

Chair's Introductory Remarks

This has been an eventful year for myself and for the Department of Economics. I assumed the position of Chair of the Department in July 2009, taking over from André Plourde (who has become the Associate Dean, Research for the Faculty of Arts). In my first year as Chair, I was confronted with the challenges presented by budgetary restraint. Our academic programs have so far weathered the Faculty and University budget cuts, but the Department had to say goodbye to Connie Nikoo, one of the Department's support staff members with three years of service to the Department. We all wish Connie well wherever her career path now leads her.

On the positive side, we welcomed two new Assistant Professors to the Department. Li Zhou received her PhD from the University of California, San Diego, and she specializes in international trade and development. Sebastian Fossati completed his PhD at the University of Washington, Seattle. His fields of teaching and research include time series econometrics and macroeconomics. Both Li and Sebastian fill important teaching and research needs for the Department, and we are very happy to have them with us.

The Department is also delighted with Robert Ascah's appointment as Director of its Institute for Public Economics (IPE). Bob has had a busy first year as Director, and an IPE update appears later in this Newsletter. I am particularly pleased with the success of the conference co-sponsored by the Department of Economics, IPE, and CD Howe, "Boom and Bust Again: Policy Challenges for a Commodity-based Economy", as well as with the well received Eric J. Hanson Memorial Lectures delivered by Professor Tyler Cowen of George Mason University (2009) and Kevin Lynch, former Clerk of the Privy Council and former federal Deputy Finance Minister (2010).

In December, 2009, the University presented the 2009 Support Staff Recognition Award to our own Charlene Hill. Charlene has been an integral part of the department since 1980. She is efficient and dedicated, thorough and courteous. Charlene has an award-winning attitude and we are fortunate to work with her. Congratulations Charlene!

The Department has had some changes to its administrative team in the past year. Andrew Eckert completed his term as Associate Chair-Undergraduate Program, and Stuart Landon has taken over this position. Robin Lindsey completed one year as Associate Chair-Graduate Program, and Brad Humphreys has taken over from Robin. Thanks to both Andrew and Robin for the many hours devoted to fulfilling the demands of these positions.

Robin has not only left the Associate Chair position, he has left the Department. He has accepted the offer of the CN Chair in Transportation and International Logistics at the Sauder School of Business, UBC. Robin joined the Department in 1983, and made significant contributions to the Department over the past 27 years. He will be missed.

The Department also went through a major renovation in the past year. Floors 7 to 9 had to be vacated for four months so that asbestos abatement could be completed. Given that floors had to be ripped up to remove asbestos floor tiles, the University decided to provide departments in Tory with a more modern look. Walls and doors were painted new colors, poster boards went up, and the elevator foyers were refreshed. When in the Department, let us know how you like the new look.

Also in the past year, a new speaker series, entitled “Business and Economic Leaders of Alberta”, was created. Prominent business and economic leaders of Alberta are invited to speak to one of the Department’s Econ 101 or 102 classes. They are asked to explain to students how economics has had an impact on their career or on their business. Speakers in the first year included Leo de Bever, CEO of Alberta Investment Management Corp., John Szumlas, President of Activation Analysis Group, and Robert Rosen, President of City Lumber Corp. All of their talks were very well received by the students, and their contributions are gratefully acknowledged by the Department.

In the past year, we were pleased to have Stuart Landon recognized for excellence in teaching. Stuart was the recipient of both the Faculty of Arts Undergraduate Teaching Award as well as the University’s Rutherford Award for Excellence in Undergraduate Teaching.

Finally, this past year also marks the completion of 25 years of service to the Department, Faculty, and University by Stuart Landon and Rick Szostak, 30 years of service by Charlene Hill, and 35 years of service by Mel McMillan. On behalf of the Department, I would like to thank all of you for the many contributions you have made in pursuit of the Department’s mission over the years: to create and disseminate economic knowledge for the benefit of society, through quality teaching, research, and public service.

Douglas West, Chair

NEW FACES

Sebastian Fossati

Sebastian received a BSc in Economics (Licenciado en Economía) from Universidad de la Republica (Montevideo, Uruguay), and an MA and PhD in Economics from the University of Washington (Seattle, US). His interests include time series econometrics (theory and applied), macroeconomics, and international finance. His current research focuses on business cycle modeling where the goal is to provide methods to accurately predict unobservable business conditions in real time.

Li Zhou

Li Zhou, Assistant Professor, Department of Economics, received her Ph.D. in Economics from the University of California, San Diego in 2010 and her B.A. from People’s University in China, 2001. Professor Zhou’s areas of research interest include international trade, economic development, public economics and the economics of higher education. Her current research focuses on trade in higher education, specifically how exporting higher education affects natives’ access to higher education, universities’ research output and the wage rate of native workers.

ADMINISTRATIVE STAFF

This past year has been a difficult one for the University of Alberta. The Department of Economics was not immune to the effects of drastic budget cuts. To say that the department community was devastated to lose one of our administrative support positions would be an understatement, however, the spirit of teamwork and cooperation remains intact. We will face the challenges together.

STUDENTS IN THE WORLD

Cornelius Christian

I am currently a first-year masters (MPhil) student in economics at the University of Oxford, having completed my B.A. (Honors) economics degree in 2010 at the University of Alberta. The U of A honors economics program is excellent preparation for graduate school, provided you take suitable mathematics courses in addition to the standard economics coursework.

To be frank, grad school is a humbling experience. I have scarce ever worked so hard. Each week new models, proofs and theorems assault us MPhil students, and it is easy to get burnt out if you don't pace yourself. What makes Oxford even more challenging is the fact that 100% of your grade in each course – Microeconomics, Macroeconomics, and Econometrics – is determined by a single final exam in June.

However, my undergraduate education has given me the confidence to successfully tackle the MPhil program. Thank God for my outstanding undergraduate lecturers at the U of A! I am very grateful for them.

