

# The Marginalist

A PUBLICATION OF THE ECONOMIC STUDENT ASSOCIATION  
Southern Illinois University, Department of Economics  
**2013 ISSUE**

## Letter from the Chair

### Greetings from Carbondale!

This year, we had a long winter and spring was late to arrive in Southern Illinois. Finally, we can see green leaves on trees around campus. The Student Services building in front of Faner is coming up nicely and hopefully will be completed by the end of summer. The Admissions, Bursar's, and Graduate School offices will move into this building. The area in front of Faner Hall has been completely re-done in terms of pavements and flower and plant beds and really looks great.

This spring semester, we had a great department picnic which was attended by Chancellor Rita Cheng and her husband, Mr. Tom Cheng, and also by Dean Kimberly Kempf-Leonard and her husband, Dr. Charles Leonard. The Chancellor and Dean both stayed over 2 hours at the picnic. The student participation was the largest I have seen in recent memory. Around 80 people attended the picnic.

Regarding Department matters. I could not ask for more from our hard-working faculty members. This semester, Professor Sajal Lahiri, the Vandever Chair Professor, was elected to the Faculty Senate and will serve for the next three years. Also this semester, Professor Alison Watts

was elected to the Graduate Council for a three year term. Moreover, Professor Zsolt Becsi will be the Vice-chair of the College of Liberal Arts Council for the 2013-2014 academic year. This is a great faculty participation in the university. Professor Kevin Sylwester is on Sabbatical this semester and Professor Scott Gilbert will be on Sabbatical in the Fall 2013 semester. In Fall 2012, the Department hired Dr. Regina Treviño as a non-tenure track faculty member. Dr. Treviño received her Ph.D. from the University of Chicago and has several years of teaching experience. Dr. Treviño is an excellent addition to our faculty.

The new, state-of-the-art Computer Lab is greatly appreciated by our students and faculty. The lab is in constant use by students, and some graduate classes are now taught in the lab. All sixteen computers in the lab are new and are equipped with E-views, STATA, and SAS, along with other software and International Financial Statistics and World Bank data sets. The Department is fortunate to have such a Computer Lab.

The enrollment in the graduate program is steady and the graduation rate is excellent. This year, we have graduate students

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## ***Letter from the Chair, continued***

from 20 countries in the department. During 2012-13, 14 students will receive the Masters degree and five will earn the Ph.D. degree. During the prior six years, the Department has graduated 49 Ph.D. students and 26 Masters Students. Almost all of these graduates are well settled.

The students in the department are fortunate to have scholarships available to them: the Thomas and Chany Chung Scholarship, the Glen W. and Cornelia Y. Miller Scholarship, and the Garret A. and Susan J. Pierce Scholarship. The department is very grateful to the individuals who have endowed these scholarships as they have made a major impact on the lives of so many individuals.

Many alums have contributed quite generously and regularly to our Alumni Fund. I would like to sincerely thank you for your contributions. This money has been used to provide cash awards to our

undergraduate students at the Honor's Day Ceremony, and some support for travel to meetings for our graduate students. This support is very much appreciated by our students.

I would like to list information about all of our alums (Ph. D., M.S. and B.S.) on our website. It will allow you to stay in touch with each other and also allow the department's prospective students to see what our graduates have been able to accomplish with their degrees. I would appreciate it if you can update your information on the department web page by using the link: <http://economics.siu.edu/alumni/alumninews.html>. I am always interested in hearing from you. Please feel free to contact me via email: [sharma@siu.edu](mailto:sharma@siu.edu) or by phone at 618-453-5082.

