

RECENT FACULTY PUBLICATIONS

Billger, Sherrilyn M. (with Joseph Pacha, Frank Beck, and Norman Durflinger). "Is Your Elementary School on a Track for Closure?" *Illinois School Board Journal*, 2010, 78(5), pp. 12-18.

Billger, Sherrilyn M. (with Joseph Pacha, Frank Beck, and Norman Durflinger). "Is Your Junior High School on a Track for Closure?" *Illinois School Board Journal*, 2010, 78(6), pp. 14-19.

Dincer, Oguzhan C. (with Christopher Ellis and Glen R. Waddell). "Corruption, Decentralization, and Yardstick Competition," *Economics of Governance*, 2010, 11, pp. 269-294.

Goel, Rajeev K. (with J. Faria). "Returns to Networking in Academia," *Netnomics*, 2010, 11, pp. 103-17.

Goel, Rajeev K. (with M. Nelson). "Causes of Corruption: History, Geography and Government," *Journal of Policy Modeling*, 2010, 32, pp. 433-47.

Goel, Rajeev K. (with J. Budak). "Tourism Policies and Cross-Country Growth: A Disaggregated Analysis," *Tourism Economics*, 2010, 16, pp. 535-48.

Loomis, David (with Lon Carlson and James Payne). "An assessment of the Economic Impact of the Wind Turbine Supply Chain in Illinois," *Electricity Journal*, 2010, 13, pp. 75-93.

Loomis, David (with Adrienne Ohler). "Are Renewable Portfolio Standards a Policy Cure-All?" *Wm. and Mary Environmental Law and Policy Review*, 2010, 35, pp. 135-82.

Ohler, Adrienne (with Kristi Radusewicz). "Indirect Impacts in Illinois from a Renewable Portfolio Standard," *Electricity Journal*, 2010, 23(7), pp. 65-74.

Ohler, Adrienne (with David Loomis) "Are Renewable Portfolio Standards a Policy Cure-All?" *Wm. and Mary Environmental Law and Policy Review*, 2010, 35, pp. 135-82.

Payne, James (with Nick Apergis and Oguzhan Dincer). "The Relationship between Corruption and Income Inequality in U.S. States: Evidence from a Panel Cointegration and Error Correction Model," *Public Choice*, 2010, 145(1-2), pp. 125-35.

Payne, James (with Nicholas Apergis, Kojo Menyah, and Yemane Wolde-Rufael). "On the Causal Dynamics between Emissions, Nuclear Energy, Renewable Energy, and Economic Growth: A Panel Investigation," *Ecological Economics*, 2010, 69(11), pp. 2255-60.

Payne, James (with Carlos P. Barros and Luis Gil-Alana). "An Analysis of Oil Production by OPEC Countries: Persistence, Breaks, and Outliers," *Energy Policy*, 2011, 39(1), pp. 442-453.

Ram, Rati. "Relation between Levels of Infant-, Child-, and Maternal-Mortality and Their Rates of Decline: Evidence from a Large Cross-Country Data Set," *International Journal of Social Economics*, 2010, 37(5), pp. 374-83.

Ram, Rati. "Social Capital and happiness: Additional Cross-Country Evidence," *Journal of Happiness Studies*, 2010, 11(4), pp. 409-18.

Ram, Rati. (with Chakrangi Lenagala) "Growth Elasticity of Poverty: Estimates from New Data," *International Journal of Social Economics*, 2010, 37(12), pp. 923-32.

Rich, Daniel P. "Changing Elasticities of Labor Demand in U.S. Manufacturing," *Atlantic Economic Journal*, 2010, 38(2), pp. 157-68.

Waters, George. "Instability in the Cobweb Model under the BNN Dynamic," *Journal of Mathematical Economics*, 2010, 46(2), pp. 230-7.

Waters, George. (with Mohammad Jahan-Parvar) "Equity Price Bubbles in Middle Eastern and North African Markets," *Emerging Markets Review*, 2010, 46(2), pp. 39-48.

Zhang, Kevin H. "How Does Globalization Affect Industrial Competitiveness?" *Contemporary Economic Policy*, 2010, 28(4), pp. 502-10.

Zhang, Kevin H. (with Zhongxiu Zhao). "FDI and Industrial Productivity in China: Evidence from Panel Data in 2001-2006," *Review of Development Economics*, 2010, 14(3), pp. 656-65.



