

# EconMatters

## Convocation Address by Dr. Cyrus

**Dr. Teresa Cyrus**, recipient of the Faculty of Science's Excellence in Teaching Award in April 2019, delivered the convocation address to the morning convocation of the Faculty of Science's Class of 2019.

***Convocation Address Faculty of Science May 31, 2019, 9:00 a.m.***

President MacKinnon, Chancellor McLellan, colleagues, family and friends, and most important of all, graduates: I am thrilled to have the opportunity to address you on this exciting day. Now, I would like your full attention this morning, so please place your cell phones in the opaque bags provided under your seats. No, I'm kidding. The days of opaque bags are over for you. And I wouldn't want you to miss any texts.

I am an associate professor in the Economics Department and have been at Dalhousie for just over 20 years. And every day of those 20 years, I have been inspired and motivated by my students, so thank you.

Today I want to talk to you about the power of connection, in economics and in your lives.

The first concept we teach students in economics is opportunity cost, the value of the next-best alternative that we forgo when we make a choice or take an action. And we believe that individuals make choices and take actions only when the benefits exceed the costs, including opportunity cost. You graduates have given up time and money to attend university – quite a lot of time and, I'm sure you and your parents will agree, quite a lot of money – and you could have done other things with that time and money, but you chose to pursue a degree because you believed that the benefits would outweigh the costs. And I'm confident you made the right decision.

My field of research in economics is international trade, and one of the oldest and most basic theories of trade, from David Ricardo over 200 years ago, uses that concept of opportunity cost to explain comparative advantage and specialization. As individuals, we don't produce all of the goods and services we consume – you likely don't grow all of the food you eat, or sew all of your own clothes, or record yourself strumming the guitar to have something to listen to. Well, why not? Because the opportunity cost of your time would be too high – you would have to give up doing the things that are more valuable to you. That's true for countries too; we specialize in producing the goods and services in which we have the lowest opportunity cost, and we trade to get what we don't produce. In Canada, we could produce bananas using elaborate and costly greenhouses, but the opportunity cost would be too high; instead, we produce blueberries, and lobsters, and French fries, and we import the bananas we want to consume. We could produce clothing and shoes, but our workers are so educated, like you, and so productive that instead we use our workers to make computer code, and financial services, and high-tech machinery, and we import clothing instead.

Within the broad subject of international trade, the statistical model that I use most often is called the gravity model, and it's used to try to understand not total trade but the bilateral trade flows between two regions. Similar to Newton's law of gravitational force, the gravity model in trade starts with mass and distance – where mass, in economics, would be a country's total output, or gross domestic product, GDP. Researchers show that there is more trade between regions when those regions are big in terms of their GDP; a one percent increase in either the exporter's or the importer's GDP raises the value of their trade by about one percent. Distance, though, reduces trade; a 1 percent rise in the distance between two countries reduces their trade by a little under 1 percent. So you can see why  $\frac{3}{4}$  of Canada's exports go to the United States, and  $\frac{2}{3}$  of our imports come from there; the U.S. is a big country and they are right next door. I just mentioned Canada's exports "to the United States" and that's how politicians and news reporters refer to trade – but really, trade doesn't take place between countries but between individuals and firms.

So the question I find interesting is, how do these trading relationships develop? What are the factors that bring us together, that connect us? Using the gravity model, researchers find that there is more trade between two countries when their residents speak the same language; some estimates show that sharing a common language causes trade to double. Sharing similar political institutions raises trade by even more. And other measures of culture and institutions, including religious similarity, a common legal framework, or both trading partners being democracies, also raise trade.

So why do these cultural and institutional ties lead to greater trade? All of these linkages make it easier to communicate. Speaking the same language obviously makes communication easier, but having any kind of shared experience, from a common religious background to a similar political system, provides a frame of reference that makes it easier for individuals and firms to develop relationships.

This is true for you too. I would imagine that you have found it easy to talk to fellow students from your high school or hometown or country of origin; you have a common background and a shared set of experiences, and this makes communication easier. So those connections have been easy, they've been comfortable, and I'm sure you have relied on them, especially when you first arrived at Dalhousie.

But I am also sure that you have made friends who are from other countries or whose native languages are different from yours. Maybe this was initially difficult; you didn't start with the same frame of reference. But while you have different backgrounds, your time at Dalhousie has allowed you to develop a shared culture – through sharing a residence room, an apartment, a class, a lab, a student society, an athletic team. These shared experiences have allowed you to bridge the gaps, to develop connections.

