

The Marginalist

A PUBLICATION OF THE ECONOMICS STUDENT ASSOCIATION
Southern Illinois University, Department of Economics
2014 ISSUE

Letter from the Chair

Greetings from Carbondale!

This winter was the most severe and the longest in the Midwest and some other parts of the country and Southern Illinois was no different. This is the first time in 31 years that I noticed SIU Carbondale was closed three times in the winter due to severe weather conditions.

The Student Services Building in front of Faner (where the covered parking garage used to be) is now complete and all student support services such as the



Bursar's Office, Admissions Office, Graduate School and some other offices from Woody Hall have moved into this building (see page 2 for picture).

Regarding department news:

➤ Professor Richard Grabowski retired at the end of December 2013. It seems like just yesterday (Fall 1983) that Thomas Mitchell and I joined the Department as the junior-most faculty but now both of us are the senior-most in terms of number of years in the department.

➤ Professor Alison Watts received an NSF Grant with Dr. Xiangwei Zhou of the Department of Electrical and Computer Engineering in the amount of \$900,000 for three years for their project titled, "Efficient Temporal-spatial Spectrum Sharing Through Voluntary Exchange."

➤ Professor Sajal Lahiri and professor Alison Watts will both be on sabbatical during the 2014-15 academic year.

➤ The Tenth Annual Vandever Chair Public Lecture in Economics was given by Professor Alaka Basu, senior fellow—United

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Inside this Issue:

| | |
|-------------------------------|-----|
| Greeting from the Chair | 1 |
| Graduate Student News..... | 3-4 |
| Alumni Updates..... | 5-6 |
| Distinguished Alumnus | 6 |
| Faculty News | 7 |
| Vandever Speaker Series | 7-8 |

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Nations Foundation, Washington DC, and Professor Development Sociology at Cornell University. She is a social demographer and has published widely in the areas of reproductive health and family planning, gender and development, child health and mortality, and the context and politics of population policy. The lecture took place on March 25, 2014 at 6 p.m. in Guyon Auditorium in Morris Library. The title of her lecture was “Women’s Empowerment and Reproductive Health: Concepts and Evidence.” The lecture was well attended by many from outside of the Department of Economics. This and previous lectures are supported by Professor Sajal Lahiri, who holds the Vandevveer Chair in Economics.

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 16 computers in the lab are equipped with E-views, STATA, and SAS, along with other software and International Financial Statistics and World Bank data sets.

The students in the department greatly benefit every year from the Endowed Scholarships available to them. These scholarships are the Thomas and Chany Chung Scholarship, the Glenn W. and Cornelia Y. Miller Scholarship and the Garret A. and Susan J. Pierce Scholarship. We are very grateful to the individuals and alumni who have endowed these

scholarships. These scholarships have made a major impact on the lives of so many individuals.

During the 2013-14 academic year, the Department was fortunate to have an addition to its Scholarship funds. Mrs. Elizabeth Goyak, a 1943 graduate of SIU, established an “Elizabeth Goyak Endowed Scholarship” for Economics majors. The faculty, students and I are grateful to Mrs. Goyak for her generosity and commitment to our department and SIU Carbondale. Moreover, many of you have contributed quite generously and regularly to our Alumni Fund and I would like to sincerely thank you for your contributions. This money has been used to provide 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.

As part of our alumni outreach, I would appreciate it if you can update your information on the department web page by using the link:

cola.siu.edu/economics/alumni/index.php

I am always interested in hearing from you. Please feel free to contact me via email: sharma@siu.edu or by phone at 618/453-5082.

Subhash C. Sharma, Professor and Chair



SIU’s new signature building is designed to bring together the university’s key student services in one location to provide seamless, one-stop service. Students and visitors to the \$36.6 million building, paid for entirely with student fees, are welcomed by a four-story atrium entryway lit by a 45-foot, 6-inch fixture of color-changing orb pendants. The lobby is decorated with bright, abstract banners that incorporate images of SIU students and structures.

Currently in the building are the offices of undergraduate admissions, University College, financial aid, and the registrar and bursar. Other offices include the graduate school, transfer student services, university housing and the dean of students. (Saluki Times (news.siu.edu) “Media Advisory New Student Services Building”)

Graduate Student News

Academic Year 2012-2013 Ph.D. Graduates

Ms. Channary Khun Summer 2013
Ms. Huiqing Li Summer 2013
Mr. Sokchea Lim Summer 2013
Assistant Professor of Economics, John M. and Mary Jo Boler School of Business, John Carroll University, Cleveland OH
Ms. Yuqin Wang Summer 2013
Assistant Research Fellow, Institute for Advanced Research, Shanghai University of Finance and Economics, Shanghai, China.