Michael Hoffman

I spent several years around the Department of Economics, first completing my MA and then my PhD (2001). My dissertation focused on transfer pricing, a specialized area of international taxation. Transfer pricing involves the analysis of the pricing of cross-border transactions between related parties of a multinational enterprise. Many people have the misconception that transfer pricing is a scheme whereby companies cheat and abuse the tax system. An article in Bloomberg in May 2010 noted that a US pharmaceutical company "...cut its US tax bill by more than a third last year by a technique known as transfer pricing, a method that carves an estimated \$60 billion a year from the US Treasury as it combines tax planning and alchemy." While there is an incentive for companies to minimize their tax liability by charging a transfer price that puts more profits in low-tax jurisdictions, tax authorities require transfer prices to be those that would be charged if the parties were dealing at arm's length. As tax authorities fight to maintain or increase their tax revenue, transfer pricing has become one of the most significant areas of interest for tax authorities around the world. This is where I enter the picture. I help companies manage their transfer pricing, from planning to compliance, to tax authority audit support and dispute resolution.

My PhD led me into the consulting world. Working for a “Big 4” accounting firm is not the place that you would expect to find an economist. But, in fact, transfer pricing is predominantly about economics. While my job thankfully doesn’t require theoretical proofs, utility maximization problems, or econometrics, I draw upon my economics education daily including industrial organization, game theory, information and incentives, taxation, and macroeconomic theory.

My wife and I first ventured to Chicago where I started working in the global transfer pricing practice at PricewaterhouseCoopers. After two years in Chicago, I transferred to the Calgary practice and began focusing on transfer pricing in the energy and natural resources sector. In 2005, I moved across the street to KPMG to take on the role of building their Calgary transfer pricing practice. This October, after five years of building a growing practice, I had the privilege of being asked to become a partner at KPMG. I am also KPMG’s Americas transfer pricing leader for energy and natural resources.

My time at the University of Alberta not only taught me a lot about economics, but it created great friendships and helped me get into a successful career providing me with opportunities I never imagined were possible.

Chizoba (Chi-Chi) Imoka

I graduated with a BA in Economics from the U of A in 2007. Shortly after graduation, I started working as Research Intern at the Office of Traffic Safety at the Ministry of Transportation, Alberta Government. As an intern with the Office of Traffic Safety, I analyzed vehicle, operator, and enforcement statistics to provide data to support and evaluate existing programs created to facilitate the achievement of the Alberta Traffic Safety Plan targets. I also had the opportunity to lead or work as a team member on several complex policy projects such as the Distracted Driving Legislation Amendment Project (which recently became law), Alberta Community Mobilization Evaluation Project, Alberta Responsible Host Behavior Project, and the Alberta High Risk Driver Project amongst others.

While in my third year at the University of Alberta, I founded a non-profit organization called Unveiling Africa Foundation which is focused on providing a platform for African and global youths to learn and engage about global issues affecting Africa as well as build relationships that will be necessary to facilitate our future role as major players in our nation’s development. After three successful years of organizing speaker series, debates, conferences, fundraisers, cultural shows and artistic showcases, I knew it was time to move back home to where the real issues existed and where my education, experience, and passion could be used to aid the development of my country.

So in August 2010, I moved back home (Lagos, Nigeria) to kick start the inception of my organization in Nigeria and to launch our Nigerian Teenagers Nation Building Project (A project focused on educating and engaging Nigerian teenagers on their role in Nigeria’s development by exposing them to critical thinking, community activism and problem solving during their developmental years while encouraging patriotism and passion for Nigeria).

To begin my stay in Nigeria, I wrapped up two Lagos statewide teenagers’ Essay contests launched by my organization (Unveiling Africa Foundation) that was kicked off on May 27th, 2010. Shortly after this, under my leadership, we rolled out the First Ever Teenagers Conference in Nigeria. The conference was held about a month ago and it attracted over 600 teenagers from

50 secondary schools across Lagos and Abuja. Currently, Unveiling Africa Foundation is working on an African teenagers newsletter called the '*Pacesetters*'; which is scheduled for publication in December 2010.

Alongside my position as the Chief Executive Officer of Unveiling Africa Foundation; I am also managing a pharmaceutical company in Lagos. I am involved in the day-to-day management of the factory as well as assisting in business development, organizational planning, production planning, stock management, and risk management. Within the next few months, I will be moving to sales and marketing to assist in refining the company's sales and marketing plan.

My experience at the U of A and my Economics degree definitely gave me a solid platform to be able to merge my passion for development and the acquired skills from my economic degree. Many thanks to all the faculty members at the U of A and professors at the Economics department for the good work you do every day.

Vijay Muralidharan

I was a graduate student with the Department of Economics between 2002 and 2003 and it proved to be a pivotal point of my life. I arrived to a cold Edmonton from a warm Chennai (India) with a great passion and desire to learn economics. Few months prior to my arrival, I received the Canadian Commonwealth Scholarship to undertake graduate school in Canada, which took care of financial needs. My first term was an experience to remember, I can still recall my intimidating class lectures, sleepless nights, dreary assignments and of course my daunting personal experiences all of them almost made me quit. What was heading for a disaster turned out to be my best time, I found a family with the Department of Economics and it includes both the staff and my fellow graduate students. They helped me sail through the tough times. I owe a great deal to my professors especially, Stuart Landon and Melville McMillan, along with the non-academic staff, including Margaret Howell, Louise Edwards, Charlene Hill, and Audrey Jackson for their great support. My fellow graduate students are still my best friends and I can assure you that we left a positive mark with the department. I could redo that magical year forever, as some memories last forever.

After completing graduate school, I returned to India and taught economics in college for one year. I did do some volunteering work as well. My thirst for knowledge in economics made me return to Edmonton, this time with the department of Rural Economy where I completed another masters with a specialization in resource economics. It was an interesting experience as I got to meet more people and gain more friends. I joined the Bank of Canada as a research assistant in the Calgary office right after I graduated. It was another magical experience. I got to finally apply economics. I got to be an economist who could still employ academic knowledge into one's daily affair. I was forecasting GDP, estimating components of CPI, writing reports about the economy and working on special research topics. My connection with the industry matured during my tenure at the Bank. The most remarkable point of my life was when I had a three-way discussion about the global economy with both Governors Mr. David Dodge and Mr. Mark Carney at the former's retirement function. My manager and I got to work together on the Business Outlook Survey, a hands-on approach initiated by the BoC to get the feel for the economy. It was the highlight of my job. I met many great minds and got to learn a great many things. During this period, I was an active member of both ESC and ESNA (economic organisations placed in Calgary and Edmonton) as well. That set the stage for my next progressive step in life.

