

ECONOMICS UPDATE

A NEWSLETTER FOR ALUMNI AND FRIENDS OF UBC ECONOMICS

Issue 1 Summer 2011



Missing Women and the Economics of Discrimination

CREDIT: FLICKR / CHEF COOKE

Siwan Anderson finds that female mortality at birth does not account for the numbers of missing women worldwide

BY LARA KORDIC

Mention the term “missing women,” and most Vancouverites will immediately think of the women who disappeared from the Downtown Eastside. For the past decade, the faces of these women have frequently stared up at us from the pages of our newspapers and temporarily shaken our faith in the stability of our just society—that is, until we turned the page and read about some humanitarian disaster in a distant, impoverished country. Rarely have we connected the two stories.

In the developing world, missing women are not confined to specifically disadvantaged neighbourhoods or socio-economic backgrounds. Rather, they occupy all age groups and social classes. The only factor that unites them is the fundamental injustice surrounding their deaths: the fact that many would be alive today had they been born male.

“Missing women,” in the global sense of the term, refers to the strikingly low ratio of women to men in parts of the developing world. In 1990, Nobel Prize-winning economist Amartya Sen studied the populations of India and China and estimated that as many as 100 million women throughout the developing world who should be alive, based on the mortality rates of their male counterparts, were, in fact, dead. For the next two decades, researchers assumed that this discrepancy could be explained by certain cultures’ preference for boy children, leading to the death of females before or shortly after birth.

Then, in 2010, UBC economics professor Siwan Anderson teamed up with Debraj Ray of New York University to release a groundbreaking study that would expand on, and partially contradict, Sen’s hypothesis.

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ECONOMICS UPDATE

Issue 1 Summer 2011

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Welcome

BY DAVID GREEN, DEPARTMENT HEAD

Welcome to the inaugural newsletter for the UBC Economics department! There are some very exciting developments going on at UBC Econ, and we want to share them with you, our alumni. We are interested in establishing tighter links with our alumni in the hopes that you are interested in what is happening here, but more importantly because we believe there could be real mutual benefits from forming tighter connections between current and past students. Beyond that, the faculty are always interested in hearing what the people we had the privilege to teach are doing now.

Our goal is to establish connections that will provide you with contacts to promising future graduates (through the expansion of initiatives like Career Night and the Tri-Mentoring Program discussed in this newsletter) and to initiate roundtable lunches with faculty, alumni, and students to talk about important current economic issues. All of this starts with us reaching out to you to establish the connections, and this newsletter is a first step in that direction.

So, what is going on at UBC Econ? This newsletter profiles some of our faculty members, discusses our research, tells you about our new hires, and lists some of our recent events and awards. The department hasn't changed much in terms of the number of faculty over the last decade or so, but we have expanded our course offerings to bring in more classes that help students see the real-world value of economics at an earlier stage of their undergraduate careers. At the same time, we have maintained our strong research performance; recent surveys have ranked us as the top economics department in Canada. This is a reflection of the high-quality work being done both by the "old guard" (whose names you might recognize from your time at UBC) and by our exciting new hires.



DAVID GREEN
CREDIT: MAURICIO DRELICHMAN

Our next goal is to build on this success—to expand the programs we offer and increase the number of faculty members. We are working on introducing a Bachelor of International Economics in co-operation with the Sauder School of Business and, at the same time, expanding our course offerings for all students at both the graduate and undergraduate level. The vehicle for this change is a proposal to re-invent the economics department as a School of Economics, housed within the Faculty of Arts, with strengthened ties to our colleagues in Sauder. We believe being a School of Economics will allow us to improve visibility for our students, alumni, and faculty.

I would be remiss if I didn't say thank you to Henry Siu, who is primarily responsible for putting this newsletter together, and to Kevin Milligan, Mauricio Drelichman, and Amartya Lahiri, who worked on the newsletter committee. I hope you will agree that what they have created is an effective first step in developing stronger ties with our alumni. We would be very interested to hear your thoughts both on the newsletter itself and on how to strengthen alumni connections in general.

If you have any comments or feedback, please email us at econ.alumni@ubc.ca.

The Census Crisis of 2010

From statistical benchmark to statistical bias, Census data degrades

BY KEVIN MILLIGAN

Last summer, the Canadian Census leapt to the top of the news. The “Census crisis” of 2010 ultimately led to the resignation of Chief Statistician Munir Sheikh, due to disagreements between the federal cabinet and Statistics Canada on sound statistical methodology. While we economics-data junkies can get passionate in the seminar room, few expected to see such prominent debates in the mainstream media about the construction and use of data. UBC economists played a leading role in this debate, ranging from participation on the National Statistics Council (John Helliwell and Thomas Lemieux), to offering expertise on statistical methodology to traditional media (David Green), to reacting even more directly in new media such as blogs and Twitter (Kevin Milligan). What led to the Census crisis and what are its implications for Canadians? I offer here an overview of what happened, why it matters, and how we can move forward.