*Subhash C. Sharma, Professor*

## **Vandever Chair Speaker Series**

### **Fall 2012**

#### September 21

Dr. YiLi Chien, Federal Reserve Bank of St Louis

Topic: The Risk Premium and Long Run Global Imbalances

#### October 19

Professor Scott Gilbert, SIUC

Topic: Quasi-Experiments and Economic Science

#### October 26

Professor Sajal Lahiri, SIUC

Topic: Lobbying for a Common External Tariff from Inside and Out

#### November 2

Professor Anil Bera, University of Illinois, Urbana-Champaign

Topic: A Biography of CES Production Function

#### November 9

Professor A.K.M. Mahbub Morshed, SIUC

Topic: Commodity Price Shocks and the Law of One Price

### **Spring 2013**

#### February 15

Professor Alison Watts, SIUC

Topic: Voting Networks with Homophily

#### February 22

Professor Saiying Deng, SIUC (Dept of Finance)

Topic: The SEC's Elimination of 20-F Reconciliation and the Cost of Debt

#### March 1

Professor Echu Liu, SIUC (School of Allied Health)

Topic: Using National Twin Data to Estimate Peer Effects on Student Test Scores

#### March 22

Professor Silvia Secchi, SIUC (Department of Agribusiness Economics)

Topic: Integration of agricultural and energy models for biofuel assessment

#### April 5

Professor John Navin, SIU-Edwardsville

Topic: Estimating State and Local Tax Exporting between 1999 and 2008

#### April 12

Professor Peri Silva, Kansas State University

Topic: Cooperation in WTO's tariff Waters

*These seminars serve as a good venue for graduate students to interact with guest speakers and with faculty as well.*

# Alumni Update – Dr. Hassan Aly

This year *The Marginalist* catches up with Dr. Hassan Aly. After earning his doctorate in 1986, Dr. Aly has been on the faculty at the Ohio State University since 1989, achieving the rank of full professor in 2008.

Professor Aly's exceptional career includes the (co) authorship of over 30 peer-reviewed articles, editorships with *African Development Review* (2009-2012) and *Middle East Business and Economic Review* (2002-2010), and serves as a Faculty Associate to the Middle East Studies Center (1992-Present) and the John Glenn School for Public Service and Public Policy (1999-Present). Dr. Aly has also been active in the Middle East Economic Association, serving as its Treasurer, Executive Secretary, and President.



Photo courtesy of Dr. Hassan Aly/  
The Ohio State University Economics Department

Dr. Aly has been kind enough to answer a few questions, imparting some advice to our graduate students and reflecting on his career. Thank you, Professor.

**Marginalist:** If you could talk to yourself before you began graduate school, what is the one piece of advice you'd share?

**Dr. Aly:** Take as much math and statistics courses as you can during your undergraduate stage. Better, you may go for a Master in Statistics before applying for a PhD in Economics.

**M:** Is there anything that stays with you from your time as a graduate student at SIU? Perhaps a relationship, experience or lesson that has stayed with you over the years?

**Dr. A:** The small number of students and faculty allowed for one-on-one teaching or private tutoring, if you will. I remember going to Rick Grabowski, Michael Shields, Subhash Sharma, and the late Bob Ellis's offices many times, asking them direct questions and picking their brains on issues of interest to me. The kind of environment that allowed direct

and unrestricted contacts between faculty and graduate students seldom exist anywhere.

The lesson I learnt from my grad school years is: You have to distinguish yourself if you are coming from a school like SIU. If you are graduating from an Ivy League school, the name of the school is going to open doors for you in the job market. At SIU, you need to do that yourself. The best way is through publishing. If you are in the job market fresh from graduate school and you already have two or three publications under your belt, you certainly distinguished yourself. I have to say that the environment at SIU during my grade school years, helped us-grad students- to do just that.

**M:** When you think about your career since SIU, what is your proudest professional accomplishment?

**Dr. A:** In addition to getting promoted to the full professorship at Ohio State, being elected as President of the Middle East Economics Association. The trust of my peers humbles me and makes me realize that service to the profession is much like philanthropy: You feel happy when you help your colleagues reach their professional goals.

**M:** Where do you see the profession going? Is it becoming more specialized, more technical? Do you see a place for the "jack-of-all-trades" person in the discipline?