I started my position at Statoil, a Norway based company, as an economic analyst in the business development group in Calgary. I got to blend my economic intuition into the field of finance, which was truly tantalizing. I performed investment analysis for a lot of projects in Canada. My role was also to perform peer company analysis. There I started to travel for business outside Canada for the first time. Following a two year stint in the Calgary office, I am currently employed as a senior economist in the CFO's team, performing macroeconomic forecasting in Stavanger, Norway (headquarters). I currently work with elite and smart minds of Statoil and I am very grateful for this opportunity. Life passes by very fast, but memories last forever, I had a great life at U of A and I am hoping for a similar one here.

Toby Schneider

My history with the University of Alberta Economics Department spans a minor in my first degree (German major), an Honour's degree and then a Master's degree (2006). The past 10 years with the Alberta Public Service has shown me that no matter the situation, success hinges on more than knowledge and analytic techniques; the critical factor to creating solutions is how to apply knowledge in a human context.

My career has progressed, from an oil markets analyst, to the manager of oil markets at Alberta's Department of Energy, to my current position as Director of Economic Development Policy at the Ministry of Finance and Enterprise.

As I reflect on the education I received at the University of Alberta, the depth of the impact becomes ever more apparent. The professors in the University of Alberta Economics Department do something more than the best written course notes on the MIT website could ever do: they educate.

I would like to share a word of thanks to all the professors who have taught me. I'd also like to tell how their efforts have shaped my thinking:

Stuart Landon: modeling and analysis are an art more than a science.

Andrew Eckert: Ethics are to the art of modeling what scientific method is to science.

Todd Smith: an understanding of the underlying forces at work and the simplest applicable analytic techniques often provides the most powerful insights.

Connie Smith: Forget about camps. Economic understanding, and more broadly understanding of anything is fostered by open discussion. It's the differences in what we think where the most revealing learning and exchange can happen.

David Ryan: Having a grade "A" BS detector will not only make you friends and influence people, it helps keep bad analysis out of a perfectly good conversation. That is very valuable indeed!

Mel McMillan: Public policy matters; it's up to the few and the brave to consider it not as given, but as something that can and should change to improve societal outcomes.

Robin Lindsey: Decisions often don't appear rational at first glance. Understanding the impetus for a decision is the key.

Al Jenkins: Economics is about application; “that reminds me of a story” were words in his class that lead to many fantastic learning moments.

Terry Veeman: good arguments and rational thinking can convince most people; for the rest, enthusiasm and some hand waving can't hurt.

André Plourde: Enthusiasm and some hand waving can convince most people; for the rest, good arguments and rational thinking can't hurt.

Bev Dahlby: First tell me why the obvious solution can't work.

Bruce Wilkinson: There are no shortcuts.

John Maheu: If you assume people are smarter than they are, they may even try to be smarter than they are. Hey, it's worth a try!

Tom Powrie: Mini donuts not only taste good, but they make a lasting impression as an example of a firm.

Paul Boothe: How can you expect to understand the economy if you won't even read the newspaper!

Sam Wilson: Who says you can't be smart and friendly!

Denise Young: Connections matter (she got me my first job in government!)

My graduate course work wrapped up some 10 years ago, and my first economics courses with Drs. Wilkinson and Powrie lie more than 20 years back. Those experiences in the Economics department were more than great career enablers, they were powerful character builders. Whatever praise or accolades I may be fortunate enough to receive, I gladly share with those who took the time and the effort to share what no one should ever take for granted. Thank you to all the professors who shared with me the best of their experience, their knowledge and their humanity.

Alumni Please Drop Us a Line...

We thank Cornelius, Michael, Chizoba, Vijay and Toby for taking the time to share with us their academic and career experiences. We are always glad to hear about our alumni from both our undergraduate and graduate programs. Please let us know what you are up to, and how your education here at the University of Alberta has served you in your life. We are also curious as to how our present students view their experience in our programs. If you drop us a line at bcarrier@ualberta.ca we may profile you in a future newsletter!

RESEARCH ACTIVITIES

FACULTY PUBLICATIONS (Selected from staff annual reports for academic year 2008-2009)

Brencic, Vera: "Employers' Search Prior to Exhaustion of Advance Notice Period." *Economics Letters*, 94(2), 2007: 266-270.

Eckert, Andrew, R. Todd Smith and Henry van Egteren. "Environmental Liability in Transboundary Harms: Law and Forum Choice." *Journal of Law Economics and Organization*, 24(2), October 2008: 458-475.

