage costs, and climate change policy are part of the confluence of factors that are fundamentally changing how electricity markets operate. Economists have been actively investigating how these developments are impacting electricity market outcomes and what these impacts imply for electricity market design and regulation. Professor Fowlie from the University of California, Berkeley highlighted some research insights from California that could be particularly relevant to ongoing policy discussions in Alberta in her lecture for the Institute for Public Economics and the Department of Economics' 23rd Annual Eric J. Hanson Lecture Series on December 5, 2017. Her lecture, "The Changing Economics of Electricity Markets", touched on a number of recent changes and policy experiments that have impacted not only U.S., but also Canadian, electricity markets.

"Careful empirical studies are helping us to understand how complex electricity markets (cont'd)
“The Changing Economics of Electricity Markets” (cont’d)

...work in the real world”, says Fowlie. She highlighted research that she and her colleagues have done to estimate the impacts of electricity sector restructuring on operating efficiency, market efficiency, and capital investment. She discussed work that assesses the environmental implications of recent increases renewable energy penetration and the shale gas boom. On the demand-side, she surveyed some recent field experiments which reveal the ways in which consumers’ response to dynamic electricity pricing aligns with - and departs from - standard economic theory.

International Trade a Benefit to the Poor Study by Ural Marchand’s study published in IZA World of Labor.
(by Micheal Brown Folio Aug.29.17)

Poorer households in some developing countries experience net gains in well-being as a result of international trade, despite a potential erosion in income, a new study out of the University of Alberta reveals.

While it’s true international trade reduces real wages in certain sectors, research by UAlberta economist Beyza Ural Marchand found that cheaper imports also reduce domestic consumer prices, and the magnitude of this impact may be larger than any potential effect occurring through wages.

“The net effect of trade through the income and consumption channels is found to be positive and pro-poor in most studies of developing countries,” said Ural Marchand.

She added poorer households in India, for instance, have particularly benefited through the lower cost of consumption goods and, in fact, her research shows that both income and consumption contributed positively to household prosperity. She found wage incomes in Indian households improved by five per cent, while the cost of consumption was reduced by 16 per cent, leading to a 21 per cent gain in welfare.

“This is because food makes up much of the budget share for these households, and an increase in imports has helped lower food prices,” she said. “In addition, workers with less education gained relatively more through wages.”

Rick Szostak receives Kenneth E. Boulding Award from the AIS.

At the conference of the Association for Interdisciplinary Studies in Baltimore (October 19-22), Rick Szostak received the Kenneth E. Boulding Award. This is the association's highest honour, with Rick being only the seventh recipient in the organization's 40 year history. The Award recognizes sustained scholarly contribution to the field of interdisciplinary studies, by clarifying and deepening the conception of interdisciplinarity or by promoting public or scholarly understanding.

In presenting the award AIS President James Welch referred to Rick's prolific scholarship, publication across multiple fields, efforts to clarify the nature of interdisciplinarity and the interdisciplinary research process, identification of best practices for interdisciplinary research and teaching, elucidation of the symbiotic relationship between disciplines and interdisciplinarity, and efforts to forge global partnerships.

David Brown receives the Energy Journal Best Paper of the Year Award 2017


In this paper, David Brown and David Sappington analyze the performance of net metering policies that are commonly used to compensate consumers for electricity generated from rooftop solar panels. Common net metering policies pay consumers with rooftop solar panels the prevailing retail rate of electricity for the electricity generated on-site. The authors demonstrate that common net metering policies are typically never optimal. Rather, the optimal compensation policy varies considerably as industry conditions change.
David Brown (cont’d)

Net metering policies can both over and under compensate rooftop solar panels for their electricity output. Further, a net metering restriction can generate pronounced distributional effects across consumers with and without rooftop solar panels. In this paper, the authors advocate for a more robust compensation policy that ties compensation for electricity generated by rooftop solars closer to the value it provides to the electricity network.

Access the Paper

Dmytro Hryshko Received SSHRC Grant

Dmytro Hryshko’s project, “Improving the measurement of consumption and income dynamics” received a significant grant in March 2018. “Consumption is the largest component of any economy’s aggregate demand and, arguably, one of the best metrics of individual and household well-being. Economists typically think that households dislike fluctuations in consumption, that is, households choose to smooth consumption insuring it against various shocks to their budgets such as disability or unemployment of their members. Measuring the extent of consumption insurance that households are able to achieve is key for assessing viability of the current public finance programs, and necessity for their improvement”.

The proposed research program consists of three projects focusing on the measurement of consumption insurance and income dynamics. The current state-of-the-art measure of consumption insurance is constructed using longitudinal survey data with missing information on consumption and income, and imputed consumption.