**Dr. A:** I believe in inter-disciplinary research and I think having a full rounded researcher is better for the society, as a whole and overall, than the one topic researchers. Yes, the market does not reward these folks (the fully rounded) as much as the others but I can guarantee you that policy makers and decision makers are from this group.

Thus, if you would like to have an impact on a specific field, specialize in one topic, but if you want to have an impact on society as a whole, go for the comprehensive researchers. Remember Greek, Persian, Chinese and old Egyptians philosophers and scientists were not, by any means, from the one topic, specialized group.



# Graduate Assistant Outstanding Teaching Award

Pavlo Buryi and Kent Dolezal, were honored for their respective work in the classroom with the Graduate Assistant Outstanding Teaching Award (GAOTA), presented to them at the Fall Department Picnic.

The GAOTA is awarded annually to one or two graduate students whose classroom teaching has been deemed exemplary by a faculty committee, chaired by Dr. Scott Gilbert, Director of Undergraduate Studies. Selection is based on classroom student evaluations, teaching observations, student testimonials, and an instructor's teaching philosophy essay.

Both Pavlo and Kent have taken a moment to share what drives and inspires them as classroom instructors.

## **Pavlo Buryi**

Being a graduate student requires a lot of work in the classroom and even more outside of it. When it comes to my students, I am a demanding person, but I demand even more effort from myself.

I was an undergraduate student just a couple of years ago and my thoughts then are still fresh in my memory. As an undergraduate, I would do the amount of work that would be enough to get an "A," but this was not enough to really understand the subject.



A good way to describe the difference is to compare words "have" and "be". The word "have" means ownership of something while the word "be" means existence. The

"A" knowledge could be described by the word "have", because the ownership of that knowledge can be acquired and lost within a few days, if not hours. However, when you truly understand something it becomes a part of your consciousness—into your "being" — and you use the knowledge in the process of thinking, and it is readily available to be used.

An "A" student could be aware of the global warming problem, yet continue to drive their car to school not doing their part to help. While the person who understands the problem is riding their bike and helping to reduce the overall carbon footprint.

As a result, I try to put less emphasis on grades and more on active participation. I like to encourage questions and comments, attempting to generate a discussion that will hopefully lead to a better understanding overall.

I do not fear constructive criticism, and am always open to ideas and suggestions. My motto can best be described by these words from the ancient Greek philosopher Socrates: "I know that I know nothing." Everyday, I try to learn something new, and I strongly believe that standing in front of a class full of my peers is one of the best ways to do it.

## **Kent Dolezal**

My journey to the university-level economics classroom is not the typical route. After 10 years in the high school classroom, I found myself unfulfilled in my career path, enjoying teaching but feeling I had greater potential as an academic and advocate for social



change. My journey took me to the Humphrey School of Public Affairs at the University of Minnesota, where I discovered economics and its power to explain. My preconceived notions of economics, a dry, heartless, by the numbers exercise, was shattered by the reasoning and passion displayed by my professors. They demonstrated how economics is able to get to the

roots of social issues with a reasoning that breaks complex issues into logical, manageable pieces where pathways to solutions can be constructed and discussed. They also demonstrated how economics is not a contrast to or in conflict with other social sciences, but how the social sciences, working in concert, are conduits toward social change with the broadest of support and greatest chance of success.

My biggest goal as a teacher is for my students to see how being knowledgeable in economics is applicable to their lives. For some, it is easy to see how economics helps in their pursuit of business careers. The challenge comes in conveying this to a future social worker, giving her the tools to talk to policy makers in a language where she can advocate for her clients. It is helping the future art or drama teacher campaign for funding for his programs by being able to demonstrate all the benefits of arts education. For all students, the greatest benefit to studying economics comes to them as voters. By giving students the tools where they can discover the benefits and costs inherent in our society, they are then able to vote in a manner truly reflecting their individual values. In these ways, I hope students don't see economics as I once did—dry, heartless, by the numbers, and contributing to the world's problems—but as a tool that helps us create a more informed public discourse where we find solutions to problems.