- Eckert, Andrew and Douglas West** "Exclusive Dealing in On-Premise Establishment Sales of Beer in Edmonton", *Antitrust Bulletin*, 54(2), Summer 2009: 401-434.
- Eckert, Andrew and Douglas West** "Radius Restrictions on Retail Chains and the Similarity of Neighboring Shopping Centers", *International Journal of the Economics of Business*, 15, November 2008: 281-300.
- Atkinson, B., **Andrew Eckert**, and **Douglas West** "Price Matching and the Domino Effect in a Retail Gasoline Market", *Economic Inquiry*, 47, July 2009: 568-88.
- Helliwell, John, **Haifang Huang**, and Putnam, Robert. "How's the Job? Are Trust and Social Capital Neglected Workplace Investment?" *Social Capital: Reaching Out, Reaching In*. Ed. V. O. Bartkus and J. H. Davis. Edward Elgar Publishing, 2009: 87-144.
- Helliwell, John and **Haifang Huang** "How's Your Government? International Evidence Linking Good Government and Well-Being." *British Journal of Political Science*, 38, 2008: 595-619.
- Coates, Dennis and **Brad R. Humphreys** "Do Economists Reach a Conclusion on Subsidies for Sports Franchises, Stadiums, and Mega-Events?" *Econ Journal Watch*, 5(3), 2008: 294-314.
- Humphreys, Brad R. and Jane E. Ruseski** "Estimates of the Dimensions of the Sports Market in the US." *International Journal of Sport Finance* 4(2): 94-113
- Bivin, David and **Brad R. Humphreys** "Accounting for Output Fluctuations in Manufacturing." *Applied Economics* 41(18): 2335-2352.
- Humphreys, Brad R. and Jane E. Ruseski**. "Enforcement of the NCAA Football Cartel: Theory and Evidence." *Southern Economic Journal* 75(3), 2009: 720-735.
- Humphreys, Brad R. and Jane E. Ruseski** "Sport Participation and Adolescent Use of Performance Enhancing Drugs". in *Threats to Sport and Sport Participation*, Eds. Placido Rodriguez, Stefan Kesenne and Jaume Garcia. Oviedo, Spain: Ediciones de la Universidad de Oviedo, 2008: 183-201.
- Landon, Stuart and Constance E. Smith** "Investment and the exchange rate: Short run and long run aggregate and sector-level estimates," *Journal of International Money and Finance* 28(5) (Elsevier), September 2009: 813-35.
- McMillan, M., E. LeSage and N. Hepburn**. "Municipal Shared Service Collaboration in the Alberta Capital Region: The Case of Recreation." *Canadian Public Administration*, 51(3), 2008:455-473.
- LeSage Edward C. and **Melville L. McMillan**, "Alberta." *Foundations of Governance: Municipal Government in Canada's Provinces*. Editors Andrew Sancton and Robert Young, Toronto: Institute of Public Administration of Canada and University of Toronto Press, 2009: 384-452.
- Plourde, André** (2009) "Oil Sands Royalties and Taxes in Alberta: An Assessment of Key Developments since the mid-1990s", *The Energy Journal* 30(1): 111-139.
- Plourde, André** "An Economic Stimulus Package for Canada: A Few Thoughts," *Taking Action on the Economy - Advice from Western Canada*. Editors: R. Gibbins, J. Marcil, R. Roach. Calgary: Canada West Foundation. 2008: 41-42.
- Plourde, André** "Canada-US Energy Relations: Issues for New Administrations", *From Correct to Inspired: A Blueprint for Canada-US Engagement - Background Papers*. Editors: F. Hampton, M. Hart, C. Robertson. Ottawa: Norman Paterson School of International Affairs and Centre for Trade Policy and Law, Carleton University. 2009: 132-141.

Chih-Chien Chen, **Jane E. Ruseski** and Zvi Schwartz. "Room Rates as Signals of Quality, Sellout Risk and the Prospects of Getting a Better Deal: Analytical Model and Empirical Evidence". *Tourism Economics* 15(2), 2009: 367-380.

Ryan, David L. and **Denise Young**, "Energy Use in Canadian Buildings: What Have We Learned from Recent Data?", *Energy and Buildings: Efficiency, Air Quality, and Conservation*. Editor: Joseph B. Utrick. Nova Publishers, 2009: 177-207.

Ryan, David L. and **Denise Young**. "Energy Use in Canadian Buildings: What Have We Learned from Recent Data?" *Energy and Buildings: Efficiency, Air Quality and Conservation*. Ed. Joseph B. Utrick. Hauppauge, NY: Nova Science Publishers, 2009: 177-207.

Smith, Constance and **Stuart Landon**. "Taxation and Bond Market Investment Strategies: Evidence from the Market for Government of Canada Bonds," *Canadian Tax Journal/Revue Fiscale Canadienne*, 56(2), 2008: 337-366.

Smith, Constance. Book review of: Alan Greenspan, "The Age of Turbulence: Adventures in a New World." *Canadian Public Policy/Analyse de Politiques*, XXXIV(4), 2008: 523-525.

Szostak, Rick. *The Causes of Economic Growth: Interdisciplinary Perspectives*. Berlin: Springer Publishers. May, 2009: 372p.

Szostak, Rick. "Classification and Interdisciplinarity: A Response to Hjørland" *Journal of Documentation* 64:4 (2008) Birger Hjørland.

Ural-Marchand, Beyza. "Indian Manufacturing: A Slow Sector in A Rapidly Growing Economy", with Mitra D., *The Journal of International Trade and Economic Development*, 17(4), 525-559.

Ural-Marchand, Beyza. "Inter-Industry Gender Wage Gaps by Knowledge Intensity: Discrimination and Technology in Korea", with Horrace, W. and Jung, J.H., *Applied Economics*, 41(11), May 2009: 1437-1452.

Young, Denise and **David L. Ryan**. *An Introduction to Quantitative Methods in Economics*. Oceanside, New York: Whittier Publications, Inc, 2008.

WORKING PAPERS

The following 2009 Working Papers may be viewed at the RePEc website:
<http://ideas.repec.org/s/ris/albaec.html>

Brencic, Vera and **Denise Young**: Time-Saving Innovations, Time Allocation, and Energy Use: Evidence from Canadian Households.

Chakravorty, Ujjayant: Water Allocation Under Distribution Losses: Comparing Alternative Institutions (with E. Hochman, C. Umetsu, D. Zilberman).

Chakravorty, Ujjayant: "Twin Peaks" in Energy Prices: A Hotelling Model with Pollution and Learning (with A. Leach, M. Moreaux).

Chakravorty, Ujjayant: Can Nuclear Power Supply Clean Energy in the Long Run? A Model with Endogenous Substitution of Resources (with B. Magne, M. Moreaux).

Chakravorty, Ujjayant: Fuel versus Food (with M. Hubert, L. Nøestbakken).

Dahlby, Bev and **Sam Wilson**: A Median Voter Model of the Vertical Fiscal Gap.

Dahlby, Bev: Adverse Selection and Risk Aversion in Capital Markets (with L. Braido, C. da Costa).

Dahlby, Bev: The Optimal Taxation Approach to Intergovernmental Grants.

Dahlby, Bev: The Marginal Cost of Public Funds and the Flypaper Effect.

Dahlby, Bev: Too Many Municipalities?

Galvani, Valentina and André Plourde: Portfolio Diversification in Energy Markets.

Galvani, Valentina and André Plourde: Spanning with Zero-Price Investment Assets.

Galvani, Valentina: A Comparative Analysis of the Returns on Provincial and Federal Canadian Bonds (with A. Behnamian).

