



ISSUES IN POLITICAL ECONOMY

Undergraduate Student Research in Economics

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Emily Plante, Elon University

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Mission Statement

Issues in Political Economy is committed to supporting and encouraging quality undergraduate research in all areas of economics. The Journal was founded on the belief that the best way to learn economics is to do economics. Through the process of research, writing, and peer review, students actively engage the discipline in a way not possible by simply listening to lectures and reading textbooks. In short, undergraduate research is a vital component in an economics education. The literature suggests that students take projects more seriously and learn more when the project is directed towards an external rather than an internal audience such as a class assignment. *IPE* is designed to provide an external audience for such research.

Issues in Political Economy is edited and refereed entirely by students, with oversight from faculty at Elon University and University of Mary Washington. In order to maintain quality and objectivity, we follow a double-blind review process. The only requirements for submission are that the article pertains to some aspect of economics, that it was written during undergraduate study, and that it be submitted through a faculty sponsor. Though submissions on all topics in economics will receive consideration, papers should be analytical and seek to add new understanding to the topic

For additional information please visit our website <http://www.elon.edu/ipe>

Faculty Sponsors:

Steven A. Greenlaw
Professor of Economics
University of Mary Washington
Fredericksburg, VA 22401
Email : sgreenlaw@umw.edu

Stephen B. DeLoach
Professor of Economics
Department of Economics
Elon University
Elon, NC 27244
Email: deloach@elon.edu

NOTE FROM THE EDITOR

Issues in Political Economy began over a decade ago with the goal of developing a forum to further the understanding of economics among undergraduate students. The original journal was conceived and cultivated by dedicated students and faculty at Bellarmine College in Louisville, Kentucky.

In 1999, Elon University and the University of Mary Washington inherited the sponsorship and editorial responsibilities of *Issues in Political Economy*. Since then, *IPE* has gained international recognition as one of only two undergraduate research journals, and has received submissions from all over the world.

The IPE not only focuses on promoting undergraduate research, but also is a student lead incentive. While faculty oversees the project, an editorial team of senior economic majors primarily leads the journal. Students review all submissions and the final decision-making rests in the hands of the editorial team.

We would like to thank Dr. Steve DeLoach from Elon University and Dr. Steven Greenlaw from the University of Mary Washington for their guidance and support. These faculty members steered much of the process, and the final result would not be possible without them.

The Journal also sponsors an undergraduate session every year, usually at the Annual Eastern Economics Association Conference, but for the first time we held a stand-alone conference. This year's 20th annual IPE Conference was held in Boston, Massachusetts and was a great success, hosting many student papers and allowing students to serve as session chairs and discussants. I would like to commend Dr. Steve DeLoach and Kate Easom of Elon University for all of the hard work they put in to making the conference happen. I would also encourage any future submitters to consider presenting at the conference as well as submitting to the Journal, as the experience of a live presentation is not something to ignore.

It is out of hope that each year's *Issues in Political Economy* will build upon the success of the past and continue to be a creative and beneficial journal for all involved.

Emily Plante
2013 Editor

FORWARD

The twenty-second volume of *Issues in Political Economy* contains five papers. These papers offer a wide variety of topics and range from an examination of the factors that affect human capital to reservation policy in India. Each paper offers thorough and in-depth economic analysis using a variety of different techniques from logical analytics to sophisticated econometric models.

The first paper, Jae Bradley of Bowdoin College creates a model that attempts to predict Olympic medal counts received by a country during the Olympic games. The author creates a production function of three factors: population, wealth, and organizational ability. Bradley finds that Olympic medals can be predicted relatively accurately by using a model based on per capita GDP and population, however he struggles to find a proxy for organizational ability.

The next paper, Paul Mack and Tyler McWilliam of Loyola University Chicago examine the determinants of residential heating and cooling energy consumption. The authors use microdata from the US Energy Information Administration's 2009 Residential Energy Consumption Survey to create a model of energy use across five climate regions. Ultimately the authors find that climate and square footage are highly significant determinants of household energy demand, and could influence shifts in policy to make the US housing market less energy intensive.

The third paper, Raahil Madhok, McGill University seeks to investigate the relationship between political reservation for Scheduled Castes (SC's) and Scheduled Tribes (ST's), who are often labeled as sub-human groups in India, and the number of cases of atrocities committed against them. Madhok uses state-level panel data and finds a one percent increase in the percentage of seats reserved for SCs increases the number of atrocities committed against SCs and STs (combined) by 200 per million of population.

The fourth paper, Justin Lewis of Tulane University estimates how the price level of domestic cabotage services would differ if the Jones Act were not in place. Lewis uses a shadow pricing method that simulates the removal of Jones Act compliance costs from the cost structures of firms wishing to participate in the domestic trade to examine how a change in operating costs would influence the price for shipping. He finds that without the Jones Act, coastal water transport in the US would be 61% cheaper.

The next paper, Daniel Nellis of Grinnell College seeks to answer two questions; has each round of Quantitative Easing (QE) been effective, and if so, does effectiveness taper off each subsequent round. Nellis argues that it is possible the market will begin to anticipate new rounds of QE and factor them into the pricing of assets prior to the official announcement. Thus, the more anticipated a program, the less effective it becomes. Ultimately the author finds that QE was initially effective in lowering long-term interest rates, but additional rounds of QE did in fact become less effective as they were widely anticipated.

In the final paper, Jack Nuland and Justin Ingram of St. Lawrence University examine the pursuit of increased human capital, in the context of a college education. Their study uses survey data from the NLSY97 to depict the determinants of youths' decision of whether or not to attend

college. They find that white females have the highest likelihood of attending college. Additionally, living in an urban environment and having better educated parents also influence a child's decision to attend college.

We are fortunate to have such a talented set of writers this year. The range of topics covered as well as the depth in which each topic is explored demonstrates the quality of studies the IPE is proud to maintain. We hope this edition inspires submissions for next year, promotes future research, and provides valuable and significant insight into each topic as this year's papers have done.

Emily Plante