The Census has a long history in Canada, dating back to the year 1666. For the last forty years, it has taken the shape of a “short form” filled in by all households, and a “long form” filled in by a random 20 percent of households. The short form is useful for population and gender counts, whereas the long form contains a depth of information on incomes, education, families, immigration, and housing. Both of these forms have been mandatory by force of law, which helped ensure a representative sample. Since we do a Census every five years in Canada, this means that on average Canadians have to complete a “long form” once every 25 years. From its earliest days, the Census has acted as the ultimate statistical benchmark in our society. Such a benchmark is vital for assessing and correcting the representativeness of every other data source used in Canada.

Last July, the federal government announced a substantial change for the 2011 Census. The long-form Census



KEVIN MILLIGAN
CREDIT: MARTIN DEE

was cancelled and replaced with a new National Household Survey. While the questionnaire for the new survey will vary only slightly from the old long-form Census, there are two critical differences. First, the sample size will be increased to one-third of Canadian households, compared with 20 percent for the long-form Census. Second, the completion of the new Survey will be voluntary rather than mandatory.

“...it is unfortunately quite likely that the 2011 National Household Survey will suffer from statistical bias, which will limit the survey’s usefulness.”

While no one can be sure of the results of this new Census framework, any good economist knows to base a prediction on inferences from available knowledge. Our vast experience with voluntary surveys suggests two things. First, the number of households that respond to a voluntary survey will be much lower. For example,



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The Eurozone Crisis

Over-borrowing, bailouts, and huge external debts — how did it happen?

BY MICHAEL DEVEREUX

Over the past year, one of the major international news stories has been the Eurozone debt crisis. A group of member countries in the Eurozone have found themselves in fiscal difficulty, saddled with huge government deficits and unsustainable levels of sovereign debt. When debt and deficits reach a critical level, the risk of default becomes so high that markets are unwilling to lend to governments except at punitive rates. This is what has happened to Greece, Portugal, and Ireland in the last 12 months. In each case, a large “bailout” loan was negotiated between the national governments and the IMF, together with the European Union. These loans were given under strict conditions that the governments undergo sharp fiscal retrenchment by raising taxes and cutting spending.

“In principle, these bailouts should have restored market confidence and put the countries on a path towards recovery.”

In principle, these bailouts should have restored market confidence and put the countries on a path towards recovery. But it is very uncertain whether Ireland and Greece can stick to the agreements, and interest rates on government debt suggest that markets are still factoring in a large chance of default.

How did this crisis appear, and why did it start in the Eurozone? Answering this requires explanation of the European single-currency area. In almost all other currency unions (areas over which a single currency has legal tender), there is a single central bank, a single central government responsible for fiscal policy, and a single institution regulating banks and other financial institutions (usually the central

bank). This is not the case in the Eurozone. While there is a single central bank—the European Central Bank (ECB)—there are 15 separate national governments, each with their own sovereign tax and spending authority. In addition, regulating private banks and ensuring financial stability is the task of national authorities, not the ECB.

It has long been recognized that having independent national fiscal authorities might present a threat to the Eurozone. Without centralized controls on budget deficits, any single country would have an incentive to over-issue debt, and hope that it would be rescued by the ECB in times of trouble. To prevent this, the original rules of entry to Eurozone membership encompassed the Stability and Growth Pact, which put limits on a nation's debt and deficits. Unfortunately, this pact was never adequately enforced, and even ignored in some of the pillar countries, including Germany and France. To make matters worse, little progress was made regarding coordinated banking regulation.

Given these two areas of vulnerability, it is easier to see how the Eurozone crisis unfolded. Prior to Eurozone membership, risky countries faced high world interest rates; but after entry to the Eurozone they were able to borrow at rates similar to those offered to the German government. Without effective controls on fiscal policy, excessive government borrowing ensued—especially in Greece, where for a number of years fiscal statements were actually falsified to hide the country's over-borrowing.