Galvani, Valentina: Options and Efficiency in Spaces of Bounded Claims (with V.G. Troitsky).

Huang, Haifang: Constructing Consumer Sentiment Index for U.S. Using Google Searches (with N. Della Penna).

Humphreys, Brad and Jane Ruseski: The Economics of Participation and Time Spent in Physical Activity.

Humphreys, Brad and Jane Ruseski: Tit-for-tat Strategies in Repeated Prisoner's Dilemma Games: Evidence from NCAA Football.

Humphreys, Brad: Consumer Behaviour in Lotto Markets: The Double Hurdle Approach and Zeros in Gambling Survey Data.

Landeo, Claudia: Trigger Happy or Gun Shy? Dissolving Common-Value Partnerships with Texas Shootouts (with R.W. Brooks, K. E. Spier).

Landeo, Claudia: Tort Reform, Disputes and Belief Formation.

Langinier, Corinne: Search of Prior Art and Revelation of Information by Patent Applicants (with P. Marcoul).

Langinier, Corinne: Monetary and Implicit Incentives of Patent Examiners (with P. Marcoul).

Marchand, Joseph: Identifying the Poorest Older Americans (with J.D. Fisher, D.S. Johnson).

Ruseski, Jane: Modeling Internal Decision Making Process: An Explanation of Conflicting Empirical Results on Behavior of Nonprofit and For-Profit Hospitals (with K. Carroll).

Xu, Yingfeng: The Role of the Real Exchange Rate Adjustment in Expanding Service Employment in China (with X. Yan).

Young, Denise: A New Look at Copper Markets: A Regime-Switching Jump Model (with W. Chan).

PROFESSIONAL AND PUBLIC ACTIVITIES (Selected from staff annual reports for academic year 2008-2009)**CONFERENCE PRESENTATIONS**

Brencic, Vera and John B. Norris. "On-the-job Tasks and Performance Pay: A Vacancy-level Analysis." Presented at the 3rd Annual Behavioral Operations Conference at School of Business, University of Alberta, July 2008.

Brencic, Vera. "Employers' Hiring Practices, Employment Protection, and Costly Search: A Vacancy-level Analysis." Presented at the IARIW 30th General Conference, Portoroz, Slovenia, August 2008.

Brencic, Vera and **Denise Young.** "Time-Saving Innovations, Time Allocation, and Energy Use: Evidence from Canadian Households." Presented by Denise Young at the Energy and Environmental Economics (CBEEDAC/ CABREE) Seminar Series, Economics Department, University of Alberta, Edmonton. August 2009.

Dahlby, Bev. "Tax Cuts, Economic Growth and the Marginal Cost of Public Funds for Canadian Provincial Governments" Deloitte Tax Policy Research Seminar. 2008.

Dahlby, Bev. "The Optimal Tax Approach to Intergovernmental Transfers" at the ANPEC Conference Salvador Brazil. 2008.

Dahlby, Bev. "Government Tax Cuts: Helpful or Harmful to Economic Growth" at the *Explore Public Policy Issues* conference for students sponsored by the Fraser Institute, Edmonton. 2009.

Eckert, Andrew and **Douglas West.** "Proliferation of Brewers' Brands and Product Clusters in Canadian Beer Markets". Presented by D. West at Beeronomics conference, Leuven, Belgium, May 2009.

Eckert, Heather and **Andrew Eckert** "Environmental Regulations and Rationalization in the Retail Gasoline Industry". Presented by Heather Eckert at the 2008 Meetings of the Canadian Law and Economics Association, Toronto, Ont, Sept 2008.

Hryshko, Dmytro. "RIP to HIP: The Data Reject Heterogeneous Labor Income Profiles." 2008 Society for Economic Dynamics Meetings, Cambridge, MA.

Hryshko, Dmytro, Maria Luengo-Prado and Bent Sorensen "The Effect of Education on Equity Holdings." PSID Conference on Pensions, Private Accounts, and Retirement Savings over the Life Course, Ann Arbor, MI.

Humphreys, Brad R., Western Economic Association International Pacific Rim Conference, Kyoto, Japan, "Understanding Price Movements in Point Spread Betting Markets: Evidence from NCAA Basketball" by Humphreys, Paul and Weinbach. March 2009.

Humphreys, Brad R., Soebbing, Brian P. and Williams, Robert "Online vs Telephone Surveys: Methodological Issues for Gambling Research," 4th International Conference on Gambling & Risk Taking, Lake Tahoe, Nevada. May 2009.

Feng, Xia and **Brad R. Humphreys,** "Assessing the Economic Impact of Sports Facilities on Residential Property Values: A Spatial Hedonic Approach," presented at Arbeitskries Sporteconomie conference, Berlin, Germany. May 2009.

Landeo, Claudia M. and Spier, K.E. "Naked Exclusion: An Experimental Study of Contract with Externalities." NBER Summer Institute in Law and Economics. July 2008.

Landeo, Claudia M. and Spier, K.E. "Naked Exclusion: an Experimental Study of Contracts with Externalities." Conference on Empirical Legal Studies, Cornell University. September 2008.

Langinier, Corinne. "Mobility and career concerns of patent examiners: an analysis of U.S. data," (with Stéphanie Lluís) presented at International Industrial Organization Conference, Boston. April 2009.

Langinier, Corinne. "Mobility and career concerns of patent examiners: an analysis of U.S. data," (with Stéphanie Lluís) presented at Canadian Economics Association Annual Conference, Toronto. May 2009.

Plourde, André. "Developing Alberta's Oil Sands: Who Bears the Risks?" presented on **three occasions**: 1) CBEEDAC/CABREE Applied Energy Workshop, University of Alberta, October 2008; 2) 28th North American conference of USAEE/IAEE, New Orleans. December 2008; 3) Department of Finance, Government of Canada, Ottawa, December 2008.

Ryan, David L. "Residential Energy Efficiency Programs, Household Characteristics, and Energy Consumption", 1st International Workshop on Empirical Methods in Energy Economics, Zurich, Switzerland., August 2008.

Szostak, Rick. "Integrating Interdisciplinary Studies across the Humanities and Social Sciences," Conference on the Scope of Interdisciplinarity, Edmonton (sponsored by Athabasca University), November 2008.