Two weeks ago I was on a bicycle trip in Belgium, where bike paths criss-cross the whole country. The junction where two bicycle paths meet they call a "knot," like a knot in a shoelace. I thought that was an interesting word to use. A knot is where we come together, but it's also what binds us together. Dalhousie has been a knot, a junction, for you, a meeting place where you have come together to learn and exchange ideas, and with your degree, you are tied to Dalhousie forever. And now you are proceeding off down your own path, taking what you have learned with you and looking for new junctions, new people to meet, new ideas to learn, new information to use.

Here at Dalhousie you have been in classes with students from all over the world, and you have been taught by instructors who come from all over the world, who have come to Dalhousie to teach you and to help you develop as scholars. Within my own small department, we have professors and instructors from Canada, the United States, Bangladesh, China, France, Greece, India, Italy, Mongolia, Nigeria, Turkey, Ukraine, and the UK. Here at Dalhousie, the world has come to you. Now it is your turn to go out into the world as a force for change.

And there are a lot of things in the world that need to be changed. In the future, your generation will be required to solve many of the world's problems that have been created by earlier generations, from climate change to inequality to conflict between nations.

In terms of our trade relationships with the world, the World Bank reports the trade share in GDP – that is, exports plus imports as a percentage of gross domestic product, and worldwide, trade has risen greatly over time; from 24% of GDP in 1960 to 58% in 2017. For Canada, it's even higher; our trade share was 68% of GDP in 2017. But that growth in world trade over time stopped with the financial crisis in 2008, and has taken a tumble lately with the trade wars started by the United States. There seems to be a lack of understanding by some policymakers of the gains from trade and the benefits of comparative advantage. I don't mean to imply that everyone is made better off by trade – trade allows us to consume a wider variety of goods at lower prices, but it also means that domestic firms face competition, and workers can be hurt by that. But the way forward cannot be through destroying relationships that took decades to build. Instead, we must understand that we are better off when we work together.

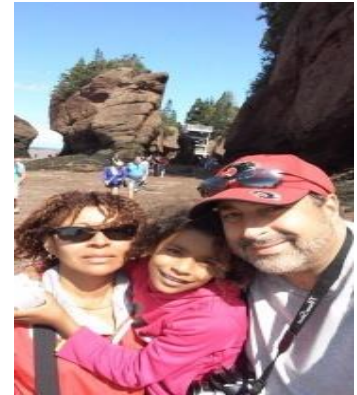
Graduates, I encourage you to continue to develop connections, to build bridges, throughout your lives. Keep your historical ties; maintain the connections you have created here at Dalhousie. Please keep in touch with your classmates, and with your professors; we have put a lot of effort into your education and we want to know how you are doing. But also be open to developing connections with others that you meet in the years to come; notice your differences, but always look for similarities, look for points of contact, and think about what pulls us together and makes us all better off.

And now, in the immortal words of the philosopher Beyonce, "it's up to you, the rest is unwritten." All the best to you, and congratulations!

# Alumni Profiles

## Christopher MacDonald (MDE 1999)

Imagine flying in a military jet simulator in Cold Lake, Alberta, or reviewing a highway project being built on permafrost from Inuvik to Tuktoyuktuk, Northwest Territories. Imagine learning how to detect land mines on pre-deployment training to go to Afghanistan, or working in the UAE with colleagues from four countries auditing a multi-billion-dollar contract. Or even imagine driving around in a bulletproof SUV as you are conducting work at a Canadian embassy overseas!



What does this have to do with Dalhousie University, the Economics Department, and the MDE program? Let me explain by sharing with you the journey that I have been on. In 1999 I graduated from the MDE program. MDE was the perfect program for me. I never knew what I wanted to be when I grew up – and in many ways I am still exploring new possibilities – but I do know now that the MDE program prepared me for the journey that I am travelling. The program's focus on critical thinking, developing writing skills, communication skills, and collaboration created a foundation for me to work effectively in different environments and be open to, and comfortable with, change. I had many exceptional professors and studied with wonderful colleagues. One of those colleagues is Michelle Maragh, a fellow MDE grad who I met during my time at Dalhousie, and to whom I have been married to for 20 years.