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Newsletter of the Department of Economics

THIS ISSUE

RESEARCH | ANNUAL AWARDS | ECONOMIC IMPACT STUDY
| FACULTY PUBLICATIONS

Greetings from the chair

Sherrilyn M. Billger, interim chair

Greetings and welcome to our spring 2011 newsletter! My year as interim chair for the department has been a great learning experience, and I'm happy to share some of our recent accomplishments with you. Our managerial economics sequence is up-and-running, and we graduated our first major in this program in December. The sequence is proving to be quite popular, and we receive many more applications for it every time admissions are open. Our graduate program continues to attract strong students who go on to pursue a Ph.D. or start promising careers in government agencies or consulting firms. We are particularly proud of research collaborations between our faculty and students, and you will find a list of recent publications in this newsletter.

Last fall we hosted our annual Alumni Advisory Board meeting during Homecoming, and it was a lively affair that culminated in the formation of alumni workgroups devoted to specific goals. We are endlessly grateful for this ongoing support of our program! Our faculty members continue their active research agendas, including a number of new grant proposals and funded projects. Some of our faculty have been recognized by awards and in the popular press. As a final note, our department has jumped on the social media wagon. If you happen to be on Facebook, please "like" our ILSTU Economics Students and Alumni page, where you'll find the latest news about our program.

RAJEEV GOEL HONORED FOR RESEARCH

As announced at the Founders Day Convocation in February, Rajeev Goel was chosen as a recipient of the Outstanding University Researcher Award for 2011. This award acknowledges faculty members for (a) their research nationally or internationally, (b) their quality of scholarly work, and (c) their contribution to their profession. Goel's research in industrial organization, tobacco economics, and corruption has been published in a wide array of journals including *Applied Economics*, *Managerial and Decision Economics*, *Journal of Development Economics*, *Journal of Institutional and Theoretical Economics*, and many others. He has also authored the books *Economic Models of Technological Change* and *Global Efforts to Combat Smoking*.



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TONY O'S RE-RETIREMENT



The Department of Economics will be celebrating the "re-retirement" of Anthony "Tony O" Ostrosky in May 2011. Tony officially retired in May 2004 but continued teaching large sections of Economics 105 every semester since retirement. When asked why he didn't "fully retire," Tony O explained that his son informed him that he was "flunking retirement" and had to keep teaching until he "passed the retirement course requirements." Once he becomes

"fully retired," Tony plans to travel and play lots of golf. As a long time Pittsburgh Steelers fan, Tony hopes to attend Steelers games and since he is also a big fan of ISU sports, he will attend many Redbird sporting events as well.

During his tenure at ISU, Tony O received the Teaching Award, the alumni association Distinguished Teaching Award, and the Outstanding M.B.A. Faculty Award. His research interests included economic education, mathematical economics, sports economics, and demography. Tony O's legacy continues through the Dr. John Chizmar-Dr. Anthony Ostrosky Endowment.

RESULTS OF ECONOMIC IMPACT STUDY

James Payne, economics professor and interim dean of the College of Arts and Sciences, and Frank Beck, director of ISU's Stevenson Center for Community and Economic Development, completed a study of the impact of Illinois State University on McLean County's economy. The University employs 3,258 faculty and staff and enrolls 20,762 students, yielding extensive economic activity.

Payne and Beck report that spending by employees and students

exceeds \$600 million in the county. Furthermore, this economic activity generates more than \$10 million in property tax revenue and more than \$1.8 million in sales tax revenue.

"Bloomington-Normal and McLean County benefit greatly from the money students spend here," said Beck. "When we broke down the numbers we found that every dollar a student spends here puts an additional 48 cents back into our local economy."

NEW ECONOMICS ENDOWMENT

We are pleased to announce The Economics Endowment for Graduate Student Excellence. Made possible by a generous donation from an anonymous ISU alumna, this endowment will fund awards for outstanding graduate students. This endowment may be used to support (1) a fellowship for an exceptional incoming graduate student or (2) a research assistantship for

summer support for a continuing graduate student. We acknowledge the decline in graduate student funding that the department has experienced in the past decade, and are particularly grateful for this new support for our students. We have elected to keep this fund open, so that others may make contributions to it.

ECONOMICS PROFESSOR RECEIVES MAJOR GRANT

In 2010 Daniel Rich received funding through the Illinois Department of Employment Security for evaluation of Unemployment Insurance claimant outcomes. The project developed new cohort-based analytical processes for tracking jobless patterns across local communities and demographic groups. Rich also worked with agency staff to develop forward-looking models of attrition and benefit exhaustion from extended programs associated with the recent economic downturn.

The success of this work led to funding for a 2011-2014 project involv-

ing the Department of Economics, Stevenson Center for Community and Economic Development, ISU Computer Infrastructure Support Services, and IDES Economic Information and Analysis. This team will establish data storage and processing capacity, integrate data on Illinois UI claimants and their work histories, provide economic analysis of reemployment outcome patterns, and evaluate the relative efficiency of reemployment services.