Szostak, Rick. "An Interdisciplinary System of Library Classification?" Association for Integrative Studies, Springfield IL, October 2008.

Szostak, Rick. "Classifying by phenomena, theories, and methods: examples with focused social science theories" The 10th International Society for Knowledge Organization conference, Montréal. August 2008.

Ural-Marchand, Beyza. "The Impact of Trade Reform on Household Welfare in a General Equilibrium Framework". 2009 Western Economic Association International, Kyoto, Japan.

West, Douglas. "Proliferation of Brewers' Brands and Product Clusters in Canadian Beer Markets" at Beeronomics: The Economics of Beer and Brewing, Leuven, Belgium. May 2009.

Xu, Yingfeng. "International Experience of Export-led Growth." 2009 Annual Conference of the Chinese Economist Society, Nanning, China. June 2009.

Brencic, Vera and Denise Young, "The Effect of Time-Saving Technologies on Households and Household Energy Use" Presented at The 1st International Workshop on Empirical Methods in Energy Economics, ETH Zurich, Switzerland. August 2008.

OTHER ACTIVITIES AND ACCOMPLISHMENTS

Chakravorty, Ujjayant: Named Tier 2 Canada Research Chair in Natural Resource Economics.

Bev Dahlby: Appointed Fellow-in-Residence at the C.D. Howe Institute.

Dahlby, Bev: Member of the Editorial Board, *Canadian Tax Journal*. 2009.

Eckert, Heather: Referee for Social Sciences and Humanities Research Council (SSHRC) Standard Research Grant competition. Fall 2008.

Humphreys, Brad: Co-editor, *Contemporary Policy*, 3 year term beginning July 2008.

Humphreys, Brad: Associate Editor, *International Journal of Sport Finance*, 3 year term beginning August 2008.

Humphreys, Brad: Testified at a hearing of the Domestic Policy Subcommittee for the Oversight and Government Reform Committee re: whether the use of the federal tax code to subsidize the construction of professional sports stadiums and arenas furthers the public interest.

André Plourde: Appeared before the House of Commons Standing Committee on Foreign Affairs and International Development. Committee reviewed key elements of Canadian foreign policy. André was asked to discuss Canada-US energy and energy/environment relations.

Smith, R. Todd: Referee for Social Sciences and Humanities Research Council (SSHRC) Standard Research Grant competition. Spring 2009.

FACULTY GRANTS (Selected from staff annual reports for academics year 2008-2009)

Chakravorty, Ujjayant: Social Sciences and Humanities Research Council (SSHRC); 2009-2012.

Galvani, Valentina: Killam Research Fund Cornerstone Grant; 2008-10.

Humphreys, Brad: Social Sciences and Humanities Research Council (SSHRC); 2009-2011.

Marchand, Joseph: Western Centre for Economic Research; 2008-09.

Ruseski, Jane: Nike Sustainable Business and Innovation grant; 2006-09.

Ryan, David: School of Energy and the Environment (SEE); 2008-10.

Ryan, David: Sustainable Prosperity Research and Policy Network (University of Ottawa); 2009-10.

Ryan, David: Alberta Workers' Compensation Board; 2009-10.

Szostak, Rick: Killam Cornerstone Travel Grant; 2008.

Ural-Marchand, Beyza: Killam Research Fund Conference Grant; 2009.

Institute for Public Economics (IPE) UPDATE

With the appointment of a new director last fall, the Institute for Public Economics has undertaken a number of initiatives over the past year to raise its profile both within the University Community and the external community. Key initiatives were: successful Hanson lectures in October 2009 and 2010; submission of 10 essays on various policy challenges facing the Government of Alberta to all 83 MLAs in February 2010; and the successful conduct of a major conference on May 6th and 7th 2010- "*Boom and Bust Again: Policy Challenges for a Commodity-based Economy*" attended by over 200 government, business and university registrants.

Policy Challenges: In February 2010, the Institute released a series of 10 essays by prominent Alberta policy analysts that was forwarded to all 83 Members of the Legislative Assembly. The contributors represented a wide range of disciplines and occupations (trade associations, consultants, advocacy groups, and research institutes). The series represented a broad set of policy

issues ranging from the environment to financial sector policy, fiscal framework, direct democracy, social policy and revenue policy. These essays are found at <http://www.uofaweb.ualberta.ca/ipe/pdfs/Various-Policy-Challenges-Facing-the-Provincial-Government.pdf>. In June, the writers were invited to present their papers to a policy conference hosted by the Government of Alberta, thus raising the profile of the Institute. In addition, 7 of these essays were published as “Ideas” pieces in the *Edmonton Journal*.

Post-Mortem Provincial Budget: On March 9th, the Institute hosted a forum on the February 9, 2010 provincial budget. Presenters were: Mel McMillan Department of Economics; Jason Brisbois, Western Centre for Economic Research; Graham Thomson, *Edmonton Journal*, Shirley McClellan, Distinguished Scholar in Residence; and Joseph Doucet, Alberta School of Business. The event was held in the HM Tory Building with about 30 in attendance.

Boom and Bust Again: Policy Challenges for a Commodity-based Economy: This conference attracted over 200 registrants and 25 presenters and commentators. Details of the papers are available at http://www.uofaweb.ualberta.ca/ipe/Boom_and_Bust_Again_conference.cfm. Keynote speakers included Doug Griffiths, Parliamentary Assistant to the Alberta Minister of Finance and Enterprise and Dr. John Murray, Deputy Governor of the Bank of Canada. Department of Economics Professors Bev Dahlby, Mel McMillan, Stuart Landon, Connie Smith and Brad Humphreys also participated in the conference. The papers are expected to be published in a volume by University of Alberta Press in 2011, edited by Professor David Ryan. The feedback on the conference was overwhelmingly positive.

The Institute was very successful at lining up corporate sponsors including: Nexen Inc. (gold); Alberta Investment Management Corporation, PCL Constructors Inc, and Worley Parsons (silver); TransCanada Corporation, Canadian Western Bank, Alberta’s Credit Unions, Western Centre for Economic Research (bronze); and City Lumber Corporation (keynote speakers). This support demonstrates a strong interest by major Alberta corporations in policy development.

