

# SCHOOL *of* ECONOMICS



The Inaugural SOE  
Ph.D. Class, 2010

## ph.d. meet our students

On August 19, 2009, the Board of Regents approved the Ph.D. in Economics from the Georgia Institute of Technology, School of Economics. That approval was the culmination of tireless efforts by School administration and faculty. Additionally, it marked the beginning of

**“Students are highly  
qualified and motivated.”**

new and exciting challenges for the School. “Our PhD program is a pioneer program. One of its main innovations is the inclusion in the first-year core of two courses that focus on the incentives for the development of new technology at the micro level, firm or household, and on the impacts of new technology to

the macroeconomy, accelerating its growth. The program also incorporates the themes of innovation and globalization in each field of specialization: environmental economics, industrial organization and international economics. We are very proud of our first-year class, consisting of five well-qualified students who show much enthusiasm and promise. As we continue to implement the program, we are optimistic about a prosperous future.” Professor Emilson Silva, Ph.D. Program Director.

This fall we accepted five women in to our new program. These five extraordinary women join our program from prestigious Universities around the world, and we are confident that their time here will enhance the scholarship and collegiality of our School. As classes get underway, the students and professors are getting to know one another. One professor commented that the students are “highly qualified and motivated.” We anticipate this

inaugural class to the set the bar quite high. Thirty-seven students applied to the program this year. Ultimately, five students accepted our offer. The students are funded through a variety of sources including Georgia Tech Research Institute (GTRI), Ivan Allen College Dean's Fellowship, and two students are funded by Mr. Richard House, School alumnae and Board of Advisors member.



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Emily Galloway

B.A. Economics and Mathematics, University of Virginia

"I have learned a great deal about the foundations of economics. In addition, I have greatly enjoyed getting to work more closely with my professors, an experience I never took advantage of in my undergraduate education. I have also been able to pursue my own interests in some of my classes, which has allowed me to narrow down my particular interests for research."



Xiuli Sun

B.S. Economics and Finance, Qingdao University  
M.S. Public Finance, Central University of Finance and Economics

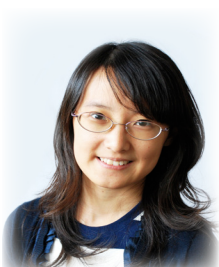
"Joining this program is one of my greatest experiences ever because here, we learn for the sake of learning. Courses are helping me deepen my understanding of economic theories and are giving me a new perspective. Life here is challenging and productive."



Ran Wang

B.S. Supply Chain Management, Nankai University

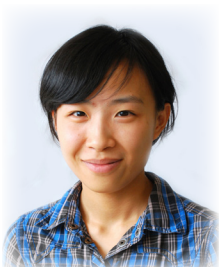
"I like the challenges and research opportunities here in the School of Economics. I have also found that I am enjoying the work and getting to know my peers and professors."



Mingge Wu

B.S. Economics and Applied Math, Wuhan University  
M.S. Economics, Georgia Institute of Technology

"I really enjoy my ph.d life here. I am just beginning to do research in some courses and work with other professors. I know that this program will benefit my academic career in the future."



Gaoyuan Zhao

B.S. Tsinghua University  
M.S. Statistics, Georgetown University

"I am enjoying the program very much and looking forward to working with the Professors on my research. I think my time at Georgia Tech is going to be very productive, and I look forward to the challenges ahead of me."

# visiting professors Gick, Kakeu, Kutlu

We are delighted to introduce three new visiting faculty members, Wolf Gick, Johnson Kakeu and Levent Kutlu.

Wolf Gick, Associate Professor, received his PhD in Economics from the University of Innsbruck, Austria, and he joins us from a visiting scholar position in the Center for European Studies at Harvard University. Prior to this appointment, he was a visiting associate professor in the Department of Economics at Dartmouth College where he received the campus-wide "Profiles in Excellence" teaching award. Professor Gick's research interests are industrial organization, game theory, and contract theory with applications to patent disclosure, platform markets, strategic information transmission, health care gatekeepers, and vertical or delegated contracting organizations.

Professor Kakeu will soon receive his PhD in Economics from the Université de Montréal, Canada. His research interests include environment and natural resources, industrial organization, applied econometrics, and asset pricing. Kakeu is a former economist and statistician for the Cameroon Department of Economic Forecasts and Department of Higher

**"Professors Gick, Kutlu, and Kakeu are an excellent group of visiting faculty who nicely complement the research foci of the School. I look forward to their contributions during the coming year."**