Not all the over-borrowing was associated with the public sector. In Ireland and Portugal, there were huge housing bubbles, fuelled by very low Eurozone interest rates and sustained by bank lending financed by inflows of capital from other countries. In the Irish case, a few banks borrowed massively to finance real estate investments. National financial regulators were completely unaware of the scale



MICHAEL DEVEREUX
CREDIT: MAURICIO DREICHMAN

of the leverage and risk. The banks' loan portfolios ballooned to about 100 percent of GDP and were almost entirely financed by external borrowing. When the real estate bubble burst in 2008, the whole Irish banking system became effectively insolvent. The Irish government stepped in and, without a clear picture of the scale of the problem, issued a blanket guarantee for all bank liabilities. Thus, all the private borrowing that Irish banks had undertaken became government debt overnight. By late 2010, the Irish government was forced to request a bailout from the IMF and the EU.

In the last few months, a similar message has come from Portugal. Having failed to agree on a program for fiscal retrenchment with all parties, the Portuguese government has formally requested a bailout.

None of these bailouts have solved the problem. In all cases, the countries are still responsible for repaying huge external debts. This is especially egregious in the case of Ireland, where private financial institutions incurred the debts, yet Irish taxpayers are being forced to repay them. While the EU and the ECB put on a brave face regarding the sustainability of the bailout agreements, current market interest rates tell a different story. There is

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New and Noteworthy

DEPARTMENT WELCOMES TWO NEW MEMBERS

We were pleased to welcome assistant professors Florian Hoffmann and Yaniv Yedid-Levi to our department in the 2010/11 academic year. Florian received his PhD from the University of Toronto; his primary research interests are in labour economics, macroeconomics, and applied econometrics. Yaniv obtained his PhD from Stanford University and does research in the fields of macroeconomics and international economics.

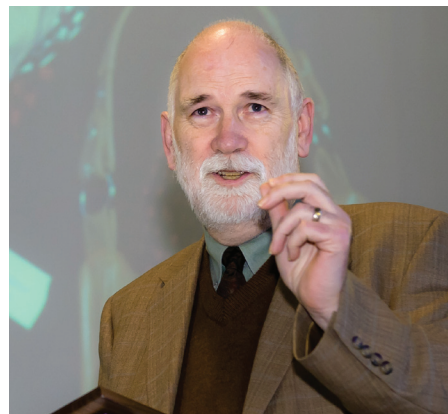


ABOVE: FLORIAN HOFFMANN
BELOW: YANIV YEDID-LEVI
CREDIT: MAURICIO DRELICHMAN



HUGH NEARY WINS FULTON AWARD

Professor Hugh Neary received the 2010/11 Margaret Fulton Award, recognizing exemplary contribution to student development and the university community. Hugh won the award in honour of his tireless dedication and efforts as Chair of Undergraduate Studies in the economics department, a role he has fulfilled since 1991.



ABOVE: HUGH NEARY
BELOW: ADDRESSING POVERTY, ECON 317

PUTTING KNOWLEDGE TO WORK IN ADDRESSING POVERTY

In April, students from Professor Catherine Douglas's ECON 317 class—*Poverty and Inequality*—gathered with community partners, as well as Faculty of Arts and UBC Development staff, in the Downtown Eastside of Vancouver to present the results of their Community Service Learning projects.

Linking academic knowledge about poverty to the needs of the community, students collaborated with four organizations (Frog Hollow Neighbourhood House, Lotus Outreach International, Trans-Himalayan Aid Society, and Canadian Centre for Policy Alternatives). The event celebrated student achievements and provided an opportunity to explore different ways that academia and community can work together to address complex social issues.



MICHAEL DEVEREUX AWARDED JOHN RAE PRIZE

Professor Michael Devereux is the recipient of the 2010 John Rae Prize, the top award given by the Canadian Economics Association. The prize is awarded biennially to the Canadian economist with the best recent research record in the past five years. Of the 11 John Rae Prize winners, five are

on faculty at UBC: Thomas Lemieux won the prize in 1998, Mike Peters in 2002, Li Hao in 2006, and Paul Beaudry in 2008.

THOMAS LEMIEUX ELECTED FELLOW OF THE ROYAL SOCIETY OF CANADA

Professor Thomas Lemieux has been elected Fellow of the Royal Society of Canada, the country's highest academic accolade for scientists and scholars in the arts and sciences. Thomas joins previously awarded UBC economists Paul Beaudry, Erwin Diewert, and John Helliwell.

Alumni Notes



Kevin Selch (MA, 2004) accepted a position as a trade economist with Industry Canada in Ottawa shortly after graduating from the Master's program.

In this role, he consulted industry stakeholders, developed analytical products to support Canadian trade negotiations, and negotiated with foreign counterparts. He had the opportunity to travel extensively, most often to Geneva, leading up to the WTO Doha Round Ministerial meetings in 2008.