After graduation, I started working at the Office of the Auditor General of Canada. While I had no audit experience, I did have knowledge and capabilities gained through my studies that allowed me to learn quickly and conduct audits of national defence programs and other subjects. In many ways the skills I learned at Dalhousie prepared me very well for life as an auditor. After a few years, I set out on new adventures that brought me to various positions in nine federal public service departments. From 2001 to 2005 I worked as a Policy Analyst at Health Canada and Business Planner for the Royal Canadian Navy. In the summer 2005 I realized that my true passion was audit.

In September 2005 I became an audit manager with Immigration, Refugees and Citizenship Canada (IRCC) and I have been in internal audit ever since. My work at IRCC and later at Global Affairs Canada brought me to 15 countries. My work at Finance Canada and the Treasury Board of Canada Secretariat provided great opportunities to learn about the role of these central agencies and the budget and policy development processes.

In December 2011 I started a two-year assignment with the Supreme Headquarters Allied Powers Europe, North Atlantic Treaty Organization (NATO). This was an amazing opportunity and I got to work with colleagues from all member countries. Upon coming back to Canada in December 2013 I took on the role of Director, Internal Audit with Infrastructure Canada. There I learned how grants and contributions are used to fund infrastructure projects across Canada. In this work I travelled to six provinces and one territory to meet with officials and review major projects.

Since December 2017 I have been the Director General, Chief Audit and Evaluation Executive at the Public Service Commission of Canada. I have led audit and evaluation teams in reviewing internal administration and external program delivery in the areas of government staffing and recruitment. It is a very rewarding job and one that for me has its roots in my MDE training.

While I have had an amazing career so far and had many unexpected experiences, I can also say that my story is not unique in our household. Michelle has been a manager for almost 20 years in over 8 federal public service departments. She has held leadership positions in policy, program evaluation, socio-economic research, and most recently data analytics. We are proud to say that we are MDE graduates. We keep in touch with some of our friends and former professors; in fact, I always make time when I am in Halifax to visit Ian McAllister and his family, and to stop by the Economics Department. These trips have, on occasion, taken me to Dalplex where each time I have suffered defeat in badminton by the formidable Talan Iscan! My life changed forever at Dalhousie. I obtained a very valuable education, I met my wife, made great friends, and learned so many valuable lessons that I carry with me to this day.

## Julia McGee (BSc with Honours 2019)

I came to Dalhousie because the Architecture program appealed to me. It only took me about a month to realize that this path I had envisioned for myself was actually not well suited for me, leaving me in an undeclared Bachelor of Arts with no clear idea what I wanted to do. Some friends I made were Commerce majors; thinking a minor might appeal to me, I took one of the requirements to fulfill this in the winter semester, Principles of Macroeconomics. Immediately I was hooked.

I started planning my classes with the intention of completing an Honours thesis, which led me to take a variety of Economics and Statistics courses, my favourites of which were International Finance and Monetary Policy. These classes helped me to realize my areas of interest which eventually helped in research regarding my thesis and choosing which schools to apply to for a Masters. I also particularly enjoyed the independent research required in several courses; beginning with simple regression analysis in Econometrics I and culminating with the Honours thesis. I put a lot of effort into these projects, and was proud to be the recipient of the Honours Thesis prize this year for my work regarding the effect of international organizations' actions on government bond spreads in the Eurozone during the sovereign debt crisis.



The support I received throughout my four years from the department was outstanding; I always felt I could approach my professors with questions, and their guidance strengthened my belief each year that I was on the right path for me. The attention that the faculty puts into each student's education is paralleled by the quality of teaching I received, not only equipping me with the academic tools to pursue further education but also giving me confidence going forward. I learned many (often hard) lessons that made me stronger, and I know there are more which I will grow to appreciate with time.

I am attending the Barcelona Graduate School of Economics for my Master's in Economics commencing in September of this year; I have plans for a PhD as well. I'm very excited to take what I have learned at Dal with me as I step into this new challenge. While I know (at least I think I do) what areas I want to focus in, I am hoping to gain some new perspective both on themes I am familiar with and those I am not. I believe that the ability of economic theory to be applied to such a diverse range of topics is one of the greatest strengths of economics as a field of study. At a time where we are seemingly at a critical point regarding many global issues – culturally, systemically, and environmentally – the critical thinking and research skills that studying economics yields are crucial in our rapidly changing world.