Chair Patrick McCarthy

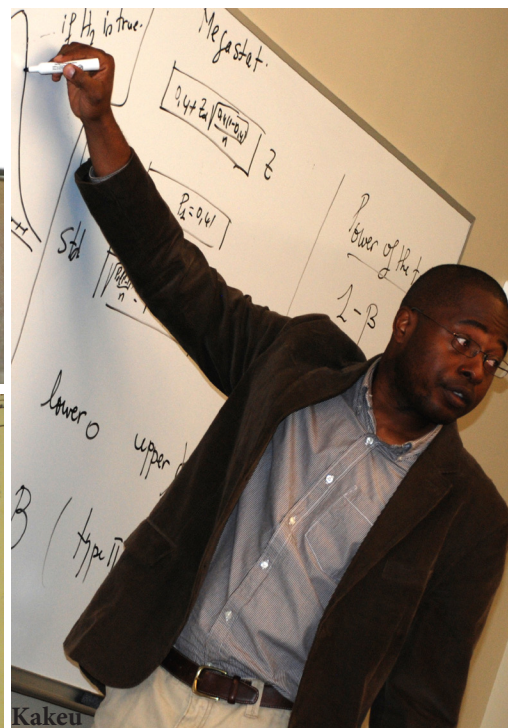
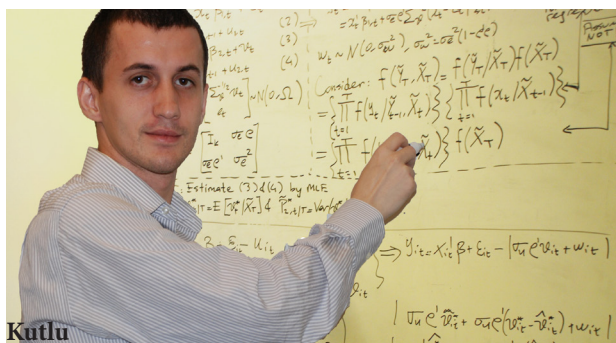
Education.

Levent Kutlu, Assistant Professor, recently received his PhD in Economics and M.Stat in Statistics from Rice University. His research interests include applied econometrics, applied microeconomics, and industrial organization. His specific interests are dynamic games, productivity analysis, market power analysis, and price discrimination. He has a special interest in programming and has most recently focused this interest on the programming language Matlab.

We are honored to have these three gentlemen join the School for the year. Please visit the School's website at [www.econ.gatech.edu/](http://www.econ.gatech.edu/) faculty to read more about our new visiting professors and their colleagues.

"After two months in the School of Economics at Georgia Tech, I can say that it is a great and encouraging department. The School is open minded, supportive and welcoming and has the right mix of scholars working in fields like trade, development, IO and transportation economics. I am looking forward to the collaborations that I will have the opportunity to forge in the future."

**Wolf Gick**



# professor christine ries appointed to georgia tax reform council

By Kari White

This summer Professor Christine Ries was appointed to a committee charged with rewriting Georgia's tax code. The Special Council on Tax Reform and Fairness for Georgians was created June 1, 2010, through legislation signed by Governor Sonny Perdue.

As a member of the council, Dr. Christine Ries will work with the Georgia Governor, four Georgia business leaders, the chairpersons of the Georgia Chamber of Commerce and the National Federation of Independent Business, and representatives from Georgia State University, the University of Georgia, and Mercer University. The council will study the state's

"I am a pro-growth economist who is concerned with jobs."

revenue structure and develop tax code recommendations that will be submitted to the legislature's Special Joint Committee on Georgia Revenue Structure. The council's report will recommend formulation of new tax code legislation that will be presented to Georgia lawmakers for a vote in January.

"I am a pro-growth economist who is concerned with jobs," said Ries. Her expertise includes the effects on businesses of various government policies and actions, and, as importantly, how businesses will react in response. "My goal," she says, "is to ensure that any changes in the tax code serve to make Georgia more attractive as a place to invest, or at least, not drive business away." Ries explains, "Always, but especially in this environment, any policy maker must pay careful attention to the effects of their actions on jobs, jobs, jobs." Economists agree that in the interests of economic efficiency in the private enterprise sector and revenue stability for government the burden of paying

taxes should be spread as broadly as possible and should avoid creating biases. Economists also know that an economy will produce less of anything that is taxed. When income is taxed, less will be produced. When your taxes are higher than your neighbors, businesses (and jobs) will flee.

Georgia has a higher income tax than all of her neighboring states with which she competes for businesses and jobs. (Georgia ranks 29th out of 50 in a key index of business tax climates and 23rd in the level of income tax rates.) In the last decade, Georgia's personal income growth per capita has lagged behind many other states. Some of Georgia's neighbors (Tennessee and Florida) have no income taxes at all and all of her neighboring states have lower total tax burdens.

State tax reform efforts are spreading around the country. Many other states have already reduced their income tax rates and seen significant increases in both per capita personal income and government tax receipts. Many more states are currently considering shifting their tax burdens from income to consumption (sales taxes).

Ultimately, one of the council's goals is to propose a tax code that will encourage economic growth for the state. "The tax reform proposal will be multi-faceted, considering the impact on both individuals as well as businesses," Ries says. She also cautions, "Remember that growing businesses are also good for individuals. It doesn't help families if tax rates are low but they can't find jobs. Of course, it hurts more if tax rates are high and they can't find jobs. That's happening in other states!"