# Department News and Happenings

## Econometrics Classes Introduce Saluki Dawg Economics Conference

Highlighting the excellence and diversity of research present in the final projects for Econ 463: Applied Econometric Analysis and Econ 567A-: Econometrics 1, Dr. Scott Gilbert spearheaded the creation of the

Saluki Dawg Economics Conference. Conducted April 30 and May 2, 2013, the conference gave students the chance to present their research to peers, students in other disciplines and the general public.



*Christopher Hook introduces his topic, Consumption, Asset Holdings and Expected Returns, to a full room.*

Dr. Gilbert stated he wanted to give his students' work visibility, "foster and cultivate more community input," and increase the awareness of the diversity and quality of the research being conducted by the department's graduate students.

"I was impressed with the ideas and approaches [in other student's research]," said James Davis. "The range of subjects addressed is a testament to the educational opportunities the department provides."



*Ari Weiss presents his project, Revolution and International Response, in front of his classmates.*

Over 30 projects were presented, covering a wide variety of fields, from traditional topics such as finance and development to more novel applications of economic theory to issues present in video games and sports.

"I really liked the chance to show our individual interests and the opportunity to apply some of the technics we've learned," said Ari Weiss.

## Graduate Student Conference Presentations

### Mrs. Channary Khun

"Are People Really against Trade Liberalization? Cross-Country Evidence," 12<sup>th</sup> **Annual Missouri Economics Conference**, University of Missouri – Columbia, October 5, 2012.(with S. Lahiri and S. Lim)

"The Economics of International Child Adoption: A Theory and an Empirical Analysis of Adoption by U.S. Parents." **77<sup>th</sup> Midwest Economics Association annual meeting**, Columbus, Ohio, March 24, 2013.(with S. Lahiri)

### Mr. Sokchea Lim

"Fiscal policy in a small open economy with cross-border labor mobility." **77<sup>th</sup> Midwest Economics Association Conference**, Columbus, Ohio, March 23, 2013. (with Dr. AKM Mahbub Morshed)

### Ms. Yuqin Wang

Agency Cost and Market Value Analysis: A Value Maximization Stochastic Frontier Approach", **Midwest Econometrics Group**, Lexington KY, 2012 (with Subhash C. Sharma)



# Spring Picnic Brings Together Students, Staff, Faculty, High Level Administrators, and Families to Close Out Another Successful Year

This year saw special guests, Chancellor Rita Cheng and College of Liberal Arts Dean Kimberly Kempf-Leonard and their respective spouse, Mr. Tom Cheng and Dr. Charles Leonard in attendance. Chancellor Cheng took a moment at the start of the proceedings to congratulate the department on its continued excellence in instruction and research.



*Channary Khun enjoys the lovely spring weather with her son Devin.*

In what Dr. Zsolt Becsi, entertainment committee member, described as the "best in the 10 years I've been here," the Spring Picnic saw nearly 90 students, faculty, staff, friends and their families celebrate the culmination of another successful year in the Economics Department.

Dr. Becsi said he was "shocked and amazed" at the

effort everyone one put into creating a memorable event.

"These are the types of events people remember from their time in graduate school," he said. "It's nice to come together, to have one day where we're able to let loose a bit and celebrate we've made it through another semester."



*Dambar Uprety (front, right) loads up his plate with dishes that reflect the cultural diversity present in the department.*



*Enjoying the bright, April sunshine are (from left) Mr. Tom Cheng, Chancellor Rita Cheng, Economics Department Chair Subhash Sharma and COLA Dean Kimberly Kempf-Leonard.*

the funding, going towards food and beverages. Picnic attendees were asked to bring a dish. Reflecting the many cultures present in the department, these dishes are always a highlight of the event.

"All the students bring amazing dishes," Professor Becsi said. "It's going to be hard to beat, but we're going to try."