Presently, Kevin is serving as the Senior Policy Advisor to the Assistant Deputy Minister of Strategic Policy at Industry Canada. He is responsible for a broad range of microeconomic policies, such as internal trade, intellectual property, insolvency, investment, and telecommunications.

Outside of work, Kevin has found the time to renovate and restore a Victorian house in the historic ByWard Market area of Ottawa. Compared with Vancouver, Kevin says, "Ottawa winters, just like those [I grew up with] in Winnipeg, take some getting used to again, but I feel privileged to work on interesting files that are often in the headlines. It is a thrill to live at the centre of national politics, and after several years in Ottawa I still enjoy seeing the Parliament buildings and Langevin Block on my walk to work."

After earning his economics degree, **Yohan Choi** (BA, 2002) returned to UBC to receive a BA in International Relations in 2003 and a diploma in Accounting in 2004. In 2008, Yohan obtained his Chartered Accountant designation and is currently working with Meyers Norris Penny LLP, a public practice firm focusing on assurance and tax services for small- to medium-sized companies. In his spare time, he heads for the golf course to take advantage of the great B.C. weather. Speaking about his choice to study

economics, Yohan says "I took ECON 101 with Mr. Gateman purely as an elective. I didn't know I had an appetite for economics, as I was enrolled in the Faculty of Science. But I loved his class so much that I decided to switch to Arts and ended up majoring in Econ... no regrets!"

Andrea Wenham (BA, 2002; MA, 2003) became interested in economics when a unionization drive at the coffee shop she was working at got her thinking about labour relations. She is currently working at Agriculture and Agri-Food Canada as a Senior Trade Policy Analyst. In this role, she supports Canadian agricultural exporters when they encounter market access difficulties. This involves analyzing the regulatory frameworks of importing countries and working with colleagues in other federal government departments to advocate on behalf of Canadian exporters to foreign government officials.

Outside of work, Andrea enjoys running along the scenic Rideau Canal, taking advantage of all of the museums and galleries in our nation's capital, and baking and decorating cupcakes to look like scary monsters. Describing some of her fondest memories at UBC, Andrea recalls "breaking into a mini-keg with my MA classmates at 1:00am following a typical marathon study session! Other highlights include running the Vancouver Sun Run with team 'Herd Behaviour' and breaking out the moves on the dance floor at the undergrad Economics Association year-end dinner."



Matthew Coady (BA, Honours, 2009) went to work for the Bank of Canada in the Canadian Projection and Policy Analysis Group after receiving his BA. His primary responsibility was in the production of the Monetary Policy Report and development of the Bank's macroeconomic model used for medium- and long-term

forecasting. During his time at the bank, he maintained working ties with his family's architecture practice and became interested in building efficiency and LEED (Leadership in Energy and Environmental Design) Green Building technology.

Matt is currently completing his MSc in Finance at the London School of Economics, specializing in Private Equity. He sees this degree as an opportunity to marry his interests in finance and environmental sustainability issues and intends to pursue work in the field of "cleantech" venture capital. With respect to his time in London, Matt says, "It's an awesome city, but the pace is going to kill me. There's always an event or party or something going on."

Do you want to share your story with your fellow alumni? Drop us a line and fill us in on your family, career, interests, and accomplishments.

Don't forget to include a photo!

Contact us:
econ.alumni@ubc.ca

Alumni Profile

Michelle Walkey, BA (Honours), 1997

Economics Update recently caught up with Michelle on life after UBC and where her Econ degree has taken her.

What other degrees have you received?

MA in Economics, University of Toronto.

What are you doing now, work-wise?

Currently, I'm a senior vice president for Vision Critical, a market research and technology company. Concentrating on consumer strategy research early on in my career, I have spent the past six years focusing on financial services research.

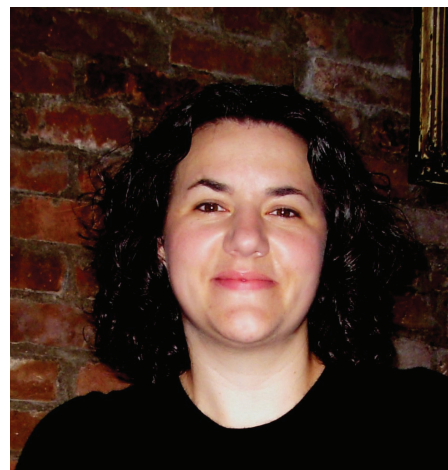
Can you provide a brief description of what that work entails?