David Brown and Andrew Eckert Receive Future Energy Systems Research Grants

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”.

Solar PV and wind capacity costs have declined substantially and installed capacity has grown rapidly. Despite this progress, there are numerous barriers to the adoption and integration of renewables into electricity markets worldwide. 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 these barriers. In addition, the research program will address challenges to electricity market design presented by the expansion of renewable generation capacity.

The funding is part of the Future Energy Systems research initiative at the University of Alberta, which focuses on multidisciplinary research that develops the energy technologies of the near future, explores how these technologies can be integrated into our current infrastructure, and examines possible consequences for our society and the economy.

Joseph Marchand Receives Major Funding

Joseph Marchand received research funding from the University of Alberta’s Future Energy Systems research initiative, which was made possible in part thanks to funding from the Canada First Research Excellence Fund. The project titled, "The Future of Energy and What It Means for Labor Markets", will extend over the next five years (to 2023).

A description of the project can be found here: “A long-term transition is underway in the consumption and production of energy from non-renewable “brown” energy sources based on fossil fuels, such as coal, crude oil, and natural gas, to renewable “green” sources, like bioenergy, geothermal, hydropower, solar, and wind energy. This project will explore what direct and indirect impacts this transition may have on the labor market outcomes of employment and earnings in the local Canadian economies where this energy production is located, as well as the potential aggregate nation-wide impacts. project will study employment spillovers between brown and green energy jobs, as well as regional concentrations, the quality of jobs, and job transitions between these sources.”
Awards

Valentina Galvani - 2018 University Award for Excellence in Graduate Teaching.

Congratulations to Valentina Galvani who was awarded the University’s Award for Excellence in Graduate Teaching. Valentina is not only a great teacher but has worked very hard to obtain internships for many graduate students. She has a passion for teaching, learning, and puts students first. She was instrumental in forming the Dept. of “Economics Conversation Club”.

Currently Valentina holds the position of Associate Professor with tenure and Associate Chair, Undergraduate in the Department of Economics. Her research expertise and training are those of a Financial Economist.

Alexander Gainer- Faculty of Arts 2018 Contract Teaching Award

Alexander Gainer worked for several years in finance and public policy before joining the University of Alberta to teach Economics. Primarily teaching Microeconomics, Macroeconomics and Econometrics at the first and second year level, he is passionate about helping people learn economics and particularly enjoys being the first person to introduce students to the economics discipline.

Mesbah Sharaf - Faculty of Arts 2018 Undergraduate Teaching Award

Mesbah Sharaf is a full time faculty lecturer and joined the Department of Economics in July 2014. His research interest lies in applied Econometrics spanning topics in Health Economics and Economic Developments. He teaches a variety of Economics courses at the introductory and intermediate levels such as Microeconomics, Macroeconomics and Econometrics. He has been described by his students as being an amazing professor who genuinely cares about his students.

All awards were highlighted at the annual Faculty of Arts Celebration of Excellence held on the evening of May 3, 2018 at the Faculty Club. Faculty of Arts Facebook Photos

Anwar Shah, PhD 1983 Distinguished Alumni Award

Anwar Shah will be a recipient of the University of Alberta’s Distinguished Alumni Award this September.

Anwar Shah has had a remarkable career. After short periods with the Government of Alberta and Finance Canada, he joined the World Bank in 1986. There he led the introduction and adoption of the Bank’s decentralization strategy – that is, its recognition and pursuit of sub-national governments’ potential for improving public services. The influence that Anwar Shah had at the World Bank and in developing countries demonstrates amazing leadership, leadership generating benefits for the underprivileged worldwide.

Read more
Student Awards & Scholarships

Undergraduate Graduates Spring Convocation 2018
At the June 2017 Convocation, 7 Economics Honors students and 111 of our Economics majors were awarded their BA degrees. 27 students with an Economics minor also graduated.

Convocating Graduate Students Spring Convocation 2018

Eba Tefera  MA - “Institutional Quality and FDI: The Case of Chinese Investment in Sub-Saharan Africa”
Jiaqiong (Joanne) Wu  MA-EF - “Determinants of Vehicle Sales in Canada “

Undergraduate Award Recipients 2017
AN Angus Sinclair Abell Memorial Scholarship - Natalie Eng
Archibald Forster McGoun Memorial Scholarship - Sarah Burkinshaw
Balder von Hohenbalken Memorial Prize in Economics - Mitchell Hughes
Dr. Manmohan Singh Prize in Economics - Graham Nishikawa
Dr. Milton F. Bauer Memorial Scholarship - Kariebi Eric
Duncan Alexander MacGibbon Medal in Economics - Frank-Oliver Garrane
Economics Society of Northern Alberta Scholarship - Ahmed Yali
Emerson and Tang Family Scholarship - Paul Croome
KD Verville Scholarship for Academic Excellence - Katarina Wasielewski