## Fourth Annual DDDA Workshop



The Department of Economics hosted the 4th Annual 'Data Driven Development in Africa' (DDDA) Workshop on May 10-11, 2019. The DDDA Workshop brings together researchers from Canada, the United States and Africa, in order to improve research on African political and economic development by contributing to the collection and analysis of high-quality data. Workshop organizers are Professors Elizabeth Carlson (Penn State), Abdul Shifa (Syracuse) and Dozie Okoye (Dalhousie), with assistance provided by Colette Nyirakamana (McMaster). Funding for the workshop was provided by a SSHRC connection Grant, the President's Office, Faculty of Science and the Department of Economics, Dalhousie.

## Events

### Graham Memorial Lecture 2019

Dr Anji Redish, University of British Columbia, will be the speaker for the 28th Annual John F Graham Memorial Lecture 2019. The public lecture will be held on Nov 28, 2019 at 3:30 pm in the Great Hall, University Club, with a reception following in the dining room. All are welcome.

### Fall Seminars 2019

From September to April, we host weekly department seminars. Each Friday at 2:30 PM in Room 2198 McCain Arts Building, a visiting speaker will share their research & ideas. Check the Economics webpage to see a complete list of speakers and dates.

## News

### Honours Poster Presentation 2018-19

The Honours Poster Presentation was held Tuesday, April 9, 2019 at LeMarchant Place. A wide variety of posters by honours students on a diverse set of economic issues were displayed, and everyone put in hours of hard work of research and design work.

The recipient of the Economics Honours Poster Prize was Julia McGee for her poster titled International Organisations' Intervention in the Eurozone: The Impact on Bond Spreads.



Thank you to all the students who participated and all the judges for their time. Congratulations Julia!

### 2018-2019 Economics Prizes



On May 31 2019, seven students were awarded special prizes recognizing outstanding achievement in studies within the Department of Economics.

The Principles of Economics Prize is awarded to the undergraduate first year student with the highest combined average in the ECON 1101 and 1102 sequence of courses. This year's winner is Alex Chow.

The Economic Theory Prize is awarded to the undergraduate with the highest combined average in ECON 2200 and 2201 sequence of courses. This year's winner is Rui Wang.

The Econometrics Prize is awarded to the undergraduate Economics Major with the highest combined average in the ECON 3338 and 3339 sequence of courses. This year's winner is Riel Tetreault.

The Economics TA Award is given to a nominated teaching assistant who has inspired students and demonstrated excellence in their TA duties. This year's winner is Ruohan Wang.

The Anonymous Prize is open to Dalhousie undergraduates who is not in their final year of study and who has shown through an essay during the second year of study of economics the best promise of successfully applying economics to the solution of human problems, as determined by the selection committee. This year's winner is Samuel Kirsh.

The Economics Honours Thesis Award is given to the honours student who has been selected to have the most outstanding thesis. This year's winner is Julia McGee.

The University Medal in Economics, awarded by the Registrar's Office, is given to the honours student with the highest GPA. This year's winner was Kathleen Olds.

Congratulations to all students and graduates for their outstanding achievements!

### **Faculty Impact -Spring 2019**

The Faculty of the Department of Economics continue to make impressions in their field across the country and around the Dalhousie community.

Dr. Mevlude Akbulut-Yuksel has been elected as a member of the Canadian Economic Association (CEA) Executive. The CEA is the organization of academic economists in Canada with 2000 members in Canada and abroad.

Dr. Lars Osberg was announced as the recipient of the Douglas D. Purvis Memorial Prize at the CEA's 53rd Annual Conference in Banff Alberta. The annual prize is awarded for works relating to Canadian economic policy by the Purvis family.

Dr Teresa Cyrus, recipient of the Faculty of Science's Excellence in Teaching Award in April, delivered the convocation address to the morning convocation of the Faculty of Science's Class of 2019. The speech, delivered on May 31, can be viewed on the convocation website beginning in the video at 1:26:20.

### **Promotions July 2019**

Professor Mevlude Akbulut-Yuksel has been promoted from Associate Professor to Full Professor

Professor Norov Tumennasan has been promoted from Associate Professor to Full Professor

Professor Weina Zhou has been promoted from Assistant Professor to Associate Professor