Academic Year 2013-2014 Ph.D. Graduates

Mr. Suleman Abdiah Summer 2014
Mr. Ficawoyi (Charles) Donou-Adonsou Summer 2014
Mr. Hussein Elkamel Spring 2014
Instructor, Al-Jabel University, Al-Jabel Algarbi, Libya
Mr. Markum Reed Summer 2014
Associate Professor, Southeast University, Jiulonghu Campus, Nanjing, China
Mr. Gabriel Pino Saldias Fall 2013
Associate Professor, Faculty of Economics and Business, Universidad de Talca
Mr. Hyeon Joon Shin Summer 2014
Ms. Xu Xu Spring 2014
Assistant Professor, Southeast University, Jiulonghu Campus, Nanjing, China

Publications and Presentations 2013-2014

Mr. Ficawoyi (Charles) Donou-Adonsou

“Macroeconomic Effects of Banks and Microfinance: Evidence from Developing Countries,” paper presented at the **Missouri Valley Economic Association Meeting**, Kansas City, MO (October 2013)

“Growth Effect of Banks and Microfinance: Evidence from Developing Countries,” paper presented at the **Midwest Economic Association Meeting**, Evanston IL (March 2013)

Mr. Markum Reed

“Social Network Influence on Electoral Outcomes,” paper presented at the **Southern Economic Association Annual Meeting**, Tampa FL (November, 2013)

“Social Network Influence on Electoral Outcomes,” paper presented at the **Southern Political Science Association Meeting**, New Orleans, LA (January, 2014)

Mr. Hyeon Joon Shin

“Does Foreign Aid Discourage Trade Liberalization? A Theoretical Analysis,” paper presented at the **Missouri Valley Economic Association Meeting**, Kansas City MO (October 2013)

“Does Foreign Aid Discourage Trade Liberalization? A Theoretical Analysis,” paper presented at the **Midwest Economic Association Meeting**, Evanston IL (March 2013)

Mr. Ari Weiss

Publications: William P. Stodden and Ari B. Weiss. “Interests and Foreign Policy: The Cuban Revolution and US Response, 1959-1961,” **Foreign Policy Analysis** (forthcoming).

Conference Presentations: “A Network Theory of Revolution and International Conflict,” **Midwest Political Science Association Annual Meeting**, Chicago, IL (April 2014).

Mrs. Xu Xu

“The Linkage Between Foreign Direct Investment and International Migration,” paper presented at the **Missouri Valley Economic Association Meeting**, Kansas City MO (October, 2013)

“The Linkage Between Foreign Direct Investment and International Migration,” paper presented at the **Illinois Economics Association Meeting**, Chicago, IL (October, 2013)

Graduate Student News - Continued

Ari Weiss is headed to Kampala, Uganda this summer as an AidData Fellow

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Ari Weiss
B.S. Economics, 2012
M.S. Economics, 2014

Ari will explore how aid affects economic development in Africa. Ari will take his Master's degree in Economics from SIU this spring and then set off to see what he can learn from Big Data—in this case, geocoded aid information. He will also begin to satisfy a lifelong fascination with sub-Saharan Africa.

The Chicago native received the competitive award from the College of William and Mary, which has formed a partnership with Brigham Young University and Developmental Gateway to create the AidData Center for Developmental Policy. The Center is funded by USAID's Higher Education Solutions Network. Through geocoding, using information gleaned from GIS, Weiss hopes to examine how aid is affecting growth by the pattern of changes made visible by use of this extraordinary spatial lens.

This is not Weiss's first immersion in Big Data, either. He devoted the summer of 2012 to helping map drug routes through South America into the U.S. using geocoding under the aegis of START, the National Consortium for the Study of Terrorism and Responses to Terrorism. The data, which was amassed from sources such as arrest records and news articles, enabled him sometimes to pinpoint exact intersections

used by smugglers on the previously opaque route.

Long interested in mathematical methods and statistics, Ari is looking forward to finding out how facts on the ground affect economic data. "Especially," he says, "what I'd like to do is put a human face on the data." As an economist, Ari understands himself first and foremost as a social scientist. He notes that there are many applications for GIS that disciplines across the social sciences can utilize.

Weiss took his undergraduate degree from the College as well, double-majoring in political science and economics. His master's thesis, which he wrote under Professor Alison Watts, deals with the relationship between revolution and international conflict. He has also served as a teaching assistant during his time in the master's program. Holding a teaching assistantship made him realize how large and diverse the discipline of economics really is, and also—he says with a smile—served to acquaint him with early morning and late night. Future plans are to return to a degree program for a Ph.D. in economics or political science, but first, a little experience in the world.



"...what I'd like to do is put a human face on the data."