Graduate Award Recipients 2017
AD O’Brien Graduate Scholarship in Public Finance - Gunsu Son
AD O’Brien Graduate Scholarship in Public Finance (2016) - Trang Nguyen
Core Prize in Economics - Jiaqiong Wu
Economics Society of Northern Alberta MA Scholarship in Economics - Tian Yu Zhang, Gunsu Son, Raja Jahangir
Faculty of Graduate Studies and Research Travel Award - Hyeck Ki Min, Agamani Chakrabarty, Phillip Akude
Maurice, Mary, and Max Stewart Graduate Scholarship in Economics - Gunsu Son, Raja Jahangir, Himani Pandey
Queen Elizabeth II Graduate Scholarship - Doctoral - Scott Auriat
Queen Elizabeth II Graduate Scholarship - Masters - Gunsu Son
Research Prize in Economics - Muhammad Sajjad
University of Alberta Doctoral Recruitment Scholarships - Francis Chiparawasha, Junqi Wu
Publications & Presentations

A full list of Faculty publications is available on the Department of Economics website. The following is a selection from that list:

**Beyza Ural Marchand**

"Inequality and Trade Policy: Pro-Poor Bias of Contemporary Trade Restrictions".


Presented in 2017-2018 academic year at:
- IARIW-ICRIER Conference in New Delhi, India (funded by Shastri Institute)
- EITI Conference in Tokyo, Japan
- InsTED Conference in Syracuse, New York
- WEAI Conference in Vancouver (scheduled)

**David Brown**


Projects/Grants:
- Government of Alberta, Occupational Health and Safety (OHS) Futures Grant: "Improving OHS performance with OHS and environmental creative sentencing spillovers" joint with Lianne Lefsrud (Engineering Safety and Risk Management, Faculty of Engineering, UoA) and Joel Gehman (School of Business, UoA)
- SSHRC Partnership Grant: "Enhancing Regulatory Effectiveness and Corporate Performance" joint with Lianne Lefsrud (Engineering Safety and Risk Management, Faculty of Engineering, UoA) and Joel Gehman (School of Business, UoA)

**Mesbah Sharaf**


**Claudia Landeo**


Keynote Speech - IOMG Institute, First International Conference on Legal Strategy.
Publications & Presentations

Heather Eckert

Projects/Grants:
Government of Alberta, Occupational Health and Safety (OHS) Futures Grant: "Improving OHS performance with OHS and environmental creative sentencing spillovers" joint with Lianne Lefsrud (Engineering Safety and Risk Management, Faculty of Engineering, UoA) and Joel Gehman (School of Business, UoA)

SSHRC Partnership Grant: "Enhancing Regulatory Effectiveness and Corporate Performance" joint with Lianne Lefsrud (Engineering Safety and Risk Management, Faculty of Engineering, UoA) and Joel Gehman (School of Business, UoA)

Joseph Marchand


**Visiting Scholars 2017-2018**

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.

**Macro Economics Seminars**

September 14, 2017 [PDF]
Jeremy Lise, University of Minnesota
“Multidimensional Skills, Sorting and Human Capital Accumulation” (joint work with Fabien Postel-Vinay)

September 25, 2017 [PDF]
Kim Huynh, Bank of Canada
“The Role of Card Acceptance in the Transaction Demand for Money” (joint work with Philipp Schmidt-Dengler and Helmut Stix)

March 5, 2018 [PDF]
David Andolfatto, Federal Reserve Bank of St. Louis
“Bank Panics without Sequential Service”

March 16, 2018 [PDF]
Hashmat Khan, Carleton University
“The Shifts in Lead-Lag Properties of the US Business Cycle” (joint work with Joshua Brault)

April 20, 2018 [PDF]
Olexiy Kryvtsov, Bank of Canada
“Price Selection” (joint work with Carlos Varvalho)

**Micro Economics Seminars**

September 29, 2017 [PDF]
Chew Soo Hong, National University of Singapore
“Ellsberg Meets Keynes: Missing Links Among Sources of Uncertainty”

October 6, 2017 [PDF]
Fernando Luco Echeverria, Texas A & M University
“Vertical Integration with Multiproduct Firms: When Eliminating Double Marginalization May Hurt Consumers” (joint work with Guillermo Marshall)

October 20, 2017 [PDF]
Jay Pil Choi, Michigan State University
“A Leverage Theory of Tying in Two Sided Markets” (joint work with Doh-Shin Jeon)