Dr. Christine Ries is a professor in the School of Economics at the Georgia Institute of Technology. She received her Ph.D. in Economics from the University of Chicago. Her research interests are foreign



exchange exposure and risk management; network economics; global corporate finance; emerging market economics; global financial economics; organizations and markets; corporate financial policy and strategy; enterprise resource modeling and information economics and value-based corporate economics. Her current research and teaching interests include measurement of the use of Web 2.0 internet tools and connectivity on teaching outcomes in K-12 education; preparation of a textbook based on her distinctive course, The Global Economy; connectivity and microenterprise finance for reduction of poverty in Africa. Her publications include books and articles on government trade policy and corporate policy formation, capital controls in emerging economies, and articles in such journals as The Review of Economics and Statistics, Journal of International Business Studies, Journal of Cash Management, Midland Corporate Finance Journal, and the financial Analysts Journal. She is the author of over 20 widely used case studies that have been published by the Harvard Business School and reprinted elsewhere. She has been a faculty member at the Georgia Institute of Technology since 1997 where she served as Chair of the School of Economics for two years.

# faculty updates

## Publications

### *Tibor Besedes*

"The Role of Extensive and Intensive Margins and Export Growth," *Journal of Development Economics*, forthcoming, joint with Thomas J. Prusa

"The Duration of Trade Relationships," in *Adjustment Costs and Adjustment Impacts of Trade Policy*, Bernard Hoekman and Guido Porto, eds, CEPR, 2010, joint with Thomas J. Prusa

### *Byung-Cheol Kim*

"Net Neutrality and Investment Incentives" (with Jay Pil Choi) *RAND Journal of Economics*, Vol.41, No.3, Autumn 2010 pp. 446-471

### *Haizheng Li*

"Human Capital Index in China" (with Barbara Fraumeni), in *World Bank. 2010, The Changing Wealth of Nations*, Washington, DC: World Bank, forthcoming, 2010.

"Human Capital Measurement and Index Construction in China," (with Yunling Liang, Barbara Fraumeni, Zhiqiang Liu and Xiaojun Wang), *Economic Research Journal*, in Chinese, forthcoming, 2010.

"High Education in China--Complement or Competition to US Universities," *National Bureau of Economic Research invited book chapter, American Universities in Global Competition*, edited by Charles T. Clotfelter, University of Chicago Press, Chapter 8, pp. 269-304, 2010.

### *Volodymyr Lugovskyy*

"An Experimental Investigation of Overbidding in All-Pay Auction" *European Economic Review*, in press, (with Daniela Puzzello and Steven Tucker).

### *Patrick McCarthy*

"Long Run Equilibrium and Short Run Dynamic Between Risk Exposure and Highway Safety" (with R. Kilic), *Empirical Economics*, forthcoming.

"Regional Demands for Pulp and Paper Products" (with L. Lei), *Journal of Forest Economics* 16, 2010, 127-44.

### *Olga Shemyakina*

"The Effect of Armed Conflict on Accumulation of Education: Results from Tajikistan", *Journal of Development Economics*, forthcoming

## Conference Presentations

### *Haizheng Li*

Keynote speaker, Compensation Study Association of Higher Education, China Ministry of Education, Annual Meeting, "Compensation Survey: Objectives and Approach," Tibet, China, July 27, 2010.

Invited plenary session speaker, The 31st IARIW General Conference by International Association for Research in Income and Wealth, "Human Capital in China" (with Yunling Liang, Barbara Fraumeni, Zhiqiang Liu and Xiaojun Wang), St.Gallen, Switzerland, August 23-28, 2010.

## Invited Talks

### *Thomas Boston*

Annual Legislative Conference: National Town Hall Meeting panel, "Educating Our Way to Prosperity," September 16, 2010

### *Christine Ries*

"Is the Morality of Markets Moral?"

Distinguished lecture series on Moral Foundations of Capitalism, sponsored by BB&T Charitable Foundation, presented at The Harry F. Byrd, Jr. School of Business, Shenandoah University Winchester, VA October 19, 2010

## Media Coverage

### *Thomas Boston*

Monthly appearance on CNN to discuss the Labor Department's National Unemployment Figures; CNN appearances to discuss economic events as they occur including Financial Regulatory Reform

### *Haizheng Li*

Top Chinese Newspaper, "Jiefang Daily," a full page covering work on human capital in China, August 29, 2010.

### *Christine Ries*

CBS Atlanta, October 25, 2010

Economists view on the impact of Illegal Immigration on the Georgia Economy

## Consulting Work

### *Olga Shemyakina*

March 2010- Present, Consultant, World Bank, Project: "Gender and Armed Conflict"

# student news

## recent internships

www.econ.gatech.edu Volume 8 Fall 2010

Competing for jobs today requires motivation and innovation. We like to think that our students have more than their fair share of those attributes, but to get to the finish line first, we encourage them to complete at least one internship as an undergraduate. Fortunately, most of our students are able to far exceed that expectation. So, where do they find these fantastic internships that give them the edge to lap the competition? This summer our students interned with:

- » FDIC
- » U.S. Senate
- » Deloitte
- » Emdeon
- » Cornerstone Investment Partners
- » GTRI - Office of Policy Analysis and Research
- » Center for the Study of the Presidency and Congress
- » Berlin Partner GmbH - Germany
- » Booz Allen Hamilton
- » Technology Association of Georgia
- » Odyssey of Humanity
- » German American Chamber of Commerce



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