Working with banks, investment firms, and other financial institutions, I conduct market-research focused on product/service development and optimization,

market assessments, and brand strategy and positioning. In essence, I provide strategic recommendations for business questions, such as what products to develop, what those products should look like, how brands should be positioned in the market, and who the consumers are.

How has your economics training proved useful to you in your work life?

Certainly the econometric aspect has come in handy, as I am always leveraging advanced analytics such as complex choice modelling, segmentations, and regressions to unearth insights and provide recommendations. However, what has proved to be most useful to me is not just the details of economic theory, but the processes and approaches you learn in economics in order to tackle it. A big part of what I do each day is designing approaches and



methodologies to answer questions; you need to start very structured and then work away at it, evolving it, to allow for real-world behaviour. In the end, you are

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<< "EUROZONE" FROM PAGE 4

a widespread belief that the final outcome will be outright default, with the countries repaying their creditors only a fraction of the original promised amounts.

What this will imply for the Eurozone and the future of the euro is uncertain. While a breakup of the Eurozone seems implausible, we could see countries that default on their loans being put on probation, given only restricted access to ECB reserve guarantees, or being prevented from issuing Euro-denominated debt.

The final question we might ask is why these risky countries and financial institutions were able to borrow at such low rates? Why was the Greek government borrowing at the same rate as the French and the Germans? Surely investors could see beyond the simple fact of common currency and realize that the repayment risk varied greatly across national borders. After all, in the United States and Canada, states and provinces have to pay higher interest rates than the federal government because they

are seen as having higher credit risk. Why would the same principle not apply in the Eurozone?

"There is a widespread belief that the final outcome will be outright default, with the countries repaying their creditors only a fraction of the original promised amounts."

There is no clear answer to this question. But one factor that played a role is *moral hazard*. Creditors, lending to risky sovereigns like Greece or over-leveraged banks in Ireland, may have believed that the umbrella of the Eurozone and the ECB would protect them. They perhaps suspected that their investments were not all that risky: in the event of a collapse the

EU and the ECB would act to protect the integrity of the euro, guaranteeing that no lenders would lose money. If this was the conjecture of the lenders that financed speculative investments in the European periphery countries, so far their beliefs have been proven correct. Whether those bets continue to pay off in the future remains to be seen.

Michael Devereux is a professor, a Research Associate with the National Bureau of Economic Research, Cambridge, MA, a Research Fellow of the Centre for Economic Policy Research, London, UK, and a Bank of Canada Research Fellow.

The Research Digest

Brief summaries of research by UBC economists

BY KEVIN FUNG (MA, 2011)

SPILL-OVERS FROM GOOD JOBS

**Paul Beaudry,
David A. Green,
and Benjamin Sand**

Does the loss of “good jobs,” such as those in well-paid manufacturing or head-office operations, matter for a city’s overall economy?

Most economists are doubtful because such jobs represent a small proportion of local employment. However, if the impact of good jobs spills over into other unrelated industries, then these jobs might be more important than economists have traditionally thought.

In a new working paper by Paul Beaudry, David Green, and Ben Sand, the impact of good jobs on overall city-level wages is studied. Using U.S. Census data from 152 cities over the period of 1970 to 2000, the researchers find that changes in industrial composition have substantial spill-over effects that are much larger and more persistent than those calculated using standard approaches. For example, in the 1970s the decline of Pittsburgh’s steel industry meant that about 10 percent of total jobs, each paying a 20 percent premium relative to other industries, vanished. However, local wages did not drop by 2 percent (as you might expect in the case of a 10 percent job loss with a 20 percent premium); they dropped by 6 to 7 percent, implying substantial spill-over from the “good” steel industry jobs into other sectors.

These findings suggest that when evaluating policies that affect industrial composition, one should take account of the possibility of spill-over from “good jobs” into other sectors of the economy.

OTHER- REGARDING PREFERENCES: OUTCOMES, INTENTIONS, OR INTERDEPENDENCE?

**Yoram Halevy
and Michael Peters**

Traditionally, economists have modelled choices as coming from “selfish” preferences—those derived from people caring only about what happens to them. However, there is a lot of evidence to suggest that people do take others into account when making their choices.

In the past twenty years, economic thinking has evolved to incorporate these “other-regarding” preferences into our modelling. A recent paper by Yoram Halevy and Michael Peters pushes this research further by distinguishing between three reasons why people might have other-regarding preferences. People might care about the final *outcomes* of all parties involved, the *intention* of others to share or reciprocate, or the *type* of people they are interacting with.