Photos courtesy of Processor Sajal Lahiri



*Gabriel Pino-Saldias (right) explains cricket's finer details to fellow third-year students, Hyeon Joon Shin (center) and Mohamed Abaid.*

The event was organized by the entertainment/picnic committee, composed of ESA Events Coordinator Markum Reed, ESA President Kent Dolezal, Professor AKM Morshed, and Professor Becsi. Faculty donations provided much of



*Celebrating the end of another successful semester are (from left): Hio Loi, Jude Jeanniton, Mohammed Sameen, Erick Kitenge, Md. Didarul Hasan, Abdelmonaem Abunnur, Dambar Uprety, Bizuayehu Bedane and Kazak Khardayev*

# Faculty News: Publications and Presentations 2012-2013

## Dr. Richard Grabowski

### Books:

▶ *Economic Development: A Regional, Institutional, and Historical Approach*, co-authored with Sharmistha Self and Michael Shields (Armonk, New York: M.E. Sharpe, Inc., 2007). This has been translated into Japanese and published in Japan. A second edition of this book was published in 2013.

### Journal Articles:

- ▶ "Women's Autonomy in Rural North India: Impact of Economic, Social, and Political Factors," *Journal of Economic Development* (Forthcoming).
- ▶ "Agricultural Distortions and Structural Change," *Journal of Asian Economics* 24(February 2013), pp.17-25.
- ▶ "The Politics of Rapid Growth," *Asian-Pacific Economic Literature* 26(November 2012), pp.29-40.
- ▶ "Implicit Taxation of Agriculture: The Cause of Development Failure in Egypt," *African Development Review* 24(June 2012), pp.183-193.
- ▶ "Son Preference, Autonomy, and Maternal Health in Rural India," with Sharmistha Self, *Oxford Development Studies* 40(September 2012), pp.305-323.
- ▶ "Agricultural Productivity and Industrialization," *Forum for Development Studies* (forthcoming).
- ▶ "The Formation of Growth Coalitions: The Role of the Rural Sector," *Journal of Institutional Economics* (forthcoming).

## Dr. Sajal Lahiri

### Chapters in Books:

- ▶ "Assimilating under Credit Constraints: Public Support for Private Efforts," forth-coming in: Gil S. Epstein and Ira N. Gang, eds., *Migration and Culture* (Frontiers of Economics and Globalization, Volume X), Emerald Publishers, London.
- ▶ "Conflict and Trade with Third-Party Intervention: A Stylized Model for Cyprus," forthcoming in Öner Günavdi, ed., *The Challenge of EU Enlargement: Northern Cyprus - Understanding a Small Island Economy in Isolation*, Nova Science Publishers, New York (with M. Özgür Kayalica).

### Journal Articles:

- ▶ "Peace Dividends in a Trade-theoretic Model of Conflict," in *Economics Bulletin*, 2012 (with Valerica Vlad)
- ▶ "Do Countries with Greater Credit Constraints Receive More Foreign Aid?" in *Federal Reserve Bank of St. Louis Review*, 2012 (with Subhayu Bandyopadhyay and Javed Younas)
- ▶ "On the Substitutability between Foreign Aid and International Credit," forthcoming in *Economics Letters* (with Subhayu Bandyopadhyay and Javed Younas)
- ▶ "Piecemeal Reform of Domestic Indirect Taxes toward Uniformity in the Presence of Pollution: with and without a Revenue Constraint," forthcoming in *Journal of Public Economic Theory* (with P. Hatzipanayotou and M.S.Michael)

## Dr. Subhash Sharma

### Journal Articles:

- ▶ "Sources of Real Exchange Rate Volatility in Africa: The Case of ECOWAS," *African Development Review*, 2012, Vol. 24, No. 1, 1-14 (with Assande Adom and AKM Morshed).

### Presentations:

- ▶ "Estimation of Random Components and Prediction in one- and Two- Way Error Component Regression Models," *Asian Meeting of Econometric Society*, New Delhi, December 2012 (with Anil Bera).



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