Alumni Update - Dr. Jinshan Jim Zheng

My name is Jinshan Jim Zheng. I graduated from SIU Carbondale with a Ph.D. in Economics in 1996. My dissertation title was “An Investigation of the Short and Long Run Relationship between Stock Return and Inflation”. Professor Subhash Sharma was my advisor. My research interest was to pursue a professional career in the financial industry.

Currently, I am working at Bank of America as a Senior Vice President/Risk Analyst Sr. Manager in the reporting and analysis group at the Enterprise Risk organization. I lead a team of Sr. Quantitative Associates and Sr. Risk Management Analysts to support corporate credit risk reporting and allowance for loan and lease loss. The main responsibility is to conduct credit risk analysis for Bank of America’s consumer and commercial loans. I have been in my current role since Dec. 2008.

Prior to that, I held a position as a Senior Vice President/Business Insight Group Leader at the Card and Payment Solution Group in Wachovia Bank (Now Wells Fargo Bank). I led a team of analysts to support analytics for both Debit and Credit Card transactions and portfolio analysis. The main responsibility was to conduct analysis and provide portfolio reporting and business insight for decision support to grow card services and payment services at Wachovia Bank.

The knowledge I gained from my graduate studies at SIU Carbondale prepared me well for challenges in my career at the private sectors. I started my career with Sprint as a Sr. Modeler in 1995. I applied the logistic regression analysis from Econometrics classes to develop predictive models of customer churn behavior, and used the experimental design to conduct analytic design for the test markets to assess the financial performance of marketing programs. During my early career as a risk analyst with Citibank in the financial industry in 1998, I conducted CHAID analysis and applied the decision tree model to analyze customer behavior in the early delinquency stage.

The fundamental and advanced micro and macro economics as well as mathematic economics classes at SIU Carbondale established foundation for me to advance in my career as a Sr. Risk Analyst in Bank of America in 2004. I was able to apply micros, and macro economics theory, as well as simultaneous equations analysis in my job to conduct simulations for the Enterprise Stress Testing under different economic scenarios. The training at SIU Carbondale enabled me to excel throughout my career. I really appreciate many professors (Professors: Richard Grabowski, Thomas Mitchell, Daniel Primont, Subhash Sharma, and Paul Trescott to name a few) in the Economics Department at SIU Carbondale for their dedication to education, and their guidance and counseling, as well as their profound economics thoughts and thinking, new ideas on academic research papers, and knowledge transferred to the graduate students to prepare them for both academic and professional careers.

Advice for students

Career advancement is a continuous learning process. The learning from higher education provides a foundation and gives us tools to start a professional career. To advance in one’s career, you must keep learning and work hard.

Alumni Update - Dr. Mahelet G. Fikru

Dr. Mahelet G. Fikru is an Assistant Professor of Economics at Missouri University of Science and Technology (MST). She received her Doctorate of Philosophy in Economics from SIU Carbondale in 2011 with specializations in Environmental Economics and Industrial Organization. Dr. Sajal Lahiri was her dissertation chair and she has co-authored one paper with him.

At MST she teaches environmental and natural resource economics, cost-benefits analysis and principles of microeconomics. She has authored several journal publications and received the prestigious University of Missouri Research Board Grant Award. Her research seeks to understand the complex relationship between environmental policies, environmental performance and strategic decision-making of firms in different market structures and industries.

Advice for students:

Start thinking about your dissertation and research project early. What matters most in the job market is your research skills and how well you can present your research output. As a student, attending conferences really helped me to think seriously about my research output. In addition, conferences create a great opportunity to see what other people in your field are doing. What helped me most of all to succeed in my research was regularly meeting with my dissertation chair and learning from his enormous research experience.

Distinguished Alumnus - Mr. Nick Calamos

Southern Illinois University Carbondale honored four prominent graduates as 2014 SIU Distinguished Alumni Award recipients. A public ceremony and reception was held at 3:30 p.m. Friday, April 25 at the John C. Guyon Auditorium in Morris Library.

The awards from the SIU Alumni Association honor career achievement, cultural impact, humanitarian efforts, and young alumni achievement. Individuals were selected for the honor they bring to the university through outstanding accomplishments within each award category.

The Award for Career Achievement went to Nick Calamos, Class of 1983, Department of Economics.

Calamos was previously president of investments and co-chief investment officer at Calamos Asset Management Inc. and former president of Calamos Investments. He was responsible for research and portfolio management for the firm's family of mutual funds, closed-end-funds and separately managed accounts, totaling more than \$45 billion in assets.

Leading the development of the firm's proprietary

research tools and investment processes for a team of more than 50 professionals, Calamos served as a portfolio manager of equities, high yield bonds, convertible securities and alternative investments. During his tenure, many of the firm's mutual funds have received accolades, including more than 30 Lipper Performance Achievement Certificates and the No. 1 designation for 10-year performance for the Calamos Convertible Fund, Calamos Growth and Income Fund, Calamos Market Neutral Income Fund and Calamos Growth Fund. The Calamos Growth Fund was named the No. 1 fund in the Forbes honor roll for three years in a row beginning in 2005, and the Calamos Growth and Income Fund earned the "Standard & Poor's/Business Week" Excellence in Fund Management Award in both 2003 and 2004.