Halevy and Peters conducted a laboratory experiment using 52 UBC undergraduates, in which they played a bargaining game designed to elicit evidence on the motivations for other-regarding preferences. The game involved splitting \$60 between two players, with one player offering a sharing rule and the other player accepting or rejecting it. By artificially placing a cap on the offers, Halevy and Peters found that offers were lower, but acceptance probabilities were higher. If *outcomes* mattered, the cap shouldn’t have had much effect on offers. If *intentions* mattered, the cap should have lowered acceptance probabilities. They conclude the evidence most strongly supports the *type* hypothesis.

These findings have widespread implications for any part of the economy that depends on bargaining with caps, such as wage negotiations in the presence of minimum wages.

LENDING TO THE BORROWER FROM HELL: DEBT AND DEFAULT IN THE AGE OF PHILIP II

**Mauricio Drelichman
and Hans-Joachim Voth**

The impact of the 2008–2009 financial crisis still reverberates throughout the global economy today. One important development has been fear of sovereign debt defaults by countries such as Portugal, Ireland, Greece, and Spain.

Economic historians offer a variety of explanations for sustained sovereign borrowing, despite occasional defaults, in past centuries. Some argue that the existence of punishment mechanisms make it necessary for governments to repay their debts. Others argue that reputation and gains from repeated interaction are vital, while still others focus on coordination and enforcement of lending moratoria among lenders that allow for sovereign borrowing.

UBC economist Mauricio Drelichman and his co-author, Hans-Joachim Voth, examine sovereign borrowing during the reign of Philip II of Spain in an article forthcoming in the *Economic Journal*. They use a dataset of 438 lending contracts signed between the king and his bankers between 1566 and 1600. These data are the result from meticulous archival work by the authors, who conducted their research on location in the archives of the Spanish monarchy.

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MACROECONOMICS CONFERENCE IN VANCOUVER THIS FALL

The department of economics will be hosting the 2011 Canadian Macroeconomics Study Group Meeting in early November. This is the 25th annual meeting of the CMSG, bringing together top macroeconomic researchers from around the world. In the past year, our department has also hosted the 2011 Canadian Economic Theory Conference in May, the 2011 Society of Labor Economists Meeting in April, and the 2010 Canadian Econometrics Study Group Meeting in October.

ERWIN DIEWERT'S ACHIEVEMENTS HONOURED

A special issue of the journal *Review of Income and Wealth* in 2010 honours Professor Erwin Diewert's contributions

in the area of index numbers and the measurement of inflation and exchange rates. The special issue is a follow-up to the 2008 World Congress on National Accounts and Economic Performance Measures for Nations, where Erwin, as well as Dale Jorgensen of Harvard University, were honoured.

PAUL BEAUDRY AWARDED BANK OF CANADA RESEARCH FELLOWSHIP

Professor Paul Beaudry has been awarded a Bank of Canada Research Fellowship in recognition of his macroeconomics research. This is Paul's second term as a Bank of Canada Fellow, having received the same distinction in 2005. Of the research prizes awarded by the Bank of Canada, a disproportionate number are to UBC macroeconomists: Michael Devereux won the inaugural Research

Fellowship in 2003 and was renewed in 2008, and Henry Siu won the inaugural Governor's Award in 2008.

HIROYUKI KASAHARA WINS 2010 ZELLNER AWARD

Professor Hiroyuki Kasahara and his co-author, Katsumi Shimotsu, have won the 2010 Zellner Award, given biennially for the most significant theoretical paper published in the *Journal of Econometrics* in the past two years.

<< "CENSUS" FROM PAGE 3

the main survey on consumption behaviour in Canada, released in 2008, had only a 63 percent response rate. Second, those who choose whether to respond to the survey are not random. As UBC economics professor David Green has shown in his research, income reports among the most disadvantaged populations can be off by a factor of two when a voluntary survey is used instead of the Census. Thus, it is unfortunately quite likely that the 2011 National Household Survey will suffer from statistical bias, which will limit the survey's usefulness.

The implications of degraded Census data are spread throughout the economy. Those who work directly with Census data will clearly suffer from lower-quality data. These users range from local school boards deciding on the location of a new school to a high-end clothing boutique assessing neighbourhood incomes when devising its expansion plans. But, ubiquitously and subtly, the Census matters far more than just these direct uses because of its role as the ultimate benchmark. For example, the

Bank of Canada relies on inflation and labour market indicators that depend on the Census for proper benchmarking. Market research firms also need Census data to ensure the accuracy of their samples. While it is not possible to quantify the magnitude of the impact of lower-quality data in terms of dollars or GDP, we can be fairly sure that the impact will be negative rather than positive.