ANNUAL AWARDS

At our banquet in spring 2010, the department announced our annual awards. The Scott M. Elliott Endowment provided the following awards: undergraduate scholarship, Kyle Mueller; graduate scholarship, Emily Hickey; undergraduate research award, Trevor Grant (advisor Virginia Owen); graduate research award, Andrew Nyenya (advisor Oz Dincer); and Faculty Excellence Award, Oz Dincer.

The F. Russell Glasener Economics Advisory Board Undergraduate

Scholarship was awarded to Alexander Oswald. The Dr. John Chizmar-Dr. Anthony Ostrosky undergraduate scholarship was awarded to Sebastian Matei. The James V. Koch-Economics Advisory Board Faculty Development Award was awarded to Adrienne Ohler. The Caterpillar Foundation provided four undergraduate scholarships to Hilary Heggen, Michael Zarecki, Ravini Gunaratne, and Francisco Arceo.

RECENT PUBLICATIONS BY FACULTY AND GRADUATE STUDENT** COLLABORATION

****Bowden, Nick, and James Payne.** "Sectoral analysis of the causal relationship between renewable and non-renewable energy consumption and real output in the U.S.," *Energy Sources, Part B: Economics, Planning, and Policy*, 2010, 5, pp. 400-8.

****Hickey, Emily, A., J. Lon Carlson, and David G. Loomis.** "Issues in the determination of the optimal portfolio of electricity supply options," *Energy Policy*, 2010, 38, 2198-2207.

Mohammadi, Hassan, and **Lixian Su. "International Evidence on Crude Oil Price Dynamics: Applications of ARIMA-GARCH Models," *Energy Economics*, 2010, 32(5), pp. 1001-8.

Ohler, Adrienne, and **Kristi Radusewicz. "Indirect impacts in Illinois from a Renewable Portfolio Standard," *Electricity Journal*, 2010, 23, pp. 67-74.

****Saunoris, James W., and James Payne.** "Are Adjustments in the U.S. Current Account Asymmetric? Another Look at Sustainability," *International Journal of Economics and Business*, 2010, 1(1).

****Saunoris, James W., and James Payne.** "Tax more or spend less? Asymmetries in the UK revenue-expenditure nexus," *Journal of Policy Modeling*, 2010, 32, pp. 478-487.

GRADUATE STUDENT DELIVERS AWARD-WINNING



Kan Yue, a second-year student in the graduate program, was honored by the Illinois Economics Association (IEA) for her paper on the interaction between exchange rates and current accounts, which was selected for first place in the M.A./M.S. thesis competi-

tion by the IEA in October 2010. She presented this paper in the 40th IEA annual conference. The study is motivated by the perception that China's current account surplus is a cause of the ongoing global imbalance (including the U.S. trade deficit). Yue conducted causality tests with time-series data (1981-2008) and found that China's current account surplus does not result from their "undervalued" currency. This implies that the global imbalance and U.S. trade deficit are caused by other factors.

CENTER FOR RENEWABLE ENERGY ACTIVITIES

The Center for Renewable Energy received a \$190,818 grant from the Illinois Department of Commerce and Economic Opportunity to educate K-12 students in wind energy. The Wind for Schools program is part of a nationwide network of states coordinated by the U.S. Department of Energy's National Renewable Energy Laboratory. The Center for Renewable Energy is partnering with the Illinois Institute for Rural Affairs at Western Illinois University in this effort.

The Illinois Wind Working Group hosted their fourth Siting, Zoning and Taxing of Wind Farms in Illinois Conference, on Wednesday, February 9,

at the Marriott Hotel & Conference Center, in Normal. Featured speaker panels presented on the Best Practices of County Boards and Zoning Boards, Roads, School District Taxation, County Ordinance Revisions, Decommissioning, and Property Value Guarantees. The Illinois Wind Working Group's fifth annual Advancing Wind Power in Illinois Conference will be held July 21 to 22 at the Illinois Institute of Technology, Hermann Hall, in Chicago. The event will be cohosted by the Center for Renewable Energy at Illinois State University and the Illinois Institute of Technology.

IRPS SPRING CONFERENCE

The Institute for Regulatory Policy Studies is sponsoring a conference, Jurisdictional Forum Shopping: Ripples in the Stream, on Thursday, April 21, 2011, at the Crowne Plaza Hotel in Springfield. The conference will focus on three issues concerning (1) additional impacts on renewable energy policies, (2) broader implications of legislative actions, and (3) examples

of industry overlap and unintentional consequences of policies. Speakers range from academics to policymakers to industry analysts, and include Lisa Bonnett, interim director, from the Illinois EPA, Doug Scott, chairman, from the Illinois Commerce Commission, and Howard Learner, executive director of the Environmental Law and Policy Center.