A chartered financial analyst, Calamos is author of the 2003 book "Convertible Arbitrage: Insights and Techniques for Successful Hedging." The book has been used as a textbook in investment management curricula. Calamos has been quoted in The Wall Street Journal, Barron's, Fortune, Business Week, and Pensions & Investments and regularly appears on CNBC, Kudlow & Company and Bloomberg TV.

Faculty News: Accomplishments in 2013-2014

Dr. Chifeng Dai

➤ "When Oceans Attack: Assessing the Impact of Hurricanes on Localized Taxable Sales," *Annals of Regional Science*, forthcoming (with Ariel Belasen).

Dr. Sajal Lahiri

➤ Appointed an Associate Fellow and a member of Council of Fellows of the Institute of Development and Economic Alternatives (IDEAS), Pakistan.

➤ Continuing as a member of the Advisory Council of the Institute of Social and Economic Research, Osaka University, Japan.

➤ Gave a public lecture (Controversies in International Trade) at the Austin Robinson Economics Society, Sidney Sussex College, University of Cambridge, England on 12 March, 2014.

➤ "Do people really support trade restrictions? Cross-country evidence," *The Journal of International Trade & Economic Development: An International and Comparative Review*, January 2014 On-line (with Channary Khun and Sokchea Lim).

Dr. Alison Watts

➤ Grant Awarded: "Efficient Temporal-Spatial Sharing through Voluntary Exchange", Xiangwei Zhou and Alison Watts (Co-PIs), NSF (SES 1343380), award of \$896,629 for 9/15/2013 to 8/31/2017

➤ "The Influence of Social Networks and Homophily on Correct Voting", forthcoming in *Network Science*, Draft Date: December 2013

"Fund-Raising Games Played on a Network," *ISRN Economics*, vol. 2013, Article ID 298595, 10 pages, 2013. DOI: 10.1155/2013/298595.

➤ "The Evolution of Social and Economic Networks" (with M.O. Jackson) reprinted in *Economic Analyses of Social Networks, Volume I: Theory* edited by M.O. Jackson and Y. Zenou, Edward Elgar Publishing, 2013

➤ "On the Formation of Interaction Networks in Social Coordination Games," (with M.O. Jackson), reprinted in *Economic Analyses of Social Networks, Volume I: Theory* edited by M.O. Jackson and Y. Zenou, Edward Elgar Publishing, 2013.

10th Annual Vandever Chair Public Lecture in Economics

Wednesday, March 26, 2014, 6 p.m., Guyon Auditorium, Morris Library

Speaker: Professor Alaka Basu, Cornell University

Topic: Women's Empowerment and Reproductive Health Concepts and Evidence

Alaka Basu is a social demographer and has published widely in the areas of reproductive health and family planning, gender and development, child health and mortality, and the context and politics of population policy. She has served on the governing boards of the Population Association of America (PAA), the International Union for the Scientific Study of Population (IUSSP) and the Population Council in New York. She served for six years as the Director of the South Asia Program at Cornell University. She has also taught at Jawaharlal Nehru University (JNU) in Delhi and at the Harvard School of Public Health.

Vandever Chair Speaker Series, Fall 2013

Thursday, September 12, 5 p.m., Shryock Auditorium

Public Lecture by Professor Deirdre McCloskey, Distinguished Professor of Economics, History, English, and Communication, University of Illinois at Chicago

Topic: The Great Enrichment, 1800 to the Present, and What It Means for Economics and Politics

(This event is being jointly funded with the Leys Lecture Fund for Ethics and Public Policy, Department of Philosophy, SIU Carbondale)

Friday, October 4, 3 p.m. in Faner 4135

Speaker: Professor Sajal Lahiri, Southern Illinois University Carbondale

Topic: Potential Pareto-improving Move towards Most Favored Nation Tariffs

Friday, October 11, 3 p.m. in Faner 4135

Speaker: Professor A.K.M. Mahbub Morshed, Southern Illinois University Carbondale

Topic: The Effects of Cash versus In-Kind Transfers on Real Wage

Friday, October 18, 3 p.m. in Faner 4135

Speaker: Professor Claudia Rei, Vanderbilt University

Topic: Turning points in leadership: shipping technology in the Portuguese and Dutch merchant empires

Friday, October 25, 3 p.m. in Faner 4135

Speaker: Professor Yongseok Shin, Federal Reserve Bank of St. Louis and Washington University

Topic: The Option Value of Human Capital