As we move past the troubled 2011 Census, what happens next? Technological improvements are changing data collection and manipulation—new possibilities emerge almost daily. Moreover, society's views on the right balance between citizens' rights to privacy and obligations to government may have evolved. It is good to question whether old ways still work today. For example, the United Kingdom, too, has announced a review of its Census—but changes in that country will not be implemented until 2021. This gives the U.K. adequate time to plan, study, and design a sound alternative to the traditional Census. It is unfortunate that the

hasty Census changes announced by the Government of Canada in the summer of 2010 gave no time for a similar process. Approaching the Canadian Census of 2016, I hope we will consider carefully how best to meet today's needs with a Census methodology that is statistically sound.

Kevin Milligan is an associate professor and a Research Associate with the National Bureau of Economic Research, Cambridge, MA.



CREDIT: FLICKR / IFPRI

<< "MISSING" FROM PAGE 1

The results of their research would shock everyone, including Anderson herself.

"I was surprised by all of it," she says, "because I, too, was of the belief that this [phenomenon of missing women] was mainly at birth...that it was due to female infanticide or sex-selective abortion."

Anderson and Ray's research found that although female mortality at birth was alarmingly high in certain regions, it comprised a relatively low percentage of the total deaths. Examining death records of India, China and Sub-Saharan Africa, they found that women were dying at worrying rates throughout reproductive age and beyond. They proposed that the total number of missing women in the developing world was likely closer to 200 million—twice the number that Sen estimated twenty years earlier.

Anderson, who became interested in poverty issues early on, first caught a glimpse of gender discrimination in the developing world during a trip to India she took as a graduate student. The impact of this experience would eventually shape

her career path, leading her to study such controversial topics as India's dowry phenomenon—violence against brides whose parents cannot pay the agreed-upon payments of marriage to their husband's family. In these situations, Anderson notes, "it's actually woman-on-woman violence." The perpetrator is often found to be the bride's own mother-in-law—a fact that would become relevant in Anderson's later investigation of missing women.

"In India, they're dying in fires," says Anderson, referring to the results of her 2010 study, which found that a leading cause of death among Indian women of childbearing age is from injuries sustained in kitchen fires.

In contrast, rural Chinese women of the same age group are more likely to die of self-inflicted injury. "It's the only place in the world where women are more likely to die from suicide than men," Anderson notes. Their chosen method? "They're swallowing pesticides."

In Sub-Saharan Africa, reproductive-aged women are most likely to die in childbirth.

"That isn't gender discrimination; that's a poverty issue," Anderson points out, before adding, "They haven't invested in maternal health."

According to Anderson, many families are open about viewing girls and women as burdens rather than blessings. This attitude—a complicated mix of traditional beliefs and poverty-induced stress—can lead to neglect, abuse, and violence. Yet, the fact that male-biased gender ratios are observed in places as culturally disparate as India, China, and Sub-Saharan Africa suggests that while culture-based attitudes do play a role in women's premature deaths, poverty exacerbates the problem.

These findings have the potential to change the way Western economists and other social scientists look at the developing world. For her part, Anderson is currently delving deeper into the missing women phenomenon, looking at differences in cause of death between urban and rural communities and examining issues surrounding female property rights.



SIWAN ANDERSON
CREDIT: MAURICIO DRELICHMAN

As for the future of development economics, Anderson is optimistic. Historically, Western economists have been reluctant to examine the cultural context of the regions they are studying, but today “culture is something we absolutely take account of.” Development economics is a “growing field...[and] a focus of our university...There are a lot more opportunities than there ever were, and it’s because of this initiative to go into the field.”

Perhaps, by gaining a greater understanding of why women go “missing” in the developing world, economists can shed some light on how societies worldwide undervalue their own marginalized citizens.

Siwan Anderson is an associate professor, a Research Affiliate with the Bureau for Research and Economic Analysis of Development, and a Research Associate with the Canadian Institute for Advanced Research.

Lara Kordic is the founder of So Succinct Editorial Services and an Associate Editor at D&M Publishers Inc.

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For a majority of Philip II’s reign, the accumulated debt was around 60 percent of GDP due to continuous war efforts. During this time period, Spain defaulted on payment four times. Drelichman and Voth discover that Philip II’s borrowing can be explained through incentive structures and banker collusion. The collusion imposed effective lending moratoria because no members of the collusion would break rank and lend to the King for fear of stiff penalties. This collusion forced Philip II to repay his debt because he effectively had no other way to finance ongoing expenditures.