Hanson Memorial Lecture: On October 22nd, Dr. Kevin Lynch, former Clerk of the Privy Council and former federal Deputy Finance Minister delivered the 16th Eric J. Hanson Memorial Lecture. His talk entitled “*Escape from the Productivity Trap: The Sequel*” was delivered to over 120 attendees at the TELUS Centre.

UPCOMING ACTIVITIES

May 2011 conference: Plans are underway for a conference on May 9 and 10 2011 at the Coast Edmonton Plaza. The conference theme is “*China and India/Global Power Shift/ Opportunities for Canada and Alberta*”. With their economies shifting from a state-controlled economic structure to a more market-based structure over the past 20 years, China and India’s economies continue to grow rapidly. Topics to be canvassed include: Economy and Financial System; Innovative Partnerships; Energy and the Environment; Agriculture; Opportunities in Alberta-A Business Perspective and Canada’s response. Confirmed speakers include Jayson Meyers, President and CEO of the Canadian Manufacturers and Exporters Association; Xiang Bing, Dean of Li Kashing’s Graduate School of Business; Brent Swallow, University of Alberta Department of Rural Economy, and Rob Rennie of SPUR Resources. Professors Yingfeng Xu and Beyza Ural-Marchand of the department will also present. Invitees include Premier Stelmach, John Manley and Kevin Lynch. Stay tuned for more developments.

Government budgets: Post-mortems on the federal and provincial budgets will take place in the winter term.

Advisory Committee: The University has formally approved the terms of reference for an external advisory committee (EAC) to the Institute. The EAC will have input into the schedule of events for the Institute, will identify emerging areas in public economics; provide input in the annual conference; and assist in fund raising. The composition of the groups will be a balance of current and former politicians, senior officials, labour and business.

The Canadian Building Energy End-Use Data and Analysis Centre (CBEEDAC)

The Canadian Building Energy End-Use Data and Analysis Centre (CBEEDAC) is a research centre located in the Department of Economics and directed by Professor David Ryan. For the past 8 years, CBEEDAC has been carrying out research and collecting data pertaining to energy use in buildings, that is, in the residential, commercial and institutional sectors.

Funded mainly by Natural Resources Canada, each year the centre hires a number of graduate students and occasionally some honors undergraduate students. This year CBEEDAC also benefited from support from the School of Energy and the Environment, which allowed Maxine Cunningham, an undergraduate student in business and economics at the time, to work on expanding the content of our website and designing a strategy to promote CBEEDAC's activities. As a result, a number of surveys were identified and included in the meta-database developed and maintained by CBEEDAC. This meta-database is searchable online and includes literature items, reports, and surveys on a wide range of aspects related to energy end-use. Subjects such as the measurement of energy consumption and efficiency, models used in energy or environmental economics, new energy efficient technologies, and the perceptions of energy issues by households and retail stores, are documented.

CBEEDAC researchers worked on several projects during the past year. One of these, which involved an examination of energy use in multifamily dwellings, was designed to investigate the influence of agency problems in utility-included rental dwellings and condominiums. The research, led by Denise Young and CBEEDAC Executive Director Lucie Maruejols, looked at the effect on various energy-related decisions, such as the indoor temperature setting and the adoption of environmentally friendly behaviour, of households not paying their energy bills directly. Another project, initiated by David Ryan, studied the awareness of residential consumers concerning various aspects of their consumption of electricity. During a survey carried out by students from the Department of Economics, over 1000 residents of Edmonton were interviewed on what they knew about their electricity consumption. The project showed that knowledge of city residents regarding the price they pay for electricity, its evolution over time, the quantities they consume and, in some cases, even the name of their electricity provider, is rather limited. While economic models or public policies may treat consumption decisions as being based on perfect knowledge of income and relevant prices, it is not clear, at least in the case of electricity, that consumers make fully informed decisions. As usual, CBEEDAC's research could not be successfully completed without important support from students. In particular, Cal Shafer helped with the electricity price survey and data analysis, while Noha Abdel-Razek, who also worked on the data collected for this project, has focused considerable effort on the development of advanced methods to estimate demand elasticities for a variety of sectors and energy sources.

A significant amount of CBEEDAC's work this year has been devoted to building a dataset on quantities and prices of energy consumed during the 1958-2008 period in Canada as well as in certain provinces and regions. The dataset is especially interesting as it includes exclusive information on variables such as tax levels, which allow the computation of before- and after-tax prices, marginal prices for each major urban centre of Canada, and weather conditions. The dataset includes series for the residential, commercial and industrial sectors and for a variety of energy types. It is intended to use this dataset in a number of CBEEDAC projects and to help respond to inquiries from other researchers, industry decision makers, and governments. Laura Adkins-Hackett, an undergraduate economics student, provided considerable assistance with the data collection and organization during summer 2010.

Several CBEEDAC members also participated in the 3rd International Workshop on Empirical Methods in Energy Economics, which was held at the University of Surrey, in Guildford, UK, on June 24th and 25th, 2010. The workshop was organized by the Surrey Energy Economics Centre (SEEC), in collaboration with CBEEDAC's director, David Ryan, and the Centre for Energy Economics and Policy (CEPE) in Zurich. The extended time allocated to each presentation and discussion, a particular feature of this ongoing series of workshops, led to stimulating exchanges on the state of current empirical research in energy economics. The next workshop is planned for Dallas, Texas, summer, 2011.

CBEEDAC is now looking forward to the 2010/2011 year, with several new projects underway, including an ambitious plan to measure standby power consumption and usage patterns of electronic products in residential and commercial settings. If you are interested in CBEEDAC and its activities, would like to receive our tri-annual newsletter, or wish to discuss data or research issues on energy end-use consumption in the buildings sector, please visit our website www.cbeedac.com or write to us at cbeedac@ualberta.ca.