October 27, 2017 [PDF]
Mevlude Akbulut-Yuksel, Dalhousie University
“Social Unrest in Impressionable Years and the Formation of Political Attitudes” (joint work with Dozie Okoye and Mutlu Yuksel)

March 14, 2018 [PDF]
Halis (Murat) Yildiz, Ryerson University
“Tariff Bindings and the Dynamic Formation of Preferential Trade Agreements”

March 23, 2018 [PDF]
Jean Guillaume Forand, University of Waterloo
“Don’t Hatch the Messenger? On the Desirability of Restricting the Political Activity of Bureaucrats” (joint work with Gergely Ujehelyi, U of Houston)

April 6, 2018 [PDF]
Il Myong (Sam) Hwang, University of British Columbia
“Can inter-marriages be promoted with cash incentives? Evidence from India”

April 13, 2018 [PDF]
Steve Cicala, University of Chicago,
Harris School of Public Policy
“Imperfect Markets versus Imperfect Regulation in U.S. Electricity Generation”
Institute for Public Economics

The Institute for Public Economics (IPE) is a research institute in the Department of Economics.

Our Mission
Through our research and teaching, to create and disseminate knowledge of the public sector and its influence on the economy and society.

Our Values
Our research interests span local, regional, national and international public economics issues. We support research in all areas of public economics including theory, applied and policy research. Our research is critical, nonpartisan, openly disseminated and independent of outside influences.

Contact: IPE Website
https://sites.ualberta.ca/~ipe/IPE/IPE.html

It has been a busy year for the Institute for Public Economics: apart from the traditional signature events of IPE (Hanson Lecture, Workshop Series and Policy events), IPE organized and hosted a one-day conference on Electricity in May 2018.

Events
First, on December 5, 2017, the 2017-2018 Eric J. Hanson Memorial Lecture was delivered by Dr. Meredith Fowlie, Professor at University of California, Berkeley. Professor Fowlie discussed a confluence of factors that are fundamentally changing how electricity markets operate. These include the increasing penetration of variable renewable energy sources, increasingly responsive demand, falling storage costs, and climate change policy. Economists have been actively investigating how these developments are impacting electricity market outcomes and what these impacts imply for electricity market design and regulation. Professor Fowlie highlighted some research insights from California particularly relevant to ongoing policy discussions in Alberta. See the video of her presentation.

On May 25, 2018 the IPE hosted a one-day conference on Renewable Energy and Electricity Markets that brought together leading international experts to discuss the key challenges in designing electricity markets to increase renewable generation. The speakers were James Bushnell (University of California, Davis), Richard Green (Imperial College, London), Joshua Linn (Resource for the Future), Stephen Poletti (University of Auckland, New Zealand), Mar Reguant (Northwestern University), Stanley Reynolds (University of Arizona). From Alberta Energy, Nicole Spear (Executive Director, Coal Transition, Electricity and sustainable Energy) delivered the lunch keynote. The conference was attended by people from 5 different countries and 11 universities. The conference organized by Corinne Langinier, David Brown and Andrew Eckert (with the assistance of Trish Graham), was made possible thanks to the following sponsors: Future Energy Systems, KIAS, Worldwide Universities Network and the Faculty of Arts.

As part of the IPE Workshop Series, on April 10, 2018, Professor Dana Andersen from the Department of Economics presented "Credit Constraints and the Environment." In this workshop, Professor Andersen discussed the role of credit constraints in firm investment decisions and the repercussions for firm-level environmental performance and aggregate environmental outcomes.

Economics Administrative Staff Retreat 2018

An Econ Admin Retreat was held on Friday, April 27th at the Heritage Lounge in Athabasca Hall. The main focus of the retreat was “Dealing with Change”. We started off the day with Holly Ridyard leading the group in chair yoga. Craig Soars (Interim Undergraduate Advisor) provided a tutorial on the processes of Google Forms. Trish Graham, having recently completed updating the Economics Intranet, provided a review of the intranet which was very informative.

The staff had an opportunity to participate in a hands-on experiment of “transformation”. Each person was to use a method of choice to tie-dye a white t-shirt and using different colours of paint, witness the transformation of their t-shirts.

After lunch and following our around the table updates, Lindsey Rose (Acting Assistant Chair Administration) lead the group on a discussion of “Dealing with Change”. The Retreat was a fun-filled day of information, inspiration and interaction.

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
A.D. O’Brien Public Economics Graduate Scholarship 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
Institute for Public Economics
E.J. Hanson Memorial Lecture Fund

For information on donating to any of these or for further information on giving opportunities, please contact Dr. Rick Szostak, Chair, Dept. of Economics, economic@ualberta.ca 780-492-3406