This paper sheds new light on sustained sovereign borrowing that has implications for the sovereign debt troubles of the 21st century.

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able to really uncover what people or businesses are thinking, how they behave, and what matters to them most.

What do you enjoy doing when you’re not in your “day job”?

These days my home is on the Upper West Side of Manhattan. While the “day job” takes up a lot of time, I try very hard to take advantage of the city, its energy, and all it has to offer—as do all my Canadian friends and family! I grew up in rural Ontario, so when I need a break from all the noise, people, and concrete you can find me kayaking on the Hudson; taking in a sunset, or making my way around the Statue of Liberty for a fantastic view of this city.

What was your most memorable Econ class at UBC?

My most memorable class came in fourth year: I.O./Game Theory. I liked everything I had taken, but I had yet to find an area of economics I really loved. This was not an easy class—in fact it was rather hellish at the time—but it was fascinating and probably the hardest I had ever wanted to work. I.O./Game Theory... this was the class that made me want to learn more and certainly got me thinking of doing a master’s degree.

What are your favorite memories from your time at UBC?

I think UBC provided a fantastic student culture. Of course, I knew I was going to get a great education, but it was the residence life, the pub crawls, the 4am rowing practices, and best friends that I can still count on 15 years later that made my years at UBC some of the greatest of my life.

Student Life

News from the Economics Student Association

BY RUOSONG GU, ESA PRESIDENT, 2011/12

The ESA seeks to foster camaraderie amongst the department's student population and strengthen relationships both inside and outside of UBC. We organize an array of academic, social, and career-related events every year. And starting in 2010, the ESA has also put together the *Economics Research Annual*, compiling outstanding research produced by UBC economics students. Here are some of this year's highlights.

The **ESA Career Night** is an annual event that provides career-related information for our students. This year, to encourage even more student-alumni interaction, we decided to try a new "speed networking" format. With a number of short but intensive sessions, students were able to interact with economics alumni, ask questions, and build connections. We were pleased to have eleven UBC Economics alumni attend, representing fields such as finance, IT, accounting, advertising, law, and sales. Each student had the opportunity to talk to four different alumni and ask their own questions, and each alumnus met four different groups of five to six students each. It was a fun, inspiring and eye-opening, two-hour event.

The **Economics Tri-Mentoring Program** introduces students to the unlimited possibilities of an economics degree in the real world. This year, we had 11 mentors and 22 mentees participating in our year-long program. The program included the Kick-Off event in October, where mentors and mentees met for the first time, and two social events, where students exchanged their thoughts on their future careers. Throughout the year, we had the opportunity to visit our mentors in the workplace and see the real environments of our potential careers. Our mentors gave us tips on finding a job, and they looked over and provided insight on our resumes. The Tri-Mentoring Program is one of the highest impact programs organized by the ESA.



DINNER WITH PROFS

We are always looking for Econ alumni who are willing to volunteer their time and efforts to these events. The feedback from past participants has always been overwhelmingly positive!

This year, we were able to continue one of the ESA's signature traditions, the **Dinner with Profs**, on two occasions. More than 30 people attended each dinner, and the spaces filled up almost immediately! Profs such as Dr. Hugh Neary, Dr. Vadim Marmer, and Dr. Anji Redish joined us for this fun event. Who doesn't like having dinner with their favourite professor and chatting about school?

The **Year End Cruise** was our graduation dinner and dance event. More than 180 people attended, including students from other programs, graduate students, and professors, making it an absolutely



YEAR END CRUISE

great party! Professors Robert Gateman, Geoffrey Newman, and Michael Vaney were among those in attendance. It was a remarkable three hours spent cruising along the shores of downtown Vancouver, leaving a great memory for graduating students.

We are interested in hearing suggestions for ways that can help us enrich our student community and provide career-related opportunities. So please let us know if you have any ideas that will help us achieve our goal. And of course, we welcome any alumni who wish to participate in our events! If you are interested in learning more about ESA events, please contact Ruosong Gu by email at ruosong.gu@gmail.com.

Please visit our website, www.econ.ubc.ca/esa, or find us on Facebook.

We want to hear from you!

Do you have an idea for a future article in Economics Update?

Please send us your suggestions, or submit your own article for potential publication.

Do you want to share your thoughts on something featured in Economics Update? Send along your comments, reactions, or opinions.

Are you interested in learning about opportunities to support the Department of Economics? Drop us a line, we'd love to hear from you!

Do you want to get involved in alumni events or volunteer your time with current students? Please let us know and we'll help you connect with your old classmates or the Economics Student Association.

Contact us:
econ.alumni@ubc.ca