SCHOLARSHIPS & AWARDS

Congratulations to the Department of Economics 2010 Scholarship and Prizewinners:

- J. Carver – Queen Elizabeth II Graduate Scholarship (\$10,800)
- J. Fisher - Queen Elizabeth II Graduate Scholarship (\$10,800)
- W. Xu – Maurice, Mary and Max Stewart Graduate Scholarship in Economics (\$5,000)
- H. Ma – AD O'Brien Graduate Scholarship in Public Finance (\$4,750)
- A. Behnamian – John Garrett Graduate Scholarship in United States Studies (\$4,100)
- J. Yang – Department of Economics 2009-10 Core Prize (\$250)
- N. Zheng – Department of Economics 2010 Research Prize (\$250)

STUDENT PROGRAM INFORMATION

We hope it will be of interest to our alumni and those outside the Department of Economics to see a summary of the past ten years of graduate and undergraduate convocations and of ten years of undergraduate registrations. The following tables illustrate the growth in enrolments and the interest in our programs that the Department has been experiencing in the past ten years.

| Undergraduate Convocations 2000 to 2010 | | | |
|--|-------------|---------------|--------------|
| Year | Fall | Spring | Total |
| 2009-10 | 33 | 95 | 128 |
| 2008-09 | 33 | 78 | 111 |
| 2007-08 | 30 | 133 | 163 |
| 2006-07 | 55 | 117 | 172 |
| 2005-06 | 34 | 125 | 159 |
| 2004-05 | 26 | 133 | 159 |
| 2003-04 | 32 | 105 | 137 |
| 2002-03 | 23 | 108 | 131 |
| 2001-02 | 36 | 85 | 121 |
| 2000-01 | 21 | 104 | 125 |

| Ten-Year History of Majors and Honors | | | |
|--|------------------------|------------------------|-------------------------------|
| Year | # of Majors | # of Honors | # of Registrations |
| 2009-10 | 705 | 29 | 7949 |
| 2008-09 | 632 | 27 | 8164 |
| 2007-08 | 565 | 32 | 8138 |
| 2006-07 | 651 | 23 | 7575 |
| 2005-06 | 600 | 30 | 7349 |
| 2004-05 | 613 | 28 | 7285 |
| 2003-04 | 532 | 23 | 6989 |
| 2002-03 | 354 | 20 | 6541 |
| 2001-02 | 327 | 10 | 6088 |
| 2000-01 | 298 | 15 | 6165 |

CONVOICATIONS

| Graduate Convocations 2000 to 2010 | | | | | |
|---|-------------|------------|---------------|------------|--------------|
| Year | Fall | | Spring | | Total |
| | MA | PhD | MA | PhD | |
| 2009-10 | 9 | 0 | 13 | 0 | 22 |
| 2008-09 | 6 | 1 | 7 | 0 | 14 |
| 2007-08 | 1 | 0 | 15 | 0 | 16 |
| 2006-07 | 12 | 0 | 6 | 0 | 18 |
| 2005-06 | 5 | 0 | 7 | 0 | 12 |
| 2004-05 | 11 | 0 | 5 | 1 | 17 |
| 2003-04 | 5 | 0 | 9 | 0 | 14 |
| 2002-03 | 8 | 1 | 2 | 0 | 11 |
| 2001-02 | 5 | 0 | 5 | 0 | 10 |
| 2000-01 | 3 | 0 | 5 | 1 | 9 |

**MA degrees conferred:
Spring 2010**

HANNWEBER, T.: IPO Returns, Moral Hazard and Franchises

HAO, G.: The Effects of Imports From Asian Countries on Canadian Consumer Prices

HUANG, S.: Inward FDI, Government Quality, and TFP Growth

JIN, J.: The Potential Benefits from Pay-As-You-Drive Insurance in Canada

JUNG, O.: Who is Really Paying For Your Parking Space? Estimating the Marginal Implicit Value of Off-Street Parking Spaces For Condominiums in Central Edmonton, Canada

KHALAF, A.: Revisiting Determinants of Capacity and Willingness to Serve

LEE, P.M.: The Effects of Old Age Security and Guaranteed Income Security on the Canadian Labour Market

LIU, B.: The Energy Efficiency Paradox Revisited: An Empirical Study of the Canadian Transportation Sector

SUN, Z.Y.: Impact of Inflation on Economic Growth

WANG, L.: What Starts Inflation: Evidence from Developing Countries

YANG, S.: An Analysis of Spillover Effects of FDI on Domestic Firm Productivity: Cross Sectional Evidence from China

ZHANG, Z.: The Role of Income Inequality in Economic Development: The Relationship Between Inequality and Growth

ZHENG, N.: Internet Use and Labour Market Outcomes of Canadian Workers

Fall 2010

FU, Q.: Estimating the Economic Returns to Schooling and On the Job Training for Major League Baseball Players

GAO, H.: Changes in China's Urban Labour Market, 1995-2002: A Perspective from Labour Supply and Demand

HE, L.: The Impact of Deregulation on the Alberta Power Market and Pool Price

ROSSITER, M.: The Rationalization of Canada's Retail Petroleum Industry: The Role of Environmental Regulation

SZEKERES, S.: The Determinants of the Fiscal Gap in Developed Federations

TANG, Y.: An Empirical Study of the Simultaneous Purchase of Insurance and Gambling

WESLEY, A.: An Analysis of CFL Ownership and Electricity Consumption

WOLCOTT, J.: The Effect of the Quebec Border on Liquor Sales in New Brunswick

ZHENG, L.: Alternative Approaches to Modeling Canadian Smoking Behavior

THANKS

The Department also gratefully acknowledges all of our donors for their contributions towards helping the Department pursue its mandate of excellence in teaching. Donations may be designated for a particular purpose (e.g., to support the A.D. O'Brien Graduate Scholarship in Public Finance or the Balder von Hohenbalken Memorial Book Prize in Economics), or to provide general support to the Department (i.e., the Education Endowment Fund for Economics).

If you would like to contribute to any Department of Economics initiatives or awards, please send your contribution to:

Attn: Louise Whyte
Department of Economics
University of Alberta
8-14 HM Tory Building
Edmonton, AB T6G 2H4

If you would prefer receiving an electronic version of our newsletter, please contact:

<mailto:brenda.carrier@ualberta.ca>

VISIT OUR WEB SITE

To keep up-to-date with Department activities and events, please visit our website often:
<http://www.economics.ualberta.ca/>